

REQUEST FOR PROPOSAL #R10-1172 FOR: Roofing Installation, Materials, and Related Services

October 4, 2024

Section One:

Part A – Introduction & Scope

Part B – Instructions to Respondents

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REQUEST FOR PROPOSAL FOR Roofing Installation, Materials, and Related Services

EDUCATION SERVICE CENTER, REGION 10

400 E Spring Valley Rd
Richardson, TX 75081
Telephone: (972) 348-1184



Publication date	10/04/2024
Product or service	Roofing Installation, Materials, and Related Services
RFP #	R10-1172
Proposal due date	11/01/2024
Proposal submittal location	https://region10.bonfirehub.com/portal/?tab=login
Principle contract officer	Mr. Clint Pechacek Purchasing Consultant
Public opening location	Region 10 ESC 400 E. Spring Valley Rd. Richardson, TX 75081

Education Service Center, Region 10 ("Region 10 ESC") is seeking proposals on behalf of itself and the national Equalis membership for the procurement of Roofing Installation, Materials, and Related Services, including JOC. Responses will be accepted until November 01, 2024 at 2:00 PM. All times are Central Standard Time.

The public bid opening will be held via Teams meeting. Interested parties who wish to attend the bid opening should email Clint Pechacek at clint.pechacek@region10.org at least 24 hours before the deadline for submissions to receive an invitation. The bid opening will begin at 2:00 pm Central Time on November 01, 2024 after all submissions have been received.

In general, cooperative members will reference this RFP when purchasing or "piggybacking" on a contract awarded from this procurement process. Region 10 ESC will not charge a fee to public agencies for participation in the purchasing cooperative.

Faxed, emailed, or mailed responses will not be considered. By submitting a response, responder certifies to the best of his/her knowledge that all information is true and correct. All proposals must be submitted electronically on the forms provided as directed in the Bonfire procurement application. Scanned submissions are acceptable where PDF files are requested. Only responses received by the date and time specified will be considered.

PRICE, QUALITY, AND SUITABILITY: It is not the policy of Region 10 ESC to purchase services solely on the basis of low price alone; quality and suitability to purpose are taken into consideration.

The Region 10 ESC Board of Directors may approve awarding this proposal to one or more vendors. Region 10 reserves the right to reject all proposals if it determines in its sole discretion that a reasonable basis exists for doing so. Consideration for an exclusive award to a single supplier will be given for vendors who respond with value that separates the vendor from other respondents within the competitive range.

Vendors who do not submit a signed contract signature page will be eliminated from consideration.

This RFP consists of three sections and one Excel attachment:

Section One:

- Part A – Introduction and Scope
- Part B – Instruction to Respondents and Award Process

Section Two:

- Proposal Submission and Required Forms

Section Three:

- Part A – Vendor Contract and General Terms and Conditions
- Attachment A – Equalis Group Administrative Agreement
- Attachment C – State Notices

Attachment B

- Pricing

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MASTER AGREEMENT

The purpose of Region 10 ESC soliciting this Request for Proposal is to create a Master Agreement for Roofing Installation, Materials, and Related Services for use by public agencies supported under this contract ("Members"). Region 10 ESC, as the Lead Agency (as defined in Section Three; Attachment A, Equalis Group Administrative Agreement), has come together with Equalis Group to make the resultant contract (also known as the "Master Agreement") from this Request for Proposal available to other public agencies, including county, city, state, special district, local government, school district, private K-12 school, higher education institution, other government agency or non-profit organization ("Public Agencies"), for the public benefit through the Equalis Group's cooperative purchasing program. Region 10 ESC will serve as the contracting agency for any other Public Agency that elects to access the resulting Master Agreement. This process may be referred to as "piggybacking", "cooperative purchasing", "joint powers", or other terminology depending on the specific state or agency location.

The use of the Master Agreement by any Public Agency is preceded by its registration with Equalis Group as a Participating Public Agency in Equalis Group's cooperative purchasing program, and by using the Master Agreement, any such Public Agency agrees that it is registered with Equalis Group, whether pursuant to the terms of a Master Intergovernmental Purchasing Cooperative Agreement, which can be accessed at <https://equalisgroup.org/member-registration/>, or as otherwise agreed to. . Attachment A contains additional information on Equalis Group and the cooperative purchasing program. Equalis Group provides marketing and administrative support for the awarded vendor ("Supplier") that promotes the successful vendors' products and services to the Participating Public Agencies nationwide.

Participating Public Agencies benefit from pricing based on aggregate spending and the convenience of a contract that has already been advertised and competitively awarded. The Supplier benefits from a contract that allows Participating Public Agencies to directly purchase goods and services without the Supplier's need to respond to multiple competitive solicitations.

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SECTION ONE: PART A – INTRODUCTION AND SCOPE

1. BACKGROUND ON REGION 10 EDUCATION SERVICE CENTER

- 1.1. Region 10 Education Service Center (“Region 10 ESC” herein “Lead Agency”) on behalf of itself and, potentially, to all other public agencies, including county, city, state, special district, local government, school district, private K-12 school, higher education institution, other government agency or non-profit organization (“Public Agencies”) solicits proposals from qualified Respondents to enter into a Vendor Contract (“Contract”) for the goods or services solicited in this invitation.
- 1.2. Contracts are approved and awarded by a single governmental entity, Region 10 ESC, and are only available for use and benefit of all entities complying with their respective state procurement laws and regulations (public and private schools, colleges and universities, cities, counties, non-profits, and all governmental entities).
- 1.3. The mission of Region 10 is to be a trusted, student-focused partner that serves the learning community through responsive, innovative educational solutions. It is Region 10's intent to:
 - Provide governmental and public entities opportunities for greater efficiency and economy in procuring goods and services.
 - Take advantage of state-of-the-art purchasing procedures to ensure the most competitive contracts.
 - Provide competitive price and bulk purchasing for multiple government or public agencies that yields economic benefits unobtainable by the individual entity.
 - Provide quick and efficient delivery of goods and services.
 - Equalize purchasing power for smaller agencies that are unable to command the best contracts for themselves.
 - Help in assisting customers with use of best business practices.

2. ROLE OF THE EQUALIS GROUP

- 2.1. Equalis Group assists Region 10 ESC in helping other public agencies and non-profits reap the benefits of national leveraged pricing, with no cost to the Member. Equalis Group leverages one of the largest pools of purchasing potential. This is accomplished by competitively soliciting proposals and awarding contracts for commonly purchased products and services.

3. CUSTOMER SERVICE

- 3.1. Region 10 ESC is dedicated to making its contracts successful for both its members and its awarded vendors.
- 3.2. Region 10 ESC is committed to providing its members and awarded vendors with high quality service.
- 3.3. Region 10 ESC has dedicated staff available to answer questions, offer guidance and help in any way possible.

4. PRODUCTS AND SERVICES COVERED (SCOPE)

4.1. It is the intention of Region 10 ESC to establish a contract with Respondent(s) for a complete and comprehensive offering of Roofing Installation, Materials, and Related Services, including JOC. Respondents may elect to limit their proposals to a single product or service line within any category, or multiple products and services within any and all categories. Respondents are encouraged to offer turn-key solutions to address the full range of roofing products and services being sought in this solicitation. The Respondent may propose all necessary labor, materials, tools, supplies, equipment, transportation, supervision, management, and all operations necessary and required for construction work, including design and any other related services. All works shall be performed in accordance with the requirements set forth in the resulting contract and each mutually agreed upon work request or purchase order issued by the participating agency. Roofing installation and services include but are not limited to:

Roofing Installation and Materials:

- New installation for various roof types including but not limited to shingle, metal, built-up, and single-ply
- Roof replacement and re-roofing services
- Installation of insulation and vapor barriers
- Application of coatings and sealants
- Green roof and solar roof installation
- Installation of roofing accessories including but not limited to skylights, hatches, and vents

Roofing Services:

- Roofing inspection and assessment
- Preventative maintenance programs
- Emergency repair services
- Leak detection and repair
- Gutter and downspout installation and maintenance
- Snow and ice removal from roofs

Complementary Roofing Solutions: The following additional services are permissible only when performed in conjunction with active roofing installation, materials provision, or roofing services as outlined above. These complementary solutions may include, but are not limited to:

- HVAC services related to roof-mounted units or systems
- Electrical work associated with roofing projects
- Plumbing services pertaining to roof drainage systems
- Structural modifications necessary for roofing projects
- Masonry work related to chimneys, parapets, or other roof-adjacent structures

- Carpentry services for roof decking or related wooden structures
- Hazardous material management specific to roofing projects
- Energy efficiency and sustainability services directly tied to roofing solutions

Product Performance Minimum Requirements

All roof systems must meet the regulatory requirements of the International Building Code, all applicable state and local codes for public buildings, including, but not limited to, UL 790, Class A, and FM Class 1-90 Fastening Standards. The prime contractor awarded a contract will comply with the latest, most stringent industry-standard construction details published by the National Roofing Contractors Association's the NRCA Roofing and Waterproofing Manual, 4th edition. (NRCA, 10255 W. Higgins road, Suite 600, Rosemont, IL 60018 || 847-299-9070 || Fax 847-299-1183). Any deviations, such as the use of proprietary designs of the prime contractor or special construction for regional climatic conditions, must be identified and explicitly agreed to by the participating agency.

Depending on the scope and circumstances, the pricing of this work may be required by Texas Government Code §2269 to be procured by a method enumerated in the statute. The method permitted by Region 10 ESC is the Job Order Contract (JOC) method. The statute requires the use of a unit pricing model and the unit price book Region 10 prefers the RS Means or similar price book. The statute also requires the pricing to be submitted as a coefficient of the Unit Price Book's line item prices.

Respondents may elect to limit their proposals to a single product or service line within any category, or multiple products and services within any and all categories. However, respondents are encouraged to propose their complete catalog, products and services where available.

In addition to the requirements defined herein regarding contractors and sub-contractors, The respondent should describe in its business plan how it will include and work with local subcontractors and how it will work with local architects and engineers, especially those A&E firms already working with client members.

Performance Bond Plan

The contractor shall submit a detailed performance bond plan for meeting participating agencies' local and state statutory requirements. The vendor is required to be knowledgeable and current on all statutory requirements for bonding in the areas they intend to do business. This should include, but is not limited to, a letter from a surety company that is licensed to do business in the states being proposed in the submittal. Respondents shall also provide a written statement acknowledging that they can provide surety letters for any participating agencies upon request. Vendors may need to provide additional capacity as work orders increase. Bonds will not require that a fee be paid to Region 10 ESC. The actual cost of the bond will be a pass-through expense to the client and added to the purchase order.

Safety/Environmental Plan

Respondents shall submit a detailed safety plan with their submittal in response to Appendix A. It should specifically address how the contractor will

implement this plan with subcontractors. The safety plan will need to address OSHA compliance, environmental compliance, drug testing, trend analysis and noncompliance corrective action. It should also state whether a safety officer will interact with the client member's staff and management of safety and environmental issues while working in occupied areas.

Subcontractor Plan

The respondent shall submit a subcontracting plan with their submittal in response to Appendix A. This plan will explain the subcontracting procedures providing assurances that the subcontractors meet the same high standards as the contractor. This will include a subcontractor's log, subcontractor qualification form, felony conviction notice and child and sex offender notice. This plan will also address how the respondent will implement their safety plan with subcontractors (may reference the vendor's safety plan). The subcontractors will be held to the same standards as the primary roofing contractor.

A distinct portion of the subcontracting plan needs to deal with attracting, utilizing and mentoring small and disadvantaged businesses including how your company will attract these firms. Describe how your company will institute a prompt payment plan upon completion and acceptance of their work and how your company will make progress payments to subcontractors on long term job orders.

The contractor shall submit a plan detailing the relationship with any applicable affiliates that may do work under this contract. This submittal should include, but is not limited to, work history, credentials, PO processes, and process to maintain upstanding workmanship and service.

- 4.2. Products, Equipment, consulting and other services: This scope should be read as including all products, equipment, consulting software, services, and any other capability that respondents are able to offer which provides, support or complements the ability for government agencies to manage and monitor their operations.

National Scope: This RFP will be used to establish cooperative contract(s) that will be made available to the national Equalis membership in all 50 states. Respondents are not required to provide national coverage in order to be considered for award: Region 10 ESC may award multiple local and/or regional vendors to cover as much of the national membership as possible.

5. PRICING

- 5.1. **Attachment B:** All pricing must be entered into the Attachment B template provided. Products/lines completed will be used to establish the extent of the Respondents product lines, services, warranties, etc. that are available. All services offered under this contract must be priced or listed as free and unlisted services will not be accepted. Respondents have the option to propose line item/hourly rate pricing, Job Order Contracting (JOC) using a Unit Price Book (UPB), or both.
- 5.2. **Price value and coverage:** Region 10 ESC requests that potential Respondents offer a wide array of products and services at lower prices and with better value than what they would ordinarily offer to a single government agency, a school district, or a regional cooperative.

Auditable Pricing. It is the responsibility of the Respondent to provide a complete Cost Proposal that includes pricing based on a verifiable pricing methodology for all products and/or services to be considered for award.

Job Order Contracting Pricing: For Respondents offering a JOC delivery method, Region 10 ESC requires the use of a unit pricing model and the unit price book (UPB) Region 10 ESC prefers is the RS Means price book. Pricing must be submitted as a coefficient of the Unit Price Book's line item prices. The RS Means price book published quarterly updates will be allowed if available. In addition to the coefficient, the published City Cost Index from the RS Means price book will be utilized as a modifier for the specific city or region.

Proposers are welcome to submit a proposal regionally or statewide providing a matrix that address the following:

- Coefficients Regular Hours – the priced coefficients for each State, Region or City outlined below that you are willing to work in shall be listed for regular hours * (State your regular hours spanning from A.M. to P.M.)
- Coefficient After Hours – the priced coefficient for weekends, holidays and hours outside of regular hours.
 - Recognized holidays include: New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, Independence Day, labor Day, General Election Day, Veterans Day, Thanksgiving Day and Friday after, Christmas Eve and Christmas Day and New Year's Eve.
- The coefficient must be rounded to the nearest second decimal place, e.g. .352 would be rounded to .35.

Non-pre-priced Items: Items that are not found in the RS Means unit price book will be listed as "non-pre-priced." This does not include previously discussed minor design costs. The contractor will provide three firm price quotes to establish the average base cost for each item. The contractor's coefficient will then be applied to determine the price and the city cost index will not be applied. This line item will need to be approved by the public agency. Once approved, the item will be added to the price book for future projects and no longer is non-pre-priced.

- Other Restrictions and Fees: All other fees or restrictions must be provided. Examples such as minimum order sizes, restocking fees, and/or any other relevant fee or restriction that may be associated with this contract. Fees or restrictions not listed will not be allowed under this contract.
- Line-item or fixed pricing: In this format, individual products or services are offered at specific contract prices.
- Other Discounts or Enhanced Pricing: Respondents should list any additional rebates, discounts off list, delivery size incentives or other price discounts not already provided. Respondents are encouraged to offer additional discounts for one-time delivery of large single orders to participating public agencies. Participating public agencies should seek to negotiate additional price concessions based on quantity purchases of any products offered under the Contract.
- Other Restrictions and Fees: All other fees or restrictions must be provided. Examples such as minimum order sizes, restocking fees, and/or any other relevant fee or restriction that may be associated with this

contract. Fees or restrictions not listed will not be allowed under this contract.

- 5.3. **All products and services must be priced:** All products and additional services/costs such as shipping, installation, delivery, tech support, training, and other services must be priced. Any service provided free of charge should be listed in order to be included on any resulting contract award.
- 5.4. **Not to Exceed Pricing:** Region 10 ESC requests pricing be submitted as not to exceed for any participating entity. Unlike fixed pricing, the awarded vendor can adjust submitted pricing lower if needed, but cannot exceed original pricing submitted for solicitation. Vendor must allow for lower pricing to be available for similar product and service purchases.
- 5.5. **Administrative Fees.** Pricing provided shall include the administrative fee paid to Equalis Group.
- 5.6. **Cost Plus Pricing is not acceptable as the primary pricing methodology for the solutions provided in your Cost Proposal.** Cost Plus can be defined as adding a percentage markup to the cost of goods or services to arrive at a selling price. Using this pricing methodology is not accepted by Members using Federal Grant Funds to purchase the products or services offered.

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SECTION ONE: PART B – INSTRUCTION TO RESPONDENTS AND AWARD PROCESS

6. SUBMISSION FORMAT AND COMMUNICATION

- 6.1. It is the responsibility of the vendor to make certain that the company submitting a proposal, along with appropriate contact information, is on file with Region 10 ESC for the purpose of receiving addenda.
- 6.2. **Response Submission:** All responses must be submitted electronically as directed in the Bonfire procurement application. Scanned submissions are acceptable where PDF files are requested. Responses received outside the Bonfire procurement application will not be accepted.
- Responses may be rejected for failure to comply with the requirements set forth in this invitation. Region 10 ESC reserves the right to cancel solicitation, reject any or all proposals, to accept any proposal deemed most advantageous to the Members and to waive any informality in the proposal process. Respondents are responsible for making certain proposals are submitted in the Bonfire portal completed by the deadline. Region 10 ESC is not responsible for technical difficulties encountered when uploading the response and will not accept proposals or additions to received proposals after the specified deadline. All information submitted must be readable in the Bonfire application or Microsoft Excel in order to be considered.
 - Deviations from any terms, conditions and/or specifications must be conspicuously noted in writing by the Respondent and shall be included with the response. (See Section Two, Proposal Form #19).
- 6.3. **Proposal Format:** The electronic narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested.
- Responses should be consolidated into one PDF file for the RFP response and one Excel file for the Pricing Attachment response. No embedded files, or alternative formats (such as Adobe Portfolio attachments) are allowed except where specifically requested in the RFP. Any information that is not readable in the Bonfire PDF viewer or in the Excel pricing file will not be considered by the evaluation committee. Vendors are solely responsible for ensuring that any links included in their response are valid and accurate. Region 10 ESC is not required to offer vendors the chance to fix broken or faulty links in their response after proposal submission.
- 6.4. **Time for receiving proposals:** Proposals received prior to the submittal deadline will be kept secure and unopened. No proposals submitted after the submittal time and deadline will be considered.
- 6.5. **Inquiries and/or discrepancies:** Questions regarding this solicitation must be submitted in the [Bonfire procurement application](#). All questions and answers will be posted to the Bonfire procurement application. Respondents are responsible for viewing the Bonfire procurement application to review all questions and answers prior to submitting proposals. Please note that oral communications concerning this RFP shall not be binding and shall in no way

excuse the responsive Respondent of the obligations set forth in this invitation.

- 6.6. **Restricted and Prohibited Communications with Region 10 ESC and Equalis Group:** During the period between the date Region 10 ESC issues this RFP and the selection of the vendor who is awarded a contract by Region 10 ESC, if any, Respondents shall restrict all contact with Region 10 ESC and Equalis Group, and direct all questions regarding this RFP, including questions regarding terms and conditions, only to the Bonfire procurement application in the specified manner. **Do not contact members of the Board of Directors, other employees of Region 10 ESC, any of Region 10 ESC's agents or administrators or Equalis Group employees. Contact with any of these prohibited individuals after issuance of this RFP and before selection is made, may result in disqualification of the Respondent.**

- The communications prohibition shall terminate when the contract is recommended by the administration, considered by the Board of Directors at a noticed public meeting, and a contract has been awarded. In the event the Board of Directors refers the recommendation back to staff for reconsideration, the communications prohibition shall be re-imposed. Additionally, during the time period between the award by the Board of Directors and the execution of the contract, Respondents shall not engage in any prohibited communications as described in this section.
- Prohibited communications include direct contact, discussion, or promotion of any Respondent's response with any member of Region 10 ESC's Board of Directors or employees except for communications with Region 10 ESC's designated representative as set forth in this RFP and only in the course of inquiries, briefings, interviews, or presentations. This prohibition is intended to create a level playing field for all potential Respondents, to assure that decisions are made in public, and to protect the integrity of the RFP process. Except as provided in the above stated exceptions, the following communications regarding a particular invitation for bids, requests for proposal, requests for qualifications, or other solicitation are prohibited:
 - Communications between a potential vendor, service provider, Respondent, offeror, lobbyist or consultant and any member of Region 10 ESC's Board of Directors;
 - Communications between any director and any member of a selection or evaluation committee; and
 - Communications between any director and administrator or employee.
- The communications prohibition shall not apply to the following:
 - Communications with Region 10 ESC's purchasing agent specifically named and authorized to conduct and receive such communications under this RFP or upon the request of Region 10 ESC, with Region 10 ESC's legal counsel; and
 - Presentations made to the Board of Directors during any duly noticed public meeting at which the solicitation is

under consideration and the Vendor has been invited to present to the Board

- Nothing contained herein shall prohibit any person or entity from publicly addressing Region 10 ESC's Board of Directors during any duly noticed public meeting, in accordance with applicable Board policies, on a matter other than this RFP, or in connection with a presentation requested by Region 10 ESC's representatives. Communication with any employee of Equalis Group

7. ADDENDA

- 7.1. If required, will be issued by Region 10 ESC to all those known to have received a complete set of Proposal documents. The vendor shall acknowledge on the Signature Form the number of addenda received.

8. CALENDAR OF EVENTS

Event	Date:
Issue RFP	10/04/2024
Deadline for questions	10/24/2024
Issue Addendum/a (if required)	10/25/2024
Proposal Due Date	11/01/2024
Approval from Region 10 ESC	12/20/2024
Contract Effective Date	01/01/2025

9. CONDITIONS OF SUBMITTING PROPOSALS

- 9.1. **Amendment of Proposal:** A proposal may be amended up to the time of opening by amending the proposal submitted in the Bonfire procurement application.
- 9.2. **Withdrawal of proposals:** Withdrawal of proposals prior to the opening date will be permitted. Withdrawal of proposal will not be allowed for a period of 120 days following the opening. Pricing will remain firm for 120 days from submittal. However, consideration may be given in cases where Respondent advises that it made a clerical error that is substantially lower than it intended. In such case, Respondent must provide written notice of their desire to withdraw, along with supporting documents, within three (3) business days of receiving the acceptance letter. Any contracts entered into prior to Region 10 ESC receiving notice must be honored.
- No Respondent should assume that their withdrawal request has been accepted unless, and until, they receive written acknowledgment and acceptance of their proposal withdrawal.
- 9.3. **Clarifications:** Region 10 ESC may, by written request, ask a Respondent for additional information or clarification after review of the proposals received for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal. Clarification does not give Respondent an opportunity to revise or modify its proposal, except to the extent that correction of apparent clerical mistakes results in a revision.

Region 10 ESC will not assist Respondent in bringing its proposal up to the level of other proposals through discussions. Region 10 ESC will not indicate to Respondent a cost or price that it must meet to either obtain further consideration nor will it provide any information about other Respondents' proposals or prices.

- 9.4. **Best and Final Offer:** Region 10 ESC, in its sole discretion, may request all Offerors in the competitive range to submit a Best and Final Offer. Offerors must submit their Best and Final Offers in writing. If an Offeror does not respond to the request for a Best and Final Offer, that Offeror's most recent prior offer will be considered to be its Best and Final Offer.
- 9.5. **Specifications:** When a solicitation contains a specification that states no substitutions, no deviation from this requirement will be permitted. Respondent must comply with the true intent of the specifications and drawings and not take advantage of any unintentional error or omission. In cases where no type and kind of product is specified, Region 10 ESC specifications have been developed to indicate minimal standards as to the usage, materials, and contents based on the needs of the members.
- References to manufacturer's specifications (Design Guides), when used by Region 10 ESC, are to be considered informative to give the Respondent information as to the general style, type and kind requested. Responses proposing goods, materials or equipment regularly produced by a reputable manufacturer shall be evaluated by Region 10 ESC which will, in its sole discretion, determine whether such proposed goods, materials or equipment are substantially equivalent to the Design Guides, considering quality, workmanship, economy of operation, and suitability for the purpose intended. Respondents should include all documentation required to evaluate whether or not their proposed goods, materials or equipment are substantially equivalent to the Design Guides.
- 9.6. **Quality of Materials or Services:** Respondent shall state the brand name and number of the materials being provided. If none is indicated, then it is understood that the Respondent is quoting on the exact brand name and number specified or mentioned in the solicitation.
- However, unless specifically stated otherwise and in accordance with purchasing laws and regulations, comparable substitutions will be permitted in cases where the material is equal to that specified, considering quality, workmanship, economy of operation and suitability for the purpose intended.
- 9.7. **Deviations and Exceptions:** Deviations or exceptions from the Scope stipulated in response may result in disqualification. It is the intent of Region 10 ESC to award a respondent's complete line of products and services, when possible.
- 9.8. **Formation of Contract:** A response to this solicitation is an offer to contract with Region 10 ESC based upon the terms, conditions, scope of work, and specifications contained in this request. A solicitation does not become a contract until it is awarded by Region 10 ESC. A contract is formed when Region 10 ESC's board or designee counter-signs the Vendor Contract Signature Form. **The prospective vendor must submit a signed Vendor**

Signature Form with the response, thus eliminating the need for a formal signing process after award.

- 9.9. **Estimated Quantities:** Region 10 ESC anticipates that a substantial number of participating members will enter into contracts resulting from this solicitation; however, Region 10 ESC makes no guarantee or commitment of any kind concerning quantities or usage of contracts resulting from this solicitation. The annual volume for this contract is estimated to be over \$50 million annually by year three (3) of the contract. This information is provided solely as an aid to contract vendors in preparing proposals only, and performance will be determined by other factors such as awarded supplier's competitiveness, and overall performance and support of the contract. The successful Vendor(s) discount and pricing schedule shall apply regardless of the volume of business under the contract.
- 9.10. **Multiple Awards:** Membership includes a large number of potential entities which may utilize this contract throughout the nation. To assure any ensuing contract(s) will allow Region 10 ESC to fulfill current and future needs, Region 10 ESC reserves the right to award contract(s) to multiple vendors. The decision to award multiple contracts, award only one contract, or to make no awards rests solely with Region 10 ESC. A multiple award shall be limited to the least number of vendors Region 10 ESC in its sole discretion determines to be necessary to meet the requirements of the Equalis membership.
- 9.11. **Non-Exclusive:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience and benefit of participating Members. Region 10 ESC and participating Members reserve the right to obtain like goods and services from other sources.

10. AWARD PROCESS

- 10.1. **Award or rejection of proposals:** In accordance with applicable laws, rules, and regulations for public purchasing, award(s) will be made to the most responsive and responsible Respondent(s) whose proposal(s) is/are determined to be the best value and most advantageous to Member, price and other factors considered. Region 10 ESC reserves the right to use a "Market Basket Survey" method, based on statistically representative criteria to determine the most responsible response. To qualify for evaluation, response must have been submitted on time, and satisfy all mandatory requirements identified in this document. Proposals that are materially non-responsive will be rejected and Region 10 ESC will provide notice of rejection to the Respondent.
- 10.2. **Evaluation Process:** In evaluating the responses the following predetermined criteria is considered:
- Products/Pricing (30 Points)
 - Coverage of products and services
 - Ability of offered products and services to meet the needs requested in the scope
 - Competitive pricing for all available products and services, including warranties if applicable
 - Ability of Customers to verify that they received contract pricing
 - Payment methods

- Other factors relevant to this section as submitted by the Respondent
- Performance Capability (25 Points)
 - Roofing experience and capabilities
 - Implementation and support plan
 - Project management capabilities
 - Performance bonding
 - Quality control and compliance
 - Customer service/problem resolution
 - Financial condition of vendor
 - History of meeting products and services deadlines
 - Other factors relevant to this section as submitted by the Respondent
- Qualification and Experience (25 Points)
 - Respondent reputation in the marketplace
 - Past relationship with Region 10 ESC and/or Region 10 ESC members
 - Experience and qualification of key employees
 - Past experience working with the public sector
 - Past litigation, bankruptcy, reorganization, state investigations of entity or current officers and directors
 - Minimum of 5 public sector customer references relating to the products and services within this RFP
 - Company profile and capabilities
 - Exhibited understanding of cooperative purchasing
 - Other factors relevant to this section as submitted by the Respondent
- MWBE Status and/or Program Capabilities (10 Points)
 - MWBE status, subcontractor plan, and/or joint venture program
 - Good faith efforts to involve MWBE subcontractors in response
 - Demonstrated ongoing MWBE program
- Commitment to Service Equalis Group Members (10 Points)
 - Marketing plan and capability
 - Ability to manage a cooperative contract
 - Commitment to supporting agencies to utilize the contract
 - Other factors relevant to this section as submitted by the Respondent

10.3. **Competitive Range**

- It may be necessary to establish a competitive range. Factors from the predetermined criteria will be used to make this determination. Responses not in the competitive range are unacceptable and do not receive further award consideration.

10.4. **Evaluation Committee**

- A committee will review and evaluate all responses and make a recommendation for award of contract(s). The recommendation for contract awards will be based on the predetermined criteria factors

outlined in this solicitation, where each factor is assigned a point value based on its importance. Recommendation for award of a contract will be presented to the Region 10 ESC board of directors for final approval.

10.5. Past Performance

- A vendor's performance and actions under previously awarded contracts to schools, local, state, or federal agencies are relevant in determining whether or not the vendor is likely to provide quality goods and services to our members; including the administrative aspects of performance; the vendor's history of reasonable and cooperative behavior and commitment to customer satisfaction; and generally, the Respondent's businesslike concern for the interests of the customer. Other evaluation criteria notwithstanding, Region 10 ESC reserves the right to disqualify respondents based on past experience alone.

11. TAXES

- 11.1. The Contractor will pay all sales, consumer, use and other similar taxes required by law for which an exemption does not exist. If the Contractor is required to pay sales tax on non-exempt material, equipment, services or other items purchased in connection with a Purchase Order, the Member will reimburse the Contractor for such tax, without mark-up, provided the Contractor submits the appropriate documentation.

12. PROTEST OF NON-AWARD

- 12.1. **Protest Procedure:** Any protest of an award or proposed award must be filed in writing within ten (10) days from the date of the official award notification and must be received by 5:00 pm Central Time. No protest shall lie for a claim that the selected Vendor is not a responsible Respondent. Protests shall be filed with Mr. Clint Pechacek at Region 10 ESC, 400 E Spring Valley Rd, Richardson, TX 75081. Protests shall follow Region 10 ESC complaint policy EF(LOCAL), a copy of which is available at <https://pol.tasb.org/Policy/Code/374?filter=EF>, and it must be on a form provided by Region 10 ESC, which will include the following:

- Name, address and telephone number of protester
- Original signature of protester or its representative
- Identification of the solicitation by RFP number
- Detailed statement of legal and factual grounds including copies of relevant documents; and the form of relief requested
- Any protest review and action shall be considered final with no further formalities being considered.

13. NON-COLLUSION, EMPLOYMENT AND SERVICES

- 13.1. By signing the Offer and Acceptance form or other official contract form, the Respondent certifies that:
- It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its offer; and
 - It does not discriminate against any employee, applicant for employment, or person to whom it provides services because of race, color, religion, sex,

national origin, or disability and that it complies with all applicable federal, state, and local laws and executive orders regarding employment.

14. LIMITATION OF LIABILITY

- 14.1. **WAIVER:** BY SUBMITTING A PROPOSAL, OFFER EXPRESSLY AGREES TO WAIVE ANY CLAIM IT HAS OR MAY HAVE AGAINST BOTH EQUALIS GROUP AND REGION 10 EDUCATION SERVICE CENTER, ITS DIRECTORS, OFFICERS, ADMINISTRATORS OR AGENTS AND THE MEMBERS ARISING OUT OF OR IN CONNECTION WITH (1) THE ADMINISTRATION, EVALUATION, RECOMMENDATION OF ANY PROPOSAL; (2) ANY REQUIREMENTS UNDER THE SOLICITATION, PROPOSAL PACKAGE, OR RELATED DOCUMENTS; (3) THE REJECTION OF ANY PROPOSAL OR ANY PART OF ANY PROPOSAL; AND/OR (4) THE AWARD OF A CONTRACT, IF ANY.
- 14.2. NEITHER REGION 10 ESC NOR EQUALIS GROUP SHALL BE RESPONSIBLE OR LIABLE FOR ANY COSTS INCURRED BY RESPONDENTS OR THE SELECTED VENDOR IN CONNECTION WITH RESPONDING TO THE RFP, PREPARING FOR ORAL PRESENTATIONS, PREPARING AND SUBMITTING A PROPOSAL, ENTERING OR NEGOTIATING THE TERMS OF A CONTRACT, OR ANY OTHER EXPENSES INCURRED BY A RESPONDENT. THE RESPONDENT OR SELECTED VENDOR IS WHOLLY RESPONSIBLE FOR ANY SUCH COSTS AND EXPENSES AND SHALL NOT BE REIMBURSED IN ANY MANNER BY REGION 10 ESC OR EQUALIS GROUP.

PROPOSAL FORM 2: QUESTIONNAIRE & EVALUATION CRITERIA

Instructions:

Respondents should incorporate their questionnaire responses directly into the green cells below. Failure to provide responses in this format may result in the proposal being deemed as non-responsive at the sole discretion of Region 10.

Respondents may incorporate additional documents as part of their response which may be utilized by Region 10 as part of the evaluation. Additional documents must be consolidated as part of this Section 2 at the end of your response. **Vendor responses are strictly limited to 100 total pages (not including Attachment B – Pricing Excel pricesheet).** Vendors who submit more than 30 additional pages may result in the proposal being deemed non-responsive at the sole discretion of Region 10.

Region 10 has associated the evaluation criteria with the question that most closely aligns with that respective evaluation criteria. Region 10 reserves the right at its sole discretion to base its evaluation and specific evaluation criteria on any part of the respondent's proposal.

Evaluation Criteria	Question	Answer
Basic Information		
Required information for notification of RFP results	<i>What is your company's official registered name?</i>	Sarnafil Services, Inc., A Division of Sika Corp. SSI is a Delaware Corporation
	<i>What is the mailing address of your company's headquarters?</i>	100 Dan Rd, Canton, MA 02021
	<i>Who is the main contact for any questions and notifications concerning this RFP response, including notification of award? Provide name, title, email address, and phone number.</i>	Jim Franklin, Business Development Manager Franklin.jim@us.sika.com 781.792.1953
Products/Pricing (30 Points)		
Coverage of products and services	No answer is required. Region 10 will utilize your overall response and the products/services provided in Attachment B to make this determination	
Ability of offered products and services to meet the needs requested in the scope	No answer is required. Region 10 will utilize your overall response and the products/services provided in Attachment B to make this determination	
Competitive pricing for all available products and services, including warranties if applicable	<i>Does pricing submitted include the required administrative fee?</i>	Yes
	<i>Do you offer any other promotions or incentives for customers? If yes, please describe.</i>	Yes, while we have extensive pricing listed in the submission, we provide additional discounts on turnkey projects as part of the procurement process in order to incorporate economy of scale and site-specific conditions. This discount can be significant on medium-to-large sized projects.

Ability of Customers to verify that they received contract pricing	<i>Were all products/lines/services and pricing being made available under this contract provided in the attachment B and/or Appendix B, pricing sections, including shipping, installation, and other peripheral costs/fees?</i>	Yes, our offerings are extensive and comprehensive, please see attached.
Payment methods	<i>Define your invoicing process and methods of payments you will accept. Please include the overall process for agencies to make payments</i>	At Sarnafil Services, we use industry standard AIA construction agreements; internal invoicing is achieved through our SAP system with AIA G702 & G703 documents used as invoice back-up documentation. Standard 30-day terms are built into the AIA contracts, payments can be remitted via mailed check or ACH wire transfer.
Other factors relevant to this section as submitted by the Respondent	No answer is required. Region 10 will utilize your overall response and the products/services provided in Attachment B to make this determination	
Performance Capability (25 Points)		
Roofing experience and capabilities	<i>Please provide a high-level overview of the roofing products and services being offered and how they address the scope being requested herein.</i>	Sika Corporation is a global manufacturer of construction materials, Sika’s business activities are consolidated into target market business units (BU’s), which focuses on specific market sectors. Sarnafil Services, Inc. (SSI) is a wholly owned subsidiary of Sika Corporation and a part of Sika’s Business Unit - Roofing. SSI is a construction management company who works with individual owners, corporations, co-ops and group purchasing organizations to provide turnkey project delivery solutions. Our projects focus on both new construction and roof renovation of low and steep slope roofs. We also provide liquid applied membrane systems, as well as PV/solar roof planning and installations. In addition to turnkey project delivery, SSI provides roofing material sales, support, construction management, solar development services and general contracting services.
	<i>Describe your company’s past experience with estimating roofing project costs including an outline of your assessment process.</i>	SSI was formed in 1988 and has been successfully working with clients to review and implement long term budget plans; oversee design and drafting of bid specifications and corresponding bid cycles; and provides construction management oversight throughout the project execution. While there are many calls to help develop business trust and relationships, each project starts with a roof visit to collect the data necessary to discuss recommendations. Budgets are contemplated, and work scopes are established. Design work and bid specifications are completed, projects are bid with a number of our pre-vetted, approved applicators. Upon review of the submitted bids, SSI drafts a site-specific proposal with our turnkey project costs and identifies our turnkey project discount off ‘Attachment B’ pricing. This process is completed under the direction of one of our registered roof consultants (RRC).
	<i>Outline your process for qualifying, selecting, and managing subcontractors. Specifically address how your firm ensures subcontractors comply with local, state, and federal requirements as well as industry standards.</i>	SSI only works with subcontractors who are approved installers for Sika Corp, Business Unit Roofing. Sika Corp reviews applicator applications and ensures only those applicators who are both able to provide high quality installations and can demonstrate a long history of strong business management practices are granted applicator licenses. Sika, BU Roofing, only sells to licensed applicators.

		SSI manages its subcontractors through standard AIA documents; we include prime agreements as exhibits, which requires our subcontractors to meet the same requirements as we are obligated to in our applicable prime agreements.
	<i>List the number and location of offices or service centers for all states being proposed in solicitation. Additionally, if your company does not offer all products and services in all 50 states, please describe any geographical limitations on any product or service offered.</i>	See attached for Sika's US region / office map. For turnkey project services, SSI executes project planning and delivery throughout the continuous 48 states, and throughout the Caribbean.
	<i>Outline any value-added capabilities not already addressed.</i>	Sarnafil Services, Inc. works with clients on a project by project, need basis, to assist with thermography scans, construction management services and PV / solar roofing project development. These services are typically quoted 'by project' but we would be happy to include these service offerings in conjunction with the terms and conditions of this program.
Implementation and support plan	<i>Outline what ongoing communication and support is available to customers and key stakeholders.</i>	All turnkey projects are handled by a senior project manager, under the direction of SSI's general manager. SSI's team is dedicated to project development and support. Sales communications and inquiries are handled by Sika's nationwide sales network.
	<i>Outline your organization's commitment to jobsite safety including any specific policies, practices or initiatives.</i>	Please see attached; Sika Corp is fully invested in maintaining a safe work environment; SSI ensures that all turnkey projects incorporate requirements to meet all applicable OSHA standards throughout the construction process.
Project management capabilities	<i>Describe project management capabilities including scheduling, coordination, progress monitoring, and reporting processes.</i>	SSI's team starts with its general manager, Peter Bonavita, who has been in this role for 17+ years, with several decades of industry experience, including as a general contractor. SSI turnkey projects are assigned to Jim Franklin, RRC, who holds a bachelor's degree in construction management and has extensive knowledge throughout his three decades in the commercial roofing / waterproofing / architectural sheet metal industry. Our program relies on the use of approved SOP's, we utilize Gantt chart for project scheduling, and our team is typically on-site for bi-weekly progress meetings. Our local technical representatives are typically on-site alternating weeks, as project size / complexity requires. Applicators report directly to our PM team daily or as otherwise required with weekly progress emails, shared by the team.
	<i>Outline capabilities to provide comprehensive project documentation including submittals, change orders, and close-out documentation.</i>	SSI bid specifications are definitive and provide clear instruction on what materials are required to be used. No substitutions are allowed without prior approval. As such, the project submittal process is streamlined. Change Orders are completed using standard AIA documents and are submitted during monthly pay application packages. The need for change orders is typically avoided through SSI's diligence in the design phase of the project. When a change does arise, there is typically a unit price in place, which has been competitively bid at the sub level, to help keep costs down. Extra work is documented daily and discussed as soon as the deficient condition is uncovered. Close-out documents are provided in the bid specifications, and all documents are provided to the Owners team at the time of the final inspection / warranty issuance and otherwise as part of the final pay application.
	<i>Describe your approach to roof asset management including condition tracking</i>	When involved with a sites roof asset management program, SSI surveys the existing roofs, assigns condition rating and provides recommendations for repairs or general maintenance.

	<i>and maintenance needs throughout a roofing portfolio.</i>	When a condition warrants replacement, we provide conceptual budgets in order to facilitate the next conversation which will ultimately lead to a design/bid process with a corresponding proposal the end result.
Performance bonding	<i>Provide your company's performance bond plan as described in the scope herein.</i>	SSI, as a division of Sika Corp, works with SOMPO International (A+XV by A.M. Best Company) with \$5MM total work program in place.
Quality control and compliance	<i>Identify relative quality control processes in place to ensure successful project completion.</i>	The SSI PM team oversees the design, bid and award processes for all turnkey projects; SSI assigns a Sr.PM for all projects who maintains project oversight throughout the whole process, which limits gaps through more compartmentalized approach. While SSI PMs are directly responsible for compliance with the bid specifications, Sika's technical representatives provide direct oversight and inspection and are responsible for the roof installations compliance with Sika warranty requirements. The close relationship between SSI and our counterparts at Sika BU Roofing provides an environment where quality is paramount and clients realize the full benefit of these symbiotic QA processes.
	<i>Identify specific inspection protocols in place to address different stages of a roofing project. Please include your approach to preventative maintenance.</i>	Once a project moves to a turnkey project, the SSI Sr. PM will visit the site to review the site-specific conditions and logistics, so that the full bid specifications may be completed. Upon our next return, we visit with a small group of pre-vetted subcontractors who, aside from being well respected in the local industry, are licensed/approved Sika BU Roofing installation applicators. We walk the project as a team, review conditions and identify any concerns, for further clarification. Upon completion of the bid cycle, the applicators are scoped and a proposal is provided and accepted by the Owner. Sika CSR's handle the setting material shipping dates, and once a preliminary project schedule is completed, an on-site preconstruction meeting is held. At the precon, we take the time to review with the applicator's construction team and put all local stakeholders in direct communication. Sika technical inspectors are set up to be on site the first day of the installation to ensure compliance; they typically revisit the site on a bi-weekly schedule. SSI PMs are typically on site on an alternate bi-weekly schedule. This continues through the installation until the field installation is complete and the final inspection / punch list is complete. When the close-out process is complete, we make site specific recommendations for annual preventative maintenance and set the Owner up directly with the applicator, who co-owns the first 5yrs of our standard 20yr warranty term.
Customer service/problem resolution	<i>Describe your company's Customer Service Department (hours of operation, how you resolve issues, number of service centers, etc.).</i>	Our nation-wide customer service department consists of 25+ dedicated customer service representatives located at offices located throughout the US (Canton, MA, Lombard, IL, Salt Lake City, UT and Chino, CA). All customer service representatives are direct employees who work directly for Sika Corp in our Target Market - Roofing. Team members are available between 7AM and 5PM local time.
Financial condition of vendor	<i>Demonstrate your financial strength and stability with meaningful data. This could include, but is not limited to, such items as financial statements, SEC filings, credit & bond ratings, letters of credit, and detailed reference letters</i>	Please find attached, Exhibit 1.2.1 – Sika's 2022 global sales surpassed \$11Billion; that same year Sika's US operations contributed 21.5% of that global revenue. Sika's US BU Roofing totaled \$659Million in 2022. BU Roofing ships throughout the US, including all states and the Caribbean. Sika's net profit in 2022 exceeded \$1.22Billion on more than \$11.6Billion in global sales. Sika's USA options accounted for 21.5% of global sales. Sika's US Target Market Roofing material sales totaled \$659 Million IN 2022.

	<i>What was your annual sales volume over last three (3) years?</i>	Per the information provided above, Sika Corp is financially solid with billions in sales. Individually, SSI has morphed over the past three years, divesting the majority of our material sales operations to allow for the expansion of our GPO and Co-op programs. SSI had annual revenue over the past few years, as follows: 2021: +/-60million, 2022: +/- \$104million, 2023/2024: +/- \$40million
History of meeting products and services deadlines	<i>Outline the process timeline for product pickup, delivery and any other applicable capabilities not already addressed.</i>	Once the decision to engage SSI for a turnkey project delivery, there is typically a 4-week lead time to the owner/member receiving it site specific proposal. In this time, all relevant data is collected, bid documents are assembled, a bid cycle is completed, pre-procurement is planned, and our proposal is completed. Once the proposal is accepted, contracts are assembled and circulated, and the project moves forward at the agreed upon date with the owner's team. While this is typical, some projects move much quicker, and others require significantly more time on the owner's side. We have projects that are engaged and completed in 4-5 weeks total, and others that have 18-24months of duration due to owner approval constraints. We work well in most situations and make progress when the team is able to.
Other factors relevant to this section as submitted by the Respondent	<i>Describe the capacity of your company to provide management reports, i.e. consolidated billing by location, time and attendance reports, etc. for each eligible agency</i>	SSI's controller uses SAP, so specific report is fairly straight forward. As for the second part of this question, weekly reports are shared on turnkey projects with much of that information provided. Where SSI is not able to provide JOC pricing on such a wide geographic area, we would not track the applicable data to support that type of award/delivery. We are very comfortable with our turnkey delivery program and find that it does fit best with the implementation of our QA and risk mitigation strategies.
	<i>Provide your safety record, safety rating, EMR and worker's compensation rate where available.</i>	Please see attached.
Qualification and Experience (25 Points)		
Respondent reputation in the marketplace	<i>Provide a link to your company's website</i>	https://usa.sika.com/sarnafil
	<i>Please provide a brief history of your company, including the year it was established.</i>	Sika's roofing products have been a part of the roofing market since the 1960's; Sika's 'Sarnafil' & SikaPlan membranes are industry leaders in the thermoplastic / PVC membrane sector. Aside from single-ply roofing systems, Sika also offers roof coatings and waterproofing systems. 100% of Sarnafil Services, Inc.'s revenue is derived through sales and services associated with this specific market sector since SSI's incorporation. Sarnafil Services, Inc., (a Delaware corporation) was incorporated in 1988 and has been operating under the same name since that time. Sarnafil Services was a wholly owned subsidiary of Sarnafil, who was later acquired by Sika Corp. Sarnafil Services is a division of Sika Corp, a New Jersey corporation.
Past relationship with Region 10 ESC and/or Region 10 ESC members	<i>Have you worked with Region 10 in the past? If so, provide the timeframe and main contact for that work?</i>	Sika through its BU Roofing has worked with Region 10 members as a roofing manufacturer. SSI has not performed turnkey project delivery for Region 10.
Experience and qualification of key employees	<i>Please provide contact information and resumes for the person(s) who will be responsible for the following areas. Region 10 requests contacts to cover the following: * Executive Support</i>	Please see attached.

	<ul style="list-style-type: none"> * Account Manager * Contract Manager * Marketing * Billing, reporting & Accounts Payable 	
Past experience working with the public sector	<p><i>What are your overall public sector sales, excluding Federal Government, for last three (3) years?</i></p>	<p>Through our larger business unit, we currently work with Equalis, HealthTrust and Vizient programs. We are not otherwise engaged in the public sector cooperative program marketplace, and we are looking forward to building a strong relationship with the Region 10 ESC program.</p> <p>Sika, BU Roofing is very involved (as a roofing manufacturer) in this market sector, please see attached. Sika's BU Roofing total 2022 government project material sales were approximately \$66M. This is approximately 10% of Sika's TM Roofing total annual revenue. Sika BU Roofing total 2022 Education material sales were approximately \$132M. This is approximately 20% of Sika's TM Roofing total annual revenue.</p>
	<p><i>What is your strategy to increase market share in the public sector?</i></p>	<p>SSI plans to begin by developing a joint Region 10 ESC / Sika / SSI marketing brochure highlighting the benefits of the Cooperative and Sika/SSI. This brochure would be given to all sales representatives to begin to engage and notify existing public sector contacts of Sika's involvement in this cooperative. This informational brochure could also be shared through Sika's LinkedIn account. https://www.linkedin.com/company/sika-usa</p> <p>Additional project specific case studies would be created to further highlight the advantages of the cooperative program. Information about the cooperative along with links to the Region 10 ESC website would also be added to Sika Sarnafil's website (https://usa.sika.com/sarnafil). Sika, through its national sales team, would also consider hosting a joint Region 10 ESC / Sika / SSI in person event(s) specifically tailored to educating our existing public sector accounts about the program. See attached Sika Day of Learning brochure for an example of a similar event. See Exhibit 5.1.1 for marketing examples.</p>
Past litigation, bankruptcy, reorganization, state investigations of entity or current officers and directors	<p><i>Provide information regarding whether your firm, either presently or in the past, has been involved in any litigation, bankruptcy, or reorganization.</i></p>	<p>We do not have anything to disclose in this section.</p>
Minimum of 5 public sector customer references relating to the products and services within this RFP	<p><i>Provide a minimum of five (5) customer references for product and/or services of similar scope dating within the past 3 years. Please try to provide references for K12, Higher Education, City/County and State entities. Provide the entity; contact name & title; city & state; phone number; years serviced; description of services; and annual volume</i></p>	<p>Indian Creek Middle School NHJ United School Corp. 802 Indian Creek Drive, Trafalgar, IN 46481 Contract Value: \$1.288MM Contact: Mr. Jared Sneed, Dir. of Facilities. JSneed@NHJ.K12.IN.US</p> <p>Badger Clark Elementary School Douglas School District 400 Patriot Drive, Box Elder, South Dakota 57719 Contract Value: \$835k Contact: Kevin Case, Superintendent. Kevin.Case@K12.SD.US</p> <p>Westfield Courthouse Monarch Enterprises 224 Elm St, Westfield, MA Contract Value: \$80k Contact: Paul Marcelina, EVP. Marcelina@Monarch-place.com</p>

		<p>City of Cincinnati, via McKinstry Essention (CM) Public Infrastructure Improvement Various Building Locations in Cincinnati, OH Contract Value: \$1.38MM Contact: Gary Effinger. GaryEF@McKinstry.com</p> <p>Additional Turnkey Projects Involving Government Buildings completed for RMR Group, LLC: MWilson@RMRGroup.com</p> <ol style="list-style-type: none"> 1. Veteran Court of Appeals – Washington DC 2. DEA Building – San Deigo, CA 3. FBI Building – Kansas City, MO 4. DOE Building – Richland, WA 5. Veterans Affairs Regional Office – Waco, TX 6. Covenant Health – Lubbock, TX 7. Cedars Towers – Los Angeles, CA
Company profile and capabilities	<p><i>Do you plan to sell to customers directly, use resellers or subcontractors, or a combination of both? If you intend to use resellers and/or subcontractors, describe your process for ensuring that resellers and subcontractors comply with the pricing and terms of the contract.</i></p>	<p>SSI will be selling directly to members through this program. We offer materials sales for use on non turnkey projects, and we offer turnkey project delivery. The applicable pricing structure can be found in this submission.</p> <p>SSI, through its turnkey project delivery program, utilizes applicator subcontractors but all contracts will be between SSI and the members. SSI engages subs via standard AIA documents which incorporate all program obligations established by the program. We do not plan to utilize resellers.</p>
Exhibited understanding of cooperative purchasing	<p>No answer is required. Region 10 will utilize your overall response to this questionnaire to make this determination. Previous experience with cooperatives is not necessary to score well for this criterion.</p>	
Other factors relevant to this section as submitted by the Respondent	<p><i>If your company is a privately held organization, please indicate if the company is owned or operated by anyone who has been convicted of a felony. If yes, a detailed explanation of the names and conviction is required.</i></p>	<p>We have nothing to disclose in this section.</p>
	<p>Provide a copy of all current licenses, registrations and certifications issued by federal, state and local agencies, and any other licenses, registrations or certifications from any other governmental entity with jurisdiction, allowing Respondent to perform the covered services. These will be provided in the space provided in Form 3. No answer is required here.</p>	
<p>MWBE Status and/or Program Capabilities (10 Points)</p>		
MWBE status, subcontractor plan, and/or joint venture program	<p><i>Please indicate whether you hold any diversity certifications, including, but not limited to MWBE, SBE, DBE, DVBE, HUB, or HUBZone</i></p>	<p>Nothing to disclose on this section.</p>
	<p><i>Do you currently have a diversity program in place, such as a Mentor Protégé Program or subcontractor program? If you have a diversity program, please describe it and indicate whether you plan to offer your program or partnership through Equalis Group?</i></p>	<p>Sika / SSI has many licensed applicators throughout the country who are certified and who can help achieve the goal of such inclusionary programs. SSI does not directly have any such programs in place.</p>

	Please attach any certifications you have as part of your response to Form 3.	
Good faith efforts to involve MWBE subcontractors in response	<i>Did your company contact MWBEs or minority chambers of commerce by telephone, written correspondence, or trade associations at least one week before the due date of this RFP to provide information relevant to this opportunity and to determine whether any MWBEs were interested in subcontracting and/or joint ventures?</i>	With the geographic range involved with this RFP, we are confident that we will have the opportunity to bring in many MWBE certified applicators as subcontractors. While we strive to include such entities, the work of this field is highly competitive and highly technical, and we can only engage applicators who are licensed and approved by Sika Corp's business units. Depending on the location of the project, we expect a very real likelihood that we will be able to involve one of these certified MWBE entities to bid the work as subcontractors.
Demonstrated ongoing MWBE program	<i>Outline your subcontractor strategy and efforts your organization takes to include MWBE subcontractors in future work, including but not limited to efforts to reach out to individual MWBE businesses, minority chambers of commerce, and other minority business and trade associations.</i>	As construction managers who are ultimately responsible for the successful outcome of each of our projects, safety, quality and diligent execution of the work is our primary focus. Once a list of bidders is vetted and engaged to bid a project, we focus on value and keeping project costs down. Our goal is to involve MWBE's when we can, understanding that there is limited availability of such entities in our industry, and that the technical nature of the work precludes us from seeking out and engaging such entities to complete the work without their being able to document a strong history of quality and strong financial standing as a company.
Commitment to Service Equalis Group Members (10 Points)		
Marketing plan, capability, and commitment	<i>Detail how your organization plans to market and promote this contract upon award, including how this contract will fit into your organization's current go-to-market strategy in the public sector.</i>	SSI plans to begin by developing a joint Region 10 ESC / Sika / SSI marketing brochure highlighting the benefits of the Cooperative and Sika/SSI. This brochure would be given to all sales representatives to begin to engage and notify existing public sector contacts of Sika's involvement in this cooperative. This informational brochure could also be shared through Sika's LinkedIn account. https://www.linkedin.com/company/sika-usa Additional project specific case studies would be created to further highlight the advantages of the cooperative program. Information about the cooperative along with links to the Region 10 ESC website would also be added to Sika Sarnafil's website (https://usa.sika.com/sarnafil). Sika, through its national sales team, would also consider hosting a joint Region 10 ESC / Sika / SSI in person event(s) specifically tailored to educating our existing public sector accounts about the program. See attached Sika Day of Learning brochure for an example of a similar event. See Exhibit 5.1.1 for marketing examples.
	<i>Detail how your organization will train your sales force and customer service representatives on this contract to ensure that they can competently and consistently present the contract to public agency customers and answer any questions they might have concerning it.</i>	SSI general manager (Peter Bonavita) will work with one of Sika's dedicated national account manager's, who we currently work with on other Equalis cooperative programs (Kevin Clark). The sales manager will work directly with Sika's regional management teams to develop their markets and sales strategy. Sika will invest in educating the local sales reps on the program's benefits and structure to empower sales growth. This will allow all sales representatives to leverage existing owner relationships whether directly or through our contractor owner relationships. An example of this would be to target customers with existing Sika Sarnafil roof systems that are coming out of or with already expired warranties. As these owners have benefited from leak free Sika roof systems, they will be able to continue to use their trusted manufacturer of choice along with taking advantage of our services for their future roof replacement projects.
	<i>Acknowledge that your organization agrees to provide its company logo(s) to</i>	This is acknowledged.

	<i>Region 10 ESC and Equalis Group and agrees to provide permission for reproduction of such logo in marketing communications and promotions</i>	
Ability to manage a cooperative contract	<i>Describe the capacity of your company to report monthly sales through this agreement to Equalis Group.</i>	Those projects quoted through the Equalis / Region 10 ESC program will be tagged in Salesforce with an 'Equalis / Region 10 ESC' Tag. A Master Quote will be utilized to ensure material pricing is in compliance with the program agreement. Turnkey projects will be tagged with an additional identifier. When a Region 10 ESC project ships, a unique project ID will be generated, and this number will be added to the tracking sheet. Sales reports will show what/how much was shipped (monthly) to these tagged projects for program auditors, and for calculation of admin fees due to Equalis. Our Salesforce & SAP software platforms are industry leaders and should satisfy audit level inquiries.
	<i>Identify any contracts with other cooperative or government group purchasing organizations of which your company is currently a part of:</i>	We currently have similar contracts with Equalis/CCOG, Vizient and HealthTrust
	<i>If your company intends to use resellers and/or subcontractors, describe your company's ability to keep a list of authorized resellers/subcontractors up-to-date with Equalis Group for verification purposes.</i>	We do not currently plan to use resellers; subcontractors are documented on a project basis.
Commitment to supporting agencies to utilize the contract	<i>If awarded a contract, how would you approach agencies in regards to this contract? Please indicate how this would work for both new customers to your organization, as well as existing.</i>	As discussed in the above responses, SSI, through the efforts of our sales counterparts at Sika Corp, will be bringing these opportunities to new and existing contacts in the market sector. We are currently under contract with a similar Equalis program and see greater regional opportunity with the addition of the Region 10 ESC members.
Other factors relevant to this section as submitted by the Respondent	<i>Provide the number of sales representatives which will work on this contract and where the sales representatives are located.</i>	See attached, for our sales organization chart and regional map. The Sika's BU Roofing team is comprised of Sarnafil Membrane, Liquid Applied Membrane (LAM), American Hydrotech, and Sarnafil Services Inc. divisions managed by Sebastien Godard – EVP. The Sarnafil Membrane division is directly managed by Jesse Quezada SVP of Sales and is supported by 3 area sales managers along with a national accounts' director. Under the 3-area sales managers are 9 regional managers who directly oversee 60 direct and 70 indirect sales representatives. Along with Peter Bonavita from the SSI team, the national accounts team under Ben Biedrzycki focuses on direct owner relationships and has vertical market managers who focus on specific market sectors such as government, data center, food & beverage, and automotive. The LAM division is managed by Sean Fraker and is supported by the Sarnafil regional sales organization. Sarnafil Services business development manager, Jim Franklin, works directly with clients to provide construction management and turnkey project delivery services to member/owners.

PROPOSAL FORM 3: CERTIFICATIONS AND LICENSES

Provide a copy of all current licenses, registrations and certifications issued by federal, state and local agencies, and any other licenses, registrations or certifications from any other governmental entity with jurisdiction, allowing Respondent to perform the covered services including, but not limited to licenses, registrations or certifications. M/WBE, HUB, DVBE, small and disadvantaged business certifications and other diverse business certifications, as well as manufacturer certifications for sales and service must be included if applicable.

Sarnafil Services, Inc. is registered with the Secretary of States in;

Delaware File#: 2166423

Massachusetts ID #: 043018136

California Entity#: 4305147

Sarnafil Services, Inc.;

Federal ID #: 04 3018136

Sarnafil Services, Inc construction Licenses;

California License # 1070883

(The rest of this page is intentionally left blank)

PROPOSAL FORM 4: CLEAN AIR WATER ACT

I, the Vendor, am in compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970, as Amended (42 U.S. C. 1857 (h)), Section 508 of the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 117389 and Environmental Protection Agency Regulation, 40 CFR Part 15 as required under OMB Circular A-102, Attachment O, Paragraph 14 (1) regarding reporting violations to the grantor agency and to the United States Environment Protection Agency Assistant Administrator for the Enforcement.

Potential Vendor: Sarnafil Services, Inc

Title of Authorized Representative: President

Mailing Address: 100 Dan Road, Canton, MA 02021

Signature: Sebastien Godard

PROPOSAL FORM 5: DEBARMENT NOTICE

I, the Vendor, certify that my company has not been debarred, suspended or otherwise ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension", as described in the Federal Register and Rules and Regulations.

Potential Vendor: Sarnafil Services, Inc.

Title of Authorized Representative: President

Mailing Address: 100 Dan Road, Canton, MA 02021

Signature: Sebastien Godard

PROPOSAL FORM 6: LOBBYING CERTIFICATION

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies, to the best of his/her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds at all appropriate tiers and that all sub-recipients shall certify and disclose accordingly.

Sebastien Godard

Signature of Respondent

10.31.2024

Date

PROPOSAL FORM 7: CONTRACTOR CERTIFICATION REQUIREMENTS

Contractor's Employment Eligibility

By entering the contract, Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA), and all other federal and state immigration laws and regulations. The Contractor further warrants that it is in compliance with the various state statutes of the states it will operate this contract in.

Participating Government Entities including School Districts may request verification of compliance from any Contractor or subcontractor performing work under this Contract. These Entities reserve the right to confirm compliance in accordance with applicable laws.

Should the Participating Entities suspect or find that the Contractor or any of its subcontractors are not in compliance, they may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

The Respondent complies and maintains compliance with the appropriate statutes which requires compliance with federal immigration laws by State employers, State contractors and State subcontractors in accordance with the E-Verify Employee Eligibility Verification Program.

Contractor shall comply with governing board policy of the Region 10 ESC Participating entities in which work is being performed.

Fingerprint & Criminal Background Checks

If required to provide services on school district property at least five (5) times during a month, contractor shall submit a full set of fingerprints to the school district if requested of each person or employee who may provide such service. Alternately, the school district may fingerprint those persons or employees. An exception to this requirement may be made as authorized in Governing Board policy. The district shall conduct a fingerprint check in accordance with the appropriate state and federal laws of all contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the district. Contractor, subcontractors, vendors and their employees shall not provide services on school district properties until authorized by the District.

The Respondent shall comply with fingerprinting requirements in accordance with appropriate statutes in the state in which the work is being performed unless otherwise exempted.

Contractor shall comply with governing board policy in the school district or Participating Entity in which work is being performed.

Sebastien Godard

Signature of Respondent

10.31.2024

Date

PROPOSAL FORM 8: ANTITRUST CERTIFICATION STATEMENTS
(Tex. Government Code § 2155.005)

I affirm under penalty of perjury of the laws of the State of Texas that:

- (1) I am duly authorized to execute this contract on my own behalf or on behalf of the company, corporation, firm, partnership or individual (Company) listed below;
- (2) In connection with this proposal, neither I nor any representative of the Company has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15;
- (3) In connection with this proposal, neither I nor any representative of the Company has violated any federal antitrust law; and
- (4) Neither I nor any representative of the Company has directly or indirectly communicated any of the contents of this proposal to a competitor of the Company or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Company.

VENDOR Sarnafil Services, Inc

ADDRESS 100 Dan Road, Canton, MA 02021

PHONE 781.828.5400

FAX _____

RESPONDANT

Peter Bonavita
Signature

Peter Bonavita
Printed Name

General Manager, SSI
Position with Company

AUTHORIZING OFFICIAL

Sebastien Godard
Signature

Sebastien Godard
Printed Name

President, SSI
Position with Company

PROPOSAL FORM 9: IMPLEMENTATION OF HOUSE BILL 1295

Certificate of Interested Parties (Form 1295):

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted new rules (Chapter 46) on November 30, 2015, to implement the law. The commission does not have any additional authority to enforce or interpret House Bill 1295.

Filing Process:

Starting on January 1, 2016, the commission will make available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency.

Information regarding how to use the filing application will be available on this site starting on January 1, 2016. https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

PROPOSAL FORM 10: BOYCOTT CERTIFICATION AND TERRORIST STATE CERTIFICATION

BOYCOTT CERTIFICATION

Respondent must certify that during the term of any Agreement, it does not boycott Israel and will not boycott Israel. "Boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Does vendor agree? SG
(Initials of Authorized Representative)

Respondent must certify that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association. Respondent must also certify that it does not boycott energy companies; and will not boycott energy companies during the term of the contract.

Does vendor agree? SG
(Initials of Authorized Representative)

TERRORIST STATE CERTIFICATION

In accordance with Texas Government Code, Chapter 2252, Subchapter F, REGION 10 ESC is prohibited from entering into a contract with a company that is identified on a list prepared and maintained by the Texas Comptroller or the State Pension Review Board under Texas Government Code Sections 806.051, 807.051, or 2252.153. By execution of any agreement, the respondent certifies to REGION 10 ESC that it is not a listed company under any of those Texas Government Code provisions. Responders must voluntarily and knowingly acknowledge and agree that any agreement shall be null and void should facts arise leading the REGION 10 ESC to believe that the respondent was a listed company at the time of this procurement.

Does vendor agree? SG
(Initials of Authorized Representative)

PROPOSAL FORM 11: RESIDENT CERTIFICATION

This Certification Section must be completed and submitted before a proposal can be awarded to your company. This information may be placed in an envelope labeled "Proprietary" and is not subject to public view. In order for a proposal to be considered, the following information must be provided. Failure to complete may result in rejection of the proposal:

As defined by Texas House Bill 602, a "nonresident Bidder" means a Bidder whose principal place of business is not in Texas, but excludes a contractor whose ultimate parent company or majority owner has its principal place of business in Texas.

Texas or Non-Texas Resident

- ☐ I certify that my company is a "**resident Bidder**"
☒ I certify that my company qualifies as a "**nonresident Bidder**"

If you qualify as a "nonresident Bidder," you must furnish the following information:

What is your resident state? (The state your principal place of business is located.)

<u>Sarnafil Services, Inc,</u>	<u>100 Dan Road, Canton Ma, 02021</u>	<u>Compan</u>
y Name	Address	
<u></u>		<u>City</u>
	State	Zip

PROPOSAL FORM 12: FEDERAL FUNDS CERTIFICATION FORM

When a participating agency seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the "Uniform Guidance" or "EDGAR" requirements). All Vendors submitting proposals must complete this Federal Funds Certification Form regarding Vendor's willingness and ability to comply with certain requirements which may be applicable to specific participating agency purchases using federal grant funds. This completed form will be made available to participating agencies for their use while considering their purchasing options when using federal grant funds. Participating agencies may also require Vendors to enter into ancillary agreements, in addition to the contract's general terms and conditions, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

For each of the items below, Vendor should certify Vendor's agreement and ability to comply, where applicable, by having Vendor's authorized representative complete and initial the applicable lines after each section and sign the acknowledgment at the end of this form. If a vendor fails to complete any item in this form, Region 10 ESC will consider the Vendor's response to be that they are unable or unwilling to comply. A negative response to any of the items may, if applicable, impact the ability of a participating agency to purchase from the Vendor using federal funds.

1. Vendor Violation or Breach of Contract Terms:

Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 USC 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Any Contract award will be subject to Region 10 ESC General Terms and Conditions, as well as any additional terms and conditions in any Purchase Order, participating agency ancillary contract, or Member Construction Contract agreed upon by Vendor and the participating agency which must be consistent with and protect the participating agency at least to the same extent as the Region 10 ESC Terms and Conditions.

The remedies under the Contract are in addition to any other remedies that may be available under law or in equity. By submitting a Proposal, you agree to these Vendor violation and breach of contract terms.

Does vendor agree? SG

(Initials of Authorized Representative)

2. Termination for Cause or Convenience:

When a participating agency expends federal funds, the participating agency reserves the right to immediately terminate any agreement in excess of \$10,000 resulting from this procurement process in the event of a breach or default of the agreement by Offeror in the event Offeror fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. participating agency also reserves the right to terminate the contract immediately, with written notice to offeror, for convenience, if participating agency believes, in its sole discretion that it is in the best

interest of participating agency to do so. Offeror will be compensated for work performed and accepted and goods accepted by participating agency as of the termination date if the contract is terminated for convenience of participating agency. Any award under this procurement process is not exclusive and participating agency reserves the right to purchase goods and services from other offerors when it is in participating agency's best interest.

Does vendor agree? SG

(Initials of Authorized Representative)

3. Equal Employment Opportunity:

Except as otherwise provided under 41 CFR Part 60, all participating agency purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Vendor agrees that such provision applies to any participating agency purchase or contract that meets the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 and Vendor agrees that it shall comply with such provision.

Does vendor agree? SG

(Initials of Authorized Representative)

4. Davis-Bacon Act:

When required by Federal program legislation, Vendor agrees that, for all participating agency prime construction contracts/purchases in excess of \$2,000, Vendor shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Vendor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determinate made by the Secretary of Labor. In addition, Vendor shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at www.wdol.gov. Vendor agrees that, for any purchase to which this requirement applies, the award of the purchase to the Vendor is conditioned upon Vendor's acceptance of the wage determination.

Vendor further agrees that it shall also comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

Does vendor agree? SG

(Initials of Authorized Representative)

5. Contract Work Hours and Safety Standards Act:

Where applicable, for all participating agency contracts or purchases in excess of \$100,000 that involve the employment of mechanics or laborers, Vendor agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, Vendor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Does vendor agree? SG

(Initials of Authorized Representative)

6. Right to Inventions Made Under a Contract or Agreement:

If the participating agency's Federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance or experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Vendor agrees to comply with the above requirements when applicable.

Does vendor agree? SG

(Initials of Authorized Representative)

7. Clean Air Act and Federal Water Pollution Control Act:

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended –Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

When required, Vendor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

Does vendor agree? SG

(Initials of Authorized Representative)

8. Debarment and Suspension:

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3CFR Part 1989 Comp. p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Vendor certifies that Vendor is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor further agrees to immediately notify the Cooperative and all participating agencies with pending purchases or seeking to purchase from Vendor if Vendor is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Does vendor agree? SG

(Initials of Authorized Representative)

9. Byrd Anti-Lobbying Amendment:

Byrd Anti-Lobbying Amendment (31 USC 1352) -- Vendors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. As applicable, Vendor agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

Does vendor agree? SG

(Initials of Authorized Representative)

10. Procurement of Recovered Materials:

For participating agency purchases utilizing Federal funds, Vendor agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a participating agency may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery,

and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Does vendor agree? SG

(Initials of Authorized Representative)

11. Profit as a Separate Element of Price:

For purchases using federal funds in excess of \$150,000, a participating agency may be required to negotiate profit as a separate element of the price. See, 2 CFR 200.323(b). When required by a participating agency, Vendor agrees to provide information and negotiate with the participating agency regarding profit as a separate element of the price for a particular purchase. However, Vendor agrees that the total price, including profit, charged by Vendor to the participating agency shall not exceed the awarded pricing, including any applicable discount, under Vendor's Cooperative Contract.

Does vendor agree? SG

(Initials of Authorized Representative)

12. Domestic Preference

Vendor must be prepared to provide a comprehensive list of the number of goods, products, and/or materials (including but not limited to iron, aluminum, steel, cement, and other manufactured products) being used for specific purchase orders under the contract award which were produced in the United States upon request to Region 10 ESC or any Equalis member who intends to use this contract with federal funds.

Does vendor agree? SG

(Initials of Authorized Representative)

13. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

Vendor agrees that recipients and subrecipients are prohibited from obligating or expending loan or grant funds to procure or obtain, extend or renew a contract to procure or obtain, or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system from companies described in Public Law 115-232, section 889. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country are also prohibited.

Does vendor agree? SG

(Initials of Authorized Representative)

14. General Compliance and Cooperation with Participating Agencies:

In addition to the foregoing specific requirements, Vendor agrees, in accepting any Purchase Order from a participating agency, it shall make a good faith effort to work with participating agencies to provide such information and to satisfy such requirements as may apply to a particular participating agency purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements.

Does vendor agree? SG

(Initials of Authorized Representative)

15. Applicability to Subcontractors

Offeror agrees that all contracts it awards pursuant to the Contract shall be bound by the foregoing terms and conditions.

Does vendor agree? SG

(Initials of Authorized Representative)

By signature below, I certify that the information in this form is true, complete, and accurate and that I am authorized by my company to make this certification and all consents and agreements contained herein.

Sarnafil Services, Inc

Company Name

Sebastien Godard

Signature of Authorized Company Official

Sebastien Godard

Printed Name

President, SSI

Title

10.31.2024

Date

PROPOSAL FORM 13: FEMA REQUIREMENTS

When a participating agency seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the “Uniform Guidance” or “EDGAR” requirements). Additionally, Appendix II to Part 200 authorizes FEMA to require or recommend additional provisions for contracts.

All respondents submitting proposals must complete this FEMA Recommended Contract Provisions Form regarding respondent’s willingness and ability to comply with certain requirements which may be applicable to specific participating agency purchases using FEMA funds. This completed form will be made available to Members for their use while considering their purchasing options when using FEMA grant funds. Members may also require Supplier Partners to enter into ancillary agreements, in addition to the contract’s general terms and conditions, to address the member’s specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

For each of the items below, Respondent should certify Respondent’s agreement and ability to comply, where applicable, by having respondents authorized representative complete and initial the applicable lines after each section and sign the acknowledgment at the end of this form. If a Respondent fails to complete any item in this form, Region 10 ESC will consider the respondent’s response to be that they are unable or unwilling to comply. A negative response to any of the items may, if applicable, impact the ability of a participating agency to purchase from the Supplier Partner using federal funds.

1. Access to Records

For All Procurements

The Winning Supplier agrees to provide the participating agency, the pass-through entity (if applicable), the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

The Winning Supplier agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Winning Supplier agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

Does Respondent agree? __SG
(Initials of Authorized Representative)

For Contracts Entered into After August 1, 2017 Under a Major Disaster or Emergency Declaration

In compliance with section 1225 of the Disaster Recovery Reform Act of 2018, the participating agency, and the Winning Supplier acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.”

Does Respondent agree? __ SG
(Initials of Authorized Representative)

2. Changes

FEMA recommends that all contracts include a changes clause that describes how, if at all, changes can be made by either party to alter the method, price, or schedule of the work without breaching the contract. The language of the clause may depend on the nature of the contract and the procured item(s) or service(s). The participating agency should also consult their servicing legal counsel to determine whether and how contract changes are permissible under applicable state, local, or tribal laws or regulations.

Does Respondent agree? SG
(Initials of Authorized Representative)

3. Use of DHS Seal, Logo, and Flags

The Winning Supplier shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval. The contractor shall include this provision in any subcontracts.

Does Respondent agree? SG
(Initials of Authorized Representative)

4. Compliance with Federal Law, Regulations, And Executive Orders and Acknowledgement of Federal Funding

This is an acknowledgement that when FEMA financial assistance is used to fund all or a portion of the participating agency's contract with the Winning Supplier, the Winning Supplier will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

Does Respondent agree? SG
(Initials of Authorized Representative)

5. No Obligation by Federal Government

The federal government is not a party to this or any contract resulting from this or future procurements with the participating agencies and is not subject to any obligations or liabilities to the non-federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

Does Respondent agree? SG
(Initials of Authorized Representative)

6. Program Fraud and False or Fraudulent Statements or Related Acts

The Winning Supplier acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

Does Respondent agree? SG
(Initials of Authorized Representative)

7. Affirmative Socioeconomic Steps

If subcontracts are to be let, the Winning Supplier is required to take all necessary steps identified in 2 C.F.R. § 200.321(b)(1)-(5) to ensure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Does Respondent agree? SG
(Initials of Authorized Representative)

8. License and Delivery of Works Subject to Copyright and Data Rights

The Winning Supplier grants to the participating agency, a paid-up, royalty-free, nonexclusive, irrevocable, worldwide license in data first produced in the performance of this contract to reproduce, publish, or otherwise use, including prepare derivative works, distribute copies to the public, and perform publicly and display publicly such data. For data required by the contract but not first produced in the performance of this contract, the Winning Supplier will identify such data and grant to the participating agency or acquires on its behalf a license of the same scope as for data first produced in the performance of this contract. Data, as used herein, shall include any work subject to copyright under 17 U.S.C. § 102, for example, any written reports or literary works, software and/or source code, music, choreography, pictures or images, graphics, sculptures, videos, motion pictures or other audiovisual works, sound and/or video recordings, and architectural works. Upon or before the completion of this contract, the Winning Supplier will deliver to the participating agency data first produced in the performance of this contract and data required by the contract but not first produced in the performance of this contract in formats acceptable by the (insert name of the non-federal entity).

Does Respondent agree? SG
(Initials of Authorized Representative)

PROPOSAL FORM 14: ADDITIONAL ARIZONA CONTRACTOR REQUIREMENTS

AZ Compliance with Federal and state requirements: Contractor agrees when working on any federally assisted projects with more than \$2,000.00 in labor costs, to comply with all federal and state requirements, as well as Equal Opportunity Employment requirements and all other federal and state laws, statutes, etc. Contractor agrees to post wage rates at the work site and submit a copy of their payroll to the member for their files. Contractor must retain records for three years to allow the federal grantor agency access to these records, upon demand. Contractor also agrees to comply with the Arizona Executive Order 75-5, as amended by Executive Order 99-4.

When working on contracts funded with Federal Grant monies, contractor additionally agrees to comply with the administrative requirements for grants, and cooperative agreements to state, local and federally recognized Indian Tribal Governments.

AZ Compliance with workforce requirements: Pursuant to ARS 41-4401, Contractor and subcontractor(s) warrant their compliance with all federal and state immigration laws and regulations that relate to their employees, and compliance with ARS 23-214 subsection A, which states, "...every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program" Region 10 ESC reserves the right to cancel or suspend the use of any contract for violations of immigration laws and regulations. Region 10 ESC and its members reserve the right to inspect the papers of any contractor or subcontract employee who works under this contract to ensure compliance with the warranty above.

AZ Contractor Employee Work Eligibility: By entering into this contract, contractor agrees and warrants compliance with A.R.S. 41-4401, A.R.S. 23-214, the Federal Immigration and Nationality Act (FINA), and all other Federal immigration laws and regulations. Region 10 ESC and/or Region 10 ESC members may request verification of compliance from any contractor or sub contractor performing work under this contract. Region 10 ESC and Region 10 ESC members reserve the right to confirm compliance. In the event that Region 10 ESC or Region 10 ESC members suspect or find that any contractor or subcontractor is not in compliance, Region 10 ESC may pursue any and all remedies allowed by law, including but not limited to suspension of work, termination of contract, suspension and/or debarment of the contractor. All cost associated with any legal action will be the responsibility of the contractor.

AZ Non-Compliance: All federally assisted contracts to members that exceed \$10,000.00 may be terminated by the federal grantee for noncompliance by contractor. In projects that are not federally funded, Respondent must agree to meet any federal, state or local requirements as necessary. In addition, if compliance with the federal regulations increases the contract costs beyond the agreed on costs in this solicitation, the additional costs may only apply to the portion of the work paid by the federal grantee.

Registered Sex Offender Restrictions (Arizona): For work to be performed at an Arizona school, contractor agrees that no employee or employee of a subcontractor who has been adjudicated to be a registered sex offender will perform work at any time when students are present, or reasonably expected to be present. Contractor agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the purchase order at the Region 10 ESC member's discretion. Contractor must identify any additional costs associated with compliance to this term. If no costs are specified, compliance with this term will be provided at no additional charge.

Offshore Performance of Work Prohibited: Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States.

Terrorism Country Divestments: In accordance with A.R.S. 35-392, Region 10 ESC and Region 10 ESC members are prohibited from purchasing from a company that is in violation of the Export Administration Act. By entering into the contract, contractor warrants compliance with the Export Administration Act.

The undersigned hereby accepts and agrees to comply with all statutory compliance and notice requirements listed in this document.

Sebastian Godard

Signature of Respondent

10.31.2024

Date

PROPOSAL FORM 15: OWNERSHIP DISCLOSURE FORM (N.J.S. 52:25-24.2)

Pursuant to the requirements of P.L. 1999, Chapter 440 effective April 17, 2000 (Local Public Contracts Law), the Respondent shall complete the form attached to these specifications listing the persons owning 10 percent (10%) or more of the firm presenting the proposal.

Company Name: Sarnafil Services, Inc

Street: 100 Dan Road

City, State, Zip Code: Canton, MA 02021

Complete as appropriate:

I _____, certify that I am the sole owner of _____, that there are no partners and the business is not incorporated, and the provisions of N.J.S. 52:25-24.2 do not apply.

OR:

I _____, a partner in _____, do hereby certify that the following is a list of all individual partners who own a 10% or greater interest therein. I further certify that if one (1) or more of the partners is itself a corporation or partnership, there is also set forth the names and addresses of the stockholders holding 10% or more of that corporation's stock or the individual partners owning 10% or greater interest in that partnership.

OR:

I Sebastien Godard, an authorized representative of Sarnafil Services, Inc, a corporation, do hereby certify that the following is a list of the names and addresses of all stockholders in the corporation who own 10% or more of its stock of any class. I further certify that if one (1) or more of such stockholders is itself a corporation or partnership, that there is also set forth the names and addresses of the stockholders holding 10% or more of the corporation's stock or the individual partners owning a 10% or greater interest in that partnership.

(Note: If there are no partners or stockholders owning 10% or more interest, indicate none.)

Name	Address	Interest
Sika Corp	201 Polito Drive, Lyndhurst, NJ 07071	100%

I further certify that the statements and information contained herein, are complete and correct to the best of my knowledge and belief.

Sebastien Godard President, SSI
Authorized Signature and Title

10.31.2024

Date

PROPOSAL FORM 16: NON-COLLUSION AFFIDAVIT

Company Name: Sarnafil Services, Inc

Street: 100 Dan Road

City, State, Zip Code: Canton, MA 02021

State of New Jersey

County of Norfolk County

I, Sebastien Godard of the Canton
Name City

in the County of Norfolk, State of MA of
full age, being duly sworn according to law on my oath depose and say that:

I am the President of the firm of Sarnafil Service, Inc
Title Company Name

the Respondent making the Proposal for the goods, services or public work specified under the Region 10 ESC attached proposal, and that I executed the said proposal with full authority to do so; that said Respondent has not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above proposal, and that all statements contained in said bid proposal and in this affidavit are true and correct, and made with full knowledge that Region 10 ESC relies upon the truth of the statements contained in said bid proposal and in the statements contained in this affidavit in awarding the contract for the said goods, services or public work.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by

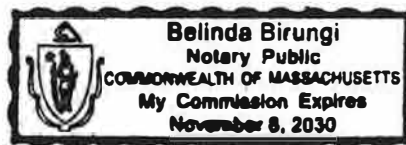
Sarnafil Services, Inc
Company Name

Sebastien Godard President, SSI
Authorized Signature & Title

Subscribed and sworn before me

this 31 day of OCTOBER, 2024

Belinda B. S.
Notary Public of New Jersey Massachusetts
My commission expires , 20



SEAL

PROPOSAL FORM 17: AFFIRMATIVE ACTION AFFIDAVIT (P.L. 1975, C.127)

Company Name: Sarnafil Services, Inc

Street: 100 Dan Road

City, State, Zip Code: Canton, MA 02021

Bid Proposal Certification:

Indicate below your compliance with New Jersey Affirmative Action regulations. Your proposal will be accepted even if you are not in compliance at this time. No contract and/or purchase order may be issued, however, until all Affirmative Action requirements are met.

Required Affirmative Action Evidence:

Procurement, Professional & Service Contracts (Exhibit A)

Vendors must submit with proposal:

1. A photo copy of their Federal Letter of Affirmative Action Plan Approval _____
OR
2. A photo copy of their Certificate of Employee Information Report _____
OR
3. A complete Affirmative Action Employee Information Report (AA302) _____

Public Work – Over \$50,000 Total Project Cost:

A. No approved Federal or New Jersey Affirmative Action Plan. We will complete Report Form AA201-A upon receipt from the New Jersey Equalis Group member agency

X

B. Approved Federal or New Jersey Plan – certificate enclosed

I further certify that the statements and information contained herein, are complete and correct to the best of my knowledge and belief.

Sebastien Godard

President, SSI

10.31.2024

Authorized Signature and Title

Date

P.L. 1995, c. 127 (N.J.A.C. 17:27)

MANDATORY AFFIRMATIVE ACTION LANGUAGE

PROCUREMENT, PROFESSIONAL AND SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color,

national origin, ancestry, marital status, sex, affectional or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisement for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation.

The contractor or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to attempt in good faith to employ minority and female workers trade consistent with the applicable county employment goal prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time.

The contractor or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the state of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

The contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and lay-off to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor and its subcontractors shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (NJAC 17:27).

Sebastien Godard

Signature of Procurement Agent

Type text here

PROPOSAL FORM 18: C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Public Agency Instructions

This page provides guidance to public agencies entering into contracts with business entities that are required to file Political Contribution Disclosure forms with the agency. **It is not intended to be provided to contractors.**

What follows are instructions on the use of form local units can provide to contractors that are required to disclose political contributions pursuant to N.J.S.A. 19:44A-20.26 (P.L. 2005, c. 271, s.2). Additional information is available in Local Finance Notice 2006-1 (https://www.nj.gov/dca/divisions/dlgs/resources/lfns_2006.html).

1. The disclosure is required for all contracts in excess of \$17,500 that are **not awarded** pursuant to a "fair and open" process (N.J.S.A. 19:44A-20.7).
2. Due to the potential length of some contractor submissions, the public agency should consider allowing data to be submitted in electronic form (i.e., spreadsheet, pdf file, etc.). Submissions must be kept with the contract documents or in an appropriate computer file and be available for public access. **The form is worded to accept this alternate submission.** The text should be amended if electronic submission will not be allowed.
3. The submission must be **received from the contractor and** on file at least 10 days prior to award of the contract. Resolutions of award should reflect that the disclosure has been received and is on file.
4. The contractor must disclose contributions made to candidate and party committees covering a wide range of public agencies, including all public agencies that have elected officials in the county of the public agency, state legislative positions, and various state entities. The Division of Local Government Services recommends that contractors be provided a list of the affected agencies. This will assist contractors in determining the campaign and political committees of the officials and candidates affected by the disclosure.
 - a) The Division has prepared model disclosure forms for each county. They can be downloaded from the "County PCD Forms" link on the Pay-to-Play web site at https://www.state.nj.us/dca/divisions/dlgs/programs/pay_2_play.html They will be updated from time-to-time as necessary.
 - b) A public agency using these forms **should edit them to properly reflect the correct legislative district(s)**. As the forms are county-based, **they list all legislative districts** in each county. **Districts that do not represent the public agency should be removed from the lists.**
 - c) Some contractors may find it easier to provide a single list that covers all contributions, regardless of the county. These submissions are appropriate and should be accepted.
 - d) The form may be used "as-is", subject to edits as described herein.
 - e) The "Contractor Instructions" sheet is intended to be provided with the form. It is recommended that the Instructions and the form be printed on the same piece of paper. The form notes that the Instructions are printed on the back of the form; where that is not the case, the text should be edited accordingly.
 - f) The form is a Word document and can be edited to meet local needs, and posted for download on web sites, used as an e-mail attachment, or provided as a printed document.
5. It is recommended that the contractor also complete a "Stockholder Disclosure Certification." This will assist the local unit in its obligation to ensure that contractor did not make any prohibited contributions to the committees listed on the Business Entity Disclosure Certification in the 12 months prior to the contract. (See Local Finance Notice 2006-7 for additional information on this obligation) A sample Certification form is part of this package and the instruction to complete it is included in the Contractor Instructions. **NOTE: This section is not applicable to Boards of Education.**

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Contractor Instructions

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a “fair and open” process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s.2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

1. any State, county, or municipal committee of a political party
2. any legislative leadership committee*
3. any continuing political committee (a.k.a., political action committee)
4. any candidate committee of a candidate for, or holder of, an elective office:
 1. of the public entity awarding the contract
 2. of that county in which that public entity is located
 3. of another public entity within that county
 4. or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county. The disclosure must list reportable contributions to any of the committees that exceed \$300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

N.J.S.A. 19:44A-20.26 itemizes the parties from whom contributions must be disclosed when a business entity is not a natural person. This includes the following:

5. individuals with an “interest” ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit
6. all principals, partners, officers, or directors of the business entity or their spouses
7. any subsidiaries directly or indirectly controlled by the business entity
8. IRS Code Section 527 New Jersey based organizations, directly or indirectly controlled by the business entity and filing as continuing political committees, (PACs). When the business entity is a natural person, “a contribution by that person’s spouse or child, residing therewith, shall be deemed to be a contribution by the business entity.” [N.J.S.A. 19:44A-20.26(b)] The contributor must be listed on the disclosure. Any business entity that fails to comply with the disclosure provisions shall be subject to a fine imposed by ELEC in an amount to be determined by the Commission which may be based upon the amount that the business entity failed to report. The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor’s responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement. The enclosed form, a content-consistent facsimile, or an electronic data file containing the required details (along with a signed cover sheet) may be used as the contractor’s submission and is disclosable to the public under the Open Public Records Act. The contractor must also complete the attached Stockholder Disclosure Certification. This will assist the agency in meeting its obligations under the law.

NOTE: This section does not apply to Board of Education contracts.

* N.J.S.A. 19:44A-3(s): “The term “legislative leadership committee” means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker

of the General Assembly or the Minority Leader of the General Assembly pursuant to section 16 of P.L.1993, c.65 (C.19:44A-10.1) for the purpose of receiving contributions and making expenditures.”

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Required Pursuant To N.J.S.A. 19:44A-20.26

This form or its permitted facsimile must be submitted to the local unit no later than 10 days prior to the award of the contract.

Part I – Vendor Information

Vendor Name:	Sarnafil Services, Inc		
Address:	100 Dan Road		
City:	Canton	State: MA	Zip: 02021

The undersigned being authorized to certify, hereby certifies that the submission provided herein represents compliance with the provisions of N.J.S.A. 19:44A-20.26 and as represented by the Instructions accompanying this form.

_____	Sebastien Godard	President, SSI
Signature	Printed Name	Title

Part II – Contribution Disclosure

Disclosure requirement: Pursuant to N.J.S.A. 19:44A-20.26 this disclosure must include all reportable political contributions (more than \$300 per election cycle) over the 12 months prior to submission to the committees of the government entities listed on the form provided by the local unit.

☐ Check here if disclosure is provided in electronic form.

Contributor Name	Recipient Name	Date	Dollar Amount
none to disclose			\$

☐ Check here if the information is continued on subsequent page(s)

Continuation Page

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Required Pursuant To N.J.S.A. 19:44A-20.26

Page ____ of ____

Vendor Name:

[illegible]☐ Check here if the information is continued on subsequent page(s)

List of Agencies with Elected Officials Required for Political Contribution Disclosure
N.J.S.A. 19:44A-20.26

County Name:

State: Governor, and Legislative Leadership Committees

Legislative District #s:

State Senator and two members of the General Assembly per district.

County:

Freeholders

{County Executive}

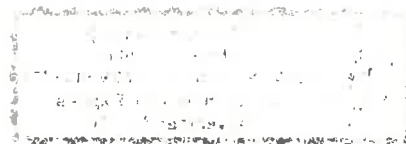
County Clerk

Surrogate

Sheriff

Municipalities (Mayor and members of governing body, regardless of title):

USERS SHOULD CREATE THEIR OWN FORM, OR DOWNLOAD FROM WWW.NJ.GOV/DCA/LGS/P2P A COUNTY-BASED, CUSTOMIZABLE FORM.



PROPOSAL FORM 19: STOCKHOLDER DISCLOSURE CERTIFICATION

Name of Business:

☐ I certify that the list below contains the names and home addresses of all stockholders holding 10% or more of the issued and outstanding stock of the undersigned.

OR

☐ I certify that no one stockholder owns 10% or more of the issued and outstanding stock of the undersigned.

Check the box that represents the type of business organization:

☐ Partnership

☐ Sole Proprietorship

☐ Limited Liability Partnership

☒ Corporation

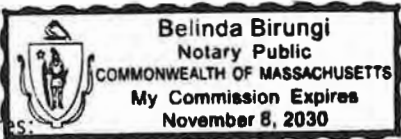
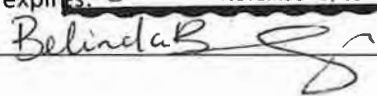
☐ Limited Partnership

☐ Limited Liability Corporation

☐ Subchapter S Corporation

Sign and notarize the form below, and, if necessary, complete the stockholder list below.

Stockholders:

Name: Sika Corp. (100%)	Name: n/a
Home Address: 201 Polito Drive, Lyndhurst, NJ 07071	Home Address:
Name:	Name:
Home Address:	Home Address:
Name:	Name:
Home Address:	Home Address:
Subscribed and sworn before me this <u>31</u> day of <u>October</u> , 20 <u>24</u>	
(Notary Public)	(Affiant)
My Commission expires:	Sebastien Godard, President
	(Print name & title of affiant)
	(Corporate Seal)

PROPOSAL FORM 20: GENERAL TERMS AND CONDITIONS ACCEPTANCE FORM

Signature on the Vendor Contract Signature form certifies complete acceptance of the General Terms and Conditions in this solicitation, except as noted below (additional pages may be attached, if necessary).

Check one of the following responses to the General Terms and Conditions:

☒ We take no exceptions/deviations to the general terms and conditions

(Note: If none are listed below, it is understood that no exceptions/deviations are taken.)

☐ We take the following exceptions/deviations to the general terms and conditions. All exceptions/deviations must be clearly explained. Reference the corresponding general terms and conditions that you are taking exceptions/deviations to. Clearly state if you are adding additions terms and conditions to the general terms and conditions. Provide details on your exceptions/deviations below:

(Note: Unacceptable exceptions shall remove your proposal from consideration for award. Region 10 ESC shall be the sole judge on the acceptance of exceptions/deviations and the decision shall be final.)

PROPOSAL FORM 21: EQUALIS GROUP ADMINISTRATION AGREEMENT

Requirements for Master Agreement To be administered by Equalis Group

Attachment A, Equalis Group Administrative Agreement is used in administering Master Agreements with Region 10 and is preferred by Equalis Group. Redlined copies of this agreement should not be submitted with the response. Should a respondent be recommended for award, this agreement will be negotiated and executed between Equalis Group and the respondent. **Respondents must select one of the following options for submitting their response.**

- ☒ Respondent agrees to all terms and conditions outlined in each of the Administration Agreement.
- ☐ Respondent wishes to negotiate directly with Equalis Group on terms and conditions outlined in the Administration Agreement. Negotiations will commence after sealed Proposals are opened and Region 10 has determined the respondent met all requirements in their response and may be eligible for award.

PROPOSAL FORM 22: OPEN RECORDS POLICY ACKNOWLEDGEMENT AND ACCEPTANCE

Be advised that all information and documents submitted will be subject to the Public Information Act requirements governed by Chapter 552 of the Texas Government Code.

Because contracts are awarded by a Texas governmental entity, all responses submitted are subject to release as public information after contracts are executed. If a Respondent believes that its response, or parts of its response, may be exempted from disclosure to the public, the Respondent must specify page-by-page and line-by-line the parts of the response, which it believes, are exempted from disclosure. In addition, the Respondent must specify which exception(s) are applicable and provide detailed reasons to substantiate the exception(s). Respondent must provide this information on the "Acknowledgement and Acceptance to Region 10 ESC's Public Information Act Policy" form found on the next page of this solicitation. Any information that is unmarked will be considered public information and released, if requested under the Public Information Act.

The determination of whether information is confidential and not subject to disclosure is the duty of the Office of Attorney General (OAG). Region 10 ESC must provide the OAG with the information requested in order for the OAG to render an opinion. In such circumstances, Respondent will be notified in writing that the material has been requested and delivered to the OAG. Respondent will have an opportunity to make arguments to the OAG in writing regarding the exception(s) to the TPIA that permit the information to be withheld from public disclosure. Respondents are advised that such arguments to the OAG must be specific and well-reasoned--vague and general claims to confidentiality by the Respondent are generally not acceptable to the OAG. Once the OAG opinion is received by Region 10 ESC, Region 10 ESC must comply with the opinions of the OAG. Region 10 ESC assumes no responsibility for asserting legal arguments on behalf of any Respondent. Respondents are advised to consult with their legal counsel concerning disclosure issues resulting from this procurement process and to take precautions to safeguard trade secrets and other proprietary information.

After completion of award, these documents will be available for public inspection.

Signature below certifies complete acceptance of Region 10 ESC's Open Records Policy, except as noted below (additional pages may be attached, if necessary). Check one of the following responses to the Acknowledgment and Acceptance of Region 10 ESC's Open Records Policy below:

- ☒ We acknowledge Region 10 ESC's Public Information Act policy and declare that no information submitted with this proposal, or any part of our proposal, is exempt from disclosure under the Public Information Act.

(Note: All information believed to be a trade secret or proprietary must be listed below. It is further understood that failure to identify such information, in strict accordance with the instructions below, will result in that information being considered public information and released, if requested under the Public Information Act.)

- ☐ We declare the following information to be a trade secret or proprietary and exempt from disclosure under the Public Information Act.

(Note: Respondent must specify page-by-page and line-by-line the parts of the response, which it believes, are exempt. In addition, Respondent must specify which exception(s) are applicable and provide detailed reasons to substantiate the exception(s).)

10.31.2024

Date

Sebastien Godard President, SSI
Authorized Signature & Title

PROPOSAL FORM 23: VENDOR CONTRACT AND SIGNATURE FORM

The undersigned hereby proposes and agrees to furnish goods and/or services in strict compliance with the terms, specifications and conditions at the prices proposed within response unless noted in writing. The undersigned further certifies that he/she is an officer of the company and has authority to negotiate and bind the company named below and has not prepared this proposal in collusion with any other Respondent and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any person engaged in this type of business prior to the official opening of this proposal.

VENDORS MUST SUBMIT THIS FORM COMPLETED AND SIGNED WITH THEIR RESPONSE TO BE CONSIDERED

Company name Sarnafil Services, Inc
Address 100 Dan Road
City/State/Zip Canton, MA 02021
Telephone No. 781.828.5400
Fax No. _____
Email address Godard.Sebastien@us.sika.com
Printed name Sebastien Godard
Position with company President, SSI
Authorized signature Sebastien Godard

Term of contract January 1, 2025 to December 31, 2027

Unless otherwise stated, all contracts are for a period of three (3) years with an option to renew annually for an additional two (2) years if agreed to by Region 10 ESC. Vendor shall honor all administrative fees for any sales made based on the contract whether renewed or not.

Sebastien Godard 10/31/2024
Region 10 ESC Authorized Agent Date

Sebastien Godard
Print Name

Equalis Group Contract Number _____



REQUEST FOR PROPOSAL #R10-1172 FOR: Roofing Installation, Materials, and Related Services

October 4, 2024

Section Three:

Part A – Vendor Contract and Signature Form

Attachment A – Equalis Group Administrative Agreement

Attachment C – State Notices

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VENDOR CONTRACT AND SIGNATURE FORM	3
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SECTION THREE: PART A – VENDOR CONTRACT AND GENERAL TERMS AND CONDITIONS

VENDOR CONTRACT AND SIGNATURE FORM

This Vendor Contract and Signature Form ("Contract") is made as of January 1, 2025, by and between Sarnafil Services, Inc ("Vendor") and Region 10 Education Service Center ("Region 10 ESC") for the purchase of Roofing Installation, Materials, and Related Services, including JOC ("the products and services").

RECITALS

WHEREAS, both parties agree and understand that the following pages will constitute the contract between the successful vendor(s) and Region 10 ESC, having its principal place of business at **Education Service Center, Region 10, 400 E Spring Valley Rd, Richardson, TX 75081**

WHEREAS, Vendor agrees to include, in writing, any required exceptions or deviations from these terms, conditions, and specifications; and it is further understood that if agreed to by Region 10 ESC, said exceptions or deviations will be incorporated into the final contract "Vendor Contract."

WHEREAS, this contract consists of the provisions set forth below, including provisions of all attachments referenced herein. In the event of a conflict between the provisions set forth below and those contained in any attachment, the provisions set forth below shall control.

WHEREAS, the Vendor Contract will provide that any state, county, special district, local government, school district, private K-12 school, technical or vocational school, higher education institution (including community colleges, colleges and universities, both public and private), other government agencies or non-profit organization may purchase products and services at prices indicated in the Vendor Contract upon registering and becoming a Member with Region 10 ESC; and it being further understood that Region 10 ESC shall act as the Lead Public Agency with respect to all such purchase agreements. This process may be referred to as "piggybacking", "cooperative purchasing", "joint powers", or other terminology depending on the specific state or agency location.

WHEREAS, Equalis Group has the administrative and legal capacity to administer purchases on behalf of Region 10 ESC under the Vendor Contract with participating public agencies and entities, as permitted by applicable law.

1. ARTICLE 1 – GENERAL TERMS AND CONDITIONS

- 1.1 Equalis Group shall be afforded all of the rights, privileges and indemnifications afforded to Region 10 ESC under the Vendor Contract, and such rights, privileges and indemnifications shall accrue and apply with equal effect to Equalis Group, including, without limitation, Vendor's obligation to provide insurance and other indemnifications to Lead Public Agency.
- 1.2 Awarded vendor shall perform all duties, responsibilities and obligations, set forth in this agreement, and required under the Vendor Contract.

- 1.3 Equalis Group shall perform its duties, responsibilities and obligations as administrator of purchases, set forth in this agreement, and required under the Vendor Contract.
- 1.4 **Customer Support:** The vendor shall provide timely and accurate technical advice and sales support to Region 10 ESC staff, Equalis Group staff and participating agencies. The vendor shall respond to such requests within one (1) working day after receipt of the request.

2. ARTICLE 2 – ANTICIPATED TERM OF AGREEMENT

- 2.1 **Term:** The term of the Contract shall commence upon award and shall remain in effect for a period of three (3) years, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that Region 10 ESC shall have the right, at its sole option, to renew the Contract for two (2) additional one-year periods or portions thereof. In the event that Region 10 ESC exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.
- 2.2 **Automatic Renewal:** Renewal will take place automatically for one (1) year unless Region 10 ESC gives written notice to the awarded supplier at least ninety (90) days prior to the expiration.

3. ARTICLE 3 – REPRESENTATIONS AND COVENANTS

- 3.1 **Scope:** This contract is based on the need to provide the economic benefits of volume purchasing and reduction in administrative costs through cooperative purchasing to schools and other Members.
- 3.2 **Compliance:** Cooperative Purchasing Agreements between Equalis Group and its Members have been established under state procurement law.
- 3.3 **Vendor's promise:** Vendor agrees all prices, terms, warranties, and benefits granted by Vendor to Members through this contract are comparable to or better than the equivalent terms offered by Vendor to any present customer meeting the same qualifications or requirements.

4. ARTICLE 4 – FORMATION OF CONTRACT

- 4.1 **Vendor contract documents:** Region 10 ESC will review proposed Vendor contract documents. Vendor's contract document shall not become part of Region 10 ESC's contract with vendor unless and until an authorized representative of Region 10 ESC reviews and approves it.
- 4.2 **Form of contract:** The form of contract for this solicitation shall be the Request for Proposal, the awarded proposal(s) to the lowest responsible respondent(s), and properly issued and reviewed purchase orders referencing the requirements of the Request for Proposal. If a vendor submitting a proposal requires Region 10 ESC and/or Member to sign an additional agreement, a copy of the proposed agreement must be included with the proposal.
- 4.3 **Entire Agreement (Parol evidence):** The contract, as specified above, represents the final written expression of agreement. All agreements are contained herein and no other agreements or representations that materially alter it are acceptable.
- 4.4 **Assignment of Contract:** No assignment of contract may be made without the prior written approval of Region 10 ESC. Purchase orders and payment can only be made to awarded vendor unless otherwise approved by Region 10 ESC. Awarded vendor is required to notify Region 10 ESC when any material change in operations is made that may adversely affect Members (i.e. awarded vendor bankruptcy, change of ownership, merger, etc.).
- 4.5 **Contract Alterations:** No alterations to the terms of this contract shall be valid or binding unless authorized and signed with a "wet signature" by a Region 10 ESC staff member.

4.6 **Order of precedence:** In the event of a conflict in the provisions of the contract as accepted by Region 10 ESC, the following order of precedence shall prevail:

- General terms and conditions
- Specifications and scope of work
- Attachments and exhibits
- Documents referenced or included in the solicitation

4.7 **Supplemental Agreements:** The entity participating in the Region 10 ESC contract and awarded vendor may enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in this contract i.e. invoice requirements, ordering requirements, specialized delivery, etc. Any supplemental agreement developed as a result of this contract is exclusively between the participating entity and awarded vendor. Neither Region 10 ESC, Equalis Group, its agents, Members and employees shall be made party to any claim for breach of such agreement.

5. ARTICLE 5 – TERMINATION OF CONTRACT

5.1 **Cancellation for cause:** If, for any reason, the Vendor fails to fulfill its obligation in a timely manner, or if the vendor violates any of the covenants, agreements, or stipulations of this contract, Region 10 ESC reserves the right to terminate the contract immediately and pursue all other applicable remedies afforded by law. Such termination shall be effective by delivery of notice, to the vendor, specifying the effective date of termination. In such event, participating Member shall retain sole ownership of all data or intellectual property provided to vendor for the performance of services, as well as any material, reports, or data which the participating Member has already paid the vendor for. Vendor shall retain sole ownership of its own intellectual property and may reclaim or otherwise remove access to any material the participating Member has not paid for. If such event does occur, then vendor will be entitled to receive just and equitable compensation for the satisfactory work completed.

5.2 **Delivery/Service failures:** Region 10 ESC may issue a written deficiency notice to contractor for acting or failing to act in any of the following:

- i. Providing material that does not meet the specifications of the contract;
- ii. Providing work and/or material that was not awarded under the contract;
- iii. Failing to adequately perform the services set forth in the scope of work and specifications;
- iv. Failing to complete required work or furnish required materials within a reasonable amount of time;
- v. Failing to make progress in performance of the contract and/or giving Region 10 ESC reason to believe that contractor will not or cannot perform the requirements of the contract; and/or
- vi. Performing work or providing services under the contract prior to receiving a purchase order for such work.

Upon receipt of a written deficiency notice, contractor shall have ten (10) days to provide a satisfactory response to Region 10 ESC. Failure to adequately address all issues of concern may result in contract cancellation. Failure to deliver goods or services within the time specified or within a reasonable time period as interpreted by the purchasing agent, or failure to make replacements or corrections of rejected articles/services when so requested shall constitute grounds for the contract to be terminated.

- 5.3 **Force Majeure**: If by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement then such party shall give notice and full particulars of Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, act of public enemy, orders of any kind of government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lighting; earthquake; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accidents to machinery, pipelines or canals, or other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty

- 5.4 **Cancellation for convenience**: Either party may cancel this contract in whole or in part by providing written notice. The cancellation will take effect 90 business days after the other party receives the notice of cancellation. After the 90th business day all work will cease following completion of final purchase order. Region 10 ESC reserves the right to request additional items not already on contract at any time.

6. ARTICLE 6 – LICENSES

- 6.1 **Duty to keep current license**: Vendor shall maintain in current status all federal, state and local licenses, bonds and permits required for the operation of the business conducted by vendor. Vendor shall remain fully informed of and in compliance with all ordinances and regulations pertaining to the lawful provision of services under the contract. Region 10 ESC reserves the right to stop work and/or cancel the contract of any vendor whose license(s) expire, lapse, are suspended or terminated.
- 6.2 **Suspension or Debarment**: Vendor shall provide a letter in the proposal notifying Region 10 ESC of any debarment, suspension or other lawful action taken against them by any federal, state, or local government within the last five (5) years that precludes Vendor or its employees from participating in any public procurement activity. The letter shall state the duration of the suspension or action taken, the relevant circumstances and the name of the agency imposing the suspension. Failure to supply or disclose this information may be grounds for cancellation of contract.
- 6.3 **Survival Clause**: All applicable software license agreements, warranties or service agreements that were entered into between Vendor and Customer/participating Member under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Purchase Orders issued and accepted by Order Fulfiler shall survive expiration or termination of the Contract.

7. ARTICLE 7 – DELIVERY PROVISIONS

- 7.1 **Delivery**: Vendor shall deliver physical materials purchased on this contract to the participating Member issuing a Purchase Order. Conforming product shall be shipped within the timeframe agreed upon by the participating Member. If delivery is not or cannot be made within the time

specified by the Purchase Order the vendor must receive authorization from the participating Member for the delayed delivery, at which time the participating Member may cancel the order if estimated shipping time is not acceptable.

- 7.2 **Inspection & Acceptance:** If defective or incorrect material is delivered, participating Member may make the determination to return the material to the vendor at no cost to the participating Member. The vendor agrees to pay all shipping costs for the return shipment. Vendor shall be responsible for arranging the return of the defective or incorrect material.
- 7.3 **Responsibility for supplies tendered:** Vendor shall be responsible for the materials or supplies covered by this contract until they are delivered to the designated delivery point.
- 7.4 **Shipping Instructions:** Each case, crate, barrel, package, etc, delivered under this contract must be plainly labeled, securely tagged, and delivered in the place and time designated by the participating Member in their Purchase Order or by other mutual agreement.
- 7.5 **Additional charges:** Unless bought on F.O.B. "shipping point" and Vendor prepays transportation, no delivery charges shall be added to invoices except when express delivery is authorized and substituted on orders for the method specified in the contract. In such cases, the difference between freight or mail and express charges may be added to the invoice.
- 7.6 **Buyer's delays:** Region 10 ESC will not be responsible for any late fees due the prime contractor by the participating Member. The prime contractor will negotiate with the participating Member for the recovery of damages related to expenses incurred by the vendor for a delay for which the Member is responsible, which is unreasonable, and which was not within the contemplation of the parties to the contract between the two parties.

8. ARTICLE 8 – BILLING AND REPORTING

- 8.1 **Payments:** The participating entity using the contract will make payments directly to the awarded vendor. Payment shall be made after satisfactory performance, in accordance with all provisions thereof, and upon receipt of a properly completed invoice.
- 8.2 **Tax Exempt Status:** Since this is a national contract, knowing the tax laws in each state is the sole responsibility of the Vendor.

9. ARTICLE 9 – PRICING

- 9.1 **Market competitive guarantee:** Vendor agrees to provide market competitive pricing, based on the value offered upon award, to Region 10 ESC and its participating public agencies throughout the duration of the contract.
- 9.2 **Price increase:** Should it become necessary or proper during the term of this contract to make any change in design or any alterations that will increase expense, Region 10 ESC must be notified immediately. Price increases must be approved by Region 10 ESC and no payment for additional materials or services, beyond the amount stipulated in the contract, shall be paid without prior approval. All price increases must be supported by manufacture documentation, or a formal cost justification letter.

Vendor must honor previous prices for thirty (30) days after approval and written notification from Region 10 ESC if requested.

It is Vendor's responsibility to keep all pricing up to date and on file with Region 10 ESC. All price changes must be provided to Region 10 ESC, using the same format as was accepted in the original contract.

- 9.3 **Additional Charges:** All deliveries shall be freight prepaid, F.O.B. destination and shall be included in all pricing offered unless otherwise clearly stated in writing.

- 9.4 **Price reduction and adjustment:** Price reduction may be offered at any time during contract. Special, time-limited reductions are permissible under the following conditions: 1) reduction is available to all Members equally; 2) reduction is for a specific time period, normally not less than thirty (30) days; and 3) original price is not exceeded after the time-limit. Vendor shall offer Region 10 ESC any published price reduction during the contract period.
- 9.5 **Prevailing Wage:** It shall be the responsibility of the Vendor to comply, when applicable, with the prevailing wage legislation in effect in the jurisdiction of the purchaser (Region 10 ESC or its Participating Members). It shall further be the responsibility of the Vendor to monitor the prevailing wage rates as established by the appropriate Department of Labor for any increase in rates during the term of this contract and adjust wage rates accordingly.
- 9.6 **Administrative Fees:** The Vendor agrees to pay administrative fees to Equalis Group based on the terms set in the Equalis Group Administration Agreement. All pricing submitted to Region 10 shall include the administrative fee to be remitted to Equalis Group by the awarded vendor.
- 9.7 **Price Calculation:** Cost plus a percentage as a primary mechanism to calculate pricing is not allowed. Pricing may either be in the form of line item pricing, defined as a specific individual price on a product or service, or a percentage discount from a verifiable catalog or price list. Other discounts or incentives may be offered.

10. ARTICLE 10 – PRICING AUDIT

- 10.1 **Audit rights:** Vendor shall, at Vendor's sole expense, maintain appropriate due diligence of all purchases made by Region 10 ESC and any participating entity that accesses this Agreement. Equalis Group and Region 10 ESC each reserve the right to audit the accounting for a period of three (3) years from the time such purchases are made. This audit right shall survive termination of this Agreement for a period of one (1) year from the effective date of termination. In the State of New Jersey, this audit right shall survive termination of this Agreement for a period of five (5) years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request. Region 10 ESC shall have the authority to conduct random audits of Vendor's pricing that is offered to eligible entities at Region 10 ESC's sole cost and expense. Notwithstanding the foregoing, in the event that Region 10 ESC is made aware of any pricing being offered to eligible agencies that is materially inconsistent with the pricing under this agreement, Region 10 ESC shall have the ability to conduct an extensive audit of Vendor's pricing at Vendor's sole cost and expense. Region 10 ESC may conduct the audit internally or may engage a third-party auditing firm. In the event of an audit, the requested materials shall be provided in the format and at the location designated by Region 10 ESC or Equalis Group.

11. ARTICLE 11 – PROPOSER PRODUCT LINE REQUIREMENTS

- 11.1 **Current products:** Proposals shall be for products and services in current production and marketed to the general public and education/government agencies at the time the proposal is submitted.
- 11.2 **Discontinued products:** If a product or model is discontinued, Vendor may substitute a new product or model if the replacement product meets or exceeds the specifications and performance of the discontinued model and if the discount is the same or greater than the discontinued model.
- 11.3 **New products/Services:** New products and/or services that meet the scope of work may be added to the contract. Pricing shall be equivalent to the percentage discount for other products. Vendor may replace or add product lines to an existing contract if the line is replacing or supplementing products on contract, is equal or superior to the original products offered, is discounted in a similar or to a greater degree, and if the products meet the requirements of the solicitation. No products

and/or services may be added to avoid competitive procurement requirements. Region 10 ESC may require additions to be submitted with documentation from Participating Members demonstrating an interest in, or a potential requirement for, the new product or service. Region 10 ESC may reject any additions without cause.

- 11.4 **Options:** Optional equipment for products under contract may be added to the contract at the time they become available under the following conditions: 1) the option is priced at a discount similar to other options; 2) the option is an enhancement to the unit that improves performance or reliability.
- 11.5 **Product line:** Vendors with a published catalog may submit the entire catalog. Region 10 ESC reserves the right to select products within the catalog for award without having to award all contents. Region 10 ESC may reject any addition of equipment options without cause.
- 11.6 **Warranty conditions:** All supplies, equipment and services shall include manufacturer's minimum standard warranty and one (1) year labor warranty unless otherwise agreed to in writing.
- 11.7 **Buy American requirement:** Vendors may only use unmanufactured construction material mined or produced in the United States, as required by the Buy American Act. Where trade agreements apply, to the extent permitted by applicable law, then unmanufactured construction material mined or produced in a designated country may also be used. Vendors are required to check state specific requirements to ensure compliance with this requirement.
- 11.8 **Domestic preference:** Region 10 ESC prefers the purchase, acquisition, or use of goods, products, or materials produced in the United States.

12. ARTICLE 12 – SITE REQUIREMENTS

- 12.1 **Cleanup:** Vendor shall clean up and remove all debris and rubbish resulting from their work as required or directed by Member. Upon completion of the work, the premises shall be left in good repair and an orderly, neat, clean and unobstructed condition conducive to the Member's business purpose.
- 12.2 **Site Preparation:** Vendor shall not begin a project for which Participating Member has not prepared the site, unless Vendor does the preparation work at no cost, or until Participating Member includes the cost of site preparation in a purchase order to the contractor. Site preparation includes, but is not limited to moving furniture, moving equipment or obstructions to the work area, installation of wiring for networks or any other necessary pre-installation requirements.
- 12.3 **Registered sex offender restrictions:** For work to be performed at schools, Vendor agrees that no employee or employee of a subcontractor who has been adjudicated to be a registered sex offender will perform work at any time when students are or are reasonably expected to be present. Vendor agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the purchase order at the Participating Member's discretion. Vendor must identify any additional costs associated with compliance of this term. If no costs are specified, compliance with this term will be provided at no additional charge. Vendor is also responsible for ensuring that their employees or contractors who have direct contact with students are properly fingerprinted and background checked in accordance with local state law, if applicable.
- 12.4 **Safety measures:** Vendor shall take all reasonable precautions for the safety of employees on the worksite and shall erect and properly maintain all necessary safeguards for protection of workers and the public. Vendor shall post warning signs against all hazards created by its operation and work in progress. Proper precautions shall be taken pursuant to state law and standard practices to protect workers, general public and existing structures from injury or damage.
- 12.5 **Smoking/Tobacco:** Persons working under the contract shall adhere to local tobacco and smoking (including e-cigarettes/vaping) policies. Smoking will only be permitted in posted areas or off premises.

- 12.6 **Stored materials**: Upon prior written agreement between the vendor and Member, payment may be made for materials not incorporated in the work but delivered and suitably stored at the site or some other location, for installation at a later date. An inventory of the stored materials must be provided to Participating Member with the application for payment seeking compensation for stored materials. Such materials must be stored and protected in a secure location and be insured for their full value by the vendor against loss and damage. Vendor agrees to provide proof of coverage and/or addition of Participating Member as an additional insured upon Participating Member's request. Additionally, if stored offsite, the materials must also be clearly identified as property of buying Participating Member and be separated from other materials. Participating Member must be allowed reasonable opportunity to inspect and take inventory of stored materials, on or offsite, as necessary.

Until final acceptance by the Participating Member, it shall be the Vendor's responsibility to protect all materials and equipment. Vendor warrants and guarantees that title for all work, materials and equipment shall pass to the Member upon final acceptance.

- 12.7 **Maintenance Facilities and Support**: It is preferred that each contractor should have maintenance facilities and a support system available for servicing and repair of product and/or equipment. If a third party is to be used to provide maintenance and support to the participating Member, Vendor must notify Region 10 ESC of that third party information. All technicians, applicators, installers shall be fully certified, trained and licensed to perform said duties.

13. ARTICLE 13 – MISCELLANEOUS

- 13.1 **Funding Out Clause**: Any/all contracts exceeding one (1) year shall include a standard "funding out" clause. A contract for the acquisition, including lease, of real or personal property is a commitment of the entity's current revenue only, provided the contract contains either or both of the following provisions:

"Retains to the entity the continuing right to terminate the contract at the expiration of each budget period during the term of the contract and is conditioned on a best efforts attempt by the entity to obtain appropriate funds for payment of the contract in the subsequent fiscal year."

- 13.2 **Disclosures**: Vendor affirms that he/she has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with this contract.

13.2.1 Vendor has a continuing duty to disclose a complete description of any and all relationships that might be considered a conflict of interest in doing business with Members in Equalis Group.

13.2.2 Vendor affirms that, to the best of his/her knowledge, the offer was arrived at independently, and was submitted without collusion with anyone to obtain information or gain any favoritism that would in any way limit competition or give an unfair advantage over other vendors in the award of this contract.

- 13.3 **Indemnity**: Vendor shall protect, indemnify, and hold harmless both Region 10 ESC and Equalis Group and its Members, administrators, employees and agents against all claims, damages, losses and expenses arising out of or resulting from the actions of Vendor, Vendor employees or Vendor subcontractors in the preparation of the solicitation and the later execution of the contract, including any supplemental agreements with Members. Any litigation involving either Region 10 ESC or Equalis Group, its administrators and employees and agents shall be in a court of competent jurisdiction in Dallas County, Texas. Texas law shall apply to any such suit, without giving effect to its choice of laws provisions. Any litigation involving Equalis Group participating Members shall be in the jurisdiction of the participating Member.

- 13.4 **Franchise Tax:** Vendor hereby certifies that he/she is not currently delinquent in the payment of any required franchise taxes, and shall remain current on any such franchise taxes throughout the term of this contract.
- 13.5 **Marketing:** Vendor agrees to allow Region 10 ESC and Equalis Group to use their name and logo within website, marketing materials and advertisement. Any use of the Region 10 ESC or Equalis Group name and logo or any form of publicity, inclusive of press releases, regarding this contract by Vendor must have prior approval from Region 10 ESC.
- 13.6 **Insurance:** Unless otherwise modified elsewhere in this document, prior to commencing services under this contract for a participating Member, contractor shall procure, provide and maintain during the life of this agreement comprehensive public liability insurance to include course of construction insurance and automobile liability, providing limits of not less than \$1,000,000.00 per occurrence. The insurance form will be an "all risk" type of policy with standard exclusions. Coverage will include temporary structures, scaffolding, temporary office trailers, materials, and equipment. Contractor shall pay for the deductibles required by the insurance provided under this agreement.
- 13.6.1 Certificates of insurance shall be delivered to the Member prior to commencement of work. The insurance company shall be licensed to do business and write the appropriate lines of insurance in the applicable state in which work is being conducted. Vendor shall give the participating entity a minimum of ten (10) days' notice prior to any modifications or cancellation of policies. Vendor shall require all subcontractors performing any work to maintain coverage as specified.
- 13.6.2 Prior to commencing any work under this contract, any subcontractor shall also procure, provide, and maintain, at its own expense until final acceptance of the work performed, insurance coverage in a form acceptable to the prime contractor. All subcontractors shall provide worker's compensation insurance which waives all subrogation rights against the prime contractor and Member.
- 13.7 **Subcontracts/Sub Contractors:** If Vendor serves as prime contractor, it shall not enter into any subcontract subject to this solicitation without prior approval from participating Member. Any/all subcontractors shall abide by the terms and conditions of this contract and the solicitation.
- 13.7.1 No subcontract relationships shall be entered into with a party not licensed to do business in the jurisdiction in which the work will be performed. Contractor must use subcontractors openly, include such arrangements in the proposal, and certify upon request that such use complies with the rules associated with the procurement codes and statutes in the state in which the contractor is conducting business.
- 13.7.2 Contractor agrees to pay subcontractors in a timely manner. Failure to pay subcontractors for work faithfully performed and properly invoiced may result in suspension or termination of this contract. Prior to participating Member's release of final retained amounts, Contractor shall produce verified statements from all subcontractors and material suppliers that those entities have been paid in full amounts due and owing to them.
- 13.8 **Legal Obligations:** It is the Vendor's responsibility to be aware of and comply with all local, state, and federal laws governing the sale of products/services identified in this RFP and any awarded contract and shall comply with all while fulfilling the RFP. Applicable laws and regulations must be followed even if not specifically identified herein.

[Signatures follow on Signature Form]

14. CONTRACT SIGNATURE FORM

Please note: A copy of the Contract Signature Form has been provided in Section 2; Proposal Submission and Required Forms

The undersigned hereby proposes and agrees to furnish goods and/or services in strict compliance with the terms, specifications and conditions at the prices proposed within response unless noted in writing. The undersigned further certifies that he/she is an officer of the company and has authority to negotiate and bind the company named below and has not prepared this proposal in collusion with any other Respondent and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any person engaged in this type of business prior to the official opening of this proposal.

VENDORS MUST SUBMIT THIS FORM AS PROVIDED IN SECTION 2 COMPLETED AND SIGNED WITH THEIR RESPONSE TO BE CONSIDERED

Prices are guaranteed: **120 days**

Company name	Sarnafil Services, Inc	
Address	100 Dan Road	
City/State/Zip	Canton, MA 02021	
Telephone No.	781.828.8400	
Fax No.		
Email address	Godard.Sebastien@us.sika.com Bonavita.Peter@us.sika.com	
Printed name	Sebastien Godard	Peter Bonavita
Position with company	President, SSI	General Manager, SSI
Authorized signature		<i>Peter Bonavita</i>

Term of contract January 1, 2025 to December 31, 2027

Unless otherwise stated, all contracts are for a period of three (3) years with an option to renew annually for an additional two (2) years if agreed to by Region 10 ESC. Vendor shall honor all administrative fees for any sales made based on the contract whether renewed or not.

<i>Sebastien Godard</i>	10/31/2024
Region 10 ESC Authorized Agent	Date

Sebastien Godard

Print Name

Equalis Group Contract Number _____

ATTACHMENT A – EQUALIS GROUP ADMINISTRATIVE AGREEMENT

NOTE: This agreement is provided as a model agreement which winning supplier will enter into upon award with Equalis Group. Respondents are asked not to respond with redlines for this model contract. Respondent should complete the Equalis Group Administration Agreement Declaration form found in section two of the Proposal Submission and Required Forms document. In this form, the respondent will need to indicate acceptance of these terms, or if they wish to negotiate.

THIS ADMINISTRATION AGREEMENT (this "**Agreement**"), effective as of January 1, 2025 (the "**Effective Date**"), is entered into by and between **Winning Supplier**, ("**Winning Supplier**") and Equalis Group LLC, a Delaware limited liability company with its principal place of business at 5540 Granite Parkway, Suite 200, Plano, Texas 75024 ("**Equalis**"). Throughout this Agreement, Winning Supplier and Equalis are referred to interchangeably as in the singular "**Party**" or in the plural "**Parties**."

SECTION 1. RECITALS

- A.** Education Service Center, Region 10 ("**Region 10**") serves as a lead public agency (a "**Lead Public Agency**") for Equalis Group ("**Equalis Group**"), a national cooperative purchasing organization, by publicly procuring master group purchasing agreements for products and services to be made available to Equalis Group members ("**Equalis Group Member**" or "**Member**").
- B.** Region 10 issued request for proposal ("**RFP**") #R10-1172 on behalf of Region 10 and Equalis Group Members for Roofing Installation, Materials, and Related Services ("**Products & Services**") and awarded a contract to Winning Supplier.
- C.** Region 10 and Winning Supplier entered into that certain master group purchasing agreement (the "**Master Agreement**") #**contract number** effective as of January 1, 2025 to provide Products & Services to Equalis Group Members.
- D.** The Master Agreement and this Agreement, together with all attachments, appendices, and exhibits hereto, constitutes the entire agreement between the Parties.
- E.** Equalis Group serves as the contract administrator of the Master Agreement on behalf of Region 10.
- F.** Equalis actively promotes Master Agreements to current and prospective Equalis Group Members (collectively "**Prospective Participants**") through a range of marketing, prospecting, and sales strategies, including, but not limited to, marketing and sales collateral development, direct mail, web marketing, electronic communications, attendance at events, Winning Supplier sales representative training, and Winning Supplier field sales support (collectively, "**Equalis Services**") as more fully defined in **Appendix B**.
- G.** Any Prospective Participant who purchases Products & Services from Winning Supplier subject to the Master Agreement shall be considered a "**Program Participant**".
- H.** Winning Supplier desires to promote and expand its operations and increase the sales of its Products & Services to public sector, private sector, and non-profit organizations through Equalis Group.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree to the following terms and conditions:

SECTION 2. BUSINESS TERMS

Defined Terms. Any capitalized terms contained herein not defined in this Agreement shall have the same meaning as defined in the Master Agreement.

Appendices. The appendices attached hereto are made a part of this Agreement (if one, an “**Appendix**” or more, “**Appendices**”).

Appendix A defines Winning Supplier’s reporting requirements.

Appendix B sets forth the roles and responsibilities of the Parties.

Appendix C defines the financial terms between the Parties.

Terms in Appendices. In all cases where the terms of this Agreement and any Appendices disagree, the terms in the Appendix shall control.

Publicity & Joint Marketing.

Publicity. A Party may only issue press releases or other public announcements with respect to this Agreement with the prior, written consent of the other Party.

Joint Marketing / Logo & Name Use. Winning Supplier authorizes Equalis to use Winning Supplier’s trademarks, names, and logos as provided by Winning Supplier to Equalis. Equalis authorizes Winning Supplier to use Equalis’ trademarks, names, and logos as provided by Equalis to Winning Supplier. Each Party’s use of the other Party’s trademarks, names, and logos will be limited to standard communication, including correspondence, newsletters, and website material, and joint marketing efforts, including, but not limited to, utilizing the same on correspondence, collateral, agreements, websites, newsletters, or other marketing materials promoting the Products & Services pursuant to the Master Agreement and this Agreement. Notwithstanding the foregoing, the Parties understand and agree that except as provided herein, neither Party shall have any right, title, or interest in the other Party’s trademarks, names, and logos. Upon termination of this Agreement, each Party shall immediately cease use of the other Party’s trademarks, names, and logos.

SECTION 3. TERMS & CONDITIONS

Contract Administration. Equalis Group shall perform all of its duties, responsibilities and obligations as contract administrator of the Master Agreement on behalf of Region 10, and Supplier hereby acknowledges and agrees that all duties, responsibilities and obligations will be undertaken by Equalis Group solely in its capacity as the contract administrator under the Master Agreement.

Express Limitation of Equalis Liability. With respect to any purchases of Products & Services by Region 10 or any Program Participant pursuant to the Master Agreement, Equalis shall not be: (i) construed as a, re-marketer, representative, partner, or agent of any type of the Winning Supplier, Region 10, or any Program Participant; (ii) obligated by, liable for, or in any way responsible for any order of Products & Services made by Region 10 or any Program Participant or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Products & Services; and (iii) obligated by, liable for, or in any way responsible for any failure by Region 10 or any Program Participant to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase Products & Services under the Master Agreement. Equalis makes no representation or guaranty with respect to any minimum purchases by Region 10 or any Program Participant, whether individually or collectively, or any employee thereof under this Agreement or the Master Agreement. The terms of this section shall survive the termination of this Agreement.

Indemnification. Equalis Group shall be afforded all of the rights, privileges and indemnifications afforded to Lead Agency by or from Supplier under the Lead Agency Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to Equalis Group, its agents, employees, directors, and representatives under this Agreement including, but not limited to, the Supplier's obligation to provide appropriate insurance.

Term & Termination. The Term of this Agreement is the same as the Term of the Region 10 Master Agreement. This Agreement shall be terminated, if and when the Master Agreement is terminated. Upon termination of the Master Agreement for any reason, Winning Supplier shall continue making Administrative Fee and other payments, as set forth in **Appendix C**, to Equalis that are generated by individual Program Participant's purchase of Products & Services for a period of either i) one (1) year from the date of termination, or ii) through the then current expiration date of the Master Agreement, whichever is shorter, to the extent that Winning Supplier continues to generate revenue from each Program Participant's purchase of Products & Services following the termination of the Master Agreement.

Audit of Winning Supplier. Equalis, whether directly or through an independent auditor or accounting firm, shall have the right to perform audits, including inspection of books, records, and computer data relevant to Winning Supplier's provision of Products & Services to Program Participants and payment of Administrative Fees to Equalis, pursuant to the Master Agreement and this Administration Agreement, to ensure that pricing, inventory, quality, process, and business controls are maintained; provided, however, that such inspections and audits will be conducted upon reasonable notice to Winning Supplier and so as not to unreasonably interfere with Winning Supplier's business or operations.

Notices. All notices, claims, certificates, requests, demands, and other communications required or permitted hereunder ("**Notice**") must be in writing and will be deemed given to the addresses set forth herein (a) when delivered personally to the recipient, (b) upon delivery by reputable overnight courier service (charges prepaid), or (c) upon delivery or refusal of delivery by certified or registered mail, return receipt requested, and addressed to the intended recipient. The Parties agree that day-to-day business communications, including notification of a change of address or revisions to any Appendix, may be made via electronic communication, including email.

Addresses for Notices. This section may be modified at any time by either Party providing the other Party with written Notice, including via email, of a change of address or addition or deletion to the individuals who will be copied on all Notices.

If to **Winning Supplier:**

Name / Title: Jim Franklin, Business Development Manager

Street Address: 100 Dan Rd,

City/St/Zip: Canton, MA 02021

If to **Equalis:**

Equalis Group LLC

Attn: Eric Merkle, SVP

5540 Granite Parkway, Suite 200

Plano, Texas 75024

Waiver and Modification. This Agreement may not be amended, changed, modified, or altered without the prior written consent of the parties hereto, and no provision of this Agreement may be discharged or waived,

except by a writing signed by the parties. A waiver of any particular provision will not be deemed a waiver of any other provision, nor will a waiver given on one occasion be deemed to apply to any other occasion.

Governing Law; Invalidity. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Texas without regard to rules of conflict of laws. If any provision of this Agreement is declared unlawful or unenforceable by judicial determination or performance, then the remainder of this Agreement shall continue in force as if the invalidated provision did not exist. Any suits filed by either Party pursuant to this Agreement shall be brought in a court of competent jurisdiction located in Richardson, Dallas County, Texas. In the event either Party initiates a suit and that suit is adjudicated by a court of competent jurisdiction, the prevailing Party shall be entitled to reasonable attorney's fees and costs from the non-prevailing Party in addition to any other relief to which the court determines the prevailing Party is entitled or awarded.

Assignment. This Agreement and the rights and obligations hereunder may not be assignable by either Party hereto without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed, provided, however, that either Party may assign its respective rights and obligations under this Agreement without the consent of the other Party in the event either Party shall hereafter effect a corporate reorganization, consolidation, merger, merge into, sale to, or a transfer of all or substantially all of its properties or assets to another entity. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns. Any instrument purporting to make an assignment in violation of this section shall be null and void. This Agreement may be extended to additional entities affiliated with either Party upon the agreement of the other Party. No such extension will relieve the extending Party of its rights and obligations under this Agreement.

No Third-Party Beneficiaries; Survival of Representations. This Agreement is made solely for the benefit of the Parties to it, and no other persons will acquire or have any right under or by virtue of this Agreement. Except as otherwise provided herein, all representations, warranties, covenants, and agreements of the Parties shall remain in full force and effect regardless of any termination of this Agreement, in whole or in part.

Entire Agreement. The Region 10 Master Agreement and this Agreement, together with all attachments, appendices, and exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written representations and agreements with regard to the same subject matter. The Parties acknowledge that this Agreement has been negotiated and incorporates their collective agreement as to the provisions to be contained herein. Therefore, no presumption will arise giving benefit of interpretation by virtue of authorship of any provision of this Agreement, and any ambiguity may not be construed for or against any Party.

Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original. For purposes of this Agreement, a facsimile, scanned, or electronic signature will be deemed an original signature.

Titles, Headings & Recitals. The Preamble to this Agreement is hereby incorporated herein and made part of this Agreement. The Recitals stated within this Agreement are deemed to be a part of this Agreement. The titles and headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

(Signature page to follow)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

WINNING SUPPLIER

EQUALIS GROUP, LLC

By: _____

By: _____

Sebastien Godard Peter Bonavita

Name: Sebastien Godard Peter Bonavita

Name: _____

Title: President General Manager

Title: _____

Date: 10/31/2024 10/31/2024

Date: _____

APPENDIX A: WINNING SUPPLIER REPORTING REQUIREMENTS

This Appendix may be modified at any time with the mutual written consent of the Parties, including via email. Winning Supplier shall electronically provide Equalis with a detailed line-item monthly report showing the dollar volume of all member Products & Services sales under the contract for the previous month. Reports shall be sent via e-mail to Equalis offices at Reporting@EqualisGroup.org. Reports are due on the **fifteenth (15th)** day after the end of the previous month. It is the responsibility of Winning Supplier to collect and compile all sales under the Master Agreement from Program Participants and submit one (1) monthly report. Fields below marked as *required indicate a required field. All other fields are preferred, but not required:

Member Data	Equalis Member ID
	Vendor Customer Number *required (or Equalis Member ID)
	Customer Name *required
	Customer Street Address *required
	Customer City *required
	Customer Zip Code *required
	Customer State *required
Distributor Data	Distributor Name
	Distributor ID
	Distributor Street Address
	Distributor City
	Distributor Zip Code
	Distributor State
Product Data	Product Category level 1
	Product Category level 2 (Where available or applicable)
	Product Category level 3 (Where available or applicable)
	Distributor Product Number
	Manufacturer Product Number
	Product Description
	Product Brand Name
	Product packaging Unit of Measure, multiple levels if necessary
Spend Data	Purchase Unit of Measure
	Purchase Quantity
	Distributor Landed Cost Total \$ (without deviations)
	Distributor Landed Cost Total \$ (with mfr deviations)
	Customer Purchase Total \$ *required
	Admin Fee % *required
	Admin Fee \$ *required

APPENDIX B: ROLES & RESPONSIBILITIES

This Appendix defines the roles and responsibilities of Equalis and Winning Supplier under this Agreement. This Appendix may be modified at any time with the mutual written consent of the Parties, including via email.

1. Equalis Services.

1.1. Winning Supplier Sales Representative Training. Equalis will develop, as appropriate and subject to Winning Supplier approval, various sales training materials, sales tools, and marketing collateral to promote the Master Agreement and Winning Supplier's Products & Services. Equalis, as appropriate, will i) conduct periodic sales trainings with Winning Supplier sales representatives assigned to sell Products & Services, ii) provide sales representatives with marketing collateral and sales tools to utilize with sales prospects, with particular focus on the procurement process that led to the establishment of the Master Agreement, the legal ability for sales prospects in any state to purchase Products & Services through the Master Agreement without having to conduct their own bid or RFP process, and the key differentiators in the design of this program with Winning Supplier, and iii) attend at least one Winning Supplier company-wide sales and/or leadership meeting per year.

1.2. Sales Support. Equalis will engage in Winning Supplier sales efforts as agreed by the Parties through participating in i) individual sales calls, ii) joint sales calls, iii) communications and customer service, iv) discussions and communication with sales prospects during the sales process to address questions relating to the procurement process, legal authority to purchase through the Master Agreement, and program design, v) trainings for Equalis Members' teams, vi) regular business reviews to monitor Program success, and vii) general contract administration.

1.3. Marketing. Equalis will incorporate information about the Products & Services into Equalis Group's website and general collateral materials. Equalis and Winning Supplier will jointly develop and approve marketing materials to promote Products & Services, such as website content, brochures and collateral, talking points, press releases, and correspondence. Equalis will market the Products & Services to Prospective Participants as part of Equalis' ongoing marketing activities through Equalis Group; these marketing efforts may consist of a combination of i) general marketing of all of Equalis Group's master group purchasing agreements, including the Master Agreement and Winning Supplier's Products & Services, ii) marketing of Winning Supplier's Products & Services specifically and/or as part of a package of selected master group purchasing agreements to targeted Prospective Participants, and iii) attending trade shows, conferences, and meetings.

2. Winning Supplier Roles & Responsibilities.

As a condition to Winning Supplier entering into the Master Agreement, which is available to all Public Sector Entities, Winning Supplier must make certain representations, warranties, and covenants to Equalis designed to ensure the success of the Master Agreement for all Prospective Participants, sales prospects, and Winning Supplier.

2.1. Equalis Group Membership Agreement. Winning Supplier will make available the Equalis Group Master Intergovernmental Cooperative Purchasing Agreement (whether in hard copy, electronically, or via www.EqualisGroup.org) and request any Prospective Participants subject to the Master Agreement who have not already joined Equalis Group to join Equalis Group in conjunction with executing Winning Supplier's Customer Agreements and/or beginning to purchase Products & Services from Winning Supplier to ensure that Winning Supplier and each Program Participant are in full compliance with applicable state procurement statutes.

2.2. Corporate Commitment. Winning Supplier commits that i) the Master Agreement has received all necessary corporate authorizations and support of Winning Supplier's executive management, ii) the Master Agreement will be promoted to Public Sector Entities, and iii) Winning Supplier will identify an executive corporate sponsor and a separate national account manager that will be responsible for the overall management of the Master Agreement and this Agreement.

2.3. Sales Commitment. Winning Supplier commits to market the Master Agreement as a market strategy in the public sector and that its sales force will be trained, engaged, and committed to offering the Master Agreement to Public Sector Entities through Equalis Group in the geographies defined in the Master Agreement. Winning Supplier commits that all sales under the Master Agreement will be accurately and timely reported to Equalis. Winning Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Program Participants under the Master Agreement in a consistent or better manner compared to sales to Public Sector Entities if Winning Supplier were not awarded the Master Agreement. Supplier will make available to interested Prospective Participants such price lists or quotes as may be necessary for such Prospective Participants to evaluate potential purchases of Products & Services under the Master Agreement.

2.4. Marketing Commitment. Winning Supplier commits to work with Equalis to develop a sales and marketing plan ("**Plan**") within the first ninety (90) days of the Master Agreement Effective Date. The Plan may include, but is not limited to, the following:

2.4.1. Issuing co-branded press release

2.4.2. Publishing Master Agreement details and contact information on both Equalis Group and Winning Supplier's websites

2.4.3. Scheduling and holding training on the Master Agreement for the sales teams of both Equalis Group and Winning Supplier

2.4.4. Jointly participating in national and regional conferences

2.4.5. Jointly attending national and regional Equalis Group Member networking events

2.4.6. Designing, publishing, and distributing co-branded marketing materials

2.4.7. Engaging in ongoing marketing and promotion of the Master Agreement for the entire Term of the Master Agreement (e.g., developing and presenting case studies, collateral pieces, and presentations)

APPENDIX C: FINANCIAL TERMS

This Appendix may be modified at any time with the mutual written consent of the Parties.

1. **Administrative Fee.**

On or before the fifteenth (15th) of each month, Winning Supplier shall remit to Equalis an administrative fee payment (the “**Administrative Fee**”) (percentage to be negotiated) of the total Winning Supplier revenue (the “**Equalis Group Spend**” or “**Spend**”) invoiced to Program Participants during the prior calendar month. “Spend” shall mean the cumulative purchases of Products & Services by Program Participants under the Master Agreement net of taxes, shipping costs, returns, and credits. All Administrative Fees not paid when due shall bear interest at a rate equal to the lesser of one- and one-half percent (1.5%) per month or the maximum rate permitted by law until paid in full.

2. **Case-by-Case Administrative Fee Adjustments.**

The Parties understand and acknowledge that Winning Supplier may have to provide aggressive deviated pricing on a case-by-case basis to win certain opportunities with Prospective Participants when those opportunities represent a sufficiently large Spend and/or are highly competitive. In such situations, Winning Supplier may request Equalis accept a reduced Administrative Fee. The Parties agree to evaluate each such situation as it arises and utilize best efforts to establish an adjusted Administrative Fee rate upon mutual written agreement (including via email) of the Parties.

3. **Rebates or Other Payments.**

Insert rebate or other payment language as agreed.

ATTACHMENT C: STATE NOTICE

Pursuant to certain state notice provisions, including but not limited to Oregon Revised Statutes Chapter 279A.220, the following public agencies and political subdivisions of the referenced public agencies are eligible to register with Equalis Group and access the Vendor Contract award made pursuant to this solicitation, and hereby given notice of the foregoing Request for Proposal for purposes of complying with the procedural requirements of said statutes:

Nationwide:

State of Alabama	State of Hawaii	State of Massachusetts	State of New Mexico	State of South Dakota
State of Alaska	State of Idaho	State of Michigan	State of New York	State of Tennessee
State of Arizona	State of Illinois	State of Minnesota	State of North Carolina	State of Texas
State of Arkansas	State of Indiana	State of Mississippi	State of North Dakota	State of Utah
State of California	State of Iowa	State of Missouri	State of Ohio	State of Vermont
State of Colorado	State of Kansas	State of Montana	State of Oklahoma	State of Virginia
State of Connecticut	State of Kentucky	State of Nebraska	State of Oregon	State of Washington
State of Delaware	State of Louisiana	State of Nevada	State of Pennsylvania	State of West Virginia
State of Florida	State of Maine	State of New Hampshire	State of Rhode Island	State of Wisconsin
State of Georgia	State of Maryland	State of New Jersey	State of South Carolina	State of Wyoming
District of Columbia				

Lists of political subdivisions and local governments in the above referenced states/districts may be found at http://www.usa.gov/Agencies/State_and_Territories.shtml and <https://www.usa.gov/local-governments>.

Certain Public Agencies and Political Subdivisions:

CITIES, TOWNS, VILLAGES AND BOROUGHES INCLUDING BUT NOT LIMITED TO:

BAKER CITY GOLF COURSE, OR	CITY OF BURNS, OR
CITY OF ADAIR VILLAGE, OR	CITY OF CANBY, OR
CITY OF ASHLAND, OR	CITY OF CANYONVILLE, OR
CITY OF AUMSVILLE, OR	CITY OF CLATSKANIE, OR
CITY OF AURORA, OR	CITY OF COBURG, OR
CITY OF BAKER, OR	CITY OF CONDON, OR
CITY OF BATON ROUGE, LA	CITY OF COQUILLE, OR
CITY OF BEAVERTON, OR	CITY OF CORVALLI, OR
CITY OF BEND, OR	CITY OF CORVALLIS PARKS AND RECREATION
CITY OF BOARDMAN, OR	DEPARTMENT, OR
CITY OF BONANAZA, OR	CITY OF COTTAGE GROVE, OR
CITY OF BOSSIER CITY, LA	CITY OF DONALD, OR
CITY OF BROOKINGS, OR	CITY OF EUGENE, OR

CITY OF FOREST GROVE, OR
CITY OF GOLD HILL, OR
CITY OF GRANTS PASS, OR
CITY OF GRESHAM, OR
CITY OF HILLSBORO, OR
CITY OF INDEPENDENCE, OR
CITY AND COUNTY OF HONOLULU, HI
CITY OF KENNER, LA
CITY OF LA GRANDE, OR
CITY OF LAFAYETTE, LA
CITY OF LAKE CHARLES, OR
CITY OF LEBANON, OR
CITY OF MCMINNVILLE, OR
CITY OF MEDFORD, OR
CITY OF METAIRIE, LA
CITY OF MILL CITY, OR
CITY OF MILWAUKIE, OR
CITY OF MONROE, LA
CITY OF MOSIER, OR
CITY OF NEW ORLEANS, LA
CITY OF NORTH PLAINS, OR
CITY OF OREGON CITY, OR
CITY OF PILOT ROCK, OR
CITY OF PORTLAND, OR
CITY OF POWERS, OR
CITY OF PRINEVILLE, OR
CITY OF REDMOND, OR
CITY OF REEDSPORT, OR
CITY OF RIDDLE, OR
CITY OF ROGUE RIVER, OR
CITY OF ROSEBURG, OR
CITY OF SALEM, OR
CITY OF SANDY, OR
CITY OF SCAPPOOSE, OR
CITY OF SHADY COVE, OR
CITY OF SHERWOOD, OR
CITY OF SHREVEPORT, LA
CITY OF SILVERTON, OR
CITY OF SPRINGFIELD, OR
CITY OF ST. HELENS, OR
CITY OF ST. PAUL, OR
CITY OF SULPHUR, LA
CITY OF TIGARD, OR
CITY OF TROUTDALE, OR
CITY OF TUALATIN, OR
CITY OF WALKER, LA
CITY OF WARRENTON, OR
CITY OF WEST LINN, OR
CITY OF WILSONVILLE, OR
CITY OF WINSTON, OR
CITY OF WOODBURN, OR
LEAGUE OF OREGON CITIES
THE CITY OF HAPPY VALLEY OREGON
ALPINE, UT

ALTA, UT
ALTAMONT, UT
ALTON, UT
AMALGA, UT
AMERICAN FORK CITY, UT
ANNABELLA, UT
ANTIMONY, UT
APPLE VALLEY, UT
AURORA, UT
BALLARD, UT
BEAR RIVER CITY, UT
BEAVER, UT
BICKNELL, UT
BIG WATER, UT
BLANDING, UT
BLUFFDALE, UT
BOULDER, UT
CITY OF BOUNTIFUL, UT
BRIAN HEAD, UT
BRIGHAM CITY CORPORATION, UT
BRYCE CANYON CITY, UT
CANNONVILLE, UT
CASTLE DALE, UT
CASTLE VALLEY, UT
CITY OF CEDAR CITY, UT
CEDAR FORT, UT
CITY OF CEDAR HILLS, UT
CENTERFIELD, UT
CENTERVILLE CITY CORPORATION, UT
CENTRAL VALLEY, UT
CHARLESTON, UT
CIRCLEVILLE, UT
CLARKSTON, UT
CLAWSON, UT
CLEARFIELD, UT
CLEVELAND, UT
CLINTON CITY CORPORATION, UT
COALVILLE, UT
CORINNE, UT
CORNISH, UT
COTTONWOOD HEIGHTS, UT
DANIEL, UT
DELTA, UT
DEWEYVILLE, UT
DRAPER CITY, UT
DUCHESNE, UT
EAGLE MOUNTAIN, UT
EAST CARBON, UT
ELK RIDGE, UT
ELMO, UT
ELSINORE, UT
ELWOOD, UT
EMERY, UT
ENOCH, UT

ENTERPRISE, UT
EPHRAIM, UT
ESCALANTE, UT
EUREKA, UT
FAIRFIELD, UT
FAIRVIEW, UT
FARMINGTON, UT
FARR WEST, UT
FAYETTE, UT
FERRON, UT
FIELDING, UT
FILLMORE, UT
FOUNTAIN GREEN, UT
FRANCIS, UT
FRUIT HEIGHTS, UT
GARDEN CITY, UT
GARLAND, UT
GENOLA, UT
GLENDALE, UT
GLENWOOD, UT
GOSHEN, UT
GRANTSVILLE, UT
GREEN RIVER, UT
GUNNISON, UT
HANKSVILLE, UT
HARRISVILLE, UT
HATCH, UT
HEBER CITY CORPORATION, UT
HELPER, UT
HENEFER, UT
HENRIEVILLE, UT
HERRIMAN, UT
HIDEOUT, UT
HIGHLAND, UT
HILDALE, UT
HINCKLEY, UT
HOLDEN, UT
HOLLADAY, UT
HONEYVILLE, UT
HOOPER, UT
HOWELL, UT
HUNTINGTON, UT
HUNTSVILLE, UT
CITY OF HURRICANE, UT
HYDE PARK, UT
HYRUM, UT
INDEPENDENCE, UT
IVINS, UT
JOSEPH, UT
JUNCTION, UT
KAMAS, UT
KANAB, UT
KANARRAVILLE, UT
KANOSH, UT

KAYSVILLE, UT
KINGSTON, UT
KOOSHAREM, UT
LAKETOWN, UT
LA VERKIN, UT
LAYTON, UT
LEAMINGTON, UT
LEEDS, UT
LEHI CITY CORPORATION, UT
LEVAN, UT
LEWISTON, UT
LINDON, UT
LOA, UT
LOGAN CITY, UT
LYMAN, UT
LYNN DYLAN, UT
MANILA, UT
MANTI, UT
MANTUA, UT
MAPLETON, UT
MARRIOTT-SLATERVILLE, UT
MARYSVALE, UT
MAYFIELD, UT
MEADOW, UT
MENDON, UT
MIDVALE CITY INC., UT
MIDWAY, UT
MILFORD, UT
MILLVILLE, UT
MINERSVILLE, UT
MOAB, UT
MONA, UT
MONROE, UT
CITY OF MONTICELLO, UT
MORGAN, UT
MORONI, UT
MOUNT PLEASANT, UT
MURRAY CITY CORPORATION, UT
MYTON, UT
NAPLES, UT
NEPHI, UT
NEW HARMONY, UT
NEWTON, UT
NIBLEY, UT
NORTH LOGAN, UT
NORTH OGDEN, UT
NORTH SALT LAKE CITY, UT
OAK CITY, UT
OAKLEY, UT
OGDEN CITY CORPORATION, UT
OPHIR, UT
ORANGEVILLE, UT
ORDERVILLE, UT
OREM, UT

PANGUITCH, UT
PARADISE, UT
PARAGONAH, UT
PARK CITY, UT
PAROWAN, UT
PAYSON, UT
PERRY, UT
PLAIN CITY, UT
PLEASANT GROVE CITY, UT
PLEASANT VIEW, UT
PLYMOUTH, UT
PORTAGE, UT
PRICE, UT
PROVIDENCE, UT
PROVO, UT
RANDOLPH, UT
REDMOND, UT
RICHFIELD, UT
RICHMOND, UT
RIVERDALE, UT
RIVER HEIGHTS, UT
RIVERTON CITY, UT
ROCKVILLE, UT
ROCKY RIDGE, UT
ROOSEVELT CITY CORPORATION, UT
ROY, UT
RUSH VALLEY, UT
CITY OF ST. GEORGE, UT
SALEM, UT
SALINA, UT
SALT LAKE CITY CORPORATION, UT
SANDY, UT
SANTA CLARA, UT
SANTAQUIN, UT
SARATOGA SPRINGS, UT
SCIPIO, UT
SCOFIELD, UT
SIGURD, UT
SMITHFIELD, UT
SNOWVILLE, UT
CITY OF SOUTH JORDAN, UT

SOUTH OGDEN, UT
CITY OF SOUTH SALT LAKE, UT
SOUTH WEBER, UT
SPANISH FORK, UT
SPRING CITY, UT
SPRINGDALE, UT
SPRINGVILLE, UT
STERLING, UT
STOCKTON, UT
SUNNYSIDE, UT
SUNSET CITY CORP, UT
SYRACUSE, UT
TABIONA, UT
CITY OF TAYLORSVILLE, UT
TOOELE CITY CORPORATION, UT
TOQUERVILLE, UT
TORREY, UT
TREMONTON CITY, UT
TRENTON, UT
TROPIC, UT
UINTAH, UT
VERNAL CITY, UT
VERNON, UT
VINEYARD, UT
VIRGIN, UT
WALES, UT
WALLSBURG, UT
WASHINGTON CITY, UT
WASHINGTON TERRACE, UT
WELLINGTON, UT
WELLSVILLE, UT
WENDOVER, UT
WEST BOUNTIFUL, UT
WEST HAVEN, UT
WEST JORDAN, UT
WEST POINT, UT
WEST VALLEY CITY, UT
WILLARD, UT
WOODLAND HILLS, UT
WOODRUFF, UT
WOODS CROSS, UT

COUNTIES AND PARISHES INCLUDING BUT NOT LIMITED TO:

ASCENSION PARISH, LA
ASCENSION PARISH, LA, CLEAR OF COURT
CADDO PARISH, LA
CALCASIEU PARISH, LA
CALCASIEU PARISH SHERIFF'S OFFICE, LA
CITY AND COUNTY OF HONOLULU, HI
CLACKAMAS COUNTY, OR
CLACKAMAS COUNTY DEPT OF TRANSPORTATION, OR
CLATSOP COUNTY, OR
COLUMBIA COUNTY, OR
COOS COUNTY, OR

COOS COUNTY HIGHWAY DEPARTMENT, OR
COUNTY OF HAWAII, OR
CROOK COUNTY, OR
CROOK COUNTY ROAD DEPARTMENT, OR
CURRY COUNTY, OR
DESCHUTES COUNTY, OR
DOUGLAS COUNTY, OR
EAST BATON ROUGE PARISH, LA
GILLIAM COUNTY, OR
GRANT COUNTY, OR
HARNEY COUNTY, OR

HARNEY COUNTY SHERIFFS OFFICE, OR
HAWAII COUNTY, HI
HOOD RIVER COUNTY, OR
JACKSON COUNTY, OR
JEFFERSON COUNTY, OR
JEFFERSON PARISH, LA
JOSEPHINE COUNTY GOVERNMENT, OR
LAFAYETTE CONSOLIDATED GOVERNMENT, LA
LAFAYETTE PARISH, LA
LAFAYETTE PARISH CONVENTION & VISITORS
COMMISSION
LAFOURCHE PARISH, LA
KAUAI COUNTY, HI
KLAMATH COUNTY, OR
LAKE COUNTY, OR
LANE COUNTY, OR
LINCOLN COUNTY, OR
LINN COUNTY, OR
LIVINGSTON PARISH, LA
MALHEUR COUNTY, OR
MAUI COUNTY, HI
MARION COUNTY, SALEM, OR
MORROW COUNTY, OR
MULTNOMAH COUNTY, OR
MULTNOMAH COUNTY BUSINESS AND COMMUNITY
SERVICES, OR
MULTNOMAH COUNTY SHERIFFS OFFICE, OR
MULTNOMAH LAW LIBRARY, OR
ORLEANS PARISH, LA
PLAQUEMINES PARISH, LA
POLK COUNTY, OR
RAPIDES PARISH, LA
SAINT CHARLES PARISH, LA
SAINT CHARLES PARISH PUBLIC SCHOOLS, LA
SAINT LANDRY PARISH, LA
SAINT TAMMANY PARISH, LA
SHERMAN COUNTY, OR
TERREBONNE PARISH, LA
TILLAMOOK COUNTY, OR

TILLAMOOK COUNTY SHERIFF'S OFFICE, OR
TILLAMOOK COUNTY GENERAL HOSPITAL, OR
UMATILLA COUNTY, OR
UNION COUNTY, OR
WALLOWA COUNTY, OR
WASCO COUNTY, OR
WASHINGTON COUNTY, OR
WEST BATON ROUGE PARISH, LA
WHEELER COUNTY, OR
YAMHILL COUNTY, OR
COUNTY OF BOX ELDER, UT
COUNTY OF CACHE, UT
COUNTY OF RICH, UT
COUNTY OF WEBER, UT
COUNTY OF MORGAN, UT
COUNTY OF DAVIS, UT
COUNTY OF SUMMIT, UT
COUNTY OF DAGGETT, UT
COUNTY OF SALT LAKE, UT
COUNTY OF TOOELE, UT
COUNTY OF UTAH, UT
COUNTY OF WASATCH, UT
COUNTY OF DUCHESNE, UT
COUNTY OF Uintah, UT
COUNTY OF CARBON, UT
COUNTY OF SANPETE, UT
COUNTY OF JUAB, UT
COUNTY OF MILLARD, UT
COUNTY OF SEVIER, UT
COUNTY OF EMERY, UT
COUNTY OF GRAND, UT
COUNTY OF BEVER, UT
COUNTY OF PIUTE, UT
COUNTY OF WAYNE, UT
COUNTY OF SAN JUAN, UT
COUNTY OF GARFIELD, UT
COUNTY OF KANE, UT
COUNTY OF IRON, UT
COUNTY OF WASHINGTON, UT

**OTHER AGENCIES INCLUDING ASSOCIATIONS, BOARDS, DISTRICTS, COMMISSIONS, COUNCILS, PUBLIC
CORPORATIONS, PUBLIC DEVELOPMENT AUTHORITIES, RESERVATIONS AND UTILITIES INCLUDING BUT NOT LIMITED
TO:**

BANKS FIRE DISTRICT, OR
BATON ROUGE WATER COMPANY
BEND METRO PARK AND RECREATION DISTRICT
BIENVILLE PARISH FIRE PROTECTION DISTRICT 6, LA
BOARDMAN PARK AND RECREATION DISTRICT
CENTRAL CITY ECONOMIC OPPORTUNITY CORP, LA
CENTRAL OREGON INTERGOVERNMENTAL COUNCIL
CITY OF BOGALUSA SCHOOL BOARD, LA
CLACKAMAS RIVER WATER
CLATSKANIE PEOPLE'S UTILITY DISTRICT
CLEAN WATER SERVICES

CONFEDERATED TRIBES OF THE UMATILLA INDIAN
RESERVATION
COOS FOREST PROTECTIVE ASSOCIATION
CHEHALEM PARK AND RECREATION DISTRICT
DAVID CROCKETT STEAM FIRE COMPANY #1, LA
EUGENE WATER AND ELECTRIC BOARD
HONOLULU INTERNATIONAL AIRPORT
HOODLAND FIRE DISTRICT #74
HOUSING AUTHORITY OF PORTLAND
ILLINOIS VALLEY FIRE DISTRICT
LAFAYETTE AIRPORT COMMISSION, LA

LAFOURCHE PARISH HEALTH UNIT – DHH-OPH REGION

3

LOUISIANA PUBLIC SERVICE COMMISSION, LA
LOUISIANA WATER WORKS
MEDFORD WATER COMMISSION
MELHEUR COUNTY JAIL, OR
METRO REGIONAL GOVERNMENT
METRO REGIONAL PARKS
METROPOLITAN EXPOSITION RECREATION
COMMISSION
METROPOLITAN SERVICE DISTRICT (METRO)
MULTNOMAH EDUCATION SERVICE DISTRICT
NEW ORLEANS REDEVELOPMENT AUTHORITY, LA
NORTHEAST OREGON HOUSING AUTHORITY, OR
PORT OF BRANDON, OR
PORT OF MORGAN CITY, LA
PORTLAND DEVELOPMENT COMMISSION, OR
PORTLAND FIRE AND RESCUE
PORTLAND HOUSING CENTER, OR

OREGON COAST COMMUNITY ACTION
OREGON HOUSING AND COMMUNITY SERVICES
OREGON LEGISLATIVE ADMINISTRATION
ROGUE VALLEY SEWER, OR
SAINT LANDRY PARISH TOURIST COMMISSION
SAINT MARY PARISH REC DISTRICT 2
SAINT MARY PARISH REC DISTRICT 3
SAINT TAMMANY FIRE DISTRICT 4, LA
SALEM MASS TRANSIT DISTRICT
SEWERAGE AND WATER BOARD OF NEW ORLEANS, LA
SOUTH LAFOURCHE LEVEE DISTRICT, LA
TRI-COUNTY METROPOLITAN TRANSPORTATION
DISTRICT OF OREGON
TUALATIN HILLS PARK & RECREATION DISTRICT
TUALATIN VALLEY FIRE & RESCUE
TUALATIN VALLEY WATER DISTRICT
WILLAMALANE PARK AND RECREATION DISTRICT
WILLAMETTE HUMANE SOCIETY

K-12 INCLUDING BUT NOT LIMITED TO:

ACADIA PARISH SCHOOL BOARD
BEAVERTON SCHOOL DISTRICT
BEND-LA PINE SCHOOL DISTRICT
BOGALUSA HIGH SCHOOL, LA
BOSSIER PARISH SCHOOL BOARD
BROOKING HARBOR SCHOOL DISTRICT
CADDOPARISH SCHOOL DISTRICT
CALCASIEU PARISH SCHOOL DISTRICT
CANBY SCHOOL DISTRICT
CANYONVILLE CHRISTIAN ACADEMY
CASCADE SCHOOL DISTRICT
CASCADES ACADEMY OF CENTRAL OREGON
CENTENNIAL SCHOOL DISTRICT
CENTRAL CATHOLIC HIGH SCHOOL
CENTRAL POINT SCHOOL DISTRICT NO.6
CENTRAL SCHOOL DISTRICT 13J
COOS BAY SCHOOL DISTRICT NO.9
CORVALLIS SCHOOL DISTRICT 509J
COUNTY OF YAMHILL SCHOOL DISTRICT 29
CULVER SCHOOL DISTRICT
DALLAS SCHOOL DISTRICT NO.2
DAVID DOUGLAS SCHOOL DISTRICT
DAYTON SCHOOL DISTRICT NO.8
DE LA SALLE N CATHOLIC HS
DESCHUTES COUNTY SCHOOL DISTRICT NO.6
DOUGLAS EDUCATIONAL DISTRICT SERVICE
DUFUR SCHOOL DISTRICT NO.29
EAST BATON ROUGE PARISH SCHOOL DISTRICT
ESTACADA SCHOOL DISTRICT NO.10B
FOREST GROVE SCHOOL DISTRICT
GEORGE MIDDLE SCHOOL
GLADSTONE SCHOOL DISTRICT

GRANTS PASS SCHOOL DISTRICT 7
GREATER ALBANY PUBLIC SCHOOL DISTRICT
GRESHAM BARLOW JOINT SCHOOL DISTRICT
HEAD START OF LANE COUNTY
HIGH DESERT EDUCATION SERVICE DISTRICT
HILLSBORO SCHOOL DISTRICT
HOOD RIVER COUNTY SCHOOL DISTRICT
JACKSON CO SCHOOL DIST NO.9
JEFFERSON COUNTY SCHOOL DISTRICT 509-J
JEFFERSON PARISH SCHOOL DISTRICT
JEFFERSON SCHOOL DISTRICT
JUNCTION CITY SCHOOLS, OR
KLAMATH COUNTY SCHOOL DISTRICT
KLAMATH FALLS CITY SCHOOLS
LAFAYETTE PARISH SCHOOL DISTRICT
LAKE OSWEGO SCHOOL DISTRICT 7J
LANE COUNTY SCHOOL DISTRICT 4J
LINCOLN COUNTY SCHOOL DISTRICT
LINN CO. SCHOOL DIST. 95C
LIVINGSTON PARISH SCHOOL DISTRICT
LOST RIVER JR/SR HIGH SCHOOL
LOWELL SCHOOL DISTRICT NO.71
MARION COUNTY SCHOOL DISTRICT
MARION COUNTY SCHOOL DISTRICT 103
MARIST HIGH SCHOOL, OR
MCMINNVILLE SCHOOL DISTRICT NOAO
MEDFORD SCHOOL DISTRICT 549C
MITCH CHARTER SCHOOL
MONROE SCHOOL DISTRICT NO.1J
MORROW COUNTY SCHOOL DIST, OR
MULTNOMAH EDUCATION SERVICE DISTRICT
MULTISENSORY LEARNING ACADEMY

MYRTLE PINT SCHOOL DISTRICT 41
 NEAH-KAH-NIE DISTRICT NO.56
 NEWBERG PUBLIC SCHOOLS
 NESTUCCA VALLEY SCHOOL DISTRICT NO.101
 NOBEL LEARNING COMMUNITIES
 NORTH BEND SCHOOL DISTRICT 13
 NORTH CLACKAMAS SCHOOL DISTRICT
 NORTH DOUGLAS SCHOOL DISTRICT
 NORTH WASCO CITY SCHOOL DISTRICT 21
 NORTHWEST REGIONAL EDUCATION SERVICE DISTRICT
 ONTARIO MIDDLE SCHOOL
 OREGON TRAIL SCHOOL DISTRICT NOA6
 ORLEANS PARISH SCHOOL DISTRICT
 PHOENIX-TALENT SCHOOL DISTRICT NOA
 PLEASANT HILL SCHOOL DISTRICT
 PORTLAND JEWISH ACADEMY
 PORTLAND PUBLIC SCHOOLS
 RAPIDES PARISH SCHOOL DISTRICT
 REDMOND SCHOOL DISTRICT
 REYNOLDS SCHOOL DISTRICT
 ROGUE RIVER SCHOOL DISTRICT
 ROSEBURG PUBLIC SCHOOLS
 SCAPPOOSE SCHOOL DISTRICT 1J
 SAINT TAMMANY PARISH SCHOOL BOARD, LA
 SEASIDE SCHOOL DISTRICT 10
 SHERWOOD SCHOOL DISTRICT 88J
 SILVER FALLS SCHOOL DISTRICT 4J
 SOUTH LANE SCHOOL DISTRICT 45J3
 SOUTHERN OREGON EDUCATION SERVICE DISTRICT
 SPRINGFIELD PUBLIC SCHOOLS
 SUTHERLIN SCHOOL DISTRICT
 SWEET HOME SCHOOL DISTRICT NO.55
 TERREBONNE PARISH SCHOOL DISTRICT
 THE CATLIN GABEL SCHOOL
 TIGARD-TUALATIN SCHOOL DISTRICT
 UMATILLA MORROW ESD
 WEST LINN WILSONVILLE SCHOOL DISTRICT
 WILLAMETTE EDUCATION SERVICE DISTRICT
 WOODBURN SCHOOL DISTRICT
 YONCALLA SCHOOL DISTRICT
 ACADEMY FOR MATH ENGINEERING & SCIENCE
 (AMES), UT
 ALIANZA ACADEMY, UT
 ALPINE DISTRICT, UT
 AMERICAN LEADERSHIP ACADEMY, UT
 AMERICAN PREPARATORY ACADEMY, UT
 BAER CANYON HIGH SCHOOL FOR SPORTS & MEDICAL
 SCIENCES, UT
 BEAR RIVER CHARTER SCHOOL, UT
 BEAVER SCHOOL DISTRICT, UT
 BEEHIVE SCIENCE & TECHNOLOGY ACADEMY (BSTA),
 UT
 BOX ELDER SCHOOL DISTRICT, UT
 CBA CENTER, UT

CACHE SCHOOL DISTRICT, UT
 CANYON RIM ACADEMY, UT
 CANYONS DISTRICT, UT
 CARBON SCHOOL DISTRICT, UT
 CHANNING HALL, UT
 CHARTER SCHOOL LEWIS ACADEMY, UT
 CITY ACADEMY, UT
 DAGGETT SCHOOL DISTRICT, UT
 DAVINCI ACADEMY, UT
 DAVIS DISTRICT, UT
 DUAL IMMERSION ACADEMY, UT
 DUCHESNE SCHOOL DISTRICT, UT
 EARLY LIGHT ACADEMY AT DAYBREAK, UT
 EAST HOLLYWOOD HIGH, UT
 EDITH BOWEN LABORATORY SCHOOL, UT
 EMERSON ALCOTT ACADEMY, UT
 EMERY SCHOOL DISTRICT, UT
 ENTHEOS ACADEMY, UT
 EXCELSIOR ACADEMY, UT
 FAST FORWARD HIGH, UT
 FREEDOM ACADEMY, UT
 GARFIELD SCHOOL DISTRICT, UT
 GATEWAY PREPARATORY ACADEMY, UT
 GEORGE WASHINGTON ACADEMY, UT
 GOOD FOUNDATION ACADEMY, UT
 GRAND SCHOOL DISTRICT, UT
 GRANITE DISTRICT, UT
 GUADALUPE SCHOOL, UT
 HAWTHORN ACADEMY, UT
 INTECH COLLEGIATE HIGH SCHOOL, UT
 IRON SCHOOL DISTRICT, UT
 ITINERIS EARLY COLLEGE HIGH, UT
 JOHN HANCOCK CHARTER SCHOOL, UT
 JORDAN DISTRICT, UT
 JUAB SCHOOL DISTRICT, UT
 KANE SCHOOL DISTRICT, UT
 KARL G MAESER PREPARATORY ACADEMY, UT
 LAKEVIEW ACADEMY, UT
 LEGACY PREPARATORY ACADEMY, UT
 LIBERTY ACADEMY, UT
 LINCOLN ACADEMY, UT
 LOGAN SCHOOL DISTRICT, UT
 MARIA MONTESSORI ACADEMY, UT
 MERIT COLLEGE PREPARATORY ACADEMY, UT
 MILLARD SCHOOL DISTRICT, UT
 MOAB CHARTER SCHOOL, UT
 MONTICELLO ACADEMY, UT
 MORGAN SCHOOL DISTRICT, UT
 MOUNTAINVILLE ACADEMY, UT
 MURRAY SCHOOL DISTRICT, UT
 NAVIGATOR POINTE ACADEMY, UT
 NEBO SCHOOL DISTRICT, UT
 NO UT ACAD FOR MATH ENGINEERING & SCIENCE
 (NUAMES), UT

NOAH WEBSTER ACADEMY, UT
 NORTH DAVIS PREPARATORY ACADEMY, UT
 NORTH SANPETE SCHOOL DISTRICT, UT
 NORTH STAR ACADEMY, UT
 NORTH SUMMIT SCHOOL DISTRICT, UT
 ODYSSEY CHARTER SCHOOL, UT
 OGDEN PREPARATORY ACADEMY, UT
 OGDEN SCHOOL DISTRICT, UT
 OPEN CLASSROOM, UT
 OPEN HIGH SCHOOL OF UTAH, UT
 OQUIRRH MOUNTAIN CHARTER SCHOOL, UT
 PARADIGM HIGH SCHOOL, UT
 PARK CITY SCHOOL DISTRICT, UT
 PINNACLE CANYON ACADEMY, UT
 PIUTE SCHOOL DISTRICT, UT
 PROVIDENCE HALL, UT
 PROVO SCHOOL DISTRICT, UT
 QUAIL RUN PRIMARY SCHOOL, UT
 QUEST ACADEMY, UT
 RANCHES ACADEMY, UT
 REAGAN ACADEMY, UT
 RENAISSANCE ACADEMY, UT
 RICH SCHOOL DISTRICT, UT
 ROCKWELL CHARTER HIGH SCHOOL, UT
 SALT LAKE ARTS ACADEMY, UT
 SALT LAKE CENTER FOR SCIENCE EDUCATION, UT
 SALT LAKE SCHOOL DISTRICT, UT
 SALT LAKE SCHOOL FOR THE PERFORMING ARTS, UT
 SAN JUAN SCHOOL DISTRICT, UT
 SEVIER SCHOOL DISTRICT, UT
 SOLDIER HOLLOW CHARTER SCHOOL, UT
 SOUTH SANPETE SCHOOL DISTRICT, UT

SOUTH SUMMIT SCHOOL DISTRICT, UT
 SPECTRUM ACADEMY, UT
 SUCCESS ACADEMY, UT
 SUCCESS SCHOOL, UT
 SUMMIT ACADEMY, UT
 SUMMIT ACADEMY HIGH SCHOOL, UT
 SYRACUSE ARTS ACADEMY, UT
 THOMAS EDISON - NORTH, UT
 TIMPANOGOS ACADEMY, UT
 TINTIC SCHOOL DISTRICT, UT
 TOOEELE SCHOOL DISTRICT, UT
 TUACAHN HIGH SCHOOL FOR THE PERFORMING ARTS, UT
 UINTAH RIVER HIGH, UT
 UINTAH SCHOOL DISTRICT, UT
 UTAH CONNECTIONS ACADEMY, UT
 UTAH COUNTY ACADEMY OF SCIENCE, UT
 UTAH ELECTRONIC HIGH SCHOOL, UT
 UTAH SCHOOLS FOR DEAF & BLIND, UT
 UTAH STATE OFFICE OF EDUCATION, UT
 UTAH VIRTUAL ACADEMY, UT
 VENTURE ACADEMY, UT
 VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS AND TECHNOLOGY, UT
 WALDEN SCHOOL OF LIBERAL ARTS, UT
 WASATCH PEAK ACADEMY, UT
 WASATCH SCHOOL DISTRICT, UT
 WASHINGTON SCHOOL DISTRICT, UT
 WAYNE SCHOOL DISTRICT, UT
 WEBER SCHOOL DISTRICT, UT
 WEILENMANN SCHOOL OF DISCOVERY, UT

HIGHER EDUCATION

ARGOSY UNIVERSITY
 BATON ROUGE COMMUNITY COLLEGE, LA
 BIRTHINGWAY COLLEGE OF MIDWIFERY
 BLUE MOUNTAIN COMMUNITY COLLEGE
 BRIGHAM YOUNG UNIVERSITY - HAWAII
 CENTRAL OREGON COMMUNITY COLLEGE
 CENTENARY COLLEGE OF LOUISIANA
 CHEMEKETA COMMUNITY COLLEGE
 CLACKAMAS COMMUNITY COLLEGE
 COLLEGE OF THE MARSHALL ISLANDS
 COLUMBIA GORGE COMMUNITY COLLEGE
 CONCORDIA UNIVERSITY
 GEORGE FOX UNIVERSITY
 KLAMATH COMMUNITY COLLEGE DISTRICT
 LANE COMMUNITY COLLEGE
 LEWIS AND CLARK COLLEGE
 LINFIELD COLLEGE
 LINN-BENTON COMMUNITY COLLEGE
 LOUISIANA COLLEGE, LA

LOUISIANA STATE UNIVERSITY
 LOUISIANA STATE UNIVERSITY HEALTH SERVICES
 MARYLHURST UNIVERSITY
 MT. HOOD COMMUNITY COLLEGE
 MULTNOMAH BIBLE COLLEGE
 NATIONAL COLLEGE OF NATURAL MEDICINE
 NORTHWEST CHRISTIAN COLLEGE
 OREGON HEALTH AND SCIENCE UNIVERSITY
 OREGON INSTITUTE OF TECHNOLOGY
 OREGON STATE UNIVERSITY
 OREGON UNIVERSITY SYSTEM
 PACIFIC UNIVERSITY
 PIONEER PACIFIC COLLEGE
 PORTLAND COMMUNITY COLLEGE
 PORTLAND STATE UNIVERSITY
 REED COLLEGE
 RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
 ROGUE COMMUNITY COLLEGE

SOUTHEASTERN LOUISIANA UNIVERSITY
SOUTHERN OREGON UNIVERSITY (OREGON
UNIVERSITY SYSTEM)
SOUTHWESTERN OREGON COMMUNITY COLLEGE
TULANE UNIVERSITY
TILLAMOOK BAY COMMUNITY COLLEGE
UMPQUA COMMUNITY COLLEGE
UNIVERSITY OF HAWAII BOARD OF REGENTS
UNIVERSITY OF HAWAII-HONOLULU COMMUNITY
COLLEGE
UNIVERSITY OF OREGON-GRADUATE SCHOOL
UNIVERSITY OF PORTLAND
UNIVERSITY OF NEW ORLEANS
WESTERN OREGON UNIVERSITY

WESTERN STATES CHIROPRACTIC COLLEGE
WILLAMETTE UNIVERSITY
XAVIER UNIVERSITY
UTAH SYSTEM OF HIGHER EDUCATION, UT
UNIVERSITY OF UTAH, UT
UTAH STATE UNIVERSITY, UT
WEBER STATE UNIVERSITY, UT
SOUTHERN UTAH UNIVERSITY, UT
SNOW COLLEGE, UT
DIXIE STATE COLLEGE, UT
COLLEGE OF EASTERN UTAH, UT
UTAH VALLEY UNIVERSITY, UT
SALT LAKE COMMUNITY COLLEGE, UT
UTAH COLLEGE OF APPLIED TECHNOLOGY, UT

STATE AGENCIES

ADMIN. SERVICES OFFICE
BOARD OF MEDICAL EXAMINERS
HAWAII CHILD SUPPORT ENFORCEMENT AGENCY
HAWAII DEPARTMENT OF TRANSPORTATION
HAWAII HEALTH SYSTEMS CORPORATION
OFFICE OF MEDICAL ASSISTANCE PROGRAMS
OFFICE OF THE STATE TREASURER
OREGON BOARD OF ARCHITECTS
OREGON CHILD DEVELOPMENT COALITION
OREGON DEPARTMENT OF EDUCATION
OREGON DEPARTMENT OF FORESTRY
OREGON DEPT OF TRANSPORTATION
OREGON DEPT. OF EDUCATION
OREGON LOTTERY
OREGON OFFICE OF ENERGY
OREGON STATE BOARD OF NURSING
OREGON STATE DEPT OF CORRECTIONS
OREGON STATE POLICE
OREGON TOURISM COMMISSION
OREGON TRAVEL INFORMATION COUNCIL
SANTIAM CANYON COMMUNICATION CENTER
SEIU LOCAL 503, OPEU
SOH- JUDICIARY CONTRACTS AND PURCH
STATE DEPARTMENT OF DEFENSE, STATE OF HAWAII
STATE OF HAWAII
STATE OF HAWAII, DEPT. OF EDUCATION
STATE OF LOUISIANA
STATE OF LOUISIANA DEPT. OF EDUCATION
STATE OF LOUISIANA, 26TH JUDICIAL DISTRICT ATTORNEY
STATE OF UTAH

SIKA

Exhibit - Sika Annual Reports

BUSINESS YEAR

2022

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The 2022 reporting consists of the online report, the complete annual report including the sustainability report as PDF download, and the printed magazine "Beyond the Expected". Through this multimedia approach, added value is being created.



More on the
2022 reporting

LETTER TO SHAREHOLDERS & STAKEHOLDERS

Sika exceeded CHF 10 billion sales mark – record EBIT achieved

Dear Readers,

Sika performed well against an increasingly difficult economic backdrop and exceeded the CHF 10 billion sales mark for the first time with sales of CHF 10,491.8 million. This corresponds to an increase in Swiss francs of 13.4% year-on-year. The currency effect came to -2.4%. Operating profit (EBIT) increased by 13.5%, reaching a new record figure of CHF 1,579.7 million. This equates to an EBIT margin of 15.1%.

RECORD FIGURES FOR SALES AND PROFIT

Not only did Sika achieve an all-time high in sales in fiscal 2022; it also set a record in profit. Price increases, rigorous cost management, efficiency gains, and synergies from acquisitions allowed the company to largely offset a significant rise in raw material costs. A profit from the divestment of the European industrial coatings business came alongside expenses relating to the MBCC acquisition. EBIT amounted to CHF 1,579.7 million (previous year: CHF 1,391.4 million) increasing by 13.5%. The EBIT margin expanded to 15.1% (previous year: 15.0%). Operating free cash flow came to CHF 865.2 million, and is therefore below the previous year's level (CHF 908.4 million) due to increased investments in the maintenance and expansion of factories.

GROWTH IN ALL REGIONS

Rising raw material costs around the globe were a prominent feature of fiscal year 2022, as well as a deceleration in the construction sector in the second half of the year. These developments can be attributed to high inflation and accompanying interest rate hikes.

The EMEA region (Europe, Middle East, Africa) reported a sales increase in local currencies of 8.3% in 2022 (previous year: 16.1%). Sika's distribution business, which includes product distribution via home improvement stores, builders' merchants, and online platforms, saw a decline in sales volume. The extraordinarily high level of demand witnessed during the pandemic moved back into line with pre-pandemic era levels. In contrast, volumes in the project business, which account for around 60% of sales in the region, witnessed a smaller decline. Economic stimulus programs and substantial investments in the transition of the

CO₂eq emissions per ton sold (scope 1 and 2)

-6.9%

energy sector support Sika's business activities even in declining markets. The region's strongest growth rates were recorded in Africa and the Middle East, which once again achieved double-digit sales growth.

The Americas region recorded growth in local currencies of 27.5% (previous year: 21.0%). Sika generated a large part of this growth from the US infrastructure sector, which saw a significantly higher activity in 2022 compared to the previous year. Construction work focused on the modernization and expansion of subway lines, bridges, tunnels, and freeways. High demand also came from investments in commercial construction projects, including stadiums and data centers. In addition, the US is seeing large-scale investment in reshoring, which involves bringing industrial know-how back to the United States from Asia and constructing new manufacturing plants. This will open new business opportunities for Sika. Construction activity in large parts of the US was affected by the severe weather in December, which disrupted deliveries of some Sika products.

The countries in Latin America likewise benefited from a high infrastructure investment, which has been fueled by strong urbanization trends. The expansion of public transportation networks has reached the implementation phase in several major cities, and investments are also being made in water treatment plants and reservoirs incorporating Sika solutions.

Dividend increase

+10.3%

Sales in the Asia/Pacific region rose by 14.8% in local currencies (previous year: 19.4%). The distribution business in China benefited from ongoing strong growth momentum, recording double-digit growth rates, whereas the project business was heavily impacted by pandemic-related lockdowns in the first nine months of the year and by another wave of the virus toward the end of the year. Sika's Indian business activities continued to experience dynamic development, and double-digit growth was achieved in challenging markets in Southeast Asian countries once the numerous lockdowns were lifted.

In Global Business, Sika achieved growth in local currencies of 22.2% (previous year: 4.3%), and thus grew much faster than the market. High demand for new vehicles and a normalization of supply chains boosted business activity. For the automotive business, Sika is anticipating a recovery in the market over the medium term with continued growth stimuli from electromobility and alternative drive concepts in particular.

SIKA ON THE PATH TO NET ZERO

Sustainability has been a key element of Sika's corporate strategy for more than a decade. As an innovation leader, the company develops sustainable solutions for the construction sector and industrial applications. Beyond this, innovations are playing a central role on the path to achieving the company's net zero target. By 2032, Sika will have reduced its GHG emissions by around 25% compared with the baseline year 2022, with this figure rising to 90% by 2050. In 2022, Sika was able to reduce CO₂eq emissions by -6.9% per ton sold (scope 1 and 2).

MBCC ACQUISITION IN THE FINAL STAGES

The takeover of MBCC is now in the final stages. An agreement was signed with Ineos in January of this year for the purchase of parts of MBCC Group's admixtures business with sales of around CHF 920 million. Closing of the acquisition is scheduled for the first half of 2023. The acquisition of MBCC is set to be significantly value-enhancing for Sika. Together with MBCC, Sika intends to strengthen its growth platform and generate annual synergies of CHF 160-180 million.

DIVIDEND INCREASE AND OUTLOOK

At the Annual General Meeting on March 28, 2023, the Board of Directors will propose to increase the gross dividend by 10.3% to CHF 3.20 (previous year: CHF 2.90) given the record high earnings of 2022. This is aligned with the Group profit increase of approximately 10%.

For 2023, we are confident that we will be able to successfully continue our strategy built on sustainable and profitable growth even in a challenging economic environment.

For 2023, we are confident that we will be able to successfully continue our strategy built on sustainable and profitable growth even in a challenging economic environment.

Thanks to our innovative technologies, we are the partner of choice for many customers in the construction and industrial sectors. In addition, the global construction industry is being shaped by the megatrend of climate change as well as by increasing automation, digitalization, and easy-to-apply products. With its broad product portfolio, We are well positioned to offer our customers solutions that allow them to reduce their carbon footprint while facilitating long-lasting, resource-saving construction. On top of this, Sika is benefiting from global, state-driven economic programs supporting infrastructure expansion and investments in climate protection.


For fiscal 2023, Sika expects sales to rise by 6–8% in local currencies and anticipates an over-proportional increase in EBIT (not including the impact of the MBCC acquisition).

EMPLOYEES – THE BEDROCK OF SUCCESS

We performed well last year in a challenging market environment, and – for the first time in our company's history – we exceeded CHF 10 billion in sales. This solid result was possible thanks to our broad product portfolio, our ability to innovate with a focus on sustainable product technologies, and – in particular – our workforce, whose dedication and agility made outstanding achievements possible. We wish to thank them most sincerely for their considerable commitment, their focus on our shared goals, and the impressive way they identify with our company.

Dear readers: We are convinced that Sika is ideally equipped for future challenges. On behalf of the Board of Directors, our Group Management, and our more than 27,500 employees, we thank you for your trust in what we do.

Sincerely,



DR. PAUL HÄLG
Chair of the Board



THOMAS HASLER
CEO



Dr. Paul Hälg,
Chair of the Board



Thomas Hasler,
CEO

AT A GLANCE

In 2022, Sika exceeded the CHF 10 billion mark for the first time and was able to increase its EBIT margin to 15.1%.

Sales in CHF million

10,491.8

Operating profit (EBIT) in CHF million

1,579.7

FACTS & FIGURES 2022

Another year of record results

In 2022, Sika once again posted record results for sales and profit. With a strong economic, environmental, and social performance, added value was generated to all stakeholders.

in CHF mn

Change in %

Net sales

10,491.8
+13.4%

EBIT

1,579.7
+13.5%

Net profit

1,162.5
+10.9%

ROCE

21.6%
+1.5% points

per ton sold

CO₂eq emissions (scope 1 and 2)

-6.9%

Water consumption **-6.1%**

Waste **-3.3%**

Employees **27,708**
+2.4%

Proportion of women employees **24.0%**

Proportion of women Group Management **25.0%**

Lost Time Accidents per 1,000 FTEs **7.0**
-23.8%

Acquisitions **2⁺¹**

New/expanded factories **5**

New patents **104**

Inventions **168**

Employees in R&D **1,334**

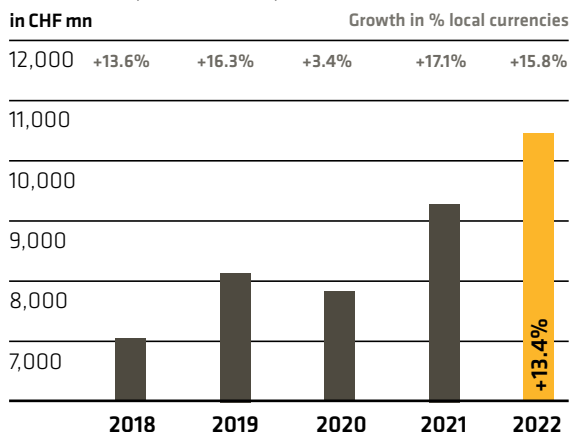
Global Technology Centers **21**

¹ Besides the two acquisitions, Sika has signed a definitive agreement to acquire MBCC Group. The closing of the acquisition is targeted for the first half of 2023.

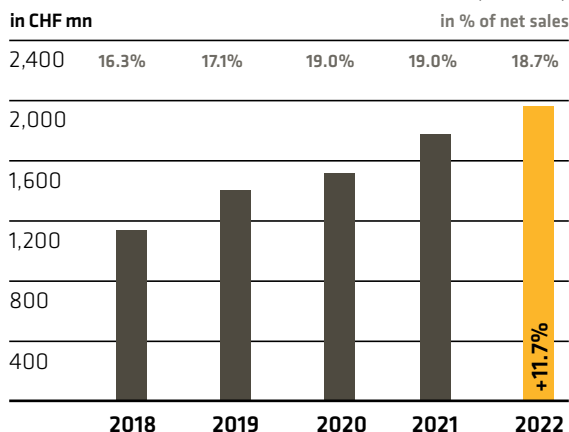
FACTS & FIGURES 2022

Strong development over the years

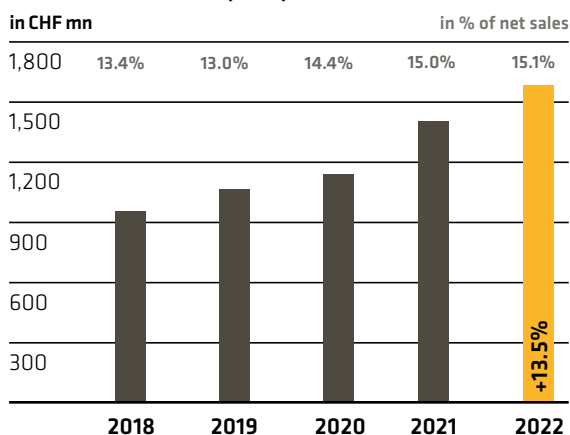
NET SALES (consolidated)



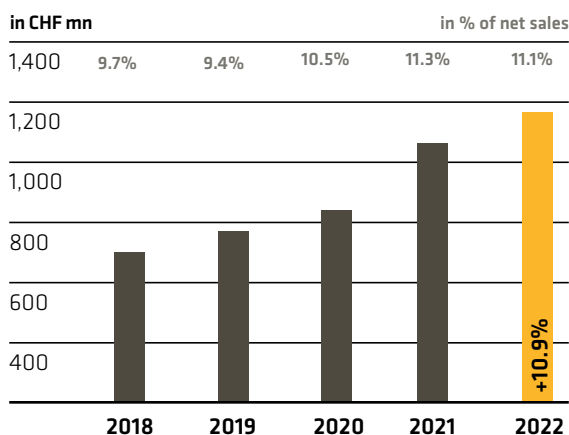
OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)



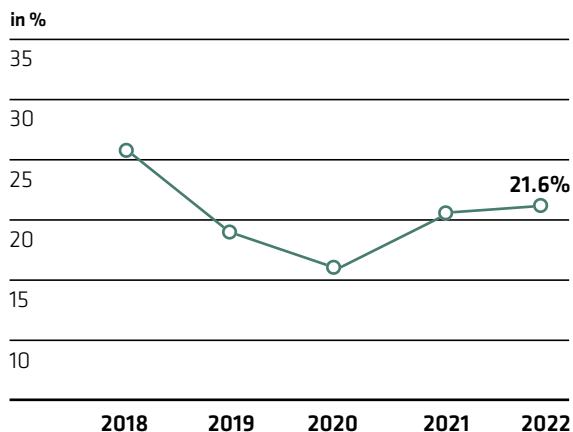
OPERATING PROFIT (EBIT)



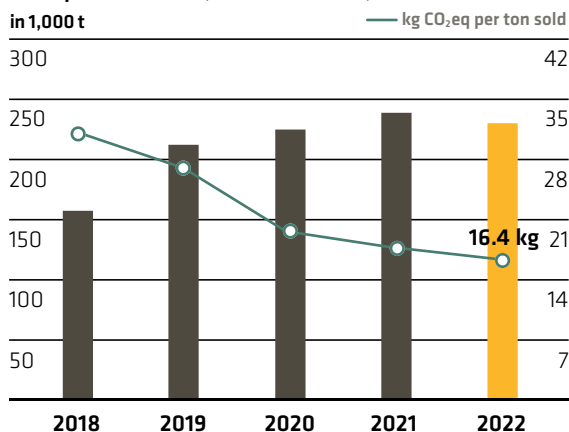
NET PROFIT



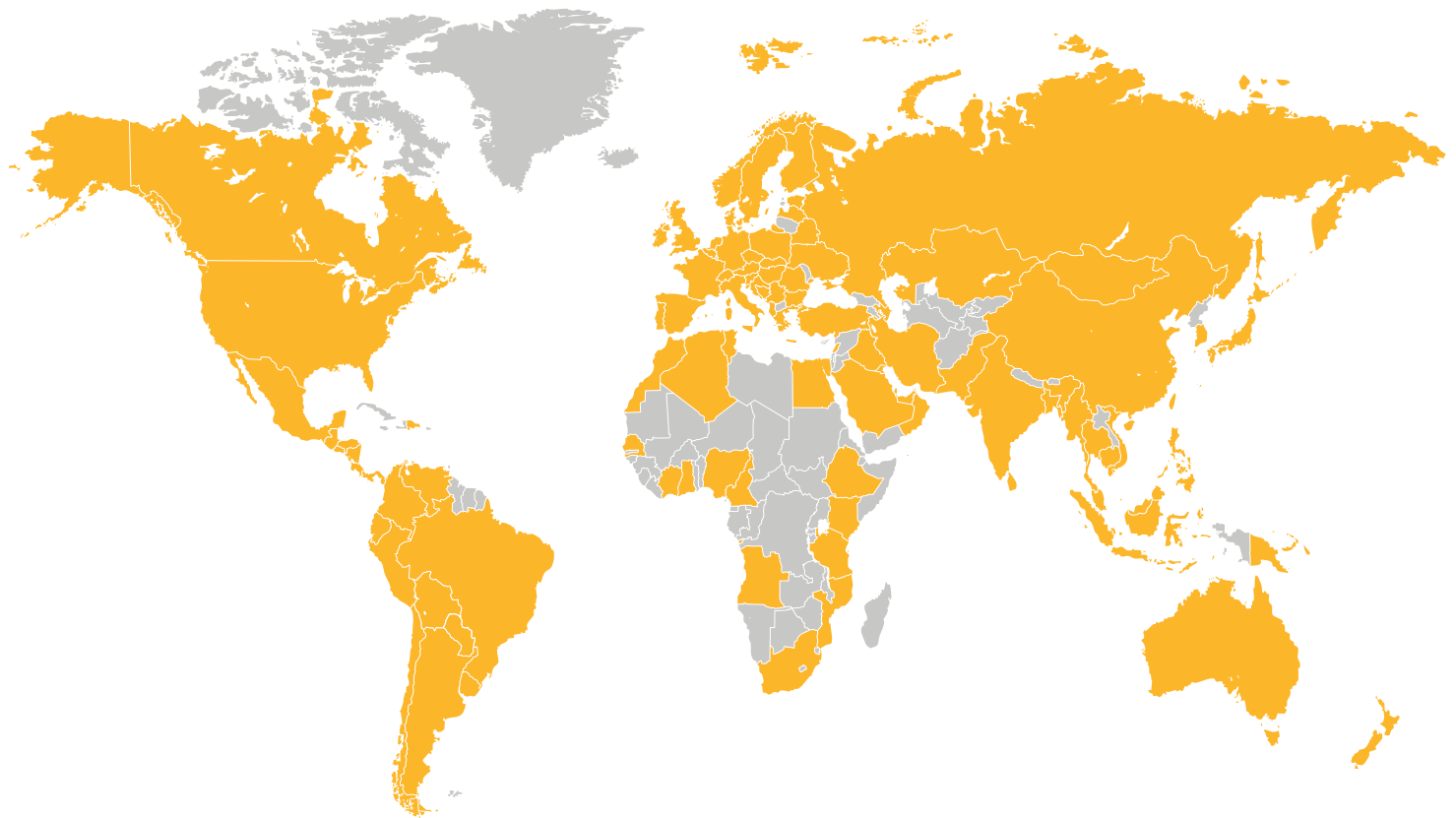
ROCE



CO₂eq EMISSIONS (SCOPE 1 AND 2)



GLOBAL PRESENCE



National subsidiaries

101

Sika's know-how is available in **101 countries on all continents** – in mature and emerging markets.

More than **27,500 employees** around the world put the customers in focus, providing them with excellent service and high-performance products.

A huge range of products and solutions for sealing, bonding, damping, protecting, and reinforcing reflects **more than a century of experience**, gained on innumerable construction sites worldwide.

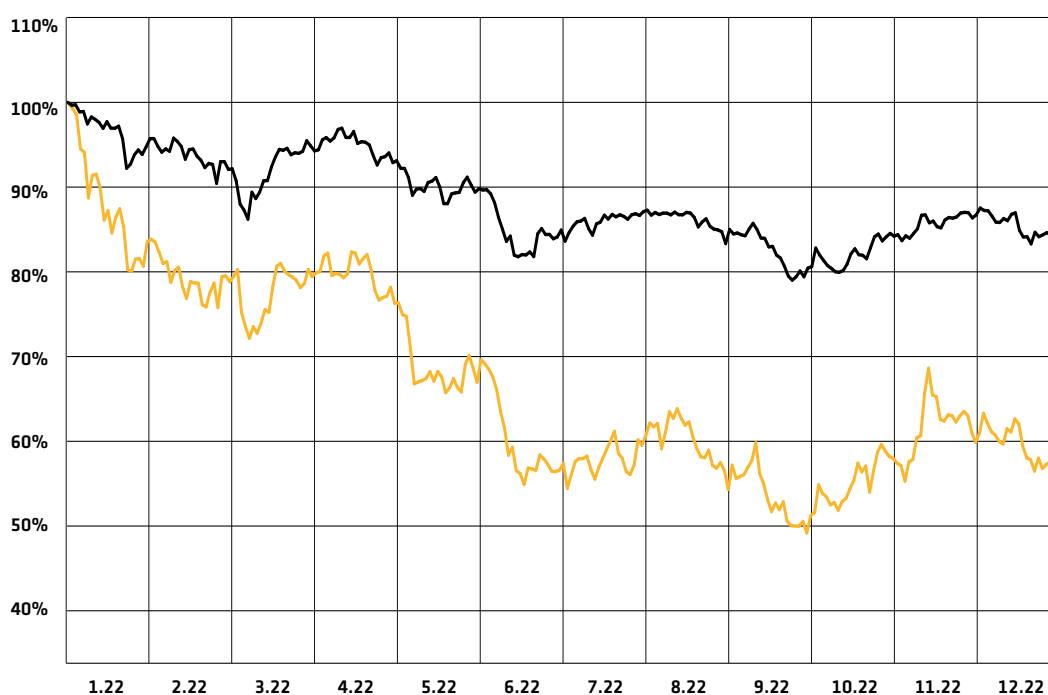
THE SIKA SHARE

Stock market on the decline

In a market characterized by uncertainty as a result of the war in Eastern Europe, high inflation, and rising interest rates, quality growth stocks such as Sika did not perform as well as the overall market. The SMI lost 16.09% in 2022, while the Sika share declined by 41.69%

SIKA VS SMI

1.1.2022–31.12.2022



-41.69 %

With a share price decline of -41.69% the Sika share performed worse than the SMI Index.

CHF 221.70

Closing price of the Sika share at the end of 2022.

GLOBAL SHARE INDICES

in %	2022
SMI	-16.09
DAX	-12.17
Dow Jones	-9.4
Nikkei	-10.95
Sika share	-41.69

STOCK EXCHANGE RATIO SIKA

in CHF	2022
Market capitalization as at 31.12.2022 in CHF mn	34,083.06
Yearly high	382.30
Yearly low	193.05
Year-end	221.70
Dividend 2021	2.90
Dividend 2022 ¹	3.20
Earnings per share (EPS) ²	7.57

¹ Pursuant to proposal to Annual General Meeting

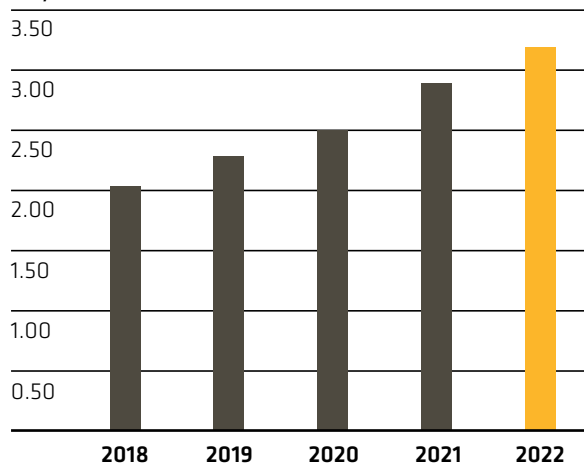
² Basic earnings per share

DIVIDEND PAYOUT

Dividend increase by 10.3%

At the Annual General Meeting, which will be held on March 28, 2023, the Board of Directors will propose to increase the gross dividend by 10.3% to CHF 3.20 (previous year: CHF 2.90) given the record high earnings of 2022. This is aligned with the Group profit increase of approximately 10%.

DIVIDEND
CHF/share



Dividend increase

10.3%

2022: Pursuant to proposal to Annual General Meeting CHF 3.20.

STRATEGIC REPORT

Founded on megatrends,
Sika follows a growth
strategy that creates
value for all stakeholders.

Sales growth in local currencies

+15.8%

EBIT margin

15.1%

BUSINESS ENVIRONMENT

Future-oriented business model, megatrends, and products for sustainable construction and mobility

Sika's innovative products enable sustainable construction and mobility. These high-performance solutions are becoming the cornerstone of smart cities, and they are playing a pivotal role in solving humanity's current and future challenges.

Sika performed strongly in 2022, demonstrating the resilience of its business model, despite a demanding market environment that was affected by pandemic-related issues, inflation, higher interest rates, and the Russia-Ukraine conflict.

Attractive industries and markets

Sika is a pioneer in the development of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and motor vehicle industry. It is active in eight target markets: Concrete, Waterproofing, Roofing, Building Finishing, Flooring, Sealing & Bonding, Engineered Refurbishment, and Industry. The total market volume for construction chemicals is estimated at more than CHF 70 billion. According to current forecasts, the volume of this market should rise to around CHF 80 billion by 2025. This means that Sika is active in large markets with solid medium and long-term growth rates. Moreover, the fragmentation of these markets provides the company with additional potential to expand its business. For example, the combined market share of the ten largest internationally active companies in the construction chemicals sector is at around 40%. Sika's global market share amounts to somewhat more than 10%, and the aim is to increase this going forward. Sika is leveraging its reputation and global presence to steadily expand its market position.

Acquisitions in fragmented markets

Sika's overall strategy is based on organic growth driven by the entrepreneurial spirit of its employees. Organic growth is enhanced by carefully selected external growth opportunities. This is where acquisitions come into play. Well-chosen acquisitions can close business gaps to help Sika access new market segments and consolidate fragmented ones. Sika pursues acquisitions as a means of strengthening its core business, but it also uses acquisitions to integrate complementary technologies. These acquisitions allow Sika to stay competitive and innovate new products for construction and industrial applications. Acquisitions are growth platforms. Sika uses acquisitions as a catalyst for its success through expanding its capacity and improving operational efficiencies. Two acquisitions were made in the past year, namely Sable Marco Inc. in Canada and United Gilsonite Laboratories (UGL) in the US. Sable Marco is a manu-

facturer of cementitious products and mortars. Headquartered in Pont-Rouge, close to Québec City, the complementary acquisition will open new opportunities in the Eastern region of Canada and improve the access to the retail distribution channel. United Gilsonite Laboratories is a well-recognized manufacturer of products for consumer and DIY waterproofing applications. Their product portfolio is sold through the distribution channel and can be found in major retailers in the USA. This business is a perfect complement to Sika's high value-added systems for concrete and masonry waterproofing and refurbishment.

In November 2021, Sika signed an agreement to acquire MBCC Group, which is the former BASF Construction Chemicals. The transaction complements almost all of Sika's core technologies, applications, and solutions. It will create synergies and novel solutions that will help make the construction industry more sustainable. Sika proceeded with the transaction process in 2022 and has received unconditional regulatory approval for the transaction from authorities in most countries, among them Japan, China, Brazil, Serbia, Morocco, Russia, Colombia, Mexico, South Africa, Saudi Arabia, Turkey, and Thailand. In January 2023, an agreement was signed with Ineos for the purchase of parts of MBCC Group's admixtures business with sales of around CHF 920 million. The acquisition of MBCC is set to be significantly value-enhancing for Sika. Together with MBCC, Sika intends to strengthen its growth platform and generate annual synergies of CHF 160–180 million. The closing of the acquisition is scheduled for the first half of 2023.

Business model

Sika is well-positioned in both emerging and mature markets thanks to its global network of 101 subsidiaries, 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. 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.

THE SIKAWAY

KEY RESOURCES AND RELATIONSHIPS

People

>27,000

Employees are key to Sika's success. Their dedication and customer-focused work contributes to strategic target achievement.

Sika's employees

Research & Development

>1,300

The company operates R&D centers worldwide and has an international network of scientists, partners, suppliers, and customers.

R&D employees

Planet

>4,000 TJ

Environmental resources (energy, water, raw materials, etc.) are needed to develop and produce products and solutions.

Energy consumption

Suppliers

>15,000

Sika purchases direct materials, trading goods, and packaging materials. The supplier network embraces the same set of values as Sika.

Sika's suppliers

Operations

>300

Sika produces products and systems for the building and industrial sectors. The company operates in more than 100 countries.

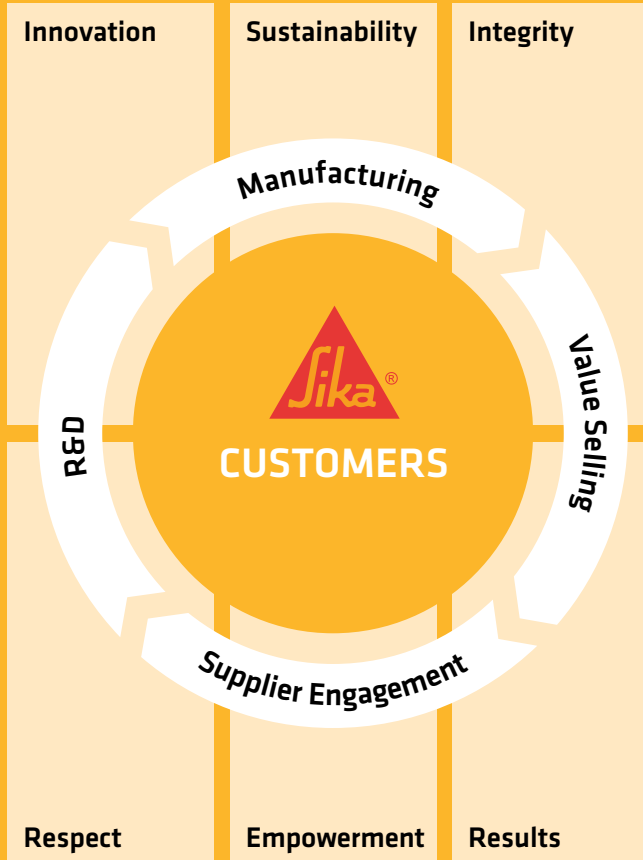
Production sites

Financial resources

CHF 600 mn

Cash, equity, and debt to invest in Sika's long-term, sustainable business development.

Bond issue



VALUE CREATION FOR ALL STAKEHOLDERS

People

CHF 1,711 mn

Sika places a great value on keeping employees' skills sharp, guarantee the highest safety standards and eliminate workplace accidents.

Personnel expenses

Customers

>400

Sika's sustainable solutions lower customers' CO₂ emissions and resource consumption, while maximizing their success.

New product releases

Planet

-6.9%*

Sika promotes efficient use of energy, water, and material resources while minimizing impacts on ecosystems.

Scope 1 and 2 CO₂eq per ton sold

Suppliers

CHF 5,312 mn

Sika engages with suppliers to develop mutually beneficial relationships, drive progress and sustainable development in the industry.

Material expenses

Society & Communities

>400

Sika is committed to being a reliable taxpayer. Tax rate in 2022 was at 24.4%. The company supports communities through engagement projects.

Engagement projects

Shareholders

+11%*

The growth strategy delivers sustainable value creation for shareholders. Dividends and increased enterprise value generate returns.

Net profit

* vs. 2021

NET ZERO COMMITMENT

Economic conditions in the markets of Sika's 100-plus operating entities vary widely. With its agile and empowered organization, Sika delivers solutions adapted to local and global customer needs. This gives the company a highly diversified business model that is crisis-resistant thanks to its presence in all channels, unwavering customer focus, and high-performance portfolio with sustainable product solutions for newbuild and refurbishment projects. Sika distinguishes between three levels of maturity in its construction markets:

- The dominant feature of emerging markets is the expansion of infrastructure in the form of transportation projects such as roads, airports, and ports, energy projects such as power plants, and the construction of public buildings and facilities such as hospitals.
- As markets develop, they attract greater investment in advanced building standards and high-quality solutions. The products sought after are those that offer greater environmental compatibility and efficiency in their application.
- In mature markets, the refurbishment of structures as part of renovation projects takes center stage. Many such structures are decades old and need investments. In these situations, refurbishing the existing structure is often the most sustainable and cost-efficient solution. For example, renovation projects may require the waterproofing and reinforcement of bridges or improvement of the energy efficiency of a building. The refurbishment business generally operates independently from economic cycles since critical maintenance work cannot usually be postponed. Large backlogs of projects exist especially in Europe and the US where urbanization is driving maintenance projects. Sika Group generates around 55% of its construction-related sales from refurbishment. In mature markets, this share is at about 70%, in emerging markets at about 30%.
- In addition, extensive infrastructure investment programs are having a powerful impact on the building economy. Government initiatives in many countries are tied to environmental legislation. Specifically, worldwide around CHF 10 trillion has been tagged for infrastructure or climate-related projects. The expansion of transportation infrastructure, public buildings such as schools and hospitals, IT infrastructure, renewable energy sources, and the overhaul of bridges and roads are some of the areas being funded by public-sector funds over the next years. As the leader in construction chemicals, Sika is well-positioned to benefit from this development even during challenging economic times.

Lightweight construction and e-mobility

People today want vehicles that are more sustainable, with a high degree of safety and comfort. Despite the coronavirus-related economic shortages in the supply chain of electronic building components, Sika is anticipating growth in the modern automotive construction, e-mobility, and lightweight construction sectors given the supportive underlying megatrends. The transition from traditional combustion engine driving systems to electromobility receives additional stimuli from government support programs in several countries.

MEGATRENDS

Driving structural growth

There are significant global shifts underway that are making it essential to be as agile and innovative as possible. Six megatrends are fueling market opportunities and influencing the way Sika operates. These include digitalization, emerging market growth, climate change, urbanization, automation, and demographic change.

Digitalization

Over the past 15 years, increased access to internet and proliferation of e-commerce has radically changed the way we shop, work, and connect. Furthermore, the democratization of information flow has shifted our market dynamics and social structures. This means that companies must be agile and adopt new digital methods to reach customers, employees, and the public. Sika is connecting with younger generations before they become B2B clients, utilizing platforms such as Meta, WhatsApp, LinkedIn, Semrush and Pardot to capture millions of leads. The company has benefited from the surge in demand in e-commerce as well as the fast-increasing need for IT infrastructure such as computer centers and data warehouses. Digitalization is also revolutionizing the construction and manufacturing sectors through 3D printing, digital planning and support tools that increase accuracy and save time. Sika is accelerating the construction technology space with over 200 digital tools available for customers, including 3D printing, robotic installation, and monitoring solutions.

Emerging market growth

The fastest-growing areas of the world today are in emerging markets. Indeed, just three countries – India, China, and Nigeria – together are expected to account for 37% of the projected growth of the world's urban population by 2050. About half of the world's fastest-growing economies are in Africa, with 20 economies expanding at 5% or more over the next five years. That's why Sika is expanding into these markets to help improve critical infrastructure, including water treatment, sanitation, and the durability of buildings. In 2022, Sika moved to a new site in Tanzania and is now manufacturing mortar products in Dar es Salaam on top of concrete admixtures. It also doubled the size of its facility in Ivory Coast. Southeast Asia is another rapidly growing region where Sika's business is developing dynamically. Emerging economies need to improve their institutions and infrastructure to keep up with population growth and manifest their long-term economic potential. Sika is helping fulfil this urgent need.

Climate change

The connection between rising greenhouse gas emissions and rising temperatures on earth is indisputable. Its negative side effects include more extreme weather patterns, melting ice caps, and damage to biodiversity. But man-made problems can have man-made solutions. That's why in 2022, Sika pledged to achieving net zero emissions by 2050. The company is continuously inventing new products – such as cement-free tile adhesives, biomass-based coatings, light-reflective rooftops, recyclable roofing membranes, high-end admixtures that help decarbonize cement, and adhesives for light-weighting and electrification of vehicles – that contribute to the decarbonization of the construction and industrial sectors. Indeed, Sika is an industry leader in this space. The company has sustainability rooted deep in its strategy. Merging sustainability and innovation has become an emblem. However, Sika knows that sustainability is a journey and collaboration throughout the entire value chain is key. Therefore, Sika encourages all its suppliers to meet Sika's sustainability standards and customers to use more environmentally friendly technologies.

Urbanization

Urban areas offer benefits such as better education, healthcare, entertainment, and culture. By 2050, around 70% of the world population is expected to be living in an urban center. Urbanization can bring progress, but only if there is enough sanitation, education, healthcare, transport, housing, and utilities to go around. This is an opportunity for Sika. Its products are essential for "smart cities" characterized by high living standards, including clean air, digitalization, connectivity, and the efficient use of space to minimize resource consumption. Sika solutions include systems for cool and green roofs that help reduce the urban heat island effect and support biodiversity as well as a wide range of strengthening and repair solutions that extend the life of buildings. With waterproofed basements, energy-efficient buildings, and bio-based materials, Sika is helping construct smarter cities with buildings that are more livable in the long term. Our future cities will be more dependent on e-mobility, solar and wind energy. Cities are becoming higher, greener, and more efficient, allowing people to live in harmony with their environment.

Automation and demographic change

Automation is changing the way we build our world. Today, robots are becoming more capable of complicated tasks that were traditionally carried out by humans, which is altering the future of work in the construction sector. With its innovative products and systems, Sika is accelerating technological progress on construction sites. One example of how Sika is advancing the construction industry is through its investment in MESH AG. This Swiss start-up created the world's first robot-assisted technology that produces complex reinforced concrete structures without formwork. The modular approach to construction is another area where Sika expects increased growth going forward. It improves efficiency in construction projects by moving a part of the construction work to factories and increasing standardization. Automation also can ease the burdens arising from demographic change, as aging populations now strain many economies. While Africa's population is growing fast, the working age population in many advanced countries is shrinking because people are living longer and having fewer children. By 2050, there will be 1.5 working-age people for every one elderly person in Japan – in Nigeria there will be 15. This means that developed countries will struggle to find enough laborers. Sika's solutions increase the efficiency of construction to help cushion any shortage of workers. In addition to advancing automation in construction, Sika develops easy-to-apply, safe and time-saving solutions with high health and safety standards. Easy-to-apply, robust products help contractors complete their building projects faster with fewer workers and lower costs.

STRATEGY 2023

Sustainable and profitable growth

The Sika's Strategy 2023 was developed and launched in 2019. It encompasses both financial and non-financial considerations and targets. The new integrated Strategy 2028 will be presented in October 2023.

THE SIKA GROWTH STRATEGY

SUSTAINABILITY

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

MARKET PENETRATION

One strategic pillar of Strategy 2023 is to increase market penetration. Growth drivers include targeted sales of a comprehensive product portfolio with complete systems, increasing presence in the distribution channels, key project management, and continuing expansion in emerging markets.

INNOVATION

By 2023, the company aims to generate 25% of sales from products that have been launched within the last five years. Innovation at Sika is always focused on the needs of customers. These needs together with the defined megatrends, steer both fundamental and applied research. Furthermore, the company has committed to ensuring that every new product must offer better performance as well as additional sustainability benefits.

Already today, Sika offers its clients a broad spectrum of sustainable product technologies.

OPERATIONAL EFFICIENCY

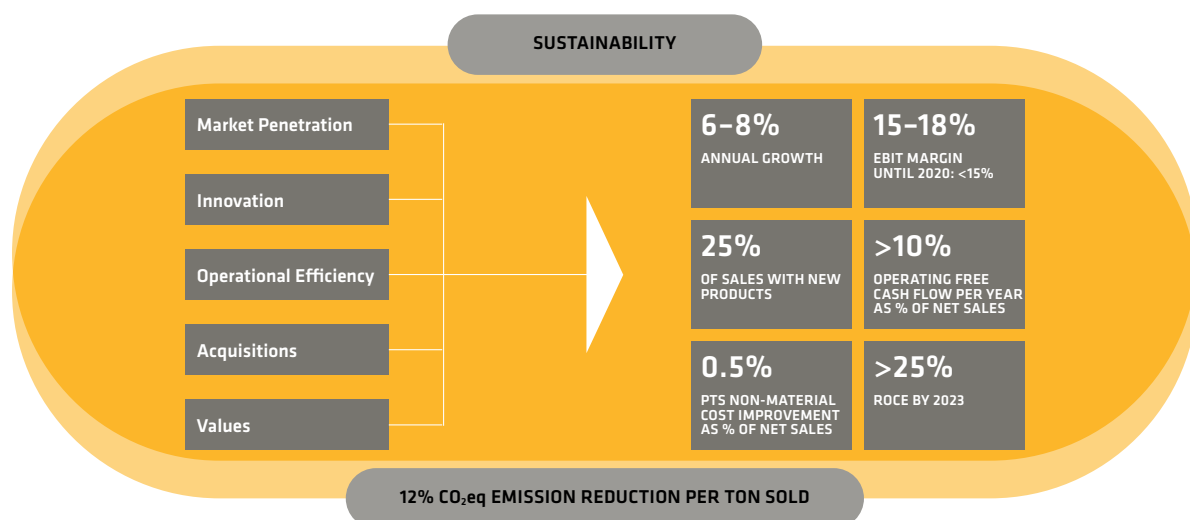
Operational efficiency is an important driver for the improvement in margins. Projects in the areas of operations, logistics, procurement, and product formulation should result in an annual improvement in operating expenses equivalent to 0.5% of sales.

ACQUISITIONS

Acquisitions are an important element of Sika's growth strategy. They allow the company to enhance its core business with complementary technologies, improved market access, or expanded distribution channels. With this approach, Sika can establish the acquired businesses as platforms for additional growth.

VALUES

Sika's strong corporate culture is the foundation for its success. Customer First, Courage for Innovation, Sustainability & Integrity, Empowerment & Respect, and Manage for Results – these are the values that drive business activity and are lived by employees every day all over the world.



THE SUSTAINABILITY STRATEGY

The Sustainability Strategy 2023 refers to the company's ambition to maximize the value of its solutions and contributions for all stakeholder groups, while simultaneously minimizing the risks and resource consumption associated with value generation. Sika pursues six sustainable strategic target areas:

CLIMATE PERFORMANCE

Sika runs its business in a responsible way to mitigate climate change and its impacts. Scope 1 and scope 2 related CO₂eq emissions are a consequence of direct and indirect energy consumption. These can be limited by increasing energy efficiency and improving energy mix. Sika's goal is to reduce the CO₂eq emissions (scope 1 and 2) per ton sold by 12% by 2023.

ENERGY

Sika's operations are not energy-intensive. Nonetheless, the company puts a high focus on the efficient use of energy as it is an important contributor to the improved sustainability performance.

WASTE/WATER

The efficient use of input materials is a top priority for all Sika companies. Efficient production means reducing waste at the source, reusing production scrap and packaging materials, as well as improving packaging design. Sika takes measures to reduce water consumption by treating it or, when possible, using lower-grade water quality especially in geographies with water scarcity.

COMMUNITY ENGAGEMENT

Sika is committed to being a socially responsible company, supporting local communities and implementing engagement projects worldwide to bring social and environmental benefits through the application of company-specific expertise, voluntary work by its employees, and long-term collaboration with partners.

OCCUPATIONAL SAFETY

The health, safety, and well-being of all Sika employees, contractors and visitors is of paramount importance for Sika. Sika strives to guarantee the highest safety standards and eliminate workplace accidents.

SUSTAINABLE SOLUTIONS

Managing innovation and sustainability together means for Sika to minimize the risks and maximize opportunities, creating positive business impact. "Sustainable Solutions" create value-added products that combine performance and sustainability into one concept.

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 has been a key factor in Sika's corporate strategy for over a decade and, as a leading player in its industry, the company possesses the product solutions, technologies, and necessary innovative strength to drive forward the transformation in the construction and transportation sectors.

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

Starting from the official commitment day – September 16, 2022 – Sika has up to 24 months to submit its targets for SBTi validation. The commitment focuses on two time horizons for both scope 1, 2 and scope 3 with a near-term interim target in ten years (2032), and a net zero target by 2050. For more information on Sika's net zero roadmap, levers, and initiatives, please see the "Planet" chapter in the Sustainability Report 2022 on p.85 and the corporate webpage [Sika's Way to Net Zero](#).

SIKA PURPOSE & BRAND

Sika stands for high quality, innovation, and customer service – building trust every day

The Sika purpose

Sika's purpose is to anticipate and meet future challenges by providing reliable, innovative, sustainable, and long-lasting solutions in the construction, building, and manufacturing industries. In everything we do, we provide a seal of quality which our employees, customers, and all stakeholders can rely on – building trust every day.

The Sika brand

The name Sika conjures up many things. Stability. Continuity. Innovation. Forward-thinking. Sustainable. Trustworthy. These are some of the words that people naturally associate with the brand. Customers throughout the world know that they will receive quality and service wherever they see the Sika logo. The founder Kaspar Winkler established the Sika name and logo over a century ago. The cheerful yellow color evokes the place where most Sika products are used – a construction site. Sika's trademark has proven to be an asset during the Group's decades-long expansion.

WORLDWIDE TRADEMARK PROTECTION

Given the widespread awareness of the Sika brand, particularly the graphic word trademark, the company prioritizes a consistent and standardized use of the logo and the associated corporate image guidelines and verifies compliance with them. Over the years, many industrial copycats have attempted to replicate Sika's branding and positioning, which highlights its enormous intangible value.

The Sika umbrella brand, and many Sika product trademarks, such as Sika® ViscoCrete®, SikaBond®, or Sikaflex®, sharpen the company's competitive edge. Hence the crucial role of trademark protection as a management task, performed both globally at Group level and locally at national level. In total, Sika held 10,258 trademark registrations in 153 countries at the end of 2022. Sika continuously monitors its trademarks and takes appropriate legal action in cases of infringement.

CORPORATE IDENTITY

Sika's strong corporate identity gives the company's public face a consistent and modern look. The aim of the corporate identity is to achieve a clear-cut positioning of the brand based on uniform corporate design guidelines. A visual language and system that unifies the user experience across all platforms was established to develop the brand. The co-branding guidelines allow for a solid brand integration process for all acquired companies and brands.

CORPORATE CULTURE – MAKING AN IMPACT ON THE OUTSIDE AND THE INSIDE

The second core element of the Sika brand is personality. Sika is pioneering, team-oriented, and committed. Today, these attributes paint an accurate picture of the Sika corporate culture. The famous Sika Spirit encompasses the virtues one will find at any Sika location in the world. The common denominators of the Sika Spirit include collaboration, passion, resourcefulness, entrepreneurial mindset, drive, and an overall "family" feel that is not often found at big companies.

BUILDING TRUST

Sika successfully integrates the "Building Trust" tagline into its communications. The implications of this claim for Sika's brand can be described as follows:

"Our business is specialty chemicals, and trust is the foundation of our success. For more than a century, we have focused on the quality of our products while constantly bringing a spirit of reinvention to the industry. We are committed to delivering reliable, innovative, and long-lasting solutions to our customers in the construction, building, and manufacturing industries. This truly represents the value and impact of the full range of Sika's core competencies: sealing, bonding, damping, reinforcing, and protecting. We provide innovative products that add significant value, plus comprehensive services, expertise, training, and custom-designed solutions. We're proud of our achievements and eager to prove that Sika provides a seal of quality you can rely on.

**Committed to excellence.
Inspired by innovation.
Building Trust."**

STRATEGIC TARGET MARKETS

Customer focus

Concrete

Sika develops a complete range of admixtures and additives for use in concrete, cement, and mortar production. These products enhance specific properties of fresh or hardened concrete, such as workability, watertightness, durability, load-bearing capacity, and early and final strength. The demand for admixtures and additives is rising as engineers require better performance from concrete and mortar, especially in urban areas and for infrastructure. Furthermore, demand is rising because Sika additives and admixtures facilitate the use of alternative materials, such as processed aggregates (sand) and materials with cementitious properties in cement and mortar – and therefore also in concrete – to reduce the use of clinker and natural sand. This makes concrete more sustainable and significantly reduces CO₂ emissions in the construction industry. Digitalization is closely linked to sustainability, and it is gaining importance in the concrete industry. Sika offers cross-linked digital tools for efficiency and productivity improvements. With only a smartphone picture and strength sensors, Sika's apps for concrete mix design and sand grading curves bring engineering technology into the palm of your hand.

Roofing

Sika provides a full range of flat roofing systems, incorporating both flexible sheet and liquid-applied membranes. Sika is recognized as a top tier brand in roofing markets with the longest history for single-ply membranes. In 2022, Sika celebrated 60 years of roofing excellence with Sika Sarnafil® roofing systems. Sika roofing solutions are outstanding quality – they are reliable, sustainable, and long-lasting. Demand in this segment is driven by the need for eco-friendly, energy-saving solutions such as green roof systems, cool roofs, and solar roofs, which help reduce CO₂ emissions. In recent years, Sika acquired bituminous technologies in markets where bitumen dominates. Liquid applied membranes enable roof renovations to occur without noise, dust, and vibrations. Therefore, renovations can be carried out without interrupting operations inside the building. While refurbishment projects account for a large part of the demand in mature markets, emerging markets are moving towards higher-quality roofing solutions for new structures. For both markets, Sika's innovative roofing systems provide everything that's needed, including vapor control layers, adhesives, insulation, fixation, roof drainages, and accessories. Also, digitalization is enhancing what Sika can offer. The company has developed an efficient system for leak monitoring and detection.

Waterproofing

Sika's solutions for waterproofing cover all technologies used for below, and above-ground waterproofing: flexible membrane systems (polymeric sheets, fully bonded membranes, modified bitumen sheets), liquid applied membranes, joint waterproofing systems (waterstops, swelling profiles, adhered tapes), waterproofing mortars, mortar admixtures, and injection resins and grouts. Key market segments are commercial and residential basements, tunnels, bridges, and all types of water-retaining structures, such as reservoirs, storage basins, and storage tanks. Waterproofing systems face increasingly strict requirements regarding speed and ease of application. The selection of the right system for the customer, together with the support of competent waterproofing contractors, are critical for long-lasting and watertight structures.

Building Finishing

Building Finishing encompasses ceramic tiles and natural stone installation, facade protection and decoration systems, as well as interior wall finishing for both residential and commercial buildings. Sika is a global leader in Building Finishing and provides one of the most comprehensive sets of solutions such as tile adhesives and grouts, systems for under-tile waterproofing and sound reduction, as well as renders and decorative finishes for both exterior and interior walls, and facade Exterior Insulation Finishing Systems (EIFS). Global trends such as urbanization, and the strong demand for home improvement, are fueling market growth. The collective desire for structures with lower energy needs and CO₂ footprints will foster the expansion of facade insulation systems. Sika's position as a global leading company means that there is great potential to increase distribution of its Building Finishing products and systems to additional countries. Building Finishing reinforces Sika's portfolio of technologies for the building envelope from basement to roof.

Flooring

Sika's flooring solutions are based on synthetic resin and cementitious systems for industrial and commercial buildings, such as pharmaceutical and food production plants, educational and healthcare facilities, parking decks, and private houses. Each market segment is subject to its own requirements in terms of mechanical properties, safety regulations, electrostatic conductivity, and chemical or fire resistance. Trends in the flooring market are being dictated by the increasing number of safety and environmental regulations, as well as customized technical requirements. The high volume of renovation and conversion projects nowadays has boosted the importance of efficient solutions for existing flooring systems. Sika has a leading global position in the development of fast-curing systems in various market segments. The company offers a comprehensive range of low-emission, durable, low-maintenance, easy-to-apply flooring solutions which can be adapted to customer needs.

Engineered Refurbishment

This segment includes repair, strengthening, and protective solutions for concrete structures, such as repair mortars, shrinkage compensated high-strength grouts, anchoring adhesives, protective coatings, corrosion control, and structural strengthening systems. Especially in developed markets, many structures are several decades old and need to be refurbished. Sika engineered refurbishment systems enable the life extension of structures, which is often a more sustainable path than demolition and building from scratch. Sika provides technologies for the entire life cycle of commercial buildings and infrastructure, as well as design and calculation software for structural engineers. The uptick in demand for refurbishment is stemming from a higher volume of infrastructure projects in the transport, water management, and energy sectors, such as the construction and maintenance of wind energy farms.

Sealing & Bonding

Sika offers a wide range of high-performance and durable sealants, adhesives, tapes, and spray foams for the building envelope, interior finishing and infrastructure business. Typical applications include the sealing of movement joints between facade elements to weatherproof buildings, the bonding of wood floors to reduce noise, the sealing of joints in airport aprons, or fire stopping. Urbanization is the megatrend underpinning demand in this market. Demand is being fueled by higher awareness of the importance of these agents for the durability, energy efficiency, and indoor air quality of buildings. Moreover, sealing and bonding is becoming more popular due to the growing use of prefabrication, modular building, and the replacement of mechanical fastening systems by adhesives due to better performance and efficiency.

Industry

Sika products are essential for automobile and commercial vehicle assembly (structural bonding, direct glazing, acoustic systems, reinforcing systems), automotive aftermarket (auto glass replacement, car body repair), marine vessels, industrial lamination, renewable energies (solar and wind), home appliance, and facade engineering (structural glazing, sealing of insulating glass units). Sika is a technology leader in elastic bonding, structural adhesives, sealants, reinforcing, and acoustic applications as well as composite and casting resins. The world's leading industrial manufacturers rely on Sika's solutions to enhance product performance and durability, while increasing their own manufacturing efficiency. Sika is helping to overcome some of today's biggest hurdles in vehicle design. The company helps create lighter, stronger, safer, quieter, and more fuel-efficient vehicles. Moreover, Sika's fast-processing materials and compatibility with automation yields greater productivity. Finally, Sika's fire protection and thermal conductive materials support the trend towards e-mobility.

ACQUISITIONS & INVESTMENTS

Supporting growth in the Target Markets

Acquisitions are key to Sika's growth, allowing the company to gain new market access and additional sales channels. Sika uses acquisitions as a growth platform for future success.

Acquisition strategy

Sika's overall strategy is based on organic growth driven by the entrepreneurial spirit of its employees. The company draws on multiple layers of expansion, including structural growth driven by megatrends, market growth, market penetration, and, carefully selected external growth opportunities. Well-chosen acquisitions can successfully close market gaps to help Sika access new opportunities.

Sika pursues acquisitions as a means of strengthening or extending its core business through the selective addition of related technologies. Target companies are typically medium-sized firms in Europe, the USA, and Asia. These firms can benefit from the fact that Sika, as a strong global player, can leverage their full potential. The acquisitions allow Sika to stay competitive and innovate new products for construction and industrial applications. Acquisitions are growth platforms. Sika uses acquisitions as a catalyst for its success through expanding its capacity and improving operational efficiencies.

When evaluating a target, Sika relies on its highly experienced M&A team and follows a clearly established process. Potential companies are vetted through a rigorous acquisition funnel which eliminates all but a handful that can pass the basic review, formal analysis, due diligence, and cultural fitness tests. For example, only two acquisitions were executed out of more than 60 companies included in the basic review in 2022.

Sika makes every effort to ensure a smooth integration process. Therefore, the team closely evaluates the corporate culture of all takeover candidates prior to any acquisition. The three regional managers (EMEA, Asia/Pacific and Americas) take responsibility for integrating any new business acquired in their region, but the whole process is coordinated at the corporate level by a dedicated M&A team and an Integration Management Office. This

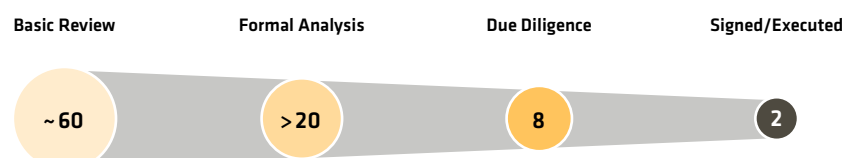
decentralized approach ensures that there is a high level of accountability in the regions, and that information can easily be exchanged between the newly merged companies on a local level.

2022 acquisitions

In November 2021, Sika signed an agreement to acquire MBCC Group, which is the former BASF Construction Chemicals. The transaction complements almost all of Sika's core technologies, applications, and solutions. It will create synergies and novel solutions that will help make the construction industry more sustainable. Sika proceeded with the transaction process in 2022 and has received unconditional regulatory approval for the transaction from authorities in most countries, among them Japan, China, Brazil, Serbia, Morocco, Russia, Colombia, Mexico, South Africa, Saudi Arabia, Turkey, and Thailand. In January 2023, an agreement was signed with Ineos for the purchase of parts of MBCC Group's admixtures business with sales of around CHF 920 million. The acquisition of MBCC is set to be significantly value-enhancing for Sika. Together with MBCC, Sika intends to strengthen its growth platform and generate annual synergies of CHF 160–180 million. The closing of the acquisition is scheduled for the first half of 2023.

In March 2022, Sika acquired Sable Marco Inc., a manufacturer of cementitious products and mortars in Canada. Headquartered in Pont-Rouge, close to Québec City. The acquisition will open new opportunities for Sika in Eastern Canada and improve Sika's access to the retail distribution channel. The acquired business generates annual sales of CHF 20 million. In May 2022, Sika acquired United Gilsonite Laboratories (UGL), a well-known manufacturer of products for consumer and DIY waterproofing applications in the United States. Their product portfolio can be found in major retailers throughout the USA. The acquired business fits well into Sika's high value-added systems for concrete and masonry waterproofing and refurbishment. In 2021, UGL generated sales of CHF 65 million.

ACQUISITIONS M&A FUNNEL 2022



The highly fragmented market opens up a number of acquisition options for Sika. A rigorous and disciplined approach allows the right candidates to be identified every year.

2022 investments

In 2022, Sika continued to invest in future growth with the following expansion projects:


- New site for mortar products and admixture in Dar es Salaam, Tanzania
- Expanding a production site for tile adhesives and repair mortars in Abidjan, Ivory Coast;
- New plant in Santa Cruz de la Sierra for mortars and concrete admixture, Bolivia
- Commissioning a new plant for concrete admixtures near Washington D.C., USA
- New plant for liquid membranes and mortar production in Chongqing, China

For 2023, the company will continue its investment strategy, which is designed to consolidate Sika's global presence by unlocking new markets or expanding its activities. Additionally, Sika will invest in innovation, the expansion of its current footprint, and operational efficiency to reduce costs and lower CO₂ emissions.

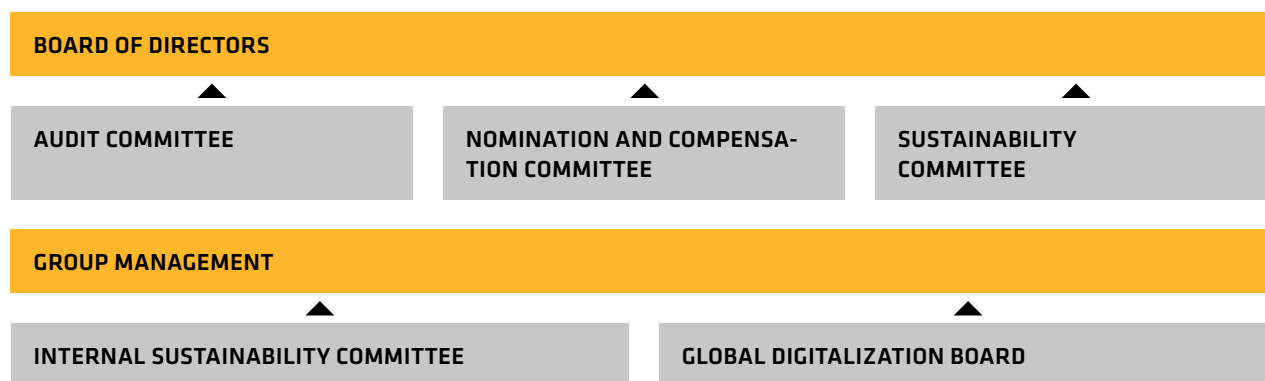
In the year under review, Sika invested CHF 266 million (2021: CHF 170.8 million), which is equivalent to 2.5% of net sales. The breakdown of the investments are as follows: expansion of production capacity at 31% (2021: 23%), 40% (2021: 46%) was needed for maintenance and upgrades in existing facilities, 23% (2021: 24%) was used for rationalization, efficiency improvements and digitalization, and 6% (2021: 7%) was spent on environmental protection, health and safety, and quality control. The share of investment in the emerging markets was 44% (2021: 38%).

RISK MANAGEMENT AND TCFD RECOMMENDATIONS

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 must regularly analyze potential risks and integrate them into the strategic decision-making process. Sika recognizes that climate change is impacting the world, and it must be addressed in the risk management process and 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. The company's disclosure will continuously develop since managing climate-related risks and opportunities evolves and reporting frameworks regarding climate-related financial disclosures are reinforced. Thus, Sika is applying a phased approach to integrat-

ing the recommendations of TCFD over time. In 2020, the company committed to reporting annually about issues that consider TCFD recommendations and disclosing a high-level analysis of two climate scenarios. In 2021, Sika presented its second annual disclosure by extending the analysis to three global warming scenarios and listing the related risks and opportunities that may arise. In 2022, the company worked to progress the implementation of TCFD recommendations by strengthening its 2022 scenario analysis with a focus on two scenarios (+1.5°C and +4.4°C), assessing financial implications of potential climate-related physical risks on manufacturing sites and reviewing the list of climate-related transition risks and opportunities. A summary of TCFD 2022 results and a mapping table are presented at the end of this chapter, while a detailed  **TCFD report 2022** is available on the corporate website.

GOVERNANCE: BOARD OF DIRECTORS, COMMITTEES, GROUP MANAGEMENT AND RELEVANT BODIES



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 the Group Management. The Chair of the Board is permanently invited to add climate-related topics to the agenda of the Chief Executive Officer (CEO) and the BoD. The Board of Directors is committed to the Science Based Target initiative (SBTi) to achieve net zero greenhouse gas emissions by 2050.

The Board of Directors relies on three committees:

- 1) The Audit Committee (AC) approves the annual audit plan and Internal Audit conducts audits accordingly. The AC then reviews the results of internal and external audits, the Enterprise Risk Management report, and monitors the implementation of corrective actions. Internal Audits cover a broad set of processes in the areas of sales, accounts receivable and accounts payable management, product development, purchasing, production, quality control, inventory management, financial and operational reporting, compensation and benefits, and IT management. Furthermore, conducting internal audits focused on non-financial information, the AC verifies the company's alignment with its sustainability strategy. The Internal Audit function reports to the Audit Committee. The governance structure, compliance with the Code of Conduct, and the internal control system are assessed at Group level.

In addition to audits of the operating companies, regular in-depth audits are carried out in headquarter functions and Group-wide support processes. Internal Audit is an instrument of the Board of Directors and Reports to the Audit Committee. The committee convenes at the request of its chairperson as often as business demands. Customarily, the Chair of the Board of Directors, the Chief Financial Officer (CFO), and the CEO take part in these meetings in an advisory capacity. In the year under review, the Audit Committee met six times. More information is provided in the Corporate Governance Report on p.166.

- 2) The Nomination and Compensation Committee (NCC) is responsible for succession planning, assessments, and the compensation strategy and remuneration system at the level of the Board of Directors and Group Management. In the year under review, the NCC met five times. More information is provided in the Corporate Governance Report on p.166. The Group Management's performance is evaluated based on achievements related to strategic targets, including ESG (environmental, social, and governance) targets such as climate performance, and health and safety. This is explained in more detail in the Compensation Report on p.177.
- 3) The Sustainability Committee (SC) consists of three Board members with expertise in different areas of ESG. The group prepares sustainability-related topics for discussion and decision-making in the Board. The Sustainability Committee focuses on the following four areas: ensuring a formal ESG risk and opportunity assessment, including the materiality analysis; setting measurable goals that are aligned with the strategy; organizing and allocating resources; and providing the appropriate reporting and communication with stakeholders. In the year under review, the SC met four times. More information is provided in the Corporate Governance Report on p.166.

Group Management regularly reviews the processes underlying risk management, and it is responsible for the development and implementation of actions to address risks (including climate-change-related risks) in line with the defined sustainability strategy and targets. Group Management is responsible for risk management at the highest executive level and gives regular updates to the Board. Risk management (including climate-change-related risks) falls under the domain of the Corporate Finance department, headed by the CFO. The CFO oversees financial and non-financial information and data, while Mergers & Acquisitions (M&A) reviews and consultations take place as part of the due diligence process.

Two bodies ensure that sustainability-related aspects are considered in the Group's strategy and operations:

- 1) The internal Sustainability Committee, established in 2021, coordinates all sustainability-related projects aimed at achieving sustainability targets and monitoring proper implementation of the sustainability strategy throughout the Group. It also prepares the decision-making of Group Management on such topics. The Committee is chaired by the Chief Innovation and Sustainability Officer and meets monthly. It includes the following corporate functions: Innovation and Sustainability, Operations, Quality & EHS, Communications & Investor Relations, Controlling, Mergers & Acquisitions, Human Resources and Compliance, Procurement, Marketing and Target Markets.
- 2) The Global Digitalization Board was established in 2020 in response to the increasing relevance of topics like digitalization and cyber security. Digitalization is one of the three major societal challenges of the 21st century, alongside climate change and growing social inequalities. For this reason, it has become a major topic of responsible investment and environmental, social, and governance (ESG) analysis. For more information, please read the "Digitalization and IT landscape" chapter in the Sustainability Report on p.140.

SIKA'S RISK MANAGEMENT FRAMEWORK

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. 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. Climate-related risks are integrated into the ERM framework since any unexpected climate-related disasters, and corresponding economic fluctuations, might have an impact on global and local markets. Locally, climate-related risks are evaluated by EHS and Operations Managers in collaboration with Regional Operations Managers and General Managers (GMs). GMs consolidate all risks falling under their domain and via the Area Managers report to their Regional Managers. All Regional Managers are part of the Sika Group Management. The information is consolidated at corporate level and aligned with the overall strategy.

TRAININGS DEDICATED TO RISK MANAGEMENT

The governance structure fosters the buildup of expertise to evaluate the impact of unexpected risks. In 2022, regular risk management education was provided for staff at various levels within the company.

FOR EXECUTIVE MANAGERS

- Business ethics and anti-corruption: Sika's Senior (SSM) and General Managers (GMs) as well as the participants of Regional or Global Leadership Programs are invited regularly to participate in anti-corruption trainings. The targeted trainings are delivered either face-to-face or online (via virtual workshops or focused e-learning). In 2022, Sika organized 17 training courses for a total of 560 SSMs, GMs, Regional and Global Leaders.
 - Sustainability and climate change: During 2022, several official meetings were organized to allow Sika's management to discuss the topic of sustainability and climate change. For instance, in September, the Board of Directors visited the Sika Global Technology Center in Lyon (France), meeting the General Manager and employees to address topics like health and safety, and sustainability through innovation. Moreover, the BoD visited the warehouse of a Sika distributor and a Sika production site. In Paris, the BoD visited construction projects where advanced, sustainable building methods are implemented, and a wide range of Sika solutions are used. In the same month, the company organized the Sika Senior Management Meeting (SSMM), where the BoD, Group Management, and all Sika Senior Managers took part in several sessions focusing on ESG-related topics, scope 1, 2, 3 emissions and the development of the net zero roadmap.
- program to minimize the risks in advisory and sales activities that could generate product complaints. Thanks to various measures, including regular employee training, clearly formulated standards, detailed causal analyses, and stricter controls, expenditure for product-related claims has steadily declined. To avoid the risk of customers using Sika's products incorrectly, Sika provides systematic instructions, application training, and support to customers, as well as extensive documentation and quality control.
 - Cyber security risks: Sika provides its staff with the requisite training, and it has reinforced its IT organization within the Group accordingly. The measures to combat and defend against such attacks are continually being reviewed with the help of external specialists and adapted in line with any new situations that may arise. All Sika employees must complete the IT Security E-Learning yearly.
 - Supplier engagement and assessment: In 2022, internal trainings were provided to around 50 employees working in the procurement function to improve their skills in fostering suppliers' engagement and implementing supplier sustainability assessments within the framework of the "Together for Sustainability" (TfS) initiative.
 - Supplier auditor training program: The program is an internal initiative conducted over two days of training for procurement, technical experts, and quality responsible. It is part of the Sika Audit Charter and covers scope, procurement process, supplier audit process, audit technique, audit checklist, reporting, and a personalized workshop on audit planning. In 2022, three online training courses were executed covering all regions and business units. 140 Sika employees successfully completed this training.



FOR ALL EMPLOYEES

- Business ethics and anti-corruption: All sales, procurement, finance, and R&D employees are regularly invited to participate in anti-corruption training. The targeted training is delivered either face-to-face or online (via virtual workshops or focused e-learning). In 2022, hundreds of local employees were re-assigned the global anti-bribery and anti-corruption e-learning course. In addition, nearly 100 focused face-to-face and online compliance trainings were offered to nearly 4,000 employees exposed to ABC risks.
- Ethical leadership, speak-up culture, incident management: In 2022, Sika organized hundreds of local, regional and corporate training courses for thousands of employees including controllers, procurement managers, HR managers and regional and local compliance officers. GMs around the world confirmed that they organized at least one local ethics & speak-up training for all their employees in 2022.
- Innovation and sustainability: In October 2022, representatives of Sika Technology Centers worldwide gathered at the Technology Center Management Meeting (TCMM) in Konstanz, Germany. Seminars and workshops were focused on multiple aspects of innovation, sustainability, collaboration, and digitalization. Safety at Work, Sustainability and Compliance, Risk Management and levers for product development supporting net zero were important parts of the agenda too.
- Product development and marketing: Sika operates a global

TOP RISKS

Sika's risk management process is reviewed regularly, allowing the company to better identify potential risks and establish well-structured mitigation practices. Sika continues to use this process stringently to ensure that any potential risk for the company and its customers is mitigated. The list of top risks was approved by the Board of Director and Audit Committee in October 2022.

Top Risk	Description	Risk Mitigation	Trend	Status
CATEGORY: STRATEGIC				
Pressure on margins	Supply chain disruptions, raw material price increases may lead to pressure on margins.	<ul style="list-style-type: none"> – Sika actively manages the material margin through value and system selling, continued sales price increases, and product formulation optimizations, combined with a Group-wide coordinated procurement process. – Sika maintains Group-wide systems to monitor raw material prices and sales prices to measure and manage the material margin. 	↗	Mature
Changing EHS requirements and regulations for products	Changing EHS-related customer requirements and regulations for products, product solutions and production processes. Net zero commitments of regions and countries will drive regional and local compliance.	<ul style="list-style-type: none"> – Close monitoring of regulatory changes with the help of a global network of experts and the close involvement of relevant commercial and technical functions. – 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. – 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 practice and a clear improvement path, including the net zero commitment. 	↗	Mature
Country risks	Political and economic instability.	<ul style="list-style-type: none"> – Constant monitoring of development in the critical countries. – Implement risk-reducing measures. – Review investment/acquisition strategy in affected countries. 	↗	Mature

Top Risk	Description	Risk Mitigation	Trend	Status
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.	<ul style="list-style-type: none"> – Sika committed to the Science Based Targets initiative to achieve net zero by 2050. The company is currently developing a CO₂ emissions reduction roadmap (scopes 1, 2 and 3) with mid-term (2030) and long-term (2050) targets. – 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). – Reporting in accordance with TCFD recommendations to assess and quantify the impact of climate change on Sika's business. – Operational efficiency programs implemented worldwide to reduce CO₂ emissions, energy, and water consumption. – 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, and therefore, the company can better anticipate needs and offer sustainable solutions. 		Mature
Multipolar world	Geopolitical instability and a rise in protectionism may impact international trade and the global economy.	<ul style="list-style-type: none"> – 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 proprietaries at Sika Technology to protect Sika's core values. – Strengthen capabilities of local organizations to maintain know-how locally. 		Emerging
CATEGORY: OPERATIONAL				
Product-related claims	Selling of products carries the risk of product-related claims.	<ul style="list-style-type: none"> – To properly control risk, a strict Product Creation Process (PCP) is established within Sika (including the SPM framework). – Long-term behavior of products is tested in technical service depending on the real application. – Proper quality control is set up in production. – Regular training of employees ensures the necessary competence. – 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


Top Risk	Description	Risk Mitigation	Trend	Status
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.	<ul style="list-style-type: none"> – Sika's Talent Management across global, regional, and local levels prepares its 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 redefining 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. – Conduct an annual talent review of Corporate/Regional Management with a focus on succession planning for business-critical key positions. – 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
Business interruption	Business interruptions can jeopardize daily business continuity and impact operational business profit.	<ul style="list-style-type: none"> – Implement Crisis Management on country level for a swift adaptation to meet country-specific events and regulations. – The Corporate Crisis Management organization steers and monitors execution on 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
Supply chain – direct material sourcing	Sourcing of critical direct materials could be at risk due to single-sourced material, supplier discontinuity and capacity shortage.	<ul style="list-style-type: none"> – 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. – 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

Top Risk	Description	Risk Mitigation	Trend	Status
Cyber security risk	International Corporations are exposed to cyberattacks which can be any type of an offensive maneuvers that target computer information systems, infrastructures, computer networks, and/or personal computer devices by various means of malicious acts.	<ul style="list-style-type: none"> – Sika has established a comprehensive Cyber Incident Management Framework and processes for effective cyber response and IT Continuity Planning. – The company constantly assesses its cyber maturity. – Building up 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
Technology risk for PU & SMP sealant products	The risk that innovations or other market developments would have a severe effect on the product offering.	<ul style="list-style-type: none"> – Develop technologies with the same performance and better EHS or sustainability footprint. – Sika is well-positioned with future-proof Purform technology, water-based systems, and sustainability initiatives. 	→	Mature
CATEGORY: FINANCIAL				
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, finances may be impaired.	<ul style="list-style-type: none"> – Sika focuses on 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.	<ul style="list-style-type: none"> – Report and constantly monitor the FX exposure of Sika Group. Appropriate actions taken whenever required. – FX exposures related to IC Financing are fully 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.	<ul style="list-style-type: none"> – 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 Cooperation 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
CATEGORY: ORGANIZATIONAL				
Reputation risk	Reputation damage due to any substantial incident or personal misconduct.	<ul style="list-style-type: none"> – 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

Top Risk	Description	Risk Mitigation	Trend	Status
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 take-over attempts.	<ul style="list-style-type: none"> – Continuously monitor the market, maintain close contact with investors, review of 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, amongst others, an increasing digitalization of the workplace and business model (remote work, less travelling), the need to align working environments among various cultures and to engage different generations.	<ul style="list-style-type: none"> – Preserve Sika's unique culture and the high employee engagement through global initiatives: e.g., rollout and implementation of the new Global Leadership Commitment Campaign; annual, global celebration of the Sika culture on the Sika Day. – Embed Sika's Values and the Leadership Commitment Framework in the entire employee life cycle. – Regular training of all Sika managers to "walk the talk" within their departments through designated workshops on the Leadership Commitment pillars on a 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 a 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. 	↗	Mature

FOCUS: CLIMATE CHANGE

As recommended by the TCFD, Sika monitors the impact of climate-related risks and opportunities on its business through the company risk management framework and strategic planning. Sika understands that climate change is still an evolving topic that requires regular climate impact analysis with further implications on business, strategy, and reporting robustness. Assessing climate-related risks under different scenarios helps Sika to better understand the implications on its current business model and to drive the respective mitigation activities.

To face the global challenge, Sika is addressing climate change comprehensively in its strategy with its commitment to become a net zero company. Since 2019, Sika has defined a strategic target for reducing scope 1 and 2 CO₂e emissions by 12% until 2023. Moreover, the compensation scheme of Group Management and Sika Senior Managers is linked to the CO₂ performance of the company (scope 1 and 2). In October 2022, Sika finalized a two-year company-wide initiative to systematically identify and calculate emissions from its material scope 3 GHG categories. The continuous assessment and reporting of overall scope 1, 2 and 3 emissions will contribute to the definition of Sika's climate strategy and carbon reduction pathway to reach net zero by 2050. More information on Sika's Net Zero commitment is available in the "Planet" chapter, "Climate Change" section on p.88 of the Sustainability Report 2022. Sika's detailed 2022  **TCFD Report 2022** is available in the download center of the corporate website.

In 2022, Sika strengthened its scenario analysis with a focus on two scenarios for 2050 (+1.5 °C and +4.4 °C) for its transition and physical risks¹. A first assessment of climate-related physical risks on manufacturing sites and the respective financial implications related to turnover and assets was conducted for both scenarios. Physical risks will increase significantly in a +4.4°C trajectory in 2050 compared to a +1.5°C scenario. With more than 300 production sites globally there are regional variations in exposure to risk and intensity. This first quantification 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, maximum revenues at risk would slightly reduce by -0.2% while the share of assets at risks would remain the same at Group level.

The list of climate-related transition risks and opportunities disclosed in 2021 for both scenarios was again analyzed in 2022 and has been reviewed by an internal cross-functional team. Considering Sika's commitment to SBTi and its target to become a net zero company by 2050, there will be 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 buildings and infrastructure, the company can help customers implement measures to prevent and mitigate adverse effects of climate change in all regions.

In order to limit global warming to +1.5°C, significant changes in legislation, policy and technology will be required. These changes in market dynamics will impact 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.

¹ In 2021, Sika focused its analysis on three scenarios (1.5°C, 2.7°C, and 4.4°C). Based on the conclusions of this first qualitative assessment, Sika decided to exclude the 2.7°C scenario for further analysis since the most significant risks lie in the two extreme scenarios (1.5°C and 4.4°C).

TCFD MAPPING TABLE

In accordance with the recommendations of the TCFD, the table is divided into the governance, strategy, risk management, metrics and targets areas, and the eleven recommended disclosures. The table shows in which report, chapter, section or link the specific information can be found.

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.25-26 Board of Directors
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	p.25-26 TCFD Report 2022
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.33 TCFD Report 2022
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	p.33 TCFD Report 2022
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p.33 TCFD Report 2022
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.33 TCFD Report 2022
	b) Describe the organization's processes for managing climate-related risks.	p.25-26
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p.26
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.	TCFD Report 2022
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	p.90-92 Sika Methodology for Scope 3 Emissions Calculation
	c) Describe the targets set by the organization to manage climate-related risks and opportunities and performance against targets.	p.19, p.187

GROUP PERFORMANCE 2022

In a difficult environment, Sika delivered record results. All regions contributed to the growth.

Sales growth in CHF

+13.4%

EBIT growth

+13.5%

RECORD FIGURES FOR SALES AND PROFIT

Sika exceeded CHF 10 billion sales mark for the first time

Reaching CHF 10,491.8 million in revenues (previous year: CHF 9,252.3 million), Sika did not only achieve an all-time high in sales in fiscal 2022; it also set a record in profit. Price increases, rigorous cost management, efficiency gains, and synergies from acquisitions allowed the company to largely offset a significant rise in raw material costs. A profit from the divestment of the European industrial coatings business came alongside expenses relating to the MBCC acquisition. EBIT amounted to CHF 1,579.7 million (previous year: CHF 1,391.4 million) increasing by 13.5%. The EBIT margin expanded to 15.1% (previous year: 15.0%). Operating free cash flow came to CHF 865.2 million, and is therefore below the previous year's level (CHF 908.4 million) due to increased investments in the maintenance and expansion of factories.

EBIT in CHF mn

1,579.7

KEY BALANCE SHEET FIGURES

The ratio of net working capital to net sales declined slightly in 2022, to 18.3% (previous year: 18.4%). This reduction was possible despite a higher valuation of inventories due to increased raw material prices. At the end of 2022, cash and cash equivalents amounted to CHF 1,873.3 million (previous year: CHF 1,175.0 million). Net debt was reduced further, to CHF 2,051.6 million (previous year: CHF 2,547.1 million), while gearing was lowered to 41.3% (previous year: 57.9%). The equity ratio increased again and now stands at 43.9% (previous year: 41.1%). Return on capital employed (ROCE) was markedly higher at 21.6%, (previous year: 20.1%). In addition, net debt to EBITDA was reduced further and now stands at 1.0x (previous year: 1.5x).

Return on capital employed (ROCE)

21.6%

GROWTH IN ALL REGIONS

Rising raw material costs around the globe were a prominent feature of fiscal year 2022, as well as a deceleration in the construction sector in the second half of the year. These developments can be attributed to high inflation and accompanying interest rate hikes.

With its broad-based business model and operational implementation speed, Sika quickly adapted to market conditions. The targeted exploitation of new business opportunities as well as the implementation of corresponding operational measures have contributed to growth in all regions (see detailed information on the regions on p.37).

REGIONS

All regions reported growth – Sika performed well in challenging markets

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

EMEA (Europe, Middle East, Africa)

Economic growth in the eurozone slowed noticeably last year and the euro depreciated. Both manufacturers and the service sector experienced a fall in order volumes. The construction industry likewise could not escape this trend. There were fewer residential and commercial construction projects in 2022, with expenditure up a modest 1.1% and 0.6% in these sectors respectively. By contrast, expenditure on infrastructure projects increased by 2.2%.

Whereas total spending in the Western European construction sector was higher than the previous year, with moderate growth of 1.2%, Eastern Europe saw a sharp -9% decline year on year. Dynamism was most apparent in the African and Middle Eastern construction markets, which grew by approximately 5%.

In the project business, Sika was able to supply several key construction projects with high-performance solutions. Among others, these included the Semmering base tunnel in Austria, which was sealed with Sika's waterproofing solutions, and the port of Dakhla in Morocco, which was expanded with the help of Sika concrete admixtures. Sika's high-quality products were also used in the realization of new factories for large key accounts in Germany, Ireland, and Romania.

The **EMEA region** (Europe, Middle East, Africa) reported a sales increase in local currencies of 8.3% in 2022 (previous year: 16.1%). Sika's distribution business, which includes product distribution via home improvement stores, builders' merchants, and online platforms, saw a decline in sales volume. The extraordinarily

Region EMEA sales growth in local currencies

+8.3%

high level of demand witnessed during the pandemic moved back into line with pre-pandemic era levels. In contrast, volumes in the project business, which account for around 60% of sales in the region, witnessed a smaller decline. Economic stimulus programs and substantial investments in the transition of the energy sector support Sika's business activities even in declining markets. The region's strongest growth rates were recorded in Africa and the Middle East, which once again achieved double-digit sales growth. Sika moved to a new site in the East African country of Tanzania in 2022, and is now manufacturing mortar products in Dar es Salaam on top of concrete admixtures. It also extended its facility in Western Africa's Ivory Coast. This site is now double its previous size, enjoying not only additional manufacturing facilities but also new warehousing capacities, office space, and laboratories.

Americas

High rates of inflation and a rising interest rate environment were also dominant features of the Americas region. This caused declines in both residential construction and in retail trading. In Latin America, there were several changes of government in various countries due to elections, with short-term repercussions on the investment trend in construction. Nonetheless, Sika made the most of the business opportunities available in the overall region in a targeted way. The major metropolitan regions are generating above-average growth, and Sika is optimally positioned to benefit from the dynamism of the construction economy. Furthermore, several multi-billion-dollar investment programs to expand infrastructure are being implemented, and manufacturing processes are being reshored to the US.

The **Americas region** recorded growth in local currencies of 27.5% (previous year: 21.0%). Sika generated a large part of this growth from the US infrastructure sector, which saw a significantly higher activity in 2022 compared to the previous year. Construction work focused on the modernization and expansion of subway lines, bridges, tunnels, and freeways. High demand also came from investments in commercial construction projects, including stadiums and data centers. In addition, the US is seeing large-scale investment in reshoring, which involves bringing industrial know-how back to the United States from Asia and constructing new manufacturing plants. This will open new business opportunities for Sika. Construction activity in large parts of the US was affected by the severe weather in December, which disrupted deliveries of some Sika products.

The countries in Latin America likewise benefited from a high infrastructure investment, which has been fueled by strong urbanization trends. The expansion of public transportation networks has reached the implementation phase in several major cities, and investments are also being made in water treatment plants and reservoirs incorporating Sika solutions.

Region Americas sales growth in local currencies

+27.5%

With Sable Marco in Canada and United Gilsonite Laboratories (UGL) in the United States, Sika acquired two companies in 2022 that sell their high-performance products via established distribution channels. Furthermore, a new mortar and concrete admixture production facility came on stream in Bolivia, and a new manufacturing plant for concrete admixtures is now operational near Washington D.C.

Asia/Pacific

The economic situation was strained in most countries across the Asia/Pacific region. Alongside the intermittent, radical COVID-19-related restrictions, the Chinese economy was hit by a crisis in the real estate market. At 3.2%, the increase in gross domestic product (GDP) was much lower than in the previous year (6–8%). By contrast, India developed much more dynamically, recording GDP growth of 6.8%. Expenditure in the construction sector increased by 6.6%. In addition, India is investing heavily in the expansion of its transportation infrastructure. Besides extending the rail network, huge sums are earmarked for investment in electric buses for local public transport by 2030. Sika is active in all these markets with innovative technologies. As markets opened following the pandemic, this triggered an economic recovery in Southeast Asia. With overall GDP at approximately CHF 3,000 billion, the economic output of this region was above the pre-pandemic level. Particularly strong growth was recorded by Thailand, Singapore, Indonesia, the Philippines, Malaysia, and Vietnam, with growth rates ranging from 3.2% to 7.6%.

Region Asia/Pacific sales growth in local currencies

+14.8%

Sales in the **Asia/Pacific region** rose by 14.8% in local currencies (previous year: 19.4%). The distribution business in China benefited from ongoing strong growth momentum, recording double-digit growth rates, whereas the project business was heavily impacted by pandemic-related lockdowns in the first nine months of the year and by another wave of the virus toward the end of the year. Sika's Indian business activities continued to experience dynamic development, and double-digit growth was achieved in challenging markets in Southeast Asian countries once the numerous lockdowns were lifted. In 2022, Sika opened a new plant for liquid membranes and mortar production in Chongqing, a city in southwestern China with 30 million inhabitants. With the commissioning of this plant, the Group is strengthening its market position in a fast-growing metropolitan area.

Global Business

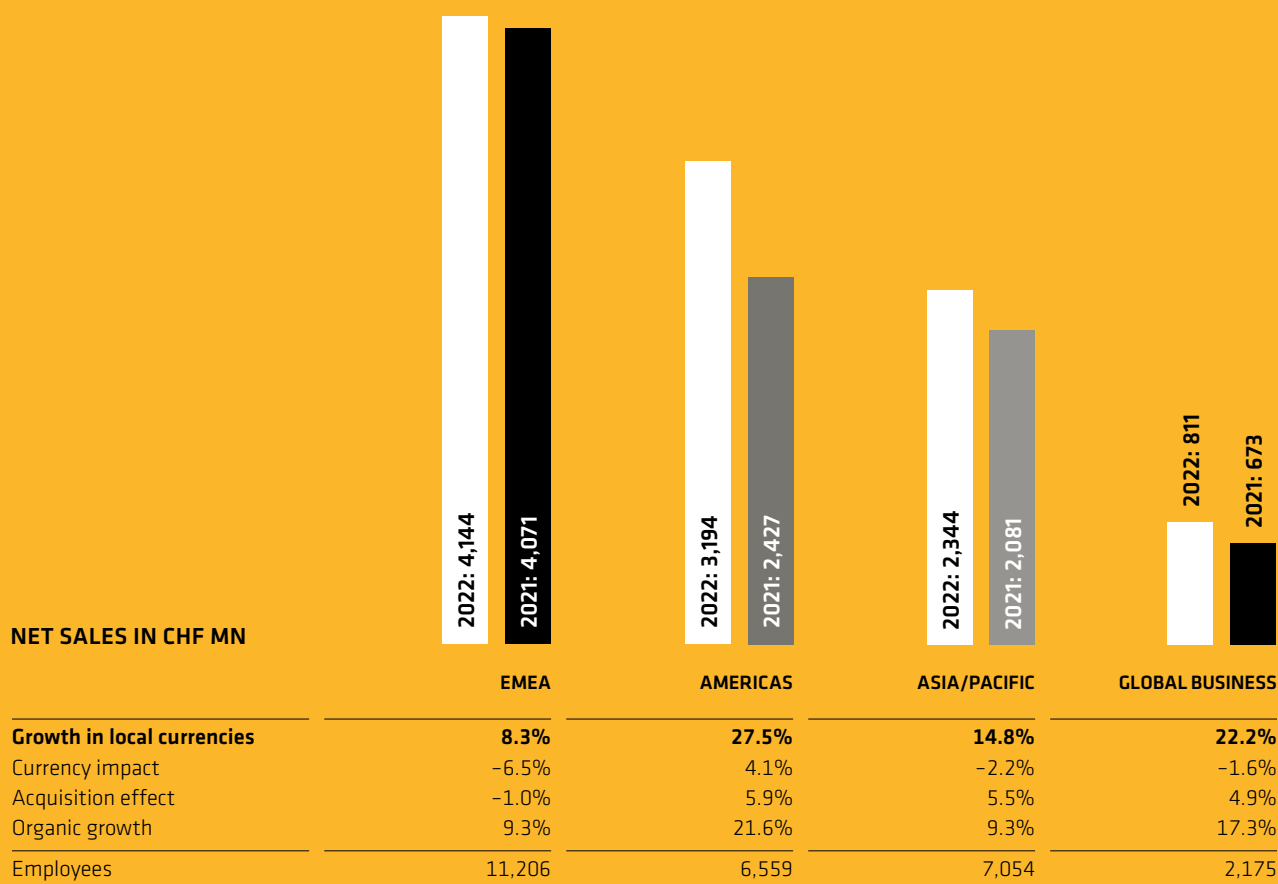
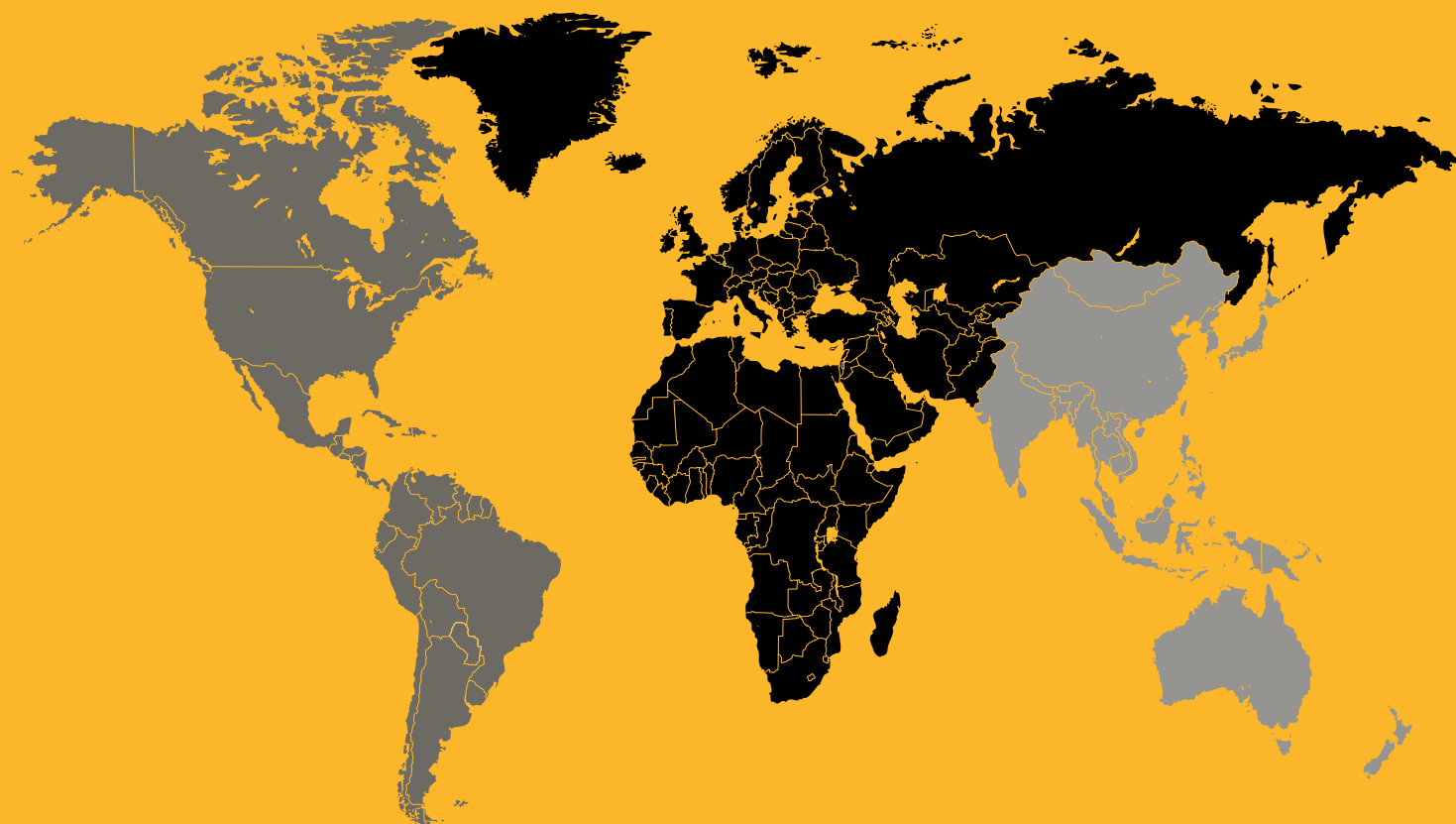
In fiscal 2022, global automotive production grew by 6.2%. Growth stimuli were apparent in the second semester following an improvement in supply chain bottlenecks. In North America, the volume of new vehicles manufactured rose to 14.3 million, which is almost 10% higher than the previous year. The Chinese automotive market grew by 6%, with more than 26 million new vehicles produced. Local automotive manufacturers recorded particularly high sales of electric cars. However, India displayed the greatest dynamism with impressive double-digit growth in new vehicle production of about 20%. The market is dominated by higher-specification vehicles, with an associated increase in materials built into the interior.

In the **Global Business**, Sika achieved growth in local currencies of 22.2% (previous year: 4.3%), and thus grew much faster than the market. High demand for new vehicles and a normalization of supply chains boosted business activity. For the automotive business, Sika is anticipating a recovery in the market over the medium term with continued growth stimuli from electromobility and alternative drive concepts in particular.

Global Business sales growth in local currencies

+22.2%

THE REGIONS IN BRIEF



OUTLOOK

Continuation of successful growth strategy

For 2023, Sika is confident that it can successfully continue its strategy built on sustainable and profitable growth even in a challenging economic environment.

Thanks to its innovative technologies, Sika is the partner of choice for many customers in the construction and industrial sectors. In addition, the global construction industry is being shaped by the megatrend of climate change as well as by increasing automation, digitalization, and easy-to-apply products. With its broad product portfolio, Sika is well positioned to offer its customers solutions that allow them to reduce their carbon footprint while facilitating long-lasting, resource-saving construction. On top of this, Sika is benefiting from global, state-driven economic programs supporting infrastructure expansion and investments in climate protection.

For fiscal 2023, Sika expects sales to increase by 6–8% in local currencies and anticipates an over-proportional increase in EBIT (not including the impact of the MBCC acquisition).

Expected sales increase in local currencies of

6–8%

SUSTAINABILITY REPORT

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

CO₂eq emissions per ton sold (scope 1 and 2)

–6.9%

Lost Time Accident per 1,000 FTEs

–23.8%

Women in Group Management

25%

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SUSTAINABILITY AT SIKA

As a technology leader with a global presence, Sika focuses on creating value for all stakeholders across the entire value chain – always considering environmental, social, governance (ESG) and economic aspects in all its activities by adhering to clear strategic targets.

Sika can make the largest positive impact by offering innovative technologies which allow the construction and transportation industries to be more sustainable. The company helps its customers build healthier and safer buildings and vehicles with a lower carbon footprint. By offering such innovative and sustainable products and solutions along its entire value chain, and keeping employee well-being at the center of its business and operations, Sika directly contributes to the United Nations Sustainable Development Goals (UN SDGs).

The outstanding engagement of its employees and their identification with the company are a key contributor to Sika's success. Sika's healthy corporate culture promotes an inclusive work environment where everyone is treated fairly and has equal access to opportunities. Since the company foundation over 100 years ago, social responsibility has been integral to the culture. Sika is committed to fostering stakeholder engagement in all the countries where it is active.

The progress made on sustainability targets is closely monitored and measured. To ensure accountability, there is a clear structure in place whereby financial and non-financial performance metrics are transparently integrated into incentive programs for senior management.

The Sika Sustainability Report 2022 provides a comprehensive overview of the company's sustainability performance across its six target areas and beyond. Simultaneously, it highlights the performance of the new material topics, reflecting the sustainability impact and dependencies between Sika's operations, products, solutions, and employees, suppliers, customers, communities, and planet.

SUSTAINABILITY ORGANIZATIONAL STRUCTURE

GRI 2-12

GRI 2-13

GRI 2-14

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

BOARD LEVEL

The Board of Directors (BoD) and the Board Chair are responsible for Sika 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 the Group Management.

The Sustainability Committee consists of three Board members, each of whom bring expertise in a specific ESG area. The group prepares sustainability-related topics for discussion and decision-making in the Board. The Sustainability Committee focuses on the following four areas: completing a formal ESG risk and opportunity assessment, including the materiality analysis; setting measurable goals that are aligned with the company's overall strategy; maintaining organization and allocating resources; and communicating effectively through reporting and stakeholder engagement. In 2022, the Sustainability Committee met four times. 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.166.

GROUP MANAGEMENT LEVEL

Group Management is responsible for the development and implementation of actions that help achieve the defined sustainability strategy and targets. 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 the 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) falls also under the domain of the Corporate Finance department, headed by the CFO.

The Chief Innovation and Sustainability Officer is a member of the Group Management and contributes to the agenda of the Sustainability Committee at Board level. Combining leadership for Innovation, Sustainability and Operation Technologies 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 and Sustainability Officer is responsible for:

- taking on the leadership and development of the company's global R&D strategy and organization, as well as external innovation collaborations with parties such as academia or start-ups;
- aligning sustainability and R&D teams, strengthening, and accelerating the Sika concept for enabling sustainable construction and transportation by placing sustainability aspects at the core of strategic and operational innovation processes;
- raising awareness and knowledge about sustainability and innovation throughout the organization. Strategize towards transformational leadership for impactful innovation and competitive advantage through the creation of sustainable values. The role brings 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.

The Head of Human Resources (HR) and Compliance is a member of the Group Management who leads both the human resources and compliance functions to ensure business integrity, respect for human rights, diversity and people development. Compliance plays a key role in fostering ethical business conduct and speak-up culture. It helps the management team become aware of regulatory compliance requirements and addresses any violations of the Code of Conduct. Furthermore, the organization provides systematic trainings to employees, and monitors the effectiveness of the compliance management system, to ensure business integrity and respect for human rights. The Human Resources function defines the people strategy and promotes a culture of learning, which facilitates training and development for all Sika employees. Human Resources is also concerned with giving everyone equal opportunities. Sika has developed a framework to promote diversity, as well as measures to ensure fair, inclusive and equal treatment of all employees.

The Head of Global Procurement 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 procurement, focusing on sustainable supply and supplier engagement. Procurement plays a key role in supply chain transparency by selecting, evaluating, and cooperating with vendors that are committed to ESG standards. With a strong focus on sustainable supply, cost, and efficiency improvement, the Head of Procurement ensures responsible sourcing and compliance with sustainability and quality standards within procurement and Sika upstream supply chain. As of 2022, the global Quality, and Environment, Health & Safety (Q&EHS) function reports to the Head of Procurement.

CORPORATE LEVEL

The Sustainability Leadership Team, created in 2022, 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 Leadership Team reports directly to the Chief Innovation and Sustainability Officer and is responsible for:

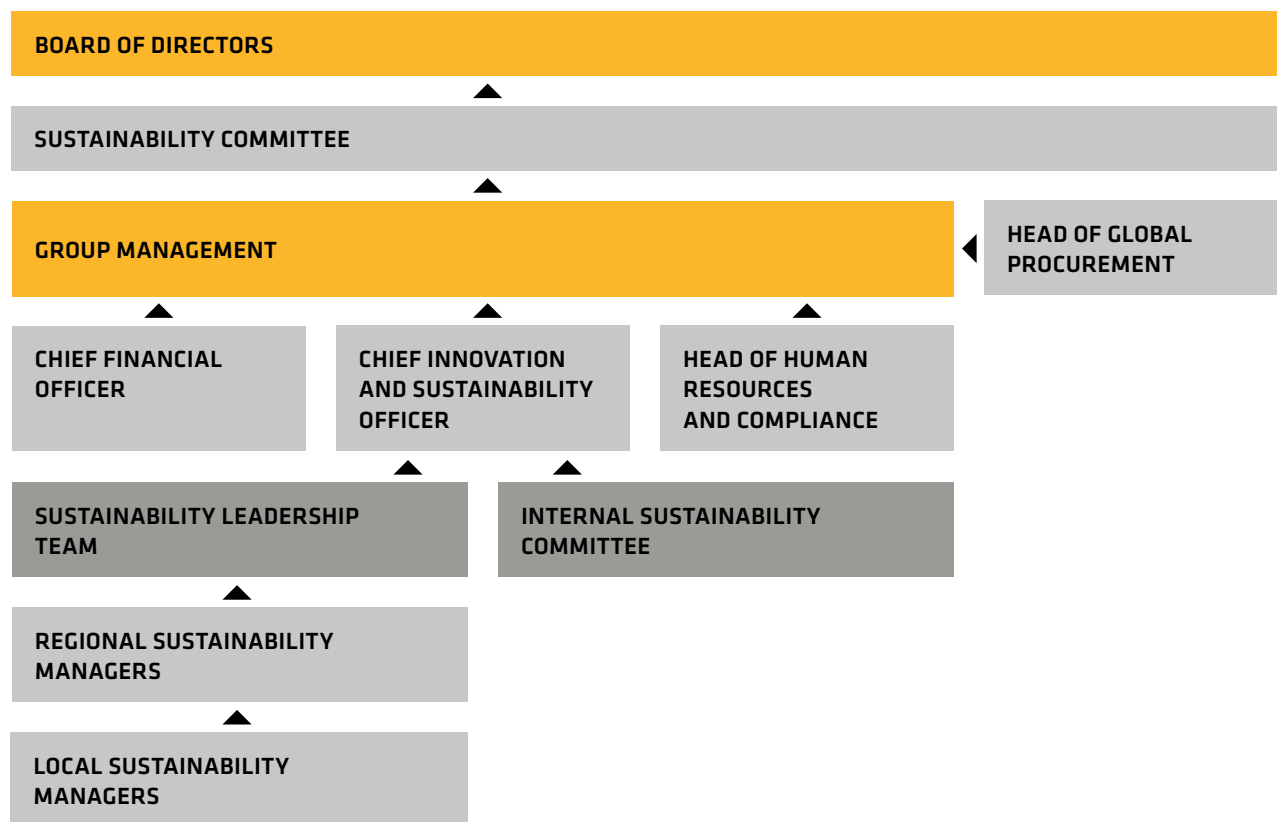
- formulating and reviewing policies and guidelines, and allocating budget for projects and initiatives;
- ensuring the ESG program integration – including the net zero roadmap and targets – into the business strategy and risk management process;
- supporting all four regions and corporate organizations 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 Committee;
- ensuring that all relevant sustainability aspects are considered into new product development, from the integration of life-cycle assessments (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, circular economy, and new business models;
- ensuring a comprehensive ESG reporting framework to best monitor Sika's sustainability performance.

The Internal Sustainability Committee coordinates all sustainability-related projects aimed at achieving sustainability targets and monitoring implementation of the Sustainability Strategy throughout the Group. It also prepares the decision-making of Group Management on such topics. The Committee is chaired by the Chief Innovation and Sustainability Officer and meets quarterly. It includes the following corporate functions: Innovation and Sustainability, Operation, Quality & EHS, Communications & Investor Relations, Controlling, Mergers & Acquisitions, Human Resources, Compliance, Procurement, Marketing, and Target Markets. From 2022, Regional Sustainability Managers joined the Committee to coordinate all projects requiring strong collaboration of corporate and regional functions.

REGIONAL AND LOCAL LEVEL

At the regional level, a network of four 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 the 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, EHS, Target Market and R&D Managers.

SIKA SUSTAINABILITY GOVERNANCE




SUSTAINABILITY STRATEGY 2019–2023

The Sustainability Strategy 2023 integrates the results of the materiality analysis conducted in 2018 and the development of the Sika Growth Strategy. It refers to Sika's ambition to maximize the value of its solutions and contributions for all stakeholder groups, while simultaneously minimizing the risks and resource consumption associated with value generation. With

the current Strategy, Sika pursues six strategic target areas, focusing on Climate Performance, Energy, Waste/Water, Community Engagement, Occupational Safety, and Sustainable Solutions. For more information on Sika's business growth and sustainability strategic pillars, please see the Strategic Report on p.12 of the Annual Report 2022.

SUSTAINABILITY PERFORMANCE AGAINST TARGETS

	TARGET 2023 (BASELINE: 2019)	PERFORMANCE 2019–2022
STRATEGIC TARGETS	Climate Performance We run our business in a responsible way and mitigate climate change and its impacts. -12% reduction of CO ₂ eq emissions per ton sold (scope 1 and 2)	-6.9% reduction of CO₂eq emissions per ton sold (scope 1 and 2)¹. The emission of greenhouse gases was reduced significantly to 16.4 kg per ton sold, a reduction of 1.2 kg compared to 2021. Compared to baseline 2019: -39.2%
	Energy We manage resources and costs carefully. -15% less energy consumption per ton sold  Increase share of electricity from renewable energy sources	-2.8% reduction in the energy consumption per ton sold. Energy consumption per ton sold decreased by 9 MJ to 315.5 MJ per ton sold. Compared to baseline 2019: -16.7% 62.7% of purchased electricity was derived from renewable sources. This was an important rise compared to the prior-year figure (+10.4% points)
	Waste /Water We increase material and water efficiency. -15% less waste generation per ton sold +25% higher recycling rate of total waste -15% less water consumption per ton sold	-3.3% less waste per ton sold. The volume of waste was reduced to 10.8 kg per ton sold. Compared to baseline 2019: -23.1% 40.4% of the waste generated was recycled, a strong increase of 18.9% compared to 2021. Compared to baseline 2019: +18.7%. -6.1% reduction in water consumed per ton sold. The amount of water used per ton sold declined to 0.18 m ³ . Compared to baseline 2019: -46.1%

¹ Based on market-based GHG emissions.

TARGET 2023 (BASELINE: 2019)

Community Engagement

We build trust and create value – with customers, communities, and society.

10,000 working days of volunteering work

+50% more projects

+50% more direct beneficiaries

Occupational Safety

Sika employees leave the workplace healthy.

-50% Lost Time Accidents

0 fatalities

PERFORMANCE 2019–2022

2,595 working days of employees were dedicated to volunteering work, an increase of +86.5% compared to prior year.

406 projects were carried out in and for local communities, +67.8% more projects than in the prior year. Compared to baseline 2019: +174.3%

53,666 direct beneficiaries of the Community Engagement Program. Compared to baseline 2019: +591.1%

206 Lost Time Accidents, a -19.5% decrease compared to prior year. Compared to baseline 2019: -21.1%

Zero fatalities among Sika employees and contractors.

TARGET 2023 (BASELINE: 2019)

Sustainable Solutions

We are leading the industry by pioneering a comprehensive portfolio of customer-focused solutions, combining both higher performance and improved sustainability.



All new product developments with Sustainable Solutions

PERFORMANCE 2019–2022

When it comes to product development, Sika combines **higher performance with additional sustainability benefits**.



For more information,
please visit www.sika.com/sustainability

SIKA AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The United Nations Sustainable Development Goals (UN SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated – they recognize that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability. Achieving these targets requires concerted and immediate action from the public and private sectors around the world. The creativity, knowhow, technology, and financial

resources from all of society is necessary to achieve the SDGs in every context. In 2022, Sika identified, prioritized, and assessed its activities to demonstrate how it translates global sustainability commitments into action. The analysis allowed Sika to evaluate which UN SDGs, targets, and indicators its activities contributed to during the reporting year. In total, the company contributes to 12 of the 17 UN SDGs. For more detailed information, please consult the document [Sika and the UN SDGs](#) available on the corporate website.



MATERIALITY ANALYSIS 2022

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, 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 new Materiality Analysis, focusing on potential ESGE – environmental, social, governance and economically – 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 was structured applying a multistep approach:

- Inventory of ESGE topics: identification of material topics influenced by the global and local contexts in which Sika operates, as well as key reporting standards (e.g., GRI, SASB, TCFD, UN SDGs, etc.), regulatory requirements, peers' benchmarking, and best practices.
- Stakeholders' identification and prioritization: involvement of a core team of Sika senior managers in a workshop to discuss and identify relevant internal and external stakeholders to be engaged during phase
- Prioritization of ESGE topics: completion of a stakeholders' survey to prioritize ESGE topics. The outcome is a shortlist of ESGE material topics.
- Materiality matrix: graphic representation of ESGE material topics on a matrix showing their level of relevance for both external and internal stakeholders.
- Approval: approval of the materiality matrix by the Board of Directors.

The analysis resulted in the selection of 29 out of over 100 potential material topics. Compared to the previous Materiality Matrix 2018, the following topics were added: Climate Change, Public Policy, Tax Strategy, Responsible Procurement, Responsible Marketing, Compliance, IT Landscape, Risk and Crisis Management, Stakeholder Engagement, Digitalization, Innovation Management; while others were removed: Emerging Markets, Transport and Logistics, Equal Remuneration, Employee and Management Relation, Employee Fluctuation. All the others were integrated in the definitions of current material topics.

For more information on the Materiality Analysis conducted in 2022, please see the summary report [Sika Materiality Analysis 2022](#) available on the corporate website.

MATERIAL TOPIC BOUNDARIES

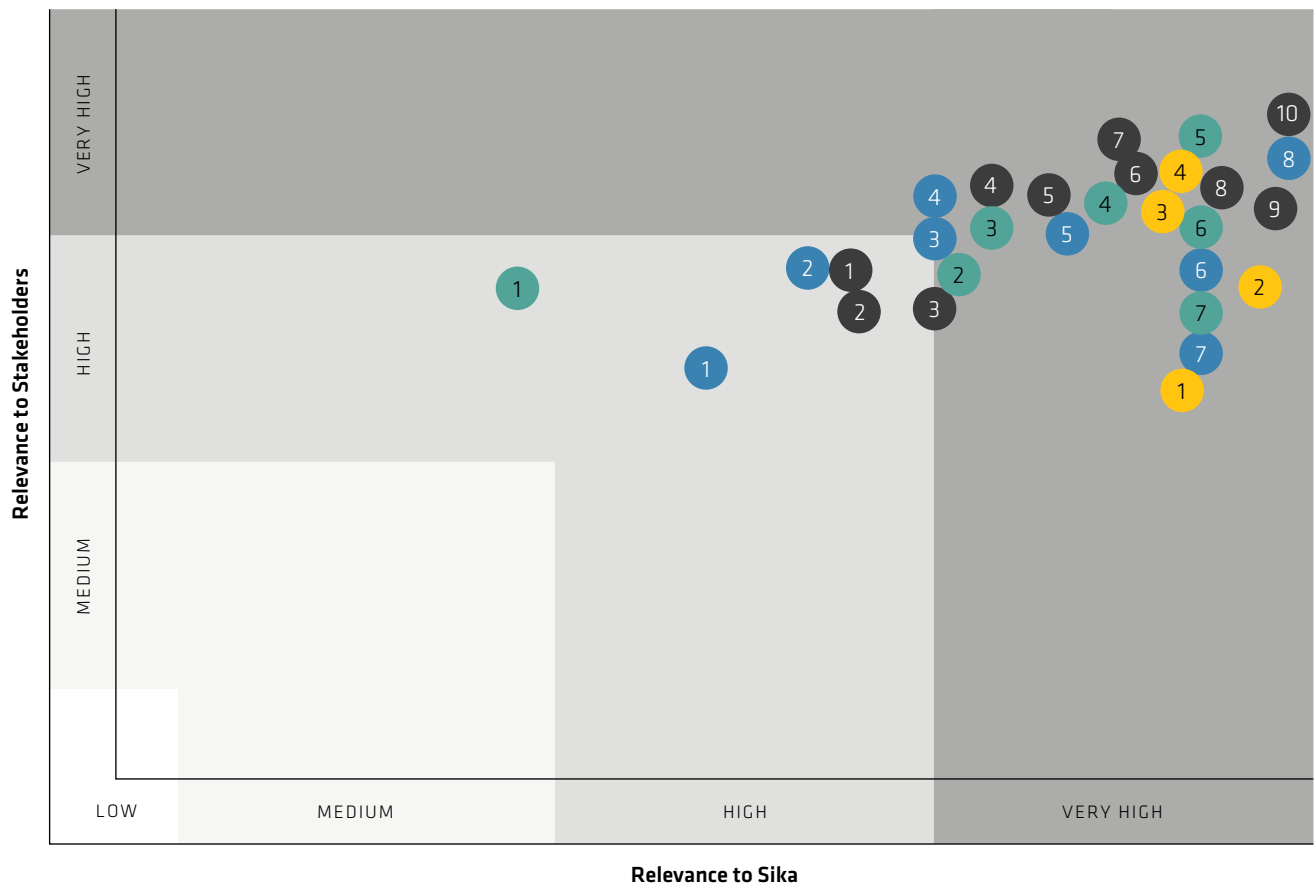
The concept of "topic boundary" is based on the expectation that organizations have a responsibility not only for the direct impact they cause, but also for the indirect impact resulting from their business relationships. These concepts are covered in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises¹. Sika structured the Sustainability Report around its material topics, organized by dimensions – environmental, social, governance, economics – their related sub-topics and boundaries. For more detailed information on material topics and boundaries, please see the document [Material Topic Boundaries 2022](#) available on the corporate website.

STAKEHOLDER ENGAGEMENT

Stakeholders are defined as groups or individuals that are significantly affected by the organization's activities, products, and/or services, or whose actions can be expected to affect the organization's ability to achieve its objectives. In the materiality analysis approved by the BoD in May 2022, Sika identified the most relevant internal and external stakeholder groups for the company. Please see the summary report [Sika Materiality Analysis 2022](#) available on the corporate website for more information. Regular stakeholder engagement is essential for responsible business practice and key to capturing insights from across the business by ensuring inclusiveness. For more detailed information on engagement activities conducted in 2022 and the key topics and concerns raised, please see the document [Stakeholder Engagement Activities 2022](#) 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

PARTNERSHIPS AND COLLABORATIONS

GRI 2-28

Sika partners with numerous organizations to actively drive the progress of sustainability in its industries and develop its own performance. Moreover, collaborations across the entire value chain are part of the principles for strategic management. The list below provides a non-exhaustive overview of industry as-

sociations, initiatives, and relevant strategic partners. For more detailed information, please see [Partnerships and Collaborations](#) and [ESG Indices and Ratings](#) available on the corporate website.

Reporting Standards & Frameworks



Membership of Associations



Initiatives



Ratings



Indices



Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Collaborations



For more information,
please visit www.sika.com/partnerships

PEOPLE

SUMMARY & HIGHLIGHTS

AMBITION

Sika aspires to create an attractive, inclusive and safe work environment where people can grow and unlock their full potential.

APPROACH

Sika's corporate culture promotes an inclusive and safe work environment where everyone is treated fairly and has access to equal opportunities.

HIGHLIGHTS

Revised Code of Conduct (CoC)

The revised CoC has a stronger focus on sustainability, in particular on human rights and the promotion of equal opportunities, diversity and inclusion.

Safety campaign 2022

Under the motto "Caring for Employees Beyond the Expected", the campaign strengthens Sika's safety message and reaffirms duty of care towards employees.

Establishment of a new Senior Management layer

From 2023, a new management layer of Regional and Corporate Senior Managers will be added to the organizational setup to strengthen the talent development and retention approach.

KEY FIGURES

change vs 2021

Employees

27,708
+2.4%

Proportion of women in the workforce

24%
+0.8% points

Lost Time Accidents per 1,000 FTEs

7.0
-23.8%

Average training hours per employee

13.4
+20.2%



“Our aim is to attract, engage and develop all employees at Sika to unlock their full potential. We are committed to offering an attractive and inclusive working environment. By investing in the development and upskilling of our employees, we create a highly engaged organization that is prepared to succeed in the future.”

Raffaella Marzi
Head of Corporate HR and Compliance

MATERIAL TOPICS

Corporate Governance	Health and Safety	Business Ethics and Integrity
Compliance	Human Rights	Labor Management
Diversity and Inclusion	Human Capital Development	Talent Attraction and Retention
Community Relations	Public Policy	Stakeholder Engagement

SDGs



CORPORATE GOVERNANCE

GRI 3-3

POLICIES AND GUIDELINES



For more information, please visit the corporate webpage [ESG Policies and Guidelines](#)

Sika is committed to creating an attractive and inclusive work environment where people can unlock their full potential. A place where everyone returns home safely at the end of the workday. A place where everyone is treated fairly and has equal opportunities. A place where you can be your true self and develop a strong sense of belonging. It's 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 are adhered to by 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, Sika introduced a Leadership Commitment framework in 2021 that is designed to inspire the whole organization and guide 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 and inspire employees. For more information on Sika sustainability organizational structure, please see the "Sustainability at Sika" chapter on p.43 of the Sustainability Report 2022. For more information on Sika corporate governance, please see the "Corporate Governance Report" on p.166 of the Annual Report 2022.

Under the motto "Caring for our Employees. Beyond the Expected", the second Sika Day was celebrated globally in 2022. It emphasized the importance of employee safety at and around work. People appreciated to gather in person in many places around the world as COVID-19 restrictions were lifted. The annual Sika Day allows the company to celebrate its people, culture, and success.

SIKA VALUES AND PRINCIPLES

Customer First

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

Courage for Innovation

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

Sustainability & Integrity

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

Empowerment & Respect

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

Manage for Results

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

HEALTH AND SAFETY

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

POLICIES AND GUIDELINES



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

STRONG COMMITMENT TO HEALTH AND SAFETY

Sika puts safety first. Working safely is not only a program but also a way of getting things done. Providing a healthy and safe work environment for employees, monitoring health and safety standards of suppliers, and ensuring the safe use of products by customers are key elements in Sika's worldwide success.

EMPLOYEE AND CONTRACTOR HEALTH AND SAFETY

The health, safety, and well-being of all Sika employees, suppliers, and contractors is paramount for Sika. In 2022, Sika focused on increasing awareness about health and safety throughout the whole company via a dedicated communications campaign and key initiatives (Start with Safety, Visual Performance, Safety Walks, and EHS tool deployment), supported by a strengthened network of EHS professionals at global, regional, and local level. Sika continues 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. A Global Safety Survey of all Sika employees was launched in 2022, with the results available in early 2023. The action plans derived from the global, regional, and local survey results will ensure that safety remains on the agenda of all Sika employees.

COMMITMENT

Sika strives to protect employees at work and ensures they leave the workplace in the same state of health as when they arrived. Sika is committed to driving continuous improvement in EHS performance.

GOALS AND TARGETS

Sika employees leave the workplace healthy. The strategic target 2023 is to reduce Lost Time Accidents by at least 50% (baseline 2019: 9.6 LTA/1000 FTEs) and to have no fatalities. Sika evaluates the effectiveness of its management approach according to target achievement. For more information on safety targets and Sika's related performance, please see the "Sustainability at Sika" chapter, "Sustainability Strategy 2019-2023" section on p.47 of the Sustainability Report 2022.

RESPONSIBILITIES

General Managers bear full responsibility for the implementation of labor practices and safe working conditions in Sika's local operations. They report to the regional management, who is in

charge of the development of regional strategic plans and targets in accordance with the Group Strategy. All of them ultimately report to the CEO.

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. From 2023 onwards, the compensation scheme of Group Management and Sika Senior Managers will be linked to the safety performance of the company.

THE SIKA VISION ZERO PROGRAM

The following activities, which all happened during 2022, constitute a part of the Vision Zero program which was rolled out in 2020:

- Five Regional Safety Summits involving Regional Managers, Regional EHS Managers, General 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 were rolled-out in each region to further develop safety awareness at the workplace.
- Trainings on several specific topics such as EHS Minimum Requirements, Root Cause Analysis, Risk Mitigation or Near Misses and Safety Observations were implemented throughout the Group.
- Several communication initiatives were launched to strengthen Sika's safety message and awareness through the company, such as the annual Sika Day focused on Safety, roll out of a Sika Safety Communication campaign worldwide and deployment of a Global Safety Survey to all employees.
- A new EHS Community was created on Sika intranet. Available to all Sika employees, this community enhances Sika's communication on safety through the deployment of safety communication tools. As an example, a dedicated library of Safety Moments is available for use during safety talks at the beginning of a meeting.

In addition, at Group level, four key initiatives were implemented in 2022 as part of a new and systematic approach for improving EHS performance:

- "Start with Safety" behavior at all management levels throughout the company is crucial. Managers demonstrate that safety is a core value for Sika by speaking about it. This

leadership behavior is known to be a key factor in establishing a strong safety culture.

- “Safety Walks” were initiated across the Group. Since most accidents are caused by unsafe behavior or conditions, such visits to the shop floor aim to proactively change behaviors and conditions. Organized at local level, they involve on-site teams (Production, R&D, EHS or Administration for example) in the review of the processes to trigger immediate changes and improvements.
- “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.
- The “SpheraCloud Incident Management” tool was implemented across Sika globally. It allows employees to report any incident, near miss, or safety observation for investigation and follow-up of corrective and preventive actions, bringing transparency on Sika’s Safety performance and supporting the continuous improvement approach.

SIKA SAFETY CAMPAIGN 2022

A new Sika Safety Campaign under the motto “Caring for Employees Beyond the Expected” was launched during the Sika Day 2022 and rolled out during the year in all regions. It strengthens Sika’s safety message by triggering employee’s personal mindset and encouraging them to be aware of risks, and to actively apply the predefined safety rules in the workplace. The newest internal global safety campaign concept clearly highlights how employees are Sika’s top priority.

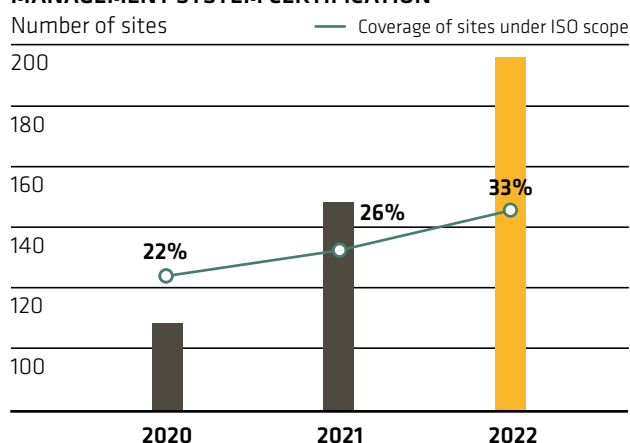
OCCUPATIONAL HEALTH AND SAFETY AND QUALITY MANAGEMENT SYSTEM

Sika maintains a Corporate EHS Management System which applies to all Sika locations and employees and fulfils the requirements of the ISO 45001:2018 “Occupational Health and Safety Management System” and of the ISO 9001:2015 “Quality Management System”. Local Sika companies implement their local Sika Management Systems based on the Corporate Management System and local regulatory and legal requirements. Newly acquired companies are integrated under the Corporate Management System as part of the integration approach. The Corporate Management System is maintained by the corporate Quality & EHS function and deployed through a network of Quality and EHS professionals throughout the regional and country organizations. Both the Corporate Management System and local Sika Management Systems are audited by external parties as part of the ongoing ISO certification efforts. Internal audits and monthly reviews of health and safety performance

support the continuous improvement of the management system and its implementation. In 2022, nine internal audits with a specific focus on EHS have been conducted.

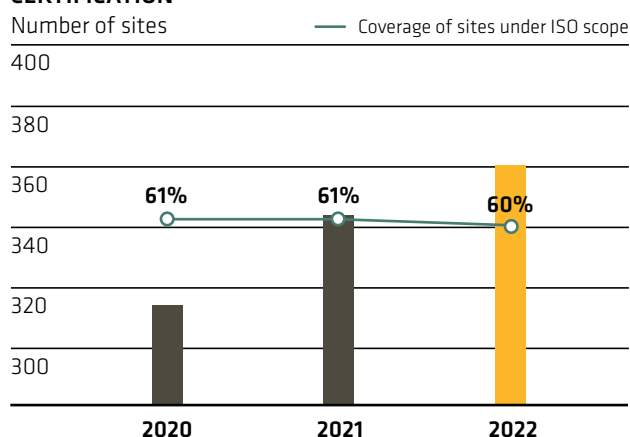
In 2022, among 601 Sika sites under ISO scope¹, 33% are certified according to ISO 45001:2018 (↓ **Table 01: ISO 45001:2018 – Occupational Health and Safety Management System Certification**, in the “Key Performance Indicators” section at the end of this chapter). The percentage of certified Sika sites improved in line with the increased focus on safety.

ISO 45001:2018 – OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATION



In 2022, among 601 Sika sites under ISO scope¹, 60% are certified according to ISO 9001:2015 (↓ **Table 02: ISO 9001:2015 – Quality Management System Certification**, in the “Key Performance Indicators” section at the end of this chapter). The percentage of certified Sika sites has stagnated due to acquisitions and the number of newly opened sites.

ISO 9001:2015 – QUALITY MANAGEMENT SYSTEM CERTIFICATION



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

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

Sika considers hazard identification to be the basis of safe work, and therefore 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 Sika site carries out adequate risk assessment 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 all 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 and that involve Sika employees as well as contractors and visitors are included in the scope. To ensure prompt awareness of management, 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. It is ensured that each incident is investigated, that a root causes analysis is performed, and that lessons learned are shared across the business for assessment and implementation of risk mitigation measures. From 2023, this process will be supported by the Global EHS Incident Management tool, which was rolled out during 2022.

Local companies report on health and safety indicators monthly to the Group Management. Monthly review meetings are organized at regional level with Global EHS to follow up on the safety results and adjust the management approach accordingly. In addition, safety performance is reviewed at each Group Management meeting.

GLOBAL ROLLOUT OF THE EHS INCIDENT MANAGEMENT TOOL

The integrated incident management digital tool SpheraCloud enables Sika employees to report, manage, analyze, and share EHS observations, near misses, and incidents. The development of the tool started in the first semester of 2022 with the rollout of a pilot successfully deployed across 31 locations. From June to December 2022, the tool was rolled out across the group. All employees are obliged to complete an online training on EHS basics and on how to use the Incident Management tool as part of the onboarding.

EMPLOYEES AND CONTRACTORS' TRAININGS ON OCCUPATIONAL HEALTH AND SAFETY

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

- All new employees receive an induction safety training that is embedded in Sika introductory program, focusing on safety policies, guidelines, and procedures. Regular refresher training sessions on health and safety are also performed. Apart from the mandatory health and safety induction training sessions, local management teams are responsible for setting up and deploying specific additional health and safety trainings.
- For contract workers, both the contracted party and Sika must be fully aware of and prepared for potential hazards. Contractors need to demonstrate a clear understanding of the task being performed and have a system to understand and control the risks. Training needs assessment, content and effectiveness are completed at local level under EHS Manager, HR, and General Manager responsibilities. The same safety rules and trainings apply to contractors as for employees.

Apart from the mandatory health and safety induction training sessions, local management teams are responsible for setting up and deploying specific additional health and safety trainings. In addition, dedicated trainings on specific work-related hazards and hazardous activities are also provided to workers and contractors under the framework of the internal EHS Minimum Requirements. Each country has set up its own program to roll out and train employees to these standards.

An e-learning tool dedicated to EHS Minimum Requirements is currently under development at Group level and will be finalized in 2023.

OCCUPATIONAL HEALTH SERVICES & WORKERS' HEALTH PROMOTION

Knowing what to do and who to get in contact with in the event of an accident or injury can make it easier to get medical treatment and help prevent similar accidents. If an employee sustains an injury or illness at work, the supervisor or manager must be notified immediately. The setup of occupational health services is under the responsibility of local management teams in accordance with Sika Internal Safety Manual and Sika Life Saving Rules and might differ depending on local regulations and healthcare systems:

- In the US, for example, a dedicated procedure has to be strictly followed in case of Emergency Medical Attention or Non-Emergency Medical Attention – relying either on emergency assistance or on a medical hotline.
- In Brazil, Argentina, Mexico, a doctor is available on factory sites to carry out consultations and occupational clinical assessments related to the occupational risk of each employee.
- In the Asia/Pacific region, a REBA (Rapid Entire Body Assessment) initiative for ergonomics risks assessment has been deployed.
- In all locations in Switzerland, a network of internal first aiders is available for employees. They are the first contact for any health-related incident.

- In the Global Business region, the safety hands-on brochure “My Safety Guide” has been communicated to all employees to promote safety awareness. Informing about Sika's safety rules and programs, the booklet guides everyone through simple safety tools such as interviewing an employee or assessing a workplace and provides concrete recommendations for safety observations.

In November 2022, Sika kicked off its first Global Safety Survey in order to assess the state of safety according to all employees. Feedback will be collected until early 2023, and the results of the survey will be used to strengthen the health and safety approach throughout the organization. Promoting employees' health goes beyond work-related incident prevention. All local companies are responsible for promoting workers' 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. Across the globe, Sika promotes employees' health via different channels, such as health campaigns, financial support to participate in sports activities, dedicated sessions delivered by mental health professionals, lectures on stress release techniques and first aid trainings. In 2022, several initiatives were rolled out:

- All Sika companies carry out awareness campaigns about the importance of vaccination and prevention of COVID-19.
- In some countries (for example Brazil and Switzerland), HR Departments carry out an annual flu vaccination campaign for employees and their families.
- In Argentina, trainings on health-related topics, such as first aid, workplace ergonomics, smoke and AIDS are regularly organized. Participation in sports, such as running events, are also encouraged by the local office.
- In the UK, a mental health hotline is available for all employees.

WORKERS PARTICIPATION, CONSULTATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

In addition to the Safety Campaign rollout, Sika ensures that employees can have direct contact with superiors and management on occupational health and safety issues at all times. This allows employees to raise their concerns to improve safety and health at work and the management system. All local entities are responsible for organizing formal joint management-worker health and safety meetings on a regular basis in line with local regulatory requirements. In addition, employees are involved in the analyses of errors, accidents and other events if they wish or can contribute. For instance:

- In Sika North America, the Incident Review Committee meets monthly to discuss lost time incidents and significant near misses. A statement from the injured worker is generally collected prior to the incident review meeting. The supervisor or the Local EHS Manager has the responsibility to present the facts to the rest of the team for discussion and corrective actions. The Operations Leadership Team meets monthly and discusses health and safety as first item on the agenda and the Steering Team meets quarterly and discusses safety as a first item on the agenda.

- In Latin America, the “Big Brother – Small Brother” scheme consisting of mutual support between countries in the EHS field has been strengthened. In addition, a systematic monthly meeting gathering all EHS managers to review the status of incidents, share best demonstrated practices and update the EHS roadmap has been set up in 2022.
- In the Asia/Pacific region, factories installed EHS corners and a VPM (Visual Performance Management) board, which communicates regular information on safety issues and EHS-related regulatory updates. At such corners, workers are also invited to provide inputs and suggestions on EHS improvements and protection measures. Non-managerial representatives are invited to contribute to local EHS Committee. In China, a “Safety Star” is nominated every month to further promote health and safety awareness in Sika premises.
- In the EMEA region, employees participate in the preventive programme as event reporters and report on the near misses and observations. Furthermore, through the hazard hunting groups, employees and managers carry out safety walks together. Employees are also involved in the development of decisions and decision-making processes based on team memberships in topics such as Suggestion-System and improvements.

EMPLOYEE WORK-RELATED INJURIES

In 2022, no work-related fatalities occurred among Sika employees. The number of lost time accidents decreased compared to 2021 (-19.5%), leading to a lower Lost Time Accident (LTA) rate per 1,000 FTEs (7.0, -23.8%). Sika continues to focus on initiatives to improve safety awareness and culture, bring transparency on health and safety performance, and mitigate risks. Analysis of lost time accidents showed that the majority were related to manual handling and slips, trips and falls. For each serious incident or accident with lost time, a root cause investigation is conducted and corrective and preventive actions defined. An internal report summarizing circumstances, causes and actions is circulated across the Group by the EHS function.

WORK-RELATED INCIDENTS OF SIKA EMPLOYEES¹

	2020	2021	2022
Fatalities (No.)	1	0	0
Lost Time Accidents (No.) ²	230	256	206
Days lost due to Lost Time Accidents (No.)	4,650	4,919	5,707
Average days lost per Lost Time Accidents (No.)	20.2	19.2	27.7
LTA/1,000 FTEs (Rate)	8.4	9.2	7.0
LTIFR ³ per 200,000 hours (Rate)	0.84	0.92	0.69
Occupational illnesses (No.)	16	10	12
OIFR ⁴ per 200,000 hours (Rate)	0.059	0.036	0.040

1 Apprentices and interns are excluded from FTEs and worked hours used for the calculation of LTA/1,000 FTEs, LTIFR and OIFR.

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

3 Lost Time Injury Frequency Rate.

4 Occupational Illness Frequency Rate.

Additional health and safety indicators are monitored internally to help strengthen Sika's EHS preventive approach: recordable work-related injuries leading to restricted work or transfer work, incidents with impact beyond first aid leading to medical treatment, potential and minor injuries and also commuting accidents or work-related stress cases.

In 2022, no work-related fatalities of Sika contractors occurred. The number of contractor lost time accidents decreased compared to 2021 (-13.3%). Implementation of Group-wide minimum requirements for on-site contractors management contributed to this improvement. Sika places equal importance on the health, safety and well being of contractors as on Sika employees.

WORK-RELATED INCIDENTS OF CONTRACTORS

	2020	2021	2022
Fatalities (No.)	1	0	0
Lost Time Accidents (No.)	11	30	26

OCCUPATIONAL ILLNESSES

In 2022, twelve occupational illnesses have occurred for Sika employees, an increase by two cases compared to 2021, as reflected in the OIFR⁴ development. The most common causes were related to skin or respiratory diseases, or musculoskeletal disorders. In all cases, the employees were supported by local Human Resources and Health and Safety functions.

CUSTOMER HEALTH AND SAFETY

Customer health and safety is crucial for Sika and is factored into development work (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 "Products and Customers" chapter, "Product Safety, Quality and Reliability" section on p.126 of the Sustainability Report 2022.

BUSINESS ETHICS AND INTEGRITY

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

POLICIES AND GUIDELINES



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

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 results from acting in compliance with laws and regulations.

Sika operates a Group-wide, culturally well-accepted Compliance Management System. The Group pursues a comprehensive approach to compliance and engages the whole organization through all hierarchies, functions and geographical areas.


In the first half of 2022, the Board of Directors approved a revision of Sika's Code of Conduct, which underscored the company's strong commitment to sustainable development, including human rights, labor standards and environmental protection. In addition, the revised Code now reflects all recent changes of Sika-internal policies including the Sika Trust Policy, Supplier Code of Conduct, Gift & Entertainment Policy, and Global Privacy Policy.

COMMUNICATING CRITICAL CONCERNS, THEIR NATURE AND TOTAL NUMBER

Sika promotes transparency and a speak-up culture around the world. Concerns are defined as "critical" based on their severity. The company classifies reported concerns, distinguishing three priority levels: 1) reports concerning the most severe violations or misconduct are addressed and managed under the lead of Corporate Compliance; 2) concerns may be handled regionally or even locally, with the agreement of Corporate Compliance; 3) concerns may be handled locally, without involvement of Corporate Compliance. Sika identifies critical concerns based on surveys, audits and complaints that are escalated to Corporate HR & Compliance.

A digitalized questionnaire called "Compliance Confirmation" is the main survey tool used to foster transparency and speak-up. This survey is sent to all General Managers by Corporate Compliance once per year. In early 2023, all GMs confirmed that during the calendar year 2022, Sika's core compliance policies and manuals regarding fundamental environmental, anti-corruption, fair competition, labor laws and human rights were implemented at each entity, and that all GMs provided adequate information and training concerning these topics to their staff.

Audits may uncover possible or actual misconduct or violations of Sika policies. If this is the case, the involved audit function – up to 2022 primarily Internal Audit, henceforth also Corporate Compliance with its targeted compliance audits – escalates the matter, thus triggering a compliance investigation (about the Compliance Audit program, see also further below).

Compliance investigations may also be triggered by complaints. Employees and external stakeholders are encouraged to report perceived violations or misconduct, either through the commonly used communication channels (phone, email, mail) or via an online grievance mechanism. The online reporting channel, called  **Sika Trust Line**, is operated on the server of an external party and allows for anonymous reporting directly to the attention of Corporate Compliance. In accordance with its motto "Building Trust", Sika invites everyone to speak up openly rather than anonymously, and grants all those who speak up in good faith far-reaching protection against retaliation.

To be considered critical, violations or misconduct must fall into at least one of the following categories: corruption/bribery; unfair competition; fraud (including theft, embezzlement, conflict of interests, etc.); environment, health and safety, quality or trade law violations; abusive labor or employment practices (including violations of human and labor rights, discrimination, harassment, retaliation, etc.); or breach/misuse of confidential information (including violation of privacy protection laws).

COMPLIANCE COMPLAINTS RECEIVED, INVESTIGATED AND SUBSTANTIATED

	2020	2021	2022
Received complaints (No.)	60	63	48
Investigated complaints (No.)	44	50	47
Substantiated complaints (No.)	23	33	22 ¹
Complaints leading to disciplinary measures ² (No.)	21	23	23
Thereof cases with dismissals/voluntary resignations (No.)	15	14	11
Thereof cases with only warning letters (No.)	6	9	11
Thereof assignment of new role (No.)	–	–	1

1 Four complaints still under review for 2022. 2021 figures have been updated since some cases were still open at the time of the 2021 report publication.

2 Not all identified violations lead to disciplinary measures (for instance, in some cases, the employee responsible for the violation may already have left the company).

COMPLIANCE INVESTIGATIONS

The initial responsibility for managing reported incidents of unethical or unlawful behavior lies with those Sika employees/managers who 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 recent years, Sika's Corporate Compliance team has received roughly 20 incident reports per year via the Sika Trust Line. Another roughly 30 reports per year were submitted via internal escalation channels. Around 70–90% of the annually reported incidents are investigated. Of the investigated incidents, roughly 40–70% are being substantiated, meaning that in its final investigation report, Corporate Compliance confirms the unethical or illegal behavior. If a report is being substantiated, Corporate Compliance submits recommendations to the management team concerned regarding adequate disciplinary and organizational measures to prevent the reoccurrence of similar violations. In 2022, Corporate HR & Compliance received 48 complaints, triggering 47¹ investigations:


- 22 allegations of misconduct could be confirmed/substantiated.
- 21 complaints could not be substantiated.
- Four complaints are still under investigation at the publication of this report.

The 2022 compliance investigations analysis allows for the following conclusions:

- Most investigations centered on either interpersonal tension (20, equivalent to 43%) or fraudulent behavior (18, equivalent to 38%).
- Twelve reports (25%) were submitted anonymously, seven of them via the Sika Trust Line. One could be substantiated, while two are still under investigation at the writing of this report.

- There were no government investigations nor any penalties against Sika entities or employees anywhere in the world concerning alleged corruption or bribery. Eight internal investigations focused on potential cases of bribery. In four instances, the allegations could be confirmed. To the extent that the involved employees were still employees of Sika, they were dismissed with immediate effect. In addition, anti-corruption training efforts were intensified for the concerned entities and their management.
- Sika employees (including former employees) remain the main channel to report misconduct (38 of 48 reports). Of the 31 complaints they submitted with their identity revealed, 19 (61%) could be substantiated.
- 14 of the 48 reports were reported by business line employees or management (1st line), four were reported by assurance functions (2nd line) and five by Internal Audit (3rd line).

ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR

Corruption – unfortunately – exists worldwide, causing economic damage and contributing to an unfavorable business environment by distorting market mechanisms and increasing the cost of doing business. To reduce the negative impact of corruption, Sika financially supports  **Transparency International** and its global fight against corruption.

Corporate Compliance assesses all Sika operations regarding potential and actual corruption risks every year. It does so based on Transparency International's corruption index, combined with internal reports it receives about incidents of bribery, and findings resulting from its own compliance assessments (see also below). As in previous years, the General Managers (GMs) of all Sika entities in the context of Sika's annual Compliance Confirmation survey confirmed that no corruption investigations took place against Sika in their respective countries. GMs are required to immediately escalate suspicion or allegations of bribery to Corporate Compliance, which will launch an internal investigation and ask for the dismissal of any employee who demonstrably engaged in corrupt practices.

Even though Sika operates in countries that are highly ranked on Transparency International's corruption index, its exposure to corruption risks is moderate to low for two main reasons. First, Sika's business partners are mostly private sector companies. Interaction with the public sector, which is particularly susceptible to corruption, is limited. Second, Sika is a specialty chemicals company, and therefore less exposed to corruption risks than companies belonging to the extractive, construction, transportation, sports, or financial 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 firm zero-tolerance position against corruption anchored in its Code of Conduct, clearly formulated local Gift & Entertainment Policies, frequent anti-corruption trainings for all risk exposed employees, and regular reviews and assessments of local practices related to third-party engagements and expenses.

To prevent anti-competitive behavior, Sika not only prohibits such behavior in its internal policies, but also runs annual trainings with risk-exposed employees, reminding them not to share

1 Two reports about the same matter resulted in only 1 investigation.

sensitive market information with competitors. The risk of abusing a market dominant position is negligible because Sika operates in very fragmented markets and does not hold a dominant position. On an annual basis, GMs are asked to confirm that no government action was taken against their entities for anti-competitive behavior. As in previous years, all GMs in their Compliance Confirmation issued such a confirmation for the calendar year 2022.

ETHICAL LEADERSHIP VOWS

By means of a biannual Compliance Commitment, all General Managers (GMs) commit to escalate serious violations or well-founded concerns related to bribery or unfair competition to their superior and/or the Area Manager, the Regional Manager or Corporate Compliance, to make sure that suspected misconduct receives proper and timely follow-up and that those employees who report suspected misconduct in good faith are not subject to retaliation. In addition, they also undertake to provide local staff with adequate anti-corruption and fair competition trainings. GMs are encouraged to seek the same kind of Compliance Commitment from each member of their local management team.

GLOBAL COMPLIANCE ORGANIZATION

At Sika, a matrix organization is administering Sika's Compliance Management System. The Head Corporate HR and Compliance leads both the HR as well as the Compliance function. Five full-time Compliance Managers help coordinate the Group-wide compliance initiatives. Depending on the compliance topic concerned, the Corporate Compliance Team is supported by the Regional HR Heads, or by more than a dozen 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 bribery and unfair competition by means of implementing targeted policies, trainings, audits, investigations, as well as disciplinary and improvement measures. A separate team is assuring compliance with data protection and privacy regulations. Where required by local law, they are supported by a designated local data protection manager.

CORPORATE COMPLIANCE, INTERNAL AUDIT AND AUDIT COMMITTEE

Corporate Compliance and Internal Audit collaborate closely in their effort to detect bribery, unfair competition, or fraud. Corporate Compliance usually coordinates investigations concerning these matters. All bribery, unfair competition or fraud reports must be escalated to the Group Compliance Officer, irrespective of who reports them or where they occurred. In addition, Internal Audit may identify fraudulent or corrupt practices while conducting a regular audit. If this is the case, Internal Audit also informs Corporate Compliance. Together, they assess the situation, decide on whether further investigation is needed, and ultimately propose adequate disciplinary actions and organizational measures to the concerned line management. Corporate Compliance, and more particularly the Group Compliance Officer, regularly reports substantiated corruption, unfair competition and fraud cases to the Audit Committee of the Board of Directors, to Group Management, and to the external auditors, informing them about identified root causes and the corrective measures that the concerned line management has implemented.

COMPLIANCE AUDIT PROGRAM

Sika's Compliance Management System rests on a life cycle of three closely interrelated core activities: Prevent – Detect – Respond & Adjust. To strengthen the "Detect" component, Corporate Compliance will roll out a Group-wide audit program in 2023 to conduct 15 compliance audits around the globe. The number of audits is expected to increase thereafter, depending on available resources. To assure proper documentation and follow-up, the Group-wide audit tool will be used. The 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, marketing expenses, and contracts with intermediaries. The program is closely aligned with the audit activities of other functions, such as Internal Audit and Legal.

TARGETED TRAINING INITIATIVES

Members of the Global Compliance Organization conduct annual compliance trainings with specific risk groups. In the context of anti-corruption and fair competition, Sika's Senior and General Managers, together with sales, procurement, finance, and R&D employees, are invited regularly to participate in such trainings. Targeted trainings are delivered either face-to-face or online (via virtual workshops or focused e-learning).

STRINGENT COST CODING AND CONTROLLING

Internal regulations including the Gift & Entertainment Policy and the Controlling Manual require all Sika entities and functions to record transparently in their respective financial records any gift, entertainment, donation, and sponsoring expense made in favor of a third-party. Third-party expenses are thus monitored very closely. The Corporate Compliance team, in close cooperation with Corporate Controlling and Internal Audit, analyzes expense patterns regularly and investigates where unusual or unclear patterns are identified.

THIRD-PARTY DUE DILIGENCE AND MONITORING

In 2022, Sika tightened its Third-Party Due Diligence and Monitoring on a global level. On one hand, Procurement continued to implement Sika's Supplier Code of Conduct across its supply base. The Supplier Code of Conduct prohibits any act of bribery or corruption, and states that such acts, if identified, will lead to the immediate termination of cooperation. Every supplier is required to commit to this prohibition or demonstrate that it has similar internal rules reflecting a zero-tolerance policy to bribery or corruption. Suppliers are further required to have systems in place that ensure the proper communication training and auditing of their personnel and subcontractors to comply with Sika's ESG requirements concerning human rights, labor standards and EHSQ across their own supply chain. On the other hand, Procurement reviews supplier performance on a regular basis, thus monitoring whether Sika's business partners indeed comply with the Group's strict ESG requirements. Further, suppliers are obliged to immediately inform Sika of any known violation of its Supplier Code of Conduct. For more information on Sika's supply chain, please see the "Procurement" chapter on p.133 of the Sustainability Report 2022. Business contracts with suppliers accused of violating Sika's ESG requirements are terminated with immediate effect, unless the supplier can demonstrate during the investigation that it has a compliance management system in place that aims at preventing such violations.

HUMAN RIGHTS

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

POLICIES AND GUIDELINES



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

As a signatory of the UN Global Compact and in accordance with the UN's 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 Compliance 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.

COMPLIANCE CONFIRMATION

General Managers and their local management team are obliged to monitor the protection of human rights and labor standards within their entities and their areas of responsibility. Collected by Corporate Compliance, Sika's Compliance Confirmation asks all General Managers to confirm yearly that they have implemented and communicated the following principles to their staff: the prohibition of forced, slave, compulsory, or child labor; the freedom of association; the right to fair work hours and fair compensation, and the non-discrimination and equal opportunity principles.

The Compliance 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 (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"). 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 2022, 100% of Sika's General Managers have confirmed – by means of their annual Compliance Confirmation – that no violations of fundamental human or labor rights have been identified.

INTERNAL HUMAN RIGHTS-RELATED AUDITS, ASSESSMENTS, AND INSPECTIONS

General Managers are obliged to strictly adhere to internal human rights-related guidelines and applicable local laws, and to supervise their entities accordingly. They are also responsible for taking preventive action and providing adequate training to their staff.

By means of audits and inspections, Sika ensures the protection of human and labor rights among its Group companies. On an annual basis, Corporate Compliance, Corporate Legal and Internal Audit are expected to run a total of roughly 50 assessments to monitor the implementation of Sika's human and labor rights standards and to implement improvement measures if necessary. In addition, on-site EHS risk and quality audits are partially focused on protecting human rights and labor standards by ensuring the implementation of minimum health and safety requirements. Sika conducts about 15 such risk and quality audits each year. In 2022, the above-mentioned functions performed a total of 46 human-rights-related audits, assessments and inspections across the globe.

SUPPLIER AUDITS AND ASSESSMENTS

For more information on this topic, please see the "Procurement" chapter on p.133 of the Sustainability Report 2022.

CHILD LABOR

In line with Sika's commitments to human rights (see above), Sika categorically prohibits child labor. General Managers are obliged to strictly adhere to the prohibition. For 2022, 100% of them have confirmed compliance with the norm. To date, no child labor has ever been reported internally, whether via the Sika Trust Line or other speak-up channels. To ensure that no child labor exists in its supply chain, Sika requires all of Sika's 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.

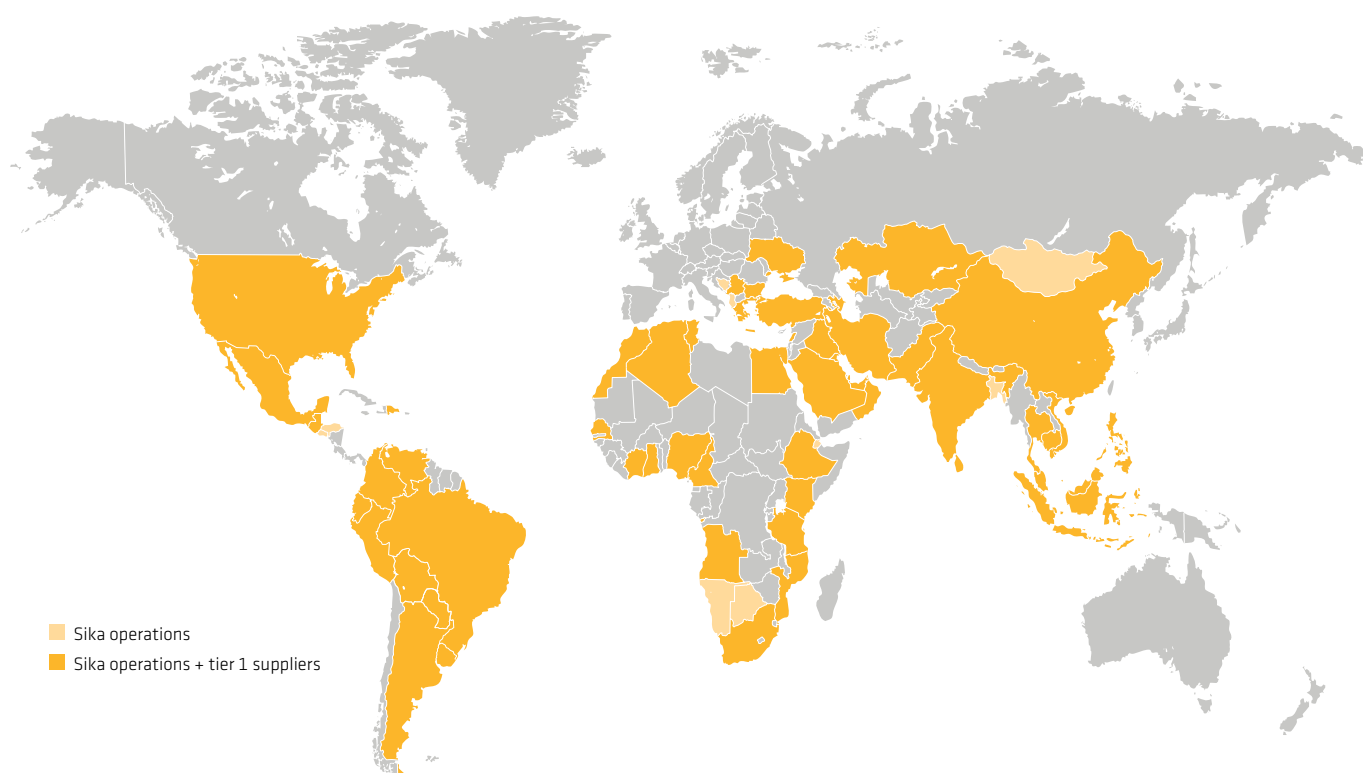
Additionally, to prepare for the new Swiss non-financial reporting and due diligence requirements that are applicable as of 2023¹, Sika started to focus on the requirements of the Swiss Code of Obligation Art. 964, k, l and Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). In 2022, as a first step towards the child labor reporting obligation, Sika 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 evaluation is based on the UNICEF Index of Children's Rights in the Workplace².

The analysis conducted shows that at operational level, Sika does not operate in countries with a high risk of child labor. However, the company is present in 64 countries with medium risk. As far as Sika's suppliers are concerned, there are tier 1 suppliers in 55 medium risk countries and no suppliers in high risk countries. In line with Sika's Together for Sustainability (TfS) membership, over 1,000 Sika suppliers have been assessed and/or audited under the TfS framework at global level. In 2022, 770 TfS supplier assessments³ with EcoVadis, and 239 TfS and Sika supplier audits were carried out including suppliers in the identified medium-risk countries. This assessment provides the nec-

essary transparency and visibility on the sustainability activities and contributions of Sika supplier based on international standards, with a focus on child labor where applicable. This allows Sika to rely on guidelines and tools in place to achieve measurable improvements within the supply chain (i.e., TfS Academy and EcoVadis Guidelines). If the findings of any assessment or audit highlight a suspicion or violation of child labor prohibition, a case-by-case approach is applied. A Corrective Action Plan would be initiated, the case would be escalated at regional procurement level where needed, and Sika could decide to stop any further business or cooperation with the involved parties.

In 2022, the Sika procurement organization reviewed its Supplier Due Diligence process to enhance its risk identification criteria in line with upcoming regulatory requirements. In 2023, Sika will implement an extended approach by utilizing Supplier Risk Profiling, supported by an external solution, to ensure a broad and detailed risk evaluation. Risks associated to child labor will need to be a key consideration in the formulation of these supplier profiles and provide Sika with the necessary risk identification methods to prioritize suppliers for ESG assessments and audits. For more information, please see the "Procurement" chapter on p.133 of the Sustainability Report 2022.

CHILD LABOR RISK MAP



1 With a first mandatory reporting in 2024.

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 for 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.

3 Can refer to assessments or re-assessments.

LABOR MANAGEMENT

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

POLICIES AND GUIDELINES



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

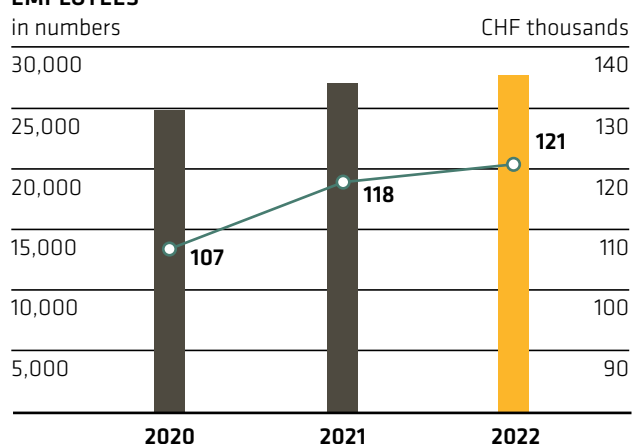
Sika's success is only possible with committed employees who have the necessary specialist knowledge and share a common purpose. Each day, more than 27,000 employees worldwide are highly dedicated to work for the company. Sika's commitments reflect the following priorities and goals: Empowerment & Respect; Sustainability & Integrity; Development & Training.

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.

The number of employees increased by 2.4% during the year under review to 27,708 (previous year: 27,059) (↓ **Table 03: Total Number of Employees**, in the "Key Performance Indicators" section at the end of this chapter). Female employees in the Group account for 24.0% of the total workforce (previous year: 23.2%).

EMPLOYEES

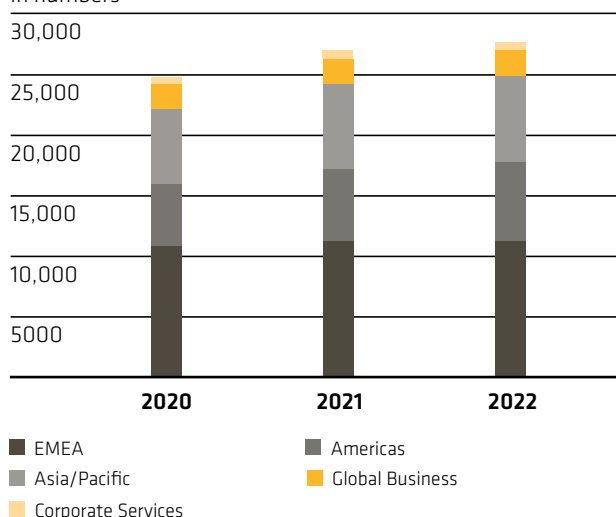


Together, the workforce generated a net added value of CHF 3,321 million in 2022 (previous year: CHF 3,072 million). This corresponds to a net added value per employee of CHF 121,000 (previous year: CHF 118,000) (↓ **Table 04: Net Added Value per Employee**, in the "Key Performance Indicators" section at the end of this chapter).

In 2022, the Americas region saw the most employee growth, with an increase of 9.3% over the previous year thanks to acquisitions (+242 employees) and an organic growth of 315 employees (↓ **Table 05: Breakdown of Employees per Region**, in the "Key Performance Indicators" section at the end of this chapter).

BREAKDOWN OF EMPLOYEES PER REGION

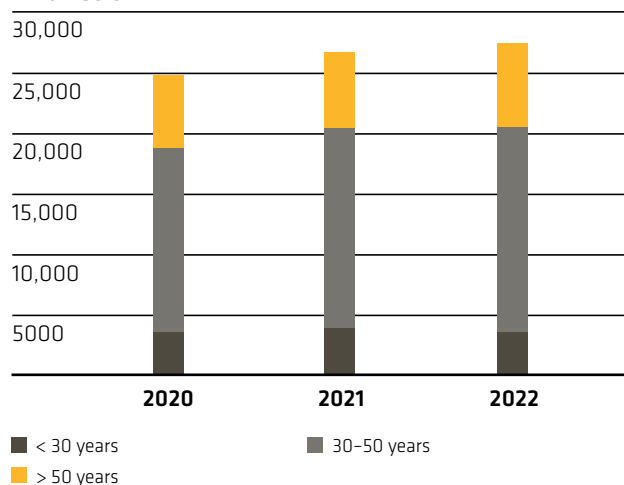
in numbers



The age structure at Sika is broadly balanced with 12.8% of employees under 30 years old and 25.3% over 50 (previous year: 25.2%). The number of employees between 30 – 50 years old grew the most in 2022 and 604 employees were added to this cohort. 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. With a demographic that has 17% of female employees under 30 years old, compared to 11.4% of males in the same age group, 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 (📄 **Table 06: Breakdown of Employees per Age and per Gender**, in the “Key Performance Indicators” section at the end of this chapter). To increase the number of employees under 30 years old, Sika’s employer branding strategy positions the company as an attractive employer for the next generations. As a project sponsor of several universities, Sika engages in a lively dialogue 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.

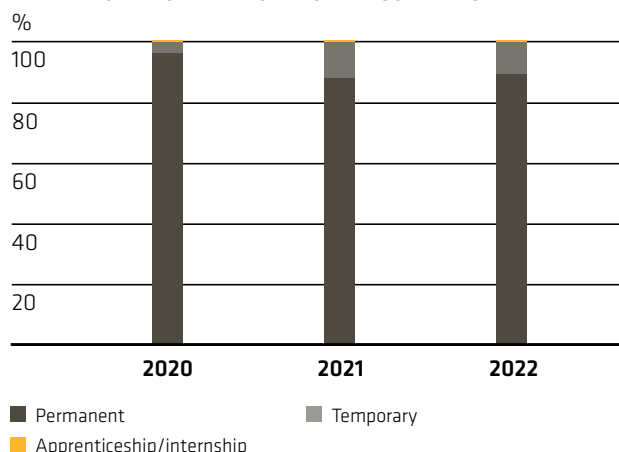
BREAKDOWN OF EMPLOYEES PER AGE

in numbers



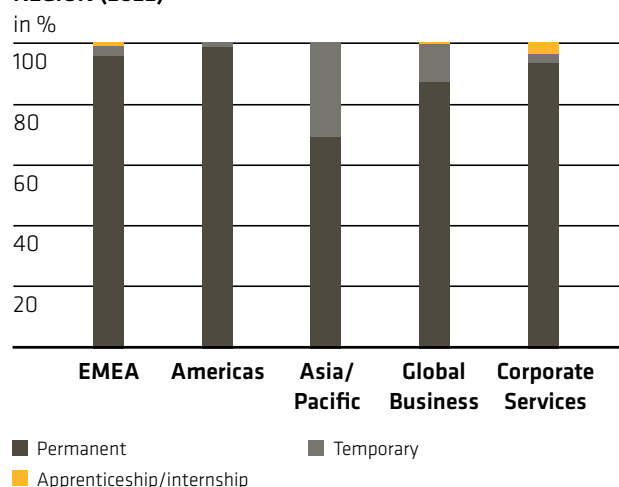
Sika is committed to offering its employees long-term prospects within the company and supports internal promotions. 88.6% of employees (89.2% of men and 86.8% of women) have permanent employment contracts (previous year: 87.4% of employees), ensuring that the workforce has the stability and security it needs to thrive (📄 **Table 07: Breakdown of Employees per Contract and per Gender**, in the “Key Performance Indicators” section at the end of this chapter).

BREAKDOWN OF EMPLOYEES PER CONTRACT



More than 40% 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. The percentage of temporary workers in the region Asia/Pacific is higher due to China. (📄 **Table 08: Group Distribution of Employees per Contract and per Region**, in the “Key Performance Indicators” section at the end of this chapter).

BREAKDOWN OF EMPLOYEES PER CONTRACT AND PER REGION (2022)



NON-REGULAR EMPLOYEES

Sika is committed to limiting the use of non-regular employment (e.g., using external temporary workers only for specialized, non-core activities, during peak times, or to an acceptable maximum percentage only, in accordance with applicable national labor laws). Where non-regular employment takes place, Sika takes adequate measures to reduce possible negative effects of such employment arrangements e.g., Sika assures (i) instruction of external temporary workers about Sika's Code of Conduct and speak-up culture, (ii) implementation of the "equal pay for equal work" principle, (iii) offering equal benefits and access to health checks, (iv) right to permanent employment after a certain period, or (v) priority right in times of permanent hiring.

Workers employed through employment agencies and service providers accounted for 8.3% of Sika's total workforce by the end of the year (previous year: 10%). These workers are not on Sika's payroll, but under contract with employment agencies. The number of external temporary workers varies depending on the seasonality of the business in the individual Sika companies. The work performed by this part of the workforce is mainly related to manufacturing, warehousing and logistics. The number of outside workers fluctuated between 8.3% and 9.2% throughout 2022.

COLLECTIVE BARGAINING AGREEMENTS AND TRADE UNIONS

Sika operates in 101 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 2022, almost 33% of the total workforce was covered either by trade unions or work councils, while roughly 43% of the total workforce was bound by collective bargaining agreements.

INTERESTING PERSPECTIVES ALL AROUND THE WORLD

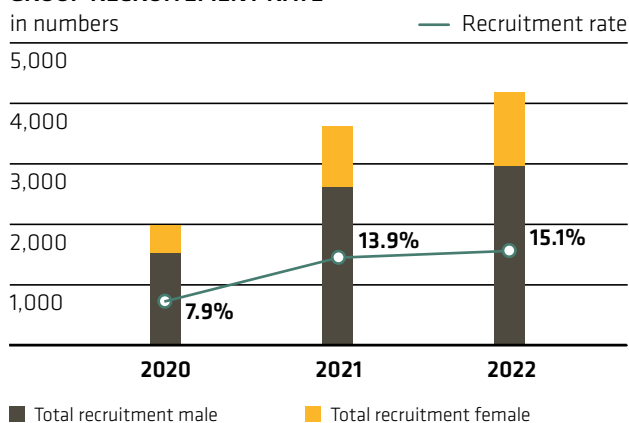
Sika is growing fast and can offer employees adaptable career paths. With its flexible and nurturing culture, Sika offers a vast array of individual career opportunities. Internal candidates are given preference for job openings. Sika is proud to employ individuals who remain with the company for a long time and contribute with their knowledge and experience over several years. Sika has fully embraced digital communications channels to connect with younger generations and enhance its reputation as a top employer. The external recruitment strategy is aimed at hiring and developing young talents, improving gender balance, and attracting more candidates from emerging economies. Sika also invests in upskilling and reskilling of long-term employees to improve their knowledge and ensure their continuous employability.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Sika monitors its performance regarding new employee hires and employee turnover in real-time utilizing targeted dashboards. Corporate and Local HR analyze reports based on different dimensions such as "gender" or "age" to ensure a balanced workforce. In the past year, Global HR has made significant improvements in its reporting capabilities in order to better understand employee fluctuation at group and regional level. In 2022, Sika's global reporting initiatives focused on different dimensions such as gender, age and geographical dimensions to gain valuable insights that will drive targeted measures to support employee retention.

Sika hired 4,137 new employees in 2022 (3,597 in 2021) (↓ **Table 09: Group Recruitment Rate per Gender**, in the "Key Performance Indicators" section at the end of this chapter). 242 new employees joined Sika through acquisitions and 164 left due to divestments. If employee movements through acquisitions and divestments are not considered, the headcount increased organically by 578 employees (+2.1% compared to previous year).

GROUP RECRUITMENT RATE¹



29.5% of new employees are women, which is higher than in 2021 (26.5%). The recruitment rate for both genders significantly rose in 2022, the female ratio went up to 18.9% (16.0% in 2021) and the male ratio went up to 13.9% (13.2% in 2021). The Americas region had the greatest impact on the increased hiring rate. This was due to a combination of factors, including a high organic growth of the total headcount and higher fluctuation rates that resulted in more replacements (↓ **Table 10: Breakdown of Recruitments per Region and per Gender**, in the "Key Performance Indicators" section at the end of this chapter).

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).

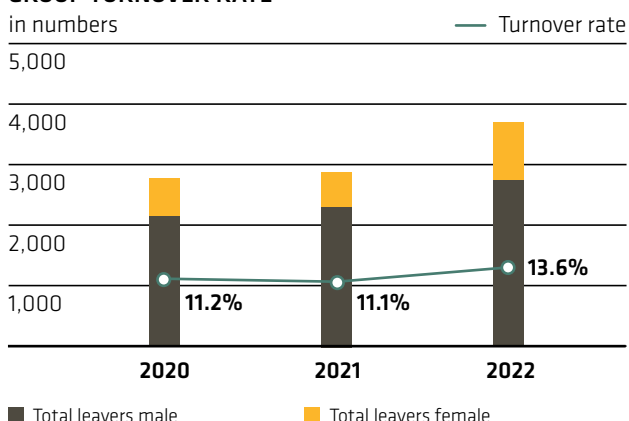
BREAKDOWN OF RECRUITMENT RATE PER REGION

in %	2020	2021	2022
EMEA	7.9	10.5	10.9
Americas	5.1	15.6	22.0
Asia/Pacific	8.6	16.5	14.6
Global Business	13.1	12.7	18.3
Corporate Services	8.0	7.9	15.3

Sika invests in the development of its managers who demonstrate the leadership skills and competencies to drive superior performance. In 2022, Sika promoted 399 employees into higher management positions (previous year: 446), resulting in an internal promotion rate of 1.4% (previous year: 1.6%) (📌 **Table 11: Internal Promotions**, in the “Key Performance Indicators” section at the end of this chapter).

Despite the global trend of high resignations, Sika’s reputation helped to maintain a relatively stable employee turnover rate. Both the voluntary and overall fluctuation rates slightly increased, respectively to 9.3% (7.4% in 2021) and to 13.6% (11.1% in 2021). Women’s overall fluctuation was 14.3% (10.6% in 2021) and men’s overall fluctuation was at 13.4% (11.3% in 2021). The Group fluctuation rate was mostly impacted by the challenging landscape of the American labor market (+5.7% increase in the overall regional turnover compared to 2021). In the chemical industry, for example, fluctuation rates of production workers exceeded 60%. In response to that, Sika focused on initiatives to strengthen employee engagement, retention, and talents attraction. In the other Sika Regions, the overall fluctuation rates slightly increased (📌 **Table 12: Group Turnover Rate per Gender**, in the “Key Performance Indicators” section at the end of this chapter).

GROUP TURNOVER RATE¹



Considering only the voluntary fluctuation rate, women were at 10.3% (previous year: 7.4%) and men at 9.0% (previous year: 7.4%) (📌 **Table 13: Breakdown of Turnover per Region and per Gender**, in the “Key Performance Indicators” section at the end of this chapter). In Americas, the male population was slightly more affected by fluctuation rates due to the higher proportion of men working in the manufacturing department, where fluctuation rates are overproportional. The Corporate Services division has low fluctuation rates for both genders, while EMEA, Asia/Pacific, and Global Business regions have higher fluctuation rates for women.

BREAKDOWN OF TURNOVER RATE PER REGION

in %	2020	2021	2022
EMEA	10.4	9.1	10.2
Americas	10.9	13.5	19.1
Asia/Pacific	11.6	13.0	13.4
Global Business	16.0	11.1	17.4
Corporate Services	8.4	5.7	7.7

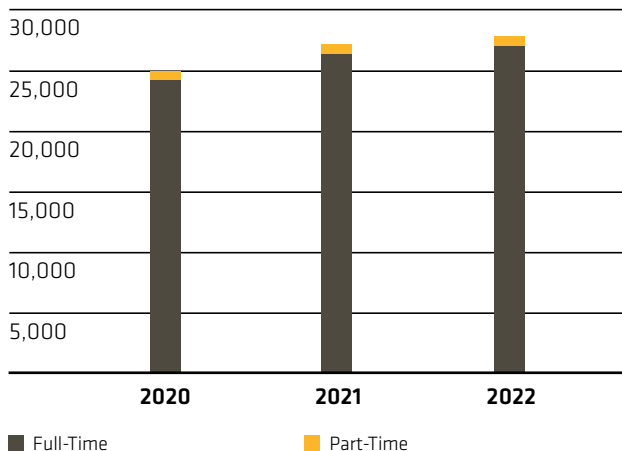
The company has decided to adapt the organizational setup from 2023 on and install a new senior management group that will increase the agility and dynamism of the organization. Around 300 managers will be nominated either as Regional Senior Managers (RSM) or Corporate Senior Managers (CSM). They will complement the Sika Senior Management (SSM) group. As current and future leaders, they will actively shape the development of the company, act as ambassadors for Sika’s culture and values, and be tasked with implementing the strategy within the organization. Sharing knowledge will stimulate innovation by bringing together different perspectives and broadening the horizons of managers across the company.

In 2022, the percentage of part-time employees was stable at 2.8% (previous year: 2.9%). 8.3% of women and 1.1% of men are employed in a part-time position (📌 **Table 14: Breakdown of Employees per Employment Type (Full-Time, Part-Time) and per Gender**, in the “Key Performance Indicators” section at the end of this chapter).

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.

BREAKDOWN OF EMPLOYEES PER EMPLOYMENT TYPE

in numbers



FULL-TIME EMPLOYEES' BENEFITS THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

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

FLEXIBLE WORKING HOURS AND HOME OFFICE

Sika believes in the competence and the entrepreneurial spirit of its employees and therefore flexible working hours are made available to a high percentage of the workforce. Also, considering the positive experience with home office during the COVID-19 pandemic, Sika continues to allow home office for a part of employee working time.

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 a majority of its employees in many countries including Switzerland, United States, China, France, Japan, India, and Peru.

MINIMUM NOTICE PERIOD REGARDING OPERATIONAL CHANGES

In 2022, several operational changes that could have a substantial impact on employees occurred: two divestments, one factory relocation and one factory closure. More specifically:

- Regarding Aliva's divestment (Switzerland), employees concerned were informed three months before the closing that the entity was sold to Normet Group Oy. With the entity's sale, an automatic transfer of the employment contracts with all rights and obligations to the new owner was triggered.
- Regarding the divestment of Sika's former European industrial coatings business based in Vaihingen (Germany), a six weeks notice was sent before the closing, in line with the local law. Vaihingen's employees were covered by a collective bargaining agreement, which was taken over by the new owner Sherwin-Williams Company with all rights and duties.
- Regarding Santa Cruz factory relocation (Bolivia), the employees were informed of the relocation from the beginning of the project and got an official notice four weeks before the transfer.
- Regarding the closure of the Kadut factory in Singapore, 15 employees could not be transferred to Sika Tuas factory in Singapore. They were notified and all transferred to another company with their consent. All other employees were transferred to the Tuas factory.

PAY EQUALITY

Sika is committed to pay equality and fairness in all countries the company operates in. The company performs regular internal analysis to ensure that employees are paid fairly and to address any potential pay gap. In 2021, Sika completed the equal pay analysis in Switzerland as required by the Swiss Federal Act on Gender Equality introduced in 2020. The results of the analysis showed that Sika is fully compliant with Swiss equal pay standards.

DIVERSITY AND INCLUSION

GRI 3-3	GRI 202-2	GRI 401-2
GRI 401-3	GRI 402-1	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. 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:

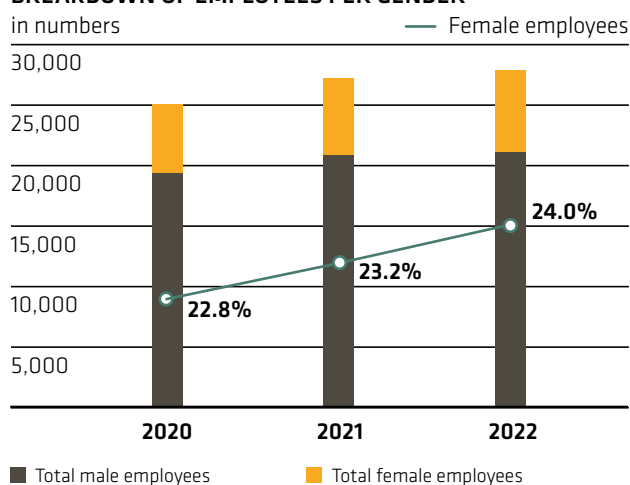
- Fight against discrimination based on race, religion, gender, nationality, disability, age, or any other discriminatory characteristic which is of high importance due to its global presence. This is also reflected in a diverse senior management team.
- Provide equal opportunities for all its employees.
- 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.

To support this commitment, Sika established a Global Diversity Steering Committee (GDSC) that presides over Diversity, Inclusion and Equal Opportunity initiatives and sets global targets. In 2022, the GDSC met for the first time to measure the effectiveness of the Diversity, Inclusion and Equal Opportunity strategy and propose adjustments. It focuses on three levels of actions: the individual level, in order to challenge the conscious and unconscious biases of both women and men; the company level, in order to provide equal opportunities; and the society level, in order to be a role model and contribute to changing mindsets. Discussions of the GDSC 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 regional and local level – supported for specific initiatives by a global working team.

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 as a whole, the quota of female employees improved from 23.2% in 2021 to 24.0% in 2022. The region with the highest ratio of female employees is Corporate Services with 35.3% women in 2022 (32.3% in 2021) (Table 15: Breakdown of Employees per Gender and per Region, in the "Key Performance Indicators" section at the end of this chapter).

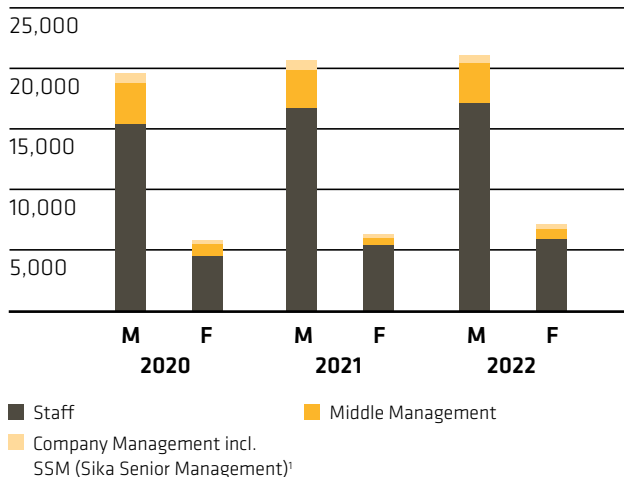
BREAKDOWN OF EMPLOYEES PER GENDER



In 2022, the percentage of women in Staff level increased by 0.7% points to 24.3%, the percentage of women in Middle Management also grew by 1.3% points to 23.2%. The number of women in Company Management increased by 1.1% points to 22.2% (↓ **Table 16: Breakdown of Employees per Gender and per Category**, in the “Key Performance Indicators” section at the end of this chapter).

BREAKDOWN OF EMPLOYEES PER GENDER AND PER CATEGORY

in numbers



DIVERSITY OF BOARD OF DIRECTORS

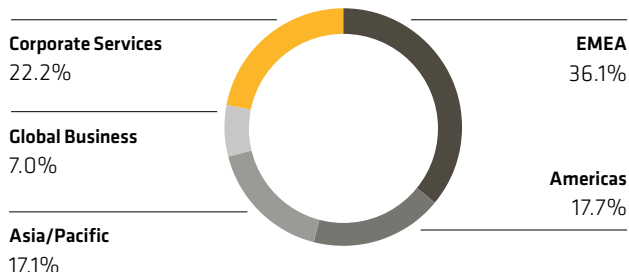
At the end of 2022, the Board of Directors consisted of eight members – five men and three women. All eight members were over 50 years old (↓ **Table 17: Board of Directors – Breakdown per Gender and per Age**, in the “Key Performance Indicators” section at the end of this chapter).

DIVERSITY OF SIKA SENIOR MANAGEMENT

The company believes that employee diversity is a major factor of its success, especially among senior management. At courses and seminars, Sika managers are encouraged to give high priority to diversity in team and project planning. Sika counts 43 nationalities among its senior managers (previous year: 45). 59% of Sika General Managers are from the country they manage. The regional split of Sika senior managers remained stable over the last three years. 36.1% of Sika senior managers are located in countries that belong to the EMEA region. 22.2% belong to the Corporate Organization, 17.1% to Asia/Pacific, 17.7% to Americas and 7.0% to the region Global Business (↓ **Table 18: Breakdown of Senior Managers per Region**, in the “Key Performance Indicators” section at the end of this chapter).

BREAKDOWN OF SENIOR MANAGERS PER REGION²

in %



WOMEN OF SIKA CAMPAIGN

A clear focus of Sika's strategy is to attract, engage, and promote more women, particularly in sales. Recruitment campaigns across various channels are increasingly targeting women. As part of the Women of Sika campaign, started in 2019, an action plan with toolkits was developed that focuses on the following three pillars: increased attraction, engagement, and promotion of women at Sika. Improvements are measured through yearly Corporate HR reporting which is executed to monitor data not only on gender but also on age and nationality. As an example, to improve the gender mix in the sales department, Sika has established the Trainee Program in Latin America → **Women in Sales** where participants can gain experience on the job and via specific sales trainings that focus on: Excellence in Pricing and Negotiation; Excellence in Key Account Management; Key Project Management RACE; Sales Performance Program; Essential Sales Skills. In the United States, Sika signed a partnership with two key women associations with the goal of attracting more women: the National Association of Women Sales Professionals and the National Association of Women in Construction.

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

2 Corporate services: Including Group Management members.

HUMAN CAPITAL DEVELOPMENT

GRI 3-3

GRI 404-1

GRI 404-2

GRI 404-3

POLICIES AND GUIDELINES



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

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's 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.

TALENT ATTRACTION AND RETENTION

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 very 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. Sika's Talent Management program aims to improve people development through comprehensive training offering. Also, the Learning and Development function offers a myriad of skills-based programs supporting the continuous improvement of all employees. Overall, these functions form the Sika Business School. This paves the way to achieving an engaged workforce, and fosters a high performance culture. In addition, the following activities help Sika attract and retain talent:

- Sika Employee Survey, Leadership Commitment, Sika Day and Women of Sika campaign, which aim at preserving Sika's unique culture.
- Fostering international careers by offering attractive opportunities to work abroad and supporting assignees with customized agreements based on the international assignment framework and guidelines.
- Annual Alignment of HR strategy review on regional and functional level among Corporate/Regional Management (i.e., succession planning, talent review).
- Deployment of Success Factors as a global HRIS which provides new insights through reporting and analytics in global workforce and talent pool.
- Pilote phase of the Global Performance Debrief Dialogue (PDD) initiative to encourage meaningful debrief conversations between managers and employees and integrate continuous feedback into the daily business life. The initiative will be rolled out in several phases, starting with more than 10,000 employees in 2023.

For more information on Sika's Risk Management, please check the chapter "Risk Management and TCFD Recommendations" on p.25 of the Annual Report 2022.

GRADUATES AT SIKA – EXPERT TALKS

In June 2022, Sika organized an event for the ETH (Swiss Federal Institute of Technology) civil engineering graduates to showcase the strong company culture also known as the "Sika Spirit" and collaborative atmosphere amongst the speakers from different Sika functions at corporate level. The objective of expert talks is to present Sika as an employer and to give authentic insights into the company, its business, and its work. Such expert talks are part of the corporate employer branding strategy and foster the relationship to renowned universities, which is valuable from both an HR and a business perspective.

TRAINING OFFERED TO EMPLOYEES

Sika's Learning and Development (L&D) team organizes a broad range of internal and external training programs based on the Group Management's strategic initiatives and works closely with General Managers, Regional HR Managers, Area HR Managers, Country HR Managers, and other key business leaders to identify focus areas. Sika's offering is structured around three pillars, focusing on trainings and strategic talent management: talent management and leadership trainings portfolio; sales training, professional skills trainings and Sika academies in the areas of procurement, operations, and sustainability.

TALENT MANAGEMENT AND COMPREHENSIVE LEADERSHIP DEVELOPMENT PORTFOLIO

Sika's performance and talent management system has been the core of management development activities for many years. Designed to identify and develop managers' skills, it facilitates systematic employee succession planning in the respective organizations, while promoting company growth by continually strengthening Sika's talent pipeline, securing the succession for business critical key positions.

Sika offers **Leadership Development Programs** at global, regional and local levels. In 2022, the curriculum of the Global Leadership Program was completely redesigned, and all regional leadership programs have been aligned cross-regionally to ensure comparability and synergies. A new General Manager Program was delivered on a global scale in November 2022. A Leadership Accelerator Program, dedicated to middle-management employees has also been initiated for team leaders willing to expand their leadership competencies and increase their individual and team performance. All talent programs have incorporated new sessions on compliance, legal matters, and executive presence. Starting from 2023, Sika plans to create dedicated programs for different senior management levels, including the Regional Senior Managers and Corporate Senior Managers as well as put more focus on Young Talent programs across Sika with cross-regional alignment.

Training activities for each Sika employee are determined based on the evaluation by the line manager. Each nomination to a talent program is validated by the local organization, the regional management team and by the CEO in case of global talent programs' offerings. 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 new Performance Debrief Dialogue process, yearly performance evaluation discussions will also integrate a systematic focus on employees' aspirations, competencies, training, and development needs.

GLOBAL INNOVATION CHALLENGE

Innovation is part of Sika's DNA and brand positioning. Sika has created the **Global Innovation Challenge** as part of its ambition to foster the innovative drive of high potential employees. The purpose of this program is to prepare a new generation of innovation leaders and to embrace key change drivers such as sustainability, digitalization, and the circular economy. The innovation and development journey 2021/22 involved 33 candidates from twelve different countries that have worked together across regions in five different innovation teams.


Future managers are developed at various levels, either through continuous training initiated by the respective national organization or provided by the Sika Business School, the Sika Academies, and external education partners. In 2022, Sika continued to cooperate with various business schools and universities, where Sika provided training for talented employees with the potential to assume Senior Management positions.

LEADERSHIP COMMITMENT



SALES TRAINING

SIKA BUSINESS SCHOOL

The  **Sika Business School** provides more than 70 programs which, during the reporting year, have shown a 95% attendance rate. More than 60% of all Sika Business School courses are sales-oriented and aim to develop sales skills within the company. In 2022, sales and marketing training was expanded to include these new courses: "Foundation for Sales", "Making the Sale", "Pricing for Sales", "Coaching Sales Teams", and "Key Account Sales". Each Sika Business School program has its own goals, targets, and specific attendees nominated by local management/HR and regional HR managers. Furthermore, many training courses on Sika products and their applications have been moved to a virtual or digital learning format, which expands the reach of these opportunities. To improve the program offerings, the Sika Business School conducts post-programme surveys for all employees undergoing the trainings, and develops action plans based on collected feedback.

PROFESSIONAL SKILLS TRAININGS AND SIKA ACADEMIES

SIKA SUSTAINABILITY ACADEMY

Sustainability is an important business pillar, a competitive advantage and a key component of the company's innovation drive and Growth Strategy 2023. The  **Sika Sustainability Academy** is Sika's flagship global sustainability education program, providing the necessary skills, methods, and practical examples to the participants in the countries to develop, coordinate, and implement local activities and projects in all sustainability focus areas to contribute to Sika's sustainability strategy. In 2022, after a two-year break due to the COVID-19 pandemic, the Sika Sustainability Academy took place again. 27 participants from 20 different countries attended the academy and worked on the development of sustainability roadmaps at country or regional level. The Sustainability Academy is an important initiative which enables strong engagement of Sika subsidiaries, increasing the number of sustainability-related projects and activities across Sika countries.

SIKA OPERATIONS ACADEMY

The Sika Operations Academy provides training for Operations managers to develop and increase their knowledge about how to run a manufacturing facility with a short, medium and long-term approach. This initiative allows the establishment of an international network among Operations, Plant, Engineering Managers, aimed at sharing challenges, advice and best demonstrated practices within Sika. The Academy normally takes place on an annual basis.

SIKA PROCUREMENT ACADEMY

The Sika Procurement Academy took place for the first time in 2022. The goal of the Academy is to strengthen and develop the skills of procurement team members working at corporate, regional, and local levels by sharing knowledge and best demonstrated practices (BDPs), and by building a strong network among employees in attendance. The Academy was attended by 32 participants, including procurement managers, country procurement heads and procurement area managers from five continents. The program was divided in two parts: 1) other departments/functions such as Finance, Operation Efficiency, Legal, HR, Compliance, Sustainability, and Tools Systems & Processes, provided insights about their daily work, projects and initiatives, and how they interact and develop synergies with the procurement team; 2) external experts organized a "negotiations" training where participants were asked to work in groups, evaluating and solving real case studies coming from Sika countries. The Procurement Academy will take place once per year.

SIKA CONCRETE ACADEMY

The Sika Concrete Academy was founded in 2009. Every year, 15 to 25 trainings are conducted across the regions for up to 150 participants. The main goal is to allow Sika sales and technical employees from around the world to build knowledge and provide competent concrete consulting at the customers' sites. Trainings provide basic as well as specialized concrete technology know-how, focusing on specific customer groups or applications for dedicated sales persons. All participants are expected to conduct a specific implementation plan in their countries. In 2022, the Academy offered 18 trainings, ranging from highly specialized 3D printing to the basics in concrete technology. Approximately half was conducted on-site and the other half virtually. For 2023, the Academy plans to launch a revised program, adding a package of 50 new basic trainings and the internal e-learning platform.

SIKA INDUSTRY ACADEMY

The Sika Industry Academy is the global learning environment of Sika Industry and Global Business. The Academy provides employees with the necessary technical skills to successfully perform in markets with increasingly challenging requirements. The Academy offers training for sales representatives, account managers, employees of local technical departments, R&D functions, and customer service representatives. Participants are trained by studying best demonstrated practices (BDPs), which allows them to improve their ability in managing innovative projects, selecting well-fitting technologies, and assessing risks. As of 2022, 25 e-learning, webinars, laboratory workshops and face-to-face courses are tracked by the Learning Management System. In 2022, 317 participants from 38 countries successfully completed more than two courses each, on average. The total learning time was 3,559 hours. Furthermore, six experts were trained on designing and managing new training. Currently, five more courses are under development and planned for launch in 2023.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

With more than 27,000 employees globally, Sika considers training and education to be an important instrument in retaining and developing its workforce. The company is proud of its large share of long-serving employees and recognizes the need to keep employees up to date in terms of their knowledge and abilities. Sika aims to provide at least ten hours of training per year for each employee. In 2022, each employee received on average 13.4 hours of training, an increase of 20.2% compared to 2021 due to the further strengthening of digital learning and more in-class training held due to less COVID-19 restrictions in several countries.

AVERAGE TRAINING HOURS PER EMPLOYEE¹

	2020	2021	2022
Hours of training/ per employee (No.)	10.1	11.1	13.4

1. Excluding apprenticeships, MBA, and PhD at educational institutions.

Digitalization has been a major transformation driver, enhancing collaboration, innovation, and learning across the organization. Sika uses this momentum to implement a global Learning Management System, called "SikaLearn", which will be live in all Sika countries in early 2023.

In 2022, Sika expanded the online portfolio with 183 new e-learning courses and 16 blended learning courses. 243 virtual classroom trainings were conducted (previous year: 190). A total number of 365 online programs was offered, reaching 17,188 Sika learners (previous year: 17,741). This represents approximately 33,000 hours dedicated to compliance training, technical skill building, and leadership development for employees (previous year: 31,107).

The 243 virtual classroom trainings, representing 21% (40.3% in 2021) of the total learning programs on SikaLearn in 2022, were attended by 1,166 participants (previous year 2,269) which is illustrating the move towards more offline classroom programs while still benefiting from the strong adoption of virtual meeting platforms.

In the year under review, Sika spent a total of CHF 10.8 million (previous year: CHF 8.8 million) on employee development (📄 **Table 19: Spending on Employee Development**, in the "Key Performance Indicators" section at the end of this chapter).

SIKA'S NEW DIGITAL LEARNING INFRASTRUCTURE

In line with Sika's people strategy and performance culture, the Corporate HR team has embarked on a journey to strengthen its L&D organization and reinforce the digital learning experience with a new technology. The goal is to augment the learning experience and simplify content creation with an integrated learning interface called "SikaLearn". This new generation learning platform is now interfaced with SAP SuccessFactors and will exponentially expand Sika's training portfolio in strategic capability areas. As a blended learning platform, this interface simplifies and facilitates content sharing while creating a more intuitive and user-friendly learning experience.

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 50% of Sika employees¹ receive regular performance reviews (monetary) (📄 **Table 20: Employee Performance Reviews**, in the "Key Performance Indicators" section at the end of this chapter).

In 2022, a pilot of a new performance review system – the Global Performance Debrief Dialogue (PDD) – was introduced to approximately 1,400 employees with regional or area roles in Canada, USA, Chile, Mexico, and Colombia. The PDD looks closer into the context of performance by encouraging meaningful conversations between managers and employees. It encourages employees to hold debrief discussions with enthusiasm, integrate continuous feedback into daily business life, check in with team members regularly and take time to prioritize development. The initiative will be rolled out in a staged approach starting with more than 10,000 employees in 2023. This is complementary to the existing management approach and it does not have direct monetary implications.

1. This figure covers all employees who have a performance review process regardless of their Staff Level.

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:

- Working together improves communication and understanding of mutual points of view;
- Committing to 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.

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 knowledge leads to practical and effective solutions;
- Encouraging individuals to learn about issues in-depth through practical experience;
- Helping community members to develop capabilities that enable them to be an active part of society and to contribute to the community itself.

COMMITMENT

Sika is committed to building trust and creating value with its customers, communities, and society.

GOALS AND TARGETS

Sika’s targets for 2023 are to complete 10,000 working days of volunteering work, run 50% more projects, and increase the number of direct beneficiaries by 50% compared to 2019. For more information on community engagement targets and Sika’s related performance, please see the “Sustainability at Sika” chapter, “Sustainability Strategy 2019–2023” section on p.47 of the Sustainability Report 2022.

RESPONSIBILITIES

The corporate teams of Corporate Communications and Innovation and Sustainability, with the strategic involvement of the Global HR organization, 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 carried out by Sika subsidiaries on a local level and projects are managed on team level.

“SIKA CARES” ENGAGEMENT PROGRAM

The “Sika Cares” community engagement program, which was 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. In 2022, Sika updated the community engagement guideline to create a common understanding of project management in this domain. In addition, since several Sika subsidiaries were already addressing health-related issues, promoting well-being, and taking action on the infrastructural and social determinants of health, an additional focus area on health and well-being has been included in the “Sika Cares” program. As of 2022, “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 of 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 also 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. Promoting self-help can encompass a portfolio of information, techniques, and tools that help individuals access new know-how and improve their situation in a sustainable way.
- 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 their impacts on health and well-being among their own employees, across global value chains, and within local communities, Sika aims to help to foster and benefit from a more robust economy and marketplace, healthier, happier and more productive workforce, and more resilient supply chains and communities.

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. For more information, please visit the corporate webpage [Community Relations](#).

In 2022, Community engagement activities took place in 54 countries. Sika sponsored 406 projects (previous year: 242 projects). This equates to a year-on-year strong increase of 67.8%. In total, Sika employees spent 2,595 days of volunteering work (previous year: 1,392 days, +86.5%). 53,666 individuals were benefitting directly (previous year: 44,188). The increase in community engagement activities resulted from the fact that, due to the relaxation of COVID-19-related restrictions, there were more opportunities for volunteering in most countries. The “community engagement” topic was subjected to additional scrutiny within the entire company and was therefore increasingly used by Sika teams to help other people and gain new, shared experiences as a team.

REPORTING SYSTEM

In order to facilitate the processing, communication, and reporting of community engagement activities worldwide, a new tool was developed during 2022 and will be launched in 2023. It will enable all Sika employees to share insights on local projects and get inspired from activities taking place in other countries. The tool is aligned with Sika corporate reporting system and will provide qualitative insights and additional granularity to the current reporting.

COMMUNITY ENGAGEMENT INDICATORS

	2020	2021	2022
Community engagement projects (No.)	183	242	406
Volunteering days of employees (Days) ¹	1,119	1,392	2,595
Direct beneficiaries (No.) ²	268,581	44,188	53,666

1 Some of the projects do not require any volunteering work from Sika employees and therefore not all projects led to volunteering days. A working day is considered as 8 hours.

2 The decrease in the number of direct beneficiaries compared to 2020 derives from the fact that in 2020 Sika supported a COVID-19 related project bringing benefits to the population of a suburb of Moscow by distributing hand sanitizers.

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

As a socially responsible company, Sika works collaboratively with local communities to address issues affecting their well-being. In 2022, less than 5% of Sika's General Managers indicated – by means of their annual Compliance Confirmation – that they have received complaints from local communities regarding Sika's operations. The very few received complaints were primarily related to traffic, noise, or dust. All have been or are in the process of being resolved. Sika's operations have not been subject to any local protests. Sika fosters an ongoing dialogue with local communities, e.g., through open door events or special phone numbers to get in touch with 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, that 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.

PUBLIC POLICY

GRI 3-3

GRI 415-1

POLICIES AND GUIDELINES




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


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, in order to shape 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 2022, Sika did not give donations to parties, politicians, or related organizations.

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 Collaborations**.

KEY PERFORMANCE INDICATORS

↑ **TABLE 01: ISO 45001:2018 – OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATION¹**

	2020	2021	2022
Sites certified ISO 45001:2018 (No.)	114	147	196
Coverage of sites under ISO scope (%)	22	26	33

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

↑ **TABLE 02: ISO 9001:2015 – QUALITY MANAGEMENT SYSTEM CERTIFICATION¹**

	2020	2021	2022
Sites certified ISO 9001:2015 (No.)	315	345	361
Coverage of sites under ISO scope (%)	61	61	60

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

↑ **TABLE 03: TOTAL NUMBER OF EMPLOYEES**

	2020	2021	2022
Employees (No.)	24,848	27,059	27,708

↑ **TABLE 04: NET ADDED VALUE PER EMPLOYEE**

	2019	2020	2021
Net added value per employee (CHF thousands)	107	118	121

↑ **TABLE 05: BREAKDOWN OF EMPLOYEES PER REGION**

	2020	2021	2022
EMEA (No.)	10,811	11,243	11,206
Americas (No.)	5,195	6,002	6,559
Asia/Pacific (No.)	6,182	6,995	7,054
Global Business (No.)	2,016	2,138	2,175
Corporate Services (No.)	644	681	714
Group (No.)	24,848	27,059	27,708

↑ **TABLE 06: BREAKDOWN OF EMPLOYEES PER AGE AND PER GENDER¹**

	2020	2021	2022
<30 years (%)	13.2	13.5	12.8
Female	-	-	31.9
Male	-	-	68.1
30–50 years (%)	62.0	61.3	62.0
Female	-	-	24.6
Male	-	-	75.4
>50 years (%)	24.8	25.2	25.3
Female	-	-	18.6
Male	-	-	81.4

1 In 2022, Sika added granularity to the reporting of headcount-related indicators. The breakdown of employees per age is now available per gender. 2020 and 2021 have not been restated accordingly.

↑ **TABLE 07: BREAKDOWN OF EMPLOYEES PER CONTRACT AND PER GENDER¹**

	2020	2021	2022
Permanent (%)	95.6	87.4	88.6
Female	-	-	23.5
Male	-	-	76.5
Temporary (%)	3.7	11.9	10.6
Female	-	-	26.8
Male	-	-	73.2
Apprenticeship/internship (%)	0.7	0.7	0.8
Female	-	-	43.2
Male	-	-	56.8

1 In 2022, Sika added granularity to the reporting of headcount-related indicators. The breakdown of employees per contract is now available per gender. 2020 and 2021 have not been restated accordingly.

↑ **TABLE 08: GROUP DISTRIBUTION OF EMPLOYEES PER CONTRACT AND PER REGION**

	2020			2021			2022		
	Permanent	Temporary	Appren- tices/ interns	Permanent	Temporary	Appren- tices/ interns	Permanent	Temporary	Appren- tices/ interns
EMEA (%)	95.1	3.6	1.3	95.0	3.8	1.2	95.5	3.1	1.4
Americas (%)	96.9	2.9	0.2	95.2	4.7	0.1	98.1	1.8	0.0
Asia/Pacific (%)	95.0	5.0	0.0	67.2	32.8	0.0	68.9	31.1	0.0
Global Business (%)	96.7	2.3	1.0	89.0	10.1	0.9	87.1	11.9	1.0
Corporate Services	94.7	2.6	2.6	93.8	2.1	4.1	93.1	2.7	4.2

↑ **TABLE 09: GROUP RECRUITMENT RATE PER GENDER¹**

	2020	2021	2022
Recruitment rate (%)	7.9	13.9	15.1
Female	8.8	16.0	18.9
Male	7.7	13.2	13.9

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).

↑ **TABLE 10: BREAKDOWN OF RECRUITMENTS PER REGION AND PER GENDER**

	2020				2021				2022			
	Recruitments (No.)		Rate (%)		Recruitments (No.)		Rate (%)		Recruitments (No.)		Rate (%)	
	F	M	F	M	F	M	F	M	F	M	F	M
EMEA	230	613	9.8	7.4	330	903	13.5	10.5	397	830	15.4	9.6
Americas	58	216	5.1	5.1	247	682	20.2	15.6	406	977	28.4	20.1
Asia/Pacific	117	424	7.4	9.0	258	816	15.7	16.5	257	768	14.9	14.5
Global Business	77	191	17.2	11.9	91	205	19.7	12.7	109	286	21.6	17.3
Corporate Services	20	33	9.7	7.2	29	36	13.9	7.9	53	54	22.5	11.7
Group	502	1,477	8.8	7.7	955	2,642	16.0	13.2	1,222	2,915	18.9	13.9

↑ **TABLE 11: INTERNAL PROMOTIONS**

	2020	2021	2022
Internal promotions into a higher management position (No.)	218	446	399
Internal promotions into a higher management position (%)	0.9	1.6	1.4

↑ **TABLE 12: GROUP TURNOVER RATE PER GENDER**

	2020	2021	2022
Employee turnover rate ¹ (%)	11.2	11.1	13.6
Female	11.6	10.6	14.3
Male	11.1	11.3	13.4
Employee voluntary turnover rate (%)	6.4	7.4	9.3

1 The employee turnover rate considers all departures: natural fluctuations (natural fluctuations refer to retirement or death for example), 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).

↑ **TABLE 13: BREAKDOWN OF TURNOVER PER REGION AND PER GENDER**

	2020				2021				2022			
	Leavers (No.)		Turnover (%)		Leavers (No.)		Turnover (%)		Leavers (No.)		Turnover (%)	
	F	M	F	M	F	M	F	M	F	M	F	M
EMEA	275	826	11.7	10.0	245	761	10.1	8.9	293	856	11.4	9.9
Americas	140	443	12.2	10.5	106	648	8.7	14.8	255	946	17.9	19.5
Asia/Pacific	142	590	9.0	12.5	218	638	13.3	12.9	269	675	15.6	12.7
Global Business	79	249	17.7	15.5	54	176	11.7	10.9	93	283	18.4	17.1
Corporate Services	27	29	13.1	6.3	10	28	4.8	6.2	18	36	7.6	7.8
Group	663	2,137	11.6	11.1	633	2,251	10.6	11.3	928	2,796	14.3	13.4

↑ **TABLE 14: BREAKDOWN OF EMPLOYEES PER EMPLOYMENT TYPE (FULL TIME, PART TIME) AND PER GENDER¹**

	2020	2021	2022
Full-time (No.)	24,136	26,272	26,923
Female	-	-	6,100
Male	-	-	20,823
Part-time (No.)	712	787	785
Female	-	-	551
Male	-	-	234
Group (No.)	24,848	27,059	27,708

1 In 2022, Sika added granularity to the reporting of headcount-related indicators. The breakdown of employees per employment type is now available per gender. 2020 and 2021 have not been restated accordingly.

↑ **TABLE 15: BREAKDOWN OF EMPLOYEES PER REGION AND PER GENDER**

	2020		2021		2022	
	F	M	F	M	F	M
EMEA (No.)	2,363	8,448	2,509	8,734	2,637	8,569
Americas (No.)	1,108	4,087	1,338	4,664	1,519	5,040
Asia/Pacific (No.)	1,559	4,623	1,731	5,264	1,718	5,336
Global Business (No.)	439	1,577	486	1,652	525	1,650
Corporate Services (No.)	197	447	220	461	252	462
Group (No.)	5,666	19,182	6,284	20,775	6,651	21,057

↑ **TABLE 16: BREAKDOWN OF EMPLOYEES PER GENDER AND PER CATEGORY**

	2020		2021		2022	
	F	M	F	M	F	M
Staff (No.)	4,632	15,224	5,180	16,715	5,439	16,933
Middle Management (No.)	803	3,041	870	3,096	983	3,252
Company Management ¹ (No.)	231	917	230	946	229	872
Thereof Group Management (No.)	1	8	2	6	2	6

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

↑ **TABLE 17: BOARD OF DIRECTORS – BREAKDOWN PER GENDER AND BY AGE**

	2020	2021	2022
Male (No.)	7	7	5
Female (No.)	1	1	3
30-50 (No.)	1	0	0
>50 years (No.)	7	8	8

↑ **TABLE 18: BREAKDOWN OF SENIOR MANAGERS PER REGION**

	2020	2021	2022
EMEA (No.)	72	63	57
Americas (No.)	32	28	28
Asia/Pacific (No.)	31	34	27
Global Business (No.)	12	13	11
Corporate Services (No.) ¹	37	36	35

1 Including Group Management members.

↑ **TABLE 19: SPENDING ON EMPLOYEE DEVELOPMENT**

	2020	2021	2022
Spending on employee development (CHF mn)	6.4	8.8	10.8

↑ **TABLE 20: EMPLOYEE PERFORMANCE REVIEWS¹**

	2020	2021	2022
Employees with performance reviews (%)	>20	50	50

1 2020 figures only covered employees with management functions. 2021 and 2022 figures cover all employees who have a performance review process regardless of their Staff Level. 2020 figures have not been restated.

PLANET

SUMMARY & HIGHLIGHTS

AMBITION

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

APPROACH

Sika contributes to a sustainable development by offering sustainable solutions in construction and transportation. Global sustainability trends generate business opportunities.

HIGHLIGHTS

SBTi commitment – “Our Way to Net Zero”

Sika committed to the SBTi to reach net zero not later than 2050. The company now has until 2024 to develop a roadmap with targets and submit it for SBTi validation.

Scope 3 assessment

Sika finalized a two-year company-wide initiative to systematically identify and calculate emissions from its material scope 3 GHG categories in accordance with the requirements of the GHG Protocol.

TfS PCF guideline

Sika contributed together with the other Together for Sustainability (TfS) members to the publication of the Product Carbon Footprint (PCF) Guideline.

KEY FIGURES

change vs 2021

GHG emissions intensity (scope 1 and 2)

in kg CO₂eq per ton sold

16.4

–6.9%

Water consumption intensity

in m³ per ton sold

0.18

–6.1%

Waste production intensity

in kg per ton sold

10.8

–3.3%



“Tackling climate change is important even in more demanding economic environments. Our clear goal is to continue growing sustainably and deploy new innovations to decouple our growth from GHG emissions. We intend to use groundbreaking solutions that enable our customers to reduce their CO₂ emissions.”

Thomas Hasler
Chief Executive Officer

MATERIAL TOPICS

Climate Change	Energy Management	Water Management
Waste Management	Circular Economy	Biodiversity and Nature
Air Emissions	Compliance	Risk and Crisis Management

SDGs



ENVIRONMENTAL SUSTAINABILITY

POLICIES AND GUIDELINES



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

Environmental sustainability at Sika includes all environmental strategic targets and those additional material topics identified in the materiality analysis 2022. All the topics disclosed in the “Planet” chapter share the following goals, targets, commitments and organizational responsibilities.

COMMITMENT

To achieve 2023 targets, “environmental sustainability” roadmaps have been developed and implemented since 2020 in all relevant local countries and plants. These roadmaps include the planned initiatives to reduce CO₂eq emissions, energy/water consumption, waste generation, and increase the share of renewable energy for the period 2020–2023. The roadmaps are being updated yearly.

GOALS AND TARGETS

For more information on environmental sustainability targets and Sika’s related performance, please see the “Sustainability at Sika” chapter, “Sustainability Strategy 2019–2023” section on p.47 of the Sustainability Report 2022.

RESPONSIBILITIES

For more information on Sustainability governance at corporate, regional, and local level, please see the “Sustainability at Sika” chapter, “Sustainability Organization Structure” section on p.44 of the Sustainability Report 2022.

CLIMATE CHANGE

GRI 3-3

POLICIES AND GUIDELINES



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

SIKA'S WAY TO NET ZERO

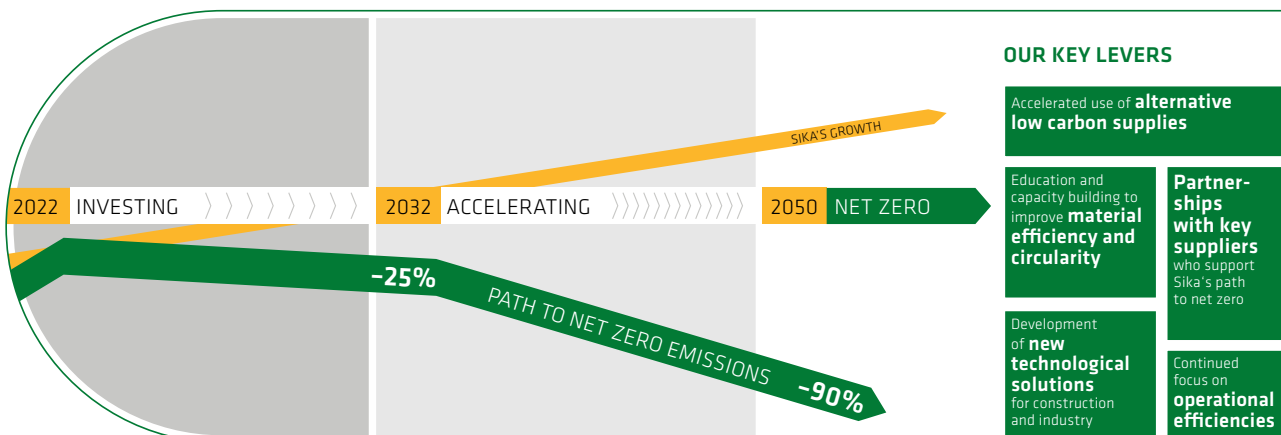
To keep the world livable, we must limit temperature increase at a maximum of 1.5°C above pre-industrial levels. Achieving this goal will require rapid system transformation, and the private sector has a crucial role to play in the process. Businesses need to match their climate ambition with robust 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 to the future of our planet.

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 R&D, Procurement, Operations, Logistics and Target Markets, both at corporate and regional level. The findings of the net zero project will flow into the Strategy 2028 development process.

During the first phase of the net zero project, Sika conducted a high-level assessment to identify potential decarbonization levers. The results show that to reduce scope 1 and 2 emissions, Sika must focus on continuous energy-efficiency improvements (e.g. sand drying optimization) while using low-carbon and renewable energy sources for its equipment and vehicle fleet. To reduce scope 3 emissions, Sika must collaborate with its suppliers to source low-carbon alternative raw materials and reduce those deriving from virgin cement and petrochemicals. An engagement strategy is needed to support suppliers in achieving their decarbonization targets. Moreover, product reformulations and optimization (less material, same or better performance), and improved process efficiency play a key role. Emissions from upstream and downstream transportation must be limited. Lastly, circularity must be fully integrated into Sika's business model. For more information on Sika's net zero roadmap and detailed levers, please see the corporate webpage [Sika's Way to Net Zero](#).

SIKA'S WAY TO NET ZERO – KEY LEVERS



SBTI TARGETS

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

SBTI TARGETS AND TIME HORIZONS


	Near-term (2032)	Net-zero (2050)
Scope 1 and 2 emissions ¹	-42% (1.5°C scenario aligned)	-90% (1.5°C scenario aligned)
Scope 3 emissions ²	-25% (well below 2°C scenario aligned)	-90% (1.5°C scenario aligned)
Total emissions	-25%	-90%

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.90 of the Sustainability Report 2022.


NET ZERO CAMPAIGN


The engagement of Sika's employees is crucial for the success of the net zero project. During the reporting year, Sika launched an innovation campaign called "Scouts" (for more information on this innovation platform, please see the "Products and Customers" chapter, "Innovation Management" section on p.115 of the Sustainability Report 2022). All employees were invited to submit their individual or group ideas on how to reduce the company's emissions. More than 270 ideas were submitted and commented by Sika employees during the collection phase of the campaign which lasted 1.5 month. The review phase is taking place in 2023, with the best ideas being integrated into Sika's net zero roadmap.

PARTNERSHIPS AND COLLABORATIONS FOR NET ZERO

Achieving net zero requires a combined effort from all stakeholders up and downstream of the company's value chain. Thus, creating strong partnerships and collaboration is key for the success of this initiative. As of 2022, Sika is involved in the following strategic  **Partnerships and Collaborations**:

- Together for Sustainability (TfS): Sika is a TfS member and chairs the TfS workstream 5 (WS5) which aims to develop a global solution to measure scope 3 GHG emissions in the chemical industry. To ensure TfS member companies meet the Paris Climate Agreement goal, TfS was committed to finding a solution knowing that scope 3 GHG emissions constitute a major share of chemical company's emissions³. Monitoring, managing, and reducing these emissions require an industry-wide harmonized approach to calculation. Prod-

uct Carbon Footprint (PCF) calculations provide the best product level emissions transparency for the identification, tracking and reduction of scope 3 GHG emissions. In September 2022, TfS launched the  **PCF Guideline**, the first-of-its-kind guideline to transform the way chemical companies calculate, monitor and reduce upstream supply chain emissions. It will enable suppliers and corporations to produce, compare and later share high-quality carbon footprint data. To ensure alignment with existing standards, TfS partnered with organizations such as GHG Protocol, WEF, Science-Based Targets initiative and WBCSD. The PCF Guideline is ISO and GHG Protocol accounting standards compliant. Open-source, the guideline will be a vital instrument for working on real and meaningful emission reductions to help decarbonize the entire chemical industry. TfS is also preparing an IT solution, a platform, that will enable corporations and suppliers to share upstream product carbon footprints. This should make it easier for businesses to conduct cross-industry comparisons and compile and manage their emissions across all three scopes. The IT solution will be piloted first half and launched second half of 2023. For more information on TfS, please see the "Procurement" chapter on p.133 of the Sustainability Report 2022. Beyond the TfS membership, Sika also engages individually with its suppliers on the climate journey.

- World Business Council for Sustainable Development (WBCSD): As a member of the WBCSD, in 2022, Sika was involved in various projects such as SOS 1.5, Built Environment Decarbonization, Circular Built Environment or Chemicals Group. For each project, the company participated in various sub-workstreams. Through such initiatives, Sika engages and shares with other companies on how to navigate the global climate challenges and how to make the most of available standards and tools.
- TCFD supporter⁴: Sika has officially supported the TCFD and its recommendations since 2021. The company believes that the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities and their related financial impacts. For more information, please see the dedicated  **TCFD Report 2022** available on the corporate website.
- Participation in consultation processes on reporting approaches and standards: The GHG emissions topic is continuously evolving, and better knowledge, understanding, and data availability will impact Sika's accounting methodology in its net zero journey. Therefore, in 2022, Sika contributed to the review of the GHGP Land Sector and Removals Guidance⁵, which will help companies on how to account for and report CO₂ removals and storage, and biogenic products within their corporate inventories.

1 As of 2022, scope 1 and 2 emissions account for ~2% of the total GHG emissions emitted by Sika.

2 As of 2022, scope 3 emissions account for ~98% of the total GHG emissions emitted by Sika.

3 CDP, "Running Hot: Accelerating Europe's Path to Paris" (p.31).

4  **Supporters | Task Force on Climate-Related Financial Disclosures** (www.fsb-tcfd.org).

5  ghgprotocol.org/land-sector-and-removals-guidance.

GHG EMISSIONS

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 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

Since 2019, Sika has defined the strategic target "climate performance" for reducing scope 1 and 2 CO₂eq emissions per ton sold by 12% until 2023. Moreover, the compensation scheme of Group Management and Sika Senior Managers is linked to the GHG emissions performance of the company (scope 1 and 2 per ton sold).

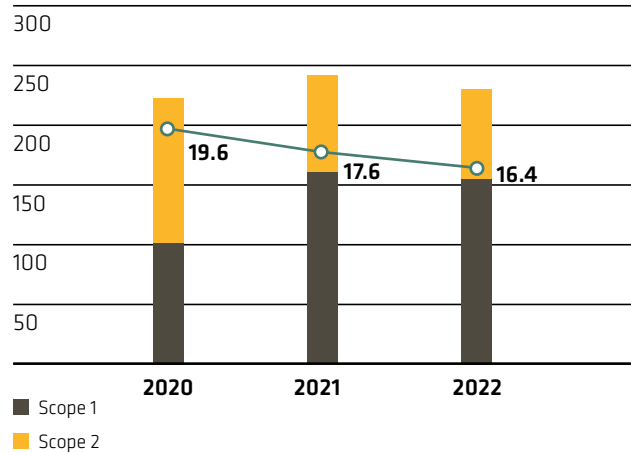
GHG EMISSIONS INTENSITY – SCOPE 1 AND 2¹

In 2022, the GHG emissions intensity per ton sold (scope 1 and 2) was reduced from 17.6 to 16.4 kg CO₂eq per ton sold, a reduction of -6.9%. Excluding acquisitions, the organic reduction was at -11.7%. The GHG emissions intensity was negatively impacted by 2021 and 2022 acquisitions (0.8 kg per ton sold), and by emission factor changes (0.2 kg per ton sold). The continuous focus on maximizing renewable electricity sources in Sika operations (-0.9 kg per ton sold) and on various energy saving initiatives (-0.8 kg per ton sold) were the most important levers to improve the GHG emissions intensity per ton sold for the year under review. The additional granularity in the reporting of vehicle fuel per type of fuel and the increased tons sold from less-carbon intensive technologies also positively contributed (-0.5 kg per ton sold) (📄 **Table 01: GHG Emissions Scope 1 and 2 – Market-Based**, in the "Key Performance Indicators" section at the end of this chapter).

GHG EMISSIONS SCOPE 1 AND 2 – MARKET-BASED

in 1,000 tons

— kg CO₂eq per ton sold

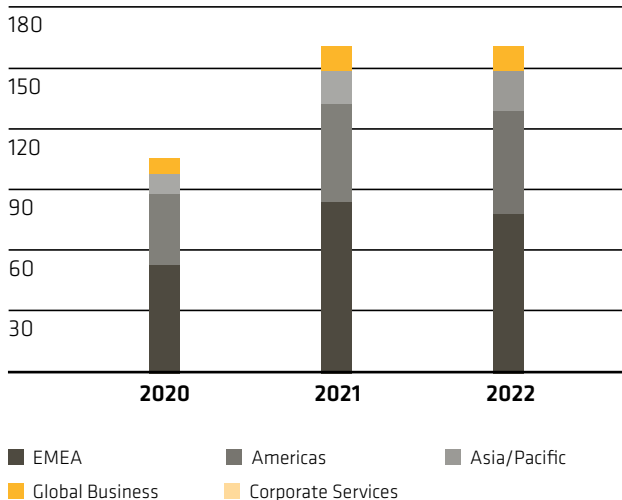


In absolute figures, scope 1 emissions remained stable at group level compared to 2021 (156,096 tons, -0.2% compared to 2021) (📄 **Table 02: Breakdown of Scope 1 GHG Emissions per Region**, in the "Key Performance Indicators" section at the end of this chapter). This stable development is mainly driven by the additional granularity in the reporting of vehicle fuel per type of fuel and the increased tons sold from less-carbon intensive technologies. From a regional perspective, Asia/Pacific and Americas increased their scope 1 emissions the most in absolute terms due to the impact on direct energy from recent acquisitions: Shenzhen Landun Holding Co., Ltd. (China), Sika Hamatite Co., Ltd. (Japan), Sable Marco Inc. (Canada) and United Gilsonite Laboratories, Inc. (USA).

¹ Based on GHG market-based emissions. In 2022, fugitive emissions related to refrigerant gases have been added to the scope 1 inventory as per the Greenhouse Gas Protocol. The GHG Emissions Intensity – scope 1&2 of 2019, 2020 and 2021 has not been restated accordingly.

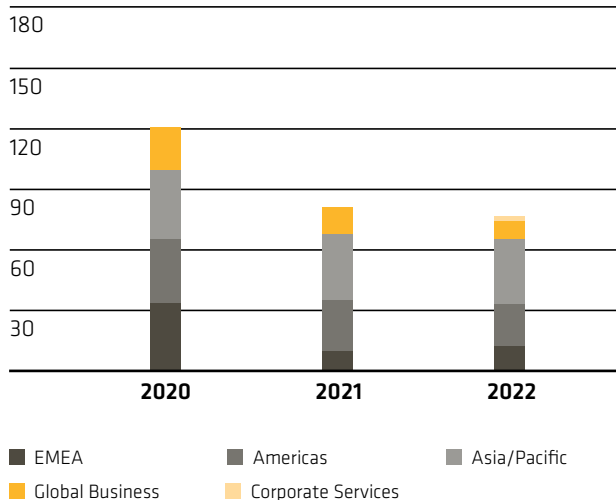
BREAKDOWN OF SCOPE 1 GHG EMISSIONS PER REGION

in 1,000 tons of CO₂eq



BREAKDOWN OF SCOPE 2 GHG EMISSIONS – MARKET-BASED PER REGION

in 1,000 tons of CO₂eq



FUGITIVE EMISSIONS RELATED TO REFRIGERANT GASES

As part of Sika's continuous improvement approach, the environmental reporting has been expanded in 2022 to include the climate impact of refrigerant gases. These gases have extremely high climate impact (up to or above 1,000 kg CO₂eq/kg). Refrigerants are gases used in air conditioning units, cold storage warehouse equipment, cooling devices or fire suppression systems. While these systems are in theory in closed-loop, leakages occur over time, generating an occasional need to refill these systems. 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, 1,093 tons of CO₂eq¹ were emitted due to leakages of refrigerant gases. In accordance with the Greenhouse Gas Protocol, refrigerant gas emissions are considered as fugitive emissions under Sika's scope 1 inventory and represent 1% of Sika's scope 1 emissions for 2022. The related volume is included in the GHG Emissions intensity indicator, with an impact of 0.08 kg per ton sold.

Market-based scope 2 emissions decreased to 74,557 tons of CO₂eq (-9.2% compared to 2021) thanks to an increased coverage of energy attribute certificates compared to previous year in all regions. Global Business impacted the most the decrease of scope 2 emissions in absolute figures thanks to a Power Purchase Agreement settled in the United States and a new energy attribute certificate settled in Poland (↓ **Table 03: Breakdown of Scope 2 GHG Emissions – Market-Based per Region**, in the "Key Performance Indicators" section at the end of this chapter).

For additional information on Sika's GHG emissions reporting – location based, please refer to (↓ **Table 04: GHG Emissions – Location-Based** and ↓ **Table 05: Breakdown of Scope 2 GHG Emissions – Location-Based per Region**, in the "Key Performance Indicators" section at the end of this chapter).

INTERNAL CARBON PRICING – A STRATEGIC TOOL FOR INVEST- MENT DECISIONS

From 2021 onwards, Sika implemented internal carbon pricing to favor solar panel investments and increase self-produced renewable energy. Relying on a shadow price mechanism, the initiative continued in 2022. In the context of Sika's net zero SBTi commitment, a broader concept will be defined and set up over the coming years. From 2023 onwards, the internal carbon price, set at CHF 80 per ton/CO₂eq², will be extended to all investments, with a focus on scope 1 and 2 emissions. Scope 3 emissions will only be considered for process in-/outsourcing. Embedding a hypothetical cost of carbon emissions in the calculation for potential investments provides a deeper understanding of how pricing GHG emissions affect business cases. This strategic tool will further help Sika to focus its investment decisions on climate-adapted operations, low-carbon investments, and opportunities.

1 Fugitive emissions of refrigerant gases are calculated based on BEIS/Defra 2021 emission factors.

2 The price of the internal carbon mechanism of Sika is based on Bloomberg, Traded EU Carbon certificates. The price used is a fixed price per year, based on the average yearly price.

SCOPE 3

In October 2022, Sika finalized a two-year company-wide initiative to systematically identify and calculate emissions from its material scope 3 GHG categories in accordance with the requirements of the Greenhouse Gas Protocol (GHGP). This analysis will contribute to the definition of a climate strategy and carbon reduction pathway to reach net zero by 2050. For additional information on the scope 3 assessment and calculation, please see the [Sika Methodology for Scope 3 Emissions Calculation](#) available in the download center of the corporate website. 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. Moreover, the identification of material scope 3 categories provides detailed information to drive scope 3 reduction initiatives. Based on this assessment and with the development of the net zero roadmap, Sika will focus on key dedicated reduction opportunities along the company's value chain considering scope 3 emission hotspots. For more information, please see the "Climate Change" section on p.88 of the Sustainability Report 2022.

Sika's scope 3 emissions represent 98.2% of the company carbon footprint and are driven by category 1 – purchased goods (57.0%), category 12 – end of life of sold product (29.1%) and category 4 – upstream transportation (7.8%). The changes in Sika's scope 3 GHG emissions from 2021 to 2022 are mainly due to increases or decreases in the underlying activity data. For category 1, the expenditure and invoiced quantities increased. Additionally, emission factor updates and changes resulted in an overall increase of purchased raw materials emissions. As a result, category 1 increased by 8.1%. Moreover, updates to the scope 3 assessment methodology, relevant for categories 6, 9 and 12-packaging, impacted the overall results. The methodological changes applicable to the end-of-life emissions for packaging generates a decrease of 54%.

SCOPE 3 GHG EMISSIONS

	2021	2022
Scope 3 GHG emissions (1,000 tons of CO₂eq)	12,553	12,511
Cat. 1 Purchased goods and services	6,595	7,129
Cat. 12 End of Life of sold products (EoL)	4,190	3,644
Cat. 4 Upstream transportation	1,070	971
Cat. 2 Capital goods	172	189
Cat. 9 Downstream transportation	139	171
Cat. 11 Use of sold products	108	138
Cat. 5 Waste generated in operations	108	80
Cat. 3 Fuel and energy-related activities	81	77
Cat. 7 Employee commuting	63	66
Cat. 8 Upstream leased assets	21	23
Cat. 6 Business travels	6	23

OUT-OF-SCOPE EMISSIONS

According to the GHGP, CO₂ emissions from biogenic sources should be reported separately from the total scope 1, 2 and 3 inventory. Sika calculated these emissions for the first time in 2022 as part of its ongoing methodological review for scope 1 and 2. Based on its renewable sources of energy that fall under scope 1 and 2, Sika generated 3,485 tons of CO₂ emissions from biogenic sources. For scope 1, Sika's biogenic CO₂ emissions come from the consumption of biodiesel and ethanol as vehicle fuel. For scope 2, biogenic CO₂ emissions relate to the consumption of renewable electricity from biomass sources for one factory in Brazil. ([Table 06: Out-of-Scope Emissions](#), in the "Key Performance Indicators" section at the end of this chapter). The assessment of out of scope emissions for scope 3 categories will be reviewed and assessed at a later stage

ENERGY MANAGEMENT

GRI 2-4

GRI 3-3

GRI 302-1

GRI 305-3

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. Following the successful implementation of moisture sensors in Serbia and Chile in 2021, the initiative was extended to 15 additional factories in 2022. Planned for completion by the end of 2023, the initiative will cover around 57% of the drying volume, which will significantly reduce natural gas consumption. The active drainage systems are being installed with a staged approach. A medium-scale installation is already operating in Romania, which has significantly reduced the moisture of sand (~25%). Another trial will start in Latin America in 2023.
- 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 system) 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. 93 initiatives have been ongoing in 2022 for optimizing compressed air systems in a total of 77 sites, saving approximately a total of 1,400 tons of CO₂eq. In Innsbruck (Austria), the heating control system of the factory has been optimized to regulate the energy usage required by the burner to heat bitumen tanks, leading to approximately 100 tons of CO₂eq savings per year. In Sarnen (Switzerland), the building heating system was changed: instead of relying on an oil-based heating system, the heat generated through the cooling process in production is now recovered and used for building heating through a heat pump, saving around 160 tons of CO₂eq per year.

- 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. In Americas, for example, 18 LED lighting initiatives have been deployed in 2022, leading to 484 tons of CO₂eq savings for 2022.
- Self-production of renewable energy: Solar panel projects have been installed in several new countries.

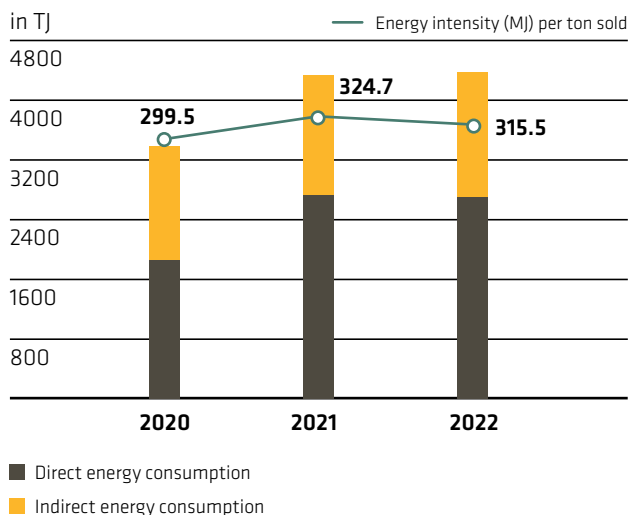
Every quarter, a regional reporting on this program, its initiatives, and their associated impacts on energy and CO₂eq savings is submitted by Regional Sustainability Managers to ESG Controlling to ensure consistent aggregation and monitoring at Group level and ensure the sharing of best practices.

ENERGY INTENSITY¹

The company strives to improve its manufacturing energy efficiency and has set the target of reducing its energy intensity by 3.0% per ton of product sold per year. In 2022, the energy intensity of Sika operations per ton sold was 315.5 MJ, a decrease of 2.8% compared to 2021. This improvement was driven by the implementation of several energy saving initiatives and increased tons sold from technologies that are less energy intensive (📌 **Table 07: Energy Intensity**, in the "Key Performance Indicators" section at the end of this chapter).

ENERGY INTENSITY

in TJ



¹ In 2022, Sika updated the conversion factors related to primary energy from m3 to GJ to reflect the gross CV (calorific value) based on BEIS/Defra recommendations. All energy-related data from 2019, 2020 and 2021 have been restated accordingly.

ENERGY CONSUMPTION WITHIN SIKA OPERATIONS

Sika relies on several energy types for drying, stirring, mixing, melting, cooling, ventilation, heating processes, and pumping, as well as buildings' heating or air conditioning and transportation. For 2022, Sika used 4,430 terajoule (TJ) of energy, an increase of 1.0% compared to 2021. More than half of the energy used in Sika direct operations (62.1%) comes from the conversion of primary energy, such as Liquefied Petroleum Gas (2.5%), light liquid fuel (3.0%), vehicle fuel (15.9%) and natural gas (40.5%). Purchased electricity makes up 37.7% of the energy used in Sika sites while district heating remains minor (0.2%). Self-produced renewable energy represented 0.2% of Sika's total energy consumption for 2022. The overall increase in energy consumption is mainly driven by higher vehicle fuel consumption compared to previous year (+2.5%) due to increased sales activities as a result of the relaxation of COVID-19-related restrictions (↓ **Table 08: Breakdown of Direct Energy Consumption per Region**, and ↓ **Table 09: Breakdown of Indirect Energy Consumption per Region** in the "Key Performance Indicators" section at the end of this chapter).

BREAKDOWN OF ENERGY CONSUMPTION PER SOURCE

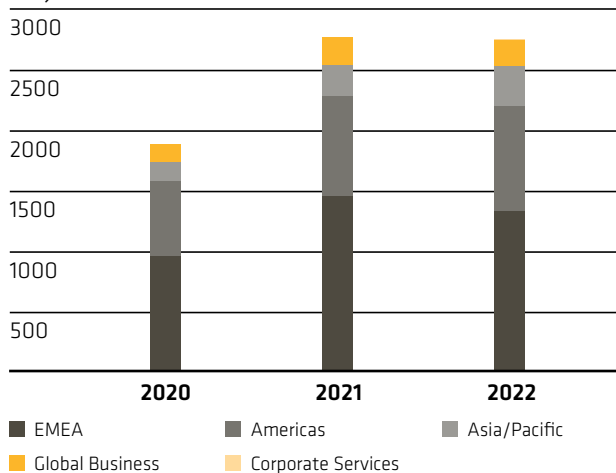
	2020	2021	2022
Direct Energy (TJ)	1,882	2,771	2,750
Heavy liquid fuel (TJ)	2	3	-
Light liquid fuel (TJ)	166	192	133
Natural gas (TJ)	1,417	1,786	1,794
Liquified petroleum gas (LPG) (TJ)	87	98	109
Vehicle fuel ¹ (TJ)	208	689	707
Self-produced electricity from renewable sources (TJ)	2	3	7
Indirect energy (TJ)	1,540	1,617	1,680
Total purchased electricity (TJ)	1,540	1,617	1,672
District heating (TJ) ²	-	-	8
Total energy consumption (TJ)	3,422	4,388	4,430

1 In 2022, Sika added granularity to the reporting of vehicle fuel. The reporting is now split per type of fuel (diesel, gasoline, biodiesel, ethanol, LPG and natural gas) with a different conversion factor into TJ applied to each category.

2 In 2022, district heating has been added to the company scope 2 inventory as per the Greenhouse Gas Protocol and included in Sika's indirect energy consumption. 2019, 2020 and 2021 data have not been restated accordingly.

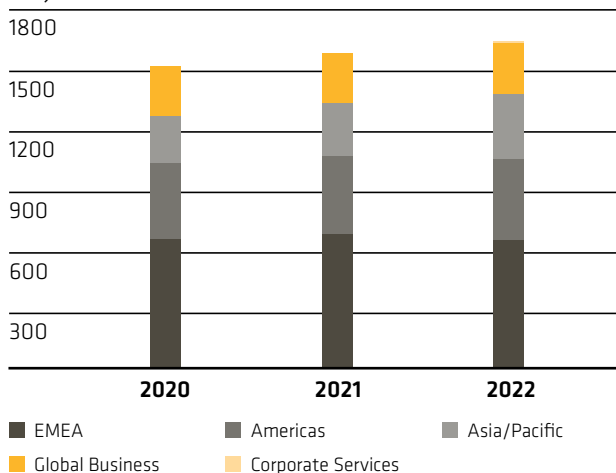
BREAKDOWN OF DIRECT ENERGY CONSUMPTION PER REGION

in TJ



BREAKDOWN OF INDIRECT ENERGY CONSUMPTION PER REGION

in TJ



FOCUS ON VEHICLE FLEET MANAGEMENT

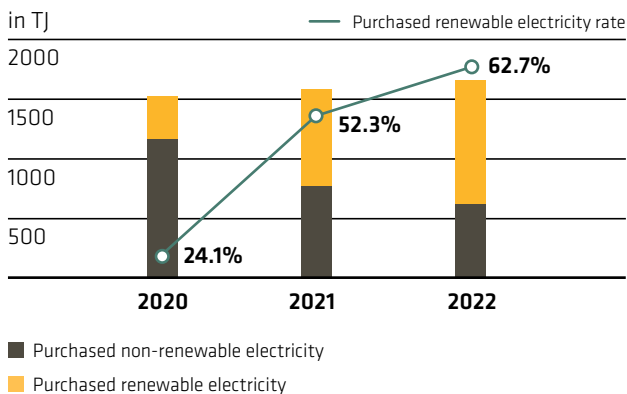
Vehicle fuel used for Sika's sales fleet, forklifts, and trucks represents the second source of direct energy consumption for the company. 20.7% of Sika's scope 1 and 2 emissions in 2022 came from vehicle fuel. Sika's vehicle fleet emissions are mainly driven by the consumption of diesel (63.4% of total consumption) and petrol (31.7% of total consumption). Ethanol, biodiesel and LPG represent 4.9% of vehicle fuel consumed across Sika's vehicle fleet. Several initiatives were launched across the company to reduce the carbon footprint of the vehicle fleets, which involved switching from diesel/gasoline to biofuel, hybrid or electric cars:

- In Brazil, the car policy has been redefined to switch 100% of the vehicle fleet to ethanol instead of gasoline. In 2022, it led to savings of 225 tons of CO₂eq.
- In the US, the transition to electric vehicles has just started and will be further rolled out in 2023.
- In China, part of the fleet of forklifts has been switched from diesel to electric vehicles, leading to savings of approximately 558 tons of CO₂eq for 2022.

RENEWABLE ELECTRICITY

In addition of its focus on energy efficiency, Sika also aims at maximizing the share of renewable electricity supply in its operations through diverse types of renewable instruments. As a result, Sika's renewable electricity purchased rate increased to 62.7% at the end of 2022, an improvement by 10.4 percentage points compared to 2021. These improvements help Sika reduce its scope 2 emissions and meet its renewable energy target in a cost-effective manner (↓ **Table 10: Purchased Renewable Electricity Rate**, in the "Key Performance Indicators" section at the end of this chapter).

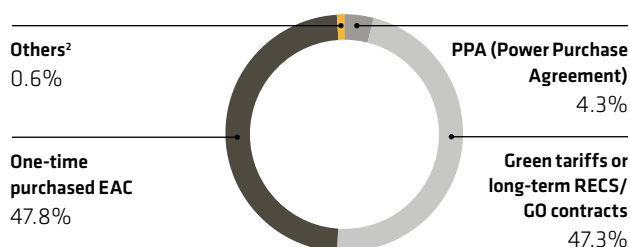
PURCHASED RENEWABLE ELECTRICITY RATE¹



Securing long-term renewable electricity instruments is preferable, and 47.3% of renewable electricity purchased is covered by those instruments. However, depending on the local context, the availability of green contracts can be limited. Thus, 47.8% of the renewable electricity purchased comes from one-time Energy Attribute Certificates (EAC) such as RECs (Renewable Energy Certificates), I-RECs (International Renewable Energy Certificates) or quarterly Guarantees of Origins (GOs) (e.g., China, Egypt, Morocco, Argentina or Mexico).

BREAKDOWN OF PURCHASED RENEWABLE ELECTRICITY PER TYPE OF INSTRUMENT

in %



For the past few years, Sika has invested into on-site renewable electricity self-production through installing solar panels on Sika buildings. From 2021, internal carbon pricing was implemented to favor solar panel investments and increase self-produced renewable energy. For more information, please see the "Planet" chapter, "GHG Emissions" section on p.90 of the Sustainability Report 2022. In 2022, self-produced renewable electricity installations are operational across 12 countries and represent 7 TJ of self-produced direct energy. This year, solar panel installations were completed in United Arab Emirates, India, Australia, Switzerland. The solar panel project of the Jaghadia plant (India), completed in August 2022, with a self-production capacity of 520 MWh per year, will lead to yearly savings of up to 230 tons of CO₂eq. In Duedingen (Switzerland), the solar panel roof installed in spring 2022 has a production capacity of more than 700 MWh per year, leading to 22 tons of CO₂eq savings per year. More installations are planned for 2023.

1. This renewable rate does not consider self-produced renewable electricity. It also excludes renewable shares from local electricity grid mix.

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

WATER MANAGEMENT

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

POLICIES AND GUIDELINES



For more information, please visit the corporate webpage [ESG Policies and Guidelines](#)

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.

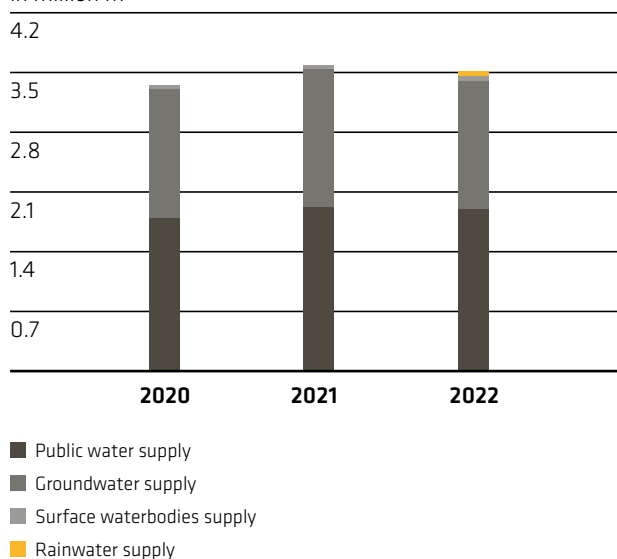
As water scarcity and water-related extreme weather events intensify in many regions of the world, this may pose a threat to business operations. Especially in regions where freshwater is scarce, businesses may be exposed to water shortages, lower water quality, water price volatility, and reputational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

WATER WITHDRAWAL

Water is withdrawn across the operations from public supply (55.6%), groundwater wells (42.8%) surface waterbodies (0.9%) and rainwater (0.7%). In line with water usage, the volume of water withdrawal decreased by 2.3% compared to 2021 (📉 **Table 11: Breakdown of Water Withdrawal per Source**, in the "Key Performance Indicators" section at the end of this chapter).

BREAKDOWN OF WATER WITHDRAWAL PER SOURCE¹

in million m³



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

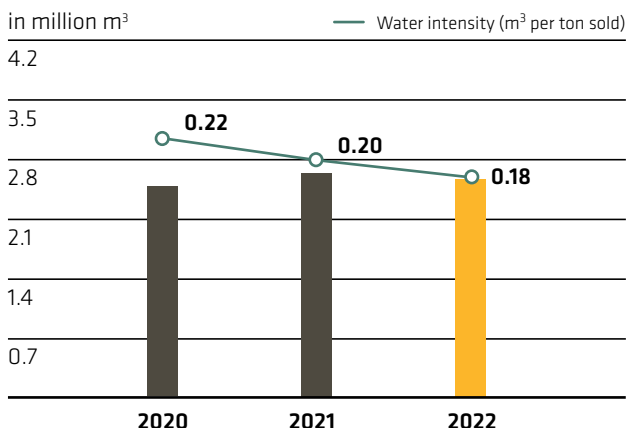
- Several factories have switched from public water supply to groundwater sourcing. As an example, in Isalnita (Romania), a reverse osmosis station for water softening allows to use groundwater instead of public supply water.
- A few factories – 16 factories in twelve countries – have started collecting rainwater (0.7% of total water withdrawal) to cover part of their freshwater demand, specifically in locations in which 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 processes instead of freshwater. In Siderno (Italy), the total volume of rainwater is filtered and used together with groundwater for the cooling process in the production of polymers.

¹ This indicator includes the volume of water used as an input material. In 2022, rainwater has been added to the reporting of water withdrawal per type of source. Water withdrawal data from 2019, 2020 and 2021 have not been restated.

WATER CONSUMPTION

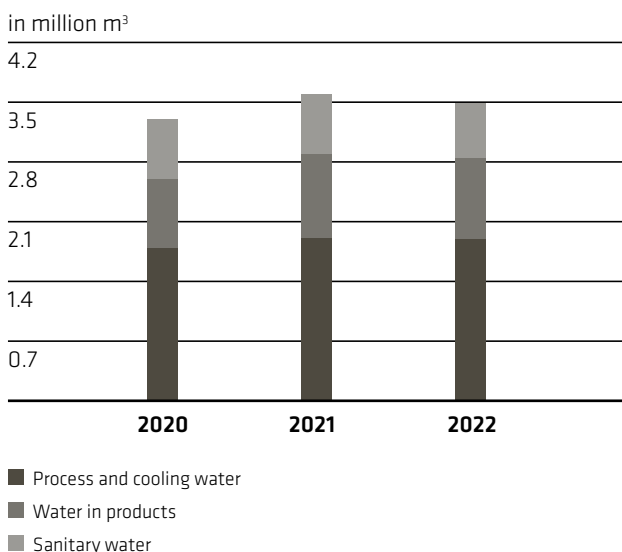
In 2022, the water consumption per ton sold was 0.18 m³, a decrease of -6.1% compared to 2021 (↓ **Table 12: Water Consumption Intensity**, in the “Key Performance Indicators” section at the end of this chapter). This improvement was partially supported by the implementation of additional water initiatives across the Group and the increased sales of products that consume less water in Sika operations.

WATER CONSUMPTION INTENSITY¹



In its direct operations, Sika consumed around 2.6 million m³ of water (-2.5% compared to 2021). This decrease is mainly related to lower production volumes of water-intensive products, such as concrete admixtures. Water is used for processing and cooling (54.6%) but also for sanitary purposes (18.4%). Almost one-third of the water used at Sika is utilized as an input material for products (27.0%) (↓ **Table 13: Breakdown of Water Usage per Type**, in the “Key Performance Indicators” section at the end of this chapter).

BREAKDOWN OF WATER USAGE PER TYPE



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

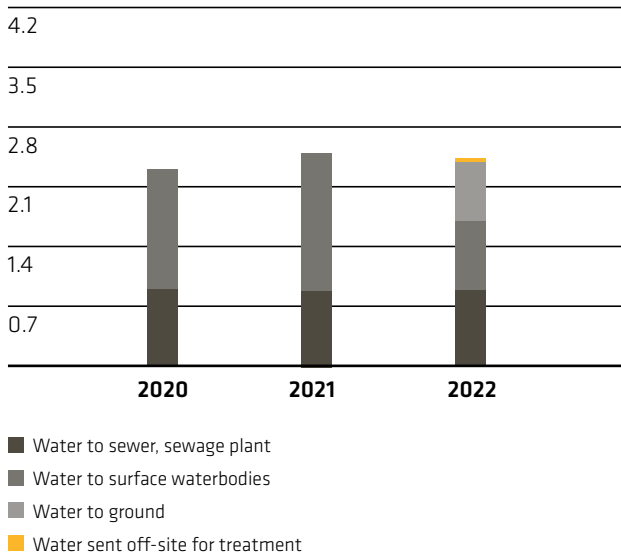
- Sika aims to reduce the volume of wastewater generated. Some facilities have their own wastewater treatment installation, which allows reuse of the treated wastewater in production, cooling, or cleaning processes through water sedimentation, distillation, or filtration. The optimization of producing 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. These systems need to be maintained to ensure state-of-the-art processes and ensure a high level of water efficiency. At the Lyndhurst factory (United States), the adiabatic cooler was upgraded in 2022, which is a key equipment for the closed-loop cooling system, resulting in water savings of more than 80,000 m³.
- Cooling processes could be water-intensive. Several actions are rolled out through the Group to reduce the related water impacts. For example in 2022, a chiller was installed in Spanga (Sweden) to cool down the water and recirculate it back to blenders, leading to reduction of freshwater volumes needed for cooling processes (3,000 m³ of freshwater savings per year).
- Lastly, flow reducers and automatic valves are also commonly installed to reduce the water used in R&D laboratories or social areas.

WATER DISCHARGE

Sika discharges water in line with local legislation and permits, either to sewers or sewage plants, or directly to surface water bodies 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 third-party treatment facilities. If treated directly on-site, the water is tested to ensure compliance with local standards before discharging it. In 2022, Sika discharged 2.4 million m³ of water, a decrease of 2.3% compared to 2021. 35.9% of water used goes to sewers or sewage plants. 32.2% of water used is discharged directly into surface water bodies, whereas 30.3% is discharged to underground water formations. In addition, 1.6% of water used is sent off-site for treatment by a third-party (↓ **Table 14: Breakdown of Water Discharge per Destination**, in the “Key Performance Indicators” section at the end of this chapter). The difference between the water discharge and the water use comes from the evaporation that takes place during the cooling process of some production technologies.

1. The water intensity ratio is only based on process and cooling water and sanitary water. Water in products is excluded from this indicator.

BREAKDOWN OF WATER DISCHARGE PER DESTINATION¹ in million m³



WATER DISCHARGE QUALITY – CHEMICAL OXYGEN DEMAND (COD)

All local companies must comply with applicable laws and regulations related to water discharge requirements such as the quality of effluent discharge. COD is already monitored through discharge analysis measurements at site level depending on local regulations. This indicator started to be reported at Group level in 2021 to facilitate the monitoring and the improvement of water discharge quality at Group level. The focus on water discharge quality has been reinforced over the past few years, and Sika will continue to work on improving such measures in its relevant activities. In 2022, a company wide qualitative survey was conducted to identify any gaps and irregularities in the current reporting. This assessment will be used from 2023 to further strengthen discharge analysis measurements guidance.

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 admixtures factories or throughout the value chain, and increased regulatory burden or reputational issues.

As water becomes more scarce, 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. For more information, please see the "Products and Customers" chapter, "Target Markets" section on p.119 of the Sustainability Report 2022.

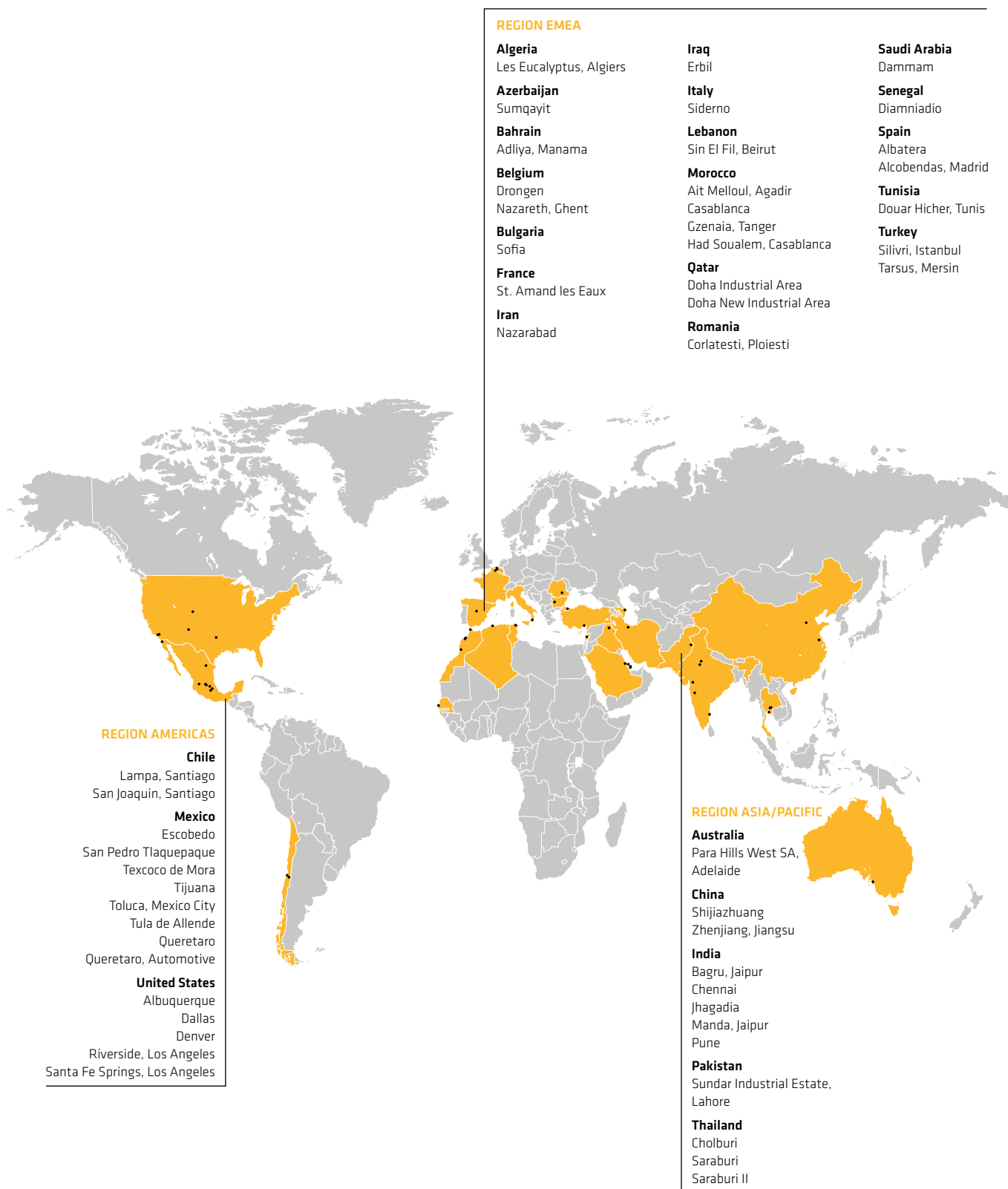
In addition to the country level assessment conducted in 2021, during the reporting year Sika has assessed its manufacturing sites² at risk of water stress based on the World Resource Institute (WRI) Aqueduct tool³. The underlying GPS coordinates of each site were taken into consideration to ensure a precise analysis per location. According to this database, 52 manufacturing sites in 35 countries are located in areas with extremely high water stress.

1 Depending on local regulations, wastewater can be disposed separately and therefore not included in water discharge but included in waste. Up to 2021, wastewater disposed separately due to local regulations could be reported under waste and excluded from water discharge. From 2022 onwards, the reporting methodology of water discharge has been adjusted. A new account "water sent off-site for treatment" was created to capture the total volume of wastewater under water discharge, leading to a shift from waste to water discharge. The indicator "water to ground" has also been added. Waste and water data from 2019, 2020 and 2021 have not been restated accordingly to the new methodology.

2 Non-production sites such as warehouses not linked to manufacturing locations, sales offices, and HQ have been excluded from the analysis. In addition, Sika's supply chain has not been covered by this assessment. 2021 quantitative analysis has been updated with the factories mapped in 2022 to ensure the comparability over years.

3 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%) were identified by applying the indicator "bsw" (Baseline Water Stress).

WATER STRESS MAP – MANUFACTURING SITES¹




1. According to the Aqueduct Water Risk Atlas, 52 manufacturing sites in 35 countries are located in areas with extremely high water stress.

In 2022, water withdrawal in extreme water-stressed locations represented 346,364 m³ equal to 9.8% of the total Group (10.5% in 2021). In these locations, water was mainly withdrawn from public water supply (86.6%) but also from groundwater wells (9.5%) and surface waterbodies (3.6%). 0.3% of water withdrawal came from rainwater. For the year under review, the water usage of these locations was 346,406 m³ equal to 9.8% of the total Group (10.5% in 2021) among which 63.4% was used as an input material into Sika products, 25.0% for sanitary purposes, and 11.6% as process and cooling water in production. Water discharge was 105,910 m³ equal to 4.3% of the total Group (4.9% in 2021). 80.5% of water used goes to sewers or sewage plants, 11.5% is discharged directly into surface water bodies, whereas 4.8% is discharged to underground water formations. In addition, 3.2% of water used is sent off-site for treatment by a third-party.

In these extremely high water-stressed 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 riverine and coastal flood, rainfall, heavy rainfall, and longest dry spell is available in the chapter "Physical climate-related impact analysis" on p.5-10 of the  **TCFD Report 2022**.

Even if the current analysis didn't 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 increase of raw materials and therefore, increased operational costs for Sika.

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 laws, regulations, and international standards – including health, safety and environmental laws and regulations – applicable both to 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 Sika Supplier qualification and engagement approach, please see the "Procurement" chapter on p.133 of the Sustainability Report 2022.

HOW SIKA WORKS WITH STAKEHOLDERS TO STEWARD WATER AS A SHARED RESOURCE

Through the "Sika Cares" community engagement program, Sika focuses on improving the quality of life of children, adults, and families in the communities in which the company is active. Water is one focus of this program, and as an example, Sika is part of the international "Living Lakes" network, whose mission is to enhance the protection, restoration and rehabilitation of lakes, wetlands, and other freshwater bodies of the world. For more information on "Sika Cares" community engagement program and associated projects in this area, please see the "People" chapter, "Community Relations" section on p.77 of the Sustainability Report 2022.

HOW SIKA ENGAGES CUSTOMERS WITH SIGNIFICANT WATER-RELATED IMPACTS

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

- Water reservoir: 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. For more information on Sika products, please see the "Products and Customers" chapter, "Target Markets" section on p.119 of the Sustainability Report 2022.

WASTE MANAGEMENT

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**

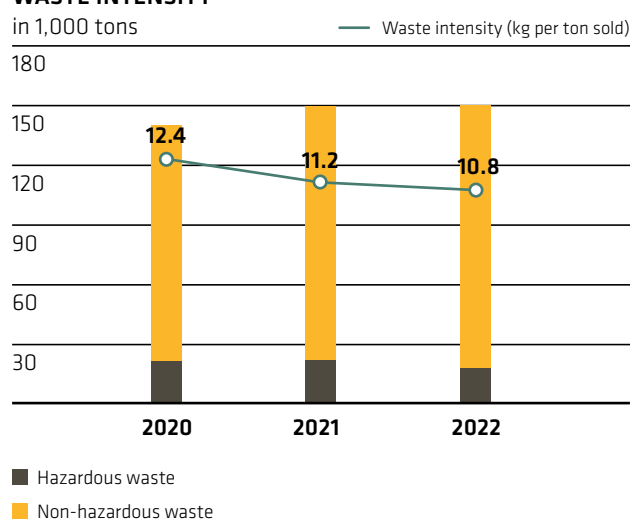
Improving Sika's material efficiency through applying circular principles along the value chain will be critical for Sika's path to net zero. Sika is committed to preventing waste in its activities and ensuring optimal waste management along the value chain. The promotion of circular principles, the 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 per ton sold by optimizing production planning, streamlining the production process layout, and reusing of production waste. In addition, Sika has started to implement performance enhancements by using more recycled materials. Sika's 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 reduces the quantity of waste generated during the procurement phase. In Leeds (Great Britain), sacks of chalks have been eliminated and replaced by bulk chalk installations in the silicone mixing processes, leading to 5 tons of waste savings per month.
- At production level, Sika focuses on streamlining production process layout and on optimizing production planning and processes. The setup of weekly or biweekly production planning to reduce cleaning shifts, the implementation of a color change routine and the optimization of cleaning methodologies can lead to waste reduction in the manufacturing phase of both intermediate and finished goods. Additionally, Sika aims to reuse and recycle production waste. Wastewater from rinsing or cleaning processes for tanks, delivery trucks, gas scrubbers or production equipment can be separated and reused in production processes. Filter dust from dosing and bagging stations can also be reused in the next production batch or in similar products (after R&D validation). Through recycling or by-product reuse in manufacturing processes, Sika diverts waste from disposal. In the automotive business, several Sika factories for example in China and Brazil disassemble nylon or copolymer parts through an internal process, regrind it on-site and reuse it directly in the production process.
- At warehouse level, innovative warehouse management helps improving product turnover and 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.

In 2022, the quantity of waste generated per ton sold was 10.8 kg, a decrease of 3.3% compared to 2021. This was partially driven by the implementation of various waste management initiatives, such as a continuous focus on reuse of materials in mortar and admixtures production. Additionally, the waste intensity reduction was driven by less waste generated in production processes and a methodological change regarding wastewater reporting shifted from waste to water discharge. The waste intensity compared to total input materials remained stable at 1.3%. In absolute numbers, waste volumes remain steady (+0.4% compared to 2021) due to several one-off activities on specific sites (📄 **Table 15: Waste Intensity**, in the "Key Performance Indicators" section at the end of this chapter).

WASTE INTENSITY

in 1,000 tons

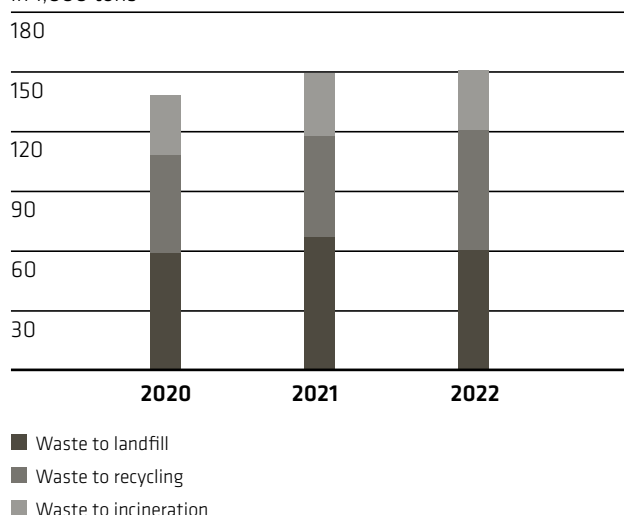


Sika mainly generates non-hazardous waste: 88.3% in 2022 (85.7% in 2021). The volume of hazardous waste disposed slightly decreased compared to 2021 (-2.6 percentage points). This is mainly driven by the reporting reclassification of waste water under water discharge. In 2022, 40.5% of the waste produced went into landfill, 40.4% was recycled and 19.1% was incinerated with or without energy recovery. Regarding hazardous waste, 62.1% was incinerated, 23.1% was recycled and the remaining 14.8% went into landfill. Non-hazardous waste went

mainly into landfill (43.9%) and to recycling (42.7%), the remaining 13.4% was incinerated. In the coming years, Sika will keep working on diverting waste from disposal and reducing waste to landfill where possible. (↓ **Table 16: Breakdown of Waste by Type of Disposal**, in the “Key Performance Indicators” section at the end of this chapter).

BREAKDOWN OF WASTE BY TYPE OF DISPOSAL¹

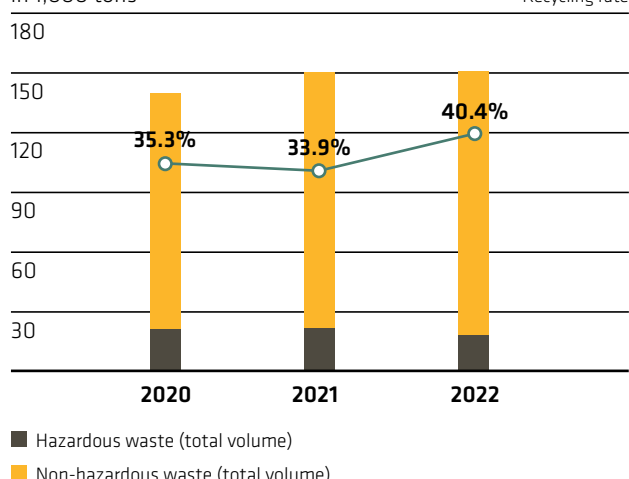
in 1,000 tons



In 2022, the waste recycling rate increased by 18.9% compared to 2021. This increase was mainly driven by Brantford mortar production (Canada) due to one-off dust generated during the sand drying process in 2022. All the dust produced was sent for reuse to third-parties and has therefore been reported under “waste to recycling” (↓ **Table 17: Recycling Rate**, in the “Key Performance Indicators” section at the end of this chapter).

RECYCLING RATE

in 1,000 tons



WASTE REDUCTION INITIATIVES IN SPAIN

In Alcobendas (Spain), several waste initiatives have been implemented in 2022, leading to a reduction of 8.4% of waste disposed compared to 2021. In the mortar production, the filter dust from dosing and bagging station is reused in the manufacturing process instead of being disposed externally. It reduced the volume of dust disposed as waste by 24% compared to 2021 (-9 tons). In addition, the sand cleaning process has been optimized and reduces the waste generated through the process by 33% (-64 tons). In the concrete polymers production, a continuous production process has been implemented, reducing the amount of carbon fiber waste by 65% on a yearly basis. In addition, the internal treatment and reuse of wastewater reduces the amount of effluent disposed by 130 tons per year.

¹ Up to 2021, wastewater disposed separately due to local regulations could be reported under waste and excluded from water discharge. From 2022 onwards, the reporting methodology has been adjusted and a new account “water sent off-site for treatment” was created to capture the total volume of wastewater under water discharge. This reporting change led to a shift from waste to water discharge. Waste and water data from 2019, 2020 and 2021 have not been restated accordingly to the new methodology.

CIRCULAR ECONOMY

GRI 3-3

GRI 301-1

GRI 301-2

Circularity principles are becoming increasingly compelling due to higher awareness and shifting demand towards 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 aggregates or residues that come from other industries.

Moreover, Sustainability Portfolio Management (SPM) is the backbone of the Sustainable Solutions strategy. It 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/Circular Economy" is one of the 12 sustainability categories, against which new product developments will be systematically

evaluated. For more information on Sika's SPM concept, please see the "Products and Customers" chapter on p.113 of the Sustainability Report 2022.

MATERIALS USED BY WEIGHT OR VOLUME

Sika strives to constantly increase efficiency in the use of input materials. Research and development are 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 will also be geared towards a higher inherent sustainability profile in raw material sourcing, consumption, production, marketing, use phase, and end-of-life treatment. Through its sustainable solutions, Sika strives to reduce the resource consumption in downstream industries, such as the construction, automotive, or cement industry, where Sika solutions enable customers to increase the use of recycled input materials.

CRADLE-TO-CRADLE FEASIBILITY STUDY IN ROOFING

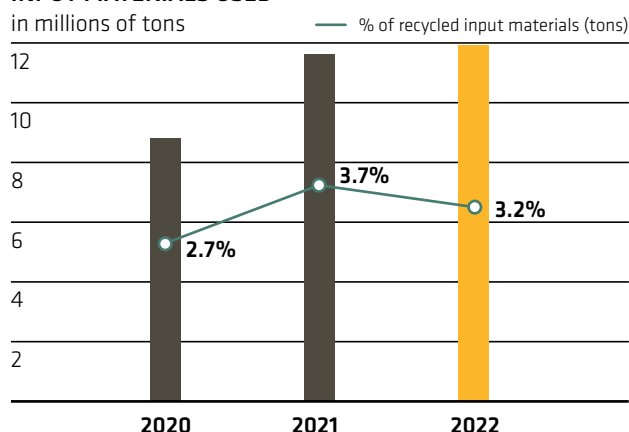
Sika embarked on its first Cradle-to-Cradle Certified® project for Sarnafil® AT in 2020. The company is working to continuously improve the sustainability performance of Sarnafil® AT as part of its commitment through the Cradle-to-Cradle Certified® program. In 2022, Sika initiated a feasibility study to assess its strengths and weaknesses to meet the new and more robust requirements of v4 of the Cradle-to-Cradle Products Standard. The Clean Air and Climate Protection and Product Circularity categories will be recertified in v4, while the Material Health, Water Stewardship and Social Fairness categories will be kept in v3.1 and will be further assessed as part of the next certification cycle. One key area for further study is testing the increased use of recycled material within the roofing membrane. Currently, the membranes include pre-consumer recycled content from scrap material during the manufacturing process. Because the recycled content originates from Sarnafil® AT's own manufacturing process, it is not possible to increase the amount of recycled content from this source. Trials are underway to determine the feasibility of including post-consumer compatible recycled content from old roofing systems, or from sources where chemical traceability is available and chemicals of concern are avoided. However, because Sarnafil® AT membranes are new products with a service life of more than 30 years, there is very limited availability of recycled content for further cycles. As part of Sika's net zero commitment, keeping materials in constant cycle has been identified as a key lever and will be one of the key focus areas for R&D in the coming years.

Around two thirds of all materials used in production¹ – e.g., for polyurethane adhesives, epoxy-resin products, polymeric roofing and waterproofing membranes, polymer concrete admixtures or parts for the automotive industry – are based on crude oil or crude oil derivatives (downstream products) or require fossil fuels for conversion. Other large contributors are sand, minerals, cement, and water.

The company uses a small amount of renewable raw materials from plant-based sources, such as castor oil or alcohol. The expanded use of renewable raw materials going forward depends on availability, economic viability, 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 "Procurement" chapter on p.133 of the Sustainability Report 2022.

In 2022, Sika used 11.9 million tons of input materials, an increase of 2.4% compared to 2021, in line with increased quantities sold. For the year under review, 3.2% of total input materials used in production were recycled materials, a decrease by 0.4 percentage point compared to 2021 (↓ **Table 18: Input Materials Used**, in the "Key Performance Indicators" section at the end of this chapter). Sika continued to focus on using supplementary cementitious materials such as fly ash or slag in its mortar technologies where available. In the automotive business, Sika also used more recycled grade materials for acoustic solutions where possible.

INPUT MATERIALS USED²



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. Sika's 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.
- Metal packaging is used for products classified as dangerous goods by authorities regulations.
- Paper packaging is used for cementitious and mortar products that are distributed in valve bags.

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 impact:

- As part of an ongoing field test phase, first Sika application nozzles made of Post Consumer Recycle (PCR) material have been produced in 2022. The nozzles are used in the automotive glass repair (AGR) segment. The new nozzles are made of 100% PCR, while the packaging is made of 40% PCR. Switching over 700,000 sets per year leads to approximately 60 tons of CO₂eq savings.
- From March to June 2022, a feasibility study together with Packaging Engineer Students from FH Campus Wien has been completed on transportation packaging for unipacks (UP) and cartridges (CTR). Today, UP and CTR are packed in cardboard boxes. The project focused on designing new transport packaging to minimize the volume of packaging needed and reduce the related CO₂eq emissions. Ideas were presented where up to 60% of material could be saved.
- Valve bags used for cementitious and mortar products consist generally of two to three layers of paper with the outer layer being generally bleached for better print results. A new type of valve bag with an unbleached outer layer has been introduced in Singapore and Ecuador in 2022. This change leads to a CO₂eq reduction of approximately 40% per kg of bag. Further rollout in other countries will follow.
- In 2022, the new solution Sikagard®-5500 has been launched as the first sustainable concrete protection coating on the market. Packaging was one of the focuses of this innovation and the bucket is made of 80% recycled plastic.

1. Based on material expenditures.

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

BIODIVERSITY AND NATURE

GRI 3-3

GRI 413-1

Biological diversity is essential for our ecosystem and well-being. But it is often overshadowed by other big environmental risks such as climate change. 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, Sika joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum¹, a global multidisciplinary consultative group of institutions with over 850 Forum members. With its participation at 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. Sika supports the TNFD to develop a consistent risk framework to identify, report and manage these risks, as well as nature-related opportunities.

Moreover, the TNFD and Science Based Target Network (SBTN)² are working to align further to make it easier and more efficient for corporates to apply both frameworks. The SBTN builds on the momentum of the Science Based Targets initiative (SBTi). It is a network of more than 45 organizations (end of 2022) – including the same organizations behind the SBTi – developing methods and resources for science-based targets (SBTs) for nature for companies, and science-based targets for both climate and nature for cities. SBTN target-setting methods generate data and analytical outputs that help corporates apply parts of the TNFD's LEAP (Locate, Evaluate, Assess, Prepare to respond) approach for a nature-related risk and opportunity assessment. Sika is currently positioning itself in the Locate step, and it will conduct a materiality assessment of its operations. This step, will allow the company to identify and prioritize the main nature and business interfaces. Sika plans to disclose related information in the coming years.

Even before the identification of Biodiversity and Nature as one of the material topics (for more information, please see [Sika Materiality Analysis 2022](#)), Sika implemented various initiatives at company level:

- In the due diligence process for acquisitions and building new Sika premises, the teams involved, such as EHS and Legal, collect information on land use, water use, waste, material management and environmental compliance.
- On the supply chain side, suppliers are asked – via EcoVadis assessments – information on land use and proximity to protected areas when applicable.
- One thematic area of the “Sika Cares” initiative is “Water and climate protection” where Sika supports projects linking social causes with ecological interest. For instance, Sika contributes to the Global Nature Fund (GNF)³ which conserves and protects natural resources, including the drinking water reservoirs of the earth.
- In Peru, Sika employees are helping biodiversity and reducing their carbon footprint by demonstrating that urban agriculture is viable. After the pandemic, the team in Lima (Peru), launched a greenhouse project next to the office where they grow over 100 crops in systems made with recycled material from their operations. With this project, the Sika Peru team is optimizing the use of a key resource: water. With little investment but lots of commitment, the team is producing several types of vegetables and contributing to a health nourishment culture. “Our people share the ‘agriculture’ experience, learning to value simple things like ‘eat what you have cultivated,’” Rocio Galvez, Social Responsibility and Communications Manager at Sika Peru, said. “The team is committed to align its business goals with the sustainability demands of our country and community. We do this by offering sustainable solutions for our clients, being responsible for our footprint, and improving our own situation.”
- Another way that Sika supports biodiversity is with beekeeping. For the past four years, Sika employees have nurtured one bee colony on the roof of the Global Technology Center (GTC) in Lyon (France). Every year, workers in the Lyon GTC receive a small quantity of honey. Twice per year, a handful of people can go with the beekeeper to understand how a bee colony works. In Zurich (Switzerland), there are two bee colonies on the roof of the R&D building at the Headquarters.

¹ [TNFD – Taskforce on Nature-related Financial Disclosures.](#)

² [SBTN – Science Based Targets.](#)

³ [GNF – Living Lakes Network \(www.globalnature.org\).](#)

AIR EMISSIONS¹

GRI 3-3

GRI 305-7

All local companies must comply with applicable laws and regulations related to air emissions parameters. Air emissions are monitored by Sika as part of its legal obligations. This topic is managed directly by local operation facilities in accordance with local regulations and internal guidelines. In 2022, Sika conducted a global survey² to further evaluate the materiality of air emission indicators. The survey was used to evaluate the coverage of air emission measurements and the respective data available. The data collected was then used to update the calculation methodology for the year under review. This survey is planned every three years to ensure a regular materiality review and adjust Sika's management approach if needed. 2022 increase in VOC and dust emissions is related to the new calculation methodology that aims to estimate emissions beyond those from fuel and gas consumption:

- Besides calculating VOC emissions originating from the combustion of fuel and gas, the VOC report now includes a quantification of VOC emissions from the petrochemical materials and related processes. Available measurements, executed either internally or by external laboratories, were collected for 25 factories. Average intensity per ton produced was calculated. This average intensity was then extrapolated to similar plants where no measurements were available. The extrapolation was done based on factory segments³. A similarity between factories in the same factory segment was assumed.
- Dust reporting now includes a quantification of dust emissions from the mortar production. Available measurements, executed either internally or by external laboratories, were collected for 43 factories. Average intensity per ton produced was calculated. This average intensity was then extrapolated to similar plants where no measurements were available. The extrapolation was done based on factory segments. A similarity between factories in the same factory segment was assumed.
- The calculation methodology of NOx and SOx is unchanged from 2021. It is based on the combustion of fuel and gas.
- In 2022, CO emissions, based on combustion of fuel and gas, were also included in the report. CO is a common air pollutant emitted when using fuel for vehicles and machinery. To estimate Sika's CO emissions, the amount of fuel consumed was multiplied with relevant emission factors. The methodology is aligned with the calculation used for NOx and SOx emissions.

The differences in 2022 of NOx, SOx, and CO is related to the additional granularity in the reporting of vehicle fuel per type of fuel since there are significant differences in air emissions from the combustion of different fuel types (diesel, petrol, biodiesel, ethanol and LPG). The increase in VOC and dust PM 10 is directly related to the change of methodology described above. The increase in VOC and dust PM 10 is directly related to the change of methodology described above.

AIR EMISSIONS

	2020	2021 ⁴	2022
Volatile organic compounds (VOC) (tons) ⁵	23.5	69.5	194.8
Dust PM 10 (tons) ⁶	12.3	31.9	172.9
Nitrogen oxides (NOx) (tons)	268.0	482.1	245.4
Sulfur oxides (SOx) (tons)	3.0	3.6	1.9
Carbon monoxide (CO) (tons)	53.4	72.8	125.5

4 2021 increase vs 2020 was purely related to the increase in energy consumption and inclusion of leased vehicles fuel.

5 In 2022, VOC reporting has been extended to include emissions from the petrochemical materials and related processes. 2020 and 2021 data have not been restated accordingly.

6 In 2022, dust reporting has been extended to include emissions from the mortar production. 2020 and 2021 data have not been restated accordingly.

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). NOx, SOx and CO indicators are calculated based on and limited to Sika's fuel and gas consumption. In 2022, Sika updated the conversion factors related to primary energy from m3 to GJ to reflect the gross CV (calorific value) based on BEIS/Defra recommendations. It has an impact on the calculation of air emissions for 2022. 2020 and 2021 are not restated accordingly.

2 The survey covered all Sika factories with the exception of the factories of 2022 acquisitions: Sable Marco Inc. (Canada) and United Gilsonite Laboratories, Inc. (USA).

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 we assume that VOC emissions are not material in this production process. This assumption was verified with cross-checks with the largest mortar factories.

ENVIRONMENTAL COMPLIANCE

GRI 2-27

POLICIES AND GUIDELINES



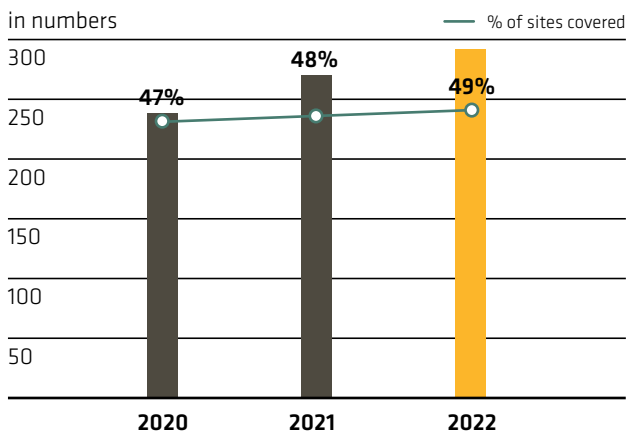
For more information, please visit the corporate webpage [ESG Policies and Guidelines](#)

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

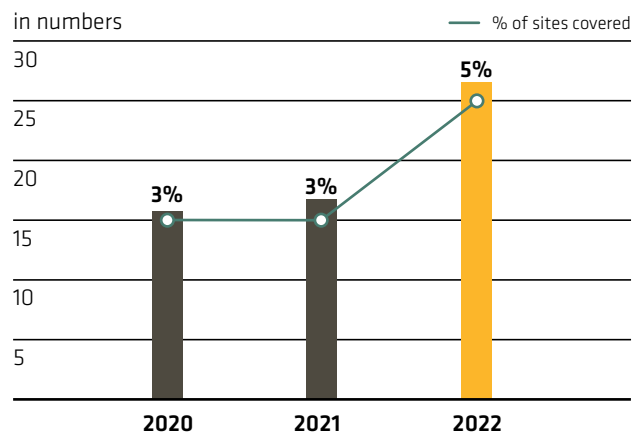
Sika maintains an ISO 14001 certification in almost half of the 601 sites under ISO scope¹, with 49% certified sites in 2022 (↓ **Table 19: ISO 14001:2015 – Environmental Management System Certification**, in the “Key Performance Indicators” section at the end of this chapter).

ISO 14001:2015 – ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION



The ISO 50001 certification covers 5% of the sites under ISO scope¹. The percentage of certified Sika sites has stagnated due to acquisitions and the number of newly opened sites (↓ **Table 20: ISO 50001:2018 – Energy Management System Certification**, in the “Key Performance Indicators” section at the end of this chapter).

ISO 50001:2018 – ENERGY MANAGEMENT SYSTEM CERTIFICATION



NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Sika strives for full legal and regulatory compliance with all environmental regulations. It maintains a EHS 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. All GMs stated in their 2022 Compliance Confirmation that no significant violations² of environmental laws and regulations occurred within their entities. In 2022, Sika recorded no tier 1 process safety events. Four significant incidents³ occurred, one tier 2 process safety event, and three spills. All events were contained locally without causing any environmental damage. (↓ **Table 21: Significant Incidents**, in the “Key Performance Indicators” section at the end of this chapter).

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

2. A violation is considered significant when reported to authorities, having media coverage, or leading to associated penalties or fines equal to or above CHF 2,000.

3. A incident (spill, environmental incident or emissions release) is considered significant when reported to authorities, having media coverage, or creating a significant cost (above CHF 2,000).

KEY PERFORMANCE INDICATORS

↑ **TABLE 01: GHG EMISSIONS SCOPE 1 AND 2 – MARKET-BASED**

	2020	2021	2022
Scope 1 (tons of CO ₂ eq) ¹	102,528	156,419	156,096
Scope 2 – Market-based (tons of CO ₂ eq) ²	121,700	82,089	74,557
Total GHG emissions (tons of CO ₂ eq)	224,227	238,508	230,653
GHG emissions intensity (kg CO ₂ eq per ton sold)	19.6	17.6	16.4

1 Scope 1 emissions related to direct energy are calculated based on BEIS/Defra 2021 emission factors. In 2022, fugitive emissions related to refrigerant gases have been added to the scope 1 inventory as per the Greenhouse Gas Protocol. Scope 1 emissions from 2019, 2020 and 2021 have not been restated accordingly. Fugitive emissions of refrigerant gases are calculated based on BEIS/Defra 2021 emission factors.

2 For scope 2 market-based emissions, purchased electricity covered by energy attribute certificates are considered with an emission factor of zero. For non-renewable purchased electricity, residual mix emission factors are gathered from AIB 2020 European Residual Mixes (applied to European locations) and 2021 Green-e Residual Mix Emissions Rates (applied to US locations). The location-based emission factor (IEA) is applied to all other locations. Scope 2 emissions related to district heating are based on BEIS/Defra 2021 emission factors.

↑ **TABLE 02: BREAKDOWN OF SCOPE 1 GHG EMISSIONS PER REGION**

	2020	2021	2022
EMEA (tons of CO ₂ eq)	51,706	81,755	75,891
Americas (tons of CO ₂ eq)	33,682	46,937	49,376
Asia/Pacific (tons of CO ₂ eq)	9,694	16,028	19,098
Global Business (tons of CO ₂ eq)	7,445	11,700	11,724
Corporate Services (tons of CO ₂ eq)	-	-	7
Group (tons of CO₂eq)	102,528	156,419	156,096

↑ **TABLE 03: BREAKDOWN OF SCOPE 2 GHG EMISSIONS – MARKET-BASED PER REGION¹**

	2020	2021	2022
EMEA (tons of CO ₂ eq)	34,062	9,849	11,922
Americas (tons of CO ₂ eq)	31,926	25,377	21,333
Asia/Pacific (tons of CO ₂ eq)	34,597	33,152	32,186
Global Business (tons of CO ₂ eq)	21,115	13,711	9,114
Corporate Services (tons of CO ₂ eq)	-	-	2
Group (tons of CO₂eq)	121,700	82,089	74,557

1 In 2022, district heating has been added to the company scope 2 inventory as per the Greenhouse Gas Protocol. Indirect energy consumption and related scope 2 emissions from 2019, 2020 and 2021 have not been restated accordingly.

↑ **TABLE 04: GHG EMISSIONS – LOCATION-BASED**

	2020	2021	2022
Scope 1 (tons of CO ₂ eq)	102,528	156,419	156,096
Scope 2 – Location-based (tons of CO ₂ eq) ¹	157,873	159,157	160,351
Total GHG emissions (tons of CO₂eq)	260,401	315,576	316,447

1 Scope 2 location-based emission factors are gathered from US EPA eGrid 2020 Emission Rates (applied to US locations) and the International Energy Agency (IEA) Emission Factors 2021 (applied to all other locations).

↑ **TABLE 05: BREAKDOWN OF SCOPE 2 GHG EMISSIONS – LOCATION-BASED PER REGION**

	2020	2021	2022
EMEA (tons of CO ₂ eq)	49,664	48,985	45,835
Americas (tons of CO ₂ eq)	38,112	36,349	33,157
Asia/Pacific (tons of CO ₂ eq)	40,237	45,620	54,627
Global Business (tons of CO ₂ eq)	29,860	28,203	26,726
Corporate Services (tons of CO ₂ eq)	–	–	6
Group (tons of CO₂eq)	157,873	159,157	160,351

↑ **TABLE 06: OUT-OF-SCOPE EMISSIONS¹**

	2022
CO ₂ emissions from biogenic sources (scope 1) (tons of CO ₂ eq)	1,233
CO ₂ emissions from biogenic sources (scope 2) (tons of CO ₂ eq)	2,252
Total direct CO ₂ emissions from biogenic sources (scope 1 and 2) (tons of CO ₂ eq)	3,485

¹ Biogenic CO₂ emissions related to fuels from renewable sources were calculated based on BEIS/Defra, 2022 emission factors. Biogenic CO₂ emissions related to biomass electricity (Brazil) were calculated based on the International Energy Agency (IEA) Emission Factors 2022.

↑ **TABLE 07: ENERGY INTENSITY**

	2020	2021	2022
Energy intensity per ton sold (MJ per ton sold)	299.5	324.7	315.5

↑ **TABLE 08: BREAKDOWN OF DIRECT ENERGY CONSUMPTION PER REGION**

	2020	2021	2022
EMEA (TJ)	961	1,470	1,331
Americas (TJ)	619	819	868
Asia/Pacific (TJ)	158	256	331
Global Business (TJ)	144	226	220
Corporate Services (TJ)	–	–	0.1
Group (TJ)	1,882	2,771	2,750

↑ **TABLE 09: BREAKDOWN OF INDIRECT ENERGY CONSUMPTION PER REGION**

	2020	2021	2022
EMEA (TJ)	659	691	668
Americas (TJ)	385	398	416
Asia/Pacific (TJ)	240	275	332
Global Business (TJ)	256	253	264
Corporate Services (TJ)	–	–	0.2
Group (TJ)	1,540	1,617	1,680

↑ **TABLE 10: PURCHASED RENEWABLE ELECTRICITY RATE**

	2020	2021	2022
Purchased electricity (TJ)	1,540	1,617	1,672
Thereof – Purchased renewable electricity (TJ) ¹	371	845	1,048
Renewable electricity rate (%)²	24.1	52.3	62.7

1 This indicator is based on 100% green contracts, Energy Attribute Certificates (EAC) such as Guarantees of Origins (GO), Renewable Energy Certificates (RECs) or International Renewable Energy Certificates (I-RECs), Power Purchase Agreements or specific countries for which the local grid is 95% renewable (RE 100 Criteria).

2 This renewable rate does not consider self-produced renewable electricity. It also excludes renewable shares from local electricity grid mix.

↑ **TABLE 11: BREAKDOWN OF WATER WITHDRAWAL PER SOURCE**

	2020	2021	2022
Surface waterbodies (m³)	37,655	50,682	29,200
Groundwater (m³)	1,516,054	1,632,849	1,508,926
Public supply (m³)	1,811,707	1,922,637	1,959,347
Rainwater supply (m³)	-	-	24,862
Total water withdrawal (m³)¹	3,365,416	3,606,168	3,522,335

1 Including the volume of water used as an input material. In 2022, rainwater has been added to the reporting of water withdrawal per type of source. Water withdrawal data from 2019, 2020 and 2021 have not been restated.

↑ **TABLE 12: WATER CONSUMPTION INTENSITY**

	2020	2021	2022
Water consumption per ton sold (m³) ¹	0.22	0.20	0.18

1 The water intensity ratio is only based on process and cooling water and sanitary water. Water in products is excluded from this indicator.

↑ **TABLE 13: BREAKDOWN OF WATER USAGE PER TYPE**

	2020	2021	2022
Water in products (m³)	880,707	978,081	949,160
Process and cooling water (m³)	1,805,445	1,964,077	1,923,996
Sanitary water (m³)	664,543	674,658	649,418
Total water use (m³)¹	3,350,695	3,616,816	3,522,573

1 The difference between water withdrawal and water use is related to water storage. Rainwater is considered under water withdrawal for 2022 only and could also be a source of difference between water withdrawal and water use in 2020 and 2021.

↑ **TABLE 14: BREAKDOWN OF WATER DISCHARGE PER DESTINATION**

	2020	2021	2022
Water to sewer, sewage plant (m³)	906,667	913,590	874,591
Water to surface water bodies (m³)	1,409,322	1,577,601	785,449
Water to ground (m³)	-	-	737,140
Water sent off-site for treatment (m³)	-	-	37,884
Total water discharge (m³)¹	2,315,989	2,491,191	2,435,064

1 Depending on local regulations, wastewater can be disposed separately and therefore not included in water discharge but included in waste. Up to 2021, wastewater disposed separately due to local regulations could be reported under waste and excluded from water discharge. From 2022 onwards, the reporting methodology has been adjusted and a new account "water sent off-site for treatment" was created to capture the total volume of wastewater under water discharge. This reporting change led to a shift from waste to water discharge. The indicator "water to ground" has also been added. Waste and water data from 2019, 2020 and 2021 have not been restated accordingly to the new methodology.

↑ **TABLE 15: WASTE INTENSITY**

	2020	2021	2022
Non-hazardous waste (tons)	120,633	129,884	134,385
Hazardous waste (tons)	21,042	21,676	17,852
Total waste generated (tons)	141,675	151,560	152,237
Waste intensity (kg per ton sold)	12.4	11.2	10.8
Waste intensity compared to total input materials (%)	1.6	1.3	1.3

↑ **TABLE 16: BREAKDOWN OF WASTE BY TYPE OF DISPOSAL¹**

	2020	2021	2022
Landfill (tons)	60,794	67,509	61,701
Non-hazardous waste	-	-	59,052
Hazardous waste	-	-	2,649
Incineration (tons)	30,863	32,603	29,075
Non-hazardous waste	-	-	17,990
Hazardous waste	-	-	11,085
Recycled (tons)	50,019	51,448	61,461
Non-hazardous waste	-	-	57,343
Hazardous waste	-	-	4,118
Total waste disposed (tons)	141,676	151,560	152,237

1 In 2022, waste volumes per type of disposal method have been detailed for hazardous and non-hazardous waste. Waste data from 2019, 2020 and 2021 have not been restated accordingly to the new level of granularity. Up to 2021, wastewater disposed separately due to local regulations could be reported under waste and excluded from water discharge. From 2022 onwards, the reporting methodology has been adjusted and a new account "water sent off-site for treatment" was created to capture the total volume of wastewater under water discharge. This reporting change led to a shift from waste to water discharge. Waste and water data from 2019, 2020 and 2021 have not been restated accordingly to the new methodology.

↑ **TABLE 17: RECYCLING RATE**

	2020	2021	2022
Recycling rate (%)	35.3	33.9	40.4

↑ **TABLE 18: INPUT MATERIALS USED**

	2020	2021	2022
Volume of input materials used (millions of tons) ¹	8.8	11.6	11.9
Thereof recycled input materials (%)	2.7	3.7	3.2

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

↑ **TABLE 19: ISO 14001:2015 – ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION¹**

	2020	2021	2022
Sites certified ISO 14001:2015 (No.)	242	275	297
Coverage of sites under ISO scope (%)	47	48	49

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

↑ **TABLE 20: ISO 50001:2018 – ENERGY MANAGEMENT SYSTEM CERTIFICATION¹**

	2020	2021	2022
Sites certified ISO 50001:2018 (No.)	16	17	27
Coverage of sites under ISO scope (%)	3	3	5

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

↑ **TABLE 21: SIGNIFICANT INCIDENTS¹**

	2020	2021	2022
Significant incidents (No.)	3	2	4

1 A incident (spill, environmental incident or emissions release) is considered significant when reported to authorities, having media coverage, or creating a significant cost (above CHF 2,000).

PRODUCTS AND CUSTOMERS

SUMMARY & HIGHLIGHTS

AMBITION

Sika focuses its R&D activities on generating customer benefits, marketing safe products, and adapting to the impacts of climate change.

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, lighter and safer vehicles.

HIGHLIGHTS

Sustainability Portfolio Management (SPM)

SPM is used by Sika to evaluate and classify its products in market segments in terms of both Performance and Sustainability. In 2022, the assessment of 104 products was done and initiated.

Scouts – The new innovation platform

Sika launched its innovation platform “Scouts” which allows all employees to contribute to innovation-focused initiatives.

KEY FIGURES

change vs 2021

Inventions

168

+12.0%

Patent applications

104

+5.1%

Employees working in R&D

1,334

+6.5%

Number of Global Technology Centers

21

+/-0



“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
Chief Innovation and Sustainability Officer

MATERIAL TOPICS

Innovation
Management

Product
Portfolio

Health and
Safety

Risk and Crisis
Management

Compliance

Responsible
Marketing

Customer Relationship
Management

SDGs



INNOVATION MANAGEMENT

GRI 3-3

POLICIES AND GUIDELINES



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

Combining innovation and sustainability allows Sika to help transform the construction and transportation industries. Sika does this by placing sustainability aspects at the core of strategic and operational innovation processes, while simultaneously driving operational efficiency and excellence across the organization. For more information concerning Sika sustainability governance and the combined leadership for Innovation, Sustainability and Operation Technologies please see the “Sustainability at Sika” chapter on p.43 of the Sustainability Report 2022.


In 2022, a new team in Global Innovation Management was assigned to facilitate the cross-functional combination of sustainability and innovation and provide solutions to changing customer needs and market conditions. “Scouts” a company-wide innovation platform to accelerate innovation activities, was also developed this year. The objective is to merge sustainability and innovation to address fast-changing market demands.

SCOUTS – THE NEW INNOVATION PLATFORM

In 2022, Sika launched the innovation platform “Scouts”, allowing all employees worldwide to contribute their knowledge towards innovation-focused initiatives, and to connect with colleagues to find the right solution for business-related challenges. Scouts is part of Sika’s innovation management and essential to harnessing the creativity of all employees. In autumn 2022, Sika began its first campaign to collect ideas that will support the company and its customers on the net zero journey.

Sika is combining business opportunities with innovation initiatives to add value for customers. The team of R&D, in cooperation with the Target Market organizations, is addressing global issues by exploring alternative materials to reduce greenhouse emissions and waste, and recycle materials that would otherwise end up in landfills.

Moreover, cross-functional cooperations within Sika and with technology companies, scientific institutions, and universities have fostered new insights and generated scientific breakthroughs that have yielded solutions with better performance and sustainability benefits. For more information on Sika partnerships and collaborations, please visit the corporate webpage

 **Partnerships and Collaborations.**

COMMITMENT

Sika is leading the industry with its comprehensive portfolio of high-quality, sustainable solutions. Sika’s capability to address sustainability megatrends is evaluated from a life-cycle perspective along the value chain. The Sika brand is a worldwide symbol for technically superior, user-friendly, and long-lasting products. Bringing innovation to life requires customer centricity and courage. For Sika, innovation means implementing something new that adds value. Sika employees drive progressive solutions, that move the industry forward and show customers the value of new approaches.

GOALS AND TARGETS

Innovation is a core objective of the Sika Strategy 2023. The company innovates to create value-added products that combine performance and sustainability into one concept. Therefore, all new product developments are Sustainable Solutions.

COURAGE FOR INNOVATION

Sika’s long history of innovation has made it a recognized global technology leader in many markets worldwide. Sika’s research and development activities are carried out by 1,334 employees (previous year: 1,240) across 21 Global Technology Centers and over 80 local and regional research and development facilities. While investing in its own Technology Centers, the company also nurtures an international network of scientists, partners, suppliers, and customers. Sika enhances its research efforts by cooperating with renowned universities and scientific institutions such as ETH Zurich (Swiss Federal Institute of Technology in Zurich), EPFL (Swiss Federal Institute of Technology in Lausanne), University of Cadiz (Spain), University of Pennsylvania (USA), Princeton University (USA), the Beijing University of Chemical Technology (PRC), and similar institutions across the globe. In addition, Sika’s subsidiaries cooperate with research institutes in their local markets.

SUSTAINABILITY AS INNOVATION DRIVER

Sika's goal is to innovate products that enable sustainable construction and transportation, reducing environmental impact along the value chain. Indeed, sustainability has become the 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, enhanced product flexibility, and digitally enhanced solutions.

CUSTOMER CENTRICITY

Sika helps its customers meet their challenges by developing new products in response to tighter climate-related and chemical regulations, increased sustainability awareness among their customers, and a shortage of skilled labor.

INTELLECTUAL PROPERTY

The protection of intellectual property (IP) plays a vital role in competitive markets. While inventions need to be protected against imitators, ensuring FTO (freedom to operate) for new products over third-party IP is important too. To achieve the best possible benefit for the Group, the patent strategy is focused on three basic pillars (i) risk management and mitigation with respect to third-party patents, (ii) protection of new inventions according to commercial relevance of the products/solutions, and (iii) leveraging patents to support business. 168 new inventions were reported in 2022 (previous year: 150) and 104 new patent applications were filed (previous year: 99). By the end of 2022, Sika's patent portfolio included 1,302 unique patent families with 4,493 single national patents.

PRODUCT PORTFOLIO

GRI 3-3

POLICIES AND GUIDELINES



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

Sika's commitment to sustainability is reflected at all levels of the company. Customers are offered a wide range of sustainable product technologies, including solutions for energy-efficient construction and vehicles. One of the company's strategic targets is to generate 25% of sales from products released within the past five years by 2023. Moreover, every new Sika solution must add value for customers with improved sustainability benefits. In 2022, the innovation rate reached 22.6% (previous year: 23.8%). The communication about sustainable solutions is split into two levels:

- Company level: "Sika enables sustainable construction and transportation." This message highlights Sika's brand positioning and its commitment to continuously measure, improve, and report sustainable value creation for its stakeholders. In a high-level assessment, Sika estimated that around 70% of Sika sales¹ is generated by products that have a positive sustainability impact regarding climate, energy, resources, air quality, health and safety, and green building. In the next few years, this estimation will be replaced by more precise figures thanks to the gradual implementation of the SPM methodology.
- Product level: "More Performance – More Sustainable". This message applies for products which have an approved SPM profile and are classified in the "More Performance – More Sustainable" cluster. For more information and product examples, please check the corporate webpage [Sustainability Portfolio Management](#).

SUSTAINABILITY PORTFOLIO MANAGEMENT (SPM) FRAMEWORK

Managing innovation and sustainability together, minimizing the risks, maximizing the opportunities, and creating positive business impact: this is the purpose of the new Sustainability – Portfolio-Management (SPM)-based concept. The SPM framework is the backbone of the Sustainable Solutions strategy, and ensures that Sika's products always combine performance and sustainability benefits.

SPM METHODOLOGY

Sika's SPM methodology, which was developed from 2018 to 2021, is based on the World Business Council for Sustainable Development (WBCSD) Chemical Industry Methodology for Portfolio Sustainability Assessments (PSA)². Sika is one of the first companies in the specialty chemicals and building materials sector to implement the SPM concept based on the WBCSD PSA framework. In 2021, Sika's SPM methodology was externally reviewed by a third party, which confirmed its conformity with the WBCSD PSA methodology. Sika uses the SPM methodology to evaluate, classify, and market products in terms of performance and sustainability. Year 2022 has been a "trial" year to ramp up SPM at Sika. A new e-learning program has been introduced to familiarize employees across functions and geographies with the new methodology. By evaluating products using a set of criteria within market segments, Sika can promote new or existing products under the "More Performance – More Sustainable" branding. The performance and sustainability categories represented within the SPM methodology are directly aligned to the sustainability topics material to Sika (Sika Materiality Analysis) and support the company's contribution to the UN Sustainable Development Goals (UN SDGs).

The SPM methodology is an integral part of the Product Creation Process (PCP) and it is required for all new product developments. A standardized approach allows an efficient product development evaluation and ensures accurate information for making decisions and benchmarking purposes. The SPM methodology applies to all product categories, including new products developments as well as existing products, and follows a four-step approach.

This allows Sika to evaluate products on their performance and sustainability profiles and their contribution to the strategic target. Products that account for a larger volume of sales or with a higher sustainability relevance are prioritized.

1 The high-level assessment was done on product group level to determine if this type of product contributes with a positive impact on the defined categories.

2 Chemical Industry Methodology for Portfolio Sustainability Assessments (PSA) - World Business Council for Sustainable Development (WBCSD).

THE SPM FOUR-STEP APPROACH

1. SEGMENTATION

Products are evaluated and classified in specific segments. This segmentation determines the context of its unique technology and application combination.

2. SUSTAINABILITY

Evaluation of the product against the range of criteria covered under 12 different sustainability categories (SPM sustainability profile).

3. PERFORMANCE

Evaluation of the product against the range of criteria covered under 6 different performance categories (SPM performance profile).

4. CLASSIFICATION

The final step combines the results of steps 2 and 3 into the final product classification (SPM profile).

SUSTAINABILITY CATEGORIES

Supplier Sustainability	Chemical Hazard and Exposure	Reputational Risks
Regulatory Trends	Climate	Air Quality and Emissions
Energy	Health and Safety	Resources
Packaging	Green Building Standards	Cost Savings Downstream

PERFORMANCE CATEGORIES

Technical Performance	Durability	Ease of Application
Aesthetics	Additional Features	Cost Benefits

TARGET MARKETS

CONCRETE

Aggregate scarcity is becoming a critical topic for the concrete industry. Increasingly larger amounts of lower-quality aggregates, including sand, are used in the construction industry, which creates various challenges for concrete producers. In the year under review, Sika launched the Sand App, a highly innovative digital solution for fast, real-time analysis of fine (sand) and coarse aggregates (gravel). The app can determine particle size distribution as accurately as standard dry sieve analysis. In addition, it can identify additional particle shape parameters such as roundness, sphericity, or aspect ratio. The Sika Sand App allows users new opportunities to optimize concrete mix design performance in their everyday work.

Furthermore, Sika has been developing a new concrete recycling process (reCO2ver®). The reCO2ver® process aims to facilitate the production of new, high-quality concrete using 100% aggregates from recycled concrete demolition waste (CDW). In the year under review, the company developed admixtures to upcycle the content after the recycling process. reCO2ver® will make a significant contribution to the circular economy and reducing the environmental footprint of the construction industry.

In cooperation with leading industry players, Sika continues to develop and market concrete and cement admixtures specifically adapted to the Limestone Calcined Clay Cement (LC³) technology that significantly lowers the CO₂ footprint of cement. LC³ is a new type of cement based on a blend of limestone and calcinated clay that was developed by the Swiss Federal Institute of Technology Lausanne (EPFL). Sika admixtures allow customers to use LC³ binders to achieve the desired performance for strength and workability. The use of Sika solutions widens the potential application field of LC³-type binders significantly. The LC³ project aims to reduce the CO₂ footprint of cement by replacing up to 50% of clinker in cement. Sika helps the construction sector adopt this technology rapidly and effectively.

Together with a leading mining company, Sika developed technologies to produce concrete with 0% clinker content by combining slag from steel production with other mining waste materials.

Today's use of blended low CO₂ binders is often limited due to their slow strength development. Therefore, the availability of innovative accelerator systems is a prerequisite for extending binder systems use. With SikaRapid®-500 HX, Sika introduces a new type of seeding accelerator, providing early strength development without compromising the plastic characteristics of freshly made concrete. In addition, Sika introduced a new alkali-free, highly effective, and unique ultra-high solid shotcrete accelerator (Sigunit® L-5650). Both new products enhance Sika's competence in accelerating technology and shotcrete applications, allowing local teams to serve specific market and customer needs efficiently.

CONCRETE – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **Sika® ViscoCrete® CC:** a super-plasticizer designed to address the challenges of calcined clays used in concrete. This product allows cement to be replaced by calcined clay, reducing the CO₂ footprint significantly.
- **Sika® Sigunit® L-5650 AF:** a high-performance alkali-free liquid set accelerator for shotcrete, providing high early strength development. For new sustainable sprayed concrete types, this new accelerator provides the necessary strength development and lower costs due to higher performance.
- **SikaRapid®-500 HX:** a new seeding accelerator that supports early compressive strength development of concrete. This new product improves productivity without compromising the properties of fresh concrete.



For more information on Sika solutions, please visit the corporate webpage Concrete Technology

WATERPROOFING

Structures below the ground are regularly exposed to water. Without proper protection, excess water will damage underground structures. Sika provides long-lasting waterproofing products and systems to protect structures against water damage.

In the case of basements, the demand for waterproofing is rising due to higher exposure levels (basements built deeper into the ground) and stricter requirements in terms of acceptable moisture levels. At the same time, the shortage of skilled applicators has generated a demand for products and systems that are easy to install.

Applying waterproofing membranes to a perimeter basement wall normally requires labor-intensive substrate preparation (grinding, drying, and cleaning) on top of a 28-day waiting time for the concrete to fully cure. However, by using SikaProof® A+ post-applied and the SikaShield® W wet-applied, the waiting time after waterproofing can be reduced to a couple of days, and the substrate preparation work is kept to a minimum.

The waterproofing of construction joints is commonly done with PVC (polyvinyl chloride) water stop profiles or coated metal sheet profiles. Both systems have their advantages and disadvantages. With the introduction of Sika Waterbar® FB, a flexible, fully bonded TPO (thermoplastic polyolefin) waterstop, the advantages of both systems are available in a single system for the first time. The small profile cross section does not require any special rebar detailing or formwork, and the light weight, flexible nature of the TPO waterstop allows for quick and easy installation.

In the year under review, the successful range of swelling joint sealant SikaSwell® S-2 was further developed to meet the latest EHS requirements. This 1-part polyurethane hydrophilic sealant, which swells in contact with water to seal all types of construction joints and penetrations in concrete structures, conforms to LEED v4 Low Emitting Materials, Adhesives and Sealants.

WATERPROOFING – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **SikaProof® A+ post-applied and SikaShield® W wet-applied:** two unique waterproofing membrane solutions to simplify and speed up the installation process in every basement project.
- **Sika® Injection-216:** new structural polyurethane injection resin with extremely high mechanical values. This product is perfect for waterproofing and strengthening large wet cavities such as onshore wind power foundations or dams' renovation.
- **Sika Waterbar® FB-125:** a flexible, fully bonded TPO (thermoplastic polyolefin) waterstop for quick and easy installation.



For more information on Sika solutions, please visit the corporate webpage Waterproofing Systems

ROOFING

Sika has created roofing systems that are easier to apply to address the lack of skilled labor. The product line Sarnafil® AT has been extended with a self-adhering version for parapet solutions, where the bonding and membrane competence were ideally combined. The Sarnafil® AT technology meets the company's sustainability aspirations. Sarnafil® AT is the first thermoplastic roofing membrane in the market to be Cradle to Cradle Certified™. In this way, Sika contributes to the circular economy, just like the PVC recycling program in the USA, where old products are fed back into the raw material stream.

Sarnafil® roofing solutions have a long tradition and are unique in terms of durability: 60 years and more of proven roofing solutions. Durability and long-term roof performance are essential features of Sarnafil® AT. This system combines sustainability with performance, making roofs highly resistant to mechanical damage, flexible, and easy to weld. Sika demonstrates leadership in roofing technologies, and is a solid partner to construction customers worldwide. Two years after the successful launch of Sarnafil® AT, a new technology is ready to be launched with additional functionality to prepare for the unpredictable. The Sika SolaRoof® solution, an integrated solar solution that eliminates the interface challenges between roof assemblies and photovoltaic (PV) installations, received the Factory Mutual (FM) approvals and is now the first and only FM approved commercial and industrial solar roofing system. The Sika SolaRoof®

incorporates the proven performance of Sarnafil roof assemblies with an innovative, non-penetrating, lightweight racking solution for long-term securement of rooftop PV. Waterproofing and bonding competence were also merged with the launch of the SikaRoof® Multitape, a repair tape based on the Sarnafil® AT technology. SikaRoof® Multitape is a high-performance self-adhesive sealing tape consisting of UV stable carrier film combined with butyl rubber compound for sealing, jointing, covering, and repair of single-ply roofs.

With the new Liquid Applied Membrane Sikalastic®-701, a new member is added to the Sikalastic® waterproofing systems. The Sikalastic®-701 is a high-performance polyurethane/acrylic based hybrid top-coat, with improved UV resistance and excellent gloss retention. Sikalastic®-701 can enhance old roofs by prolonging the roof's lifetime or upgrading to a cool roof. When it comes to roof waterproofing, Sika remains focused on producing low-odor, sustainable products with excellent durability.

ROOFING – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **Sika SolaRoof®:** An integrated solar solution that received in 2022 the Factory Mutual (FM) approvals and is now the first and only FM approved commercial and industrial solar roofing system.
- **SikaRoof® Multitape:** a repair tape based on the novel, highly flexible, and sustainable membrane technology used in Sarnafil® AT.
- **Sikalastic®-702:** a general purpose roof waterproofing solution that, together with Sikalastic®-701, gives a higher-performance topcoat and enhanced durability.



For more information on Sika solutions, please visit the corporate webpage Roof Systems

FLOORING

Sustainability is one of the main drivers of Sika flooring innovation. In the development of new solutions, the company focuses on indoor air quality, low volatile organic compounds (VOC) content and odor, system durability with minimal maintenance requirements, easy and economical floor refurbishment, low energy demand in the life cycle, and the use of raw materials from renewable resources.

In 2022, Sika used a new range of polyurethane prepolymers with an ultra-low monomer content. The new Sika Purform® technology comprehensively fulfils the new REACH-Legislation in Europe and contains less than 0.1% of monomeric diisocyanates. By using the Purform® technology for higher-performance polyurethane products with ultra-low diisocyanate monomer content, Sika helps its customers meet the challeng-

es of tomorrow. The highest grade Sika ComfortFloor® PS-24 and Sika ComfortFloor® Marble FX systems consequently reduce user exposure to an absolute minimum and comply with the Purform® label.

As a leading supplier of epoxy-based floorings, Sika developed several new products in 2022 to fulfill customer needs. New amine hardeners have a high impact on performance at low dosages. In combination with standard amines, the new solutions display unique properties. Sika developed a new epoxy platform and launched it with the solutions Sikafloor®-1590 / -2640 / -2650 and Sikafloor®-169 ESD. The product properties are adjusted to the relevant segments and combine fast curing, low odor and VOC emission, and improved color retention.

The Curing-by-Design technology was transferred to flooring applications like Sikafloor® 3000 Snapbooster. With this ground-breaking technology, the curing time of polyurethane flooring materials can be accelerated. This enables applications of complete multilayer systems on the same day. Additionally, Curing-by-Design technology is used in marine flooring for applications of artificial teak deck floors. Two new products are changing the game in epoxy flooring: The fast-curing primer Sikafloor®-1590 enables the application of two or more layers of the system on the same day. With the fast-curing roller coat, Sikafloor®-2650, the floor can be returned to service the next day. Such efficient applications have so far only been possible with other technologies that suffer from drawbacks like unpleasant odor or high cost.

Sikaflex®-11 FC Purform® and Sikaflex® PRO-3 Purform® have been rolled out globally. In parallel, the development of additional products based on the Purform® technology for the basic sealant and adhesives range was completed, and the products are ready to be launched in 2023. With this new technology, Sika is supplying customers with products satisfying the highest standards in terms of performance, sustainability, and safety of users. Furthermore, Purform® products offer significant performance advantages, for example, by enabling curing at low temperatures, good compatibility with sensitive surfaces such as natural stone, and even better durability when exposed to environmental influences like heat, UV radiation, or aggressive liquids. Furthermore, having a monomeric diisocyanate content below 0.1%, Sika's Purform® products fulfill the new REACH Regulation for the use and applications of isocyanates coming into force in August 2023. They can therefore be sold without any limitations.

Sika is focused on the development of new solutions for hybrid construction, which involves applications where different kinds of materials are connected. A new structural bonding product range has been developed for metal and composite bonding. Sika is introducing novel, toughened adhesives for structural bonding and strengthening in construction and civil engineering, e.g., steel bridge repair, seismic guarding, or construction with more sustainable materials. High-strength bonding of non-rigid materials, such as metal or composite structures opens a new field for structural bonding applications in construction. For that reason, Sika transferred its SmartCore® toughening technology to the needs of the strengthening market in a first product under the name Sikadur®-370. Sikadur®-370 is a two-component epoxy adhesive that unites the highest mechanical properties with toughness and allows long-lasting and durable connections.

FLOORING – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **Sikafloor®-267:** self-leveler and roller coat. Excellent indoor-emissions certifications were achieved, including AgBB, French VOC regs (A+), and LEED V4.1.
- **Sikafloor®-1590:** a fast-curing epoxy primer that allows overcoating on the same day, normally within a few hours.
- **Sikafloor®-2650:** fast-curing epoxy roller coat, which allows return to service the next day.
- **Sikafloor®-530:** a pigmented fast-curing, 100% solids topcoat for car park decks. This solution ensures a safe, slip-resistant walking surface. Its impact resistance, abrasion resistance, and elastomeric waterproofing qualities cope with the daily rigors of constant traffic.



For more information on Sika solutions, please visit the corporate webpage Floor Systems

SEALING & BONDING

Sika has continued the rollout of new polyurethane technology launched under the Purform® brand. In 2022, the products

SEALING AND BONDING – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **Sikaflex® PRO-3 Purform® PowerCure:** rapid curing solution for sealing joints. Applications are found in refurbishing infrastructure, like transportation and water management infrastructure or running production facilities and warehouses.
- **Sikaflex®-117 Metal Force:** sealant specially designed for bonding metals, effective on most materials, including concrete, masonry, stone, ceramic, wood, metals, and glass. Ideal for fixing corrugated sheets, flat sheets, metal roofs, and cover plates.
- **Sikadur®-370:** a two-component epoxy adhesive that combines highest mechanical properties with toughness and therefore provides long-lasting durable connection.



For more information on Sika solutions, please visit the corporate webpage Adhesive Systems

ENGINEERED REFURBISHMENT AND BUILDING FINISHING

The development of sustainable cementitious mortars for repairing, waterproofing, levelling, tiling, and flooring has been a priority also in 2022. The main characteristic of these products is the significant reduction of Portland cement content by substitution with Supplementary Cementitious Materials (SCM), which often are waste materials and may otherwise be disposed to landfill.

Identifying reliable sources of alternative sands and binders is a significant focus for Sika: These can be materials from recycling, industrial by-products, or waste from any industry, including Sika's production facilities. A dedicated team develops ways to make their use technically feasible. For example, Sika works on reusing and valorizing production tails or dust collector fines from Sika plants. When integrated into formulated products, alternative raw materials are linked to additional functionalities, such as weight reduction, deformability, and other outstanding functionalities, like abrasion resistance. As a result, they have a reduced embodied carbon footprint, stand out with reduced dust formation during the application, and meet LEED (Leadership in Energy and Environmental Design) v4 requirements.

The replacement of cement by SCM in all categories of mortars, ranging from tile adhesives, renders, waterproofing or repair mortars, and high-end grouts, has allowed the reduction of close to 210 kt CO₂ emissions in 2022. Sika's ambition is to achieve a 480 kt reduction of CO₂ emissions in 2025 by lowering the cement content of mortars. In addition, Sika has developed the first Portland cement-free high-end, flexible tile adhesive. This product, presently in field tests, will be launched in 2023. Using alternative raw materials from renewable resources reduces the product carbon footprint.

The performance of products containing materials derived from renewable resources plays a decisive role in the demand for more sustainable coatings. Sika has been expanding its line of sustainable, water-based protective coatings. A new water-based platform for concrete protection coatings was developed to reduce the product's embodied carbon footprint. The first product of this new range, Sikagard®-5500, is designed for use on reinforced concrete and has been rolled out in the year under review. The product reduces the use of fossil-based raw materials and moves the formulation towards raw materials derived from renewable resources via the biomass balance concept. This entails using biogas or bio-naphtha in the initial stages of the supplier's raw material manufacturing stage, thereby introducing renewable feedstock into the production process. This new development reduces the products carbon footprint by approximately 30% compared to traditional water-based concrete protection elastic coatings. In addition, the new coating displays far better crack bridging behaviors even at temperatures down to -20°C.

In 2022, another innovation focus area was Hybrid Timber-Concrete Composites. As a result of an intensive two-year collaboration between the Swiss Federal Institute of Technology (ETH), Swiss Federal Laboratories for Materials Science and Technology (EMPA), Fagus Suisse SA, and Sika, the company presented new timber-concrete hybrid construction technology concepts. Com-

bining wood with concrete, steel, and organic composite materials, such hybrid constructions are promising for future sustainable architecture. Prototype high-performance slab systems were developed using the timber-concrete composite (TCC) method. These ceiling systems are essential for modern multi-story timber constructions or when refurbishing old buildings due to conversion, modernization, or energy renovation. Furthermore, using timber in load-bearing construction elements provides long-term carbon storage in buildings. It reduces the carbon dioxide-intensive production of mineral-based construction materials. To develop the potential of modular timber construction, Sika has been intensifying its cooperation with ERNE AG Holzbau, Switzerland.

ENGINEERED REFURBISHMENT AND BUILDING FINISHING – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **SikaCeram®-252 Impact:** Sika prepared to launch of the first Portland cement-free tile adhesive, reducing the CO₂ footprint by 50% vs. the previous generation.
- **Sikadur®-31+:** low VOC and best-in-class EHS epoxy adhesive for structural bonding and concrete repair is easy to mix and apply, and has excellent adhesion to most construction materials.
- **Sikagard®-5500:** concrete protection coating with reduced use of fossil-based raw material. The new coating displays improved crack bridging behaviors even at temperatures down to -20°C.
- **SikaGrout® 3320:** high-performance grout with high early strength development at low temperatures, with 50% higher strength and -32% CO₂ emissions versus the previous generation.



For more information on Sika solutions, please visit the corporate webpage Finish

INDUSTRY

For industrial manufacturing, sealing, and bonding can replace traditional joining technologies like welding or screws, and allows the joining of new and different materials, opening new design options. With Sika's innovative structural bonding solutions SmartCore® or Powerflex®, customers can achieve the highest performance and durability for their products. In addition, the Curing-by-Design technology reduces the process time by up to 70%. Sika's adhesives support the automatization megatrend that is impacting the building and construction sector. In off-site construction – or modular building – more than 80% of the construction is typically completed before it arrives at the construction site. Modular construction is becoming more popular due to its many benefits, such as its cost-effectiveness, flexibility, improved quality control, and efficient use of materi-

als, as well as less waste, transport and time spent on construction sites. It can also help address local construction challenges, such as skilled labor shortages or meeting regulations. Sika's product development teams support off-site manufacturers with solutions that meet the most demanding specifications and improve manufacturing efficiency and quality. With extensive technical expertise and solid practical experience on every continent in all climates, Sika has developed a full range of modular construction solutions in the following areas: passive fire systems, joint sealing for interior and exterior applications, roofing membranes and systems, floor adhesives, concrete admixtures, bathroom pod waterproofing and tiling systems, process optimization, and technical service.

As a leader in elastic bonding and the world's biggest manufacturer of polyurethane adhesives and sealants, Sika has developed the Purform® technology with outstanding performance and sustainability benefits for its customers. Sika's Purform® products already fulfil the new REACH Regulations for the use of isocyanates coming in August 2023. In particular, Sikaflex® and SikaTack® Purform® adhesives and sealants meet the latest REACH and Occupational Exposure Limits (OEL) requirements and do not require the REACH diisocyanate safety training. In 2022, the basic range of adhesives for auto glass repair based on the Purform® technology was completed. The new adhesive range will be launched in 2023.

In the year under review, Sika introduced new thermo-acoustic dampers for dishwashers into the market. By combining the SikaBaffle® with the SikaDamp® technology, a homogeneous foam layer is formed underneath the damping mat directly within the application process covering the entire area. The resulting foam layer thermally decouples the damping foil from the tub while generating acoustic performance. The combination of SikaBaffle® and SikaDamp® provides excellent noise reduction for the customer, allowing fulfillment of the most stringent new energy labels.

To help the shipbuilding industry reduce CO₂ emissions, Sika has developed the Sikafloor® Marine Ultra-Light Floating Floor solutions that reduce the weight by at least 24 kg/m² compared to a traditional floating floor construction. Reducing the weight of the ship floor minimizes fuel and energy consumption, and consequently, lowers CO₂ emissions.

INDUSTRY – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **SikaLastomer®-590:** a butyl adhesive which improves cooling appliance's (e.g., refrigerators) thermal energy transfer due to its higher thermal conductivity.
- **Sikasil® AS-786:** fast-curing silicone adhesive with adjustable mixing ratio to fulfil customer specific requirements in automated processes.
- **SikaPower®-301 – ULTRA-LOW BAKE:** new heat curing structural epoxy adhesive.
- **SikaFast®-550 L06:** fast-curing structural acrylic adhesive, designed to replace mechanical fixations such as rivets, screws, or welding. The product is solvent-free, acid free, and low-odor.



For more information on Sika solutions, please visit the corporate webpage [Industry](#)

AUTOMOTIVE

The automotive industry is undergoing structural transformation, with production and distribution functions being altered by new propulsion systems, digital technologies and new materials. Thanks to its decades-long expertise in automotive adhesives and sealants, Sika is well-prepared for this change. Sika is developing solutions for electric vehicle battery systems, including intumescent coating, thermally conductive gap fillers and battery system bonding and sealing solutions.

Electro-mobility and lightweight chassis construction increase the importance of superior auxiliary materials that make vehicles more efficient, safer and quieter. Sika's heat-conductive materials dramatically reduce battery charging times, which will help accelerate the market penetration of electric vehicles. Sika supplies adhesives and sealants for battery systems that meet highest technical requirements for high-temperature resistance and high thermal conductivity. SikaBiresin®, a new silicon-free gap filler solution, has proven to be the right solution for thermal heat transfer in battery boxes. Those gap fillers and adhesives enable efficient energy exchange between the battery and the cooling plate. This technology is crucial because it does not only enable fast charging, it also helps to extend battery life and improves battery performance.

Sika also enhanced the SikaBaffle®-400 series, a full range of high-performing cavity sealers for the automotive body-in-white. The new family of heat-reactive baffles consists of a portfolio of products with different expansion rates that deliver excellent cavity sealing properties. Low-temperature baking represents one of today's challenges to meet sustainability targets from customers aiming to reduce energy consumption during production. Within the SikaBaffle® portfolio, a high expanding Low Bake baffle is available; this product is fully functional already at 140°C and is now in serial production at OEMs.

The new SikaForce®-800 line is a 2C polyurethane-based room temperature curing adhesive series for automotive assembly line applications. This new product line sets standards for demanding applications and enables fast and robust processes. In addition, the new series focuses on performance and sustainability: four new products that allow mixed material combinations have been launched in the year under review. For many years, SikaForce® adhesives have proven their excellence across numerous projects and applications where flexible or (semi-) structural joints with high demands on long-term robustness and weathering resistance are given. In the automotive industry, these requirements are associated with short cycle times and various materials. With SikaForce® adhesives, a highly industrialized and automatized performance level in joining assembly parts such as spoilers, taligates, roofs, and decorative components can be achieved.

Several years ago, Sika Automotive introduced non-reactive polyolefin (PO) hot-melts to the automotive interior business. The main benefit of using non-reactive (PO) hot-melts is the adhesion to polypropylene without additional treatment. Polyolefin hot-melts offer further added value for customers: Non-reactive products are more straightforward and create less waste than reactive adhesive solutions. Working with polyolefin hotmelts allows the manufacturer of automotive interior parts to ship them directly after production to their OEM customer, as the final performance can be achieved immediately after bonding. The products are classification free and have a lower carbon footprint than other adhesives. The elimination of the treatment process decreases the global warming potential (GWP) of the interior trim part. Even recycling of bonded parts can be improved by using PO hot-melts. In the year under review, Sika expanded the range of these SikaMelt® adhesives for bonding plastics, composites, metals, wood, paper, textiles, and foams for interior and exterior automotive applications. Physical curing starts while the product is cooling down from its processing temperature and, for reactive hot melts, continues in a chemical crosslinking.

AUTOMOTIVE – INNOVATIVE SOLUTIONS LAUNCHED IN 2022

- **SikaBiresin®:** a silicone-free gap filler for thermal management in the battery, allowing for efficient heat transfer from the cells to the cooling units. The product is being introduced in a large car manufacturer in Europe and provides an excellent combination of thermal conductivity and excellent application properties.
- **SikaPower®:** two new products cure at process temperatures as low as 150°C: a structural bodyshop adhesive with improved corrosion resistance and a high modulus over a wide temperature range; and a crash-resistant adhesive with improved corrosion performance and superior humidity resistance in the uncured state to support new manufacturing needs.
- **SikaDamp®:** the next generation constrained layer damper product family has a reduced CO₂ footprint by using a combination of bio-based and recycled rubbers and reduced waste in the production process.
- **SikaMelt®-720:** a new polyurethane hot-melt, combining high initial strength at elevated temperature, short curing time and low reactivation temperature with excellent application properties for all kinds of interior trim press lamination. The product was designed to allow for a clearly lower isocyanate content to further reduce the exposure risks of operators compared to existing solutions in the market.



For more information on Sika solutions, please visit the corporate webpage Automotive

INNOVATIONS DRIVING NET ZERO

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

Thanks to its innovation power, Sika can significantly help reduce global greenhouse gases. In addition to its own research and development activities, Sika enters strategic partnerships to promote innovation. Important focus areas for R&D initiatives driving net zero include:

REDUCING CEMENT

Sika helps its customers reduce their carbon footprint, for example, by offering technology platforms that allow them to reduce the use of Ordinary Portland Cement (OPC). The reduction is realized most efficiently by highly specific admixtures that ease the processing and application of low-OPC products. Other examples are concrete and mortar systems containing an increased ratio of recycled binders with Supplementary Cementitious Material (SCM), such as slags, alternative quartz-based sands, gravels, and agro-industrial wastes like cashew ash to reduce the environmental impacts of OPC. In addition, Sika's polymer fibers as internal reinforcement of concrete enable the realization of slimmer structures with comparable strength, thus reducing the overall OPC consumption. Ecocem Materials Ltd., Ireland, and Sika have decided to intensify their more than decade-long cooperation to accelerate the design of low-carbon solutions for cementitious formulations.

MORTARS TO EMBRACE CIRCULAR ECONOMY

Sika has been cooperating with ADEME, the French Agency for Ecological Transition in charge of environment and energy, to replace traditional silica sand in mortar production. Together with ADEME, Sika has been conducting a research project called "Sand" to investigate how concrete recycling waste on an industrial scale might deliver a solution not only for concrete but also for dry-mix and universal mortars. The aim is to reduce the extraction of natural silica sand and later replicate the recycling process in mortar production facilities in geographic areas with limited sand access. Furthermore, Sika has been developing new formulation routes for dry-mix mortars and directs the production process towards managing recycled and locally processed aggregates in the Sika product range.

BIO-BASED PROTECTIVE COATINGS

Another example of Sika's competence in creating formulations based on alternative materials are bio-based coatings. With rising environmental concerns and increasing customer demand for sustainable products, bio-based systems will play a more significant role in the future. Sika is therefore strengthening the development of water-based protective coatings based on alternative, bio-based materials. The company has developed a new water-based platform for concrete protection coatings and processed the further development of water-borne coatings for reinforced concrete by reducing the use of fossil-based materials and moving the formulation towards bio-based materials like sugars, ethanol, or plant oils and toward using biogas or bio-naphtha from renewable feedstocks.

PACKAGING AND PRODUCT RECYCLING TO SUPPORT THE CIRCULAR ECONOMY APPROACH

Sika is committed to reducing the carbon footprint throughout the value chain. Part of this strategy is expanding its range of sustainable and high-performance packaging and product options. The goal is to provide customers with products and packaging that positively impact businesses and the planet. In the year under review, the company focused on PCR (post consumer recycled) packaging solutions in cartridges, buckets, wrap foil, and application nozzles. Furthermore, the Sika post-consumer recycling program recycles millions of square feet of used membranes yearly that would have otherwise gone to landfills. Sika also reduces waste at every step of the product life cycle, converting more than 98% of scrap materials from manufacturing and installation into new roofing and waterproofing membranes.

Product developments across Sika's Target Markets deliver highest performance and enhanced environmental benefits. Please see the information on recently launched innovations on p. 119–124 of the Sustainability Report 2022.

PRODUCT SAFETY, QUALITY, AND RELIABILITY

GRI 3-3

GRI 416-1

GRI 416-2

POLICIES AND GUIDELINES



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

Product quality and reliability have always been critical for Sika. The Sika triangle - a symbol more than 100 years old - is synonymous with performance, quality, reliability, and service. This is emphasized by the corporate claim: Building Trust. 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's management 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, as highlighted in its mission statement: "We want to assume our responsibility for safety and the environment along the entire value chain. We are committed to considering all requirements and obligations arising for substances used in our 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

Sika's goal is to test all raw materials used as product components, as well as all chemical products for their health and safety impact during transport, storage, production, distribution, and use. 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 manufacturing of products (workplace safety of employees), packaging of products (transport safety), shipping to customers (transport safety, dangerous goods regulations, customer safe-

ty), storage (customer safety), application (customer safety), use phase (customer safety), and finally end of life (customer safety). 100% of Sika chemical products are assessed for their impact on health and safety. 100% of Sika products are safe and do not harm human health if handled according to the instructions in the SDS and PDS.

RESPONSIBILITIES

Sika products must be accompanied by a 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 SDS, using the global Product Compliance System. To safeguard legal compliance and customer safety, the requirement for all local Sika companies is that the SDS 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. In 2022, no instances of non-compliance with Safety Data Sheets were reported.

CORPORATE LEVEL

The Global Regulatory & Product Compliance (RPC) team which reports to Head Global Quality & EHS is responsible of providing a globally compliant data base and classification system (SAP Product Compliance), to support regions in setting up and deploying RPC processes, and to exchange information on emerging regulatory developments. 290 representatives in regional and local organizations from 118 Sika companies use SAP-Product Compliance. Furthermore, the team is responsible for product health and safety-related data to be available, correct and continuously updated. It coordinates the classification of products according to regional and international regulations and the monitoring of new hazards of raw materials.

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 (SDS) 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.
- 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 the area of 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, Production, Target Markets) and with Corporate and local Expert Teams, the Global Regulatory Affairs Team defines and initiates tasks, programs, and compliance projects. In particular, 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 Steering Team Banned Substance is comprised of members from Product Stewardship, Regulatory Services, Sustainability and R&D functions. The team evaluates and assesses substances with an elevated hazard potential in raw materials and Sika products. In view of the associated risks and the available alternatives, the Steering Team Banned Substance decides whether a time-limited exemption can be granted and initiates the substitution of the substance.

REGIONAL LEVEL

The regional Regulatory & Product Compliance Team is responsible to roll out RPC processes, query local requirements, and support countries in setting and targeting RPC objectives, as well as organize 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 SDS 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 SDS, 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 Banned Substance Process by conducting regular screening of the existing product portfolio.
- Ensuring that Sika products (except non-chemical products) are accompanied by a 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 2022, the global Product Stewardship team organized 18 trainings, involving 231 Sika employees from various functions (Product Stewardships, Regulatory Affairs, EHS, and R&D) and regions (Americas, Asia/Pacific, EMEA and Global Business), including various countries (all EU countries, Argentina, Australia, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Ecuador, El Salvador, Ghana, Guatemala, Honduras, India, Indonesia, Ivory Coast, Japan, Lebanon, Malaysia, Mexico, New Zealand, Nicaragua, Nigeria, Pakistan, Panama, Paraguay, Peru, Philippines, Saudi Arabia, Serbia, South Africa, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, Uruguay, USA, Venezuela, Vietnam).

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, reactive components wherever possible, and using devices for safe contact-free application. In 2022, all entities of Sika Group were compliant with applicable regulations and did not report any significant incident concerning the health and safety impact of products.

A central corporate REACH and Chemical Regulatory Department (the Regulatory & Product Compliance Team) coordinates all corporate activities, covering the requirements of the Globally Harmonized System (GHS), Classification, Labeling and Packaging (CLP), as well as other relevant chemical legislation to ensure the protection of human health and the environment from the risks that can arise from chemicals.

Sika maintains a comprehensive Product Stewardship process and network, including a database for impact assessments, toxicological evaluations and product registration, classification, and labeling. This results in a steady improvement in products.

CHEMICAL SUBSTANCES RISK MANAGEMENT

Sika aims to eliminate substances hazardous to human health or the environment from products and production processes wherever possible. The company has established the Sika Banned Substance Process at Group level for assessing and treating substances with an elevated risk hazard potential based on the GHS classification. This internal process is complementary to local legal requirements, emphasizing Sika's uncompromising commitment to quality, safety and environmental sustainability.

Substances falling under the "Sika Banned Substance" definition must be checked for replacement by less hazardous alternatives in all the processes defined in the Sika Product Creation Process (PCP) and processes of Regulatory & Product Compliance. Based on the classification of the Globally Harmonized System (GHS), "Substances of Concern" are divided in two main categories:

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

In the last two years, as a result of assessments conducted by the Steering Team Banned Substance, 39 substances of concern were phased out. 148 assessments conducted over the same period have identified further 60 substances which are planned to be phased out by the end of 2024. Sika is currently reviewing the Sika Banned Substance Process, with a view to accelerate progress in this important area, and continues to review and assess the use of substances of concern.

RESPONSIBLE MARKETING

GRI 3-3

GRI 417-2

GRI 417-3

POLICIES AND GUIDELINES



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

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 should 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, four Sika teams are involved at Corporate and local levels:

- The Corporate Technical team is responsible for Product Data Sheets and product certifications such as Declaration of Performance or Declaration of Conformity. By fulfilling these activities, the technical team complies with regional and local product regulations, for example the EU Construction Products Regulation, EU Marine Equipment Directive, 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 Product Data Sheet); main illustration (if applicable) and icons, and country combinations.

- The Corporate Marketing Services team is responsible for creating the packaging artwork by compiling the information from the Technical, Product Stewardship and Product Management team, 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 Sika Group must be compliant with local laws and regulations. No significant violation of regulations concerning this topic was reported in 2022.

REQUIREMENTS REGARDING MARKETING COMMUNICATIONS

Sika complies with all laws and regulations concerning marketing communications, including advertising, promotion, and sponsorship. All entities of Sika Group must be compliant with applicable laws and regulations. No significant violation of regulations concerning marketing communications was reported in 2022.

CUSTOMER RELATIONSHIP MANAGEMENT

GRI 3-3

POLICIES AND GUIDELINES



For more information, please visit the corporate webpage [ESG Policies and Guidelines](#)

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 and principles. “Customer First” reflects Sika’s dedication to maintain the highest quality standards for its products and services. All Sika solutions are customer-centric to ensure the long-lasting success of customers and mutually beneficial relationships.

GOALS AND TARGETS

Positive customer relationships and satisfaction are very 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 products 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 FEEDBACK

Sika countries rely on a single platform to collect customer feedback. This allows the company to create visually engaging, branded, mobile-ready customer surveys and associate the survey responses with data. The platform offers a range of templates for featured surveys, customer success, customer service, employee engagement, marketing feedback, product feedback and sales feedback.

Sika started rolling out the platform across all regions in 2022. EMEA and North America have developed ad hoc strategies, while Latin America has integrated the platform with WhatsApp to deliver NPS results. Platform use in the Asia/Pacific region is still in its first stages, but the plan is to make sure all countries align and use this platform regularly in the near future. The ultimate goal is to create local and regional dashboards across all Sika countries to monitor and compare performance, and make sure the corporate team provides support whenever necessary.

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 will 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...?”
- Sales feedback allows customers to share how they felt about their experience throughout the sales process. This feedback is collected through direct, post-purchase phone, or email surveys, and follow-ups with prospects who did not close.
- Customer service or support feedback is like sales feedback, but it instead examines a customer’s experience with a service or dedicated support. This type of feedback is collected through phone or email surveys after customer support tickets are raised.

EMEA MARKETING ACADEMY

The EMEA Marketing Academy has operated since 2020. It offers a valuable internal resource for employees, offering trainings on various marketing and digital marketing topics (theory, external trends, tips, and tricks and best demonstrated practices). The academy is primarily focused on supporting EMEA countries but is open to all of Sika globally. Since it started in 2020, the academy has logged 2,566 individual hours of training with more than 200 participants. In 2022, customer feedback was one of the main topics covered in the trainings, which focused on and how employees could best create surveys that measure customer sentiment. There was also a dedicated session on the corporate survey tool and how it can be used to conduct surveys.

CUSTOMER SATISFACTION IN SIKA REGIONS

Thanks to the company's decentralized business model, Sika's local entities are the ones responsible for measuring and monitoring satisfaction rates through surveys, interviews, B2B key account management, trainings, and workshops. Nonetheless, Sika is searching for ways to implement global standards while still allowing for local adaptations. In 2022, various customer satisfaction management activities were conducted at regional and country level. Those can be summarized as follows:

EMEA

During the reporting year, twelve countries conducted nine surveys for a total of 761 respondents. The countries were:

- Algeria: A yearly online feedback survey is sent out to all customers. In 2022, 215 out of 439 customers answered the survey.
- Angola: In 2022, a customer satisfaction survey was sent out to 36 key customers asking them to rate general commercial and sales services.
- Ethiopia: A customer satisfaction survey is sent out yearly. The questionnaire include 11 topics which cover product quality, pricing, service evaluation, quality of information and communication, procedure, and suggestions for improvement. In 2022, the survey was sent to 43 key customers.
- Morocco: A yearly online feedback survey is sent out to all customers. In 2022, 350 out of 426 customers answered the survey.
- Pakistan: Sika Pakistan sends feedback forms quarterly to its costumers to identify strengths and weaknesses of Sika services and products. In 2022, 45 customers were involved in the initiative.
- Qatar: In 2022, 21 out of 21 key customers answered the customer satisfaction asking them to rate general commercial services.
- South Africa: Every two years, Sika South Africa, which includes Botswana and Namibia, send a customer satisfaction survey to collect information on the company's reputation, the most important aspects in the buying process, and the

effectiveness of external communication materials and channels.

- Sweden: A survey is sent out by the company at the end of each year to selected customers based on their size and sales. The survey covers several areas regarding customer service, sales, deliveries, communication, and marketing. In 2022, 53 out of 152 customers answered the survey.
- Tunisia: A yearly online feedback survey is sent out to all customers. It covers topics such as sales services, technical support, quote, order, delivery processes, and claims processing. In 2022, 111 out of 204 customers answered the survey.
- UK: Customer satisfaction is measured annually via an online survey sent to customers. The survey covers key areas of interaction such as quality of products, orders and deliveries, query resolution, technical support, customer services and sales departments. In 2022, 11 out of 190 customers answered the survey.

AMERICAS

During the reporting year, six countries conducted seven surveys for over 900 respondents. The countries were:

- Argentina: A general customer satisfaction survey is distributed every two years, with an average of more than 150 respondents. The next one is planned for 2023.
- Brazil: A general survey was sent to all the customers in the country, for a total of approximately 1,500 customers responsible for 80% of the sales. In 2022, Sika Brazil collected 216 feedbacks.
- Canada: An annual Net Promoter Score (NPS) survey collects 350–400 responses on average.
- Colombia: A general service satisfaction survey is sent quarterly to the most important customers. In 2022, 88 out of 152 customers answered the survey.
- Ecuador: A general satisfaction survey was sent out to 300 customers, and 67 answers were received.
- Mexico: One customer satisfaction survey was completed, which reached 250 customers via phone interviews.

ASIA/PACIFIC

During the reporting year, nine countries conducted 23 surveys, eight of which completed during customer training, for more than 2,600 respondents. The countries were:

- Australia: During the reporting year, surveys were conducted during customers tranings for a total of 470 respondents.
- Cambodia: In 2022, a satisfaction survey was sent to six customers.
- China: A survey to collect feedbacks on strenghts and weaknesses (300 respondents) and a distributor survey to measure satisfaction with the work of functional departments, focusing on customer concerns (360 respondents/distributors) was completed.
- Indonesia: Four customer satisfaction surveys were sent to four target customer groups: distributors, applicators, industry customers, concrete customers. The initiative involved 150 respondents, and resulted in clear action plans for improvement.
- Japan: Surveys were conducted during trainings for architects, for a total of 500 respondents.
- Philippines: An extensive customer satisfaction study captured insights from more than 80% of all active customers

and competitors analysis, which resulted in a concrete plan for improvement over time.

- Singapore: A survey for customer feedback which involved 50 respondents was completed.
- Taiwan: A yearly survey on product quality, lead time, service, and customer support is sent out. In 2022, the survey yielded 112 respondents.
- Thailand: Three customer satisfaction surveys were sent out, to measure customer satisfaction on products and services. In 2022, the survey yielded 422 respondents.

GLOBAL BUSINESS

Sika Global Business applies a pure B2B approach where several roles and functions among the organization actively engage with customers. For instance, all managers ensure projects are executed according to plan, proposing new products and solutions. Meanwhile, the Technical Service team supports the organization of training, 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 those projects that are already in the execution phase. The team conducts several activities such as coordinating deliveries and managing packaging and documentation in the customer's B2B platforms. The goal of this team is to ensure flawless customer relations with targets for the quality of the products or services and the timing of deliveries. By being a supplier, Sika collects monthly reports from its customers. This allows the company to monitor progress against targets and to measure the overall performance. If targets are not met, the responsible team develops an action plan. To monitor progress against targets and to measure the overall performance of Sika, monthly reports are provided by the customers. Moreover, 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 in order to nurture an open dialogue, 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. In response to COVID-19 pandemic, most trainings were moved to a virtual learning environment, and Sika benefited from its digital platform that allows the presentations of innovative technologies and products to carry on uninterrupted.

Customer trainings can be assigned to three main categories: to transfer generic knowledge; to explain a specific product or its application; and to introduce to the application of new technical developments at congresses. These trainings are usually carried out in collaboration with regional and local Sika entities, enabling customization based on local markets and customers' needs.

Trainings can be held at the customer site, within a Sika facility, or online. In every training, Sika aims to fully engage customers and ensure the collection of valuable feedback. At the end of each training, customers are usually asked to answer a questionnaire, which exposes their impressions regarding quality of training content, quality of training tools, and the frequency and content of future trainings.

PROCUREMENT SUMMARY & HIGHLIGHTS

AMBITION

Sika aspires to build relationships with suppliers to add value in terms of quality, cost, innovation, and sustainability. The goal is to reduce risk, establish high sustainability standards and support the network to improve its ESG performance.

APPROACH

Sustainability in procurement and the supply chain is essential to protect ecosystems, conserve natural resources, and promote economic viability by adopting innovative practices. At Sika, procurement is aligned to the Corporate Strategy. The company participates in improving the sustainability performance of the supply chain upstream.

HIGHLIGHTS

Procurement Academy

The Procurement Academy was established in 2022 to develop the skills set of the Procurement team working at all levels of the organization.

TfS¹ Academy

The TfS Academy is a tailored learning and development platform specifically designed to help upskill procurement teams and their suppliers on all sustainability-related topics.

KEY FIGURES

change vs 2021

Direct material expenditures (in CHF mn)

5,312

+19.1%

Suppliers who signed the revised SCoC²

33%

TfS assessments

770

+42%

Audits

239

+169%

¹ Together for Sustainability (TfS).

² The Supplier Code of Conduct (SCoC) was revised towards the end of 2021. Therefore, 2022 will be the baseline for future monitoring. 33% refers to suppliers based on the direct spend covered by the revised SCoC. All information disclosed in this chapter refers to tier 1 suppliers.



“Procurement plays a key role in driving forward our sustainability commitments and activities upstream of our supply chain. This is embedded into our procurement strategy in which we assume the responsibility to make sure all vendors are selected and committed to the highest ESG standards”.

Marcos Vazquez
Head of Global Procurement

MATERIAL TOPICS

Responsible
Procurement

Human
Rights

Labor
Standards

Risk and Crisis
Management

SDGs



RESPONSIBLE PROCUREMENT¹

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

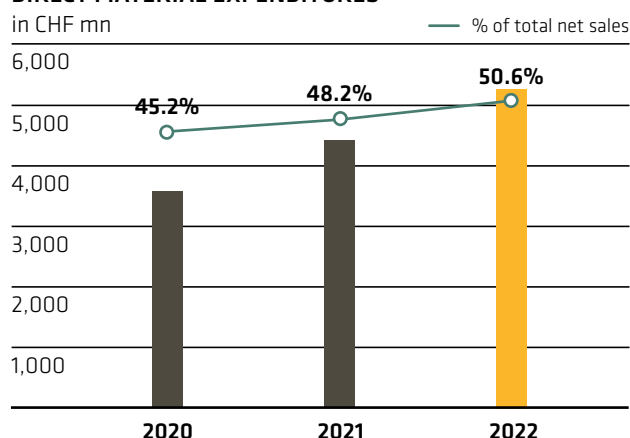
POLICIES AND GUIDELINES



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

Sika's supply chain varies depending on the business segment. Sika companies' source direct materials, and trading goods packaging both locally and internationally. Some materials are only available from international suppliers and must be imported into the country of production. Due to Sika's diverse purchasing portfolio, with around 60,000 materials from more than 15,000 suppliers, there are no primary brands. Sika strives to work with local suppliers wherever possible to reduce lead time, risk, and transport, and to increase availability and control quality. In 2022, the amount of direct material expenditures was CHF 5.3 billion, which corresponded to 50.6% of Group total net sales. Material expenses increased as a percentage of net sales by 2.4 percentage points. This increase was driven by increased raw material costs due supply chain constraints and rising energy costs.

DIRECT MATERIAL EXPENDITURES



Sourced raw materials include bulk chemicals and minerals, among others. Main materials based on quantity from the different material categories include grey cement, SCMs (supplementary cementitious materials), sand, carbonates, polyols, epoxy resins, lignosulphonates, PVC (polyvinyl chloride), and bitumen.

In Sika factories, the raw materials are converted into higher-value goods, usually through mixing, blending, compounding, and suitable form-giving. From Sika's finished goods warehouses, products are distributed within the respective country and partly exported. Sika today collaborates with more than 15,000 direct material suppliers, for both local and global sourcing. Sika's supply chain includes goods purchased locally and across regions, in alignment with Sika's global reach and presence. Due to the acquisitions that took place throughout the year, the network of Sika's suppliers enlarged. For more information, please see the "Methodological Note" chapter on p.154 of the Sustainability Report 2022.

Sika employs a risk management approach for suppliers and the raw material supply chain. This approach is described in the "Risk Management and TCFD Recommendations" chapter on p.25 of the Annual Report 2022.

COMMITMENT

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

GOAL 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 into 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.

² This indicator is extracted from the consolidated income statement. Material expenses include the value adjustment expenses for unsaleable and depreciation and amortization due to inventory difference.

SIKA GLOBAL PROCUREMENT ORGANIZATION

Sika's 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. In addition, Procurement dedicates a unique category to Supplier Risk and Sustainability Management.

- **Material Category Roles:** All materials for Sika's core technologies are structured around material categories. Each material category is coordinated globally by a Global Category Manager. Depending on the size and complexity of spending in the respective categories, some material groups might be further managed by Global Material Group Managers. Global Category Managers and Material Group Managers will be supported in the regions by Regional Category Managers to ensure better target achievement and coordination.
- **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.

SUPPLIER MANAGEMENT AND DIRECT PROCUREMENT

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 or their derivatives. Purchase prices consequently vary according to the supply and demand situation for each raw material and fluctuations in the price of oil. 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 many 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 "Planet" chapter, "Circular Economy" section on p.103 of the Sustainability Report 2022.

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's specialists, as well as external consultants. For more information, please see the "Products and Customers" chapter on p.113 of the Sustainability Report 2022.

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. Additionally, potential suppliers are closely screened by Sika and must demonstrate compliance with all laws, regulations, and international standards set out through Sika's qualifying and selection process.

COVERAGE OF SIKA SUPPLIER CODE OF CONDUCT

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 into sustainable development and corporate responsibility. The Sika Supplier Code of Conduct sets out our expectations for the supplier network and reflects 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 enforce them in their own supply chain network. In 2021, the Supplier Code of Conduct was revised and enhanced to ensure applicability to relevant standards and regulations. Sika Procurement is now investing to ensure the updated version is accepted by the entire supplier base. As of end of 2022, 33% of direct spend is covered by the revised Sika Supplier Code of Conduct. The goal is to reach 100% coverage of suppliers, including both existing and new ones, in the upcoming years.

MATERIAL RISK MANAGEMENT – EARLY IDENTIFICATION OF POSSIBLE RISKS

All purchased materials are regularly evaluated through Sika's Supply 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. Sika uses this risk management process stringently to ensure any potential impact on the company and its customers is mitigated. The results of Sika's risk management process are often supplemented by an evaluation of a suppliers' ESG standards and internal processes.

SUPPLIER QUALIFICATION APPROACH

Through 2022, Sika continued to follow its supplier qualification and evaluation approach based on four pillars, mapping out the main sustainability principles (environmental, social, and economic) both for potential suppliers and current suppliers. The documentation collected during supplier qualification is transparently recorded and stored on the Supplier Relationship Management platform. These procedures are designed to ensure compliance with international labor standards and prescribed quality, environment, health, and safety criteria. Documentation generated during supplier qualification, such as audit and visit reports, supply agreements, and specifications, is transparently monitored on several dedicated platforms, including the Supplier Relationship Management Platform (SRM) and the Risk Management platform. The system enables buyers at Sika to inspect suppliers' qualifications and support the suppliers to improve their ESG performance if necessary.

SUPPLIER RISK IDENTIFICATION, AUDITS, AND ASSESSMENTS¹

In 2022, Sika procurement reviewed its supplier due diligence process to enhance its risk identification criteria in line with upcoming regulatory requirements. In 2023, Sika will utilize Supplier Risk Profiling, supported by an external solution, to ensure a broad and detailed risk evaluation. This will enable further action through Tfs assessments and Tfs audits and Sika supplier audits. Over 1,000 Sika suppliers have been assessed and/or audited under the Tfs framework. In 2022, 770 Tfs supplier assessments¹ with EcoVadis and 239 Tfs and Sika supplier audits were carried out. 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 2022, over 650 suppliers of Sika were re-/assessed under the Tfs framework.

SCREENING OF SUPPLIERS THROUGH ENVIRONMENTAL AND SOCIAL CRITERIA

Sika's values are centered around respecting universal human and workers' rights, acting in accordance with fundamental environmental, health and safety standards and investing into sustainable development and corporate responsibility. Sika takes responsibility for its supply chain and applies the highest ethical standards to its suppliers. The entire Sika supplier network is expected to embrace the values defined in the Supplier Code of Conduct. For instance, by signing Sika's SCoC, all tier 1 suppliers commit to Sika's zero-tolerance policy regarding the respect of basic human rights such as child labor or forced labor, 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 carry out their processes in compliance with Sika's sustainability criteria. For more information on Sika's risk management approach to child labor, please see the "People" chapter, "Human Rights" section on p.64 of the Sustainability Report 2022.

TRAINING FOR EMPLOYEES AND SUPPLIERS

Since 2011, Sika has carried out the "Supplier auditor training program", a yearly initiative conducted over two days of training for procurement, technical, and quality responsible experts. It is part of the Sika Audit Charter and covers the following: scope, procurement process, supplier audit process, audit technique, audit checklist, reporting, and a personalized workshop on audit planning. In 2022, three online training courses were executed covering all regions and business units. 140 Sika employees successfully finished this training. Moreover, Sika continuously leverages both internally developed and externally provided sustainability-driven supplier trainings and webinars. By identifying the key concerns and findings per region and/or supplier groups and streamlining exercises and improvement guidance, Sika can ensure that its supplier network is provided with the necessary support to reach the required expectations.

SUPPLIER QUALIFICATION APPROACH

Sika Supplier Code of Conduct

The supplier commits to comply with Sika's SCoC which reflects 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.

Material Specification

The supplier agrees and signs a standard set of parameters that defines the minimum requirements of the goods and/or services that will be provided by the supplier to Sika.

Sika Self-Assessment

Depending on identified internal risks and thresholds, specific suppliers will additionally be asked to complete a Sika Self-Assessment evaluating a supplier's management and reporting system, ESG criteria and quality assurance of the materials provided.

Tfs Evaluation

Depending on identified internal risks and thresholds, specific suppliers will additionally be asked to undergo an EcoVadis assessment or Tfs audit under the framework of the Together for Sustainability initiative.

1. Can refer to assessments or re-assessments.

EXTRACTION OF RAW MATERIALS AND RELATED PAYMENTS TO GOVERNMENTS

As part of the new transparency obligations of the Swiss Code of Obligation Art. 964d-1¹, companies active in the extraction of raw materials (minerals, oil, gas, timber from primary forests) are required to disclose on payments to government authorities of CHF 100'000 or more. In 2022, Sika extracted Dolomite and Limestone in its two owned quarries operated by KVK Parabit a.s. (Czech Republic). In total, 567'517 tons have been extracted. Extraction fees payments of TCHF 94 have been made to government authorities.

CONFLICT MINERALS

Sika is active in 101 countries and collaborates with more than 15,000 direct material suppliers. In 2022, Sika has done a global review of various regulations and their corresponding thresholds relating to due diligence of conflict minerals or metals (tin, tungsten, tantalum, gold)². Sika's Global Procurement department carried out 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 the responsibility to answer inquiries about the use of materials and products containing potential conflict minerals.

SUPPLIER ENGAGEMENT

As part of Sika's supplier engagement processes, several strategic sustainability meetings were organized with tier 1 suppliers across the supply chain in 2022. These meetings were led by the Chief Innovation and Sustainability Officer and Head of Procurement. The discussions were focused on climate-related strategies, carbon footprint impact at raw material level, and related reduction levers. The meetings fostered discussions on reducing emissions effectively and paved the way for increased collaborations to introduce sustainable raw materials and products. Moreover, since February 2020, Sika has been an active member of TfS, an initiative that improves the sustainability performance of chemical companies and their suppliers.

1. Entered into force in January 2021 and with a first mandatory reporting in 2022.

2. Sika has done a review of applicable regulations and their corresponding thresholds. Sika considered the new requirements of the Swiss Code of Obligation Art. 964j, k, l, and Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO) that are applicable as of in January 2023 and the Regulation (EU) 2017/821 (Conflict Minerals Regulation).

TOGETHER FOR SUSTAINABILITY (TfS)

Sika learns and exchanges with the other TfS members, actively participating in the improvement of sustainable procurement practices within the chemical industry.

TfS delivers 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. TfS is a global organization with regional members' representation in Asia, North and Latin America. Operating as a unique member-driven organization, the TfS member companies shape the future of the chemical industry together. As of December 2022, the initiative counts 40 member companies.

TfS FRAMEWORK AND PROCESS


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. TfS assessments are carried out by its key partner EcoVadis, a global service provider specialized in sustainability performance assessments. In addition, for its audits, TfS cooperates with experienced expert companies operating globally.

Performance is assessed in management, environment, health and safety, labor and human rights, and ethical corporate governance issues. The measures then introduced are reviewed via reassessments or audits. Follow-up monitoring and subsequent supplier management are the responsibility of the individual member companies. An online platform is used to make the results available to all members of the initiative.

Sika closely cooperates with the other members of the initiative, and the initiative enables Sika to ensure that global sustainability standards are met by suppliers through the following activities:

- All potential suppliers are required to complete an EcoVadis sustainability assessment. In addition, Sika has access to all EcoVadis assessments of its suppliers which have been acquired both by Sika and by other TfS members. This provides transparency on sustainability activities and contributions within the supply chain, allowing Sika to initiate and achieve measurable improvements.
- Global Procurement has 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 through 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 conducts a self-defined annual target of EcoVadis assessments and TfS audits of its suppliers.
- Sika participates in three of five workstreams: WS1 Governance and Partnership, WS3 TfS Audits, WS5 GHG Emissions.

TfS WORKSTREAMS

- The WS1 Governance and Partnership focuses efforts on the overall scope and growth of the TfS initiative, promotes co-operation with other chemical associations and sustainability organizations, updates the TfS KPIs and governance, and initiates best practice sharing.
- WS2 assessments and 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 carried out by approved third-party auditors who meet the required standards and evaluate the future progress and potential of Supplier Sustainability Audits.
- The WS4 Capacity Building and Communication supports members in driving supplier development and work closely on further enhancing the TfS Academy.
- 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. In September 2022, TfS launched the  **Product Carbon Footprint Guideline**, a harmonized way (cradle to gate) to calculate, monitor and reduce emissions. This Guideline is applicable to all companies using chemical materials, is open-source and can be downloaded from the TfS website. For more information, please see the "Planet" chapter, on p.85 of the Sustainability Report 2022.

TfS ACADEMY

In March 2022, the TfS initiative launched the TfS Academy – the capability-building hub for TfS members, their procurement teams, and suppliers. With over 315 courses across nine languages (by the end of 2022), the Academy provides knowledge about the most pertinent and trending sustainability procurement topics: Health and Safety, Environment, Sustainable Procurement, Labor and Human Rights, Management, and Governance. Sika is developing a formal plan to fully leverage the TfS Academy for 2023 both internally and with its supplier network. The Academy will also promote learning and help improve on standards within the supply chain.

ECOVADIS ACADEMY

Launched in 2021, the EcoVadis Academy courses are designed to support suppliers carrying out the EcoVadis assessment under the TfS framework and improve their sustainability management practices. The course material covers policies, actions, and reporting across four topics – sustainability, procurement, compliance, and communication – and broader themes such as training, certification, and risk management. Sika encourages suppliers to utilize the available resource when conducting their corrective actions and key improvements.

DIGITALIZATION AND IT LANDSCAPE

SUMMARY & HIGHLIGHTS

AMBITION

Sika aims to tap into new digital business areas aligned with its successful Growth Strategy. The company focuses on including its people, customers, and business partners in the digital transformation process, while at the same time managing risks.

APPROACH

The company's digitalization vision is structured around four main pillars which are put into practice via five digital building blocks.

HIGHLIGHTS

Sika Innovation Day 2022

The event focused on how innovation can be integrated into traditional and digital Sika products, networking with customers, marketing technology e-commerce, optimized processes, and automation.

Sika Sand App

It is an analytical device which provides information about sand particle size distribution. It is a step towards automated quality analysis of available sand and finding solutions using available sand without performance loss.

KEY FIGURES

change vs 2021

Investments in rationalization, efficiency improvements, and digitalization (in CHF mn)

62

+50.4%

Number of data breaches

0

-/+0.0



“Customer First is a value engrained in Sika’s DNA, and it is our goal to ensure that this value extends to all forms of interaction with our customers. This is why we are increasing our focus on developing additional paths to serve our customers and on leveraging the many possibilities offered via digital technology.”

Philippe Jost
Head Construction

MATERIAL TOPICS

Digitalization

IT Landscape

Risk and Crisis
Management

SDGs



DIGITALIZATION AND IT LANDSCAPE

GRI 3-3

GRI 418-1

POLICIES AND GUIDELINES



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

Digitalization is a radical leap in development with implications for all walks of life. The rise in digital networking is not only leading to exponential growth in communication possibilities, 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 approaches to the market, while at the same time including their employees, customers, and business partners in the transformation process. Thanks to Sika's determination to press ahead with digitalization, the company succeeded in integrating these opportunities in its growth trajectory and has benefited from the surge in demand in e-commerce. In 2022, Sika invested CHF 62 million (2021: CHF 41 million) in rationalization, efficiency improvements and digitalization.

VISION AND STRATEGY

The company'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 a new business model. The second involves using digital technologies to drive down costs and increase productivity in manufacturing. The third is about differentiating on the market, staying relevant for customers and growing by transferring offline strength to digital. The latter drives growth, adoption and collaboration by leveraging Sika's decentralized organization. These pillars are put into practice via five digital building blocks:

- Customer Centricity offers consistent and relevant experience, listening, and improving transparency for the customer. Examples include: customer centric channels and communication; customer specific apps (e.g., in concrete quality management), customer segments and insights, ease of doing business with Sika by providing customer specific portals.

- Operational Efficiency realizes efficient and effective business processes based on data and innovative technology. Examples include: smart logistic and warehousing, supply chain planning, manufacturing technologies, shop floor automation with integration in the ERP, and vertical integration of information.
- New Business Models and Innovation leverages new business opportunities with technology. Examples include: integration into BIM ecosystem, 3D concrete printing, smart IoT connected membranes, and a new 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 digital and innovation, digital learning, translation automation, and effective approval and collaboration workflows supported by apps.
- IT Excellence evaluates, implements, and promotes the use of standardized modern core IT platforms (e.g., SAP S/4) that 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 big data.

GOVERNANCE

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

SIKA GLOBAL DIGITALIZATION BOARD

CEO, CFO, Regional Manager EMEA, Regional Manager Americas, Head of Construction, Chief Innovation and Sustainability Officer, Head of IT Sika Group

Customer
Centricity

Operational
Excellence

New Business
Models & Innovation

Effective
Knowledge Worker

IT
Excellence

The Board is mandated to transfer Sika's strength from analog to digital, enabling each digital workstream to progress in a productive and cohesive way. It oversees the alignment between Sika's Corporate 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 teams that drive the activities in the five digital building blocks. In 2022, the Global Digitalization Board met three times and discussed the following topics:

- New digital applications (like a new digital laboratory platform, a new global risk management platform to manage occupational risks and internal audits, a new customer experience management platform to enable automated data exchange, and a new Buy Now application to direct customers to the right point of sales).
- Replacement of end-of-life applications with new cloud solutions (e.g., new global labeling solution, new Product Information Management (PIM) system, new Digital Asset Management (DAM) system).
- Digital organizational topics (e.g., implementation of a Global Process Owner organization, renewal of the Data Owner organization).

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 considered to be amongst the top risks in Sika's Enterprise Risk Management framework. These risks are regularly assessed by the BoD. The CFO is responsible for the risk management in cybersecurity, supported by the Head of IT Sika Group. For more information, please see the "Risk Management and TCFD Recommendations" chapter on p.25 of the Annual Report 2022.

The execution of Sika's Cybersecurity Strategy is assigned to the corporate team of IT Governance, Risks and Security (GRS). Corporate IT Security functions, which are part of GRS team, ensure that Sika employs the necessary processes, frameworks, and policies, and that IT Security aspects are effectively implemented.

A dedicated and highly professional Cyber Defense Team (CDT), which is part of IT Governance, Risk and Security team – is in place to continuously monitor and improve Sika's security posture by preventing, detecting, analyzing, and responding to cybersecurity incidents worldwide. This includes tooling, processes, and people. CDT defends against security breaches based on newest industry relevant threat intelligence, and actively participates in the vulnerability management programs that help

reduce cybersecurity risks. Additionally, Sika set up an Incident Response retainer contract with an external partner. The effectiveness of Sika's cybersecurity framework is tested regularly. The 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;
- Regular training of the Sika workforce on developments in cyber risks and the correct way to counter these risks.

In 2022, the security awareness of Sika employees was further strengthened. Regular phishing awareness campaigns and simulated phishing attacks were organized, and key improvements were made in the relevant metrics. In addition, following a Red Teaming exercise conducted in 2021, a Purple Teaming exercise was organized during the reporting year. Such tests are 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

The business and IT continuity (disaster recovery) are addressed in the Sika Cyber Crisis Management, which includes the IT contingency planning and incident response procedures. The responsibility for severe security incident preparation lies with each Sika company. Since the IT contingency plan is managed by a local Sika company, the disaster recovery tests are carried out locally and performed at least once per year. The same applies to the procedures for the cyber crisis handling, which is set forth in the cyber incident management framework.

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.

DATA PROTECTION AND CUSTOMER DATA PRIVACY

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 an adequate protection and the accuracy of the personal data on file. The Data Protection Policy is closely aligned with widely accepted international standards. It is reviewed regularly and updated if necessary to meet business needs, changes in technology, or regulatory requirements.

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 (DP Principles), coordinating Corporate Functions on Privacy Risk, managing (serious) Incident Breach cases, coordinating Supervisory Authorities investigations, and monitoring the adequacy of Group technical and organizations measures (TOMs). A Group Data Protection Manager who coordinates the implementation of the Group Privacy Program supports (as Corporate Contact Person) local DPOs (Data Protection Officers) and DPCs (Data Protection Champions) who are locally responsible for the adherence and implementation of the privacy program and compliance. The Group Data Protection Manager also manages the Privacy Portal (as Data Processor), provides guidance and 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 mapping and risk. Sika collects, processes and transfers personal data only if necessary, notably 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 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.

DATA BREACHES

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 responsible and/or the Group DP Manager. Subsequently, the affected Sika company(ies) is/are required to collect the necessary information and an incident response questionnaire needs to be completed in the Sika OneTrust Privacy Portal. As a next step, the Group DP Manager reviews the available information which are forwarded to DP Committee for evaluation. The DP Committee assesses if the breach requires a notification to the local authorities and/or the individual(s) (in case of high risks for the individual). In case this is necessary, the local data protection employee responsible, with the support of the Group DP Manager, then notifies the authorities and/or individuals accordingly. The breach has to be documented, and mitigation actions to prevent future similar breaches need to be documented

and implemented. The DP Group Manager supervises the implementation and documentation of the mitigation measures. In 2022, 100% of Sika's General Managers confirmed – by means of the annual Compliance Confirmation – that no data breaches concerning the loss of personal data occurred.

TRAINING

- Data Privacy Awareness Training: E-learning for all non-EU and non-adequate/comparable GDPR countries with or without a dedicated data protection regulation. Will be distributed to all employees as part of the data protection awareness campaign.
- General Data Protection Regulation (GDPR) e-learning: Mandatory e-learning for all EU employees with an email address, covering GDPR specific data protection topics.
- Data Protection Essentials Training: Additional e-learning available in English, which includes the basis data protection principles and other general data protection information.
- 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.

DIGITALIZATION IN SIKA OPERATIONS

Operational efficiency is one of the pillars of the Sika Growth Strategy. In all manufacturing sites, digitalization of processes and data management plays a fundamental role to further develop and optimize Sika operations. However, examples of operational efficiency can be found in all functions or areas of the business where Sika incurs in expenses through its normal business operations (opex), including e.g., Procurement, R&D, HR, Finance, Sales and Marketing.

GOVERNANCE

The digital Operational Excellence team that reports directly to the Global Digitalization Board works closely with regional business teams who coordinate the implementation of digital solutions across business functions. For 2023, Sika will appoint a team of Global Process Owners (GPOs) for the main core business processes, which will report directly to the CFO. This team will provide guidance to the existing regional Process Owner organization. The GPOs will be responsible for design, simplify, harmonize, and protect Sika's end-to-end business processes based on a best demonstrated practice template. They will also support the implementation of innovation and digitalization into Sika's core process platforms to increase both, efficiency and transparency for the business.

INITIATIVES FOR OPERATIONAL EFFICIENCY

Alongside digitalization, automation has also provided a powerful boost. An increasing number of processes, decisions, functions, and systems can now be transferred to algorithms and robots. Machines are taking over certain activities traditionally carried out by humans, and are therefore either already dramatically changing the world of work in many sectors or will do so in the future. Sika has implemented several initiatives in different areas to promote efficiency in its operations:

- Smart logistic and warehousing: An investment was approved to automate the new warehouse and distribution center in Ohio, USA, which is currently under construction. In this pilot project, Sika will use autonomous forklifts (VNA and AGV) which will be interconnected to the extended warehouse management system (EWMS) as part of the Enterprise Resource Planning (ERP) system SAP. This will allow the project to become a best demonstrated practice with an automated put-away and picking strategy as well as manless material transportation. In addition, Sika is implementing the SAP transportation management system (TMS) to achieve transparency in managing freight cost in a more accurate and automated way. TMS will also allow Sika to optimize freight planning, driving efficiencies and reducing the carbon footprint by transport route optimization.
- Supply chain planning: Sika is in the process of developing and implementing Integrated Business Planning (IBP) (SAP) as a tool to optimize sales and operation (S&OP) planning processes and inventory in all warehouses.
- Manufacturing technologies: The company continuously invests in solutions to automate manual processes and automation projects. One example is robot arms, which eliminate the manual process of stacking drums, bags, cans, and others into boxes and on pallets. In addition, the company gradually enhances the efficiency and improves the ergonomics of its machines. For instance, some machines can reduce or eliminate heavy lifting, turning/twisting motions that may put stress on the body and lead to injuries (back hurting, tennis arm, etc.) at the workplace, contributing to a safer work environment.
- Vertical integration of information: By using Manufacturing Execution Systems (MES) and enhancing digital manufacturing platforms, Sika keeps its core platforms integrated with production equipment to push paperless order information and receive real-time information about production processes.
- Artificial Intelligence (AI): Many of the tools and apps that are currently being developed and considered by Sika are based on machine learning or deep learning. R&D activities will rely increasingly on machine learning, where statistical methods are used to accelerate the positive outcome of experimentation. Nonetheless, as of today, the AI topic is not material for Sika or the specialty chemicals sector.

TRAINING

At global level, the topic of Operational Efficiency will be addressed in the various trainings and workshop organized within the Sika Operations Academy, which will start again on a regular basis from 2023. On a regional and country level, the organization allows for local decision-making on the content and frequency of trainings. One example is the General Managers program 2022 organized by the global Business School, which dedicated a masterclass to the topic of operational efficiency. For more information on professional skills trainings and sika academies please see the “People” chapter, “Human Capital Development” section on p.73 of the Sustainability Report 2022.

DIGITALIZATION FOR IMPROVED CUSTOMER EXPERIENCE

Customer Centricity is a crucial piece of Sika’s digitalization efforts, as it pays directly into its “Customer First” value. The company’s aim is to translate its “Customer First” approach also via digital technologies by offering consistent and relevant experience to its customers.

In order to achieve this goal, Sika takes a customer-centric approach and sets up its initiatives according to customer intents rather than technologies. One example is to “Learn and Develop”. Understanding that customers want seamless learning and development opportunities via digital channels, Sika provides these opportunities in different platforms:

- The first platform is composed of “Knowledge Articles” on the website, where customers can learn more about specific solutions or technologies.
- The second platform is made up of webinars, where customers have the opportunity to deep dive in various relevant topics.
- The third platform is the “Sika Knowledge Center”, an online portal where customers can visit courses and earn certificates and, depending on the case, accumulate further education credits.

All digital solutions provided by Sika are optimized technologically, meaning they are integrated with the larger platforms, or single sources of truth, such as the company’s Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP). This same logic is applied throughout Sika’s customer centricity digital program.

The company’s current marketing technology stack encompasses approximately 50 global satellite platforms, which are organized around customers’ intent and technological function. This is how Sika addresses the different needs of its 100+ subsidiaries while leveraging efficiencies from an operational standpoint. Not all solutions are adopted by all subsidiaries, as the organization allows for local decision-making on what and when to implement a given solution.

DIGITALIZATION OF SIKA PRODUCTS AND SOLUTIONS

Sika leverages digital technology to optimize or enhance processes related to the use and life cycle of its products and solutions. One example of optimization at Sika is the range of calculation software available to its customers. These tools allow for more speed in the selection of Sika products, hence avoiding waste or shortage of material during a given application. One example of enhancement is the range of monitoring tools, which allow customers to identify structures in need of repair, refilling or at a breaking point. These tools allow customers to better manage the life cycle of a project and optimize processes during application.

Each Target Market analyzes how digital technology can improve or enhance customers' experience and develops solutions accordingly. For Target Market Concrete, the range of solutions covers the entire value chain, from raw materials analysis to concrete mixing and in transit quality control. Digitalization is also revolutionizing the construction and manufacturing sectors through 3D printing, concrete pouring without formwork (MESH), digital planning, and support tools that increase accuracy and save time. Sika is the only company capable of supplying all of the technologies required for industrial 3D concrete printing from a single source. The range of solutions includes mortars, admixtures, and the printing system together with the software. Sika has teamed up with several partners to commercialize 3D concrete printing technology in the construction industry and to capture its vast potential. Sika's solution combines sustainability with operational efficiency and productivity improvements. Software developed by Sika focuses on modeling complex 3D printed elements. Advanced Sika 3D printing technologies allow the realization of new building concepts and more complex shapes while achieving a perfect printing quality with minimum material.

Another strategic topic is the modular approach to construction, which increases the degree of automation and efficiency in the realization of construction projects, while simplifying compliance with rigorous safety standards. With its products, systems, and solutions, Sika can accelerate technological change on construction sites. In roofing solutions, Sika offers an efficient system for leak monitoring and detection. In digital construction, a range of exciting challenges across economic, environmental, technical, and architectural fields are evolving. Sika covers all activities required for the complete digitalization of the construction industry, including design, processes and operations, additive materials, and connected devices.

Moreover, Sika developed its cooperation with CiDRA Concrete Systems Inc. in the USA, a company specializing in internet-of-things (IoT)-based digital systems to monitor concrete properties during transport. Sika and CiDRA already offer this service to customers in the USA and Canada and plan to expand into other markets. CiDRA Concrete Systems is a market leader in

digital monitoring and information systems for concrete loads in trucks. High-precision on-board systems measure the quality of the concrete during its transport from the batching plants to the job sites. Customers benefit from this offer through a data subscription service, enabling concrete producers to access real-time concrete quality data such as workability and air content through a cloud-based data portal for every truck operating in their fleet.

Digitalization supports not only efficiency and growth, but also Sika's sustainability agenda. In 2021, Sika developed the Sika Sand App, a highly innovative digital solution for fast sand analysis. Sand has become a scarce resource and good sand analytics are becoming increasingly important. The Sika Sand App is an analytical device and provides information about sand particle size distribution. It is a positive move towards automated quality analysis of sand, and allows customers to find solutions using available, also lower-quality and manufactured, sand without performance loss.

THE SIKA INNOVATION DAY

The Sika Innovation Day took place in September 2022 during the Sika Senior Management Meeting held in Switzerland. The event focused on how innovative solutions in digitalization and automation can be integrated into traditional Sika products, allowing customers to augment their performance. Solutions for automation (such as 3D MESH), digital products (such as the Sika fire protection app), networking with customers (such as the Sika trade show in the metaverse), or optimized processes (such as the 3D Visualizer) were presented. In addition to digitalization and automation, there was a strong focus on innovations related to the topics of sustainability and urbanization.

ECONOMIC PERFORMANCE AND VALUE CREATION SUMMARY & HIGHLIGHTS

AMBITION

A profitable business model secures the long-term viability of the company and is an important cornerstone to maintain global technology leadership.

APPROACH

Sika develops innovative solutions together with its customers along several strategic pillars, allowing the company to create sustainable value for stakeholders. Sika is committed to being a socially responsible corporate fiscal citizen.

HIGHLIGHTS

Economic performance 2022

Despite a demanding market environment, Sika performed impressively in 2022, posting sales in excess of CHF 10 billion for the first time in the company's history. This corresponds to a substantial increase of 15.8% in local currencies compared to the previous year.

Higher raw material costs countered by pricing and efficiencies

Year 2022 was marked by high inflation and associated interest rate hikes. By raising prices and generating efficiency gains along the value chain, Sika countered this situation and delivered a record EBIT.

KEY FIGURES

change vs 2021

Sales growth (in CHF mn)

10,491.8
+13.4%

EBIT margin

15.1%
+0.1% points

Distribution of value-added (in CHF mn)

3,321
+8.1%

Tax rate

22.4%
+0.9% points



“Our resilient strategy consistently delivers profitable growth. With the focus on both financial and non-financial aspects, we create sustainable value to all stakeholders.”

Adrian Widmer
Chief Financial Officer

MATERIAL TOPICS

Economic
Performance

Tax
Approach

Risk and Crisis
Management

ECONOMIC PERFORMANCE

GRI 3-3

GRI 201-1

GRI 201-4

POLICIES AND GUIDELINES



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

Financial stability and long-term profitability ensure that Sika remains a reliable and value-adding partner for all its stakeholders now and in the future. Economic performance is an important factor to maintain global technology leadership by facilitating continual investment in R&D, as well as the ability to stay close to customers and serve all markets. Economic strength allows Sika to distribute value to various stakeholders. It is also critical for developing high-performing products, developing its workforce, providing long-term shareholder returns, and being a good corporate citizen that gives back to the community.

COMMITMENT

Sika commits to deliver on the strategic pillars of its Strategy 2023 – market penetration, operational efficiency, acquisitions, values – and related targets. For more information on strategic pillars, please see the “Strategic Report”, “Strategy 2023” chapter on p.18 of the Annual Report 2022.

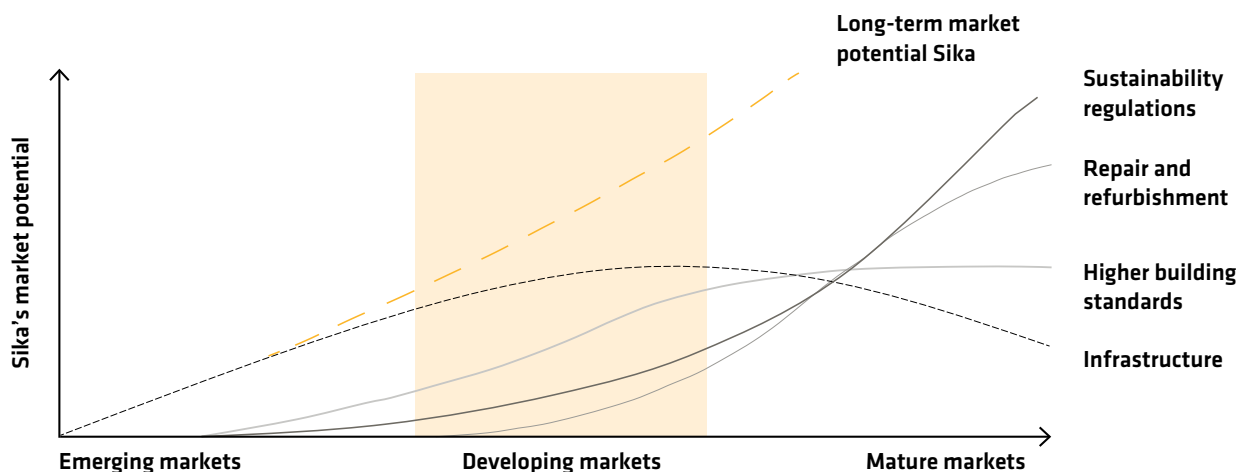
GOALS AND TARGETS

The Strategy 2023 was launched in 2019 and is aligned with Sika’s goal for sustainable and profitable growth. The strategy is organized around six pillars that are not only focused on ambitious financial targets but also on improving the carbon footprint of the company’s operations. Within these six pillars, Sika plans to grow by 6–8% in local currencies per year up to 2023 and to achieve an EBIT margin of 15–18%. For more information, please see the “Strategic Report”, “Strategy 2023” chapter on p.18 of the Annual Report 2022.

RESPONSIBILITIES

Overall responsibility for economic performance at Group level lies with the Board of Directors (BoD) along with the Group Management. Sika’s international expansion began soon after the foundation of the company more than 100 years ago. Since then, the company organizes its global activities by country. The national subsidiaries are consolidated into regions with higher-level management functions. The regions are EMEA (Europe, Middle East, and Africa), Americas, Asia/Pacific, and Global Business. The regional and local management teams bear full profit and loss responsibility, and – based on the Group strategy – develop regional and country-specific strategic plans and targets.

SIKA HAS SOLUTIONS FOR ALL MARKETS



Sika evaluates its management approach through a process steered by the BoD. The CEO, as well as the CFO, report to the BoD in writing on the development of business at least once a month. A monthly management package on the financial performance is shared with Group Management and the BoD to provide an update on the company. In addition, nine Group Management and ten BoD meetings took place throughout the year, to review and discuss all strategic topics (financial performance, investments, acquisitions, business activities, non-financial performance, etc.). Extraordinary events are reported immediately to the Board Chair or the Audit Committee, if such events relate to the latter's area of responsibility. The Audit Committee is responsible for reviewing internal and external audits and risk management. For more information, please see the Corporate Governance report on p.166.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Sika creates sustainable value for its customers, the supply chain, and many other stakeholders. The company generates substantial value for governments (through taxes), employees (through compensation and benefits), shareholders (through dividends), suppliers and service providers (through raw material and service prices), and society (through taxes and local community projects). Part of the value generated is retained in the company for developing new technologies, acquisitions, capital investments, and to remain independent from capital market fluctuations (📄 **Table 01: Direct Economic Value Generated and Distributed**, in the "Key Performance Indicators" section at the end of this chapter). For more information, please see the "Strategic Report", "Business Environment" chapter on p.13 of the Annual Report 2022, and the "Financial Report", "Consolidated Financial Statements" chapter on p.202 of the Annual Report 2022.

FINANCIAL RESOURCES

Sika's high cash generation results in moderate debt levels and a solid balance sheet. The strong deleveraging profile supports a strong credit rating which in turn gives Sika good access to the capital markets. The reliable cash generation enables consistent investments in future growth. For example, in R&D, expansion of geographical production footprint to fully capture market potential, bolt-on acquisitions, or training and development of employees. In addition to finance its growth and operations with cash, Sika uses bank loans and bonds. When issuing bonds, Sika makes sure to keep a well-balanced and conservative maturity profile. In November 2022, Sika successfully placed a bond in the Swiss market with a total amount of CHF 600 million through a triple tranche. The trust the capital markets place in the sustainable growth of Sika, was demonstrated through the strong demand for this bond placement. For more information, please see the "Strategic Report", "Business Environment" chapter on p.13 of the Annual Report 2022, and the "Financial Report", "Consolidated Financial Statements" chapter on p.202 of the Annual Report 2022.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

In 2022, Sika received CHF 1.5 million (previous year: CHF 1.6 million) government subsidies for employment relationship, for instance through short-time work compensation programs. The company also received CHF 6.6 million of government support (previous year: CHF 6.5 million) through specific grants. Please see Note 4 and Note 5 in the "Appendix to the Consolidated Financial Statements" on p.207 of the Annual Report 2022.

MERGER AND ACQUISITIONS FILING

In 2022, one compliance case was filed in Morocco about the violation of administrative procedures for the Parex acquisition because Sika did not file with the anti-trust authorities in Morocco. At that time, this reporting duty was considered not required. Sika contacted the authorities and explained the misunderstanding. The fine was paid and the case is closed.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

REVENUES in CHF mn

10,492

DISTRIBUTION OF VALUE ADDED

3,321

6,806

Non-liquidity-related expenses

365

Payments to governments

390

Intermediate inputs

1,711

Employee wages and benefits

503

Payments to lenders and shareholders

Economic value retained: CHF 717 mn

TAX APPROACH

GRI 3-3

GRI 207-1

GRI 207-2

GRI 207-3

GRI 207-4

POLICIES AND GUIDELINES



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

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 2022 Compliance 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 101 countries where Sika operates.

TAX GOVERNANCE

Sika's tax approach is in line with the Organisation for Economic Co-operation and Development (OECD)/G20 guidelines. By following a business-oriented approach based on functions, assets, 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 and does not use complex structures or offshore havens to minimize its tax liabilities. Sika does not adopt tax schemes based on form without commercial substance. Sika does not use offshore entities that lack business purpose and substance. Sika does not 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, the income tax rate amounted to 22.4%, thereby increasing compared to the level of the previous year of 21.5%. On average, Sika tax rate is stable showing the company's reliability as a taxpayer (📌 **Table 02: Tax Rate**, in the "Key Performance Indicators" section at the end of this chapter).

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 and provides information on internal processes, roles, responsibilities, and decision-making procedures, as well as rights and obligations of various stakeholders. The online reporting, called  **Sika Trust Line**, is operated by an external party and allows for anonymous reporting directly to the attention of Corporate Compliance.

PUBLIC POLICY ADVOCACY ON TAX

For more information, please see the “People” chapter, “Public Policy” section on p.79 of the Sustainability Report 2022.

KEY PERFORMANCE INDICATORS

↑ **TABLE 01: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED**

	2020	2021	2022
Revenues	7,878	9,252	10,492
Intermediate inputs	4,819	5,838	6,806
Non-liquidity-related expenses	341	342	365
Distribution of value added	2,718	3,072	3,321
Employee wages and benefits	1,528	1,637	1,711
Payments to governments	280	331	390
Payments to lenders and shareholders	360	410	503
Economic value retained	550	694	717

↑ **TABLE 02: TAX RATE**

	2020	2021	2022
Tax rate (%)	22.2	21.5	22.4

METHODOLOGICAL NOTE

GRI 2-2

REPORTING STANDARDS

The Sika Sustainability Report 2022 is part of the Sika corporate reporting package. The Sika Group has reported the information cited in the Sustainability Report 2022 for the period 1.1.2022–12.31.2022 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 1.1.2022–12.31.2022 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. For additional information on the scope 3 assessment, a detailed methodology paper [Sika Methodology for Scope 3 Emissions Calculation](#) is available in the download center of the corporate website.

The Sika Sustainability Report 2022 also complies with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which are described in more detail in the "Risk Management and TCFD Recommendations" chapter on p.25 of the Annual Report 2022, and in a dedicated [TCFD report 2022](#) available in the download center of the corporate website.

REPORTING REGULATIONS

- New Swiss non-financial reporting requirements will enter into force in January 2023¹ under the Swiss Code of Obligation Art. 964j, k, l and Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). Information related to child labor is available in the "People" chapter, "Human Rights" section on p.64 of the Sustainability Report 2022. Information related to conflict minerals and metals is available in the "Procurement" chapter, "Responsible Procurement" section on p.135 of the Sustainability Report 2022.

- Information related to the new transparency obligations of the Swiss Code of Obligation Art. 964d-i² for companies active in the extraction of raw materials (minerals, oil, gas, timber from primary forests) is available in the chapter "Procurement", "Responsible Procurement" section on p.135 of the Sustainability Report 2022.
- Sika will need to disclose information and KPIs in accordance with the Corporate Sustainability Reporting Directive (CSRD) from business year 2025, with first mandatory reporting in 2026. Sika Group will comply with the European Sustainability Reporting Standard (ESRS) developed by EFRAG (European Financial Reporting Advisory Group).
- The EU Taxonomy duties will affect Sika as a consequence of the CSRD. Therefore, Sika has kicked-off the "EU Taxonomy" project in 2022. The company initiated the eligibility analysis of its business activities for two environmental objectives (climate change mitigation and adaptation). Sika will pursue the exercise to ensure an exhaustive identification of its taxonomy-eligible economic activities and consistently report on related KPIs (Turnover, CapEx and OpEx) in the following years.

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.211 of the Annual Report 2022. In the year under review, the scope of consolidation of the Sustainability reporting was expanded to include:

- The acquired companies Sable Marco Inc. (Canada) and United Gilsonite Laboratories, Inc. (USA)
- The newly founded companies Sika Davco (Chongqing) New Materials Co., Ltd., (China) and Sika Davco (Dezhou) New Materials Co., Ltd., (China).

More information on these acquisitions and expansions is available in the "Financial Report" on p.201 of the Annual Report 2022. 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.251 of the Annual Report 2022.

More information on the scope of reporting and consolidation of scope 3 emissions is available in the [Sika Methodology for Scope 3 Emissions Calculation](#) available in the download center of the corporate website.

¹ With a first mandatory reporting in 2024.

² Entered into force in January 2021 and with a first mandatory reporting in 2022.

DATA COLLECTION AND REPORTING METHODOLOGIES

Sustainability Performance Indicators disclosed in Sika Sustainability Report 2022 are based on the following:

- Social, Environmental, and 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.
- All Social Performance Indicators (KPIs) are reported annually at company level, except training, which is reported quarterly.
- Community Engagement indicators are reported quarterly at company level.
- The Japan Automotive business has been reallocated from the region Global Business to the Asia/Pacific region in 2022. The prior years have been restated accordingly in the “Planet” chapter and in the “Labor Management” and “Diversity and Inclusion” sections of the “People” chapter.
- In 2022, Sika added granularity to the reporting of headcount-related indicators. The breakdown of employees per age, contract and employment type is now available per gender. 2019, 2020 and 2021 have not been restated accordingly.
- Acquisitions and scope changes that occurred in 2019, 2020, 2021 and 2022 did not lead to a restatement of the environmental indicators disclosed in the “Planet” chapter.
- Many of the strategic KPIs disclosed in the “Planet” 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.
- 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, CO₂ equivalent (CO₂eq) 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.
- In 2022, Sika updated the sources of emission factors used for the calculation of scope 1 and 2 emissions. Scope 1 emissions factors have been changed from BAFU (Swiss Federal Office of Environment) to BEIS/Defra. Scope 2 market-based emission factors have been updated to consider the electricity countries’ residual mixes when available, such as AIB 2020 European Residual Mixes (applied to European locations) and 2021 Green-e Residual Mix Emissions Rates (applied to US locations). Scope 1 and 2 emissions from 2019, 2020 and 2021 have not been restated accordingly.
- In 2022, Sika added granularity to the reporting of vehicle fuel. The reporting is now split per type of fuel (diesel, gasoline, biodiesel, ethanol, LPG and natural gas) with a different emission factor applied to each category. Scope 1 emissions from 2019, 2020 and 2021 have not been restated accordingly.
- In 2022, Sika updated the conversion factors related to primary energy from m3 to GJ to reflect the gross CV (calorific value) based on BEIS/Defra recommendations. All energy-related data from 2019, 2020 and 2021 have been restated accordingly.
- In 2022, fugitive emissions related to refrigerant gases have been added to the scope 1 inventory as per the Greenhouse Gas Protocol. These emissions are calculated based on BEIS/Defra 2021 emission factors. Scope 1 emissions from 2019, 2020 and 2021 have not been restated accordingly since fugitive emissions represent 0.5% of Sika’s scope 1 and 2 emissions for 2022.
- In 2022, scope 1 and 2 emissions related to Sika Corporate Services companies in Switzerland have been reported separately (9 tons of CO₂eq). 2019, 2020 and 2021 have not been restated accordingly.
- In 2022, district heating has been added to the company scope 2 inventory as per the Greenhouse Gas Protocol. These emissions are calculated based on BEIS/Defra, 2021 emission factors. Indirect energy consumption and related scope 2 emissions from 2019, 2020 and 2021 have not been restated accordingly since district heating represents 0.2% of Sika’s scope 1 and 2 emissions for 2022.
- In 2022, alongside the emissions related to the combustion process of Sika fuel and gas consumption:
 - The VOC reporting has been extended to include emissions from the petrochemical materials and related processes.
 - The dust reporting has been extended to include the emissions from the mortar production.
 - 2020- and 2021-related data have not been restated accordingly.
- In 2022, rainwater has been added to the reporting of water withdrawal per type of source. Water withdrawal data from 2019, 2020 and 2021 have not been restated accordingly.
- Up to 2021, wastewater disposed separately due to local regulations could be reported under waste and excluded from water discharge. From 2022 onwards, the reporting methodology of water discharge has been adjusted. A new account “water sent off-site for treatment” was created to capture the total volume of wastewater under water discharge, leading to a shift from waste to water discharge. The indicator “water to ground” has also been added. Waste and water data from 2019, 2020 and 2021 have not been restated accordingly to the new methodology.
- In 2022, waste volumes per type of disposal method have been detailed for hazardous and non-hazardous waste. Waste data from 2019, 2020 and 2021 have not been restated accordingly to the new level of granularity.
- All information disclosed in the “Procurement” chapter 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 2022 for dedicated indicators and KPIs.

Independent practitioner's limited assurance report

on selected Sustainability Indicators contained within Sika's Sustainability Report 2022 to the Board of Directors of Sika AG

Baar

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on selected Sustainability Indicators of Sika AG and its consolidated subsidiaries (hereinafter "Sika") contained within Sika AG's Sustainability Report 2022 (including the GHG reporting) for the period from 1 January 2022 to 31 December 2022 (hereinafter "Sika's Sustainability Report").

Scope and subject matter

The following selected Sustainability Indicators contained within Sika's Sustainability Report were subject to our limited assurance engagement ("Selected Indicators") and represent the subject matter information:

- Scope 1 (tons of CO₂eq) on page 108;
- Scope 2 – Market-based (tons of CO₂eq) and Scope 2 – Location-based (tons of CO₂eq) on page 108;
- GHG emissions intensity (kg CO₂eq) per ton sold on page 108;
- Scope 3 GHG emissions on page 92;
- Breakdown of energy consumption per source (TJ) on page 94;
- Energy intensity per ton sold (MJ per ton sold) on page 109;
- Purchased renewable electricity rate on page 110;
- Water consumption per ton sold (m³) on page 110;
- Total Waste generated (tons) and Waste intensity (kg per ton sold) on page 111;
- Recycling rate (%) on page 111;
- Number of lost time accidents (LTA) (No.) of Sika employees on page 59 and Number of lost time accidents (LTA) (No.) of contractors on page 60;
- LTA rate per 1'000 FTEs on page 59;
- Lost Time Injury Frequency Rate (LTIFR) per 200'000 hours on page 59;
- Number of fatalities of Sika employees on page 59 and Number of fatalities of contractors on page 60;
- Community engagement projects (No.) on page 78; and
- Volunteering days of employees (Days) on page 78.

Our limited assurance engagement does not conclude on comparative prior year figures or any prospective information included in Sika's Sustainability Report. Consequently, we do not comment on, nor conclude on any such information.

Criteria

The Selected Indicators in Sika's Sustainability Report were evaluated against the criteria described in Sika's Sustainability Report.

The Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting) were prepared by the Group Management of Sika AG (the "Company") based on the criteria described within Sika's Sustainability Report, in

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

the Methodological Note on pages 154 and 155 and in the Scope 3 Methodology available on Sika AG's website (the "suitable Criteria").

Inherent limitations

The accuracy and completeness of the Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the Selected Indicators contained within Sika's Sustainability Report and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria described within Sika's Sustainability Report in the Methodological Note and in the Scope 3 Methodology for relevant definitions and procedures on the Selected Indicators.

Group Management's responsibility

The Group Management of Sika AG is responsible for preparing the Selected Indicators contained within Sika's Sustainability Report in accordance with the suitable Criteria described within Sika's Sustainability Report 2022. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the Selected Indicators contained within Sika's Sustainability Report that are free from material misstatement, whether due to fraud or error. Furthermore, the Group Management is responsible for the selection and application of the suitable Criteria described within Sika's Sustainability Report and adequate record keeping.

Independence and quality management

We are independent of Sika AG and its consolidated subsidiaries in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG 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.

Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information" and the International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" (ISAE 3410), issued by the International Auditing and Assurance Standards Board. Those standards require that, to obtain limited assurance, we plan and perform our procedures whether anything has come to our attention that causes us to believe that the Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting) were not prepared, in all material aspects, in accordance with the suitable Criteria described within Sika's Sustainability Report.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than with a reasonable assurance engagement.

We performed the following procedures, among others:

- Inquiries of the relevant stakeholders for the Selected Indicators in Sika's Sustainability Report (including the GHG reporting);
- On-Site visits for selected Sika sites in USA, China, Singapore, Romania, Poland, Germany, Italy, Austria, Egypt and Switzerland. The selection was based on quantitative and qualitative criteria;
- Interviews with personnel responsible for the sustainability reporting and data collection at the selected Sika sites visited and at the Corporate level to determine the understanding and application of Sika's specified guidelines and methodology;
- Sample based inspection of relevant documents and testing of underlying data;
- Reconciliation of data collected with financial reporting data and other underlying records;
- Reperformance of relevant calculations; and
- Analytical procedures on selected site-level, as well as Corporate level.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting) for the period from 1 January 2022 to 31 December 2022 are not prepared, in all material respects, in accordance with the suitable Criteria described within Sika's Sustainability Report 2022.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of Sika AG, and solely for the purpose of reporting to them on Selected Indicators contained within Sika's Sustainability Report 2022 (including the GHG reporting) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Group Management and the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Selected Indicators in Sika's Sustainability Report 2022, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group Management or the Board of Directors of Sika AG for our work or this report.

PricewaterhouseCoopers AG

Thierry Troesch

Christine Blass

Zurich, 14 February 2023

'The maintenance and integrity of Sika AG's website and its content are the responsibility of the Group Management of Sika AG; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of Sika AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected Indicators contained within Sika's Sustainability Report (including the GHG reporting) or suitable Criteria described within Sika's Sustainability Report since they were initially presented on the website.'

LEADERSHIP

Sika's empowered organization fosters an entrepreneurial spirit and a respectful work environment.

**Average years with Sika among
Group Management members**

23.5

ALL

**national subsidiaries with own
profit and loss responsibility**

ORGANIZATION & LEADERSHIP

Integrated management, flat hierarchies

Sika's organizational structure is decentralized. The company is characterized by its flat hierarchies and leadership structures. The regional management teams and national subsidiaries play a pivotal role in successfully operating the company.

Organizational structure

Sika organizes its worldwide activities into three regions with area-wide managerial functions. The regional heads are members of Group Management who are also responsible for either EMEA, Asia/Pacific or the Americas. This leadership structure ensures integrated management from production to customer.

The regional and national management teams bear full responsibility for their own profit and loss, set their own growth and sustainability targets, and allocate resources based on group strategy. An overview of Sika's organization by region for the 2022 financial year can be found on p.37-39 of this report. Sika's regional organization is based on unified economic areas and coordinated supply chain structures.

Sika serves eight target markets: Building Finishing, Concrete, Waterproofing, Roofing, Flooring, Sealing and Bonding, Engineered Refurbishment, and Industry. The company's market-oriented approach allows Sika to sharpen its customer focus, optimize its technical support capabilities, and concentrate its R&D activities on fulfilling local market needs.

ORGANIZATIONAL CHART

Sika is committed to sustainable corporate management. Business areas are developed on a long-term basis with the aim of securing lasting value enhancement for all stakeholders. A clear focus on our corporate values and performance is just as fundamental as assuming social responsibility and ensuring a careful approach to the environment and resources. This forms the foundation of our success.

BOARD OF DIRECTORS

Paul J. Hälgi,
Chair of the Board

Viktor W. Balli
Lucrèce Foufopoulos-De Ridder

Justin M. Howell
Gordana Landén

Monika Ribar
Paul Schuler

Thierry F. J. Vanlancker

CEO
Thomas Hasler

LEGAL
Stefan Mösl

PROCUREMENT
Marcos Vazquez

COMMUNICATION & IR
Dominik Slappnig

INDUSTRY
Morten Muschak

GLOBAL BUSINESS
Samuel Plüss

AMERICAS
Christoph Ganz

ASIA/PACIFIC
Mike Campion

EMEA
Ivo Schädler

CONSTRUCTION
Philippe Jost

FINANCE
Adrian Widmer

HR & COMPLIANCE
Raffaella Marzi

INNOVATION & SUSTAINABILITY
Patricia Heidtman

BOARD OF DIRECTORS

PAUL HÄLG, DR. SC. TECHN.,
ETH ZÜRICH

Chair of the Board of Directors

Nationality: Swiss; Year of birth: 1954

Member since: 2009, Chair of the Board since: 2012

2004–2016: CEO Dätwyler Group, Altdorf; 2001–2004: Executive Vice President Forbo International SA, Eglisau; 1987–2001: Product Manager, Commercial Director, CEO Gurit Essex AG, Freienbach; 1981–1986: Project and Group Leader Schweizerische Aluminium AG (Alusuisse), Zurich

Mandates in listed companies:

Chair of the Board: Dätwyler Holding AG (and therefore also of Pema Holding and Dätwyler Führungs AG), Altdorf

Mandates in non-listed companies and organizations:
Chair of the Board: Welfare Foundation Sika, Baar

Member of the Board: Sonceboz Automotive SA, Sonceboz

Member of the Foundation Council: ETH Foundation (supports education and research at ETH), Zurich; Swisscontact (Swiss foundation promoting economic, social, and ecological development in emerging economies), Zurich; Rega (non-profit Swiss air rescue service), Zurich

JUSTIN MARSHALL HOWELL, LL.B
AND B.C.L., MCGILL UNIVERSITY,
CANADA

Nationality: Canadian; Year of birth: 1971

Member since: 2018; Committees: Chair of Nomination and Compensation Committee

Since 2010: Senior Investment Manager Cascade Asset Management Company, Kirkland, WA, USA; 2007–2009: Vice President Investment Banking Bank of America Merrill Lynch, New York, NY, USA; 2003–2007: Associate Cravath, Swaine & Moore LLP, New York, NY, USA

Mandates in listed companies:

Member of the Board: Canadian National Railway Company, Montreal, Québec, Canada (member of Governance, Sustainability and Safety Committee, member of Human Resources and Compensation Committee, and member of Pension and Investment Committee)

VIKTOR WALDEMAR BALLI, MSC
CHEMICAL ENGINEER, SWISS FEDERAL
INSTITUTE OF TECHNOLOGY ZÜRICH
(ETH); M.A. ECONOMICS, UNIVERSITY
OF ST. GALLEN (HSG)

Nationality: Swiss; Year of birth: 1957

Member since: 2019; Committees: Member of Audit Committee and Sustainability Committee

2007–2018: CFO Barry Callebaut Group, Zurich; 1996–2006: Director of Niantic Group (Family Holding), Amsterdam, Netherlands; 1991–1995: Principal of Adinvest AG, Zurich; 1989–1991: Head Corporate Finance Marc Rich & Co Holding AG, Zug; 1985–1989: Financial Analyst and Manager EniChem International AG, Zurich, Switzerland, and Milan, Italy

Mandates in listed companies:

Member of the Board: Givaudan AG, Vernier (Chair of Audit Committee and Member of Compensation Committee); Medacta International SA, Castel San Pietro (Chair of the Audit and Risk Committee); KWS SAAT SE & Co. KGaA, Einbeck, Germany (Chair of the Audit Committee)

Mandates in non-listed companies and organizations:
Member of the Board: Swiss Federal Audit Oversight Authority (RAB), Bern; Hemro AG, Bachenbülach; Louis Dreyfus Company Holding BV, Amsterdam, Netherlands (Chair of the Audit and Risk Committee)

ORDANA LANDÉN, BSC HUMAN
RESOURCE DEVELOPMENT
AND LABOR RELATIONS, UNIVERSITY
OF STOCKHOLM, SWEDEN

Nationality: Swedish; Year of birth: 1964

Member since: 2022; Committees: Member of Nomination and Compensation Committee

Since 2019: Chief HR Officer Adecco Group, Zurich; 2015–2018: Chief HR Officer Signify, Eindhoven, Netherlands; 2008–2015: Senior Vice President Group Function Human Resources Svenska Cellulosa Aktiebolaget SCA, Stockholm, Sweden; 1992–2008: various functions within Ericsson: Vice President HR & Organization, Business Unit Global Services, Sweden, Director HR & Organization, Market Unit Nordic & Baltics, Sweden, Regional HR Manager, Market Unit Nordic & Baltics, Sweden, Senior HR Manager, Swedish Business Unit, Market Operations Western Europe & Customer Service, Sweden; Senior HR Consultant, USA

Mandates in non-listed companies and organizations:
Member of the Foundation Council: Adecco Innovation Foundation (creates practical solutions to increase the employability and access of underserved populations to labor markets), Zurich

LUCRÈCE FOUFOPOULOS-DE RIDDER,
MSC MATERIALS ENGINEERING,
UNIVERSITY OF GENT, BELGIUM;
MSC POLYMERS & COMPOSITES
ENGINEERING, UNIVERSITY
OF LEUVEN, BELGIUM

Nationality: Swiss; Year of birth: 1967

Member since: 2022; Committees: Member of Audit Committee and Sustainability Committee

Since 2019: Executive Vice President Polyolefins & Chief Technology Officer Borealis Group, Vienna, Austria; 2014–2018: Vice President and General Manager Rubber Additives & Chief Commercial Officer Eastman Chemical, Zug, Switzerland; 1996–2014: various functions within Dow Chemical Group: general/business (P&L) leadership, commercial, marketing & strategy leadership, M&A as well as research, product & application development across a broad range of industries spanning transportation, healthcare, food & nutrition, electronics, building & construction, oil & gas and water treatment, in Belgium, France, Switzerland, China, and the United States; 1992–1996: Research, Product & Application development, Tyco, Kessel-Lo, Belgium, and Menlo Park, USA

Mandates in listed companies:

Member of the Board: Royal Vopak, Rotterdam, Netherlands (member of Audit Committee and member of Remuneration Committee)

Mandates in non-listed companies and organizations:
Member of the Board: Borouge (a joint venture between Borealis and ADNOC), Abu Dhabi, UAE, member of the Steering Board: Plastics Europe (industry association with the purpose to make plastics more sustainable), Brussels, Belgium

MONIKA RIBAR, LIC. OEC.
UNIVERSITY OF ST. GALLEN (HSG)

Nationality: Swiss; Year of birth: 1959

Member since: 2011; Committees: Chair of the Audit Committee

2006–2013: CEO Panalpina AG, Basel; 2005–2006: CFO Panalpina AG, Basel; 2000–2005: Chief Information Officer (CIO) Panalpina AG, Basel; 1991–2000: various functions within Controlling, IT and Global Project Management, Panalpina AG, Basel

Mandates in non-listed companies and organizations:
Chair of the of the Board: SBB AG (Swiss Federal Railways), Bern
Member of the Board: Chain IQ Group, Zurich (until May 20, 2022)

PAUL SCHULER, MBA

Nationality: Swiss; Year of birth: 1955

Member since: 2021

2017–2021: CEO Sika AG, Baar; 2007–2021: Member of Group Management Sika AG, Baar; 2013–2017: Regional Manager EMEA Sika AG, Baar; 2007–2012: Regional Manager North America; General Manager Sika USA; 1988–2006: various management functions within Sika in Germany and Switzerland; 1982–1988: International Key Account Sales Manager Switzerland, EMS Chemie AG, Switzerland; 1980–1982: Project Manager Air Condition Plants Luwa AG, Hong Kong, China; 1976–1980: Production Manager, Hemair AG, Switzerland.

Mandates in non-listed companies and organizations: Chair of the Board: Swisspearl Group AG, Switzerland
Member of Advisory Council: Peri GmbH, Germany (until December 31, 2022)

THIERRY F. J. VANLANCKER, MSC
CHEMICAL ENGINEER, UNIVERSITY
OF GENT, BELGIUM

Nationality: Belgian; Year of birth: 1964

Member since: 2019; Committees: Chair of Sustainability Committee, Member of Nomination and Compensation Committee

2017–2022: CEO AkzoNobel, Amsterdam, Netherlands; 2016–2017: Head Specialty Chemicals and Executive Committee Member AkzoNobel, Amsterdam, Netherlands; 2015–2016: President Fluoroproducts, Chemours; President Chemours EMEA, Geneva, Switzerland, and Wilmington, USA; 1989–2016: various functions within DuPont: Vice President DuPont Performance Coatings EMEA, Cologne, Germany, Global Business & Marketing Director Fluorochemicals, DuPont, Wilmington, USA

Mandates in non-listed companies and organizations: Member of the Board: Aliaxis Group NV, Brussels, Belgium; Etex NV, Brussels, Belgium

GROUP MANAGEMENT

Sika's Group Management is a strong team of eight experienced executive managers that fully embody the Sika Spirit. Their careers have spanned far and wide across many different countries, subsidiaries and business units around the world.



From left to right

MIKE CAMPION
Regional Manager
Asia/Pacific
With Sika for 25 years
in Asia and the USA

ADRIAN WIDMER
Chief Financial Officer
(CFO)
With Sika for 16 years
in Switzerland

IVO SCHÄDLER
Regional Manager
EMEA
With Sika for 26 years in
Switzerland and the UK

RAFFAELLA MARZI
Head Human Resources &
Compliance
With Sika for 9 years in
Switzerland and Italy

PATRICIA HEIDTMAN
Chief Innovation
& Sustainability Officer
With Sika for 25 years in
Switzerland and the USA

PHILIPPE JOST
Head Construction
With Sika for 26 years in
USA and Switzerland

THOMAS HASLER
Chief Executive Officer
With Sika for 34 years in
Switzerland and the USA

CHRISTOPH GANZ
Regional Manager Americas
With Sika for 27 years in
Switzerland, France, and the
USA

**THOMAS HASLER, DIPL. ING.
CHEM. HTL, EXECUTIVE MBA
CEO**

Nationality: Swiss; Year of birth: 1965

CEO since 2021; Member of Group Management since 2014

2017–2021: Head Global Business and Industry;
2014–2017: CTO; 2011–2013: Head Global Automotive;
2008–2010: Senior Vice President of Industry and
Automotive, Sika USA; 2005–2008: Senior Vice
President Automotive North America, Sika USA;
2004–2005: Automotive Manager Europe; 2000–
2003: Automotive Manager Switzerland; 1995–2000:
Business Development Manager; 1992–1995: R&D
Head Automotive OEM Adhesives; 1989–1992:
Research Chemist Industry Adhesives

**PATRICIA HEIDTMAN, MSC SWISS
FEDERAL INSTITUTE OF TECHNOLOGY
(ETH)
Chief Innovation and Sustainability
Officer**

Nationality: Swiss, US; Year of birth: 1973

Chief Innovation and Sustainability Officer and
Member of Group Management since 2021

2017–2021: Corporate Technology Head Thermoplastic
Systems; 2017–2018: Vice President R&D and Head of
Innovation, Sika USA; 2013–2017: Vice President R&D
Automotive and STM, Sika USA; 2011–2012: Vice
President R&D Sika USA; 2006–2011: Director R&D,
Sika USA; 2004–2006: Project Manager Automotive,
Sika USA; 2002–2003: Product Service Manager Sika
Switzerland; 2000–2002: Group Leader R&D Sika
USA; 1998–2000: Chemist Sika Switzerland

Further commitments 2019–now: Member of the
Board: Bossard Group, Switzerland

**IVO SCHÄDLER, MSC MATERIALS
ENGINEER SWISS FEDERAL
INSTITUTE OF TECHNOLOGY (ETH),
EXECUTIVE MBA
Regional Manager EMEA**

Nationality: Swiss, Liechtenstein; Year of birth: 1966

Regional Manager EMEA and Member of Group
Management since 2017

2015–2017: Area Manager Europe South, Head Target
Market Refurbishment EMEA; 2012–2015: General
Manager Sika UK and Sika Ireland; 1997–2012: Head
Business Unit Contractors and Industry, Head
Marketing Construction, Product Engineer Industrial
Flooring, Deputy Manager Diagnostic Center Sika
Switzerland; 1996–1997: Head Department Materials
Testing and R&D Wolfseher and Partner AG, Switzer-
land; 1993–1995: Manager Department Materials
Testing EMS Chemie AG, Switzerland

**MIKE CAMPION, BSC CHEMISTRY
Regional Manager Asia/Pacific**

Nationality: US; Year of birth: 1965

Regional Manager Asia/Pacific and Member of Group
Management since 2017

2016–2017: Head Target Market Concrete Asia/Pacific;
2015–2017: General Manager Sika China; Area Manager
Greater China; 2013–2015: Senior Vice President Target
Markets Concrete and Waterproofing, Sika USA;
2011–2015: General Manager Sika Greenstreak, USA;
1998–2011: Management Positions in Target Market
Concrete and in Business Unit Construction, Sika USA;
1991–1998: Management Positions, Stonhard Inc., USA

**PHILIPPE JOST, MSC CIVIL ENGINEER
SWISS FEDERAL INSTITUTE OF
TECHNOLOGY (ETH), MBA
Head Construction**

Nationality: Luxembourg, Swiss; Year of birth: 1971

Head Construction and Member of Group Manage-
ment since 2019

2015–2019: Head of Corporate Human Resources;
2010–2014: Corporate Target Market Manager
Concrete; 2006–2010: Manager Global Business
Development Corporate Construction, Vice President
New Market Development; 1998–2006: Product
Engineer, Director of Marketing Sika USA; 1997–1998:
Testing Engineer Sika Switzerland

Further commitments: 2021–now: Chair of the Board
(Member of the Board since 2015), Peikko Group,
Finland

**ADRIAN WIDMER, LIC. OEC. PUBL.
Chief Financial Officer (CFO)**

Nationality: Swiss; Year of birth: 1968

CFO and Member of Group Management since 2014

2007–2014: Head Group Controlling and M&A;
2005–2007: General Manager Construction Systems
Germany/Austria/Switzerland BASF (Degussa)
Construction Chemicals Switzerland; 2000–2005: CFO
Degussa Construction Chemicals Switzerland; Finance
Director Business Line Flooring Europe; Manager
Corporate Finance, Degussa Construction Chemicals
Switzerland; 1997–2000: Manager M&A, Textron
Industrial Products, United Kingdom/Switzerland;
1995–1997: Market Development Manager, Textron
Inc., USA/United Kingdom; 1994–1995: Business
Analyst, Nordostschweizerische Kraftwerke (NOK),
Switzerland

Further commitments: 2020–now: Member of the
Board: Sonova Holding AG, Switzerland
(Chair of Audit Committee)

**CHRISTOPH GANZ, LIC. OEC. HSG
(UNIVERSITY OF ST. GALLEN)
Regional Manager Americas**

Nationality: Swiss; Year of birth: 1969

Regional Manager Americas since 2018; Member of
Group Management since 2007

2013–2018: Regional Manager North America; General
Manager Sika USA; 2007–2012: Head of Corporate
Business Unit Distribution; 2009–2012: General
Manager Sika France; Area Manager France, North
Africa, Mauritius; 2003–2006: Head of Business Unit
Distribution; 1999–2003: Corporate Market Field
Manager Distribution; 1996–1999: Project Manager
Distribution, Sika Switzerland

**RAFFAELLA MARZI, J.D., LAW
(CATHOLIC UNIVERSITY OF MILAN)
Head Human Resources & Compliance**

Nationality: Italian; year of birth: 1970

Member of Group Management since 2020; Head
Human Resources & Compliance since 2019

2016–2019: Group Compliance Officer; 2014–2016:
Group Compliance Officer and Legal Counsel Sika Italy;
2013–2014: Partner Baker & McKenzie, Italy; 2011–
2013: Counsel Baker & McKenzie, Italy; 2009–2009:
Secondment, Baker & McKenzie, Germany; 2001–
2009: Senior Associate Baker & McKenzie, Italy;
2000–2001: Secondments as In-house Legal Counsel
Recordati S.p.A.; 1997–2000: Associate Baker &
McKenzie, Italy; 1996–1997: Legal Consultant
Beiersdorf S.p.A., Italy

CORPORATE GOVERNANCE

Sustainability Committee installed consisting of three members of the Board with extensive ESG expertise.

37.5%

women on the Board

New

auditor elected at AGM 2022

CORPORATE GOVERNANCE

COMMITMENT TO OPENNESS AND TRANSPARENCY

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. At Sika, reporting on Corporate Governance follows the SIX Swiss Exchange guidelines.

Group structure and shareholders

Sika AG, headquartered in Baar, is the only listed company of the Sika Group. Sika AG's shares are listed on SIX Swiss Exchange under Swiss security no. 41879292 and ISIN CH0418792922. At the end of the year under review, the market capitalization of Sika AG was CHF 34,083.06 million. In the year under review, the Sika Group encompassed unlisted subsidiaries in 101 countries. 215 companies are included in the scope of consolidation. Companies of which Sika holds 50% or less of the voting rights are not consolidated. These are namely HPS North America, LLC, USA, Condensil SARL, France, as well as Chemical Sangyo Ltd., and Seven Tech Co. Ltd., Japan. Detailed information on the Group companies can be found on p.251 et seqq. of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Sika conducts its worldwide activities based on countries that have been classed into regions with area-wide managerial functions. The heads of the regions are members of Group Management. The regional and national management teams bear full profit and loss responsibility, and – based on the Group strategy – set country-specific growth and sustainability targets and allocate resources.

Furthermore, Sika has geared its internal organization towards eight Target Markets, which offer products and solutions for the construction industry and for industrial manufacturing. These Target Markets are represented by one member of Group Management. Target Market responsibility is well defined in the corporate organization, the regional management teams, and the national subsidiaries. The corporate Target Market managers are responsible for the definition and launch of new products, the implementation of best demonstrated practices, and the product line policies for Group products, i.e., those products offered worldwide, rather than only in one particular country.

The heads of the central Finance, Innovation and Sustainability, as well as Human Resources and Compliance departments are likewise members of Group Management, which therewith consists of eight members. All Group business is consolidated in Sika AG, the holding company, which itself is under the supervision of the Board of Directors. The organizational structures are presented on p.159–165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

As of the balance sheet date of December 31, 2022, Sika had received notification of four significant shareholders whose voting rights reached at least 3%: (1) BlackRock Inc., which owned 7.7% of all voting rights. (2) William H. Gates III and Melinda French Gates, who held 5.3% of all voting rights via Cascade Investment L.L.C. and Bill & Melinda Gates Foundation Trust. (3) The Capital Group Companies Inc., which held 5.0% of all voting rights via Capital Research and Management Company, Capital Bank and Trust Company, Capital International Limited, Capital International, Inc., and Capital International Sarl. (4) Norges Bank (the Central Bank of Norway), which held 3.01% of all voting rights. During the year under review, no changes in significant shareholdings have been reported to the Disclosure Office of SIX Swiss Exchange.

There are no cross-shareholdings exceeding 3%, either in terms of capital or votes.

Capital structure

According to the commercial register entry, the issued share capital as of December 31, 2022 totaled CHF 1,531,272.30 and was divided into 153,127,230 fully paid-in registered shares, with a nominal value of CHF 0.01 each. Taking into account the new shares that were issued as of December 31, 2022 from conditional capital due to partial conversion of the convertible bond, the share capital issued as of December 31, 2022 amounted to CHF 1,537,350.51, divided into 153,735,051 fully paid-in registered shares with a nominal value of CHF 0.01 each. These changes are not yet reflected in the Commercial Register. They must be submitted by the Board of Directors for entry in the Commercial Register no later than three months after the close of the financial year.

In addition, there is a conditional share capital of CHF 68,354.29 as of December 31, 2022, unrestricted in time, divided into 6,835,429 fully paid-in registered shares with a nominal value of CHF 0.01 each, which represents 4.5% of the share capital issued as of December 31, 2022, but not yet reflected in the commercial register. These shares are reserved for the exercise of option or conversion rights. The shareholders' subscription rights are excluded.

Further information on the conditional capital can be found in art. 2 para. 4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>). Sika AG does not have an authorized capital.

Sika has not issued any participation certificates, dividend right certificates, or stock options.

Option plans do not exist for members of the Board of Directors, Group Management, or employees.

In 2020, neither the ordinary nor the conditional capital has changed. In 2021, 1,263,807 new fully paid-in registered shares with a nominal value of CHF 0.01 each were issued from conditional capital. Accordingly, the ordinary share capital was increased by CHF 12,638.07 from CHF 1,417,811.60 to CHF 1,430,449.67 and the conditional capital was decreased from CHF 155,893.20 to CHF 143,255.13.

At the Extraordinary General Meeting of January 25, 2022, the conditional capital was increased by CHF 32,000.00, corresponding to 3,200,000 registered shares with a nominal value of CHF 0.01 each. The mandatory convertible bond issued in January 2019 was fully converted into 9,940,645 new shares as of January 30, 2022, using the available conditional share capital. In addition, in January 2022, part of the convertible bond issued in May 2018 was converted early from conditional capital into 141,618 new shares. Therefore, the share capital issued as of January 31, 2022 amounted to CHF 1,531,272.30, divided into 153,127,230 fully paid-in registered shares with a nominal value of CHF 0.01 each.

Due to further partial conversions of the convertible bond issued in May 2018 during the reporting year, additional 607,821 new shares with a nominal value of CHF 0.01 each were issued leading to a share capital issued as of December 31, 2022 of CHF 1,537,350.51, divided into 153,735,051 fully paid-in registered shares with a nominal value of CHF 0.01 each. These changes are not yet reflected in the Commercial Register.

With the exception of the treasury shares held by the company, each share registered with voting rights in the share register carries one vote at the General Meeting and each share (whether or not it is entered in the share register) carries a dividend entitlement. The purchase of Sika registered shares is open to all legal persons and individuals. The company maintains a share register for the registered shares in which the legal owners and usufructuaries are registered with their name and address. Vis-à-vis the company, the person who is registered in the share register is deemed to be the shareholder or usufructuary. The company may deny registration in the share register if, upon the company's request, the acquirer does not explicitly declare that the shares have been acquired in their own name and for their own account. After consulting the party concerned, the company may cancel the registration in the share register if the registration is the result of false information provided by the acquirer. The acquirer must be informed of the cancellation immediately. The acquirer must provide a statement declaring that the registered shares were transferred to him in due form. According to art. 7.3 para. 4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>), at least a two-thirds majority of the votes represented, and a majority of the nominal values of shares represented, is required for the adoption of resolutions of the General Meeting limiting or facilitating the transfer of registered shares.

It is the company's current practice to register nominees, i.e., shareholders who acquire shares in their own name but on the account of third parties, as shareholders with voting rights up to a maximum of 3% of the total share capital outstanding at the time. In 2022, the Board of Directors has not registered any nominees with voting rights exceeding 3%.

Convertible bonds

As of December 31, 2022, Sika AG had a convertible bond (issued in May 2018) listed on the SIX Swiss Exchange (security no.: 41399024, ISIN: CH0413990240, ticker: SIK185) with an original nominal amount of CHF 1,650,000,000.

Principal Amount	Current Conversion Ratio	Current Conversion Price	Maturity Date	Coupon
Nominal value of CHF 20,000 each	106.12895 registered shares with a nominal value of CHF 0.01	CHF 188.45	5.6.2025	0.15% payable annually on June 5

When conversion rights are exercised, new or existing shares of the company may – at Sika AG's discretion – be delivered.

The maximum number of registered shares of the company to be delivered upon conversion or, respectively, the maximum increase of the company's share capital upon conversion, correspond to 6.18% of the issued registered shares and, respectively, of the company's share capital issued immediately before the convertible bond was issued taking into account the company's capital reduction of 2018.

The remaining maximum number of registered shares of the company to be delivered upon conversion or, respectively, the remaining maximum increase of the company's share capital upon conversion, correspond to 4.37% of the issued registered shares and, respectively, of the company's share capital as of December 31, 2022.

As of December 31, 2022, a total of CHF 382,720,000 of the nominal amount of the convertible bond had been converted early into 2,023,878 shares.

Sika may call the bonds at any time:

- after the settlement date at the net principal amount, if less than 15% of the aggregate principal amount of the bond are outstanding at the time of the notice;
- on or after the 21st calendar day after the 5th anniversary of the settlement date at the relevant net principal amount, if the VWAP of the Sika shares is at least 130% of the conversion price on at least 20 out of 30 consecutive trading days.

Further information on the convertible bond can be found on p.234 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Board of Directors

The Board of Directors is Sika's highest governing body and is mainly responsible for the:

- definition of the corporate mission statement and corporate policies;
- decisions on corporate strategy and organizational structure;
- appointment and dismissal of members of Group Management;
- structuring of finances and accounting;
- assessment of the risk management;
- establishment of medium-term planning as well as the annual and investment budgets.

The members of the Board of Directors are elected by the Annual General Meeting for a term of office of one year. They can be reelected. Detailed information on individual members of the Board of Directors as per the balance sheet date of December 31, 2022, is listed on p.162 and 163 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). The curricula vitae of the members of the Board of Directors over the last five years can be found in the Annual Report 2021 on page 151, in the Annual Report 2020 on pages 71 and 72, in the Annual Report 2019 on pages 63 and 64, in the Annual Report 2018 on page 58, and in the Annual Report 2017 on pages 42 and 43 (all available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). No directorships are maintained with other listed companies on a reciprocal basis.

Further information regarding the election and the composition of the Board of Directors can be found in art. 8.1 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

The Board of Directors of Sika AG currently consists of eight members and comprises non-executive members only. One of the Directors, Paul Schuler, was a member of Group Management and held the position as CEO of Sika until April 2021. None of the other seven members of the Board of Directors was a member of Group Management or the executive management of a Sika Group company during the three preceding business years. At the Annual General Meeting on April 12, 2022, Daniel J. Sauter and Christoph Tobler stepped down from the Board of Directors. At the same Annual General Meeting, Lucrèce Foufopoulos-De Ridder and Gordana Landén were elected as new members of the Board of Directors.

Neither the members of the Board of Directors nor any company nor organization represented by a member of the Board of Directors has a significant business connection with Sika AG or any of the Sika Group companies. The Board of Directors convenes at the Chair's request as often as business demands. Meetings are generally held every one to two months. In the business year 2022, the Board of Directors met ten times. The meetings lasted between one and eight hours.

ATTENDANCE OF INDIVIDUAL BOARD MEMBERS

Board member	Member since	Number of meetings attended
Paul Hälgi	2009	10 of 10
Viktor W. Balli	2019	9 of 10
Lucrèce Foufopoulos-De Ridder (as of April 12, 2022)	2022	6 of 8
Justin M. Howell	2018	10 of 10
Gordana Landén (as of April 12, 2022)	2022	7 of 8
Monika Ribar	2011	9 of 10
Daniel J. Sauter (until April 12, 2022)	2000	3 of 3
Paul Schuler	2021	9 of 10
Christoph Tobler (until April 12, 2022)	2005	3 of 3
Thierry F. J. Vanlancker	2019	10 of 10

The Chief Executive Officer (CEO) participates in the meetings of the Board of Directors in an advisory capacity. The other members of Group Management take part as necessary, also in an advisory capacity. In 2022, the CEO and the Chief Financial Officer (CFO) participated in all ten and the other members of Group Management in three to five of the ten meetings. Company officers report regularly and comprehensively to the Chair of the Board of Directors concerning the implementation of decisions of the Board of Directors. The CEO, as well as the CFO, report to the Board of Directors in writing on the development of business at least once per month. Extraordinary events are reported immediately to the Chair of the Board of Directors or the Audit Committee, insofar as such events relate to the latter's area of responsibility. The Internal Audit staff report to the Chair of the Board of Directors, as well as the Audit Committee, within the scope of the review schedule. In 2022, the Internal Audit participated in all six meetings of the Audit Committee.

Information regarding the number of permitted mandates of members of the Board of Directors outside the Sika Group can be found in art. 8.4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

Board committees

Sika has three committees of the Board of Directors: the Audit Committee, the Nomination and Compensation Committee, and the Sustainability Committee. The members of the Nomination and Compensation Committee are elected annually by the General Meeting. Reelection is possible. The members of the Audit Committee and the Sustainability Committee, as well as the chairperson of each committee, are (re)elected annually by the Board of Directors. Otherwise, the committees organize themselves. Detailed information on the members of the committees can be found on p.162 and 163 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

AUDIT COMMITTEE

The Audit Committee mainly reviews the results of internal and external audits, as well as risk management. The committee convenes at the request of its chairperson as often as business demands. Customarily, the Chair of the Board of Directors and the CFO, as well as the CEO if necessary, take part in these meetings in an advisory capacity. Meetings are generally held every two to three months, lasting between three and five hours. In the year under review, the Audit Committee met six times. Monika Ribar and Viktor Balli were present at all six meetings. Christoph Tobler, who stepped down at the General Meeting of April 12, 2022, attended one of the six meetings, and Lucrèce Foufopoulos-De Ridder, who was newly elected to the Board of Directors at the same General Meeting, attended four of the six meetings. The Chair of the Board of Directors, the CFO, and the Internal Audit participated in all six meetings. The CEO attended four of the six meetings. Ernst & Young AG, the auditor up to the General Meeting of April 12, 2022, was present at one of the six meetings. KPMG AG, the auditor that was newly elected at the same General Meeting, participated in three of the six meetings.

More detailed information regarding the competences and activities of the Audit Committee can be found in the Organizational Rules of Sika AG and Sika Group on page 6, section 7 (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>) and in the Charter of the Audit Committee which is included on pages 14 to 16 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>).

ATTENDANCE OF INDIVIDUAL AUDIT COMMITTEE MEMBERS

Audit Committee member	Number of meetings attended
Monika Ribar, AC Chair	6 of 6
Viktor W. Balli	6 of 6
Lucrèce Foufopoulos-De Ridder (as of April 12, 2022)	4 of 5
Christoph Tobler (until April 12, 2022)	1 of 1

NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee prepares personnel planning at the level of the Board of Directors and Group Management and handles matters relating to compensation. One of the central tasks of the Nomination and Compensation Committee is succession planning for the Board of Directors and Group Management. The committee convenes at the request of its chairperson as often as business demands. Usually, the Chair of the Board of Directors and the CEO participate in these meetings in an advisory capacity, insofar as they are not themselves affected by the items on the agenda. Meetings are generally held on a bimonthly or trimonthly basis, lasting between one and a half and two and a half hours. In the year under review, the Nomination and Compensation Committee held five meetings. Justin M. Howell and Thierry F. J. Vanlancker attended all five committee meetings. Daniel J. Sauter, who stepped down at the General Meeting of April 12, 2022, attended two of the five meetings. Gordana Landén, who was newly elected to the Board at the same General Meeting, attended four of the five meetings. The Chair of the Board of Directors and the CEO participated in all five meetings in an advisory capacity. They did not attend when their own compensation and/or performance were being discussed. The external advisor retained to provide services related to executive compensation matters participated in all five meetings of the Nomination and Compensation Committee to attend the discussions on compensation. For more information on the external advisor, reference is made to the compensation report on p.181 of this report (available at <https://www.sika.com/en/investors/>

reports-publications/financial-reports.html). More detailed information regarding the competences and activities of the Nomination and Compensation Committee can be found in art. 9 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>), in the Organizational Rules of Sika AG and Sika Group on page 6, section 6 and in the Nomination and Compensation Committee Charter which is included on pages 12 and 13 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>), as well as on p.179-181. of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

ATTENDANCE OF INDIVIDUAL NOMINATION AND COMPENSATION COMMITTEE MEMBERS

Nomination and Compensation Committee member	Number of meetings attended
Justin M. Howell, NCC Chair	5 of 5
Gordana Landén (as of April 12, 2022)	4 of 4
Daniel J. Sauter (until April 12, 2022)	2 of 2
Thierry F. J. Vanlancker	5 of 5

SUSTAINABILITY COMMITTEE

In February 2022, the Board of Directors decided to install a Sustainability Committee which consists of three members of the Board of Directors with expertise in different areas of ESG. The Sustainability Committee prepares sustainability-related topics for discussion and decision-making in the Board of Directors. The Sustainability Committee focuses on the following areas: assuring a formal ESG risk and opportunity assessment, including the materiality analysis; ensuring measurable goals which are aligned with the strategy; assuring the proper organization and allocation of resources; and assuring appropriate reporting and stakeholder communication. As a general rule, the Chair of the Board of Directors, the CEO, the CFO, and the Chief Innovation and Sustainability Officer attend the meetings of the Sustainability Committee in an advisory capacity. Meetings are generally held every three to four months, lasting between one and a half and two hours. In the year under review, the Sustainability Committee met four times. All committee members attended all four meetings. After each meeting, a report was issued to the full Board of Directors. The Chair of the Board of Directors, the CEO, the CFO and the Chief Sustainability and Innovation Officer all attended all four meetings. Through two of the committee members and the CFO, there is a valuable interlink between non-financial and financial aspects in the areas of reporting, auditing, and risk management.

ATTENDANCE OF INDIVIDUAL SUSTAINABILITY COMMITTEE MEMBERS

Sustainability Committee	Number of meetings attended
Thierry F. J. Vanlancker, SC Chair	4 of 4
Viktor W. Balli	4 of 4
Lucrèce Foufopoulos-De Ridder (as of April 12, 2022)	4 of 4

Information and control instruments vis-à-vis Group Management

Within the framework of its non-transferable and inalienable duties, the Board of Directors of Sika supervises Group Management. The CEO, as well as the CFO, report to the Board of Directors in writing on the development of business at least once per month. Extraordinary events are reported immediately to the Chair of the Board of Directors or the Audit Committee, insofar as such events relate to the latter's area of responsibility. In every meeting, the Chair of the Board of Directors, or, at the Chair's instruction, the CEO, informs the Board of Directors about the ongoing business. More detailed information regarding the information and reporting rights can be found in the Organizational Rules of Sika AG and Sika Group on page 5, section 3.4 (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>).

Sika has a comprehensive risk management, as well as an Internal Audit. Details can be found in the chapter "Risk Management and TCFD Recommendations" beginning on page 25 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). As part of its audit plan, the Internal Audit reports to the Chair of the Board of Directors as well as to the Audit Committee.

Group Management

Within the framework of the resolutions of the Board of Directors, Sika's operative leadership is incumbent on Group Management. The structure of Group Management is outlined at the beginning of the Corporate Governance section, on p.167 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). The members of Group Management and their functions as per the balance sheet date of December 31, 2022, are listed on p.164 to 165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). Detailed information on their backgrounds and activities can be found on p.165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). The curricula vitae of the members of Group Management over the last five years can be found in the Annual Report 2021 on page 153, in the Annual Report 2020 on pages 69 and 70, in the Annual Report 2019 on page 61 and 62, in the Annual Report 2018 on pages 56 to 57, and in the Annual Report 2017 on pages 40 and 41 (all available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Information regarding the number of permitted mandates of members of Group Management outside the Sika Group can be found in art. 10 para. 3 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>). Sika had no management contracts with third parties in the year under review.

Regulation of responsibilities

The powers, tasks, and responsibilities of the Board of Directors and Group Management are set out in detail in the Organizational Rules of Sika AG and Sika Group on pages 3 to 11 (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>). Furthermore, for the tasks and duties of the Board of Directors and Group Management, reference is made to art. 8.2 and art. 10 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

Governance structures in connection with climate-related risks and opportunities

The Board of Directors 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 of Directors oversees climate-related topics by receiving regular updates from Group Management. The Chair of the Board of Directors is permanently invited to add climate-related topics to the agenda of the CEO and the Board of Directors. The Board of Directors is committed to the Science Based Target initiative (SBTi) to achieve net zero greenhouse gas emissions by 2050.

A summary of the Task Force on Climate-related Financial Disclosure (TCFD) 2022 results and a mapping table are presented in the "Risk Management and TCFD Recommendations" chapter on page 25 et seqq. of this

report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). A detailed TCFD report is available on the corporate website (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/risk-management.html>).

Compensation, shareholdings, and loans

With regards to the information on the compensation of the members of the Board of Directors and Group Management, reference is made to the Compensation Report beginning on p.177 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). According to Art. 12 para. 2 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>), the company does not extend any loans, credits, guarantees, or other securities to any member of the Board of Directors or Group Management.

Shareholder participation rights

Each shareholder can have his/her/its shares represented by another shareholder with voting rights, or the independent proxy. Proxies and instructions can be issued to the independent proxy in writing or electronically. The Annual General Meeting elects the independent proxy annually for a one-year term until the conclusion of the next Annual General Meeting. Reelection is possible. For more detailed information on the participation, representation, and instruction rights of shareholders, reference is made to art. 3, art. 4, and art. 7.3 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

Information on the legal quora can be found in art. 703 et seq. of the Swiss Code of Obligations (CO); information on what constitutes a quorum under the Sika Articles of Association can be found in art. 7.3 para. 4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>). The Sika Articles of Association also define the resolutions for which a qualified majority (at least two thirds of the votes represented, and an absolute majority of the nominal value of shares represented) is required. The invitation modalities and deadlines for the General Meetings match the legal requirements (art. 699 et seq. CO).

Furthermore, during a period published by the company in the Swiss Official Gazette of Commerce, shareholders representing shares with a nominal value of at least CHF 10,000 can request in writing to have an item placed on the agenda, indicating the proposals to be put forward. The publication of the invitation to the General Meeting is made in the Swiss Official Gazette of Commerce. The invitation also contains the agenda items and the proposals of the Board of Directors. In addition, the invitation to the General Meeting is sent by post to the shareholders. Shareholders will not be registered by the company two business days prior to a General Meeting. Therefore, registered shares acquired or sold between the deadline and a General Meeting are not entitled to be voted.

Change in corporate control and defense measures

The Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>) do not provide for an opting out or opting up in the meaning of art. 125 and 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA). There are no change of control clauses.

Auditor

The auditor of Sika AG is elected by the Annual General Meeting for a term of one year. Ernst & Young AG, served as the auditor since 1995 up to the General Meeting of April 12, 2022. In line with good corporate governance practice, the Board of Directors decided to propose a new auditor as of 2022. The new auditor was selected in a tender process involving three audit firms in total. The choice fell on KPMG AG, mainly due to solid industry knowledge and independency considerations, and the Board of Directors decided to propose the election of KPMG AG to the shareholders. At the General Meeting of April 12, 2022, KPMG AG was newly elected as auditor of Sika. KPMG AG has been listed as auditor in the commercial register since August 19, 2022.

The auditor participates regularly in the meetings of the Audit Committee, providing oral and written reports on the results of its reviews. In 2022, the auditor participated in three of the six meetings of the Audit Committee. The Audit Committee checks and evaluates the auditor and makes recommendations to the Board of Directors. For further information regarding reporting and control of the auditor, reference is made to the Charter of the Audit Committee which is included on pages 14 to 16 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>).

The independence of the auditor is ensured by various measures. The Audit Committee has defined a percentage threshold for non-audit services in relation to the audit services. Additional services received from the auditor must not exceed 70% of audit fees in any given year and must be below 50% of the three-year average. In addition, services outside the audit which individually exceed CHF 100,000 are subject to prior approval by the Chair of the Audit Committee. As part of its reporting for the consolidated and statutory financial statements, the auditor confirms its independence vis-à-vis Sika AG. In accordance with legal requirements, the lead auditor is replaced after a maximum period of seven years. The current lead auditor has been responsible for the audit mandate since the General Meeting of April 12, 2022. As set out in section 2.4 of the Charter of the Audit Committee which is included on pages 14 to 16 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>), the Audit Committee reviews any potential conflicts between the audit and non-audit services of the auditor.

The performance of the auditor is evaluated by the Audit Committee as well as by employees of Sika who are in regular contact with the auditor. The assessment is based on criteria such as the professional expertise and know-how, the understanding of the corporate structure and company-specific risks, comprehensibility of the audit strategy proposed by the auditor and diligence in the implementation of the proposed audit strategy, as well as the coordination of the auditor with the Audit Committee and the finance department of the Sika Group.

In addition, the Audit Committee reviews the results of the audit, particularly the audit report for the consolidated annual financial statements and the interim financial statements.

The budget for the audit fees is proposed by the CFO and approved by the Audit Committee. During the year under review, KPMG AG invoiced in total CHF 6.1 million for its services. Thereof, CHF 4.8 million related to audit services, which included the audit of the statutory financial statements of Sika AG and of practically all subsidiaries, as well as the audit of the consolidated financial statements. KPMG AG received additional fees totaling CHF 1.2 million for tax consultancy services as well as CHF 0.1 million for consultancy services related to transfer pricing and the issuance of comfort letters for issued bonds.

Information policy

Sika provides extensive information on the development of business in its annual, half-year and quarterly reports, at the annual media and financial analyst conference, as well as at the Annual General Meeting. The continually updated website at www.sika.com as well as media releases regarding important developments (<https://www.sika.com/en/media/media-releases.html>) are also integral components in Sika's communication activities. As a company listed on SIX Swiss Exchange, Sika is also obligated to comply in particular with the requirements of ad hoc disclosure, i.e., the publication of price-sensitive facts. Anyone who would like to receive ad hoc publications of Sika can register for the push service on Sika's website under: <https://www.sika.com/en/investors/contact/stay-informed.html>. In addition, Sika maintains a dialogue with investors and the media through special events and roadshows. Official publications of the company are made in the Swiss Official Gazette of Commerce. The contact details of the company are: Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland (phone +41 58 436 68 00, sikagroup@ch.sika.com, www.sika.com).

FINANCIAL CALENDAR

55 th Annual General Meeting	Tuesday, March 28, 2023
Dividend payment	Monday, April 3, 2023
Net sales first quarter 2023	Tuesday, April 18, 2023
Half-Year Report 2023	Tuesday, July 25, 2023
Results first nine months 2023	Friday, October 20, 2023
Net sales 2023	Wednesday, January 10, 2024
Full-year results 2023	Friday, February 16, 2024

Quiet periods

Sika AG has defined general quiet periods related to the publication of Group results during which insiders may not trade in Sika securities. An insider is anyone who has access to confidential information that can be used for insider trading. The quiet periods for the full-year results and the half-year results begin 60 and 45 days before publication, respectively. The quiet period for the first quarter and nine-month results begins 30 days before publication. If the results are available in the operational reporting system before these dates, the respective quiet period commences on that date. The general quiet periods last until one day after publication of the results. In addition, special quiet periods apply for all material events that may have a material positive or negative impact on the share price, beginning on the date of receipt of the information, or as ordered by the Board of Directors or Group Management, until one day after publication. In the year under review, the general quiet periods lasted from December 17, 2021 to February 22, 2022; March 11, 2022 to April 14, 2022; June 7, 2022 to July 27, 2022; September 20, 2022 to October 24, 2022; and December 16, 2022 to February 21, 2023.

COMPENSATION REPORT

The compensation system is well balanced and supports the long-term value creation for Sika and its stakeholders.

100%

**independent Nomination
and Compensation Committee**

Safety

introduced as performance metric for 2023

COMPENSATION REPORT

The Compensation Report describes the compensation principles and programs, as well as the governance framework related to the compensation of the Board of Directors and the members of Sika's Group Management. The report also provides details regarding the compensation programs and the payments made to members of the Board of Directors and of Group Management in the 2022 business year.

The Compensation Report is written in accordance with the Ordinance against Excessive Compensation in Listed Stock Corporations, the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance by *economiesuisse*. It has the following structure:

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Introduction by the Chair of the Nomination and Compensation Committee

Dear Shareholders,

In the name of the Board of Directors and the Nomination and Compensation Committee, I am pleased to introduce the 2022 Compensation Report.

Sika achieved an all-time high in sales in fiscal year 2022 exceeding the CHF 10 billion sales mark for the first time; it also set a record in profit. EBIT amounted to CHF 1,579.4 million (previous year: CHF 1,391.4 million) increasing by 13.5%. The EBIT margin expanded to 15.1% (previous year: 15.0%). The takeover of MBCC is now in the final stages. An agreement was signed with Ineos in January 2023 for the purchase of parts of MBCC Group's admixtures business. The closing of the acquisition is scheduled for the first half of 2023. The Compensation Report outlines how the business results impacted the variable incentive payments made to the members of Group Management under the different compensation plans.

In the reporting year, the Nomination and Compensation Committee continued to focus on the succession planning for positions on the Board of Directors and Group Management. At the 2022 Annual General Meeting on April 12, 2022, Lucrèce Foufopoulos-De Ridder and Gordana Landén were elected as members of the Board of Directors; Lucrèce Foufopoulos-De Ridder was appointed member of the Audit and of the Sustainability Committees, and Gordana Landén member of the Nomination and Compensation Committee.

The Nomination and Compensation Committee performed its regular activities on compensation matters throughout the year, such as the annual review of the compensation programs, the performance goal-setting of Group Management at the beginning of the year and the performance assessment at year-end, the determination of the compensation of the members of the Board of Directors and Group Management, as well as the preparation of the Compensation Report and of the say-on-pay votes at the Annual General Meeting. In particular, the Nomination and Compensation Committee reviewed the shareholding ownership guidelines for the Board of Directors and the Group Management:

- In order to reinforce the link with shareholders' interests, the Nomination and Compensation Committee proposed to introduce shareholding ownership guidelines for the Board of Directors: 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. This measure was approved by the Board of Directors in May 2022 and is applicable as of the Annual General Meeting 2022.
- In addition, the Nomination and Compensation Committee decided to increase the shareholding ownership requirement for the CEO from 300% to 500% of the annual base salary, in order to align Sika's policy to market practice and to even further align the interests of the CEO to those of the shareholders.

Further information on these changes can be found in the respective sections of this Compensation Report.

At the 2022 Annual General Meeting, a binding vote on the aggregate maximum compensation amounts for the Board of Directors and for Group Management was conducted, as well as a consultative vote on the Compensation Report, so that shareholders could express their opinion on our compensation policies and principles. The shareholders approved the compensation amounts for the Board of Directors and for Group Management and the consultative vote on the Compensation Report with a very high approval rate. These positive voting outcomes demonstrate that the company's active dialogue with investors is fruitful and that shareholders endorse the company's compensation system. We would like to thank investors for their continued trust and support.

Looking ahead, we will continue to assess and review our compensation programs to ensure that they are still fulfilling their purpose in the evolving context in which the company operates and are aligned with the interests of our shareholders. We will also continue to maintain an open dialogue with our shareholders and their representatives. We would like to thank you for sharing your perspectives on executive compensation with us, and trust that you will find this report informative.

Sincerely,



Justin M. Howell
Chair of the Nomination and Compensation Committee

Compensation governance

NOMINATION AND COMPENSATION COMMITTEE

In accordance with the Articles of Association and the Organizational Rules of Sika AG, the Nomination and Compensation Committee is composed of three members of the Board of Directors who are elected individually by the Annual General Meeting for a period of one year. At the Annual General Meeting 2022, Mr. Justin M. Howell (Chair), Mrs. Gordana Landén, and Mr. Thierry F. J. Vanlancker were elected members of the Nomination and Compensation Committee.

It is the responsibility of the Nomination and Compensation Committee to:

- review and determine the compensation policy, including the principles for variable compensation and shareholding programs according to the provisions specified in the Articles of Association;
- propose to the Board of Directors the maximum aggregate amounts of compensation of the Board of Directors and of Group Management to be submitted to the shareholders' vote at the Annual General Meeting;
- propose to the Board of Directors the compensation level for the members of the Board of Directors, the CEO, and the other members of Group Management, within the maximum aggregate compensation amounts approved by the Annual General Meeting;
- provide the Board of Directors with a performance assessment of the CEO and of the other members of Group Management, together with a recommendation for the short-term and long-term incentives to be awarded to each of them, based on their individual performance and the performance of the company;
- propose to the Board of Directors the Compensation Report;
- prepare the succession planning of the CEO and other members of Group Management, and propose to the Board of Directors the appointment of new members of Group Management;
- prepare the succession planning of the Board of Directors and propose to the Board of Directors new candidates to the Board of Directors.

LEVELS OF AUTHORITY

	CEO	BoD Chair	NCC	BoD	AGM
Compensation policy and principles			Proposes	Approves	
Maximum aggregate compensation amounts of BoD and GM			Proposes	Reviews	Approves (binding votes)
Compensation of BoD Chair			Proposes	Approves	
Individual compensation of BoD members			Proposes	Approves	
Compensation of CEO		Proposes	Reviews	Approves	
Individual compensation of members of GM	Proposes		Reviews	Approves	
Compensation Report			Proposes	Approves	Consultative vote

CEO = Chief Executive Officer, BoD = Board of Directors, NCC = Nomination and Compensation Committee, AGM = Annual General Meeting, GM = Group Management

In 2022, the Nomination and Compensation Committee held five meetings according to the following predetermined annual agenda.

	Feb	Apr	May	Oct	Dec
Review of overall compensation policy and compensation governance					
Review of external stakeholder feedback on compensation policy and disclosure			■		
Review of overall compensation policy (including benchmarking peer group)			■		
Preparation (December) and approval of Compensation Report (February of following year)	■				■
Review of shareholdings of member of the Board of Directors and Group Management (shareholding ownership guideline)	■				
Preparation of say-on-pay vote for next Annual General Meeting	■				
Review of committee duties, accountabilities, and responsibilities	■				
Approval of meeting schedule of the Nomination and Compensation Committee	■				
Self-assessment by the Nomination and Compensation Committee	■				
Compensation of Board of Directors					
Determination of compensation for following compensation period (AGM to AGM)		■			
Benchmark of compensation of the Board of Directors (every 3–4 years)				■	
Compensation of Group Management					
Preliminary performance evaluation (previous year)	■				
Final performance evaluation (previous year)		■			
Determination of short-term incentive payout for previous year		■			
Determination of long-term incentive vesting (previous performance period)	■				
Preliminary compensation review for following year (including benchmarking analysis every two years)				■	
Determination of compensation (at target) for following year					■
Determination of performance objectives for following year					■
Nomination items					
Review of Board of Directors constitution			■		
Appraisal and management development plan for members of Group Management			■	■	
Succession planning for Group Management positions				■	

For details on attendance at meetings, please refer to the Corporate Governance Report on p.171 and 172.

The Chair of the Nomination and Compensation Committee reports to the Board of Directors after each meeting on the activities of the committee. The minutes of the committee meetings are made available to the members of the Board of Directors. As a general rule, the Chair of the Board of Directors and the CEO attend the meetings in an advisory capacity. They do not attend the meeting when their own compensation and/or performance are being discussed.

The Nomination and Compensation Committee may decide to consult an external advisor from time to time for specific compensation matters. In 2022, Agnès Blust Consulting provided services related to executive compensation matters. Agnès Blust Consulting was acquired on April 1, 2022 by PricewaterhouseCoopers (PwC) Switzerland. PwC provides other services to Sika, and there are clear rules in place to ensure the independence of PwC consultants. In addition, support and expertise are provided by internal compensation experts, such as the Head of Human Resources and the Head of Compensation & Benefits.

SHAREHOLDER INVOLVEMENT

The role of the shareholders on compensation matters has gained importance in recent years. First of all, shareholders annually approve the maximum aggregate compensation amounts of the Board of Directors and Group Management. In addition, the principles of compensation are governed by the Articles of Association, which are also approved by the shareholders. The provisions of the Articles of Association on compensation are summarized below (please refer to <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>):

- **Principles of compensation applicable to the Board of Directors** (Art. 11.1, 11.3, and 11.8): The Board of Directors receives fixed compensation in cash and/or in shares.
- **Principles of compensation applicable to Group Management** (Art. 11.1, 11.4 to 11.6, and 11.8): Group Management receives fixed and variable compensation. The variable compensation consists of a performance bonus paid in cash and of a long-term incentive in the form of equity compensation. For the CEO, the variable compensation (value of paid-out performance bonus and grant value of the long-term incentive) may not exceed 300% of the fixed compensation. For the other members of Group Management on average, the variable compensation may not exceed 200% of the fixed compensation.
- **Binding vote by the Annual General Meeting** (Art. 11.2): The Annual General Meeting annually approves the total fixed compensation amount for the Board of Directors for the period until the next ordinary Annual General Meeting and the maximum total fixed and variable compensation amount for Group Management for the next business year.
- **Additional amount for new members of Group Management** (Art. 11.7): The total additional compensation for each new member of Group Management may not exceed the average total compensation of Group Management in the previous business year by more than 200%, or 400% for a new CEO. Proven disadvantages from a change of position may be compensated within this additional amount.
- **Credit facilities, loans, and post-employment benefits** (Art. 12): The company does not offer any loans, credit facilities, guarantees, or other securities to members of the Board of Directors and Group Management. Pension benefits are offered only in accordance with the occupational pension plans, which are specified in the respective regulations.

In addition, the Compensation Report is submitted to a consultative shareholders' vote, so that shareholders can express their opinion on the compensation policy and programs.

METHOD FOR DETERMINING COMPENSATION

PERIODIC BENCHMARKING

The compensation of the Board of Directors is reviewed against prevalent market practice of other multinational industrial companies on a regular basis (every three to four years). In 2021, a thorough review was conducted to determine the competitiveness of the Board compensation in terms of structure and quantum. For this purpose, a peer group of Swiss multinational companies of the industry sector listed on the SIX Swiss Exchange was selected for the benchmarking analysis. The peer group consists of ABB, Alcon, Barry Callebaut, Geberit, Givaudan, Kühne+Nagel, Holcim, Lindt, Lonza, Novartis, Richemont, Roche, Schindler, SGS, and Sonova. This group is well-balanced in terms of market capitalization, revenue size, and headcount. The analysis showed that the compensation structure and levels are broadly in line with prevalent market practice. On the basis of this analysis, the committee fees are paid 50% in cash and 50% in RSU since the 2022 Annual General Meeting.

Regarding the compensation of Group Management, a benchmarking analysis is conducted at least every two years with the support of an independent consultant. This analysis was performed in 2021 by Agnès Blust Consulting (PricewaterhouseCoopers as of April 1, 2022) based on the same peer group of companies as for the compensation review of the Board of Directors. Agnès Blust Consulting compiled the relevant benchmarking data in a report that served as a basis for the Nomination and Compensation Committee to analyze the compensation of the CEO and Group Management, and to set their target compensation levels for 2022 and 2023. Sika's policy is to pay market median compensation for solid performance (target compensation) and to provide for compensation above the market median in case of a strong performance. For newly promoted members of Group Management, Sika's policy is to set target compensation below the market median and to subsequently increase it to market level over a period of two to five years, conditionally upon solid performance.

PEER GROUP FOR BENCHMARKING PURPOSES

In CHF thousands	Market capitalization (12/31/2021)	Revenue (2021)	Headcount (2021)
Sika	54,181	9,252	26,666
Upper quartile	63,050	26,610	84,866
Median	35,427	7,558	34,760
Lower quartile	26,365	5,907	15,363

PERFORMANCE MANAGEMENT

The actual compensation paid to the individual members of Group Management in a given year depends on the company, region and individual performance. Individual performance is assessed through the annual performance management process, which aims to align individual and collective objectives, to stretch performance, and to support personal development. The objectives for the CEO and members of Group Management are approved by the Nomination and Compensation Committee at the beginning of the business year, and achievement against those objectives is assessed at year-end. The performance assessment of the members of Group Management is conducted by the CEO, while that of the CEO is conducted by the Chair of the Board of Directors. The Nomination and Compensation Committee reviews the performance assessment of the CEO and the other members of Group Management before submitting them to the Board of Directors for approval. In discussing performance, the Nomination and Compensation Committee reflects on the achievement of the individual objectives of each member of Group Management. The Nomination and Compensation Committee also considers the extent to which individuals have carried out their duties in line with company values and expected leadership behaviors. The individual performance assessments, together with the company's performance, form the basis for the determination of incentive payout levels.

COMPENSATION PRINCIPLES

COMPENSATION OF THE BOARD OF DIRECTORS

In order to guarantee the independence of the members of the Board of Directors in exercising their supervisory duties, their compensation consists of a fixed remuneration only. The compensation is delivered partially in cash and partially in blocked shares, to strengthen the alignment with shareholders' interests.

COMPENSATION OF GROUP MANAGEMENT

Sika's compensation programs reflect a commitment to attract, develop and retain qualified, talented, and engaged executives. They are designed to motivate executives to achieve the overall business objectives and to create sustainable shareholder value. The compensation programs are based on the following principles:

Pay for performance and sustainable success

The compensation of Group Management is linked to Sika's performance (Group and regions) and to individual performance. Through a well-balanced combination of incentive programs, both annual performance and long-term success are rewarded. Furthermore, performance is measured both in absolute terms (year-on-year improvements) and in relative terms (compared to other companies subject to similar market cycles) and includes financial results as well as non-financial objectives, such as sustainability/ESG goals.

Alignment with shareholder interests

A significant portion of compensation is delivered in the form of shares to align the interests of executives with those of the shareholders.

Market competitiveness

Compensation is regularly benchmarked and is in line with competitive market practice.

Transparency

Compensation programs are straightforward and transparent.

PAY EQUALITY

Sika is committed to pay equality and fairness in all countries the company operates in. The company performs regular internal analysis to ensure that employees are paid fairly and to address any potential pay gap. In 2021, Sika completed the equal pay analysis in Switzerland as required by the Swiss Federal Act on Gender Equality introduced in 2020. The results of the analysis showed that Sika is fully compliant with Swiss equal pay standards.

The compensation programs include key features that align the interests of executives with those of shareholders and are in line with good practice in corporate governance.

WHAT 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 in percentage of their annual base salary
- ⊕ Include clawback and malus provisions in the incentives
- ⊕ Offer employment contracts with a notice period of a maximum of twelve months

WHAT WE DON'T DO

- ⊗ 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

Architecture of compensation of the members of the Board of Directors

In order to ensure their independence in their supervisory duties, the members of the Board of Directors receive fixed compensation only, consisting of a retainer for services to the Board and an additional fee for assignments to committees of the Board, as well as a representation allowance for the Board Chair. For the term of office starting at the 2022 Annual General Meeting, the retainer and the committee fees are paid half in cash and half in restricted share units (RSUs), while the representation allowance is paid in cash. For the period before the 2022 Annual General Meeting, the committee fees were paid fully in cash. The RSUs are granted at the beginning of the term of office and are converted into blocked shares at the end of the term of office. The shares are blocked from trading for a period of three years. The blocking period on the shares may lapse in case of a change of control or liquidation. The shares remain blocked in all other instances.

The cash compensation is paid shortly after the Annual General Meeting for the previous term of office, being defined as the period between Annual General Meetings, except for the Board Chair who receives his cash compensation in monthly installments. The members of the Board of Directors receive no additional reimbursements of business expenses beyond actual expenditures for business travel. The members of the Board do not participate in Sika's employee benefit plans.

STRUCTURE OF BOARD COMPENSATION

in CHF	in cash	in RSUs ¹
Retainer (gross p.a.)		
Board Chair	450,000 + 30,000 allowance	450,000
Board members	125,000	125,000
Committee fees (gross p.a.)²		
Committee Chair ³	30,000	30,000
Committee members ³	20,000	20,000

¹ Converted into RSUs based on the average closing share price in the five first trading days of the month of the beginning of the year of office (month of the Annual General Meeting). The RSUs are settled in shares that are allocated to the members of the Board of Directors shortly after the end of the year of office.

² The Board Chair is not eligible for committee fees.

³ The committee fees were paid fully in cash until the 2022 Annual General Meeting.

SHAREHOLDING OWNERSHIP GUIDELINE

A shareholding guideline was implemented as of the AGM 2022. The members of the Board of Directors are required to own at least a minimum multiple of their annual board retainer in Sika shares within five years of their appointment to the Board of Directors (or within five years of the implementation of the guideline), as set out in the table below.

Members of the Board of Directors	200% of annual board retainer
-----------------------------------	-------------------------------

In the event of a substantial rise or drop in the share price, the Nomination and Compensation Committee may, at its discretion, amend that time period accordingly.

To calculate whether the minimum holding requirement is met, all shares are considered, regardless of whether they are blocked or not. Unvested RSUs do not count. The Nomination and Compensation Committee reviews compliance with the share ownership guideline on an annual basis.

Architecture of compensation of the members of Group Management

COMPENSATION MODEL AND COMPENSATION ELEMENTS

The compensation for members of Group Management includes the following elements:

- fixed base salary;
- variable compensation: short-term and long-term incentives;
- benefits and perquisites.

STRUCTURE OF COMPENSATION OF GROUP MANAGEMENT

	Vehicle	Purpose	Drivers	Performance measures
Annual base salary	Monthly cash salary	Attract and retain	Position, market practice, skills, and experience	
Performance bonus (STI)	Annual bonus in cash	Pay for performance	Annual performance	Group EBIT, Group net sales, sustainability (CO ₂ eq emissions), region/individual goals
Long-term incentive (LTI)	PSU with a 3-year performance vesting	Reward long-term performance Align to shareholders	Business performance over 3 years	Return on capital employed (ROCE), relative total shareholder return (TSR)
Benefits	Pension and insurances Perquisites	Protect against risks Attract and retain	Market practice and position	

FIXED ANNUAL BASE SALARY

Annual base salaries are established based on the following factors:

- scope, size, and responsibilities of the role, skills required to perform the role;
- external market value of the role;
- skills, experience, and performance of the individual in the role.

To ensure market competitiveness, base salaries of the members of Group Management are reviewed every year, taking into consideration the company's capacity to pay, benchmark information, market movement, economic environment, and individual performance.

PERFORMANCE BONUS (SHORT-TERM INCENTIVE)

The performance bonus is a short-term variable incentive, designed to reward the collective performance of the company and the individual performance over a time horizon of one year. This variable compensation allows executives to participate in the company's success, while being rewarded for their individual performance.

The performance bonus target (i.e. bonus at 100% target achievement) is reviewed annually and is expressed as a percentage of base salary. It amounts to 100% for the CEO and ranges from 56% to 100% for the other members of Group Management. For the CEO and the four members of Group Management with a global role, Group performance accounts for 90% of the performance bonus, while the achievement of individual objectives accounts for 10%. For the other three members of Group Management responsible for a region, Group performance accounts for 70% of the performance bonus, while the achievement of regional objectives accounts for 20% and that of individual objectives for 10% of the performance bonus.

GROUP PERFORMANCE

The performance measures for the Group are proposed by the Nomination and Compensation Committee and approved by the Board of Directors. The Group performance is measured in two ways:

- The relative performance of the Group compared to a peer group of companies, accounting to 60% of the performance bonus for all members of Group Management. The relative performance includes the EBIT (earnings before interest and tax) improvement during the year with 40% weight and net sales growth during the year with 20% weight;
- The absolute performance of the Group against an own-set target. The absolute performance consists of the reduction of CO₂eq emissions per ton sold, with a weight of 10% for all members of Group Management and of an absolute EBIT target at Group level, with a weight of 20%, for all members of Group Management with a global role (functional roles).

Relative Group performance

Relative EBIT and net sales performance are measured based on an evaluation provided by an independent consulting firm, Obermatt. This benchmark compares and ranks Sika against the performance of a selected peer group of 21 companies, all industrial firms which were chosen because they have a comparable base of products, technology, customers, suppliers or investors, and are thus exposed to similar market cycles.

PEER GROUP (OBERMATT BENCHMARK)

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

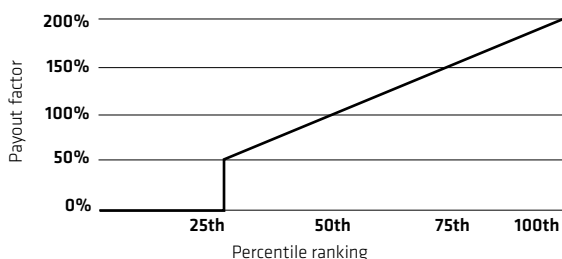
The peer group remained unchanged compared to the previous year apart from Cemedine which delisted during the year and was therefore removed (financial figures no longer publicly available).

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

The intention is to reward Group Management based on the relative performance of the company because absolute performance may be strongly impacted by market factors that are outside the control of management.

For both EBIT and net sales, the objective is to reach the median performance of the peer group, which corresponds to a 100% payout factor. There is no payout for any performance below the lowest quartile of the peer group. Performance at the lowest quartile of the peer group corresponds to a payout factor of 50%. Performance at the uppermost quartile leads to a 150% payout factor, and being the best in the peer group, leads to a 200% payout factor. Any payout factor between those levels is interpolated linearly.

PAYOUT CURVE FOR THE OBERMATT BENCHMARK



Absolute Group performance

The sustainability objective recognizes the importance of mitigating the company's impact on the environment and to encompass sustainability in the measurement of the performance of Group Management. It is an objective to reduce CO₂eq emissions (scopes 1 and 2). For 2022, the objective was a 4% reduction of CO₂eq emissions compared to 2021.

The Group EBIT objective is measured as a year-on-year improvement. For 2022, the objective was to improve Group EBIT by 10% compared to 2021.

REGION AND INDIVIDUAL PERFORMANCE

The region and individual performance includes additional objectives that are set as part of the annual performance management process. For the CEO and for the other members of Group Management, they are reviewed and approved by the Nomination and Compensation Committee. These additional objectives are mainly financial in nature, are clearly measurable and are split into two different categories:

- Region performance (20% of the overall performance bonus): includes performance objectives linked to the region under responsibility. These objectives either contribute to the top-line growth, bottom-line profitability or the efficient management of the company's capital. In 2022, the Nomination and Compensation Committee decided to focus on EBIT (expressed as an improvement versus previous year);
- People and projects management (10% of the overall performance bonus): includes strategic and sustainability objectives, such as for example entry into new markets, introduction of new products, improvement of processes and operational efficiency, health and safety; and leadership objectives. In 2022, the people & projects objective for the CEO was the implementation of the Strategy 2023 which focuses on operational efficiency, market penetration and the targeted orientation on environmentally friendly products and sustainability, as well as the integration of the MBCC Group. The people & projects objectives for other members of Group management also included the integration of MBCC Group, as well as goals around efficiency initiatives, pricing, talent development and sustainability.

At the end of the financial year, the actual achievement is compared with the objectives that were set at the beginning of the year. The level of achievement for each objective corresponds to a payout percentage for that objective, which is always between 0% and 200%.

OVERVIEW OF PERFORMANCE OBJECTIVES AND RESPECTIVE WEIGHTING

				CEO, Corporate functions	Regional heads
Performance bonus	← Group performance	← Relative to peer group	← EBIT improvement	40%	40%
			← Net sales growth	20%	20%
		← Absolute	← Sustainability: CO ₂ eq EBIT Group	10% 20%	10%
	← Region performance	← Absolute	← EBIT Region		20%
	← Individual performance	← Absolute	← People & projects	10%	10%

The overall bonus payout is capped and cannot exceed 150% of the performance bonus target. The performance bonus is paid out in April of the following year.

For 2023, the structure of the performance bonus will be slightly adjusted to reflect the increasing importance of sustainability matters. The individual performance will be replaced by a safety target in the form of accident reduction at the Group level. Therefore, the Group performance will account to 80% of the performance bonus with 40% based on relative EBIT improvement (unchanged), 20% based on net sales growth (unchanged), 10% based on CO₂ emission reduction (unchanged), 10% based on accident reduction (new) and 20% based on either Group EBIT for functional roles or regional EBIT for regional roles (unchanged). The individual performance component will be discontinued.

LONG-TERM INCENTIVE

Sika's compensation policy is designed to also align a significant portion of compensation of Group Management to the company's long-term performance and to strengthen Group Management's alignment with shareholders' interests. The long-term incentive target is reviewed annually and amounts to 100% of the annual base salary for the CEO, and ranges from 56% to 100% for the other members of Group Management.

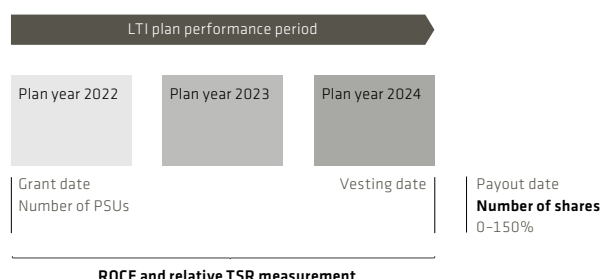
The long-term incentive plan is a performance share unit (PSU) plan. At the beginning of the vesting period, a number of PSUs are granted to each member of Group Management. The PSUs vest after a period of three years, conditionally upon fulfilling two equally weighted performance conditions, the return on capital employed (ROCE), and relative total shareholder return (relative TSR). The ROCE objective is determined at the beginning of the vesting period by the Board of Directors and is measured at the end of the vesting period as the average ROCE of the first year, the second year, and the third year of the vesting period. Acquisitions are excluded from the ROCE calculation in the year of acquisition and for two additional calendar years. The relative TSR is measured in relation to a peer group as a percentile rank and the objective is to reach the median of the peer group. The peer group consists of all companies of the peer group used for the performance bonus as disclosed on page 187, with one exception: as Hilti is not listed, it is not included in the peer group for the long-term incentive.

For both performance conditions, the maximum achievement level is capped at 200%, however the overall vesting level for the long-term incentive is capped at 150%. This is in line with the compensation philosophy of the company to align pay with performance and to keep the incentive plan leverage at a reasonable level. The final share allocation is determined after the three-year performance period, based on the following vesting rules:

Performance measures	ROCE (2022–2024)	Relative TSR (2022–2024)
Purpose	Rewards the efficient management of the company's capital	Aligns executive compensation with shareholders' returns
Weighting	50% of the PSU grant	50% of the PSU grant
Target level	ROCE of 25% 100% payout	Relative TSR at the median of the peer group 100% payout
Maximum achievement level	200%	200%
	Combined maximum payout capped at 150%	
Vesting rules	<ul style="list-style-type: none"> • Threshold: ROCE of 22% = 50% payout • Target: ROCE of 25% = 100% payout • Maximum: ROCE of 28% = 200% payout • Linear interpolation between threshold, target, and maximum 	<ul style="list-style-type: none"> • Threshold: 25th percentile = 50% payout • Target: median = 100% payout • Maximum: best of all peers = 200% payout • Linear interpolation between threshold, target, and maximum

The shares are allocated at their market value (closing price at grant date on the SIX Swiss Exchange), in the month of April following the three-year vesting period. In some countries where the allocation of shares may be illegal or impractical, the award may be settled in cash after the performance period.

LONG-TERM INCENTIVE PLAN PERIOD



In case of termination of employment, the unvested PSUs are forfeited except in case of retirement, disability, death, change of control or liquidation. In case of termination due to retirement or disability, the unvested PSUs vest at the normal vesting date, prorated for the number of months that have expired from the grant date until the termination date and based on the effective performance. In case of a termination of employment due to death, liquidation or a change of control, unvested PSUs are subject to early vesting, prorated for the number of months that have expired from the grant date until the termination date and based on an achievement of 100%.

Termination of employment (resignation, involuntary termination, etc.)

Retirement and disability

Death, liquidation or change of control

Forfeiture of unvested PSUs.	Unvested PSUs vest at the regular date prorated for the number of months that have expired from the grant date until the termination date and based on the effective performance.	Unvested PSUs are subject to accelerated vesting, prorated for the number of months that have expired from the grant date until the termination date and based on an achievement of 100%.
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CLAWBACK AND MALUS PROVISIONS

Clawback and malus provisions apply to both the performance bonus and the long-term incentive plan. In case of financial restatement due to non-compliance with accounting standards or fraud, and/or in the case of violation of law or of internal rules by a member of Group Management, the Board of Directors may deem any performance bonus payment and/or unvested PSUs to be forfeited (malus provision) or may seek reimbursement of any paid performance bonus and/or allocated shares under the long-term incentive (clawback provision) within a period of three years after the year of restatement or of the fraudulent/non-compliant behavior.

SHAREHOLDING OWNERSHIP GUIDELINE

The members of Group Management are required to own at least a minimum multiple of their annual base salary in Sika shares within five years of their appointment to Group Management, as set out in the table below. In 2022, the Nomination and Compensation Committee decided to increase the minimum multiple from 300% to 500% of annual base salary for the CEO, in order to align Sika's policy to market practice and to even further align the interests of the CEO to those of the shareholders. For the members of the Group Management, the minimum requirement remained unchanged. In addition, the build-up period was extended from four to five years.

CEO	500% of annual base salary
Members of Group Management	200% of annual base salary

In the event of a substantial rise or drop in the share price, the Board of Directors may, at its discretion, amend that time period accordingly.

To calculate whether the minimum holding requirement is met, all vested shares are considered, regardless of whether they are blocked or not. However, unvested PSUs are excluded. The Nomination and Compensation Committee reviews compliance with the share ownership guideline on an annual basis.

BENEFITS: PENSIONS

As Group Management is international in its nature, the members participate in the benefits plans available in the country of their employment contract. Benefits consist mainly of retirement, insurance, and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents in respect to the risk of retirement, disability, death, and illness. The members of Group Management with a Swiss employment contract participate in Sika's pension plans offered to all employees in Switzerland. These consist of the pension fund of Sika ("Pensionskasse Sika"), in which base salaries up to an amount of CHF 136,230 per annum are insured, as well as a supplementary plan, in which base salaries in excess of this limit are insured up to the maximum amount permitted by law. Sika's pension funds exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors, and Disability Pension Plans (BVG). Members of Group Management under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and at a minimum, in accordance with the legal requirements of the respective country.

Moreover, an early retirement plan is in place for members of the top management of Sika. The plan, entirely financed by the employer, is administered by a Swiss foundation. Beneficiaries may opt for early retirement from the age of 60, provided that they have been in a top management position for at least five years. Benefits under the plan are twofold:

- Fixed pension payment until the age of legal retirement. The amount of pension depends on the last fixed salary and the actual age at early retirement.
- Partial financing of the reduction in the regular pension due to early retirement. The amount, which may be received as life-long pension payment or as a capital contribution, depends on the actual age at early retirement and benefits already accrued in existing pension plans. This portion of the plan is only applicable to beneficiaries insured under a Swiss pension plan.

BENEFITS: PERQUISITES

Members of Group Management are also provided with certain executive perquisites, such as a company car allowance and other benefits in kind, according to competitive market practice in their country of employment. The monetary value of these other elements of compensation is evaluated at fair value and is included in the compensation tables below.

EMPLOYMENT CONTRACTS

The members of Group Management are employed under employment contracts of unlimited duration and are all subject to a notice period of one year. Members of Group Management are not contractually entitled to termination payments, or any change of control provisions, other than the early vesting of PSUs mentioned above. Their contract may foresee non-competition provisions that are limited in time to a maximum of two years and which allow compensation up to a maximum of six months.

Compensation awarded to the Board of Directors in 2022

This section is audited according to Art. 17 of the Ordinance against Excessive Compensation in Listed Stock Corporations.

In 2022, members of the Board of Directors received a total compensation of CHF 3.1 million (2021: CHF 3.0 million) in the form of a retainer in cash of CHF 1.3 million (2021: CHF 1.3 million), committee fees in cash of CHF 0.2 million (2021: CHF 0.3 million), social security contributions of CHF 0.1 million (2021: CHF 0.1 million), and RSUs of CHF 1.5 million (2021: CHF 1.3 million). The compensation increased by 4% compared to the previous year due to the committee fees paid to the members of the new Sustainability Committee introduced in February 2022. As of the AGM 2022, half of the committee fees are paid in RSUs, therefore the amount of committee fees paid in cash decreased compared to previous year and the amount of compensation paid in RSUs increased.

in CHF	Cash		Value of RSUs ¹		Social security ²	Total 2022	Cash		Value of RSUs ¹		Social security ²	Total 2021
	Retainer	Commit-tee fees	Retainer	Commit-tee fees			Retainer	Commit-tee fees	Retainer			
Paul Hälgi, Board Chair	480,000	0	450,140	0	11,900	942,040	480,000	0	450,206	11,893		942,099
Viktor W. Balli, AC Member, SC Member	125,000	40,000	125,115	26,694	11,900	328,710	125,000	40,000	125,130	11,893		302,023
Lucrèce Foufo- poulos-De Ridder ³ , AC Member, SC Member	83,333	26,667	83,394	26,694	11,900	231,989	0	0	0	0		0
Justin M. Howell, NCC Chair	125,000	40,000	125,115	20,073	0	310,188	125,000	60,000	125,130	0		310,130
Gordana Landén ³ , NCC Member	83,333	13,333	83,394	13,451	11,900	205,412	0	0	0	0		0
Monika Ribar, AC Chair	125,000	40,000	125,115	20,073	11,900	322,088	125,000	60,000	125,130	11,893		322,023
Daniel J. Sauter ⁴	41,667	13,333	41,721	0	11,900	108,622	125,000	40,000	125,130	11,893		302,023
Paul Schuler ⁵	125,000	0	125,115	0	11,900	262,016	83,333	0	83,442	10,945		177,720
Christoph Tobler ⁴	41,667	13,333	41,721	0	11,900	108,622	125,000	40,000	125,130	11,893		302,023
Thierry F.J. Vanlancker, SC Chair, NCC Member	125,000	46,667	125,115	33,523	0	330,305	125,000	40,000	125,130	0		290,130
Frits van Dijk ⁶	0	0	0	0	0	0	41,667	0	41,688	5,470		88,824
TOTAL	1,355,000	233,333	1,325,946	140,508	95,204	3,149,991	1,355,000	280,000	1,326,116	75,880		3,036,996

AC = Audit Committee, NCC = Nomination and Compensation Committee, SC = Sustainability Committee

¹ Fair market value is defined as the average closing price of the first five trading days of the month of the beginning of the year of office (month of the Annual General Meeting).

² Includes social security contributions to the extent that they result in a benefit entitlement. Additional contributions that do not result in an increase of the benefit entitlement are excluded (additional contributions in the amount of CHF 72,901 in 2022 and CHF 87,924 in 2021 are excluded from the amount disclosed above).

³ Since AGM of April 12, 2022.

⁴ Until AGM of April 12, 2022.

⁵ Since AGM of April 20, 2021.

⁶ Until AGM of April 20, 2021.

The compensation disclosed in the Compensation Report always includes the respective calendar year (January to December). However, shareholders approve the compensation to be paid for the period between Annual General Meetings. The compensation paid for the periods between Annual General Meetings is disclosed below, including a comparison with the compensation amount approved by the shareholders.

At the Annual General Meeting on April 12, 2022, shareholders approved an aggregate maximum compensation amount of CHF 3,400,000 for the Board of Directors for the term of office from the 2022 Annual General Meeting until the 2023 Annual General Meeting. The amount approved by the shareholders at the Annual General Meeting on April 12, 2022, was increased in order to cover the additional committee fees for the three members of the new Sustainability Committee established in February 2022. The compensation effectively paid for the portion of this term of office included in this Compensation Report (May 1, 2022, until December 31, 2022) is within the limit approved by the shareholders. A conclusive assessment for the entire period will be included in the Compensation Report 2023.

At the Annual General Meeting on April 20, 2021, shareholders approved an aggregate maximum compensation amount of CHF 3,300,000 for the Board of Directors for the term of office from the 2021 Annual General Meeting until the 2022 Annual General Meeting. The compensation effectively paid to the Board of Directors for this term was CHF 3,020,903 and is therefore within the approved limits.

In the year under review, no compensation was paid to former members of the Board of Directors. No compensation was paid to parties closely related to members of the Board of Directors.

In accordance with the Articles of Association, loans to members of the Board of Directors are not permitted. Hence, no member of the Board of Directors was granted a loan during the reporting year. No loans were outstanding at the end of the year under review.

Compensation awarded to the CEO and to Group Management in 2022

This section is audited according to Art. 17 of the Ordinance against Excessive Compensation in Listed Stock Corporations.

For 2022, the members of Group Management received a total compensation of CHF 16.1 million (2021: CHF 15.8 million). This amount comprises fixed salaries of CHF 5.0 million (2021: CHF 5.0 million), short-term bonus of CHF 5.2 million (2021: CHF 4.3 million), long-term incentives of CHF 3.9 million (2021: CHF 4.3 million), other expenses of CHF 0.6 million (2021: 0.6 million), contributions to social security of CHF 0.1 million (2021: CHF 0.2 million), and post-employment contributions of CHF 1.3 million (2021: CHF 1.4 million).

The highest-paid individual in 2022 was Thomas Hasler, Group CEO.

In CHF thousands (gross) ¹	CEO 2022	CEO 2021 ²	Total 2022 ³	Total 2021 ⁴
Fixed base salary ⁵	1,150	800	5,055	4,996
Performance bonus (STI) ⁶	1,559	950	5,168	4,337
Long-term incentive (LTI) ⁷	1,152	677	3,857	4,353
Other payments ⁸	46	44	598	609
Social security ⁹	16	15	147	163
Pension contributions ¹⁰	264	227	1,286	1,361
TOTAL	4,187	2,713	16,111	15,819

1 All compensation amounts are stated gross.

2 Includes the full-year compensation of Thomas Hasler, appointed Group CEO as of May 1, 2021.

3 On the basis of eight members, all of whom served during the full year in 2022.

4 On the basis of ten members, seven of whom served during the full year in 2021. Includes the full-year compensation of Thomas Hasler, appointed Group CEO as of May 1, 2021, and the compensation of Paul Schuler until May 31, 2021.

5 Includes annual base salary and children/family allowances.

6 Estimated performance bonus (STI) for the reporting year that will be paid in April of the following year.

7 Grant value of the LTI in the reporting year. The grant value is based on the Monte Carlo evaluation of the PSU (due to the interdependency of the TSR and ROCE component).

8 Includes all other benefits in kind, and perquisites at fair value such as service anniversary payments, including cost allowances (tax equalization, housing, schooling, home leave) for the international assignees and international transfers.

9 Includes social security contributions to the extent that they result in a pension entitlement. Additional contributions that do not result in an increase of the pension entitlement are excluded (additional contributions excluded from the amount above in 2022: CHF 859,367, of which CHF 275,217 relate to the CEO; in 2021: CHF 1,056,375, of which CHF 165,996 relate to the CEO).

10 Includes contributions to company provided pension plans, including the service cost to the pre-retirement plan.

Explanatory comments to the compensation table:

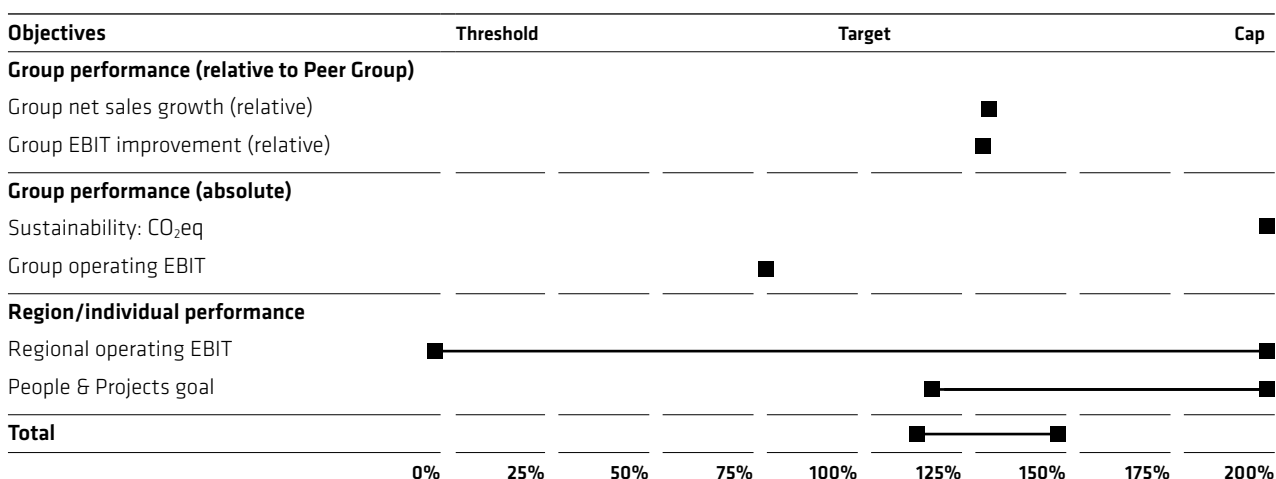
- There were eight members in Group Management in 2022, all of whom served on a full-year basis. This compares to ten members in 2021, of which seven served on a full-year basis.
- The fixed compensation remained stable overall compared to the previous year. The compensation of the CEO appointed in 2021 was increased, which is in line with the company's policy to set target compensation of newly promoted members below the market median at time of promotion and subsequently increase it to market level over a reasonable period of time. Members of Group Management who have been promoted in recent years received a salary increase in line with this policy.
- The "other" payments remained stable compared to previous year.
- The performance achievement under the performance bonus was higher in 2022 than in 2021. Further details are provided below.
- The grant value of the long-term incentive has decreased by 11% compared to the previous year. This is because eight members of Group Management received a grant in the reporting year, compared to nine members in previous year (including the former CEO, who received a full grant that partially forfeited upon retirement).
- The social security contributions decreased by 10% compared to previous year, as eight members of Group Management were covered in the reporting, compared to ten members in previous year.
- The pension contributions decreased by 6%, which is also due to the lower number of members of Group Management. The contribution rates in the pension plan have not changed significantly for several years.
- The variable compensation amounted to 236% of the annual base salary or 184% of the fixed compensation (annual base salary plus contributions to social security and pension plus other payments) for the CEO and to 162% of the annual base salary, or 113% of the fixed compensation for the other members of Group Management on average.

The total amount of compensation of CHF 16.1 million awarded to Group Management in 2022 is below the maximum aggregate amount of compensation of CHF 21.5 million approved by the shareholders at the 2021 Annual General Meeting for business year 2022.

PERFORMANCE IN 2022 (NOT AUDITED)

For the business year 2022, Sika achieved revenue growth in local currencies of 15.8% and 13.5% profitability increase (earnings before interest and tax). In the performance bonus, while Sika outperformed the peer companies in terms of net sales growth (ranked 8th, payout of 133.6%), it ranked 8th on EBIT improvement year on year (payout of 132.1%). CO₂eq emissions per ton sold in 2022 were reduced by over 11.7% compared to the previous year, which corresponds to a payout of 200%. The overall Group performance achievement is estimated at 142.2% (best estimate at the time of publication; the relative performance factor will be calculated by Obermatt based on the annual report publications of the peer companies before the payout date in April 2023). This compares to a solid year 2021, where Sika outperformed its peers on net sales growth (ranked 8th with a 141.1% payout), outperformed the industry average in terms of EBIT improvement year on year (ranked 15th with a payout of 73.7%), and CO₂eq emissions per ton sold were reduced by 10% (maximum target achievement with a payout of 200%).

Region/individual performance, which is mainly measured by EBIT and people & projects objectives, ranges from 40% to 200% for members of Group Management and amounts to 120% for the CEO. Consequently, the overall bonus payout percentage ranges from 111.6% to 150% (cap) for members of Group Management and amounts to 135.6% for the CEO. This compares to a payout range of 100% to 137.7% for Group Management and to a payout of 124% for the CEO in 2021.



In accordance with the long-term incentive 2022–2024, 10,556 PSUs were granted to the members of Group Management. Those PSUs had an overall grant value of CHF 3.9 million and will vest on December 31, 2024, based on the average ROCE performance during 2022–2024, on relative TSR performance during 2022–2024 and upon the continuous employment of the participant.

In the long-term incentive that vested in 2022 (LTI 2020–2022), the performance condition of 28% average ROCE over the vesting period was partially achieved: the average three-year ROCE, excluding acquisitions, amounts to 26.8%, leading to a payout of 80%. Regarding the second performance condition, relative TSR, Sika outperformed 74.8% of the peer companies, leading to a payout of 149.6%. Therefore, the combined vesting level amounts to 114.80% and the 12,052 units granted to the current members of Group Management have vested into 13,836 shares (12,052 PSUs granted multiplied by the vesting level of 114.80%) with a vesting value of CHF 3.1 million. The value at vesting is higher than the value at grant due to the positive development in the share price during the vesting period (2020–2022).

**OVERVIEW OF THE OUTSTANDING PSU GRANTS
(INCLUDES MEMBERS OF GROUP MANAGEMENT AS OF DECEMBER 31, 2022)**

Plan		Grant date (PSU)	Performance period	Vesting date (PSU)	Number of PSU granted	Total value at grant (CHF)	Vesting level in % of grant	Number of shares (vesting)	Total value at vesting (CHF)
LTI 2020	Group Mgt (incl. CEO)	01/01/2020	2020–2022	12/31/2022	12,052	2,072,196	114.8%	13,836	3,067,374
LTI 2021	Group Mgt (incl. CEO)	01/01/2021	2021–2023	12/31/2023	11,653	2,750,204	To be determined	To be determined	To be determined
	CEO ¹	01/01/2021	2021–2023	12/31/2023	2,778	676,649	To be determined	To be determined	To be determined
LTI 2022	Group Mgt (incl. CEO)	01/01/2022	2022–2024	12/31/2024	10,556	3,856,529	To be determined	To be determined	To be determined
	CEO	01/01/2022	2022–2024	12/31/2024	3,152	1,151,552	To be determined	To be determined	To be determined

¹ The CEO received a regular grant on January 1, 2021 (in his function as Head Global Business) and an additional grant on May 1, 2021 (in his function as CEO). Both grants are included above.

In the year under review, compensation in the amount of CHF 276,801 was paid to one former member of Group Management during the contractual notice period. No compensation was paid to parties closely related to members of Group Management.

In accordance with the Articles of Association, loans to members of the Group Management are not permitted. Hence, no member of Group Management was granted a loan during the reporting year. No loans were outstanding at the end of the year under review.

Shareholdings of the members of the Board of Directors and Group Management in 2022

At the end of 2022, members of the Board of Directors held a total of 178,549 shares of Sika AG (2021: 237,079). At the end of 2022, members of Group Management held a total of 112,656 shares of Sika AG (2021: 105,841). This figure includes both privately acquired shares and those allocated under the Group's compensation schemes.

At the end of 2022, members of the Board of Directors and of Group Management did not hold any options. Information regarding participations of the Board of Directors and Group Management in Sika AG can be found in the Sika AG Financial Statements (on page 274 of the download version of this report).

EQUITY OVERHANG AND DILUTION AS OF DECEMBER 31, 2022

In total as of December 31, 2022, the equity overhang, defined as the total number of share units and blocked shares outstanding divided by the total number of outstanding shares (153,735,051 registered shares), amounts to 208,344 units, 0.14%.

The company's "burn rate", defined as the number of equities (shares and share units) granted in 2022 (74,997 units) divided by the total number of outstanding shares, is 0.05%.

Report of the Statutory Auditor

To the General Meeting of Sika AG, Baar

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Sika AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on compensation, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Compensation in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the sections "Compensation awarded to the Board of Directors in 2022" and "Compensation awarded to the CEO and to Group Management 2022" on pages 192 to 194 of the Compensation Report.

In our opinion, the information on compensation, loans and advances in the Compensation Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Compensation Report of Sika AG for the year ended 31 December 2021 was audited by another auditor who expressed an unmodified opinion on this report on 15 February 2022.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the audited sections in the Compensation Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information on compensation, loans and advances pursuant to Art. 14-16 VegÜV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zug, 14 February 2023

FINANCIAL REPORT

Sika profits from a solid balance sheet and a strong A- credit rating.

Net profit in CHF million

1,162.5

Operating free cash flow in CHF million

865.2

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT for the year ended December 31

in CHF mn	Notes	%	2021	%	2022	Change in %
Net sales	1, 2	100.0	9,252.3	100.0	10,491.8	13.4
Material expenses	3	-48.2	-4,461.0	-50.6	-5,312.0	
Gross result		51.8	4,791.3	49.4	5,179.8	8.1
Personnel expenses	4	-17.7	-1,635.3	-16.3	-1,710.5	
Other operating expenses	5	-15.1	-1,398.0	-14.4	-1,505.1	
Operating profit before depreciation		19.0	1,758.0	18.7	1,964.2	11.7
Depreciation and amortization expenses	2, 16, 17	-4.0	-366.6	-3.6	-384.5	
Operating profit	2	15.0	1,391.4	15.1	1,579.7	13.5
Interest income	7	0.1	11.5	0.2	19.0	
Interest expenses	6	-0.6	-56.9	-0.6	-59.4	
Other financial income	7	0.1	7.0	0.1	6.9	
Other financial expenses	6	-0.2	-17.8	-0.5	-48.4	
Income from associated companies	7	0.0	0.4	0.0	0.4	
Profit before taxes		14.4	1,335.6	14.3	1,498.2	12.2
Income taxes	8	-3.1	-287.1	-3.2	-335.7	
Net profit		11.3	1,048.5	11.1	1,162.5	10.9
Profit attributable to Sika shareholders		11.3	1,047.9	11.1	1,162.5	
Profit attributable to non-controlling interests	25	0.0	0.6	0.0	0.0	
Basic earnings per share (in CHF)	9		6.91		7.57	9.6
Diluted earnings per share (in CHF)	9		6.60		7.29	10.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended December 31

in CHF mn	Notes	%	2021	%	2022	Change in %
Net profit		11.3	1,048.5	11.1	1,162.5	10.9
Actuarial gains (+)/losses (-) on employee benefit obligation	23	1.6	146.1	-0.7	-74.7	
Income tax effect	8	-0.3	-25.6	0.1	7.3	
Items that will not be reclassified to profit or loss		1.3	120.5	-0.6	-67.4	
Exchange differences taken to equity		0.6	52.5	-2.3	-237.2	
Income tax effect	8	0.0	0.0	0.0	2.2	
Items that may be reclassified subsequently to profit or loss		0.6	52.5	-2.2	-235.0	
Other comprehensive income		1.9	173.0	-2.9	-302.4	
Comprehensive income		13.2	1,221.5	8.2	860.1	-29.6
Attributable to Sika shareholders		13.2	1,220.9	8.2	859.8	
Attributable to non-controlling interests	25	0.0	0.6	0.0	0.3	

CONSOLIDATED BALANCE SHEET as at December 31

in CHF mn	Notes	2021	2022
Cash and cash equivalents	10, 27	1,175.0	1,873.3
Accounts receivable	11, 27	1,576.8	1,719.6
Inventories	12	1,158.3	1,212.8
Prepaid expenses and accrued income	13	190.4	190.1
Other assets	14, 27	31.3	25.5
Assets classified as held for sale	15	33.7	0.0
Current assets		4,165.5	5,021.3
Property, plant, and equipment	16	1,776.6	1,822.3
Intangible assets	17	4,379.9	4,229.1
Investments in associated companies	18	9.2	9.5
Deferred tax assets	8	142.1	144.8
Other assets	14, 27	233.5	92.2
Non-current assets		6,541.3	6,297.9
ASSETS		10,706.8	11,319.2
Accounts payable	19, 27	1,033.2	1,016.6
Accrued expenses and deferred income	20	519.9	489.0
Financial liabilities	21, 27	343.1	303.0
Income tax liabilities		170.3	205.9
Provisions	22	26.0	26.9
Liabilities classified as held for sale	15	3.7	0.0
Current liabilities		2,096.2	2,041.4
Financial liabilities	21, 27	3,393.9	3,634.2
Provisions	22	95.6	78.0
Deferred tax liabilities	8	365.9	322.5
Employee benefit obligations	23	322.9	239.9
Other liabilities	24	36.4	36.1
Non-current liabilities		4,214.7	4,310.7
LIABILITIES		6,310.9	6,352.1
Capital stock	25	1.4	1.5
Treasury shares	25	-10.7	-15.1
Reserves	25	4,403.1	4,979.8
Equity attributable to Sika shareholders	25	4,393.8	4,966.2
Non-controlling interests	25	2.1	0.9
SHAREHOLDERS' EQUITY	25	4,395.9	4,967.1
LIABILITIES AND SHAREHOLDERS' EQUITY		10,706.8	11,319.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF mn	Capital stock	Capital surplus	Treasury shares	Currency translation differences	Retained earnings	Equity attributable to Sika shareholders	Non-controlling interests	Total equity
January 1, 2021	1.4	203.1	-5.2	-1,047.7	4,134.2	3,285.8	2.2	3,288.0
Net profit					1,047.9	1,047.9	0.6	1,048.5
Other comprehensive income				52.5	120.5	173.0		173.0
Comprehensive income	0.0	0.0	0.0	52.5	1,168.4	1,220.9	0.6	1,221.5
Transactions with treasury shares ¹			-9.2		-15.4	-24.6		-24.6
Share-based payments					9.1	9.1		9.1
Conversion of convertible bonds		234.3	3.7		-4.3	233.7		233.7
Dividends ²					-354.5	-354.5	-0.6	-355.1
Buyout of existing non-controlling interests ³					-0.1	-0.1	-0.1	-0.2
Inflation adjustment ⁴					23.5	23.5		23.5
December 31, 2021	1.4	437.4	-10.7	-995.2	4,960.9	4,393.8	2.1	4,395.9
January 1, 2022	1.4	437.4	-10.7	-995.2	4,960.9	4,393.8	2.1	4,395.9
Net profit					1,162.5	1,162.5	0.0	1,162.5
Other comprehensive income				-237.5	-65.2	-302.7	0.3	-302.4
Comprehensive income	0.0	0.0	0.0	-237.5	1,097.3	859.8	0.3	860.1
Transactions with treasury shares ¹			-4.4		-15.6	-20.0		-20.0
Share-based payments					10.5	10.5		10.5
Conversion of convertible bonds	0.1	1,441.4			-1,319.9	121.6		121.6
Dividends ⁵					-445.8	-445.8	-0.2	-446.0
Buyout of existing non-controlling interests ⁶					-5.1	-5.1	-1.3	-6.4
Inflation adjustment ⁴					51.4	51.4		51.4
December 31, 2022	1.5	1,878.8	-15.1	-1,232.7	4,333.7	4,966.2	0.9	4,967.1

1 Including income tax of CHF 1.3 million (CHF 1.1 million) in retained earnings.

2 Dividend per registered share (par value CHF 0.01): CHF 2.50.

3 Increase in shareholdings in Modern Waterproofing Company S.A.E, Egypt.

4 Hyperinflation accounting concerns the subsidiaries in Argentina and since 2022 also in Turkey.

5 Dividend per registered share (par value CHF 0.01): CHF 2.90.

6 Increase in shareholdings in Mortero Spa, Algeria.

CONSOLIDATED STATEMENT OF CASH FLOWS

in CHF mn	Notes	2021	2022
Operating activities			
Profit before taxes		1,335.6	1,498.2
Depreciation and amortization expenses	16, 17	366.6	384.5
Increase (+)/decrease (-) in provisions/ employee benefit obligations and assets		-25.4	-19.9
Increase (-)/decrease (+) net working capital and accruals		-324.9	-326.5
Non-liquidity-related financial expenses (+)/income (-) as well as cash flow from hedging transactions		29.6	46.4
Profit on divestment of the industrial coatings business	15	0.0	-166.5
Other adjustments	26	-2.1	0.1
Income taxes paid		-315.3	-316.5
Cash flow from operating activities		1,064.1	1,099.8
Investing activities			
Property, plant, and equipment: capital expenditures	16	-157.3	-238.0
Property, plant, and equipment: disposals	16, 26	14.9	31.4
Intangible assets: capital expenditures	17	-13.3	-28.0
Proceeds from divestment of businesses	15	0.0	211.7
Acquisitions less cash and cash equivalents		-304.4	-142.7
Acquisition of associated companies	18	-7.8	0.0
Acquisitions (-)/disposals (+) of financial assets		-1.3	-3.4
Cash flow from investing activities		-469.2	-169.0
Financing activities			
Increase in financial liabilities	21	5.1	20.6
Repayment of financial liabilities	21	-46.6	-42.0
Repayment of lease liabilities	21	-97.7	-95.5
Repayment of a bond	21	-170.0	-150.0
Issue of bonds	21	0.0	598.9
Repayment liability component of mandatory convertible bond	21	-48.8	-48.8
Purchase of treasury shares		-65.2	-67.0
Sale of treasury shares		41.7	46.2
Dividend payment to shareholders of Sika AG		-354.5	-445.8
Dividend payment to non-controlling interests		-0.6	-0.2
Buyout of existing non-controlling interests		-0.2	-6.4
Cash flow from financing activities		-736.8	-190.0
Exchange differences on cash and cash equivalents		-1.8	-42.5
Net change in cash and cash equivalents		-143.7	698.3
Cash and cash equivalents at the beginning of the year	10	1,318.7	1,175.0
Cash and cash equivalents at the end of the year	10	1,175.0	1,873.3
Cash flow from operating activities contains:			
Dividends from associated companies		1.4	0.1
Interest received		9.0	16.9
Interest paid		-36.6	-31.9

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPLES OF CONSOLIDATION AND VALUATION

Corporate Information

Sika is a specialty chemicals company active in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and the motor vehicle industry.

Accounting policies

BASIS OF PREPARATION

The financial statements of Sika have been prepared in conformity with the provisions of the International Accounting Standards Board (IASB). All standards (IAS/IFRS) and interpretations (IFRIC/SIC) applicable as of December 31, 2022, were considered. The financial statements have been prepared according to the going-concern principle. The consolidated financial statements have been prepared under the historical cost principle except for financial assets and liabilities (including derivative instruments) at fair value through profit and loss and the defined benefit liability which is measured at the present value of the defined benefit obligation less the fair value of plan assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed on p.210 of this report.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting standards applied conform to those standards that were valid in the prior year. Exceptions are the following revised and new standards, which Sika applies since January 1, 2022. The application of these standards did not have any material impact on the consolidated financial statements of the Group:

- Amendments to IFRS 16 - Leases - COVID-19-related rent concessions beyond 30 June 2021
- Amendments to IFRS 3 - Reference to the conceptual framework
- Amendments to IAS 16 - Proceeds before intended use
- Amendments to IAS 37 - Onerous contracts - Cost of fulfilling a contract
- Annual improvements (2018 - 2020 cycle) - Collective standard with amendments to various IFRS standards with the primary goal of eliminating inconsistencies and clarifying

A number of new standards and amendments to standards and interpretations are effective for the financial year 2023 and later, and have not been applied in preparing these consolidated financial statements. If they had been applied in 2022, they would have had no significant effect on the consolidated financial statements of the Group:

- Amendments to IAS 1 - Disclosure of accounting policies (applicable as of January 1, 2023)
- Amendments to IAS 8 - Definition of accounting estimates (applicable as of January 1, 2023)
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction (applicable as of January 1, 2023)
- Amendments to IAS 1 - Non-current liabilities with covenants (applicable as of January 1, 2024)
- Amendments to IAS 1 - Classification of liabilities as current or non-current (applicable as of January 1, 2024)
- Amendments to IFRS 16 - Lease liability in a sale and leaseback (applicable as of January 1, 2024)

New standards and interpretations are usually applied on the applicable date. However, the options for early adoption are considered individually by Sika.

Consolidation method

BASIS

The consolidated financial statements are based on the balance sheets and income statements of Sika AG, Baar (Switzerland) and its subsidiaries as of December 31, 2022, prepared in accordance with uniform standards.

SUBSIDIARIES

Companies controlled by Sika are fully consolidated. The consolidation includes 100% of their assets and liabilities as well as expenses and income; non-controlling interests in shareholders' equity and net income for the year are excluded and shown separately as part of non-controlling interests.

ASSOCIATED COMPANIES

The equity method is applied to account for investments ranging from 20% to 50%, if Sika exercises significant influence. The investments are included in the balance sheet under "Investments in associated companies" based on the Group's percentage share in net assets including goodwill; in the income statement, the Group's share in the net income for the year is disclosed in "Income from associated companies".

INTRA-GROUP TRANSACTIONS

Transactions within the Group are eliminated as follows:

- Intra-Group receivables and liabilities are eliminated in full.
- Intra-Group dividends, income, and expenses and the unrealized profit margin from intra-Group transactions are eliminated in full.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquired company. For each business combination, the acquirer measures the non-controlling interests in the acquired company either at fair value or at the proportionate share of the acquired company's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value on the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in the income statement. A contingent consideration that is classified as equity is not revalued, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the non-controlling interest over the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit and loss.

Goodwill is subject to an annual impairment test. Impairments are recognized in the income statement. The impairment is not reversed later.

When subsidiaries are sold, the difference between the selling price and the net assets including goodwill plus cumulative translation differences is recognized in the consolidated financial statements as an operating result. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of takeover of control or up to the effective date of loss of control.

Conversion of foreign currencies

Foreign currency transactions are translated into the functional (local) currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in a foreign currency are translated into the functional currency on every balance sheet date by applying exchange rates valid on the balance sheet date. The resulting exchange rate differences are recognized in the income statement. The exception is that exchange differences, arising on monetary items that form part of the net investment in a foreign operation (so-called equity like loans), are recognized in other comprehensive income and will only be recognized in profit or loss until the control of the net investment is lost.

The financial statements of the foreign subsidiaries are translated into Swiss francs as follows:

- balance sheet at year-end rates;
- income statements at annual average rates.

The effects from the translation of the functional currency into Swiss francs are recognized in other comprehensive income.

The rates listed below were applied:

Country	Currency	Quantity	2021 Balance sheet ¹ CHF	2021 Income statement ² CHF	2022 Balance sheet ¹ CHF	2022 Income statement ² CHF
Argentina	ARS	100	0.8878	0.8878	0.5224	0.5224
Australia	AUD	1	0.6616	0.6868	0.6275	0.6625
Brazil	BRL	100	16.3700	16.9700	17.4600	18.4800
Canada	CAD	1	0.7178	0.7295	0.6819	0.7341
Chile	CLP	10,000	10.7100	12.0700	10.7800	10.9700
China	CNY	100	14.3600	14.1700	13.3800	14.1900
Colombia	COP	10,000	2.2465	2.4446	1.9037	2.2467
Czech Republic	CZK	100	4.1560	4.2177	4.0832	4.0867
Egypt	EGP	100	5.8000	5.8200	3.7300	4.9900
Eurozone	EUR	1	1.0331	1.0825	0.9847	1.0049
Great Britain	GBP	1	1.2295	1.2582	1.1102	1.1776
India	INR	100	1.2265	1.2367	1.1168	1.2157
Indonesia	IDR	100,000	6.4170	6.3880	5.9610	6.4340
Japan	JPY	100	0.7924	0.8333	0.7001	0.7272
Mexico	MXN	100	4.4639	4.5082	4.7214	4.7445
Poland	PLN	100	22.4700	23.7100	21.0400	21.4200
Russia	RUB	1,000	12.1110	12.4080	12.5890	14.4660
Sweden	SEK	100	10.0800	10.6700	8.8500	9.4500
Thailand	THB	100	2.7437	2.8598	2.6733	2.7245
Turkey	TRY	100	6.7800	10.3700	4.9300	4.9300
USA	USD	1	0.9121	0.9142	0.9232	0.9555
Vietnam	VND	100,000	4.0010	3.9850	3.9100	4.0800

1 Year-end rates.

2 Annual average rates.

In countries experiencing hyperinflation, prior to conversion into the presentation currency, the annual financial statements are adjusted for local inflation in order to eliminate changes in purchasing power. Adjustment for inflation is based on the relevant price indices at the end of the period under review.

SIGNIFICANT ACCOUNTING ESTIMATES

Explanations of the key assumptions concerning forward-looking elements and other estimation uncertainties are provided below. These include the risk that a material adjustment to the carrying amounts of assets and liabilities may become necessary within the next financial year.

IMPAIRMENT OF GOODWILL

The Group tests for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units or groups of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates such as expected future cash flows and discount rates. The carrying value of goodwill as of December 31, 2022, was CHF 3,225.7 million (CHF 3,296.6 million). Further details are presented in note 17.

FAIR VALUE OF ACQUISITION

In connection with acquisitions, all assets, liabilities, and contingent liabilities are valued at fair value. Newly identified assets and liabilities are also recognized in the balance sheet. Fair value is determined in part based on assumptions regarding factors that are subject to a degree of uncertainty, such as interest rates and sales.

TRADEMARKS AND CUSTOMER RELATIONS

Trademarks and customer relations are amortized over their estimated useful life. The estimated useful life is based on estimates of the time period during which this intangible asset generates cash flows. Calculation of the present value of estimated future cash flows includes significant assumptions, particularly in respect of future sales. Additionally, discounting is also based on assumptions and estimations concerning business-specific capital costs, which are themselves dependent on country risks, credit risks, and additional risks resulting from the volatility of the respective business.

DEFERRED TAX ASSETS

Deferred tax assets resulting from the carryforward of unrealized tax losses or timing differences are recognized to the extent that a realization of the corresponding tax advantage is probable. Assessing the probability of realizing the tax benefit requires assumptions based on planning data.

EMPLOYEE BENEFIT OBLIGATIONS

The Group maintains various employee benefit plans. Several statistical analyses and other variables are used in the calculation of expenses and liabilities to estimate future developments. These variables include estimations and assumptions concerning the discount rate established by management within certain guidelines. In addition, actuaries employ statistical information for the actuarial calculation of benefit liabilities such as withdrawal or death probabilities, which can deviate significantly from actual results due to changes in market conditions, the economic situation, as well as fluctuating rates of withdrawal and shorter or longer life expectancy of benefit plan participants.

PROVISIONS

The calculation of provisions requires assumptions regarding the probability, size, occurrence, and timing of a cash outflow. As long as an outflow of resources is probable and a reliable estimation is possible, a provision is recognized.

SCOPE OF CONSOLIDATION AND ACQUISITIONS

The consolidated financial statements of the Group comprise the financial statements of Sika AG, Zugerstrasse 50, 6340 Baar (Switzerland) as well as its subsidiaries (see list starting on p.251 et seq. of this report) and associated companies (see note 18). In the year under review, the scope of consolidation was expanded to include the acquired companies (see the next pages) and the following newly founded companies:

- SikaDavco (Chongqing) New Materials Co., Ltd., Chongqing (China) was newly founded.
- SikaDavco (Dezhou) New Materials Co., Ltd., Dezhou City (China) was newly founded.
- Sika Trading DZ SARL, Algiers (Algeria) was newly founded

The scope of consolidation was reduced to exclude the following companies:

- ParexKlaukol S.A., San Justo (Argentina) was merged with Sika Argentina SAIC, Caseros.
- Spinna Argentina SRL, San Justo (Argentina) was merged with Sika Argentina SAIC, Caseros.
- Sika Bel LLC, Minsk (Belarus) was merged with BeliNECO LLC, Brest.
- KVK PARABIT, a.s., Svoboda nad Upou (Czech Republic) was merged with Sika CZ s.r.o., Brno.
- Parexgroup Indústria e Comércio de Argamassas Ltda., Osasco (Brazil) was merged with Sika S/A, Osasco.
- Quimicryl S/A, Cotia (Brazil) was merged with Sika S/A, Osasco.

Acquisitions 2021

In 2021, Sika acquired various companies or parts of companies. The purchase prices and their allocation (PPA) changed insignificantly for Hydrotech, and Hamatite. The purchase price for Hamatite increased by CHF 9.3 million as part of the agreed procedure with the seller. This resulted in adjustments in the consolidated balance sheet as of December 31, 2021. The other purchase price allocations did not change. All PPAs are now final.

ACQUIRED NET ASSETS AT FAIR VALUES

in CHF mn	Hydrotech	Hamatite	Other acquisitions ¹
Cash and cash equivalents	5.2	4.0	4.8
Accounts receivable	20.1	1.0	39.9
Inventories	9.5	20.8	8.1
Prepaid expenses and accrued income	0.3	0.6	2.4
Property, plant, and equipment	2.8	49.2	41.7
Right-of-use leased assets	0.0	0.5	7.1
Intangible assets	36.4	22.4	22.9
Deferred tax assets	0.0	1.3	0.3
Other assets	0.0	1.6	0.0
Total assets	74.3	101.4	127.2
Financial liabilities	0.0	0.5	48.5
Accounts payable	3.9	0.0	22.5
Accrued expenses and deferred income	7.8	2.8	11.2
Income taxes payable	0.0	0.0	0.9
Provisions	4.9	22.1	3.2
Employee benefit obligation	0.0	12.6	0.4
Deferred tax liabilities	1.7	1.0	5.7
Other liabilities	4.9	0.0	0.0
Total liabilities	23.2	39.0	92.4
Acquired net assets	51.1	62.4	34.8
Goodwill	69.6	47.8	90.3
Total purchase price	120.7	110.2	125.1
Cash in acquired assets	-5.2	-4.0	-4.8
Payments still due	-4.1	-9.2	-24.3
Net cash outflow	111.4	97.0	96.0

1. Flooring adhesives business of DriTac, Kreps, Supermassa do Brasil, Bexel, and Shenzhen Landun; individually not material.

Since the purchase, Hydrotech has contributed sales in 2021 of CHF 40.0 million and net profit of CHF 1.4 million. Hamatite has contributed sales of CHF 28.6 million since the purchase and a net loss of CHF 2.7 million. If the acquisitions had occurred on January 1, 2021, consolidated pro forma net sales would have been CHF 9,491.8 million (CHF 44.5 million from Hydrotech, CHF 134.7 million from Hamatite, and CHF 60.3 million from the other acquisitions). The net profit would have remained unchanged. The amounts have been calculated using the results of the acquired entities and adjusted for differences in the accounting policies and the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant, and equipment and intangible assets had applied from January 1, 2021.

The directly attributable transaction costs of all acquisitions in 2021 amounted to CHF 7.1 million and were charged to other operating expenses.

Acquisitions 2022

In 2022, Sika acquired various companies or parts of companies.

Company	Type of transaction	Stake in %	Closing date
Sable Marco Inc., Canada	Share deal	100.0	3/1/2022
United Gilsonite Laboratories (UGL), USA	Share deal	100.0	5/18/2022

On March 1, 2022, Sika acquired Sable Marco Inc., a manufacturer of cementitious products, mortars, polymeric sand, and other bagged materials in Canada. Sable Marco has built up a strong presence in the distribution channel and an excellent relationship with major national and regional building material stores and DIY retail chains. Sable Marco operates one plant in the area of Québec City offering logistic and strategic benefits for Sika Canada. Synergies will be generated by exploring cross-selling potential for Sika's Target Markets Waterproofing and Building Finishing through additional channels, improved geographical access, as well as from the opportunities opening in the growing polymeric sand category.

On May 18, 2022, Sika acquired United Gilsonite Laboratories (UGL), a well-recognized manufacturer of products for consumer and DIY waterproofing applications in the United States. UGL is a long-standing company offering consumer and DIY liquid waterproofing products with a strong presence in the distribution channel. With headquarters and production in Scranton, Pennsylvania, and two additional production sites in Illinois and Mississippi, UGL is well situated to efficiently supply its products to customers in every region of the country. For Sika, the acquisition will increase its presence with major retailers and other building material stores by widening the offering and opening cross-selling opportunities.

Since the purchases, the acquisitions have contributed sales of CHF 59.7 million. The profit share was insignificant. Accounts receivable had a gross value of CHF 12.8 million and were recognized at fair value of CHF 12.5 million.

ACQUIRED NET ASSETS AT FAIR VALUES

in CHF mn	Acquisitions ¹
Cash and cash equivalents	0.9
Accounts receivable	12.5
Inventories	20.1
Prepaid expenses and accrued income	1.5
Property, plant, and equipment	22.2
Right-of-use leased assets	5.2
Intangible assets	49.0
Total assets	111.4
Financial liabilities	11.0
Accounts payable	4.3
Accrued expenses and deferred income	2.7
Provisions	2.1
Deferred tax liabilities	4.1
Total liabilities	24.2
Acquired net assets	87.2
Goodwill	56.4
Total purchase price	143.6
Cash in acquired assets	-0.9
Net cash outflow	142.7

1. Sable Marco, Canada and UGL, USA.

If the acquisitions had occurred on January 1, 2022, consolidated pro forma net sales would have been CHF 10,515.7 million (+CHF 23.9 million). The additional profit share would have been insignificant. The amounts have been calculated using the results of the acquired entities and adjusted for differences in the accounting policies and the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant, and equipment and intangible assets had applied from January 1, 2022.

Since the purchase prices and the purchase price allocations for all acquisitions still entail some uncertainty, all positions except for "Cash and cash equivalents" are provisional. Product synergies and combined distribution channels and product portfolios justify the goodwill recognized. Goodwill is tax-deductible in the amount of CHF 34.8 million.

The directly attributable transaction costs of all acquisitions amounted to CHF 1.4 million and were charged to other operating expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Net sales CHF 10,491.8 mn (CHF 9,252.3 mn)

Sika sells systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and the motor vehicle industry. Sales are recognized when control of the products has been transferred to the customer, i.e., when the products have been physically transferred to the buyer and there is a right to receive payment. Revenue is recognized in the amount of the consideration expected to be received by Sika in exchange for these goods or services. A receivable from the buyer is recognized upon sale. The receivables do not bear interest and are generally due within 30 to 90 days. All proceeds from the sale of goods and services are recorded at sales prices less discounts granted.

In some cases, Sika grants retrospective volume discounts based on aggregate sales over a twelve-month period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. A refund liability (included in accrued expenses and deferred income) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

Extended warranty contracts are sold for certain products on installed roofing systems. Revenue for separately priced extended warranties is deferred and recognized on a straight-line basis over the extended warranty period. The average warranty period is ten years. In 2022, revenues of CHF 4.0 million (CHF 4.2 million) were recognized. The deferred revenue positions are included in accrued expenses and deferred income (see note 20) as well as in other liabilities (see note 24).

Contract revenue and contract costs are recognized in accordance with the stage of completion. An expected loss is recognized as an expense immediately.

2. Segment reporting

Sika conducts its worldwide activities according to geographical regions and the global segment Global Business. Heads of the segments are members of Group Management. Group Management is the highest executive body that measures the success of the operating segments and allocates resources. The key figure of profit by which the segments are directed is operating profit, which is consistent with the consolidated financial statements. Financing (including financial expenses and income) and income taxes are managed on a Group-wide basis and are not allocated to the individual segments. The composition of the segments is shown on p.39 of the download version of this report.

“Other segments and activities” includes expenses for Group headquarter, and income from services provided to Group companies.

The companies acquired in 2022 were allocated to the respective segments as follows:

- Sable Marco Inc., Canada, was allocated to the segment Americas.
- United Gilsonite Laboratories (UGL), USA, was allocated to the segment Americas.

NET SALES

in CHF mn	2021			2022		
	With third parties	With other segments	Total	With third parties	With other segments	Total
EMEA	4,071.4	213.5	4,284.9	4,143.5	264.8	4,408.3
Americas	2,427.4	5.3	2,432.7	3,193.5	4.2	3,197.7
Asia/Pacific	2,080.9	27.0	2,107.9	2,343.6	27.2	2,370.8
Global Business	672.6	14.0	686.6	811.2	14.0	825.2
Eliminations		-259.8	-259.8		-310.2	-310.2
Net sales	9,252.3	-	9,252.3	10,491.8	-	10,491.8
Products for construction industry			7,630.4			8,655.9
Products for industrial manufacturing			1,621.9			1,835.9

Sika's products for the construction industry include admixtures and additives for use in concrete, cement, and mortar production, waterproofing systems, roof waterproofing, flooring solutions, sealants, adhesive tapes, assembly foams and elastic adhesives for facade construction, interior and infrastructure construction, as well as concrete protection and repair solutions.

Products for industrial manufacturing are sold to manufacturers and service providers in automotive OEM, commercial vehicles, automotive aftermarket, marine vessels, renewable energy, sandwich panels, industrial equipment, HVAC, home and commercial appliances, modular building, facades, and fenestration.

CHANGES IN NET SALES/CURRENCY IMPACT

in CHF mn	2021	2022	Change compared to prior year (in %)		
			In Swiss francs	In local currencies	Currency impact
By region					
EMEA	4,071.4	4,143.5	1.8	8.3	-6.5
Americas	2,427.4	3,193.5	31.6	27.5	4.1
Asia/Pacific	2,080.9	2,343.6	12.6	14.8	-2.2
Global Business	672.6	811.2	20.6	22.2	-1.6
Net sales	9,252.3	10,491.8	13.4	15.8	-2.4
Products for construction industry	7,630.4	8,655.9	13.5	15.9	-2.4
Products for industrial manufacturing	1,621.9	1,835.9	13.2	15.7	-2.5

OPERATING PROFIT

	2021	2022	Change compared to prior year	
in CHF mn			(in %)	
By region				
EMEA	691.4	782.6	91.2	13.2
Americas	446.3	570.8	124.5	27.9
Asia/Pacific	349.0	370.5	21.5	6.2
Global Business	50.2	48.8	-1.4	-2.8
Other segments and activities	-145.5	-193.0	-47.5	n.a.
Operating profit	1,391.4	1,579.7	188.3	13.5

RECONCILIATION OF SEGMENT RESULT AND NET PROFIT

in CHF mn	2021	2022
Operating profit	1,391.4	1,579.7
Interest income	11.5	19.0
Interest expenses	-56.9	-59.4
Other financial income	7.0	6.9
Other financial expenses	-17.8	-48.4
Income from associated companies	0.4	0.4
Profit before taxes	1,335.6	1,498.2
Income taxes	-287.1	-335.7
Net profit	1,048.5	1,162.5

OTHER DISCLOSURES

	2021		2022	
in CHF mn	Depreciation/ Amortization	Capital expenditures	Depreciation/ Amortization	Capital expenditures
EMEA	152.7	54.0	141.6	84.8
Americas	80.4	46.5	95.6	71.1
Asia/Pacific	78.4	44.0	88.6	67.6
Global Business	25.0	14.1	27.8	17.8
Other segments and activities	30.1	12.2	30.9	24.7
Total	366.6	170.8	384.5	266.0

The following countries had a share of greater than 10% of at least one of the Group's key figures:

in CHF mn	Net sales				Non-current assets ¹			
	2021	%	2022	%	2021	%	2022	%
USA	1,643.6	17.8	2,253.5	21.5	965.4	15.6	1,051.3	17.3
China	1,149.7	12.4	1,303.4	12.4	1,295.1	21.0	1,228.4	20.3
Germany	774.7	8.4	780.7	7.4	344.2	5.6	321.3	5.3
France	658.2	7.1	650.9	6.2	651.5	10.6	608.4	10.0
Switzerland	375.1	4.1	389.5	3.7	581.0	9.4	556.5	9.2
All other	4,651.0	50.2	5,113.8	48.8	2,330.9	37.8	2,296.8	37.9
Total	9,252.3	100.0	10,491.8	100.0	6,168.1	100.0	6,062.7	100.0

1 Non-current assets less financial assets, deferred tax assets, and employee benefit assets.

3. Material expenses CHF 5,312.0 mn (CHF 4,461.0 mn)

Material expenses increased as a percentage of net sales by 2.4 percentage points. As a result of a continued sharp rise in raw material costs due to supply shortages and other supply-side effects as well as due to the base effect related to significant sales price increases, the gross margin decreased from 51.8% to 49.4%.

Unsaleable goods are written down to their fair value less costs of disposal, missing inventory to zero. The related cost of CHF 49.7 million (CHF 28.2 million) are included in material expenses.

4. Personnel expenses CHF 1,710.5 mn (CHF 1,635.3 mn)

in CHF mn	2021	2022
Wages and salaries	1,329.5	1,400.4
Social charges	307.4	311.6
Government support	-1.6	-1.5
Personnel expenses	1,635.3	1,710.5

Personnel expenses comprise all payments to persons in an employment relationship with Sika. This item also includes expenses such as pension fund contributions, health insurance contributions, as well as taxes and levies directly related to personnel remuneration. Government grants related to employment relationships are recognized in personnel expenses when there is reasonable certainty that the grant will be received and all related conditions are met. They are recognized as income over the same period as the expenses they intend to compensate.

Personnel expenses as a percentage of net sales decreased from 17.7% to 16.3%, as the increase in personnel was modest in relation to price-driven sales growth.

EMPLOYEE BENEFIT COSTS

in CHF mn	2021	2022
Employee benefit plans with defined benefits ¹	32.2	31.1
Other employee benefit plans	47.3	50.8
Employee benefit costs	79.5	81.9

1 Includes pension expense recognized in income statement (see note 23) without interest income/interest expenses.

EMPLOYEE PARTICIPATION PLAN – SHARE-BASED PAYMENTS

Sika operates the following share-based compensation plans. The cost of these compensation systems is recognized in personnel expenses over the period in which services are rendered by the employees.

The share-based payments are made by means of transfer of treasury stock of Sika AG or are settled in cash. Recognized personnel expenses for share-based compensation for the fiscal year 2022 totaled CHF 21.6 million (CHF 38.8 million), CHF 10.5 million (CHF 9.1 million) of which was recorded in equity and CHF 11.1 million (CHF 29.7 million) in liabilities. At year-end, liabilities from share-based compensation plans amounted to CHF 21.3 million (CHF 38.3 million). Thereof, CHF 12.3 million (CHF 28.1 million) are recognized in accrued expenses and deferred income and CHF 9.0 million (CHF 10.2 million) are included in employee benefit obligations.

PERFORMANCE BONUS (SHORT-TERM INCENTIVE)

Sika Senior Management

Part of the performance bonus of Sika Senior Management (by definition, Sika Senior Management includes the management level reporting into Group Management, managing directors of subsidiaries, and heads of central and regional functions; 149 participants) is paid in Sika AG shares. The allocated shares are subject to a four-year blocking period from allocation. Sika Senior Managers can choose to receive 0%, 20%, or 40% of their performance bonus in Sika AG shares plus one bonus share for every two shares chosen. The market value of the grant was CHF 5.2 million. In the prior year, the market value of the grant amounted to CHF 5.4 million.

LONG-TERM INCENTIVE (LTI PLAN)

Group Management

The members of the top management (extended Group Management) participate in a long-term incentive plan. It consists of performance share units (PSUs). At the beginning of the vesting period, a number of PSUs is granted to each plan participant. The PSUs vest after a period of three years, conditionally upon fulfilling two equally weighted performance conditions, the return on capital employed (ROCE), and relative total shareholder return (relative TSR). The ROCE objective is determined at the beginning of the vesting period by the Board of Directors and is measured at the end of the vesting period as the average ROCE of the first year, the second year, and the third year of the vesting period. Acquisitions are excluded from the ROCE calculation in the year of acquisition and for two additional calendar years. The relative TSR is measured in relation to a peer group as a percentile rank and the objective is to reach the median of the peer group. For both performance conditions, the maximum achievement level is capped at 200%, however, the overall vesting level for the LTI is capped at 150%. The share-based compensation is settled in Sika AG shares.

The market value of the PSUs includes both targets and is determined once at the time of grant. Thereby, in a Monte Carlo simulation generally available market data regarding Sika, including expected dividend payments, and the peer group as well as internal estimates regarding the degree of achievement of the ROCE target are combined.

Sika Senior Management

Sika Senior Managers participate in long-term incentive plans, which are structured in the same way as that for Group Management (see above), except that they are settled in cash.

The fair value of the PSUs includes both targets and is determined at the time of allocation and redetermined at each balance sheet date. Thereby, in a Monte Carlo simulation, generally available market data regarding Sika, including expected dividend payments, and the peer group as well as internal estimates regarding the degree of achievement of the ROCE target are combined. For Senior Managers who move to another country during the performance period, a pro rata payment in shares is made for the earned portion up to the time of transfer. The shares are granted at market value on the grant date and are blocked until the end of the vesting period.

LONG-TERM INCENTIVE

	Number of PSUs granted	Fair value per PSU in CHF	Fair value of grant in CHF million
Group Management LTI 2021-2023	19,177	233.64	4.5
Senior Manager LTI 2021-2023	16,192	233.64	3.8
Granted in 2021			8.3
Group Management LTI 2022-2024	10,968	365.34	4.0
Senior Manager LTI 2022-2024	13,608	365.34	5.0
Granted in 2022			9.0

Board of Directors

Part of the compensation for members of the Board of Directors is awarded in Sika AG shares. The entitlement to shares is allocated at the beginning of the term of office and converted into shares at the end of the term of office. The shares are subject to a three-year blocking period. For the term of office from April 2022 to April 2023, entitlements to 4,949 shares were granted at a market value of CHF 1.5 million (CHF 310.40 per share). The conversion into shares will take place in April 2023. For the term of office from April 2021 to April 2022, entitlements to 4,843 shares were granted with a market value of CHF 1.3 million (CHF 273.88 per share). The conversion into shares took place in April 2022.

5. Other operating expenses CHF 1,505.1 mn (CHF 1,398.0 mn)

in CHF mn	2021	2022
Production and operation ¹	446.5	498.5
Logistics and distribution	477.0	519.4
Sales, marketing, and travel costs	235.1	303.5
Administration and other costs ²	239.4	183.7
Total	1,398.0	1,505.1

1 This position includes primarily costs for maintenance, repairs, and energy.

2 This position includes primarily costs of services and consulting in the fields of law, tax, and information technology. Furthermore, it covers training costs and government fees, costs for warranty settlements and legal claims, as well as the remuneration of the Board of Directors.

Other operating expenses decreased from 15.1% to 14.4%, mainly due to the gain on the disposal of the European industrial coatings business of CHF 166.5 million (see note 15), partially offset by the acquisition related cost of MBCC Group of CHF 78.3 million, both included in position "Administration and other costs" above. On the other hand, higher costs are driven by energy, travel, freight, and other general expenses, as a result of continuing global supply chain problems compounded by rising inflation during the year.

Other operating expenses include government support of CHF 6.6 million (CHF 6.3 million). Government grants are recognized when there is reasonable certainty that the grant will be received and all related conditions are met. They are recognized as income over the same period as the expenses they intend to compensate.

Research and development expenses are not capitalized if the recognition criteria have not been met. Expenditures on research and development in the Group during the year under review totaled CHF 232.0 million (CHF 214.3 million), roughly equivalent to 2.2% (2.3%) of sales. Research and development expenses are included in personnel expenses, other operating expenses, as well as in depreciation and amortization expenses.

6. Interest expenses/other financial expenses CHF 107.8 mn (CHF 74.7 mn)

In general, interest and other expenses for the procurement of debt capital are charged to the income statement. Interest incurred in the course of development projects, such as the construction of new production facilities or the development of software, is capitalized together with the asset created.

Interest expenses consist of interest expenses for outstanding bond issues in the amount of CHF 32.6 million (CHF 36.2 million), interests on lease liabilities of CHF 12.7 million (CHF 12.4 million), other interest expenses of CHF 12.4 million (CHF 6.3 million), as well as the interest component of pension expenses of defined benefit plans of CHF 1.7 million (CHF 2.0 million).

Other financial expenses include foreign exchange gains and losses from the management of foreign currency, net gains and losses from hedging and revaluation of loans to Group companies denominated in foreign currencies, as well as the result of the application of inflation accounting (see note 27). Other financial expenses increased to CHF 48.4 million (CHF 17.8 million).

7. Interest income/other financial income/income from associated companies CHF 26.3 mn (CHF 18.9 mn)

Interest income is recognized pro rata temporis using the effective interest method. Short-term surpluses in liquidity in various countries as well as accrued interest on a legal claim resulted in interest income of CHF 19.0 million (CHF 11.5 million). Income from associated companies is CHF 0.4 million (CHF 0.4 million).

8. Income taxes

in CHF mn	2021	2022
Income tax during the year under review	294.2	365.0
Deferred income tax	0.5	-29.3
Income tax from prior years	-7.6	0.0
Total	287.1	335.7

RECONCILIATION BETWEEN EXPECTED AND EFFECTIVE TAX EXPENSE

in CHF mn	%	2021	%	2022
Profit before taxes		1,335.6		1,498.2
Expected tax expense	20.6	275.0	23.1	346.4
Non-taxable income/non-tax-deductible expenses	0.4	5.5	0.4	6.2
Effect of changes in tax rates	0.0	0.2	0.0	0.0
Adjusted tax expense from earlier periods	-0.6	-7.6	0.0	0.0
Valuation adjustment on deferred tax assets	-0.5	-6.3	-1.2	-18.0
Withholding tax on dividends, licenses, and interests	1.8	23.2	1.0	14.4
Other	-0.2	-2.9	-0.9	-13.3
Tax expense as per consolidated income statement	21.5	287.1	22.4	335.7

The effective tax rate increased to 22.4% (21.5%). The expected average Group income tax rate of 23.1% (20.6%) corresponds with the average tax on profits of the individual Group companies in their respective fiscal jurisdictions. The expected average tax rate was calculated using absolute values. The increase in the expected tax rate is mainly attributable to the extraordinary gain on the sale of the industrial coating business (see note 15) in Germany at a tax rate of 31.0%.

Tax liabilities include taxes due and accrued. If there is uncertainty as to whether a tax treatment will be accepted by the tax authorities, the uncertainty is reflected in the income tax payable based on a best estimate of the expected future cash outflow.

Deferred taxes are calculated using the liability method. According to this method, the effects on income taxes resulting from temporary differences between Group-internal and taxable balance sheet values are recorded as deferred tax assets or deferred tax liabilities, respectively. Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is recognized, or the liability is settled based on the rates (and tax laws) that have been substantively enacted.

Changes in deferred tax assets and liabilities are reflected in income tax expense, the statement of comprehensive income, or directly in equity. Deferred income tax liabilities are provided for taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets including those that can be applied to carried forward tax losses are recognized to the extent that their realization is probable. Deferred tax liabilities are recognized for all taxable temporary differences insofar as the accounting regulations foresee no exception.

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES

in CHF mn	2021	2022
January 1	-185.2	-223.8
Credited (+)/debited (-) to income statement	-0.5	29.3
Credited (+)/debited (-) to other comprehensive income	-25.6	9.5
Credited (+)/debited (-) to equity	-1.1	-0.9
Exchange differences	-4.6	12.3
Acquisitions/divestments	-6.8	-4.1
December 31	-223.8	-177.7

ORIGIN OF DEFERRED TAX ASSETS AND LIABILITIES

in CHF mn	2021			2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Tax losses	12.5		12.5	11.8		11.8
Current assets	30.5	-23.6	6.9	32.8	-13.4	19.4
Property, plant, and equipment	10.9	-128.0	-117.1	10.8	-134.5	-123.7
Other non-current assets	90.6	-237.9	-147.3	94.1	-171.7	-77.6
Liabilities	187.0	-13.5	173.5	159.3	-16.8	142.5
Temporary differences on investments ¹	0.0	-152.3	-152.3	0.0	-150.1	-150.1
Gross values	331.5	-555.3	-223.8	308.8	-486.5	-177.7
Offsetting	-189.4	189.4	0.0	-164.0	164.0	0.0
Total	142.1	-365.9	-223.8	144.8	-322.5	-177.7

1 This includes expected withholding taxes of CHF 11.4 million (CHF 19.1 million) on undistributed dividends from Group companies. Deferred tax liabilities of CHF 138.7 million (CHF 133.3 million) relate to expected tax payments in connection with legal restructurings of the acquired Parex companies in the coming years.

CARRY FORWARD OF TAX LOSSES, FOR WHICH NO DEFERRED TAX ASSETS HAVE BEEN RECOGNIZED

in CHF mn	2021	2022
1 year or less	7.1	5.4
1-5 years	23.3	23.1
Over 5 years or non-expiring	10.0	0.7
Total	40.4	29.2

The underlying average tax rate of tax losses for which no deferred tax assets have been recognized is 25.7% (27.6%).

In the year under review, deferred tax assets from carried forward tax losses of CHF 3.0 million (CHF 3.2 million) were used and deferred carried forward tax losses of CHF 3.4 million (CHF 2.9 million) were capitalized.

There are deductible temporary differences of CHF 365.0 million (CHF 373.6 million) for which no deferred tax asset has been recognized. The underlying average tax rate is 5.2% (5.2%). A realization of these theoretical tax benefits is not expected. They result from the tax-free disclosure of hidden reserves in the tax balance sheet in Switzerland (so-called step-up). In the previous year, a further CHF 4.6 million resulted from the mandatory convertible bond (see note 21), which was fully converted into new shares of Sika AG during the reporting year.

9. Earnings per share CHF 7.57 (CHF 6.91)

BASIC EARNINGS PER SHARE

	2021	2022
Net profit attributable to Sika shareholders (CHF mn)	1,047.9	1,162.5
Increase in profit assuming all conversion rights of the 3.75%-mandatory convertible bond have been exercised (CHF mn)	0.4	0.0
Net profit used to calculate basic earnings per share (CHF mn)	1,048.3	1,162.5
Weighted average number of shares outstanding ¹	141,853,421	152,713,022
Weighted average number of potential shares of the 3.75%-mandatory convertible bond	9,807,822	814,049
Weighted average number of shares used to calculate basic earnings per share	151,661,243	153,527,071
Basic earnings per share (CHF)²	6.91	7.57

1 Excluding treasury shares held in the Group.

2 2021 basic earnings per share is restated to CHF 6.91 compared to CHF 7.39 (difference CHF 0.48 per share). The effect of the 3.75%-mandatory convertible bond was not correctly considered.

DILUTED EARNINGS PER SHARE

	2021	2022
Net profit attributable to Sika shareholders (CHF mn)	1,047.9	1,162.5
Increase in profit assuming all conversion rights of the 3.75%-mandatory convertible bond have been exercised (CHF mn)	0.4	0.0
Increase in profit assuming all conversion rights of the 0.15%-convertible bond have been exercised (CHF mn)	10.0	8.1
Net profit used to calculate diluted earnings per share (CHF mn)	1,058.3	1,170.6
Weighted average number of shares outstanding ¹	141,853,421	152,784,517
Weighted average number of potential shares of the 3.75%-mandatory convertible bond	9,807,822	814,049
Weighted average number of potential shares of the 0.15%-convertible bond	8,623,997	6,887,394
Weighted average number of shares used to calculate diluted earnings per share	160,285,240	160,485,960
Diluted earnings per share (CHF)	6.60	7.29

1 Excluding treasury shares held in the Group, including potential shares needed for share-based payments.

10. Cash and cash equivalents CHF 1,873.3 mn (CHF 1,175.0 mn)

The cash management of the Group includes cash pooling, in which cash and cash equivalents available within the Group are pooled. The item "Cash and cash equivalents" includes cash and cash equivalents with a maturity of less than three months from the date of acquisition, bearing interest at a respectively valid rate.

11. Accounts receivable CHF 1,719.6 mn (CHF 1,576.8 mn)

Receivables are recognized net of an allowance for expected credit losses over the entire lifetime. The classification and valuation principles for accounts receivable are described in note 27.

The following tables show accounts receivable, the portion of not overdue and overdue receivables including their age structure as well as the development of the allowance for doubtful debts. Accounts receivable are non-interest-bearing and are generally due within 30 to 90 days.

AGE DISTRIBUTION OF ACCOUNTS RECEIVABLE

in CHF mn	2021	2022
Not overdue	1,277.4	1,351.5
Past due < 31 days	165.5	213.2
Past due 31–60 days	59.8	64.3
Past due 61–180 days	47.7	64.4
Past due 181–360 days	7.8	7.7
Past due > 365 days	18.6	18.5
Net accounts receivable	1,576.8	1,719.6

MOVEMENTS ON THE ALLOWANCE FOR DOUBTFUL DEBTS

in CHF mn	2021	2022
January 1	78.6	80.6
Additions to or increase in allowances	13.6	27.3
Reversal of allowances	–7.5	–5.8
Utilization of allowances	–3.3	–1.3
Exchange differences	–0.8	–5.0
December 31	80.6	95.8

The increase and decrease of allowances for doubtful debts are recognized in other operating expenses. Amounts entered as allowances are usually derecognized when payment is no longer expected.

12. Inventories CHF 1,212.8 mn (CHF 1,158.3 mn)

in CHF mn	2021	2022
Raw materials and supplies	452.9	495.6
Semi-finished goods	77.4	75.5
Finished goods	510.8	527.0
Merchandise	117.2	114.7
Total	1,158.3	1,212.8

Raw materials and merchandise are stated at historical cost and finished and semi-finished products are stated at production cost, however not exceeding net realizable sales value. The production costs comprise all directly attributable material and manufacturing costs as well as other costs incurred in bringing the inventories to their present location and condition. Acquisition or production costs are determined using a standard cost approach, or alternatively using the weighted average cost method. Net realizable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the selling costs. Allowances are made for obsolete and slow-moving inventories.

13. Prepaid expenses and accrued income CHF 190.1 mn (CHF 190.4 mn)

This includes advance payments and prepaid expenses for the accrual of expenses and income.

14. Other assets CHF 117.7 mn (CHF 264.8 mn)

OTHER CURRENT ASSETS

in CHF mn	2021	2022
Derivatives (at fair value through profit and loss)	16.5	6.8
Securities (at fair value through profit and loss)	4.5	2.8
Loans (at amortized cost)	10.3	15.9
Other financial assets	31.3	25.5
Other current assets	31.3	25.5

OTHER NON-CURRENT ASSETS

in CHF mn	2021	2022
Securities (at fair value through profit and loss)	64.4	59.5
Loans (at amortized cost)	17.2	14.3
Other financial assets	81.6	73.8
Employee benefit assets ¹	149.5	16.6
Other	2.4	1.8
Other non-financial assets	151.9	18.4
Other non-current assets	233.5	92.2

1. Includes the excess of assets for employee benefit plans with defined benefits, see note 23.

Other current assets consist of assets with maturities of less than twelve months. Non-current other assets have a term of more than one year. The classification and valuation principles for financial assets are described in note 27.

15. Held for sale – assets CHF 0.0 mn (CHF 33.7 mn) and liabilities CHF 0.0 mn (CHF 3.7 mn)

Non-current asset and disposal groups are classified as held for sale if it is highly probable that their carrying amounts will be recovered primarily through sale rather than through continuing use. Non-current assets and disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis. Once classified as held for sale, intangible assets and property, plant, and equipment are no longer amortized or depreciated.

On August 19, 2021, Sika announced the sale of its European industrial coatings business to the American Sherwin-Williams Company. The headquarters and production plant are located in Vaihingen (Germany). The product range comprises anticorrosive and fire protection coatings which are mainly sold in Germany, Switzerland, Poland, and Austria. Accordingly, the corresponding assets and liabilities were presented as a disposal group held for sale. In 2021, the business segment generated sales of approximately CHF 80 million, and these were included as part of the EMEA region.

The transaction was closed on March 31, 2022. At the transaction date, net assets sold amounted to CHF 32.7 million. From the sale, a gain before taxes in the amount of CHF 166.5 million resulted and is included in other operating expenses. Expected income tax expense in the amount of approximately CHF 46 million is accrued.

On May 6, 2022, Sika announced the sale of Aliva Equipment, a Swiss unit supplying machines for the application of shotcrete, to the Finnish Normet Group Oy. In 2021, Aliva Equipment generated sales of approximately CHF 12 million, included as part of the EMEA region. The transaction was closed on August 2, 2022. Net assets sold amounted to CHF 7.6 million. From the sale, a loss before taxes in the amount of CHF 1.7 was recorded in other operating expenses.

16. Property, plant, and equipment CHF 1,822.3 mn (CHF 1,776.6 mn)

in CHF mn	2021	2022
Own property, plant, and equipment	1,455.4	1,488.7
Right-of-use assets	321.2	333.6
Property, plant, and equipment	1,776.6	1,822.3

OWN PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are carried at historical cost less accumulated depreciation required for business purposes. The capitalization is made based on components. Value-enhancing expenses are capitalized and depreciated over their useful lives. Repair, maintenance, and replacement costs are charged directly to the income statement. Depreciation is calculated using the straight-line method and is based on the anticipated useful life of the asset, including its operational usefulness and age-related technical viability. The acquisition costs include borrowing costs for long-term construction projects if the recognition criteria are met. Plant and equipment includes machinery, vehicles, equipment, furnishings, and hardware.

OWN PROPERTY, PLANT, AND EQUIPMENT

in CHF mn	Property	Plant	Equipment and motor vehicles	Plants and buildings under construction	Total
Acquisition cost	183.6	923.4	2,088.3	72.1	3,267.4
Cumulative depreciation and impairment	-1.0	-484.7	-1,394.4	0.0	-1,880.1
Net values at January 1, 2021	182.6	438.7	693.9	72.1	1,387.3
Additions	1.5	3.5	40.1	112.2	157.3
Acquired on acquisition	26.8	22.3	44.1	0.5	93.7
Exchange differences	-4.1	-1.7	0.7	-0.1	-5.2
Disposals	-1.1	-1.3	-4.6	0.0	-7.0
Reclassifications ¹	3.1	4.4	68.9	-77.8	-1.4
Depreciation charge for the year	0.0	-30.1	-135.7	0.0	-165.8
Assets held for sale	-0.7	-0.2	-2.5	-0.1	-3.5
December 31, 2021	208.1	435.6	704.9	106.8	1,455.4
Acquisition cost	209.1	941.3	2,184.8	106.8	3,442.0
Cumulative depreciation and impairment	-1.0	-505.7	-1,479.9	0.0	-1,986.6
Net values at January 1, 2022	208.1	435.6	704.9	106.8	1,455.4
Additions	18.5	15.8	52.1	151.6	238.0
Acquired on acquisition	1.3	9.5	11.3	0.1	22.2
Exchange differences	-7.7	-9.0	-20.8	-5.0	-42.5
Disposals	-4.1	-0.9	-4.3	0.0	-9.3
Reclassifications ¹	2.1	23.1	74.8	-100.6	-0.6
Depreciation charge for the year	0.0	-31.6	-142.9	0.0	-174.5
December 31, 2022	218.2	442.5	675.1	152.9	1,488.7
Acquisition cost	219.1	958.3	2,218.5	153.2	3,549.1
Cumulative depreciation and impairment	-0.9	-515.8	-1,543.4	-0.3	-2,060.4
Net values at December 31, 2022	218.2	442.5	675.1	152.9	1,488.7

1 Plants and buildings under construction are reclassified after completion within property, plant, and equipment as well as intangible assets.

DEPRECIATION SCHEDULE

Buildings	25 years
Infrastructure	15 years
Plants and machinery	5-15 years
Furnishings	6 years
Vehicles	4 years
Laboratory equipment and tools	4 years
IT hardware	3-4 years

The recoverability of property, plant, and equipment is reviewed if events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount exceeds the recoverable amount, a special depreciation allowance is recorded on the higher of fair value less cost to sell and the value in use of an asset which corresponds to the discounted, anticipated future cash flows. For the purpose of impairment tests, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

CAPITAL COMMITMENTS

Significant capital expenditure for property, plant, and equipment contracted for as at December 31, 2022, but not recognized as liabilities is CHF 29.2 million (CHF 19.1 million).

RIGHT-OF-USE ASSETS

After the inception of a contract, Sika assesses whether the contract is or contains a lease. Sika recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short-term leases of twelve month or less, low-value asset leases of CHF 5,000 or less, and variable lease payments, which are expensed in the income statement over the lease term. The following expenses were recorded in other operating expenses:

in CHF mn	2021	2022
Expenses relating to leases of low-value assets	6.4	10.4
Expenses relating to short-term leases	23.1	29.0
Expenses relating to variable leases payments not included in lease liabilities	3.6	2.7

For the asset class “motor vehicles”, the non-leasing components (e.g., services included in the lease payments) are accounted for separately and are directly expensed in the income statement. For all other asset classes, Sika does not account for the non-lease components separately.

At commencement date of the lease, the lease liability, measured at the present value of the lease payments to be made over the lease term, is recognized. The lease payments include fixed payments, variable payments that depend on an index or rate, extension options, and exercise price of a purchase options reasonably certain to be exercised as well as payments of penalties for terminating a lease. The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments. Lease liabilities are recognized under financial liabilities (current and non-current).

The lease payments are discounted using the incremental borrowing rate. For the Group, the rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, the Group where possible uses recent intra-Group-financing rates. Otherwise, a build-up approach is used per country and currency.

At commencement date of the lease, the ROU asset comprises the initial lease liability and initial direct costs. ROU assets are depreciated on a straight-line basis over the lease term. If Sika is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over their estimated useful life. If there is a change in future lease payments, the liability is revalued (with corresponding adjustment of the ROU asset).

Leases contractually committed but not yet commenced amount to CHF 4.9 million (CHF 7.2 million) as of December 31, 2022.

RIGHT-OF-USE ASSETS

in CHF mn	Right-of-use production sites	Right-of-use offices and warehouses	Right-of-use equipment and motor vehicles	Total
Net values at January 1, 2021	113.6	137.3	64.4	315.3
Additions	10.8	32.4	32.5	75.7
Acquired on acquisition	6.8	0.2	0.6	7.6
Exchange differences	1.1	-0.9	-1.9	-1.7
Remeasurements	1.7	4.3	5.9	11.9
Disposals	-0.7	-1.0	-1.9	-3.6
Reclassifications ¹	0.5	0.0	0.0	0.5
Depreciation charge for the year	-18.0	-31.7	-34.8	-84.5
December 31, 2021	115.8	140.6	64.8	321.2
Acquisition cost	160.6	216.0	128.2	504.8
Cumulative depreciation and impairment	-44.8	-75.4	-63.4	-183.6
Net values at January 1, 2022	115.8	140.6	64.8	321.2
Additions	20.0	48.0	36.5	104.5
Acquired on acquisition	5.2	0.0	0.0	5.2
Exchange differences	-4.7	-5.9	-2.8	-13.4
Remeasurements	3.7	10.1	2.2	16.0
Disposals	-7.8	-2.8	-2.5	-13.1
Reclassifications ¹	-0.9	0.2	0.0	-0.7
Depreciation charge for the year	-18.4	-34.2	-33.5	-86.1
December 31, 2022	112.9	156.0	64.7	333.6
Acquisition cost	169.4	245.0	138.2	552.6
Cumulative depreciation and impairment	-56.5	-89.0	-73.5	-219.0
Net values at December 31, 2022	112.9	156.0	64.7	333.6

1 Right-of-use assets are reclassified to property, plant, and equipment when the purchase option is exercised.

17. Intangible assets CHF 4,229.1 mn (CHF 4,379.9 mn)

in CHF mn	Goodwill	Software	Trademarks	Customer relations	Other intangibles	Total
Acquisition costs	3,094.2	165.6	363.6	930.1	184.9	4,738.4
Cumulative amortization and impairment	-5.4	-126.8	-62.0	-271.8	-100.1	-566.1
Net values at January 1, 2021	3,088.8	38.8	301.6	658.3	84.8	4,172.3
Additions	0.0	13.2	0.2	0.0	0.1	13.5
Acquired on acquisition	207.7	0.1	13.9	56.6	11.1	289.4
Exchange differences	19.5	0.1	7.6	11.4	1.2	39.8
Disposals	0.0	-0.1	0.0	0.0	-0.2	-0.3
Reclassifications	0.0	0.9	0.0	0.0	0.0	0.9
Assets held for sale	-19.4	0.0	0.0	0.0	0.0	-19.4
Amortization for the year	0.0	-10.7	-28.5	-53.8	-23.3	-116.3
December 31, 2021	3,296.6	42.3	294.8	672.5	73.7	4,379.9

Acquisition costs	3,301.4	175.9	385.8	996.2	194.6	5,053.9
Cumulative amortization and impairment	-4.8	-133.6	-91.0	-323.7	-120.9	-674.0
Net values at January 1, 2022	3,296.6	42.3	294.8	672.5	73.7	4,379.9
Additions	0.0	28.0	0.0	0.0	0.0	28.0
Acquired on acquisition	56.4	0.0	13.5	34.5	1.0	105.4
Exchange differences	-127.3	-0.9	-9.0	-23.2	-0.9	-161.3
Disposals	0.0	-0.3	0.0	0.0	0.0	-0.3
Reclassifications	0.0	1.3	0.0	0.0	0.0	1.3
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0
Amortization for the year	0.0	-11.2	-29.7	-60.7	-22.3	-123.9
December 31, 2022	3,225.7	59.2	269.6	623.1	51.5	4,229.1
Acquisition costs	3,230.1	197.8	388.7	996.6	191.4	5,004.6
Cumulative amortization and impairment	-4.4	-138.6	-119.1	-373.5	-139.9	-775.5
Net values at December 31, 2022	3,225.7	59.2	269.6	623.1	51.5	4,229.1

Internally generated patents, trademarks, and other rights are not capitalized. Research and development expenditures for new products are recognized in the income statement, since these do not fulfil the recognition criteria. Acquired intangible assets are generally capitalized and amortized using the straight-line method.

Development costs for software are capitalized as intangible assets, provided that the software will generate a future economic benefit through sale or use within the Group and that its cost can be reliably measured. Conditions for capitalization are the technical feasibility of the asset and the intention and ability to complete its development, as well as the availability of adequate resources.

AMORTIZATION SCHEDULE

Software	3–8 years
Patents	5–10 years
Customer relations	1–23 years
Trademarks	3–20 years

The intangible assets (except for goodwill) each have finite useful lives over which the assets are amortized.

Acquired trademarks are amortized if a useful life can be determined. Otherwise, trademarks are not amortized. Useful life assumptions are regularly reviewed. No acquired brand's useful life had been assessed to be indefinite.

GOODWILL ITEMS TESTED FOR IMPAIRMENT

Impairment tests were performed on all goodwill items (including the still provisionally allocated goodwill items from the purchase price allocations of the acquired companies). The operating segments constitute the cash-generating units.

The impairment tests are based on the discounted cash flow method. The calculation of the value in use is based on the target figures and cash flow forecasts, which were approved by the Board of Directors. The sales growth rates used in the impairment test correspond to market expectations of the segments. The forecasting horizon extends to 2024.

The growth rates used outside the planning period (terminal growth rates) correspond to weighted expected inflation rates of the segments. The discount rates are determined based on the weighted average cost of capital of the Group, considering country- and currency-specific risks within the context of cash flows taken into consideration. The sensitivity analyses performed on the growth rate outside the planning period and the discount rates indicate that a realistic change in assumptions would not result in the realizable value falling below the carrying amount.

GOODWILL ASSIGNED TO CASH-GENERATING UNITS

in CHF mn	Growth rates beyond the planning period (%)	Discount rates pre-tax (%)	Goodwill
EMEA	2.2	8.7	1,226.9
Americas	2.8	11.4	677.4
Asia/Pacific	2.0	10.7	1,102.5
Global Business	2.1	9.3	289.8
December 31, 2021			3,296.6
EMEA	3.1	9.2	1,163.7
Americas	4.3	11.1	738.3
Asia/Pacific	2.3	9.7	1,045.1
Global Business	2.6	8.5	278.6
December 31, 2022			3,225.7

18. Investments in associated companies CHF 9.5 mn (CHF 9.2 mn)

The following associated companies are included in the consolidated financial statements as of December 31, 2022: HPS North America, LLC, USA (Sika stake 20%), Condensil SARL, France (40%), Chemical Sangyo Ltd., Japan (50%), and Seven Tech Co. Ltd., Japan (50%). The stakes are unchanged compared to the prior year.

STAKE IN NET SALES AND NET INCOME OF ASSOCIATES

in CHF mn	2021	2022
Sales	2.9	2.2
Profit (+) / loss (-)	0.4	0.4

19. Accounts payable CHF 1,016.6 mn (CHF 1,033.2 mn)

Accounts payable do not bear interest and will usually become due within 30 to 60 days.

20. Accrued expenses and deferred income CHF 489.0 mn (CHF 519.9 mn)

Accrued expenses and deferred income relate to outstanding invoices and liabilities for the past financial year, including performance-based compensation payable to employees and social security expenses in the following year. In addition, deferred revenues for warranty extensions in the amount of CHF 4.6 million (CHF 3.9 million) are included (see note 1).

21. Financial liabilities CHF 3,937.2 mn (CHF 3,737.0 mn)

in CHF mn	2021			2022		
	Current	Non-current	Total	Current	Non-current	Total
Derivatives	10.4	0.0	10.4	9.1	0.4	9.5
Bank loans	18.0	0.0	18.0	11.1	0.0	11.1
Lease liabilities	73.5	244.1	317.6	78.1	256.1	334.2
Straight bonds	150.0	1,748.5	1,898.5	199.9	2,099.9	2,299.8
Convertible bond	0.0	1,381.9	1,381.9	0.0	1,249.7	1,249.7
Mandatory convertible bond (liability component)	48.7	0.0	48.7	0.0	0.0	0.0
Other financial liabilities	42.5	19.4	61.9	4.8	28.1	32.9
Total	343.1	3,393.9	3,737.0	303.0	3,634.2	3,937.2

Current financial liabilities consist of liabilities with maturities of less than twelve months. Non-current financial liabilities include financing operations with a term of more than one year.

Furthermore, Sika has the following credit facilities:

- Revolving credit facility of CHF 750.0 million, drawable in CHF, EUR, USD, or GBP. The term ends on April 1, 2026. As of December 31, 2022, Sika has not utilized this credit line.
- Revolving credit facility of CHF 750.0 million, drawable in CHF, EUR, USD, or GBP. The term ends on December 13, 2027, with the option of two one-year extensions. As of December 31, 2022, Sika has not utilized this credit line.
- Bridge facility of EUR 4,400.0 million (reduced from EUR 5,000 million after the issuance of bonds in the amount of CHF 600 million). The term ends on May 10, 2024. As of December 31, 2022, Sika has not utilized this credit line.

OUTSTANDING STRAIGHT BONDS

in CHF mn						2021	2022
Issuer	Bond		Nominal	Coupon	Term	Book value	Book value
Sika AG, Baar, Switzerland	Straight bond	CHF	150.0	1.750%	2012-07/12/2022	150.0	0.0
	Straight bond	CHF	200.0	1.875%	2013-11/14/2023	199.8	199.9
	Straight bond	CHF	100.0	1.600%	2022-05/28/2024	0.0	99.9
	Straight bond	CHF	250.0	0.625%	2018-07/12/2024	250.2	250.2
	Straight bond	CHF	200.0	1.900%	2022-11/28/2025	0.0	199.6
	Straight bond	CHF	140.0	0.600%	2018-03/27/2026	140.0	140.0
	Straight bond	CHF	130.0	1.125%	2018-07/12/2028	130.7	130.6
	Straight bond	CHF	300.0	2.350%	2022-11/28/2028	0.0	299.4
Sika Capital B.V., Utrecht, Netherlands	Straight bond	EUR	500.0	0.875%	2019-04/29/2027	514.3	490.6
	Straight bond	EUR	500.0	1.500%	2019-04/29/2031	513.5	489.6
Total						1,898.5	2,299.8

On October 31, 2022, Sika AG placed a bond with a total amount of CHF 600 million through a triple tranche with a payment date on November 28, 2022:

- CHF 100.0 million 2022 – May 2024 with a fixed coupon of 1.60% p.a. The bond was issued at 100.067%.
- CHF 200.0 million 2022 – Nov. 2025 with a fixed coupon of 1.90% p.a. The bond was issued at 100.036%.
- CHF 300.0 million 2022 – Nov. 2028 with a fixed coupon of 2.35% p.a. The bond was issued at 100.097%.

CONVERTIBLE BONDS

A convertible bond is a compound financial instrument. The bond contains a conversion option embedded in the bond. On initial recognition, the convertible bond is split into a liability component and an equity component. The liability component corresponds to the fair value of an identical bond, but without a conversion option, and is accounted for at amortized cost. The difference between the carrying amount of the liability component and the redemption amount is amortized over the remaining term of the convertible bond using the effective interest method. The equity component is calculated as the difference between the liability component and the amount of the issue proceeds. The equity component is not remeasured and remains unchanged in equity until conversion. The issue costs are allocated proportionately to the liability and equity components.

In May 2018, Sika placed a convertible bond in the amount of CHF 1,650.0 million due in 2025. The convertible bond has a coupon of 0.15% p.a. The shares to be delivered upon conversion will be provided by existing shares or by the issue of new shares from the conditional capital. At the end of December 2022, the conversion price per share is CHF 188.45. The convertible bond can be converted early or redeemed early in accordance with the general bond conditions. In the reporting year, bonds with a nominal value of CHF 141.7 million were converted (CHF 241.0 million).

RECONCILIATION LIABILITY COMPONENT 0.15%-CONVERTIBLE BOND 2018-2025

in CHF mn	2021	2022
January 1	1,609.4	1,381.9
Interest expense (amortized cost)	9.0	7.2
Conversion of bond into registered shares	-236.5	-139.4
December 31	1,381.9	1,249.7
Open par value	1,409.0	1,267.3

On January 22, 2019, Sika placed a mandatory convertible bond in the amount of CHF 1,300.0 million due end of January 2022. The mandatory convertible bond had a coupon of 3.75% p.a. These interest payments were classified as a liability component. Accordingly, the liability component was reduced annually by the interest payments made.

On January 31, 2022, the remaining convertible bonds with a nominal value of CHF 1,299.8 million were fully converted into new shares from the conditional capital of Sika AG. The conversion price per share was CHF 130.756. In 2021, bonds with a nominal value of CHF 0.2 million were converted.

RECONCILIATION LIABILITY COMPONENT 3.75%-MANDATORY CONVERTIBLE BOND 2019-2022

in CHF mn	2021	2022
January 1	97.0	48.7
Interest expense (amortized cost)	0.5	0.1
Repayment liability component (interest)	-48.8	-48.8
December 31	48.7	0.0
Open par value	48.8	0.0

CHANGE IN FINANCIAL LIABILITIES

in CHF mn	Bank loans	Bonds	Lease liabilities	Other financial liabilities	Total financial liabilities
January 1, 2021	2.6	3,821.2	320.6	42.2	4,186.6
Proceeds	1.5	0.0	0.0	3.6	5.1
Repayments	-32.4	-218.8	-97.7	-14.2	-363.1
Cash flow	-30.9	-218.8	-97.7	-10.6	-358.0
Acquired on acquisition	46.2	0.0	1.2	1.6	49.0
Exchange differences	0.1	-46.8	-2.6	-0.5	-49.8
New leases	0.0	0.0	75.5	0.0	75.5
Conversion of bonds into shares	0.0	-236.5	0.0	0.0	-236.5
Other changes	0.0	10.0	20.6	39.6	70.2
Non-cash movements	46.3	-273.3	94.7	40.7	-91.6
December 31, 2021	18.0	3,329.1	317.6	72.3	3,737.0
January 1, 2022	18.0	3,329.1	317.6	72.3	3,737.0
Proceeds	11.4	598.9	0.0	9.2	619.5
Repayments	-22.3	-198.8	-95.5	-19.7	-336.3
Cash flow	-10.9	400.1	-95.5	-10.5	283.2
Acquired on acquisition	5.8	0.0	5.2	0.0	11.0
Exchange differences	-1.9	-48.1	-12.8	-2.7	-65.5
New leases	0.0	0.0	104.6	0.0	104.6
Conversion of bonds into shares	0.0	-139.4	0.0	0.0	-139.4
Other changes	0.1	7.8	15.1	-16.7	6.3
Non-cash movements	4.0	-179.7	112.1	-19.4	-83.0
December 31, 2022	11.1	3,549.5	334.2	42.4	3,937.2

The classification and valuation principles for financial liabilities are described in note 27.

22. Provisions CHF 104.9 mn (CHF 121.6 mn)

Provisions required for liabilities arising from guarantees, warranties, and environmental risks as well as restructuring costs are recognized as liabilities. Provisions are only recognized if Sika has a third-party liability that is based on a past event and can be reliably measured. Contingent liabilities are not recognized in the balance sheet except for acquisitions. Potential losses due to future incidents are not recognized in the balance sheet.

in CHF mn	Warranties	Sundry risks	Total
Current provisions	15.4	11.5	26.9
Non-current provisions	28.6	49.4	78.0
Provisions	44.0	60.9	104.9
Reconciliation			
January 1, 2022	58.1	63.5	121.6
Additions	9.0	10.6	19.6
Assumed on acquisition	0.2	1.9	2.1
Exchange differences	-2.0	-1.8	-3.8
Utilization	-8.6	-6.3	-14.9
Reversal	-12.7	-7.0	-19.7
December 31, 2022	44.0	60.9	104.9

Provisions for guarantees reflect all known claims anticipated in the near future. The amounts of the provision are determined based on experience and are therefore subject to a degree of uncertainty. The outflow of funds depends on the timing of the filing and conclusion of warranty claims. Provisions for sundry risks include loan guarantees as well as open and anticipated legal and tax cases with a probability of occurrence above 50%.

From the sum of provisions, CHF 78.0 million (CHF 95.6 million) are shown as non-current liabilities, since an outflow of funds is not expected within the next twelve months. For provisions of CHF 26.9 million (CHF 26.0 million), an outflow of funds is expected during the next twelve months. These amounts are shown as current provisions.

This year, several legal cases were resolved or forfeited where the amount accrued exceeded the amount required for settlement. In addition, certain legal cases were reassessed based on the current best estimates.

CONTINGENT LIABILITIES

In ongoing business activity, the Group may be involved in legal proceedings such as lawsuits, claims, investigations, and negotiations due to product liability, mercantile law, environmental protection, health and safety, etc. There are no current proceedings of this nature pending which could have significant influence on business operations, or on the Group's financial position or income. The Group is active in countries in which political, economic, social, and legal developments could impair business activity. The effects of such risks which can occur in the normal course of business is unforeseeable, but their probability of occurring is below 50%.

23. Employee benefit obligations

in CHF mn	2021			2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Employee benefit plans with defined benefits	149.5	205.8	56.3	16.6	138.9	122.3
Other employee commitments	-	117.1	117.1	-	101.0	101.0
Total	149.5	322.9	173.4	16.6	239.9	223.3

The Group maintains various employee benefit plans that differ in accordance with local practices. Group contributions to defined contribution plans are recognized in the income statement. Defined benefit plans are administered either through self-governed pension funds (funded) or recognized directly in the balance sheet (unfunded). The amount of the liabilities resulting from defined benefit plans is regularly determined by independent experts under application of the projected unit credit method. Actuarial gains and losses are recognized directly in the statement of other comprehensive income and are not reclassified subsequently to profit and loss. Asset surpluses of employee pension funds are considered only to the extent of possible future reimbursement or reduction of contributions.

Other long-term liabilities arise from long-service bonuses and similar benefits that Sika grants to its employees.

DEFINED CONTRIBUTION PENSION FUNDS

The majority of Sika subsidiaries operate defined contribution pension plans. In these, employees and employer regularly contribute to funds administered by third parties. This does not give rise to any assets or liabilities in the consolidated balance sheet.

DEFINED BENEFIT PENSION FUNDS

Defined benefit pension plans for staff exist within 45 Group companies. The biggest plans are in Switzerland, accounting for 83.2% (80.0%) of Sika's entire defined benefit pension obligations and 96.8% (96.9%) of plan assets.

SWISS PENSION PLANS

Sika companies in Switzerland have legally independent foundations, thereby segregating their pension obligation liabilities. The Federal Law on Occupational Retirement, Survivors', and Disability Pensions (BVG) regulates occupational benefits in Switzerland. In the event of a significant deficit, employees and employers must jointly bear any restructuring measures, for example through additional contributions. The Swiss pension plans therefore qualify as defined benefit plans and the actuarially determined surplus or deficit is recognized in the consolidated balance sheet. In accordance with local statutory requirements, Sika has no further obligations towards the pension plans beyond the regulatory contribution payments.

The Sika pension fund insures employees in Switzerland against the risks of old age, death, and disability. In addition, there is a management pension plan and a welfare foundation which provide for further regulatory benefits. Together with the statutory requirements, the retirement regulations form the basis for occupational pension benefits. The retirement pension is calculated by multiplying the retirement assets available at the time of retirement by the conversion rates stipulated in the regulations. The employee has the option of drawing the retirement benefit as a lump sum. The employee also has the right to early retirement.

The administration of the Sika pension fund is the responsibility of the board of trustees as the supreme body, which is composed of the same number of employee and employer representatives. It is responsible for the implementation of the pension fund regulations, the financing of benefits, and the investment of assets. The investment strategy is structured so that benefits can be paid when they fall due. The Sika pension fund as well as the welfare foundation bear the investment risks and the longevity risk themselves. The pension fund has taken out congruent reinsurance for the risks of death and disability. The insurance-related and investment risks of the management pension scheme are fully reinsured.

In the current year, as in the prior year, the Swiss pension plans are showing a surplus under BVG and it is not expected that additional contributions will be necessary for the next year.

MOVEMENT IN THE NET DEFINED BENEFIT OBLIGATION

in CHF mn	Present value of obligation	Fair value of plan assets	Impact of asset ceiling	Total
At January 1, 2021	-1,086.6	894.3	-2.9	-195.2
Current service cost	-34.0			-34.0
Past service cost (-) and gains (+)/ losses (-) on settlements and curtailments	1.8			1.8
Interest expense (-)/interest income (+)	-3.8	1.8		-2.0
Total expense recognized in income statement	-36.0	1.8		-34.2
thereof Switzerland	-27.1	1.3		-25.8
thereof others	-8.9	0.5		-8.4
Return on plan assets, excluding amounts included in interest income		97.0		97.0
Actuarial gains (+)/losses (-) from change in financial assumptions	26.0			26.0
Actuarial gains (+)/losses (-) from change in demographic assumptions	34.0			34.0
Experience gains (+)/losses (-)	-9.9			-9.9
Change in asset ceiling			-1.0	-1.0
Total remeasurement recognized in other comprehensive income	50.1	97.0	-1.0	146.1
thereof Switzerland	47.5	95.9	-1.0	142.4
thereof others	2.6	1.1	0.0	3.7
Exchange differences	10.2	-1.1		9.1
Contributions by employers		21.2		21.2
Contributions by plan participants	-16.9	16.9		0.0
Benefits paid	36.6	-28.4		8.2
Acquired in a business combination and others	-51.0	37.5		-13.5
Liabilities held for sale	2.0			2.0
At December 31, 2021	-1,091.6	1,039.2	-3.9	-56.3
thereof Switzerland	-873.4	1,006.7	-3.9	129.4
thereof others	-218.2	32.5	0.0	-185.7

MOVEMENT IN THE NET DEFINED BENEFIT OBLIGATION

in CHF mn	Present value of obligation	Fair value of plan assets	Impact of asset ceiling	Total
At January 1, 2022	-1,091.6	1,039.2	-3.9	-56.3
Current service cost	-31.8			-31.8
Past service cost (-) and gains (+)/ losses (-) on settlements and curtailments	0.7			0.7
Interest expense (-)/interest income (+)	-5.6	3.9		-1.7
Total expense recognized in income statement	-36.7	3.9		-32.8
thereof Switzerland	-27.6	3.5		-24.1
thereof others	-9.1	0.4		-8.7
Return on plan assets, excluding amounts included in interest income		-147.9		-147.9
Actuarial gains (+)/losses (-) from change in financial assumptions	194.6			194.6
Actuarial gains (+)/losses (-) from change in demographic assumptions	-0.6			-0.6
Experience gains (+)/losses (-)	-25.2			-25.2
Change in asset ceiling			-95.6	-95.6
Total remeasurement recognized in other comprehensive income	168.8	-147.9	-95.6	-74.7
thereof Switzerland	117.8	-144.2	-95.6	-122.0
thereof others	51.0	-3.7	0.0	47.3
Exchange differences	10.3	-1.1		9.2
Contributions by employers		23.8		23.8
Contributions by plan participants	-16.8	16.8		0.0
Benefits paid	36.7	-28.1		8.6
Disposed of in a business combination and others	8.7	-8.8		-0.1
Liabilities held for sale	0.0	0.0		0.0
At December 31, 2022	-920.6	897.8	-99.5	-122.3
thereof Switzerland	-765.5	869.5	-99.5	4.5
thereof others	-155.1	28.3	0.0	-126.8

The contributions expected to be paid into the defined benefit pension plans for 2023 amount to CHF 24.6 million.

The Group's total expenses for employee benefits are included in the consolidated financial statements under "Personnel expenses".

The stated deficit results mainly from the defined benefit obligation of the unfunded benefit plans of CHF 104.4 million (CHF 163.9 million). Schemes in Germany, in particular, do not have segregated assets. For the Swiss pension plan, the result is a surplus of CHF 4.5 million (deficit of CHF 129.4 million).

MAJOR CATEGORIES OF TOTAL PLAN ASSETS

in CHF mn	2021			2022		
	Switzerland	Others	Total	Switzerland	Others	Total
Cash and cash equivalents	28.3	4.7	33.0	17.3	6.8	24.1
Equity instruments	462.2	1.7	463.9	337.7	0.7	338.4
Debt instruments	345.1	5.0	350.1	307.8	2.7	310.5
Real estate investments	169.0	0.0	169.0	204.3	0.0	204.3
Other assets	2.1	21.1	23.2	2.4	18.1	20.5
Total	1,006.7	32.5	1,039.2	869.5	28.3	897.8

Most of the plan assets of the pension schemes are invested in assets with quoted market prices. In the year under review, 7.8% (9.6%) of the investments in real estate did not have a quoted market price.

AMOUNTS INCLUDED IN PLAN ASSETS

in CHF mn	2021		2022	
	Switzerland	Others	Switzerland	Others
Shares Sika AG ¹	43.2	0.0	24.9	0.0
Own property occupied by Sika	11.4	0.0	11.1	0.0
Total	54.6	0.0	36.0	0.0

1 According to Swiss law, employer shareholdings may not exceed 5% of assets.

ACTUARIAL ASSUMPTIONS - WEIGHTED AVERAGE

	2021		2022	
	Switzerland	Others	Switzerland	Others
Discount rate in the year under review (%)	0.35	1.10	2.20	3.56

THE SENSITIVITY OF THE DEFINED BENEFIT OBLIGATION TO CHANGES IN THE PRINCIPAL ASSUMPTIONS

in CHF mn	Change in assumptions	Impact on defined benefit obligation	
		Switzerland	Others
Discount rate	+0.25%	-23.2	-4.4
Discount rate	-0.25%	24.7	4.5

FURTHER INFORMATION

	2021		2022	
	Switzerland	Others	Switzerland	Others
Total number of defined benefit plans	3	41	3	41
thereof number of defined benefit plans funded	3	12	3	12
thereof number of defined benefit plans unfunded	0	29	0	29
Average weighted duration in years	14.2	15.3	12.8	12.7

24. Other liabilities CHF 36.1 mn (CHF 36.4 mn)

Other liabilities consist of deferred revenue for warranty extensions that will not be realized within the next twelve months.

25. Shareholders' equity CHF 4,967.1 mn (CHF 4,395.9 mn)

in CHF mn	2021	2022
Capital stock	1.4	1.5
Capital surplus	437.4	1,878.8
Treasury shares	-10.7	-15.1
Currency translation differences	-995.2	-1,232.7
Retained earnings	4,960.9	4,333.7
Equity attributable to Sika shareholders	4,393.8	4,966.2
Non-controlling interests	2.1	0.9
Shareholders' equity	4,395.9	4,967.1

Equity accounts for 43.9% (41.1%) of the balance sheet total.

CAPITAL STOCK

The capital stock is equal to the nominal capital of all issued registered shares at par value of CHF 0.01. Share capital is structured as follows and changed this year according to the table below (no changes in the previous year):

	Units ¹	Par value in CHF
At January 1, 2021	141,781,160	1,417,812
Capital increase from conditional capital	1,263,807	12,638
At December 31, 2021	143,044,967	1,430,450
At January 1, 2022	143,044,967	1,430,450
Capital increase from conditional capital	10,690,084	106,901
At December 31, 2022	153,735,051	1,537,351

¹ Includes treasury shares which do not carry voting and dividend rights.

CAPITAL SURPLUS

This item consists of the value of paid-in capital in excess of par value (less transaction costs).

TREASURY SHARES

Treasury shares are valued at acquisition cost and deducted from shareholders' equity. Differences between the purchase price and sales proceeds of treasury shares are shown as a change in retained earnings.

CURRENCY TRANSLATION DIFFERENCES

This item consists of the differential amount that arises from the translation into Swiss francs of assets, liabilities, income, and expenses of Group companies that do not use Swiss francs as their functional currency.

RETAINED EARNINGS

Retained earnings mainly comprise accumulated retained earnings of the Group companies that are not distributed to shareholders as well as profit/loss of treasury shares. Profit distribution is subject to local legal restrictions.

The Board of Directors proposes to the Annual General Meeting payment of a dividend of CHF 3.20 per registered share to the shareholders of Sika AG. This corresponds to a maximum possible payout amount of CHF 513.5 million assuming the potential exercise of all conversion rights (see notes 9 and 21).

NON-CONTROLLING INTERESTS

Non-controlling interests are accounted for at the corresponding share of the respective company. There are no material companies with non-controlling interests. The capital shares of all companies are disclosed in the list of group companies (p.251 et seq. of this report).

26. Cash flow statement

CASH FLOW ANALYSIS

in CHF mn	2021	2022
Cash flow from operating activities	1,064.1	1,099.8
Cash flow from investing activities	-469.2	-169.0
Cash flow from financing activities	-736.8	-190.0
Exchange differences	-1.8	-42.5
Net change in cash and cash equivalents	-143.7	698.3

FREE CASH FLOW AND OPERATING FREE CASH FLOW

in CHF mn	2021	2022
Cash flow from operating activities	1,064.1	1,099.8
Net investment in		
Property, plant, and equipment	-142.4	-206.6
Intangible assets	-13.3	-28.0
Acquisitions less cash and cash equivalents	-304.4	-142.7
Proceeds from divestment of businesses	0.0	211.7
Acquisition of associated companies	-7.8	0.0
Acquisitions (-)/disposals (+) of financial assets	-1.3	-3.4
Free cash flow	594.9	930.8
Acquisitions (+)/disposals (-) less cash and cash equivalents	312.2	-69.0
Acquisitions (+)/disposals (-) of financial assets	1.3	3.4
Operating free cash flow	908.4	865.2

OTHER ADJUSTMENTS

in CHF mn	2021	2022
Profit (-)/loss (+) from disposals of non-financial assets	-7.8	-21.8
Personnel expenses settled through treasury shares	9.1	10.5
Others	-3.4	11.4
Total	-2.1	0.1

27. Financial instruments and risk management

Sika's financial instruments and the related risk management are presented in this note.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

The classification depends on the financial asset's contractual cash flow characteristics. Sika uses the following categories:

- At amortized cost – financial assets at amortized cost are measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified, or impaired. Financial assets measured at amortized cost mainly comprise accounts receivable as well as smaller loans and other receivables. Accounts receivable are measured at the transaction price.
- At fair value through profit or loss – financial assets held for trading and derivatives are carried at fair value through profit or loss. Fluctuations in value are recognized in the income statement. The classification of equity instruments in this category is consistent with the Group's risk management and investment strategy. Sika does not apply hedge accounting.

All purchases and sales of financial assets are recognized on the settlement date. Financial assets are derecognized when Sika loses the rights to receive cash flows that comprise the financial asset. Normally, this occurs through the sale of assets or the repayment of loans and accounts receivable.

At each balance sheet date Sika, determines whether a financial asset is impaired. If there are objective indications that an impairment of assets carried at amortized cost has occurred or could occur based on forward-looking data, the amount of the impairment is the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted at the original effective interest rate.

For accounts receivable, Sika applies a simplified approach in calculating expected credit losses. Therefore,

an allowance is recognized at initial recognition and at each subsequent balance sheet date for the expected credit losses over the entire term. Sika has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors. Receivables are derecognized if they are classified as uncollectible.

PROVISION MATRIX OF ACCOUNTS RECEIVABLE

in CHF mn	Estimated total gross carrying amount at default	Expected credit losses
Not overdue	1,279.8	2.4
Past due < 31 days	167.8	2.3
Past due 31–60 days	62.5	2.7
Past due 61–180 days	55.8	8.1
Past due 181–360 days	20.9	13.1
Past due > 360 days	70.6	52.0
December 31, 2021	1,657.4	80.6
Not overdue	1,353.8	2.3
Past due < 31 days	216.3	3.1
Past due 31–60 days	67.4	3.1
Past due 61–180 days	76.7	12.3
Past due 181–360 days	23.9	16.2
Past due > 360 days	77.3	58.8
December 31, 2022	1,815.4	95.8

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

All financial liabilities are initially recognized at fair value, in the case of bonds and loans less directly attributable transaction costs. Subsequent measurement depends on their classification:

- At amortized cost – after initial recognition, interest-bearing bonds and loans are measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are amortized or derecognized. Amortized cost is calculated taking into account any premium or discount and any fees or costs that are an integral part of the effective interest rate. Amortization using the effective interest method is included in the income statement as part of interest expense.
- At fair value through profit or loss – financial liabilities held for trading and derivative financial instruments are carried at fair value through profit or loss. Fluctuations in value are recognized in the income statement. Sika does not apply hedge accounting.

All purchases and sales of financial liabilities are recognized on the settlement date. A financial liability is derecognized when the underlying obligation has been fulfilled, cancelled, or expired. If an existing financial obligation is replaced by another financial liability of the same lender with substantially different contractual terms or if the terms of an existing liability are significantly changed, such an exchange or change is treated as a derecognition of the original liability and recognition of a new liability.

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The hierarchy below classifies financial instruments, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: procedures in which all input parameters having an essential effect on the registered market value are either directly or indirectly observable.
- Level 3: procedures applying to input parameters that have an essential effect on the registered market value but are not based on observable market data.

An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing data on an ongoing basis.

Sika holds level 2 derivative financial instruments, namely swaps and forward contracts. Their fair value is based on forward exchange rates.

Although the own bonds are listed on the stock exchange, their transaction frequency does not reliably meet our expectation of an active market and are therefore assigned to level 2. The disclosed fair value is based on the prices of the last transactions on or before the balance sheet date.

Sika does not own any financial instruments requiring evaluation according to level 3 procedures.

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

in CHF mn	Level	2021		2022	
		Book value	Fair value	Book value	Fair value
Cash and cash equivalents		1,175.0		1,873.3	
Accounts receivable		1,576.8		1,719.6	
Loans (at amortized cost)		27.5		30.2	
Securities (at fair value through profit and loss)	1	68.9	68.9	62.3	62.3
Derivatives (at fair value through profit and loss)	2	16.5	16.5	6.8	6.8
Financial assets at December 31		2,864.7		3,692.2	
Bank loans		18.0		11.1	
Accounts payable		1,033.2		1,016.6	
Lease liabilities		317.6		334.2	
Bonds	2	3,280.4	4,812.6	3,549.5	3,749.5
Mandatory convertible bond (liability component)		48.7		0.0	
Other financial liabilities		61.9		32.9	
Financial liabilities measured at amortized cost		4,759.8		4,944.3	
Derivatives (at fair value through profit and loss)	2	10.4	10.4	9.5	9.5
Financial liabilities at December 31		4,770.2		4,953.8	

The book value of cash and cash equivalents, accounts receivable, loans, bank loans, accounts payable, lease liabilities, the liability component of the mandatory convertible bond, as well as other financial liabilities almost equal the fair value.

MANAGEMENT OF FINANCIAL RISKS

BASIC PRINCIPLES

The Group's activities expose it to a variety of financial risks: market risks (primarily foreign exchange risks, price risks, and interest rate risks), credit risks, and liquidity risks.

The corporate finance department identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. Property, plant, and equipment of CHF 0.6 million (CHF 17.0 million) are pledged as security for own liabilities.

FOREIGN EXCHANGE RISKS

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro and the US dollar. Foreign exchange risks arise when commercial transactions as well as recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group makes every effort to offset the impact of exchange rate movements as far as possible by utilizing natural hedges. Foreign exchange forward contracts/swaps are used to hedge foreign exchange risks. Gains and losses on foreign exchange hedges and assets or liabilities carried at fair value are recognized through profit or loss. The Group does not apply hedge accounting.

OPEN DERIVATIVES

in CHF mn	Replacement value		Contract value	Contractual value upon maturity		
	(+)	(-)		Up to 3 months	3 to 12 months	Over 12 months
Forward contracts (foreign exchange)	1.1	-0.6	130.2	64.3	65.9	0.0
Swaps (foreign exchange)	15.4	-9.8	1,639.4	393.8	1,245.6	0.0
Open derivatives 2021	16.5	-10.4	1,769.6	458.1	1,311.5	0.0
Forward contracts (foreign exchange)	1.3	-4.2	271.7	66.5	205.2	0.0
Swaps (foreign exchange)	5.5	-4.9	991.2	224.7	766.5	0.0
Swaps (interest rate)	0.0	-0.4	100.0	0.0	0.0	100.0
Open derivatives 2022	6.8	-9.5	1,362.9	291.2	971.7	100.0

Losses from currency differences recognized in the income statement amounted to CHF 49.8 million (loss CHF 32.8 million), including a net gain of CHF 12.0 million (net gain of CHF 18.9 million) from currency hedging transactions, which is included in other financial expenses. The currency differences arise from purchases and sales as well as financing activities in foreign currencies and are recognized in the corresponding income statement account.

Sika carries out a sensitivity analysis for the dominant foreign currencies', namely the euro and US dollar. The assumption is that the euro and US dollar respectively change against all other currencies by +/- 10%. The other currencies remain constant. The assumed possible currency fluctuations are based on historical observations and future prognoses. Incorporated into calculations are the financial instruments, Group-internal financing, and foreign currency hedge transactions in the corresponding currencies. The following table shows the sensitivity of a reasonably possible change in exchange rates in relation to the financial instruments included in the balance sheet. All other variables remain constant for this test. Changes in exchange rates can have an impact on consolidated profit before tax and, in the case of net investments in a foreign operation, on the translation differences recognized directly in other comprehensive income.

SENSITIVITY ANALYSIS ON EXCHANGE RATES

Impact in CHF mn on	2021		2022	
	Profit before tax	Comprehensive income	Profit before tax	Comprehensive income
EUR: +10%	-6.0	0.0	-3.6	0.0
EUR: -10%	6.0	0.0	3.6	0.0
USD: +10%	-7.6	10.5	-14.1	10.6
USD: -10%	7.6	-10.5	14.1	-10.6

PRICE RISKS

The Group is exposed to purchasing price risks because the cost of materials represents one of the Group's largest cost factors. Purchasing prices are influenced far more by the interplay between supply and demand, the general economic environment, and intermittent disruptions of processing and logistics chains, ranging from crude oil to purchased merchandise, than by crude oil prices themselves. Short-term crude oil price increases have only limited impact on raw material prices. Sika limits market price risks for important products by means of maintaining corresponding inventories and Group contracts (lead buying). The most important raw materials are polymers such as polyurethane, epoxy resins, polyvinyl chloride, and cementitious basic materials. Other measures such as hedging are not practical because there is no corresponding market for these semi-finished products.

INTEREST RATE RISK

Interest rate risk arises from movements in interest rates which could affect the Group's financial result or the value of the Group equity. Interest rate risk is limited through the issue of fixed-interest long-term bonds (see note 21). The Group may use interest rate derivatives to manage its interest-rate-related exposure and financial result. Local bank loans and mortgages are insignificant. Interest rate developments are closely monitored by management.

CREDIT RISK

Credit risks arise from the possibility that the counterparty to a transaction may not be able or willing to discharge its obligations, thereby causing the Group to suffer a financial loss. Counterparty risks are minimized by only concluding contracts with reputable business partners and banks. In addition, accounts receivable are monitored on an ongoing basis via internal reporting procedures. Potential concentrations of risks are reduced by the large number of customers and their geographic dispersion. No individual customer represents more than 2% of the Group's net sales. The Group held no securities for loans and accounts receivable at year-end 2021 nor at year-end 2022. The largest possible risk represented by these items is the carrying amount of the accounts receivable and any warranties granted.

LIQUIDITY RISK

Liquidity risk refers to the risk of Sika no longer being able to meet its financial obligations in full. Prudent liquidity management includes maintaining sufficient cash and cash equivalents and securing the availability of liquidity reserves which can be called upon at short notice. Group Management monitors the Group's liquidity reserve based on expected cash flows.

The table below summarizes the maturity profile of the Group's financial liabilities at the balance sheet date based on contractual undiscounted payments.

MATURITY PROFILE OF FINANCIAL LIABILITIES

in CHF mn	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Bank loans	18.0	0.0	0.0	18.0
Accounts payable	1,033.2	0.0	0.0	1,033.2
Lease liabilities	80.5	163.8	122.3	366.6
Bonds	174.6	2,070.5	1,209.3	3,454.4
Mandatory convertible bond (liability component)	48.8	0.0	0.0	48.8
Other financial liabilities	42.5	18.4	1.0	61.9
Financial liabilities measured at amortized cost	1,397.6	2,252.7	1,332.6	4,982.9
Financial liabilities at fair value through profit and loss	10.4	0.0	0.0	10.4
December 31, 2021	1,408.0	2,252.7	1,332.6	4,993.3
Bank loans	11.1	0.0	0.0	11.1
Accounts payable	1,016.6	0.0	0.0	1,016.6
Lease liabilities	86.6	191.3	129.7	407.6
Bonds	233.7	2,543.9	955.5	3,733.1
Mandatory convertible bond (liability component)	0.0	0.0	0.0	0.0
Other financial liabilities	4.7	16.0	12.2	32.9
Financial liabilities measured at amortized cost	1,352.7	2,751.2	1,097.4	5,201.3
Financial liabilities at fair value through profit and loss	9.1	0.4	0.0	9.5
December 31, 2022	1,361.8	2,751.6	1,097.4	5,210.8

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy equity ratios to support its business. The Group manages its capital structure and adjusts it considering changes in economic conditions. No changes were made in the objectives, policies, or processes during the years ended December 31, 2022, and December 31, 2021. The Group monitors its equity using the equity ratio, which is shareholders' equity divided by total capital.

TAX RISK MANAGEMENT

Our multinational operations are taxed under the laws of the countries in which they operate. Changes in tax laws or in their application could lead to an increased risk of international tax disputes and an increase in our effective tax rate, which could adversely affect our financial results.

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. The Organization for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in. At December 31, 2022, the Group did not have sufficient information to determine the potential quantitative impact.

Other information

SIGNIFICANT SHAREHOLDERS

At December 31, 2022, based on information supplied to the Group, there are four significant shareholders whose voting rights exceed 3%: (1) BlackRock Inc., which owned 7.7% of all voting rights. (2) William H. Gates and Melinda French Gates, who held 5.3% of all voting rights via Cascade Investment L.L.C. and Bill & Melinda Gates Foundation Trust. (3) The Capital Group Companies, who held 5% of all voting rights via Capital Research and Management Company, Capital Bank and Trust Company, Capital International Limited, Capital International, Inc., and Capital International Sarl. (4) Norges Bank (the Central Bank of Norway), which held 3.01% of all voting rights. No notifications about changes in significant shareholdings have been received since the publication of the Annual Report 2021.

A list of changes in significant shareholdings reported to the Disclosure Office of SIX Swiss Exchange during the year under review can be found at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/. There are no cross-shareholdings exceeding 3%, either in terms of capital or votes.

RELATED PARTIES

ASSOCIATED COMPANIES

In the year under review, goods and services totaling CHF 1.0 million (CHF 1.1 million) were delivered to associated companies. These transactions occurred on the usual conditions between wholesale partners.

EMPLOYEE BENEFIT PLANS

In Switzerland, employee benefit plans are handled through independent foundations, to which a total of CHF 29.1 million (CHF 27.2 million) was paid in the year under review. As of the balance sheet date, no material receivables or payables were due from these foundations. Sika offices are located in a building leased from the pension fund foundation. Rent for 2022 amounted to CHF 0.7 million (CHF 0.7 million).

All transactions were conducted at market conditions.

REMUNERATION OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

The Board of Directors and Group Management are entitled to the following remuneration:

in CHF mn	2021	2022
Current benefits	12.7	15.1
Share-based payments ¹	4.3	5.5
Pension benefits	1.4	1.3
Total	18.4	21.9

1 Refer to note 4, employee participation plan – share-based payments.

Information regarding participations of the Board of Directors and Group Management of Sika AG can be found in the Sika AG's financial statements (p.274 of this report).

RELEASE OF FINANCIAL STATEMENTS FOR PUBLICATION

The Board of Directors of Sika AG approved the consolidated financial statements for publication on February 14, 2023. The financial statements will be submitted for approval to the Annual General Meeting on March 28, 2023.

OTHER INFORMATION

PLANNED ACQUISITION

In November 2021, Sika signed an agreement to acquire MBCC Group, which is the former BASF Construction Chemicals. The transaction complements almost all of Sika's core technologies, applications, and solutions. It will create synergies and novel solutions that will help make the construction industry more sustainable. Sika proceeded with the transaction process in 2022 and has received unconditional regulatory approval for the transaction from authorities in most countries, among them Japan, China, Brazil, Serbia, Morocco, Russia, Colombia, Mexico, South Africa, Saudi Arabia, Turkey, and Thailand. In January 2023, an agreement was signed with Ineos for the purchase of parts of MBCC Group's admixtures business with sales of around CHF 920 million. The acquisition of MBCC is set to be significantly value-enhancing for Sika. Together with MBCC, Sika intends to strengthen its growth platform and generate annual synergies of CHF 160–180 million. The closing of the acquisition is scheduled for the first half of 2023.

The financing of the planned transaction is secured by a bridge loan facility. Sika intends to put in place a long-term funding structure comprising a combination of cash on hand, bank loans, and capital markets instruments.

LIST OF GROUP COMPANIES

Country	Company ¹		Capital stock in thousands	Voting and capital share in %	Certifi- cation
EMEA (Europe, Middle East, Africa)					
Albania	❖ Sika Albania SHPK, Tirana	ALL	96,831	100	
Algeria	☐ Sika El Djazair SpA, Les Eucalyptus	DZD	313,400	100*	◆ ★ *
	○ Mortero Spa, Béjaia	DZD	60,000	100*	
	❖ Sika Trading DZ Sarl, Algiers	DZD	43,000	49.5 ²	
Angola	○ Sika Angola (SU), Limitada, Luanda	AOA	172,596	100	◆
Austria	○ Sika Österreich GmbH, Bludenz	EUR	2,500	100	◆ ★
Azerbaijan	○ Sika Limited Liability Company, Baku	AZN	5,311	100	◆
Bahrain	○ Sika Gulf B.S.C., Adliya	BHD	1,000	100*	◆ ★ *
	▲ Sika Arabia Holding Company WLL, Manama	BHD	6,000	100	
Belarus	○ BelINECO LLC, Brest	BYN	10,509	100	◆
Belgium	○ Sika Belgium NV, Nazareth	EUR	10,264	100	◆ ★
	❖ Sika Automotive Belgium S.A., Saintes	EUR	1,649	100	
Bosnia- Herzegovina	❖ Sika BH d.o.o., Sarajevo	BAM	795	100	◆
Bulgaria	○ Sika Bulgaria EOOD, Sofia	BGN	340	100	◆ ★
Cameroon	○ Sika Cameroon SARL, Douala	XAF mn	1,058	100	◆
Croatia	❖ Sika Croatia d.o.o., Zagreb	HRK	4,000	100	◆ ★
Czech Republic	○ Sika CZ s.r.o., Brno	CZK	30,983	100	◆ ★ *
	○ Krkonošské vápenky Kunčice, a.s., Kunčice nad Labem	CZK	25,000	100*	◆ ★ *
Denmark	○ Sika Danmark A/S, Farum	DKK	6,000	100	◆ ★
Djibouti	❖ Sika Djibouti FZE, Djibouti City	USD	300	100	
Egypt	○ Sika Egypt for Construction Chemicals S.A.E., Cairo	EGP	246,025	100	◆ ★ *
	○ Sika Manufacturing for Construction S.A.E., Cairo	EGP	2,000	100	◆ ★ *
	○ Modern Waterproofing Company S.A.E., Cairo	EGP	119,000	98.89	◆ ★ *
Estonia	❖ Sika Estonia OÜ, Tallinn	EUR	3	100	
Ethiopia	○ Sika Abyssinia Chemicals Manufacturing PLC, Addis Ababa	ETB	170,720	100	◆ ★ *
Finland	○ Oy Sika Finland Ab, Espoo	EUR	850	100	◆ ★
France	○ Sika France SAS, Paris	EUR	468,018	100	◆ ★ *
	○ Sika Automotive France SAS, Cergy-Pontoise Cedex	EUR	1,343	100*	◆ ★ *
	○ ParexGroup SAS, Issy-Les-Moulineaux	EUR	4,065	100*	◆ ★ *
Germany	▲ Sika Holding CH AG & Co KG, Stuttgart	EUR	26,000	100*	
	○ Sika Deutschland GmbH, Stuttgart	EUR	75	100*	◆ ★
	○ Sika Automotive Hamburg GmbH, Hamburg	EUR	5,300	100*	◆ ★
	○ Sika Trocal GmbH, Troisdorf	EUR	4,000	100*	◆ ★
	○ Sika Automotive Deutschland GmbH, Frankfurt am Main	EUR	1,000	100*	◆ ★ *
	▲ Sika Frankfurt Grundstücksgesellschaft mbH, Worms	EUR	25	100*	
	▲ Sika Worms Grundstücksgesellschaft mbH, Worms	EUR	25	100*	
	○ Hago PU GmbH, Munich	EUR	1,000	100	◆
	○ Sika Chemicals Ghana Ltd., Accra	GHS	29,567	100	
Greece	○ Sika Hellas ABEE, Kryoneri	EUR	9,000	100	◆ ★ *
Hungary	○ Sika Hungária Kft., Biatorbágy	HUF	483,000	100	◆ ★
Iran	○ Sika Parsian P.J.S. Co., Tehran	IRR mn	293,229	100	

Country	Company ¹		Capital stock in thousands	Voting and capital share in %	Certifi- cation
Iraq	○ Sika Company for General Trading LLC, Erbil	IQD	1,000	100	
Ireland	❖ Sika Ireland Ltd., Dublin	EUR	635	100	◆
Italy	○ Sika Italia S.p.A., Peschiera Borromeo	EUR	5,000	100	◆ ★ *
	○ Sika Engineering Silicones S.r.l., Peschiera Borromeo	EUR	1,600	100*	◆ ★
	○ Sika Polyurethane Manufacturing S.r.l., Cerano	EUR	1,600	100	◆ ★ *
	Index Construction Systems and Products S.P.A., Castel ○ d'Azzano	EUR	7,740	100*	◆ ★
Ivory Coast	○ Sika Côte d'Ivoire SARL, Abidjan	XOF mn	1,942	100	◆ ★
Kazakhstan	○ Sika Kazakhstan LLP, Almaty	KZT mn	1,413	100	◆ ★
Kenya	○ Sika Kenya Limited, Nairobi	KES	50,000	100	◆ ★ *
Kuwait	❖ Sika Kuwait for Construction Materials & Paints Co WLL, Shuwaikh Industrial Area	KWD	1,080	100*	
Latvia	○ Sika Baltic SIA, Riga	EUR	1,237	100	
Lebanon	○ Sika Near East s.a.l., Beirut	LBP mn	1,340	100	◆
Mauritius	○ Sika (Mauritius) Ltd., Plaine Lauzun	MUR	2,600	100*	◆
Morocco	○ Sika Maroc, Casablanca	MAD	264,000	100	◆ ★ *
Mozambique	○ Sika Moçambique Limitada, Maputo Province	MZN	410,535	100	
Netherlands	○ Sika Nederland B.V., Utrecht	EUR	1,589	100	◆ ★
	▲ Sika Capital B.V., Utrecht	EUR	10,000	100	
Nigeria	○ Sika Manufacturing Nigeria Limited, Lagos	NGN mn	2,705	100	
Norway	○ Sika Norge AS, Skjetten	NOK	42,900	100	◆ ★ *
Oman	❖ Sika LLC, Muscat	OMR	150	100*	
Pakistan	○ Sika Pakistan (Pvt.) Limited, Lahore	PKR	824,786	100	◆ ★ *
Poland	○ Sika Poland Sp. z o.o., Warsaw	PLZ	12,188	100	◆ ★ *
	○ Sika Automotive Zlotoryja Sp. z o.o., Zlotoryja	PLZ	6,000	100	◆ ★ *
Portugal	○ Sika Portugal – Produtos Construção e Indústria SA, Vila Nova de Gaia	EUR	1,500	100	◆ ★ *
Qatar	○ Sika Qatar LLC, Doha	QAR	200	100*	◆
	○ Parex Group WLL, Doha	QAR	200	97*	◆
Romania	○ Sika Romania s.r.l., Brasov	RON	665,138	100	◆ ★ *
	○ Adeplast S.R.L., Ploiești City	RON	157,632	100*	◆ ★ *
Russia	○ Sika LLC, Lobnya	RUB	535,340	100	◆ ★
	○ Kreps Limited Liability Company, St. Petersburg	RUB	338,379	100	
Saudi Arabia	○ Sika Saudi Arabia Limited (A Single Shareholder Limited Liability Company), Jeddah	SAR	41,750	100	◆ ★
Senegal	○ Sika Sénégal S.U.A.R.L., Dakar	XOF mn	1,764	100	◆
Serbia	○ Sika Srbija d.o.o., Simanovci	EUR	373	100	◆ ★
Slovakia	❖ Sika Slovensko, spol.s r.o., Bratislava	EUR	1,131	100	◆ ★ *
	○ Sika Automotive Slovakia s.r.o., Zlaté Moravce	EUR	7	100	◆ ★ *
Slovenia	❖ Sika d.o.o., Trzin	EUR	1,029	100	◆ ★
South Africa	○ Sika South Africa (Pty) Ltd, Pinetown	ZAR	25,000	100	◆ ★ *
Spain	○ Sika S.A.U., Alcobendas	EUR	19,867	100	◆ ★ *
	○ Sika Automotive Terrassa S.A., Terrassa	EUR	2,965	100	◆ ★ *
Sweden	○ Sika Sverige AB, Spånga	SEK	10,000	100	◆ ★
Switzerland	○ Sika Schweiz AG, Zurich	CHF	1,000	100	◆ ★ *
	▲ Sika Services AG, Zurich	CHF	300	100	◆ ★ *

Country	Company ¹		Capital stock in thousands	Voting and capital share in %	Certifi- cation
	▲ Sika Technology AG, Baar	CHF	300	100	◆ ★ *
	▲ Sika Informationssysteme AG, Zurich	CHF	400	100	
	■ SikaBau AG, Schlieren	CHF	5,300	100	◆
	▲ Sika Finanz AG, Baar	CHF	2,400	100	
	○ Sika Manufacturing AG, Sarnen	CHF	14,000	100	◆ ★ *
	▲ Sika Supply Center AG, Sarnen	CHF	1,000	100	◆ ★
	○ Sika Automotive AG, Romanshorn	CHF	3,000	100	★
	▲ Sika Europe Management AG, Zurich	CHF	100	100	
	▲ Sika Americas Management AG, Baar	CHF	100	100	
	▲ Sika Germany Management AG, Baar	CHF	50	100	
	▲ Sika Global Business Management AG, Widen	CHF	100	100	
	○ Polypag AG, Altstätten	CHF	700	100	◆
	▲ Sika International AG, Baar	CHF	100	100	
Tanzania	○ Sika Tanzania Construction Chemicals Limited, Dar es Salaam	TZS mn	8,244	100	◆ ★
Tunisia	❖ Sika Tunisienne Sàrl, Douar Hicher	TND	150	100*	◆ ★
Turkey	○ Sika Yapi Kimyasallari A.S., Tuzla	TRY	48,700	100	◆ ★ *
	○ ABC Kimya Sanayi ve Dış Ticaret Anonim Şirketi, Istanbul	TRY	5,200	100*	
	❖ Sika Turkey Otomotiv Sanayi ve Tic. Ltd. Şti., Istanbul	TRY	5,900	100	◆
	▲ ParexGroup Yapi Kimyasallari Sanayi Ve Ticaret AŞ., Istanbul	TRY	57,301	100*	
UAE	○ Sika UAE LLC, Dubai	AED	1,000	100*	◆ ★ *
	❖ Sika International Chemicals LLC, Abu Dhabi	AED	300	100*	◆ ★ *
	▲ Sumam Arabia Holding Co Limited, Dubai	AED	1	100	
Ukraine	○ LLC Sika Ukraina, Kiev	UAH	2,933	100	◆
	▲ LLC Sika Property, Kiev	UAH	4,000	100	
United Kingdom	○ Sika Limited, Welwyn Garden City	GBP	10,000	100	◆ ★ *
	○ Everbuild Building Products Limited, Leeds	GBP	21	100*	◆ ★ *
	○ Incorez Limited, Preston	GBP	1	100	◆ ★ *
	▲ Dry Mix Solutions UK Ltd., Welwyn Garden City	GBP	1	100*	
	▲ Enevis Group Ltd, Lanarkshire	GBP	1	100*	
	▲ Parex Ltd., Welwyn Garden City	GBP	345	100*	
Americas					
Argentina	○ Sika Argentina SAIC, Caseros	ARS	7,600	100	◆ ★ *
	▲ VDP Logistica SA, Ciudad de Buenos Aires	ARS	100	100*	
Bolivia	○ Sika Bolivia SA, Santa Cruz de la Sierra	BOB	1,800	100	◆
Brazil	○ Sika S/A, Osasco	BRL	410,246	100	◆ ★ *
	○ Supermassa do Brasil Ltda., Pedro Leopoldo	BRL	2,440	100*	
Canada	○ Sika Canada Inc., Pointe Claire/QC	CAD	82,096	100	◆ ★
	○ Parex Construction Chemical Canada Inc., Anjou/QC	CAD	18,000	100*	
	○ Hydrotech Membrane Corporation, Anjou/QC	CAD	100	100*	
	○ Sable Marco Inc., Pont-Rouge/QC	CAD	56,000	100*	

Country	Company ¹		Capital stock in thousands	Voting and capital share in %	Certifi- cation
Chile	○ Sika S.A. Chile, Santiago de Chile	CLP mn	4,430	100	◆ ★
Colombia	○ Sika Colombia S.A.S, Tocancipá	COP mn	14,500	100	◆ ★ *
Costa Rica	○ Sika productos para la construcción S.A., Heredia	CRC mn	2,620	100	
Dom. Republic	○ Sika Dominicana SRL, Santo Domingo Oeste	DOP	37,848	100	
Ecuador	○ Sika Ecuatoriana S.A., Durán	USD	1,982	100	◆ ★
El Salvador	❖ Sika El Salvador S.A. de C.V., San Salvador	USD	2	100	
Guatemala	○ Sika Guatemala S.A., Ciudad de Guatemala	GTQ	2,440	100	
Honduras	❖ Sika Honduras, S.A. de C.V., Ciudad de San Pedro Sula	HNL	236	100	
Mexico	○ Sika Mexicana SA de CV, Corregidora	MXN	957,620	100	◆ ★
	○ Bexel Internacional S.A. de C.V., Monterrey	MXN	87,855	100*	
	▲ Bexel PI S.A. de C.V., Monterrey	MXN	25	100*	
	Bexel Productos Innovadores en Acabados S.A. de C.V., Monterrey	MXN	50	100*	
Nicaragua	❖ Sika Nicaragua, Sociedad Anonima, Managua	NIO	20,000	100	
Panama	○ Sika Panama S.A., Ciudad de Panamá	USD	7,200	100	
Paraguay	○ Sika Paraguay S.A., Asunción	PYG mn	40	100	
	○ Parex Group S.A., Limpio	PYG mn	5,867	67*	
Peru	○ Sika Perú S.A.C., Lima	PEN	3,500	100	◆ ★
Uruguay	○ Sika Uruguay SA, Montevideo	UYP	22,800	100	◆ ★
	▲ Parex Group SA, Montevideo	UYP	18,551	100*	
USA	○ Sika Corporation, Lyndhurst/NJ	USD	72,710	100	◆ ★
	▲ Sarnafil Services Inc., Canton/MA	USD	1	100*	★
	○ Emseal Joint Systems Ltd., Westborough/MA	USD	1,040	100*	
	○ Emseal LLC, Westborough/MA	USD	1	100*	◆
	○ Sika Automotive Gastonia Inc., Gastonia/NC	USD	1	100*	★
	○ Parex USA, Inc., Anaheim/CA	USD	7,176	100*	
	○ Sika Automotive Kentucky LLC, Lyndhurst/NJ	USD	1	100*	★
	○ American Hydrotech, Inc., Chicago/IL	USD	7	100*	
	○ United Gilsonite Laboratories, Inc., Dunmore	USD	404	100*	
Venezuela	○ Sika Venezuela SA, Valencia	VED	0	100	

Asia/Pacific

Australia	○ Sika Australia Pty. Ltd., Wetherill Park	AUD	49,200	100	◆ ★ *
Bangladesh	❖ Sika Bangladesh Limited, Dhaka	BDT	79,416	100	◆
Cambodia	○ Sika (Cambodia) Ltd., Phnom Penh	KHR	422,000	100	◆ *
China	○ Sika (China) Ltd., Suzhou	USD	35,000	100	◆ ★ *
	Sika Sarnafil Waterproofing Systems (Shanghai) Ltd., Shang- hai	USD	22,800	100	◆ ★ *
	○ Sika Guangzhou Ltd., Guangzhou	CNY	80,731	100	◆ ★
	❖ Sika Ltd. Dalian, Dalian	CNY	45,317	100	
	❖ Sika (Guangzhou) Trading Company Ltd., Guangzhou	CNY	3,723	100*	
	○ Sika (Sichuan) Building Material Ltd., Chengdu	CNY	60,010	100*	◆ ★
	○ Sika (Jiangsu) Building Material Ltd., Zhengjiang	CNY	60,010	100*	◆ ★ *

Country	Company ¹		Capital stock in thousands	Voting and capital share in %	Certifi- cation
	○ Sika Automotive Shanghai Co. Ltd., Shanghai	CNY	2,666	100	◆ ★
	○ Sika Automotive (Tianjin) Co. Ltd., Tianjin	CNY	83,262	100	◆ ★ ★
	○ Ronacrete (Guangzhou) Construction Products Limited, Guangzhou	CNY	17,056	100*	◆ ★ ★
	❖ Home of Heart (Shanghai) E-Commerce Co. Ltd., Shanghai	CNY	10,000	100*	
	▲ Sika (Shanghai) Management Co., Ltd., Shanghai	USD	10,000	100*	
	▲ SikaDavco (Guangzhou) Management Co. Ltd., Guangzhou	USD	2,000	100*	
	❖ SikaDavco (Guangzhou) Co. Ltd., Guangzhou	USD	4,000	100*	◆ ★ ★
	○ SikaDavco (Guangdong) New Materials Co. Ltd., Conghua	CNY	30,000	100*	◆ ★ ★
	○ Changsha SikaDavco New Materials Co. Ltd., Changsha	CNY	10,000	100*	◆ ★ ★
	○ SikaDavco (Chengdu) New Materials Co. Ltd., Chengdu	CNY	20,000	100*	◆ ★ ★
	○ SikaDavco (Chongqing) New Materials Co. Ltd., Chongqing	CNY	10,000	100	
	○ SikaDavco (Dezhou) New Materials Co. Ltd., Dezhou City	USD	1,500	100	
	○ SikaDavco (Dongguan) Co. Ltd., Dongguan	CNY	10,000	100*	◆ ★ ★
	○ SikaDavco (Nanjing) Co. Ltd., Nanjing	CNY	10,000	100*	◆ ★ ★
	○ SikaDavco (Quanzhou) Co. Ltd., Quanzhou	CNY	10,000	100*	◆ ★ ★
	○ SikaDavco (Shanghai) Co. Ltd., Shanghai	CNY	25,000	100*	◆ ★ ★
	○ Davco (Shijiazhuang) Co. Ltd., Shijiazhuang	CNY	10,000	100*	◆ ★ ★
	○ SikaDavco (Hubei) Co. Ltd., Ezhou	CNY	10,000	100*	◆ ★ ★
	○ Suzuka International (Shanghai) Co. Ltd., Shanghai	CNY	50,000	100*	◆ ★ ★
	▲ Suzuka International (Shijiazhuang) Co. Ltd., Shanghai	CNY	10,000	100*	
	○ Sika (Jiangsu) Industrial Material Ltd., Jiangsu	CNY	59,312	100*	◆
	○ SikaDavco (Zhejiang) New Materials Co. Ltd., Zhejiang	CNY	32,760	100*	◆ ★ ★
	○ SikaDavco (Zhanjiang) New Materials Co. Ltd., Zhanjiang	CNY	10,000	100*	
	○ Sika Hamatite Automotive (Zhejiang) Ltd., Zhejiang	CNY	113,700	100*	◆ ★ ★
	▲ Shenzhen Landun Holding Co. Ltd., Shenzhen	CNY	35,000	100*	
	○ Guangdong Landun Science and Technology Star Co., Ltd., Shenzhen	CNY	38,000	100*	
	○ Hubei Landun Science and Technology Star Co., Ltd., Xiaogan	CNY	36,660	100*	
	○ Sika Hongkong Ltd., Hong Kong	HKD	30,000	100	◆ ★
	❖ Ronacrete (Far East) Ltd., Hong Kong	HKD	450	100*	
	▲ Parex (China) Ltd, Hong Kong	HKD	35,950	100*	
	▲ Suzuka International Ltd, Hong Kong	HKD	10	100*	
India	○ Sika India Private Ltd., Mumbai	INR	85,000	100	◆ ★ ★
	❖ Axson India Private Limited, Pune	INR	3,000	100*	
	○ Apurva India Pvt Ltd., Mumbai	INR	76,100	100*	◆
Indonesia	○ Sika Indonesia P.T., Bogor	IDR mn	3,282	100	◆ ★ ★
Japan	○ Sika Ltd., Minato-ku	JPY	490,000	100	◆ ★ ★
	❖ Dic Proofing Co. Ltd., Tokyo	JPY	90,000	100*	
	○ Dyflex Co. Ltd., Tokyo	JPY	315,175	100	◆ ★ ★
	■ DCS Co. Ltd., Toda-shi	JPY	30,000	100*	
	○ Sika Hamatite Co. Ltd., Tokyo	JPY	310,000	100*	◆ ★
	❖ Sika Hamatite Sales Co. Ltd., Tokyo	JPY	10,000	100*	

Country	Company ¹		Capital stock in thousands	Voting and capital share in %	Certifi- cation
Korea	○ Sika Korea Ltd., Seoul	KRW mn	5,596	100	◆ ★
Malaysia	○ Sika Kimia Sdn. Bhd., Nilai	MYR	44,000	100	◆ ★ *
	▲ Sika Asia Pacific Services Sdn. Bhd., Kuala Lumpur	MYR	500	100	
Mongolia	○ Sika Mongolia LLC, Ulaanbaatar	MNT mn	7,091	100	◆ *
Myanmar	○ Sika Myanmar Limited, Dagon Myothit (South) Township	USD	3,018	100	◆ ★
New Zealand	○ Sika (NZ) Ltd., Auckland	NZD	1,100	100	◆ ★ *
Philippines	○ Sika Philippines Inc., Las Pinas City	PHP	55,610	100	◆ ★ *
Singapore	○ Sika (Singapore) Pte. Ltd., Singapore	SGD	6,250	100	◆ ★ *
	▲ Sika Asia Pacific Mgt. Pte. Ltd., Singapore	SGD	100	100	
Sri Lanka	○ Sika Lanka (Private) Limited, Ekala	LKR	711,506	100	◆ ★
Taiwan	○ Sika Taiwan Ltd., Taoyuan County	TWD	40,000	100	
Thailand	○ Sika (Thailand) Ltd., Chonburi	THB	302,100	100	◆ ★ *
Vietnam	○ Sika Limited (Vietnam), Dong Nai Province	VND mn	44,190	100	◆ ★ *

- Production, sales, construction contracting
- Production and sales
- ❖ Sales
- ▲ Real estate and service companies
- Construction contracting

- ◆ ISO 9001 (Quality Management)
- ★ ISO 14001 (Environmental Management)
- * ISO 45001 (Occupational Health and Safety)

1 For associated companies see note 18.

2 Fully consolidated – control over the company through shareholder agreement.

* Company indirectly held by Sika AG.

Material changes are indicated on p.211.



Statutory Auditor's Report

To the General Meeting of Sika AG, Baar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sika AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and appendix to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 202 to 256) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



VALUATION OF GOODWILL

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF GOODWILL

Key Audit Matter

As of 31 December 2022, the consolidated financial statements included goodwill amounting to CHF 3,226 million.

Goodwill is assessed for impairment by management at least on a yearly basis by determining the value in use, which is then compared to the carrying amount.

For determining the value in use the discounted cashflow (DCF) method is applied. This requires the use of a number of key assumptions by management, including assumptions regarding expected future cash flows, long-term growth rates, future profitability levels and applicable discount rates, as well as assessments concerning the determination and allocation of assets to the cash generating units (CGUs).

In relation to total assets and net assets as per 31 December 2022, goodwill is of material importance.

In the financial year 2022 no impairment of goodwill was identified.

There is a risk that a potential impairment of goodwill is not or not adequately identified due to inappropriate assumptions.

Our response

Amongst others, we have performed the following audit procedures:

- We evaluated the determination of the CGUs by management as well as the methodological and mathematical correctness of the valuation method used for the impairment test.
- Also, we assessed the appropriateness of the most important assumptions used to determine the value in use as well as the method applied for the cash-flow projections. This included the allocation of goodwill to the CGUs, the long-term growth rates and the determination of the discount rate based on our business understanding of the respective CGUs. In this respect, we made comparisons with publicly available market data, where possible. Our valuation specialists supported us in assessing the appropriateness of the most important assumptions.
- Furthermore, we gained an understanding of the business plans and made comparisons with prior-year assumptions. Also, we traced back the data used in the value in use calculation of the CGUs to the business plans approved by the Board of Directors.
- We also conducted sensitivity analyses taking into account the historical forecasting accuracy.
- Moreover, we assessed the appropriateness of the disclosures related to the impairment test.

For further information on the valuation of goodwill refer to the following:

- Note “Principles of consolidation and valuation” on pages 207 - 210
- Note 17 “Intangible Assets” on pages 231 - 232

Other Matter

The consolidated financial statements of Sika AG for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 15 February 2022.



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our



conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zug, 14 February 2023

FIVE-YEAR REVIEWS

CONSOLIDATED INCOME STATEMENT for the year ended December 31

in CHF mn	2018	2019	2020	2021	2022
Net sales	7,085.4	8,109.2	7,877.5	9,252.3	10,491.8
Material expenses	-3,333.7	-3,765.2	-3,562.7	-4,461.0	-5,312.0
Gross result	3,751.7	4,344.0	4,314.8	4,791.3	5,179.8
Personnel expenses	-1,345.4	-1,544.3	-1,525.9	-1,635.3	-1,710.5
Other operating expenses	-1,256.4	-1,412.1	-1,291.3	-1,398.0	-1,505.1
Operating profit before depreciation	1,149.9	1,387.6	1,497.6	1,758.0	1,964.2
Depreciation/amortization/impairment	-204.0	-332.5	-367.1	-366.6	-384.5
Operating profit	945.9	1,055.1	1,130.5	1,391.4	1,579.7
Interest income/interest expense	-24.2	-55.0	-51.9	-45.4	-40.4
Financial income/expense and income from associated companies	-28.8	-33.5	-18.2	-10.4	-41.1
Profit before taxes	892.9	966.6	1,060.4	1,335.6	1,498.2
Income taxes	-205.8	-208.1	-235.3	-287.1	-335.7
Net profit	687.1	758.5	825.1	1,048.5	1,162.5
Free cash flow	38.8	-717.0	1,120.3	594.9	930.8
Operating free cash flow	513.2	1,026.1	1,259.4	908.4	865.2
Gross result as % of net sales	53.0	53.6	54.8	51.8	49.4
Operating profit as % of net sales	13.4	13.0	14.4	15.0	15.1
Net profit as % of net sales (ROS)	9.7	9.4	10.5	11.3	11.1
Net profit as % of shareholders' equity (ROE)	41.0	24.0	25.1	23.9	23.4

SEGMENT INFORMATION

in CHF mn	EMEA					Americas				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Net sales	3,276	3,530	3,496	4,071	4,144	1,840	2,183	2,012	2,427	3,194
Operating profit	451	488	572	691	783	304	356	345	446	571
in % of net sales	13.8	13.8	16.4	17.0	18.9	16.5	16.3	17.1	18.4	17.9
Depreciation/amortization	91	141	154	153	142	44	78	82	81	96
Capital expenditures	114	89	48	54	85	46	41	36	47	71

in CHF mn	Asia/Pacific					Global Business				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Net sales	1,201	1,613	1,723	2,081	2,344	768	783	647	673	811
Operating profit	219	263	285	349	371	111	92	55	50	49
in % of net sales	18.2	16.3	16.5	16.8	15.8	14.5	11.7	8.5	7.4	6.0
Depreciation/amortization	25	59	76	78	89	19	25	25	25	28
Capital expenditures	29	35	27	44	68	19	17	11	14	18

in CHF mn	Other segments and activities					Total				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Net sales	0	0	0	0	0	7,085	8,109	7,878	9,252	10,492
Operating profit	-139	-144	-126	-145	-193	946	1,055	1,131	1,391	1,580
in % of net sales						13.4	13.0	14.4	15.0	15.1
Depreciation/amortization	25	29	30	30	31	204	332	367	367	385
Capital expenditures	6	11	10	12	25	214	193	132	171	266

The internal reporting practice was changed on January 1, 2021. The Advanced Resin business has been reallocated from the Global Business segment to the geographical regions. The prior years have been restated accordingly.

CONSOLIDATED BALANCE SHEET as at December 31

in CHF mn		2018	2019	2020	2021	2022
Cash and cash equivalents		914.0	995.1	1,318.7	1,175.0	1,873.3
Accounts receivable	a	1,322.7	1,441.9	1,361.8	1,576.8	1,719.6
Inventories	b	800.7	866.5	814.0	1,158.3	1,212.8
Other assets ¹		139.1	166.4	140.1	255.4	215.6
Current assets		3,176.5	3,469.9	3,634.6	4,165.5	5,021.3
Property, plant, and equipment		1,214.2	1,795.8	1,702.6	1,776.6	1,822.3
Intangible assets		1,693.9	4,351.0	4,172.3	4,379.9	4,229.1
Other assets ²		297.4	343.0	284.5	384.8	246.5
Non-current assets		3,205.5	6,489.8	6,159.4	6,541.3	6,297.9
ASSETS		6,382.0	9,959.7	9,794.0	10,706.8	11,319.2
Accounts payable	c	733.8	837.2	846.3	1,033.2	1,016.6
Financial liabilities		237.5	342.9	334.7	343.1	303.0
Other liabilities ³		435.5	632.9	644.1	719.9	721.8
Current liabilities		1,406.8	1,813.0	1,825.1	2,096.2	2,041.4
Financial liabilities		2,795.0	4,070.1	3,851.9	3,393.9	3,634.2
Non-current provisions, employee benefit obligations		316.8	414.9	417.8	418.5	317.9
Other liabilities ⁴		188.2	500.5	411.2	402.3	358.6
Non-current liabilities		3,300.0	4,985.5	4,680.9	4,214.7	4,310.7
LIABILITIES		4,706.8	6,798.5	6,506.0	6,310.9	6,352.1
Capital stock		1.4	1.4	1.4	1.4	1.5
Treasury shares		-11.1	-7.3	-5.2	-10.7	-15.1
Reserves		1,655.4	3,130.0	3,289.6	4,403.1	4,979.8
Equity attributable to Sika shareholders		1,645.7	3,124.1	3,285.8	4,393.8	4,966.2
Non-controlling interests		29.5	37.1	2.2	2.1	0.9
SHAREHOLDERS' EQUITY	d	1,675.2	3,161.2	3,288.0	4,395.9	4,967.1
LIABILITIES AND SHAREHOLDERS' EQUITY	e	6,382.0	9,959.7	9,794.0	10,706.8	11,319.2

1 Prepaid expenses and accrued income, other current assets, and assets classified as held for sale.

2 Investments in associated companies, deferred tax assets, and other non-current assets.

3 Accrued expenses and deferred income, income tax liabilities, current provisions, other current liabilities, and liabilities classified as held for sale.

4 Deferred tax liabilities and other non-current liabilities.

KEY BALANCE SHEET DATA

in CHF mn	Calculation	2018	2019	2020	2021	2022
Net working capital	(a+b-c)	1,389.6	1,471.2	1,329.5	1,701.9	1,915.8
Net working capital as % of net sales		19.6	18.1	16.9	18.4	18.3
Net debt ¹	f	2,114.1	3,407.8	2,855.8	2,547.1	2,051.6
Gearing in %	(f:d)	126.2	107.8	86.9	57.9	41.3
Equity ratio in %	(d:e)	26.2	31.7	33.6	41.1	43.9

1 Net debt: Financial liabilities (less derivatives) less interest-bearing current assets (cash and cash equivalents and securities).

VALUE-BASED KEY DATA

in CHF mn	Calculation	2018	2019	2020	2021	2022
Capital employed ¹		3,975.6	7,026.4	6,582.1	7,263.0	7,366.2
Annual average of capital employed	g	3,611.0	5,501.0	6,804.3	6,922.6	7,314.6
Operating profit	h	945.9	1,055.1	1,130.5	1,391.4	1,579.7
Return on capital employed (ROCE) in %	(h:g)	26.2	19.2	16.6	20.1	21.6

1 Capital employed: current assets, PPE, intangible assets less cash and cash equivalents, current securities, current liabilities (excluding bank loans and bond).

EMPLOYEES

	2018	2019	2020	2021	2022
EMEA (Europe, Middle East, Africa)¹	10,983	12,284	12,534	13,004	12,972
Germany	2,354	2,334	2,247	2,256	2,168
Switzerland	2,024	2,013	1,948	1,985	1,948
France	685	1,392	1,362	1,375	1,396
United Kingdom	864	951	890	972	1,013
America¹	4,867	6,271	5,936	6,820	7,394
USA	2,164	2,547	2,438	2,671	2,893
Mexico	525	499	476	1,061	1,046
Brazil	589	964	824	833	854
Asia/Pacific¹	4,210	6,586	6,378	7,235	7,342
China	1,181	2,753	2,806	3,414	3,480
Japan	673	682	672	988	930
Total	20,060	25,141	24,848	27,059	27,708
Personnel expenses (in CHF mn)					
Wages and salaries	1,095	1,257	1,235	1,328	1,399
Social charges, other	250	287	291	307	312
Personnel expenses	1,345	1,544	1,526	1,635	1,711
Personnel expenses as % of net sales	19.0	19.0	19.4	17.7	16.3
Key data per employee (in CHF thousands)					
Net sales	368	359	315	356	383
Net value-added ²	117	116	107	118	121

1 Does not correspond to the Sika segments. The employees of Global Business were assigned to the respective company locations.

2 See next page, five-year reviews, value-added statement.

VALUE-ADDED STATEMENT

in CHF mn	2018	2019	2020	2021	2022
Source of value-added					
Corporate performance (net sales)	7,085	8,109	7,878	9,252	10,492
Intermediate inputs	-4,619	-5,157	-4,819	-5,838	-6,806
Gross value-added	2,466	2,952	3,059	3,414	3,686
Non-liquidity-related expenses					
Depreciation and amortization	-204	-333	-367	-367	-385
Change in provisions	2	-6	-26	25	20
Net value-added	2,264	2,613	2,666	3,072	3,321
Distribution of value-added					
To employees					
Wages and salaries	1,095	1,257	1,235	1,328	1,399
Social charges	253	287	293	309	312
To governments	206	254	280	331	390
To lenders (interest expenses)	23	56	33	55	57
To shareholders (dividend payout, incl. non-controlling interests)	283	293	327	355	446
To the company					
Net profit for the year	687	759	825	1,049	1,163
Less dividend payout	-283	-293	-327	-355	-446
Net value-added	2,264	2,613	2,666	3,072	3,321
Number of employees					
End of year	20,060	25,141	24,848	27,059	27,708
Annual average	19,272	22,601	24,995	25,954	27,384
Net value-added per employee (in CHF thousands)	117	116	107	118	121

SIKA AG, BAAR

FINANCIAL STATEMENTS

SIKA AG INCOME STATEMENT for the year ended December 31

in CHF mn	Notes	2021	2022
Dividend income	1	470.6	553.9
Financial income	2	135.5	133.3
Other income	3	41.3	135.3
Income		647.4	822.5
Financial expenses	4	-160.0	-159.8
Personnel expenses	5	-23.3	-14.7
Other operating expenses	6	-51.7	-139.6
Operating profit before depreciation		412.4	508.4
Impairment losses (-)/reversal of impairment losses (+) on investments		-9.9	-9.7
Depreciation and amortization expenses		-0.1	-0.1
Net profit before taxes		402.4	498.6
Direct taxes		-3.5	-6.5
Net profit for the year		398.9	492.1

SIKA AG BALANCE SHEET as at December 31

in CHF mn	Notes	2021	2022
Cash and cash equivalents	7	617.9	1,273.9
Securities		0.1	0.1
Other current receivables from third parties	8	2.1	3.0
Other current receivables from subsidiaries	8	2,677.9	2,526.5
Prepaid expenses and accrued income		13.2	12.1
Current assets		3,311.2	3,815.6
Financial assets		0.0	0.9
Investments	9	3,412.0	3,392.7
Property, plant, and equipment		0.3	0.2
Other non-current assets	10	18.0	13.8
Non-current assets		3,430.3	3,407.6
ASSETS		6,741.5	7,223.2
Accounts payable to third parties		1.2	2.7
Accounts payable to subsidiaries		13.7	10.5
Current interest-bearing liabilities to third parties	11	1,449.8	200.0
Current interest-bearing liabilities to subsidiaries	12	307.9	380.3
Other current liabilities to third parties		2.1	1.2
Accrued expenses and deferred income	13	88.0	58.6
Current liabilities		1,862.7	653.3
Non-current interest-bearing liabilities to third parties	11	2,129.0	2,387.3
Non-current interest-bearing liabilities to subsidiaries	12	1,043.0	994.2
Other non-current liabilities	14	2.9	2.9
Non-current provisions	15	4.3	2.5
Non-current liabilities		3,179.2	3,386.9
LIABILITIES		5,041.9	4,040.2
Share capital		1.4	1.5
Legal capital reserves		295.4	1,736.8
Legal retained earnings		4.0	4.0
Voluntary retained earnings		121.7	121.7
Profit brought forward		1,287.8	1,334.1
Treasury shares	16	-10.7	-15.1
Shareholders' equity	17	1,699.6	3,183.0
LIABILITIES AND SHAREHOLDERS' EQUITY		6,741.5	7,223.2

NOTES TO THE SIKA AG FINANCIAL STATEMENTS

Principles

GENERAL

The 2022 financial statements were prepared according to the Swiss Law on Accounting and Financial Reporting. The significant accounting and valuation principles applied are as described below.

SECURITIES

Securities are valued at historical costs.

RECEIVABLES

The receivables are recorded at nominal value. If necessary, an allowance for doubtful debts is made on receivables from third parties, whereas for receivables from subsidiaries no allowance for doubtful debts is considered.

INVESTMENTS

Investments are initially recognized at cost. On an annual basis, the investments are assessed individually and adjusted to their recoverable amount if required (individual value adjustment principle).

PROPERTY, PLANT, AND EQUIPMENT, AND INTANGIBLE ASSETS

Property, plant, and equipment, and intangible assets are valued at acquisition cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method based on the useful life of the asset.

CURRENT AND NON-CURRENT INTEREST-BEARING LIABILITIES

Interest-bearing liabilities are recognized in the balance sheet at nominal value. Discounts and issue costs for bonds are recognized as other non-current assets and amortized on a straight-line basis over the bond's maturity period. Premiums (less issue costs) are recognized in the other non-current liabilities and amortized on a straight-line basis over the bond's maturity period.

PROVISIONS

Provisions are recognized to cover general business risks based on the most probable cash outflow, considering the principle of prudence.

TREASURY SHARES

Treasury shares are recognized at acquisition cost and disclosed as a negative position within shareholders' equity. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

SHARE-BASED PAYMENTS

For treasury shares used for share-based payment programs, the difference between the acquisition cost and the value at vesting date is recognized as personnel expenses.

INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

1. Dividend income CHF 553.9 mn (CHF 470.6 mn)

Dividends from subsidiaries are recognized in this position.

2. Financial income CHF 133.3 mn (CHF 135.5 mn)

Financial income includes interest income and gains from foreign exchange transactions.

3. Other income CHF 135.3 mn (CHF 41.3 mn)

Other income includes income from the cost allocation to subsidiaries. In 2022, costs related to the planned acquisition of the MBCC Group were recharged to selected subsidiaries who will benefit from the planned acquisition.

4. Financial expenses CHF 159.8 mn (CHF 160.0 mn)

Financial expenses include the interest costs on bonds, foreign currency losses on loans to subsidiaries as well as other finance costs. In 2022, financial expenses were mainly impacted by lower interests on bonds (see note 11), but this was offset by higher foreign currency losses and commitment fees on the credit facilities.

5. Personnel expenses CHF 14.7 mn (CHF 23.3 mn)

Personnel expenses comprise all payments to persons in an employment relationship. Also included are expenses such as pension fund contributions, health insurance contributions, employee participation plan costs as well as taxes and levies directly related to personnel remuneration. In 2022, the decline in Sika's share price resulted in an income from the valuation of the employee participation plan.

6. Other operating expenses CHF 139.6 mn (CHF 51.7 mn)

This position includes the holding company's general expenses. Other operating expenses mainly include legal and consulting fees, costs related to management training, marketing expenses, as well as other operating expenses. In 2022, non-recurring costs related to the planned acquisition of the MBCC Group of CHF 78.3 million were incurred and recharged to the subsidiaries (see note 3). Furthermore, stamp taxes of CHF 14.3 million had to be paid due to the conversion of convertible bonds (see note 11).

7. Cash and cash equivalents CHF 1,273.9 mn (CHF 617.9 mn)

Bank deposits of CHF 1,216.7 million (CHF 571.0 million) are invested in Swiss francs and CHF 57.2 million (CHF 46.9 million) in foreign currencies. In November 2022, Sika placed bonds with a total amount of CHF 600 million (see note 11). These additional funds are part of the financing strategy for the planned acquisition of the MBCC Group.

8. Other current receivables from subsidiaries and third parties CHF 2,529.5 mn (CHF 2,680.0 mn)

Receivables consist of short-term loans to subsidiaries in the amount of CHF 2,460.6 million (CHF 2,612.4 million). In addition, Sika AG has receivables of CHF 65.9 million (CHF 65.5 million) from Sika subsidiaries and receivables from third parties in the amount of CHF 3.0 million (CHF 2.1 million).

9. Investments CHF 3,392.7 mn (CHF 3,412.0 mn)

The change in investments results from the formation of new companies and acquisitions, capital increases at subsidiaries, restructurings, and liquidations as well as changes in valuation. Major participations are summarized on the list of Group companies beginning on p.251 of this report.

10. Other non-current assets CHF 13.8 mn (CHF 18.0 mn)

The other non-current assets contain the discounts and issue costs for bonds as well as non-current receivables from subsidiaries.

11. Interest-bearing liabilities to third parties current CHF 200.0 mn (CHF 1,449.8 mn)/ non-current CHF 2,387.3 mn (CHF 2,129.0 mn)

Current interest-bearing liabilities are the following bonds.

OUTSTANDING BONDS - CURRENT

in CHF mn			2021	2022
	Coupon	Term	Book value	Book value
Straight bond	1.750%	2012-07/12/2022	150.0	0.0
Mandatory convertible bond	3.750%	2019-01/30/2022	1,299.8	0.0
Straight bond	1.875%	2013-11/14/2023	n.a.	200.0
Total			1,449.8	200.0

The mandatory convertible bond in the total amount of CHF 1,300.0 million due in January 2022 was placed by Sika AG in 2019. In 2022, bonds with a nominal value of CHF 1,299.8 million were mandatorily converted into registered shares of Sika at January 31, 2022 (conversion of CHF 0.2 million in the previous year).

The following bonds are disclosed in the non-current interest-bearing liabilities.

OUTSTANDING BONDS - NON-CURRENT

in CHF mn			2021	2022
	Coupon	Term	Book value	Book value
Straight bond	1.875%	2013-11/14/2023	200.0	n.a.
Straight bond	1.600%	2022-05/28/2024	n.a.	100.0
Straight bond	0.625%	2018-07/12/2024	250.0	250.0
Convertible bond	0.150%	2018-06/05/2025	1,409.0	1,267.3
Straight bond	1.900%	2022-11/28/2025	n.a.	200.0
Straight bond	0.600%	2018-03/27/2026	140.0	140.0
Straight bond	1.125%	2018-07/12/2028	130.0	130.0
Straight bond	2.350%	2022-11/28/2028	n.a.	300.0
Total			2,129.0	2,387.3

The convertible bond in the amount of CHF 1,650.0 million due in 2025 was placed by Sika AG in 2018. The shares to be delivered upon conversion will be provided by existing shares or by issuing new shares from the conditional capital. At the end of December 2022, the conversion price per share is CHF 188.45. The convertible bond can be converted early or redeemed early in accordance with the general bond conditions. In the reporting period, bonds with a nominal value of CHF 141.7 million were converted (CHF 241.0 million).

12. Interest-bearing liabilities to subsidiaries current CHF 380.3 mn (CHF 307.9 mn) / non-current CHF 994.2 mn (CHF 1,043.0 mn)

The current interest-bearing liabilities consist of loans to subsidiaries resulting from the worldwide cash management concept.

Non-current interest-bearing liabilities are a loan liability to Sika Capital B.V., Netherlands. Sika Capital B.V. transferred the funds from the placement of the euro bonds (nominal EUR 1,000.0 million) to Sika AG.

13. Accrued expenses and deferred income CHF 58.6 mn (CHF 88.0 mn)

Accrued expenses and deferred income include pro rata interest on bonds issued of CHF 4.5 million (CHF 49.7 million). With the conversion of the mandatory convertible bond end of January 2022, no further interest is due. Also included are employee-related accruals and other accruals, thereof for outstanding invoices of CHF 28.4 million related to professional fees for the planned acquisition of the MBCC Group.

14. Other non-current liabilities CHF 2.9 mn (CHF 2.9 mn)

The other non-current liabilities mainly include the premium, less issue costs of the bonds.

15. Non-current provisions CHF 2.5 mn (CHF 4.3 mn)

The non-current provisions contain accruals for long-term employee retention and bonus programs as well as jubilee payments.

16. Treasury shares CHF 15.1 mn (CHF 10.7 mn)

In general, treasury shares are used for a Group-wide employee participation program and for liquidity investments. The shares are traded on the stock exchange at current market prices.

in CHF mn	Units	Share value
January 1, 2021	22,795	5.2
Reductions	-208,397	-56.0
Additions	228,779	65.2
Conversion of bonds into shares	-12,052	-3.7
December 31, 2021	31,125	10.7
January 1, 2022	31,125	10.7
Reductions	-221,313	-62.6
Additions	254,634	67.0
December 31, 2022	64,446	15.1

In the year under review, the average share price was CHF 258.37 (CHF 300.27).

17. Shareholders' equity CHF 3,183.0 mn (CHF 1,699.6 mn)

The ratio of shareholders' equity to balance sheet amounts to 44.1% (25.2%).

in CHF mn	Capital stock	Legal capital reserves ¹	Retained earnings ²	Treasury shares	Shareholders' equity
January 1, 2021	1.4	56.5	1,369.1	-5.2	1,421.8
Dividend payment			-354.5		-354.5
Increase from conditional capital		238.9			238.9
Transactions with treasury shares				-5.5	-5.5
Net profit for the year			398.9		398.9
December 31, 2021	1.4	295.4	1,413.5	-10.7	1,699.6
January 1, 2022	1.4	295.4	1,413.5	-10.7	1,699.6
Dividend payment			-445.8		-445.8
Increase from conditional capital	0.1	1,441.4			1,441.5
Transactions with treasury shares				-4.4	-4.4
Net profit for the year			492.1		492.1
December 31, 2022	1.5	1,736.8	1,459.8	-15.1	3,183.0

1 Including capital contribution reserves.

2 Retained earnings: legal retained earnings, voluntary retained earnings, and profit brought forward.

The higher profit in 2022 is mainly due to higher dividend income. In April 2022, the dividend of CHF 445.8 million from profit brought forward for 2021 was paid out to shareholders.

SHARE CAPITAL

The share capital corresponds to the nominal capital of all issued shares, is fully paid up, and is structured as follows:

	Units	Par value in CHF
At January 1, 2021	141,781,160	1,417,812
Capital increase from conditional capital	1,263,807	12,638
At December 31, 2021	143,044,967	1,430,450
At January 1, 2022	143,044,967	1,430,450
Capital increase from conditional capital	10,690,084	106,901
At December 31, 2022	153,735,051	1,537,351

1 Includes treasury shares which do not carry voting and dividend rights.

CONDITIONAL CAPITAL

As of December 31, 2022, there is a conditional capital of CHF 68,354.29, divided into 6,835,429 registered shares with a par value of CHF 0.01 each (CHF 143,255.13, divided into 14,325,513 registered shares). These shares are reserved for the exercise of option or conversion rights. In the reporting year, 10,690,084 new shares were issued from conditional capital, which were used for the conversion of the issued bonds (see note 11).

In addition, Sika AG has issued convertible bonds (see note 11). The shares to be delivered upon conversion are provided by existing shares or by the issuance of new shares from conditional capital. In the year under review, convertible bonds of CHF 1,441.5 million were converted into existing shares of Sika AG.

RESERVES FROM CAPITAL CONTRIBUTIONS

The reserves from capital contributions include the premium from capital increases less the distributions to shareholders.

in CHF mn	2021	2022 ¹
January 1	0.3	239.2
Premium from conversion of bonds	238.9	1,441.4
December 31	239.2	1,680.6

1 Not yet approved by the Swiss Federal Tax Administration.

Due to existing different practices regarding the accounting of the stamp duties and other issue costs incurred in connection with the increase in share capital, there is a deviation of CHF 2.4 million between the reserves from capital contributions stated in the statutory financial statements of Sika AG and the amount the Swiss Federal Tax Administration recognizes at December 31, 2021.

Other information

FULL-TIME EQUIVALENTS

The number of full-time equivalents for the reporting year is 44 (47) employees.

CONTINGENT LIABILITIES

Letters of guarantee are issued to finance business transactions. Sika AG guarantees for euro bonds issued by Sika Capital B.V., Netherlands (a 100% subsidiary of Sika AG), in 2019 in the total amount of nominal EUR 1,000.0 million. No guarantees are required for the established zero-balance cash pooling.

Letters of comfort are issued to subsidiaries, e.g., to secure rents for buildings, obligations to customers, or when required by local regulations.

in CHF mn	2021	2022
Letters of guarantee		
Issued	1,034.5	986.1
Used	0.0	0.0
Letters of comfort		
Issued	p.m.	p.m.
Used	0.0	0.0

Sika AG is part of Sika Schweiz AG's value-added tax group and is jointly liable to the tax authorities for the value-added tax obligations of the tax group.

NET RELEASE OF HIDDEN RESERVES

There was no net release of hidden reserves in the current year or in the previous year.

SIGNIFICANT SHAREHOLDERS

On December 31, 2022, the company had 42,240 (30,226) registered shareholders. Information regarding significant shareholders can be found on p.249 of this report.

PARTICIPATIONS IN SIKA AG

Members of the Board of Directors and Group Management hold the following participations in Sika AG:

	Number of shares	
	2021	2022
Board of Directors		
Paul Hälgi, Chair of the board	55,925	57,569
Viktor Waldemar Balli	1,669	2,126
Lucrèce Foufopoulos-De Ridder, since April 2022	n.a.	0
Justin Marshall Howell	2,019	2,476
Gordana Landén, since April 2022	n.a.	270
Monika Ribar	8,329	8,786
Daniel J. Sauter, until April 2022	50,586	n.a.
Paul Schuler	107,633	104,036
Christoph Tobler, until April 2022	8,089	n.a.
Thierry F.J. Vanlancker	2,829	3,286
Group Management		
Thomas Hasler	26,280	30,323
Mike Campion	7,500	9,987
Christoph Ganz	28,400	22,473
Patricia Heidtman	768	891
Philippe Jost	2,803	2,803
Raffaella Marzi	1,783	1,783
Ivo Schädler	9,947	12,885
Adrian Widmer	28,360	31,511
Total	342,920	291,205

Sika AG granted the following number of shares as part of employee participation plans. The shares were issued in April 2022 at a market price of CHF 306.90 (CHF 271.80).

in CHF thousands	2021		2022	
	Units	Nominal	Units	Nominal
Board of Directors	8,458	2,298.9	4,843	1,486.3
Group Management	11,400	3,098.5	9,494	2,913.6
Employees	2,840	771.9	2,516	772.0
Total	22,698	6,169.3	16,853	5,171.9

Proposed appropriation of profit brought forward

The Board of Directors proposes to the Annual General Meeting the following appropriation of profit brought forward:

in CHF mn	2021	2022
Composition of the profit brought forward		
Net profit for the year	398.9	492.1
Results carried forward from prior year	888.9	842.0
Profit brought forward	1,287.8	1,334.1
Dividend payment		
Dividend payment out of the profit brought forward ¹	445.8	513.5
Results carried forward	842.0	820.6

¹ Corresponds for the current year to the maximum possible distribution amount assuming potential exercise of all conversion rights (see note 11).

As the general statutory reserve currently exceeds 20% of shareholders' equity, a further allocation to the reserve was waived.

On approval of this proposal, the following payment will be made:

in CHF	2021	2022
Registered share ¹ par value CHF 0.01		
Gross dividend	2.90	3.20
35% withholding tax on gross dividend	1.02	1.12
Net dividend	1.88	2.08

¹ Registered shares, held by Sika AG, are non-voting shares and do not qualify for a dividend.

The Board of Directors proposes to the Annual General Meeting that a dividend of CHF 3.20 per single-class registered share be distributed to shareholders. The dividend for 2021 was CHF 2.90 per single-class registered share.

Payment of the dividend is tentatively scheduled for Monday, April 3, 2023. Registered shareholders will receive payment of the dividend at the address provided to the company for the purposes of dividend distribution.

The Annual General Meeting of Sika AG will be held on Tuesday, March 28, 2023.

Baar, February 14, 2023

For the Board of Directors
The Chair of the Board:
Dr. Paul Hältg



Statutory Auditor's Report

To the General Meeting of Sika AG, Baar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sika AG (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 266 to 275) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



VALUATION OF INVESTMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF INVESTMENTS

Key Audit Matter

As of 31 December 2022, the financial statements of Sika AG include investments in subsidiaries in the total amount of CHF 3'392.7 million.

On an annual basis, the Company assesses whether there is a need for impairment on investments in subsidiaries. The assessment of the recoverability is based on a comparison of the carrying amount with the value in use. The value in use is calculated based on EBITDA multiples whereas the EBITDA used is an average of historical and forecasted EBITDAs. This requires the use of assumptions by management.

In relation to total assets and net assets as per 31 December 2022, investments in subsidiaries are of material importance.

In the financial year 2022, an impairment expense on investments in the amount of CHF 9.7 million was recognized.

There is a risk that a potential impairment of investments is not or not adequately identified due to inappropriate assumptions.

For further information on the valuation of investments refer to the following:

- Notes to the Sika AG financial statements: Principles on page 268
- Information on balance sheet and income statement items, 9. Investments on page 270

Other Matter

The financial statements of Sika AG for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 15 February 2022.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our response

Amongst others, we have performed the following audit procedures:

- We evaluated the methodical and mathematical accuracy of the model used for the impairment tests.
- We agreed historical EBITDAs used in the impairment tests to the numbers reported in the consolidation tool.
- We agreed forecasted EBITDAs used in the impairment tests to the business plans approved by the Board of Directors
- We challenged the multiples used and compared them with publicly available data if possible. Our valuation specialists supported us with our procedures.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zug, 14 February 2023

FINANCIAL CALENDAR

55TH ANNUAL GENERAL MEETING	Tuesday, March 28, 2023
DIVIDEND PAYMENT	Monday, April 3, 2023
NET SALES FIRST QUARTER 2023	Tuesday, April 18, 2023
HALF-YEAR REPORT 2023	Tuesday, July 25, 2023
RESULT FIRST NINE MONTHS 2023	Friday, October 20, 2023
NET SALES 2023	Wednesday, January 10, 2024
FULL-YEAR RESULTS 2023	Friday, February 16, 2024

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Sika AG
Zugerstrasse 50
6340 Baar
Switzerland

Tel +41 58 436 68 00
sikagroup@ch.sika.com
www.sika.com

PROJECT TEAM

Corporate Communications & Investor Relations and Corporate Finance,
Sika AG, Baar, Switzerland

CONCEPT, DESIGN, REALIZATION

Sika AG, Baar, Switzerland
Linkgroup AG, Zurich, Switzerland

COPY

Sika AG, Baar, Switzerland

EDITORIAL WORK

Sika AG, Baar, Switzerland
Linkgroup AG, Zurich, Switzerland

PRINT

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Jos Schmid, Zurich, Switzerland

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Sika AG
Zugerstrasse 50
6340 Baar
Switzerland

Contact
Tel +41 58 436 68 00
www.sika.com

BUILDING TRUST



BEYOND THE EXPECTED

OUR YEAR 2022

SOUTHEAST ASIA

Strong growth and the promise of more

STRATEGY

Success model:
regionalization

CHANGE

Digitalization and
automation in construction

SIKA EMPLOYEES

A global team achieving
peak performance

HIGHLIGHTS 2022

Net sales in local currencies

+15.8%

Acquisitions

2+¹

EBIT

+13.5%

New patents

104

CO₂eq² emissions per
ton sold (scope 1 and 2)

-6.9%

Water consumption
per ton sold

-6.1%

Waste per ton sold

-3.3%

¹ Besides the two acquisitions, Sika has signed a definitive agreement to acquire MBCC Group. The closing of the acquisition is targeted for the first half of 2023.

² CO₂eq (Carbon Dioxide equivalent) is the unit of measurement which considers the climate effects and related emissions of all six greenhouse gases (GHG).

Lost Time Accidents per 1,000 FTEs

-23.8%

A brief review of fiscal 2022 and key financial figures can be found in this magazine starting on page 54.

Dear reader

That Sika's sales exceeded the CHF 10 billion mark for the first time in fiscal year 2022 is very good news. Even better is that sales have almost doubled since 2015, with operating profit up by 135% over the same period.

The strong sales momentum over the past years and the record 2022 EBIT of CHF 1,579.7 million show that we have our priorities straight. For us, these figures are a benchmark for the stakeholder value we create.

Some of the value elements, such as net profit and dividends paid to shareholders, are self-explanatory. However, the value Sika creates for its customers is perhaps less obvious, extending beyond the pure product features. For example, Sika facilitates shorter implementation periods on construction projects, less downtime on infrastructure renovations, lower CO₂ emissions, longer building lifecycles, and a faster path to achieving net zero targets in the construction industry.

Our employees are the most important source of value creation. More than 27,500 Sika employees strive for peak performance every day. Some of them are featured in this year's annual magazine.

They provide a glimpse into the richness of our culture, our product portfolio, our powerful innovation capacity, our leading technological position, as well as our commitment to meeting the needs of customers all over the world.

I am confident that with our solid set of values and highly agile organization, we will be able to successfully continue our strategy built on sustainable and profitable growth even in a challenging economic environment.



Thomas Hasler
Chief Executive Officer



Sika Strategy

BEYOND THE MARKET CYCLES

6	Perfectly positioned for multifaceted growth
7	Becoming indispensable
8	Mission net zero
10	"Our regionalization is a success model"
15	Sika stands for peak performance - Beyond the Expected



Dynamic market environment

BEYOND THE BEATEN TRACK

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29	Sika concrete admixtures for Vietnam's highest bridge
30	Strong demand around the world
31	Freshwater for hundreds of thousands
31	Secure water supply for the Medellín region
32	Virginia embarks on ground-breaking infrastructure project
33	LAX modernization
34	Fit for the next few decades
35	Czech Republic renovates longest highway

PHOTO COVER PAGE

With comprehensive expertise and leading products, Sika contributed to the construction of the 22.5 kilometer-long section of the MRT Orange Line in Bangkok.

Innovation driving net zero

BEYOND THE EXPECTED

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Business year 2022

BEYOND SUSTAINABLE PERFORMANCE

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Sika Strategy

Beyond the market cycles



PERFECTLY POSITIONED FOR MULTIFACETED GROWTH

Sika is viewed by its customers, investors, and other stakeholder groups as a company that not only defines ambitious strategic targets, but also regularly achieves or even exceeds them.

SIKA MEANS RELIABILITY

The company anticipates future challenges with reliable, innovative, and long-lasting product solutions while maintaining above-average quality and sustainability standards.

The company is continually increasing the added value for its stakeholders. Sika promotes the efficient use of energy, water, and material resources while minimizing its impact on the ecosystem. Economic, environmental, and social aspects are fully taken into account while implementing the strategy and conducting all business activities.

ALIGNMENT WITH MEGATRENDS

The company's Strategy 2023 is aligned with the six major megatrends of our time: digitalization, emerging market growth, climate change, demographic change, urbanization, and automation. These megatrends are closely interrelated and influence one another. They are opening huge potential for Sika in terms of structural growth opportunities.

GROWTH AND INCREASING COMPANY VALUE

Sika makes a clear commitment to sustainable growth and increasing company value in its Strategy 2023. The Strategy is based on six key pillars: market penetration, innovation, operational efficiency, acquisitions, strong corporate values, and sustainability.

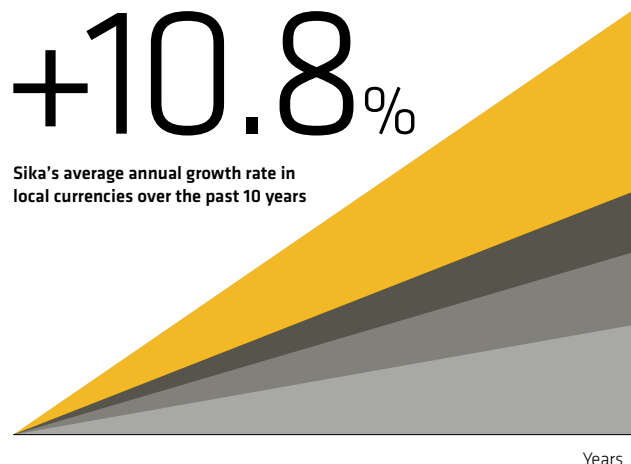
STRONG GROWTH FORECAST

Over the past ten years, Sika has grown by an annual average of 10.8% in local currencies. This outstanding development is based on several growth drivers. On one hand, these include structural changes in the market due in part to megatrends, which drive demand for Sika's products and solutions. On the other hand, Sika is advancing market penetration with its own strategic initiatives. Market growth potential is systematically identified and targeted. Thanks to its high-quality products and solutions, Sika is successful in securing growth that outstrips its competitors and expands its market share continuously.

SUSTAINABLE GROWTH

+10.8%

Sika's average annual growth rate in local currencies over the past 10 years



■ Acquisitions
 ■ Structural growth
 ■ Market penetration
 ■ Market growth

BECOMING INDISPENSABLE

Over the past few decades, Sika has steadily extended its global market penetration. Thanks to the high added value that Sika products offer customers, this trend is set to accelerate further.

Demographic change has resulted in a lack of skilled labor, and the construction industry has been particularly affected by this development. Added to this, construction has seen only very modest efficiency gains over recent decades compared to other industries. Thanks to automation and digitalization, productivity gains have recently materialized. However, Sika has proven to be an exception to this rule. The company has long held an outstanding reputation for providing products and solutions that offer superior performance. What's more, it has invested heavily in the sustainability of its products in recent years. As a result, Sika can increasingly offer its customers solutions that deliver not just improved performance such as greater strength and higher temperature resistance, but also greater sustainability such as a smaller carbon footprint or improved air quality. In addition, Sika products offer benefits in application by reducing the number of work stages, or because they cure faster or can be reliably applied by less qualified staff.

HIGH-PERFORMING AND SUSTAINABLE

Demand for construction chemical products in the construction industry is growing and market penetration is rising. From 1991–2020, construction chemicals roughly doubled their share of global construction output, and the above-average growth trend will likely continue. As a leading global company in construction chemicals with a comprehensive portfolio of innovative technologies, Sika will enjoy an above-average benefit from this development.

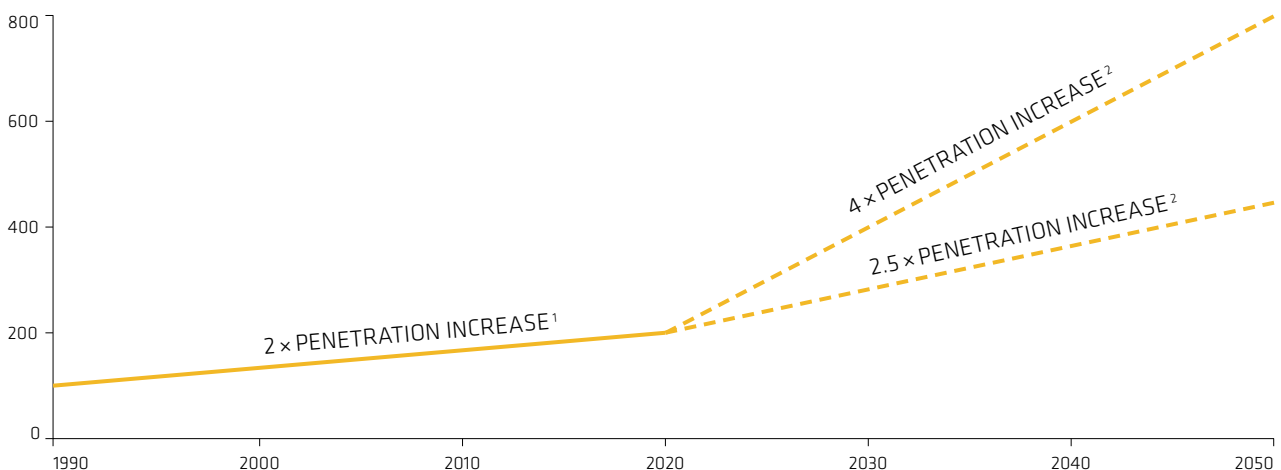
Sika has established deep roots in its local markets, which help the company tap into new customer groups and intensify cross-selling. Solutions adapted to specific needs can be applied to large-scale construction projects. Construction companies, tradespeople, and private consumers have straightforward access to a broad spectrum of the company's products and solutions through e-commerce channels or local stores.

BOOST FROM REGULATIONS

Over the next few decades, market penetration is likely to accelerate for construction chemical products. Sika estimates that productivity increases on building sites alone will see market penetration increase by a factor of 2.5 by 2050. If regulators increasingly embrace the net zero target, Sika believes the market penetration of construction chemicals could increase by a factor of four. As part of its Green Deal, the European Commission has stipulated that CO₂ emissions should be brought down by at least 55% by 2030 (compared to 1990 levels). Construction chemical products and solutions will provide the construction industry with key support in achieving its targets.

One thing is clear: construction chemicals are set to become far more important for the construction industry, and this is a strategic success factor for Sika.

CONSTRUCTION CHEMICALS PENETRATION IS INCREASING AND WILL CONTINUE TO ACCELERATE IN THE COMING YEARS



¹ Market penetration: Size of the global construction chemical market (CHF) / global construction (CHF). Source: IHS, Freedonia.

² Market penetration in the next 30 years (Sika estimate).

MISSION **NET ZERO**

Sika is driving the transformation of the construction and manufacturing industries. The company has expressed its clear commitment to achieving net zero emissions by 2050. Sika supports the Science Based Target initiative (SBTi) and will submit its net zero targets for validation in the near future.

In September 2022, Sika committed to the science-based net zero targets issued by the Science Based Target initiative (SBTi). "This is an ambitious goal, but we are already working on initiatives and have lots of ideas as to how we can achieve net zero," emphasizes Patricia Heidtman, Chief Innovation and Sustainability Officer and Member of Group Management. Under this target, the company must reduce emissions that it is directly responsible for (scope 1) as well as those from the energy it purchases (scope 2) by 42% by 2032, and then by 90% by 2050. These two categories together, however, account for only around 2% of overall emissions. The biggest source of emissions is scope 3. These are the indirect emissions that arise up and down the company's value chain. At Sika, scope 3 emissions account for 98% of emissions, a total of 12,511 ktCO₂eq. To achieve the desired reduction of 25% by 2032 and 90% by 2050, Sika will work together with customers and suppliers.

Since committing to the SBTi targets on September 16, 2022, Sika now has 24 months to submit concrete implementation targets for validation. To ensure a proper framework, Sika has drawn up a full scope 3 emissions inventory in accordance with the Greenhouse Gas Protocol. Patricia Heidtman: "We closely examined the methods used to calculate scope 3 emissions and subject them to ongoing reviews." This helps Sika to pinpoint how emissions can be reduced and where the focus should be.

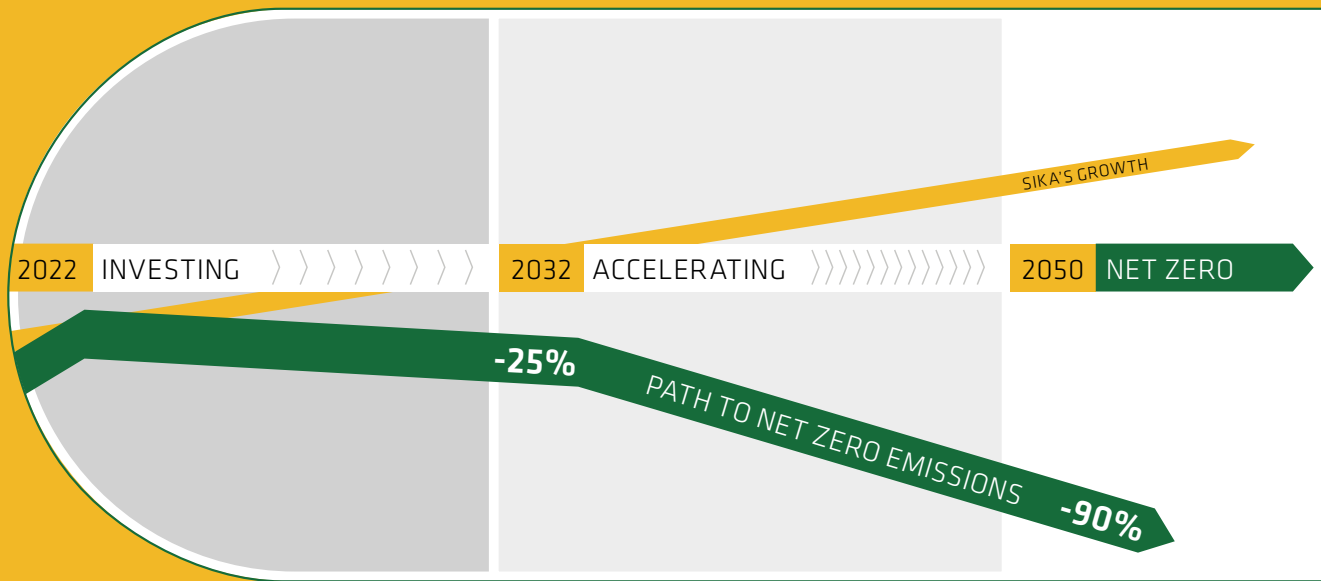
"We closely examined the methods used to calculate scope 3 emissions and subject them to ongoing reviews."

Patricia Heidtman

SIKA'S KEY LEVERS

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

SIKA'S NET ZERO ROADMAP



THE MOST IMPORTANT LEVERS FOR REDUCING CO₂

With science-based foundations in place, Sika's attention is now on implementation. The company has defined five key levers to reach its targets. In scope 1 and 2, part of Sika's endeavors will focus on continually increasing energy efficiencies and making greater use of renewable energies. An important objective of scope 3 is lowering upstream and downstream transport emissions. Another vital element here is reducing carbon-intensive raw materials such as cement and petrochemicals. Products and packaging will be improved continuously to support circularity.

SIKA SEES NET ZERO AS A GROWTH OPPORTUNITY

Thanks to its innovation power, Sika can significantly help reduce greenhouse gases. "Replacing Portland cement in our mortar production will enable us to lower CO₂ emissions by up to 480 kilotons by 2025," explains Patricia Heidtman. Sika has already found the substitute materials necessary without compromising product quality. In addition, the company achieved a breakthrough in concrete recycling with reCO₂ver®. Another area where Sika supports the circular economy is with recycled roof membranes. This will prevent up to 49 kilotons of CO₂ emissions by 2032.

Sika is keen to advance its own net zero targets and also help its customers along the path to net zero. For example, Sika products and solutions are helping preserve existing buildings for longer, as the upcycled Quay Quarter Tower in Sydney clearly illustrates (see page 46).

"Sika has the innovative strength and solutions to transform the construction and transportation industries – and this will be all the more evident if we work together with our customers and suppliers," says Patricia Heidtman. For this reason, Sika sees net zero not merely as a business challenge, but primarily as a major opportunity to grow.

"Sika has the innovative strength and solutions to transform the construction and transportation industries."

Patricia Heidtman



Learn more about
Sika's way to net zero

“OUR REGIONALIZATION IS A SUCCESS MODEL”

Paul Hälgl, Chair of the Board of Directors, and Thomas Hasler, CEO, explain why Sika can achieve strong growth even in a challenging environment, and why they are expecting the net zero target to generate additional growth stimuli.



Paul Hälgl,
Chair of the Board of Directors

Thomas Hasler,
Chief Executive Officer

COVID, war in Ukraine, unstable supply chains, and an energy crisis that is also threatening economic development – yet Sika is still growing. How have you continued to grow in such a hostile environment?

Hasler: We have a very broad global set-up, with national subsidiaries in 101 countries and eight Target Markets. It's almost never the case that all markets develop in complete parallel. What's more, we're also well diversified within these markets. In the construction sector, for example, we generate about 45% of our sales in the new build area, and 55% through renovation and maintenance projects.

But broad diversification does not necessarily offer protection against surprise global developments such as a coronavirus pandemic...

Hasler: There's never any guaranteed protection, but Sika has acquired a great deal of expertise in coping with short-term changes, and always manages to identify and harness opportunities even in a difficult environment. For example, we expanded our distribution channel and e-commerce right at the start of the COVID-19 pandemic in 2020. This may have caused shifts between the different distribution channels, but there wasn't any slump in sales. The pandemic boosted the digitalization trend, and this continues to have positive effects even now.

Has Sika perhaps even benefited from disruptions to global supply chains?

Hasler: Yes, our strong regionalization is a successful business model. It has been useful for both us and our customers in difficult procurement and supply phases. We were able to use our own supply chains to bridge any global disruptions or interruptions.

How is Sika maintaining its EBIT margins against a backdrop of strong sales growth?

Hälgl: Thanks to the local autonomy we grant on the P&L side, managers think and act as entrepreneurs, and take great care to ensure that they grow as profitably as possible. Therefore, they're also responsible for formulating the local strategy. In consultation with Group Management, they make decisions on investment policy and the Target Markets they want to focus on.

How do you turn a manager into an entrepreneur?

Hasler: We engage our General Manager in our “Best Demonstrated Practice”. Typical themes here include the likes of pricing and sustainability. Managers receive a kind of “cookbook,” but precisely what and how they cook is something they decide for themselves. At the same time, we attach great importance to the fact that they can exchange their “recipes” and experiences with one another. With this in mind, we regularly invite them to management meetings where “peer-to-peer learnings” are presented.

How do you maintain or strengthen Sika’s impressive price-setting power?

Hasler: Our prices correlate with the added value we provide to our customers above and beyond the individual product. This includes, for example, the rapid availability of goods, and the strong reliability and technical expertise of our organization. Our net zero commitment is another element of added value on the pricing side.

Hälg: A significant proportion of our products are system-critical. Take our concrete admixtures, for example, which make it possible for concrete to be pumped up to a height of 100 meters when building a high-rise structure. When you measure our products by their quality advantages and the time and cost savings that they provide, then price is not the most decisive factor. In the automotive industry – to give another example – manufacturers use a Sika adhesive that hardens much more rapidly than conventional products. This saves time in the production process, which tangibly increases productivity over the year. The additional price paid for this superior adhesive is negligible in this context.

How does the Sika brand impact pricing?

Hasler: The impact of the brand on pricing is substantial. In our industry, Sika is the strongest local brand recognized worldwide. “Building trust” is a promise that we deliver on every day. On top of that, the importance of the brand has increased significantly in recent years and will continue to do so. This is something we have observed not just with organic growth, but also with acquisitions. Thanks to the strength of the Sika brand, our technology can be seamlessly transferred from one country to another.

“Thanks to the local autonomy we grant on the P&L side, managers think and act as entrepreneurs, and take great care to ensure that they grow as profitably as possible.”

Paul Hälg

After a stunning upward trajectory in previous years, Sika stock underperformed the SMI Index in 2022. How do you explain this development?

Hälg: We don’t comment on our stock price and can only assert that we have delivered in line with our strategy. So, there must be other factors influencing the valuation. Interest rates and interest rate expectations no doubt play an important role. Growth stocks such as Sika typically react to central bank rate hikes more sensitively than value stocks.

“In our industry, Sika is the strongest local brand recognized worldwide.”

Thomas Hasler

Due to reviews by various competition authorities, closing of the MBCC Group acquisition has been pushed back and will now take place in the first half of 2023. What does this mean for the employees and customers of MBCC Group?

Hälg: A 12-month phase of uncertainty finally ended for employees and customers in October 2022.

Since then, we have gained clarity over which activities will be integrated, and which companies or company parts will be divested. Employees have been understanding and kept a positive attitude, but there is also some impatience – they ultimately just want to get started.

Hasler: In the MBCC companies that overlap substantially with Sika, there was a fear among staff about redundant structures having to be cut. But with the sale of these companies or company parts, this fear will recede. Employees know that they will be needed by the new owner and that they have a future.

Will the expected synergies turn out lower because Sika must sell CHF 920 million worth of MBCC companies or parts of companies?

Hasler: No, we’re still expecting synergies of CHF 160–180 million.

How has Sika performed on ESG over the last year?

Hälg: Familiarity with ESG issues grew further in 2022, and implementation accelerated significantly. Sika has been firmly committed to ESG targets for over a decade. Our sustainability strategy and net zero commitment drive our innovation efforts. The high importance attached to ESG issues is supported by the entire organization. Sustainability is relevant not only to our customers and investors, but also our employees. We are confident that we will gain a competitive advantage if we are “first movers” regarding the sustainability of our products. For younger staff in particular, that commitment also increases our appeal as an employer.



“Our sustainability strategy and net zero commitment drive our innovation efforts.”

Paul Hälgl, Chair of the Board of Directors

Hasler: The fusion of sustainability and innovation has proved to be an important step in the right direction. For Sika, sustainability and innovation are virtually synonymous. We are pursuing a path that is very Sika-like – which means with practical and measurable approaches. Our products that enable clinker reduction lower the CO₂ footprint, as do the comprehensive measures taken in the area of production – for example expanding the use of renewable energy and reducing water consumption.

In September 2022, Sika committed to achieving the Science Based Target initiative (SBTi) net zero target. What does this mean for the organization?

Hasler: This commitment underscores our determination to drive the transformation of the construction and manufacturing industries toward the net zero target. We now have until 2024 to develop a roadmap with defined measures how to reach the target and submit it for validation. We're working intensively on that now.

Hälgl: This development will be accompanied and supported at Board level by the newly established Sustainability Committee.

What are the most effective levers for influencing progress toward the SBTi targets?

Hälgl: 98% of our carbon footprint involves scope 3 emissions. About half of these arise upstream, i.e. in connection with raw materials. On the raw material side, purchased cement accounts for around 50% of CO₂ emissions. And this is where we have the most effective lever because solutions that help reduce the use of cement is a core competence of ours. We, for example, develop additives and concrete admixtures to enable the use of cement substitutes in the production of cement, concrete, and mortars. Furthermore, Sika is the leading company for fiber-reinforced concrete solutions. Fiber con-

crete increases both the durability and strength of concrete. We purchase the polymers needed for this from the chemicals industry, an area in which we have entered a number of partnerships – such as “Together for Sustainability” (TfS). That said, it's likely to be a while longer before CO₂-neutral substitutes are available for the polymers used today.

Hasler: Let's not forget the significant enabling effects of Sika products in this context. The positive impacts resulting from their application are not yet considered by the SBTi.

How important is the circular economy?

Hasler: We see enormous potential here. Admittedly we're only at the start of these processes and are still gathering experience. For example, we take back membranes from old roofs and prepare them for use in the construction of new roofs.

Hälgl: The circular economy is an important lever when it comes to making progress toward the SBTi targets. The higher the proportion of material that we can recycle, the more comprehensively we can reduce our footprint.

“We have set a medium-term sales target of CHF 15 billion.”

Thomas Hasler, CEO



What kind of examples do you have in mind when you talk of reducing the footprint in the construction sector?

Hasler: An obvious flagship project here is the Quay Quarter Tower in Sydney. This building was showing its age – unsurprisingly, as it dates to 1976 – and would normally have been demolished and replaced by a newbuild. But instead, 95% of the building core was left in place and subjected to a fundamental restructuring that expanded the available space. Sika gave a new lease of life to the concrete structure and helped more than 12,000 tons of CO₂ emissions be avoided.

The European Union is planning for a world of virtually 100% electric vehicles from 2035 onward. How ready is Sika for this development, and what targets is the company pursuing in this market segment?

Hasler: The electrification of the motor vehicle industry is developing very dynamically, and the ongoing optimization of batteries is accelerating our growth. But something often overlooked here is the CO₂ footprint of the other vehicle components. Several automotive manufacturers have defined a net zero target. This requires vehicles to be recyclable and reduce scope 3 emissions. With our solutions, we contribute to vehicles being 95% recyclable at the end of their lives. As a specialist for process materials and with our expertise in the areas of bonding, sealing, damping, and reinforcing, we are the logical partner to accompany and support the automotive industry in this process of transformation.

The great majority of the 1.5 billion vehicles in operation worldwide still rely on the combustion engine. What role does Sika play in this market?

Hasler: Our focus is clearly on the production of new vehicles. As mentioned earlier, these must be 95% recyclable but without compromising on safety, comfort, or reliability. Challenges of this kind offer attractive growth opportunities to a specialized provider such as Sika. Incidentally, the potential for Sika solutions in electric vehicles is around 50% higher than in vehicles powered by conventional combustion.

Including the MBCC Group, what kind of sales development are you expecting over the next two to three years?

Hasler: We have set a medium-term sales target of CHF 15 billion. This year we will be formulating and unveiling our strategy for 2024–2028. This will also contain guidance on profitability. We'll also have to answer the question of whether the market potential defined for Sika – CHF 80–100 billion as things stand now – can be increased by developing new markets. Either way, with its market share of 10%, there is still significant untapped potential for Sika.

What are the greatest challenges you expect to face in the coming year?

Hälg: The greatest challenge is the implementation of our strategy in a multipolar world where national conflicts of interest are becoming ever more apparent. The trend toward the formation of blocs is giving rise to very different sets of regulations and priorities when it comes to major global issues – such as globalization, climate protection, and security policy. In this context, a prudent independent strategy and “entrepreneurial fitness” will be particularly important.



Read the whole
interview on [sika.com](https://www.sika.com)



SIKA STANDS FOR PEAK PERFORMANCE – BEYOND THE EXPECTED

With its global image campaign “Beyond the Expected”, Sika is positioning itself as a company that always goes the extra mile to deliver beyond what its stakeholders expect. Sika stands for peak performance – for the benefit of not only its customers, investors, and employees, but also for the environment and future generations.

“Beyond the Expected” was conceived as an umbrella campaign with various implementation levels. In addition to an image level, it also encompasses a target market level and a product level. Furthermore, an employer branding campaign has been developed to position Sika as an attractive employer and consolidate employee identification with the company at a high level.

Image-relevant topics such as sustainability and innovative strength are explored in the campaign themes, which also highlight Sika's cutting-edge solutions for numerous projects in the construction and automotive industries. With its new campaign, Sika is targeting not just its multifaceted target groups in construction and industry, but also its investors, suppliers, and of course employees.

PEAK PERFORMANCE – A BUILDING BLOCK OF TRUST

Sika's more than 27,500 employees strive to perform at a peak level daily. This commitment contributes to more than just consistently strong performance. The expertise and dedication of Sika's employees have enabled the company to evolve into a market leader and pioneer in sustainable construction and environmentally-friendly mobility. Sika is rising to the challenges posed by global megatrends to find sustainable solutions that change the world for the better. By keeping the bar for performance high, employees engender trust with the company's target groups, which allows Sika to fulfill its “Building Trust” market promise.

The global campaign was launched in September 2022 in Switzerland with vast distribution across billboards in cities, at Zurich airport, and on digital platforms. The campaign was then rolled out in other international markets.





Dynamic Market Environment Beyond the Beaten Track



GROWTH AND THE PROMISE OF MORE

Thanks to the rapid progress of urbanization and industrialization, which is increasing demand for housing and infrastructure, the markets of Southeast Asia are enjoying above-average growth. With its strong local presence in the region, Sika is optimally positioned to benefit from the corresponding potential in the construction sector.

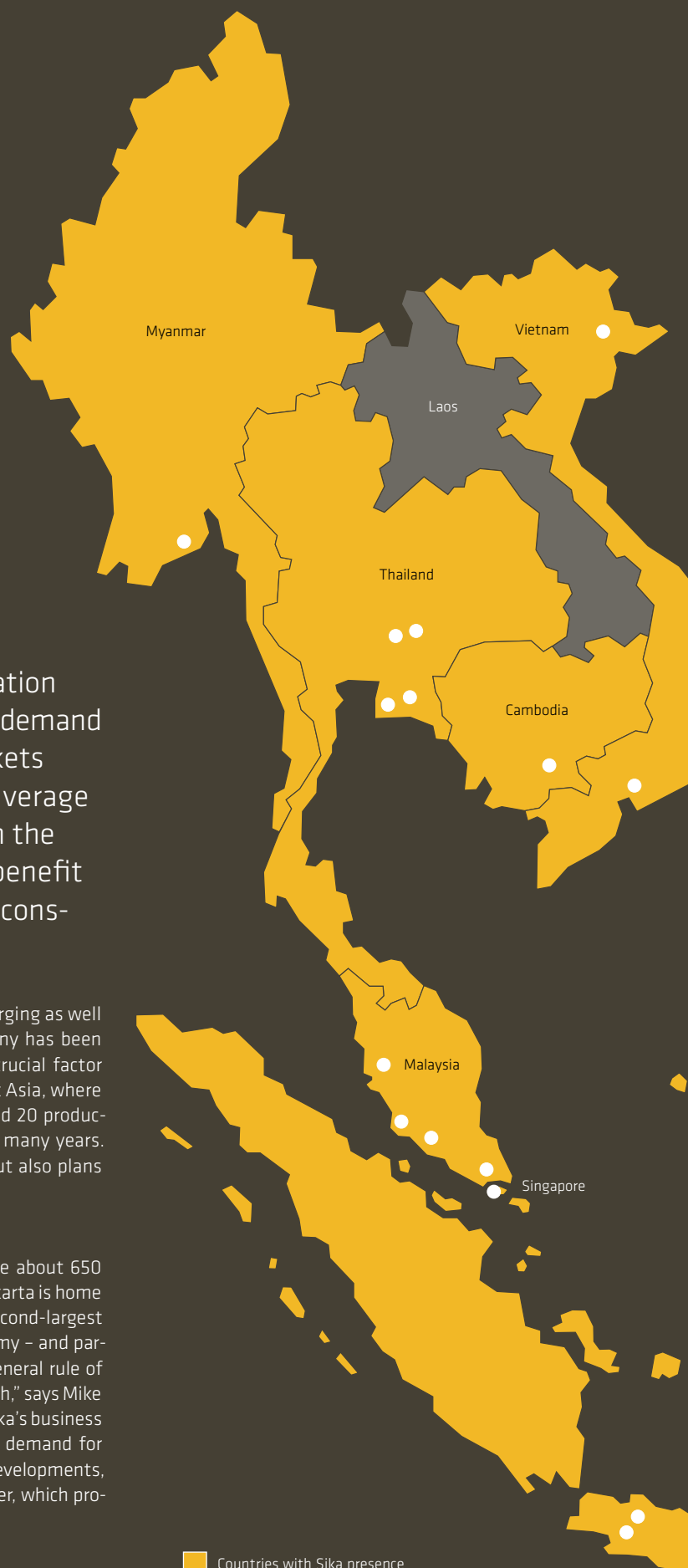
Sika is present in 101 countries worldwide, covering both emerging as well as mature markets. In many parts of the world, the company has been established for decades. The future growth potential is a crucial factor when Sika decides whether to enter a new market. Southeast Asia, where Sika has long been active with eight national subsidiaries and 20 production plants, has been one of the most dynamic markets for many years. Sika wants to not only continue on this growth trajectory, but also plans to accelerate its efforts in the region.

MORE PEOPLE, MORE CONSTRUCTION PROJECTS

Local growth is first and foremost driven by the needs of the about 650 million people who live in this region. The Indonesian capital Jakarta is home to 35 million inhabitants alone, which makes it the world's second-largest metropolitan area. Along with the population, the local economy – and particularly the construction economy – is also growing. "As a general rule of thumb, it can be said that construction follows population growth," says Mike Campion, who as Regional Manager has been responsible for Sika's business activities in Asia/Pacific since 2017. In his view, the elevated demand for infrastructure, industrial construction projects, residential developments, and education and healthcare facilities will only increase further, which provides Sika with huge growth potential "for decades to come."

A TWO-PILLAR GROWTH STRATEGY

Sika's growth strategy in Southeast Asia is essentially based on two pillars. The first pillar is focused on large construction projects, including greater penetration of each project business with its numerous cross-selling opportunities. Together with planners, engineers, customers, and other involved partners, Sika



■ Countries with Sika presence
● Factories

Source: Global Data – Construction Output (Q4 2022)
Exchange rate: Year-end rate 2022 USD/CHF (x 0.9232)

> CHF 495
BILLION

is the total investment volume
forecast for the construction sector
in Southeast Asia in 2026

STRONG GROWTH
IN CONSTRUCTION
SECTOR

+25.3%



395
2022

495
2026

Forecast investment in the construction
sector in Southeast Asia in CHF billions

MAJOR
INFRASTRUCTURE
EXPANSION

+27.5%



120
2022

153
2026

Forecast investment in infrastructure
construction in Southeast Asia in CHF billions

Philippines

Indonesia

DYNAMIC MARKET ENVIRONMENT

wants to develop solutions that provide competent answers to the challenges of modern megacities and mitigate climate change. The second pillar is focused on greater market penetration through the expansion of the distribution business. Local points of sale in Southeast Asia, which are typically supplied by distributors, primarily include small specialist shops for building materials as well as home improvement stores. The idea is to better reach end consumers, tradesmen, and small-scale builders. Better market penetration can be achieved partly through selling Sika products at more locations, and partly through expanding the product range at individual stores. The offering comprises products and solutions for professionals as well as simpler solutions that are suited to DIY customers.

SUSTAINABILITY BRINGS GROWTH STIMULI

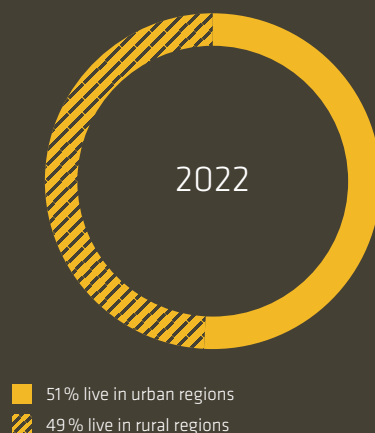
Climate change is a great societal challenge. It also affects Southeast Asia with impacts such as increased risk of extreme weather events and natural catastrophes. Governments are now unanimous in their view that greenhouse gas emissions need to be reduced and resources preserved. With its resource-saving technologies and solutions for mitigating the consequences of extreme weather events, Sika is generating added value for customers and society.

PIONEERING FEATS IN VIETNAM

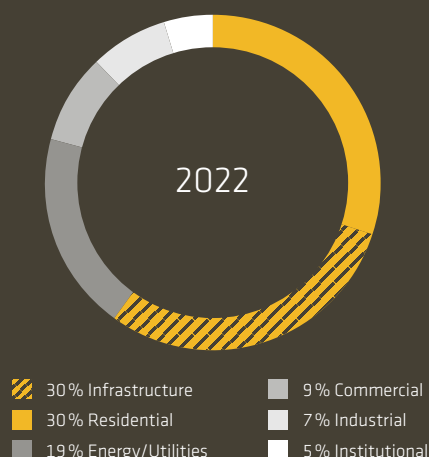
The markets of Southeast Asia are anything but homogeneous. They are characterized by their remarkable social and cultural diversity. There are also great differences when it comes to the dimensions and characteristics of these markets. Therefore, it's important for international companies to respect country-specific features. This is best achieved by training and promoting employees locally, who are the most familiar with the idiosyncrasies of their own markets and the needs of local customers. This decentralized approach has served Sika well, and the company views its local presence as a sustainable commitment to both a country and its people.

Vietnam is a good example of the way that Sika expanded its presence in a Southeast Asian country while contributing to its development. The Vietnamese subsidiary celebrates its 30th anniversary this year. Sika opened a factory here back in 1997. The Group became a pioneering force in the local construction economy, and the name Sika rapidly became synonymous with construction chemicals. When specialists refer to waterproofing in this country, they usually just say "Sika." The portfolio of waterproofing solutions therefore functions as a kind of entry point to sell the complete Sika portfolio. Growth drivers in Vietnam include not just infrastructure projects throughout the country, but also the rapid industrialization of the regions surrounding the two major cities, Ho Chi Minh City and Hanoi.

BREAKDOWN OF POPULATION BETWEEN URBAN AND RURAL REGIONS



BREAKDOWN OF CONSTRUCTION SPENDING



FORECAST 2026 ANNUAL GDP GROWTH RATE



Forecast for economic development of the fastest-growing countries in Greater Southeast Asia between 2022 and 2026.

Source figures: Global Data – Macroeconomic Data (Q4, 2022)



Mike Campion has worked for Sika since 1998. He has been Regional Manager Asia/Pacific since 2017.



Read the whole
Interview on [sika.com](https://www.sika.com)

INTERVIEW WITH MIKE CAMPION

ASIA/PACIFIC – CONSTRUCTION USING STATE-OF-THE-ART TECHNOLOGIES

What makes Asia/Pacific an exciting region to be present in for Sika?

In Asia/Pacific, various market economies create an incredibly diverse and dynamic business environment. From the strong mature markets like Australia, Japan, and Korea to the massive emerging markets in China, India, and Southeast Asia. Opportunities are everywhere. South Asia and Southeast Asia, in particular, have the highest gross domestic product and population growth prospects for the coming years. Southeast Asia's massive need for infrastructure and urban development will fuel decades of major growth potential for Sika.

Sika is involved in several big projects in the area of rail and metro infrastructure. Why are these projects so interesting for Sika?

Big infrastructure projects are the main traditional business for the Asia/Pacific team. Sika is in the unique position to offer these complex projects the most extensive portfolio of building solutions and technologies in the industry. Work begins with a need and a concept from the owner and the selected design and specification team. We allow them the freedom to design structures with the most advanced technologies and push ourselves to create more innovative solutions. We work with engineers and construction companies to bring this vision to life.

Climate change brings challenges for all countries. What significance does it have in Southeast Asia and what does Sika do to impact the development toward a more sustainable economy?

Climate change is a global challenge. Its effects and severe weather events are even more acute in emerging markets, where the necessary infrastructure and safeguards are not always in place to protect those in critical areas. We are currently engaged in numerous projects throughout the region to improve the situation. New infrastructure projects utilize our sustainable solutions, leading to significant reductions in CO₂ emissions and better utilization of scarce resources.

Sika is a fast-growing, decentralized organization with strong local management teams. Is it difficult to find enough qualified people?

The need to attract, develop, and retain employees will always be our greatest ongoing challenge. Our ability to attract and retain these talents is clearly linked to our well-known company culture, the "Sika Spirit". The entrepreneurial spirit is part of our DNA. We are unique in the industry for the autonomy and responsibility we give to employees. We now have a record number of local General Managers and management team members from their home countries. With such dynamic growth in our local talent pools, we are well positioned for a bright future in the region. This is a very attractive culture to both existing and potential employees looking for long-term careers.

After 17 years in leadership positions in the USA, you have now been working for Sika in Asia for close to 8 years. What fascinates you most about this region?

The extraordinary and vibrant people I have encountered within Sika, our customers and vendors, and the industry at large. I am fascinated by the region's incredible cultural diversity and the dynamic growth of its megacities. Driven by its population growth and increasing economic power, it's the global bright spot for the future. When I look back at my career in Sika, my greatest successes have been in the development and advancement of my team. The most rewarding result for any leader is to see their people grow and develop into strong leaders themselves. During the past 8 years, I have watched with great pride the development of the Asia/Pacific team and the advancement of our people throughout the organization.

MRT ORANGE LINE BANGKOK

DURABLE SOLUTIONS FOR METRO EXPANSION

More than 500,000 passengers use Bangkok's metro system every day. The Mass Rapid Transit System of Thailand's capital contains eight lines, and is being expanded on a continuous basis. The eastern branch of the MRT Orange Line will be opened in 2023, connecting the eastern part of Bangkok with the city center. In this new 23-kilometer section, Sika contributed with comprehensive expertise and leading products for the most rigorous tunneling requirements.



Kanokwan Chuanak has worked for Sika Thailand since 2016. She has been Head of Key Project Management since 2021. For her as a civil engineer, the challenges of tunneling are fascinating: "You will often find me on site. I am proud to work for a company with such great expertise and high-quality products. I learn something new every day."



Once completed, the MRT Orange Line will play a key role in Bangkok's urban transport system. The mass rail transit system is divided into western and eastern branches, and will stretch for almost 40 kilometers when complete. The western section is still in the planning phase, whereas the eastern section of the "Thailand Cultural Center - Min Buri" MRT Orange Line will be up and running in 2023. It was conceived as both an underground and overground rail system, with a total length of some 23 kilometers. The MRT Orange Line project is the largest project in Thailand for Sika to date, including 10 underground and 7 overground stations, 11 ventilation and intervention shafts, a depot, and a Park & Ride facility. More than 80 innovative products from the Sika portfolio were used in the construction of the underground stations and the ventilation and intervention shafts.

"On the Orange Line project we were able to successfully deploy our comprehensive portfolio of products for complex tunneling projects."

Kanokwan Chuanak

MANY YEARS OF EXPERIENCE PAY OFF

The first underground line to be part of the Bangkok mass rail transport system, the Blue Line, was built about 25 years ago. At that time, Sika Thailand supplied concrete admixtures, waterproofing sealant between precast concrete segments, and several repair products like mortars and grouts. As part of the expansion of Bangkok's mass rail transit network, construction of the Orange Line began in 2017. Sika Thailand has continuously expanded its product portfolio to meet the diverse customer requirements in underground metro projects as well as in the construction of utility tunnels. Aside from the challenges that tunneling projects normally face, there were a number of additional difficulties in Thailand's capital, including the construction of the two 6.3-meter wide underground tubes. The city's subsoil is very soft, composed of three different loam soils with different geological characteristics. Every tunnel in Bangkok therefore has to be bored with an Earth Pressure Balance Tunnel Boring Machine (EPB-TBM). The earth pressure balance (EPB) approach is a mechanical process that supports the driving site through the use of the excavation material. However, this material needs to be stabilized to ensure a safe and successful process, which in turn requires special products such as foams. Therefore, Sika brought two innovative products as a solution: Sika® Stabilizer-1118 TBM TH and Sika® Stabilizer-1518 TBM TH. These are liquid foaming agents based on biodegradable anionic surfactants. Using these TBM products for the first time was crucial to the tunnel's success. During the previous project, the Blue Line, Sika's contribution was limited to concrete products, repair and waterproofing products. Kanokwan Chuanak, Head of Key Project Management at Sika Thailand, stresses the importance of this technological leap: "On the Orange Line project, we were able to successfully deploy our comprehensive portfolio of products for complex tunneling projects. Our innovations open new market potential for Sika. The breakthrough was made possible by the launching at corporate level of TBM products and was supported by Sika experts in tunneling and mining from the Global Project Support areas as well as the in-house Sika Thailand Tunnel Experts."



The MRT Orange Line consists of underground and overground rail systems. The comprehensive service delivered by Sika experts on site was invaluable for the project's success.

WATERPROOFING AGAINST TROPICAL RAIN

Bangkok is a tropical city, and construction sites are exposed to significant climate stresses, particularly during the rainy season. This was a challenge that became apparent early on in the construction phase. Thanks to the availability of new innovative products the experts were able to face this challenge. "For the waterproofing of the station roofs, we processed Sikalastic®-680 AP. If it rains heavily during processing, work has to be suspended," explains Kanokwan Chuanak. This occurred on multiple occasions. "But with this product's efficiency of application, construction operations were always completed to deadline even in challenging construction phases such as these. Sikalastic®-680 AP is easy to apply and dries quickly, which was good for our scheduling." Around 260 tons of Sika liquid applied waterproofing membrane were used over the course of the project. Among the new products supplied, SikaFuko® reinjectable injection hose and SikaSwell® S-2, a hydrophilic swellable joint sealant, were used in combination with Sika Waterbar®- Omega Type at the connection between tunnels and stations. In addition, Sika was the preferred supplier for the waterproofing sealant between precast concrete segments. More than 500 kilometers of the Sika® Hydrotite hydrophilic waterstop strips have been delivered. Sika was also supplying Sika® Sigunit® L-53 TH, an alkali-free shotcrete accelerator that was used to accelerate the sprayed concrete used in small tunnels linking the main tunnels of the metro line and the ventilation and intervention shafts.

A SUCCESSFUL TEAM OF SPECIALISTS

Sika has been established in Thailand since 1989, where it has an outstanding reputation for providing quality technical support on construction projects. This is due to the highly competent local team, as Kanokwan Chuanak observed: "Our technical specialists gain experience from every new project. In the Concrete team, for example, our specialists spend plenty of time on the job site in order to advise on the ideal mix design. We also have technicians who demonstrate how our products should best be applied. This is an important factor in the success of a project." Sika established a special department for key projects at the start of its project development activity. The expertise acquired in this department is of great importance. Sika has developed a comprehensive product spectrum for all phases of tunneling projects.

According to Kanokwan Chuanak, this is an investment in the future. "With this complete offering, we've been able to serve a number of other projects and developers in the tunneling area." About 5,000 kilometers of tunnel are built worldwide every year, which yields enormous opportunities for Sika.

SUCCESSFUL CROSS-SELLING OTHER APPLIED TECHNOLOGIES

TBM Products from Target Market Concrete

- Sika® Stabilizer-1118 TBM TH and Sika® Stabilizer-1518 TBM TH: liquid foaming agents used during the excavation with EPB-TBM for the conditioning of the soils being excavated

Concrete Repairs Solutions

- SikaGrout® range, Sika MonoTop® range, Lanko grouts and mortars, and Sikadur® epoxy were products used to repair defective concrete (e.g. honeycomb), as well as for the repair of concrete edge spalling of the precast segment

Waterproofing Solutions

- Sika® Injection (polyurethane) & Sikadur®-52 (epoxy solvent free) were used to fill and seal cavities and cracks in structural components such as columns, beams, slabs at stations, and intervention shafts

Sealants and Adhesives

- SikaHyflex®-160 Construction: elastic joint sealant designed for movement and connection joints in concrete was widely used to seal joints between of concrete structures

Fire Protection

- Sikacryl®-620 Fire and Sikasil®-670 Fire: fire resistance sealants for linear joints between concrete and bricks at the generator rooms located inside the stations

On Site Concrete Applications

- Sika® Separol® W-317 E for the production of esthetically pleasing and high-quality concrete surfaces by reducing the formation of blowholes and staining
- LANKO 361 CURE: curing agent delaying water evaporation when applied to fresh concrete

Roofing

- Sikalastic®-680 AP: a single component, liquid applied waterproofing membrane for the concrete roofs of the stations

FLOOR COATING AND SEALING – PROVEN QUALITY AND EXPERTISE

Pepperl+Fuchs is a pioneer and innovator in the field of sensors as well as electrical explosion protection. This globally active company has a workforce of around 6,600. One of the company's operations is located in Ho Chi Minh City, the largest city and major economic hub of Vietnam with a population of around 9 million. South of this metropolis, Pepperl+Fuchs has built a new factory with floor coatings from Sika.

SENSITIVE ENVIRONMENT

In the sensor production area, the client required 8,000 square meters of floorspace to be fitted with industrial flooring that controls electrostatic discharge (known as ESD flooring). "The specifications were very rigorous, as even low electrostatic discharges of less than 100 volts can lead to serious problems when producing electronically sensitive component parts such as sensors," explains Jacobo Perez Polaino, General Manager of Sika Vietnam. Therefore, commissioning a supplier with the necessary ESD expertise and the ability to guarantee outstanding technical support when applying the floor coating was crucial for Pepperl+Fuchs.

"Pepperl+Fuchs were very satisfied with our products and the service provided by the entire project team."

Jacobo Perez Polaino

PROVEN PARTNERSHIP

Pepperl+Fuchs turned to the expertise and quality of Sika on this project just like they did on sites that required ESD flooring in the past. The product selected was the tried-and-tested ESD system Sikafloor® MultiDur ES-56 ESD. This is a self-leveling, two-component epoxy resin system that reliably meets the ESD requirements even under the most difficult environmental conditions of 12% relative humidity at an air temperature of +23°C.

During the implementation phase, staff from Sika's sales and technical services teams carried out quality reviews and assessments of the project on a regular basis. "We liaised closely with the people responsible on the client side in all phases of the project," said Jacobo Perez Polaino. Despite a coronavirus lockdown lasting several months, Sika was able to deliver the coating solution on time and met all deadlines. "Pepperl+Fuchs were very satisfied with our products and the service provided by the entire project team," says Jacobo Perez Polaino.



Jacobo Perez Polaino has worked for Sika for 11 years in a variety of functions and various countries of Southeast Asia. A native of Spain, he has been General Manager of Sika for five years. "Sika gave me the opportunity to grow - both personally and professionally. The role of General Manager brings great responsibility, but I get so much out of it. I make the most of the opportunities I get and now feel very settled in Southeast Asia, which has been my home since 2012."



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THE FORESTIAS

A SUSTAINABLE FLAGSHIP PROJECT

The Forestias will create an urban district of the future on the outskirts of Bangkok. This is Thailand's largest newbuild project. It has been designed to promote intergenerational living in harmony with nature.



Kampon Boonpleng studied industrial engineering and has worked for Sika for almost two years. In addition to The Forestias, he is also working on another major project, and is a member of the Key Project Management team. "Being involved in such a unique and all-encompassing project as The Forestias makes me proud. Whenever our client has a problem we are on hand to help out – including at weekends and during the night."

The district, which encompasses almost 400 hectares, was conceived by the city authorities as an embodiment of future-oriented and sustainable urban living. At the heart of the new project is a 30-hectare forest. The entire site is designed to provide residents with optimal infrastructure so they can live as healthy as possible while consuming few resources. In August 2022, the project received the "Green Honorary Award 2022" from Bangkok's Kasetsart University for its sustainability.

SUCCESSFUL CROSS-SELLING FOR THE "GREEN" PROJECT

The sheer scale of the construction project and its mix of sustainability, state-of-the-art technology, and cutting-edge architecture is a natural fit to Sika's comprehensive product portfolio, which offers solutions from basement to roof. Kampon Boonpleng, a Key Project Manager at Sika, is delighted about this flagship project: "All our target markets in the construction area are involved in The Forestias. We have been able to cross-sell very successfully and deliver a comprehensive solution offering." This requires intensive exchanges both internally and externally. "The Specification team works closely with local architects and developers to get our products specified for the project as early as the tender phase. The Key Project Management team then takes over, meeting with planners and construction companies during the project and construction phases, respectively."

As the focus of this residential construction project is sustainability, most of the solutions used are LEED-certified. "LEED stands for Leadership in Energy and Environmental Design and is an internationally recognized certification system for green building and sustainability in construction. It is playing an increasingly important role in Thailand too," explains Kampon Boonpleng. Sika was chosen for The Forestias partially because it offers a broader sustainability portfolio than its competitors. The Technical Service team also won the client's trust with product demonstrations, deep expertise and experience. No fewer than ten Sika employees covering multiple functions are working on The Forestias. "Our success ultimately comes down to how interconnected we are internally, our comprehensive solutions-driven approach, and an unwavering service mindset," is how Kampon Boonpleng puts it.

13 SUBPROJECTS, ALMOST 50 SIKA PRODUCTS

Whether for the Forest Pavilion, the Whizdom condominiums in the high-rise apartment buildings, the Mulberry Grove Villas, the office buildings, or the Town Center – Sika is on hand to facilitate execution of this major project with its many different challenges.

The waterproof mortar SikaTop®-107 Seal TH (LEED) is the top-selling product, but high-quality epoxy and polyurethane floors such as Sikafloor®-161 HC (LEED), Sikafloor®-263 SL HC (LEED), and Sikafloor®-21 PurCem® LP (LEED) are also being used. Meanwhile, Sikalastic®-632 R is proving to be a valuable waterproofing membrane for the roof. All of these high-quality products meet the rigorous design requirements of the project – including for the already completed Forest Pavilion – and the figures speak for themselves: almost 50 products and solutions are being used on The Forestias project.



Basuki Setiawan has worked for Sika in Indonesia since 2010. After performing various roles, he now works as Channel Distribution Manager and Target Market Manager Building Finishing. "It's great being part of this successful company. The working environment at Sika is unique and we feel like family. The company continually offers you new ways of developing both yourself and your career."

RETAIL LEADERSHIP JOURNEY

SIKA'S BOOMING DISTRIBUTION BUSINESS IN INDONESIA

After establishing a successful distribution business in China with over 170,000 point of sales, the company is rolling out its business model to other Asian countries, with a special focus on Indonesia. With a population of 274 million, the country is viewed as a key growth market.

The Indonesian market presents Sika with huge opportunities. In 2022 alone, the distribution business grew by 18%. "Within two years, we managed to more than double the number of point of sales from under 10,000 to more than 22,000." This rise is attributable to the increasing number of new distributors in areas such as Sumatra and Java," explains Basuki Setiawan, Channel Distribution Manager and Target Market Manager in Building Finishing. The distribution business is aligned with Sika's "Customer First" strategy, which is all about being close to customers and enabling all countries to develop their own strategy for their local market. Sika will aim to expand the number of point of sales offering Sika products in the Asia/Pacific region outside of China to 100,000 by 2028.

WELL-CONSIDERED MARKET PENETRATION

The success of the strategy is based on the classic elements of market penetration, expanding Sika's product portfolio, and increasing brand awareness. The products are delivered through a large network of distributors to building supply shops, where they are then sold on to small and medium-sized builders and other tradesmen. The strategy is developed continually with advanced e-commerce platforms, social media measures and various initiatives aimed at expanding business activities in a targeted way. "Market penetration is focused on the further

expansion of the distributor network and by extension of the retail store portfolio, as well as on the diversification of the product spectrum. We offer not just waterproofing products, but also tile adhesives, tile grouts and jointing mortars, wall coatings and admixtures," explains Basuki Setiawan.

SUCCESS THANKS TO STRONG BRAND AWARENESS AND GREAT TEAM IN INDONESIA

Indonesia is an emerging market at a turning point. The economy is booming. Sika currently generates 85% of its turnover in the Indonesian distribution business through so-called "mom-and-pop" stores. "For this market we focus on waterproofing products, as well as mortars for floors and walls. These two product categories are the most represented in all stores. Waterproofing is especially important since Indonesia experiences high rainfall, meaning that we at Sika can offer products that are an ideal fit for this market", explains Basuki. Sika enjoys a high level of brand awareness in Indonesia. For Basuki, this is a crucial part of Sika's success: "It helps us drive the retail business forward. Homeowners don't usually do the work themselves. They get a specialist to do it – and most of them already know Sika." By regularly collaborating with consumers, Sika can better tailor its products, improve the level of technical knowledge through training, and build more trust. Basuki is proud of Sika's achievements and his distribution team in Indonesia.

MONG SEN VIADUCT

SIKA CONCRETE ADMIXTURES FOR VIETNAM'S HIGHEST BRIDGE

In north-west Vietnam, Mong Sen Viaduct overlooks the rice terraces of the beautifully situated town Sa Pa. At 83 meters, the viaduct is Vietnam's highest bridge. It lies at the foot of Fansipan, the Indochina peninsula's highest mountain.

This new construction, which is more than 600 meters long, was completed at the end of 2022 and shortens the journey between the provincial capital of Lao Cai town and Sa Pa. It not only delivers time savings, but provides a much safer alternative too, given that the winding road is regularly hit by landslides. "The viaduct makes this journey quicker and less stressful," says Jacobo Perez Polaino, General Manager of Sika Vietnam. For him, the viaduct is a sustainable project that supports the country's development. "It's a real feather in Sika's cap, and one that we're proud of."

HIGH-PERFORMANCE CONCRETE TO MEET THE HIGHEST DEMANDS

Due to its remoteness, the Mong Sen Viaduct could not be built with prefabricated concrete elements. Instead, it was constructed by the casting of concrete in situ. Sika was able to support general contractor Thang Long Meco by providing not just concrete admixtures and mortar products, but also technical advice throughout the successful construction of this balanced cantilever bridge structure. The products used were the superplasticizers SikaPlast®-398 SF and Sika® ViscoCrete®-3000-20 M for the concrete, along with the powder admixture Sika® Intraplast® Z-HV and grouting mortar SikaGrout®-214-11 for the backfilling of the prestressing cables duct. These high-performance products met the construction site requirements for the flow properties, reducing maximum water content, optimizing mechanical properties and therefore durability of the final concrete.

Construction of the viaduct took place not only during the day, but also at night. Therefore, the project team faced significant temperature swings. "This was quite a challenge, as the concrete had to exhibit the same properties at all times when it was pumped up for casting following long transport journeys," explains Pham Huy Cuong, who headed the project team as North Area Manager of Sika Vietnam. Thanks to Sika's admixtures, the required properties were consistently met. The additives ensured that the concrete cured completely to meet the high compressive strength required. This high-strength concrete allowed the project team to install sections of the horizontal bridge segment by segment, which was essential because the viaduct is exposed to extreme stress.



Construction engineer **Pham Huy Cuong** has worked as North Area Manager for Sika Vietnam since 2020 and is regarded as an expert in bridge construction. "I really enjoy my work, which involves partnering with clients to solve challenges and collaborating closely with the whole team."

"Thanks to our technical expertise, we were able to provide the client with detailed advice on the perfect mix design of the concrete."

Pham Huy Cuong



DRINKING WATER –
A SCARCE RESOURCE

3%

of the Earth's water is freshwater

STRONG DEMAND AROUND THE WORLD

Sika is represented on all continents with over 100 national subsidiaries. Its solutions facilitate newbuilds and the refurbishment of above-ground and underground structures, contributing to high-quality, durable infrastructure around the globe.



LA AYURÁ DRINKING WATER TREATMENT FACILITY IN COLOMBIA

SECURE WATER SUPPLY FOR THE MEDELLÍN REGION

To guarantee a secure supply of drinking water for the city of Medellín and other communities, the region's largest treatment facility is being modernized. In Colombia's Aburrá Valley metropolitan area, several million people are supplied with drinking water from a treatment facility located to the south of Medellín. The La Ayurá plant is the region's largest facility and sources its water from three rivers. Its capacity amounts to more than 12 million cubic meters.

SIKA SOLUTIONS FOR SUSTAINABLE OPERATIONS

To extend maintenance lifecycles and reduce the cost of maintenance, key parts of the treatment facility are being modernized with Sika solutions. Over an area of 17,500 square meters, bonding, waterproofing, and protective materials are being used to guarantee the required level of watertightness for many years. Among the products in use are various repair mortars (such as Sika Quick®-2500 and SikaTop® Armatec®), a sheet membrane waterproofing system (SikaProof®), as well as epoxy adhesives and two-component coatings (Sikadur®-32 and Sikagard®-62).

DRINKING WATER FOR THREE MILLION PEOPLE

When the modernization work is complete, the facility will supply some 60% of the Aburrá Valley's drinking water. Every second, 9.2 cubic meters of water are fed into the supply system, providing a secure supply to a total of more than three million inhabitants of Medellín and the surrounding communities of La Estrella, Sabaneta, Itagüí, and Envigado.

WASTEWATER TREATMENT IN BRAZIL

FRESHWATER FOR HUNDREDS OF THOUSANDS

Access to sanitation is being significantly improved for Brazil's population. Sika is supplying tried-and-tested solutions on three projects. Brazil is extending basic sanitation for its population. Approximately 100 million out of the 215 million people who live in the country currently have no access to a sewage system. Therefore, Sika is supplying waterproofing and sealing solutions for several new wastewater treatment plants. Two major new plants are in Natal, which is in the northeast region of the country. From the end of 2023 onwards, these plants will treat all sewage from Natal, which has around one million inhabitants. In southern Brazil, wastewater treatment coverage will be extended in nine



cities of the Porto Alegre metropolitan area by 2033. Sika concrete protection coatings, mortars, and sealants are being used in all these projects to prevent leakage of contaminated water over the long-term.

EXPANSION OF THE HAMPTON ROADS BRIDGE-TUNNEL

VIRGINIA EMBARKS ON GROUND-BREAKING INFRASTRUCTURE PROJECT

It is the largest highway construction project ever undertaken in the US state of Virginia: four existing bridges are being extended and two new underwater tunnels are being built from scratch.

The transport link between Hampton and Norfolk in Virginia is being renovated and expanded in a project that will run until 2025. With a total budget of CHF 3.5 billion, this is the largest infrastructure project in the history of this federal state, as well as one of the most important projects currently being realized in the US. The heart of the project is the transport link that runs both above and below the bay's waters. This transport axis is known as the Hampton Roads Bridge-Tunnel. Two bridges from the north and two from the south carry traffic across a section of the harbor area using artificially created islands. These islands also house the entrances to the new twin tunnels, which will provide a subterranean extension of the above-ground sections of the highway.

SIKA ADMIXTURES FOR HIGH PERFORMANCE

Work is currently being carried out on the two tunnel tubes, each carrying two traffic lanes, to increase the capacity of the transport link that is so important to the region. Some 100,000 vehicles rely on this link every day. With a diameter of 14 meters, the tunnels are the second-largest in the US created with the help of a boring machine.

In parallel to the subterranean work, the structure of the existing bridges is being either renovated or replaced. A total of 57,000 cubic meters of concrete is being used for the realization of this project. Sika is responsible for providing all the admixtures required to ensure that the concrete meets the rigorous project requirements in respect of solidity and durability. Products used include SikaControl®-75, which minimizes drying shrinkage, and SikaCem®, which guarantees a high level of early and final strength. Sika's recently opened manufacturing plant in Stafford, Virginia, is ideally situated to supply the products to the customer. Opened in 2022, this admixture plant is located close to the building site.

WATERPROOFING FOR ENHANCED CONCRETE DURABILITY

Numerous Sika products were used during the bridge and tunnel construction project. For example, about 75,000 square meters of waterproofing membranes (Sikaplan®) and substantial volumes of internal sealing strips (PVC Water Barrier Waterstop) were used at the entry and exit portals for the tunnel to protect against water leakage and enhance the durability of the concrete structure.





LOS ANGELES INTERNATIONAL AIRPORT

LAX MODERNIZATION

It is the largest public works program in the history of Los Angeles – the modernization and extension of the LAX international airport is nearing completion. Sika has contributed several important solutions to this project of the century.

14 years after the project launch, the modernization program for the LAX international airport in Los Angeles will be completed in 2023. The project, which cost approximately CHF 13.8 billion, involves the renovation, remodeling, and extension of the infrastructure both inside and outside the airport. Meanwhile, LAX has continued to handle higher passenger numbers than most other airports can cope with. Before the pandemic, over 88 million passengers traveled through Los Angeles international airport every year. Only Beijing (100 million) and Atlanta (110 million) processed a higher level of yearly passenger traffic. To enhance comfort and convenience for the hundreds of thousands of daily passengers, the airport has been modernized with upgraded and expanded infrastructure, as well as multiple new constructions.

SEAMLESS CONNECTION TO PUBLIC TRANSPORTATION

Elements that will significantly improve the passenger experience include the car rental facility and the automated train system, which operates on an elevated guideway. To date, the car rental operations at LAX have been spread across the surrounding areas. Over 3,000 trips per day are necessary to transport passengers to and from the car rental facilities and the terminals. These will now be eliminated. The new facility will house over

18,000 rental cars at a single location with a direct connection to the automated train. This Automated People Mover (APM) significantly strengthens public transportation options and will seamlessly connect three “on-airport” stations with Metro Rail and transit services. This long-awaited connection closes a gap and makes it possible for greater passenger numbers to travel to and from the airport with public transportation.

SIKA SOLUTIONS FOR ROOFING AND FLOORING

Sika contributed several solutions to the construction of the car rental facility and APM system. The parking structure at Terminal 7 also was built with the help of Sika products. Various roofing and flooring systems were used on the recommendation of the lead architects, including the two-component waterproofing coating Sikalastic®-720 One Shot. Applied in a single step, the One Shot system replaces the standard traffic coating systems that must be applied in several stages. It also facilitates a fast turnaround, allowing structures to be opened to traffic only 36 hours after application.



PARKING GARAGE, SEEDAMM-CENTER

FIT FOR THE NEXT FEW DECADES

The parking garage of a shopping mall in Pfäffikon, Switzerland, was almost 30 years old and needed renovation. Sika solutions made this modernization possible without interrupting the day-to-day operations.

After an in-depth analysis of the parking garage at the Seedamm shopping mall, it was clear that the structure – which dated back to 1984 and had usable floor space of 13,000 square meters – required comprehensive renovation. Aside from repairing the concrete structural parts, the hard concrete coverings and the coating of the parking, driving, and ramp areas all needed renewal. Technical installations such as lighting and fire protection facilities had likewise reached the end of their lifecycles.

At the same time, it was crucial for the shopping mall to keep as many parking spaces as possible free for customers during construction. Thanks to Sika solutions, this requirement could be fulfilled. Out of the three parking levels, two were always open while repair work was carried out. The renovation of connecting ramps was undertaken outside of opening hours – during weekends or evenings – to avoid interrupting the flow of customer traffic.

SIKA PRODUCTS – FOR COMPREHENSIVE PROTECTION

Sika offers a broad spectrum of parking deck coatings for various applications and structures. These protect car parks from thermal, chemical, and mechanical stresses, wear and tear, as well as corrosion. To make the Seedamm-Center garage “fit” for the next few decades, at least 20 Sika products were used. Sika’s reprofiling and grouting mortars were used for the renovation of the concrete structures. The intermediate decks and ramps, which are divided by an existing dilatation joint, were sealed with the Sikadur-Combiflex® SG system, which can handle significant amounts of movement. By integrating a Sika joint profile, a high-quality and sealed dilatation joint was achieved. Dilatation or expansion joints prevent stress cracks. These are required in construction with longer concrete sections.

SPEED WITHOUT COMPROMISE

With the existing hard concrete, low adhesive properties made a coating impossible. This was solved by enhancing the new surface with a Sika hard-concrete additive to ensure height leveling with improved properties. For the connecting ramps, a Sikafloor® system facilitated rapid machine-based application that allowed traffic to flow freely again as fast as possible without compromising any mechanical and chemical resistance.

RENOVATION OF THE HIGHWAY PRAGUE – BRNO

CZECH REPUBLIC RENOVATES LONGEST HIGHWAY

One of the most important traffic structures in the Czech Republic was fundamentally renovated and expanded.

The highway D1 is the backbone of long-distance transport in the Czech Republic and the longest, oldest highway in the country. But despite the complete renovation of a 160-kilometer stretch, the flow of traffic between the Czech capital Prague and the commercial and research hub of Brno had to be preserved. For this reason, the work was carried out in 20 sub-sections over eight years. The renovation and expansion also extended to 92 highway bridges, 35 flyovers, and various rest areas.

INVESTMENT IN SAFETY

In addition to the repair and modernization of the existing infrastructure, the road was also widened by adding 0.75 meters on each side – and in particularly important stretches by incorporating a further additional lane. The comprehensive construction work also included installation of new high-security barriers, modernization of the existing emergency call system, and the erection of fences – all measures designed to significantly enhance safety. At the same time, noise protection measures and four new bio-corridors were introduced. No fewer than 13 bridges were renovated and expanded without being taken out of service at any point. This was essential given the D1's great significance as a key national transport axis. A significant contribution to environmental protection was made by recycling old concrete.



A PROJECT OF VITAL IMPORTANCE

The modernization of the D1 was the largest highway renovation and expansion project ever carried out in the Czech Republic, involving both national and international transport construction companies. Sika products were used in most bridge constructions, flyovers, bio-corridors, culverts, and other construction objects: This included waterproofing bridge structures with a complete system of epoxy anchor layer and bituminous membranes, system solutions for the renovation and protection of concrete such as Sika Monotop®, coatings such as Sika Icolflex®-101, and water-repellent solutions like Sikagard®-700 S.





Innovation driving net zero **Beyond the Expected**





Patricia Heidtman,
Chief Innovation and
Sustainability Officer
and **Philippe Jost**,
Head Construction,
Members of Group
Management

CLEAR COMMITMENT TO SUSTAINABILITY

Sika's research and development activities are designed to generate long-term customer benefits in alignment with net zero emissions targets. But sustainable innovations do not come about by chance – they require unwavering commitment from the whole organization.

Innovation is a fixed part of the Sika culture. More than 1,330 employees in 21 global technology centers, as well as 64 local and 19 regional research and development facilities, work on finding innovative solutions. They are in constant dialogue not just with experts from other corporate areas, but also with customers, suppliers, tertiary education institutions, and start-ups. With its openness to new developments, Sika has evolved into a recognized global technology leader.

“The road to net zero goes hand in hand with cultural change.”

Patricia Heidtman

NET ZERO REQUIRES CULTURAL CHANGE

Sustainability is also an area in which Sika is very much a pioneer. “The road to net zero goes hand in hand with cultural change,” emphasizes Patricia Heidtman, Chief Innovation and Sustainability Officer and Member of Group Management. “Sustainable solutions are not created out of the blue just because someone suddenly has a brilliant idea. The whole organization needs to commit to this objective – from product development to marketing to sales.” She also emphasizes the importance of taking a holistic view, as sustainability has several different dimensions. “It's not just about the CO₂ footprint of individual products. The efficient use of materials and the extension of building lifecycles also contribute to sustainability,” explains Patricia Heidtman.

TAPPING INTO NEW EXPERTISE

In addition to its own research and development activities, Sika enters strategic partnerships to promote innovation. This involves making a conscious effort to engage with concepts outside of its normal purview. “In areas where we are already a technology leader, we don't necessarily need external expertise,” points out Philippe Jost, Head Construction and Member of Group Management. “But in areas where we have less expertise – for example in digitalization or biobased materials – we are open to all sorts of possible approaches and forms of cooperation.”

MOTIVATING CUSTOMERS WITH PERFORMANCE AND SUSTAINABILITY

To Philippe Jost, it is clear that new competencies are more necessary than ever to reach net zero targets while meeting the needs of all stakeholders. “Sustainability places higher requirements on products, and the circular economy calls for all stakeholders to work together.” This development opens numerous opportunities for Sika, as the company has always put the focus on quality and innovation. In product development, Sika strives to offer both performance and sustainability benefits. “We must never lose sight of the needs of our customers. For many customers, sustainability is now just one attribute alongside many others – such as compressive strength or durability,” explains Philippe Jost. “If our products are sustainable while exhibiting strong technical characteristics, then we can also motivate customers who are not yet that sensitive to the issue of sustainability.” It's not just Sika that profits from the success of these products, but also the environment and the climate.

“Sustainability places higher requirements on products, and the circular economy calls for all stakeholders to work together.”

Philippe Jost

COOPERATION IN CLINKER REDUCTION AND THE CIRCULAR ECONOMY

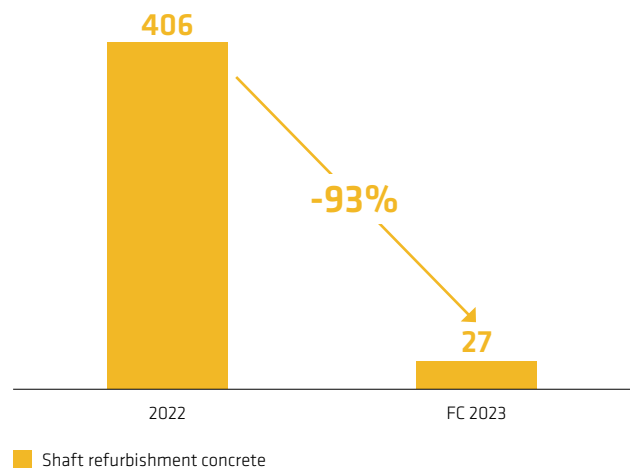
Sika's activities to promote a resource-saving, sustainable construction economy are multifaceted. One success story is the company's collaboration with the world's largest iron ore mining company, the Swedish firm LKAB. The two companies jointly developed a “Zero Cement” shaft renovation concrete – an innovation of great significance. This “Zero Cement” concrete will be used in 2023 for the renovation of 38 pit shafts at LKAB's Kiruna mine in the north of Sweden, the largest iron ore mine in the world. Around 100,000 cubic meter of the new “Zero Cement” concrete will be used annually. The CO₂ emissions released in the production of this shaft renovation concrete in 2023 will be reduced by 93% compared to 2022.

“In the development of the ‘Zero Cement’ System, LKAB and Sika moved away from the traditional customer-supplier relationship and jointly developed an innovative system that benefits both parties equally,” explains Benjamin Krutrök, Team Manager at LKAB Berg & Betong AB, Sweden. Martin Hansson, Key Project Manager at Sika Global Mining, stresses that both companies are keen to continue their successful collaboration: “In the next step we will be developing a ‘Zero Cement’ shotcrete.” Going forward, the Kiruna mine is expecting to use about 100,000 cubic meter of this product each year as well.

In its collaboration with international cement manufacturer Cementir Group, Sika reviewed the use of Limestone Calcined Clay Cement (LC3) in various concrete applications. For the use of LC3, Cementir developed a proprietary technology known as FUTURECEM®, for which Sika is supplying various cement additives and concrete admixtures. For the construction industry, LC3 technology is an important initiative on the road to achieve the net zero target, as it facilitates a reduction in the amount of clinker required by about 50%. There are some potential challenges in its application linked to water requirement, workability, and early strength. Sika and Cementir have already tested several concrete applications in field tests. The results were convincing, as all challenges were mastered.

SIKA AND LKAB – “ZERO CEMENT” CONCRETE

CO₂ kg/m³



Innovation is part of Sika's DNA. More than 1,330 employees worldwide are working on new, powerful, and sustainable solutions.

FORMULATION – THE KEY TO SUCCESS

Concrete is the world's most frequently used construction material and demand for it will only increase over the coming years. Given this reality, new ideas are needed for the construction industry to meet its net zero targets. With its cement additives and concrete admixtures, Sika already makes a key contribution to CO₂ reduction and is carrying out in-depth research into new solutions.

In November 2022, the world population passed the eight-billion mark. According to UN forecasts, the number of people on the planet will peak in the 2080s at around 10.4 billion. As humanity faces this future, it will be a particular challenge for the construction industry to achieve net zero targets. Concrete contains about 80% aggregates and water and around 15% cement. A few decades ago, clinker accounted for 95% of cement. However, thanks to concrete admixtures and additives, the clinker content has been continuously reduced through the introduction of alternative binders. Nevertheless, the production of clinker is still responsible for up to 8% of all global carbon dioxide emissions.

ENABLING CLINKER REDUCTION

Cement substitutes that reduce the proportion of clinker make a significant contribution to the reduction of CO₂ emissions. The demand for these materials is considerable, as the construction industry aspires to – and must – reduce its CO₂ footprint. Sika is therefore anticipating that the market volume of supplementary cementitious materials – or SCMs for short – will roughly double to around CHF 37 billion between 2022 and 2030. Yet

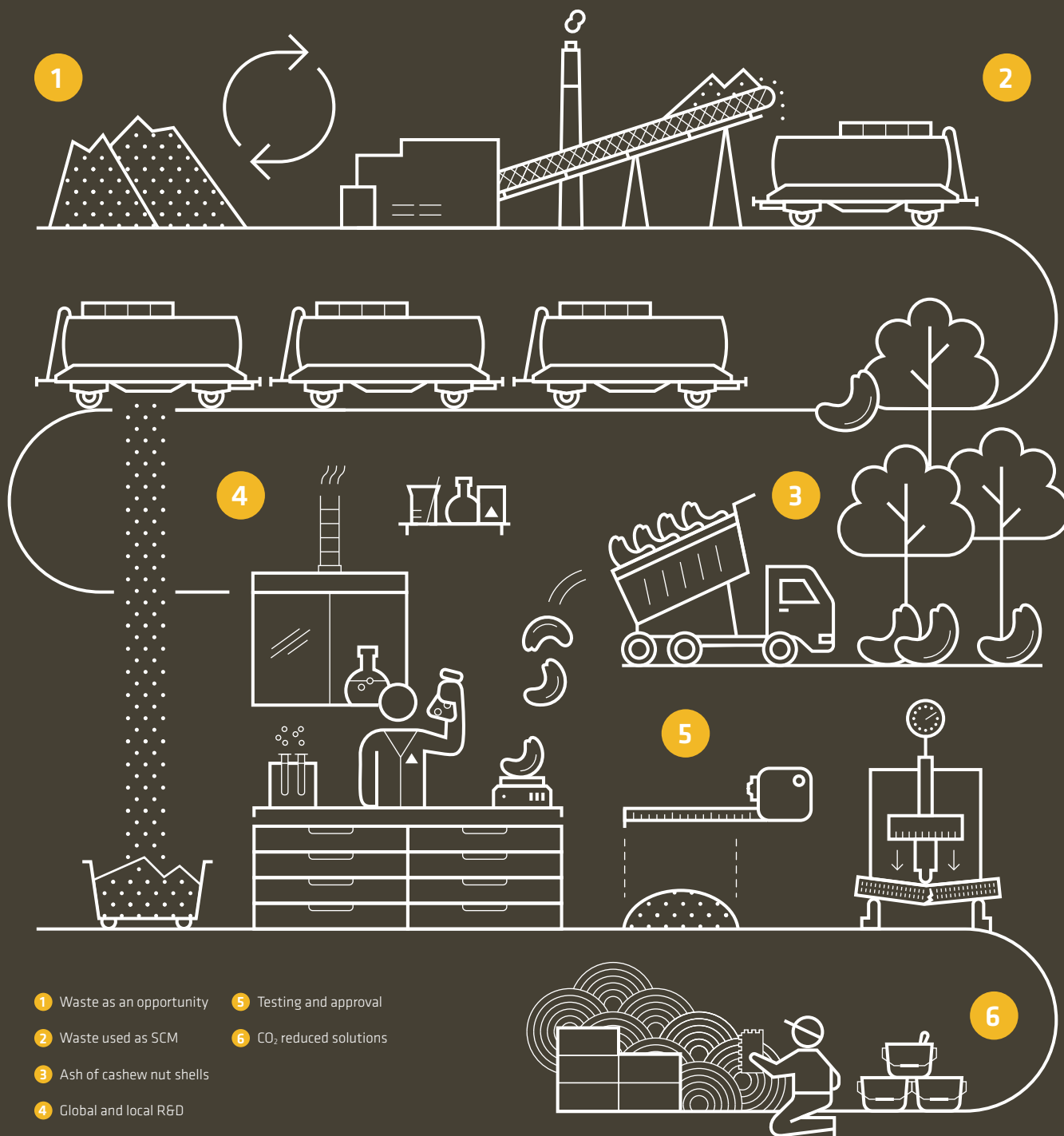
there is a major challenge to be overcome because the quantity of available SCMs is currently limited. That's why Sika is working intensively on new additives and concrete admixtures to enable the use of a variety of SCMs so that the clinker content in cement can be reduced. "As a leading company, we have a responsibility to drive solutions to reduce the amount of clinker in cements and increase the use of substitutes," emphasizes Evelyne Prat, Core Technology Head Cementitious Technology at Sika.

CASHEW SHELL ASH AS A CEMENT SUBSTITUTE

Sika's national subsidiaries are carrying out impressive research locally into new additives and concrete admixtures that can facilitate the use of new SCMs. A good example is Ivory Coast, where Sika is now using the ash of cashew nut shells as a cement substitute. In the newly developed tile adhesive SikaCeram®-80 CI, the ash of these shells replaces a proportion of the cement, which in turn reduces the CO₂ footprint of the product by around 30%. Demand for the new product has been impressive: about 250 tons were produced in the first two months after the launch in 2022.



In Ivory Coast, Sika uses cashew shell ash (pictured: cashew tree with its fruits) as a substitute for cement. The shell ash replaces part of the cement in the tile adhesive SikaCeram®-80 CI.



THE CHALLENGE OF FORMULATION

Sika is looking to partially replace cement in all mortar categories over the next few years. The goal is to increase the substitution rate – which averaged 14% in 2022 – to 50% by 2025. However, products must meet or exceed Sika's high-quality requirements. "The key to success is the right recipe," explains Evelyne Prat. This requires considerable specialist knowledge, as formulating the optimum recipe is challenging in solutions that involve different SCMs. But as a specialist in the construction chemicals area, Sika is mastering this challenge. "The great thing is that our solutions with SCMs exhibit even better performance qualities than customary products with a higher proportion of cement," explains Evelyne Prat. Sika has recently brought an array of high-quality products to market. These include Sikagard®-5500, the first bio-mass-based concrete protective coating, and the two mortars SikaGrout®-800 and 3320. All these products have a 30% to 40%

lower CO₂ footprint while also impressing with their technical performance. Furthermore, the company will launch its first cement-free tile adhesive in 2023 in the form of SikaCeram®-252 Impact. This results in 50% lower CO₂ emissions than a conventional product, with easier and more flexible application.

MARKET REACTS POSITIVELY

Continuous and profitable sales growth shows that these products are being well received by the market. Sika has already contributed to several major projects with its sustainable products. These include the Bono suspension bridge near Vannes, France, which involved the use of the repair mortar Sika MonoTop®-4012 F. Waste material replaces a proportion of the cement in this product.

INTERVIEW WITH EVELYNE PRAT

THE RECIPE FOR SUSTAINABLE SOLUTIONS



"It's much easier to formulate a beauty cream than a mortar."

Evelyne Prat, Core Technology Head
Cementitious Technology

How did you get into the construction chemicals business? What's your background?

I am a chemist with some background in personal care. You have no idea how close they are, cosmetics and mortars. It's all about texture, esthetics, and the holistic experience of the applicator. Actually, it's much easier to formulate a beauty cream than a mortar, although we do sometimes use the same ingredients, especially when it comes to getting the right texture for our mortars. This is important, because what we're selling is the signature of the product: how it's perceived by the applicator. I remember way back in my career, I went to a job site and the guy told me, "Oh yes, with your product, the speed of application is much faster. And at the end of the day, I'm not tired at all." The applicator's practical experience provided us with the best sales argument.

Does this mean that the sustainability of the products is secondary?

No, not at all. As part of Sika's commitment to net zero targets, we've recently launched a series of mortar and grout products with low cement and clinker content. These products are better in terms of both sustainability and performance, including safety, early strength, final performance, and comfort in use. The low clinker content is important

because clinker, the main component of cement, is the biggest contributor to CO₂ emissions in the construction industry along with steel.

What excites you about your job?

In cosmetics, you change the recipe for a product every two years. In construction, the development cycles traditionally have been much longer. Now things are changing and we will move much faster to innovate the chemistry that goes into the mortars. It's a great opportunity to act to change things in construction. We're living in exciting times!



Read the whole
interview on [sika.com](https://www.sika.com)

CONQUERING THE CONSTRUCTION INDUSTRY WITH ROBOTS

In the summer of 2022, Sika joined forces with formwork and scaffolding application specialist PERI to invest in the Swiss start-up MESH AG. This young company developed the world's first robot-assisted technology that allows complex reinforced concrete structures to be produced without formwork.

MESH AG is a spin-off of ETH Zurich. A team of scientists headed by Ammar Mirjan developed the new technology over ten years of research. For MESH AG, partnering with global experts Sika and PERI is ideal to help gain a foothold in the market. For Sika, MESH is more than just an innovative digitalization and automation project. It will also open interesting sales opportunities. "For each cubic meter of concrete, MESH technology requires more admixtures than conventional formwork concrete," explains Carsten Rieger, Corporate Market Development Manager Target Market Concrete at Sika.

STEEL-MESH STRUCTURE AS REINFORCEMENT AND FORMWORK

MESH AG combines 3D technology and robotics. Based on a concept or project idea, specialists create a 3D computer model and convert the data into a machine code for production. Robots then produce so-called reinforcement cages for the desired structure precisely and rapidly. The different modules are subsequently put together on the construction site and filled with concrete. At this point, Sika admixtures ensure that

the concrete can be embedded in the steel cages with standard pumps without spilling out.

MASSIVE COST REDUCTION

MESH technology makes it possible to produce cost-efficient complex geometries. "Special forms are often not even considered in architecture on cost grounds. With robot-assisted production, by contrast, complexity does not give rise to any additional costs", explains CEO Ammar Mirjan. A comparison based on a double curvature structure measuring 4 meters by 4 meters shows that MESH technology is 50% cheaper than conventional construction methods. Another key benefit is the saving on formwork, which avoids waste and saves costs.

At the Bauma construction machinery trade fair in Munich, there was plenty of interest in this technology from all over the world. "I am confident we will be able to implement our first projects in 2023", asserts Ammar Mirjan. The partners are aiming to make a big breakthrough in the German-speaking world first over the next few years before then conquering the world.



Read the interview
with Ammar Mirjan and
Carsten Rieger



TRANSFORMATION OF THE CONSTRUCTION INDUSTRY

The construction industry is not renowned for speedy changes. But megatrends such as digitalization, automation, and decarbonization are driving the transformation of this sector. When it comes to new ideas, Sika is a pioneer – as various projects demonstrate.

“We are currently witnessing a strong push towards sustainability in the construction sector. It’s very exciting,” says Evelyne Prat, Core Technology Head Cementitious Technology. Indeed, a lot is happening in the construction industry. Several megatrends are driving the transformation process, most notably digitalization, automation, and sustainability. The amount of venture capital invested in construction tech companies highlights this momentum: the volume rose from the equivalent of around CHF 81 million (over the period 2017–2019) to approximately CHF 137 million (2020–2022), an increase of 68%. Equally impressive is the more than 4,200 companies that have committed to the Science Based Target initiative (SBTi) to reduce

their emissions, in keeping with the findings of climate science. The number of construction companies signed up to the SBTi increased twelve-fold – from 13 to 156 – between 2019 and 2022, indicating the greater importance of “sustainability” and “net zero” in the construction sector.

FLAGSHIP PROJECT WITH SIKA TECHNOLOGY

Sika has likewise committed to the goals of the SBTi, and already offers its customers a wide spectrum of sustainable products. As a leading player in construction chemical products and systems, the company has been driving developments in this area for years, regularly bringing new solutions to the market to preserve the environment, resources, the climate, and to achieve net zero targets. These include Sika® ViscoCrete® and SikaGrind®, thanks to which several millions of tons of clinker can be saved every year. There is also the first cement-free tile adhesive – SikaCeram®-252 Impact – which Sika will launch in 2023. With its in-depth expertise, Sika also contributes to the success of flagship projects that point the way to the industry’s future, such as the Quay Quarter Tower in the center of Sydney. This skyscraper, which was originally built in 1976, had ceased to meet modern requirements after four decades of use. The floor areas and layouts had become unsuitable for commercial use, while the infrastructure and fit out standard were also in need of modernization. An obvious solution would have been a replacement newbuild. But the architects from 3XN, headquarter-



“We are already at the very forefront of developments when it comes to individual customer support. We now want to deliver this in the digital sphere too, as our customers have become used to purchasing online and obtaining information through digital channels.”

Philippe Jost

tered in Copenhagen and with offices in several other major cities (including Sydney), proposed an alternative way forward: a renovation that would involve keeping 95% of the building core yet delivering a modern structure with double the space. It was a revolutionary idea, but they achieved it (see interview with Aleksander Kongshaug on page 47). Today, the Quay Quarter Tower offers contemporary premises that contribute to the appeal of the surrounding district. What's more, the renovation enabled the building owners to not only save time and money, but also significantly ease the environmental burden. Among other things, 23,000 cubic meters of concrete and 12,000 tons CO₂ were saved. Sika made a key contribution to the successful realization of the project. The existing concrete – which dated back more than 40 years – had to be strengthened to last for another century and the building had to meet modern standard. The high requirements on the concrete renewal could be achieved thanks to Sika carbon fiber reinforcing systems which were utilized to strengthen the existing structure. This contributed to increasing the height, adding additional floor space, and extending the lifecycle of the building. In addition to the structural strengthening, Sika supplied fire rated joint sealants, floor leveling products, waterproofing, concrete repair mortars, and concrete admixtures.

PENETRATING MARKETS WITH FUTURE PROMISE

Sika is keen to evolve not just in its established domains, but also by strategically expanding its portfolio to tap into new long-term growth potential. For this reason, the company is deliberately expanding its offering of digital services and bringing out its first solutions in this area, such as consumption already at the very forefront of developments when it comes to individual customer support. We now want to deliver this in the digital sphere too, as our customers have become used to purchasing online and obtaining information through digital channels,” explains Philippe Jost, Head Construction and Member of Group Management.

ROBOTS PRODUCE COMPLEX FORMS OF CONCRETE

In automation, Sika is active in 3D printing and robot technology. In 2022, Sika participated in the ETH spin-off “MESH,” which is the first company in the world to use robots to produce complex reinforced concrete structures without formwork (see article on page 43). Sika has developed special admixtures that facilitate concreting into steel reinforcement mesh without the

need of formwork. Thanks to an automated construction method based on 3D plans and the use of robots, special forms that would otherwise only be achievable with time-consuming manual labor can be implemented cost-effectively. This opens up new design possibilities for architects and building owners alike. “MESH is innovative and offers valuable customer benefits – it's very much a flagship project from our perspective. As a leading company, we want to help drive its successful development,” Philippe Jost emphasizes.



Thanks to its expertise, Sika makes flagship projects such as the Quay Quarter Tower in the heart of Sydney possible: Sika solutions have played a significant role in the renovation of this building, which dates from 1976, and have allowed the amount of usable floorspace to be doubled.

A WIN FOR USERS AND THE ENVIRONMENT

The Quay Quarter Tower in Sydney shows how structures in need of renovation can be modernized in a smart and sustainable way. This skyscraper now has twice as much usable floorspace as the original building. What's more, the renovation required far fewer resources and generated less carbon emissions than a replacement newbuild.

95%

OF THE EXISTING CORE
(WHITE) PRESERVED

12,000 TONS

OF CO₂ EMISSIONS SAVED

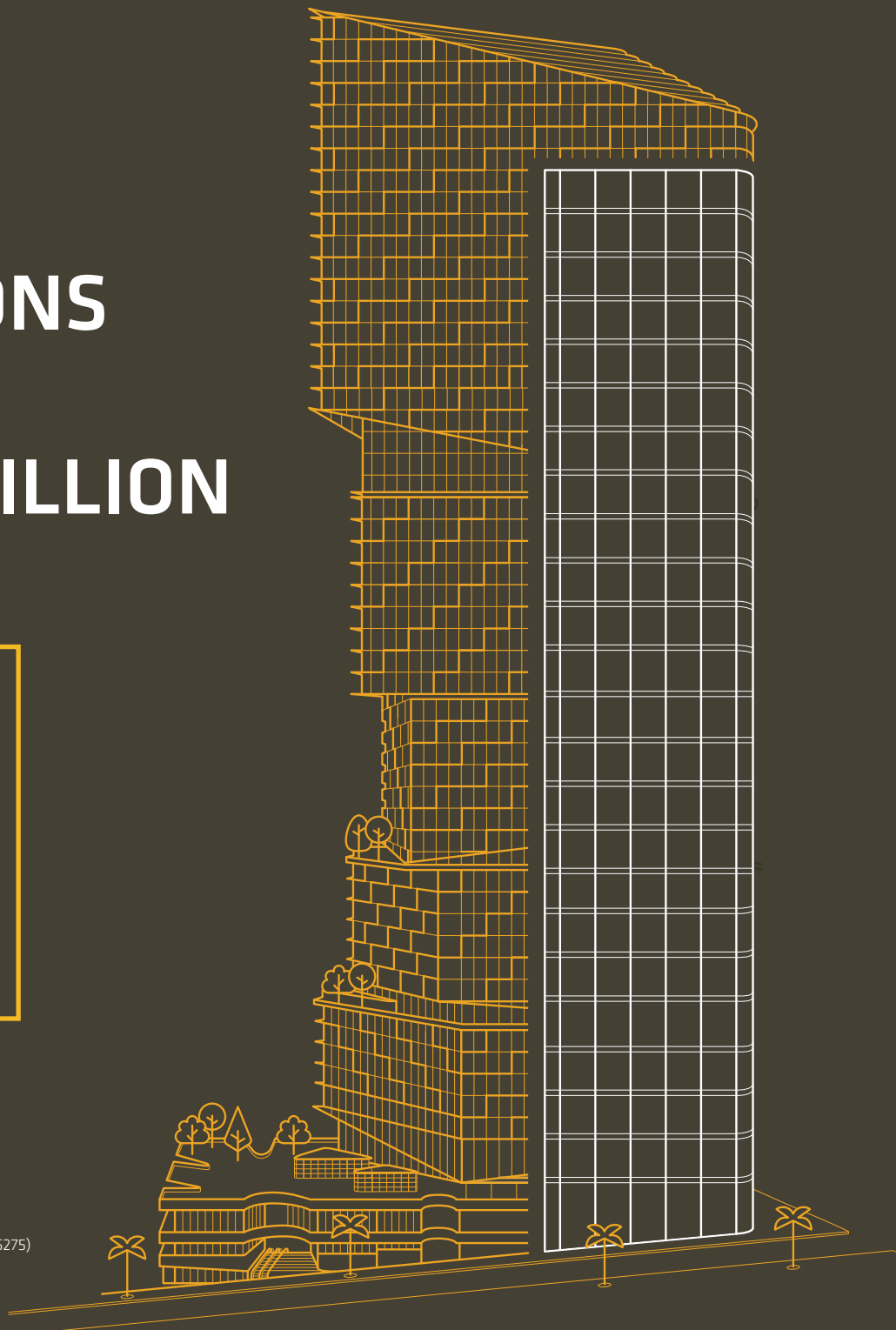
CHF 85 MILLION

IN BUILDING COSTS SAVED

QUAY QUARTER TOWER

The Quay Quarter Tower (QQT) lies on the periphery of Sydney's vibrant Circular Quay. The current building has been "upcycled" from the original AMP Centre skyscraper built in 1976, which no longer fit modern needs. The QQT opened at the start of 2022, is 206 meters high and has 59 floors.

Exchange rate: Year-end rate 2022 AUD/CHF (x 0.6275)



HOW TO RECYCLE SKYSCRAPERS



Aleksander Kongshaug is an award-winning Danish architect working for 3XN/GXN Architects in Copenhagen, the studio responsible for the new QQT. Trained at the Royal Danish Academy of Architecture and ETH Zurich, his career has also taken him to the US, the UK, Latvia, and Oman. He is a published expert in areas including circularity, green building, and extreme environments.

“Adaptive reuse has become the new baseline for architecture – how we view the built environment, and what the possibilities there are to extend the longevity of an existing building.”

Aleksander Kongshaug

Many people recycle their waste. But whole skyscrapers? Is the new Quay Quarter Tower (QQT) in Sydney the biggest recycling project in human history?

I don't know about that, but it's definitely a massive one within architecture. The QQT has set a new base-line for architecture and what's doable to extend the longevity of an existing building.

Readers can see how cool the building is from the magazine. But it's even cooler when you understand the construction process. Can you briefly explain it?

We completed an adaptive refurbishment of a 1976 skyscraper in Sydney to double the area of the floor plate to 2,000 square meters. We reused two-thirds of the existing building overall, keeping 95% of the core. This allowed us to increase the floor space without creating a structure that overshadows its surroundings.

Was it difficult to sell such an unusual idea to the client? What persuaded them?

Our design saved 12,000 tons of CO₂. But even the best sustainability arguments won't convince a developer unless there's a strong economic case. Retaining 23,000 cubic meters of the existing concrete and reducing the building and demolition time by nine months saved them a lot of money. But alongside financial considerations, another

motive was good citizenship: our sustainable design positioned the developer as a thoughtful, responsible neighbor who adds life and gives back to the city.

What role did Sika's products and expertise play in the design and construction of the building?

Without Sika's products and expertise, we wouldn't have been able to retain the 23,000 cubic meters of concrete, which is basically the entire core of the building. Without that know-how, we couldn't have reinforced it to extend its lifetime by another 100-plus years.

Is there much potential for this kind of adaptive reuse?

Absolutely. We must build to keep pace with population growth. In London or New York, and cities all around the world, there are huge numbers of office buildings from the 60s, 70s, 80s, and 90s that are no longer fit for purpose. We need to upcycle the value embedded in them. The QQT shows what's possible.



Read the whole
interview on [sika.com](https://www.sika.com)

WIND ENERGY

WIND POWERED BY SIKA

Sika has established itself as a respected partner worldwide in the construction of wind power plants. With products developed specially for wind turbines, Sika facilitates the construction of higher towers, longer rotor blades, shorter construction times, longer lifecycles, and lower CO₂ footprints.

Market potential by 2030 estimated at

CHF 800 million

Sika products make a crucial contribution to the performance, reliability, longevity, and sustainability of wind farms. In short, Sika products help manufacturers build turbines with higher performance.

THE LONGER THE BLADE, THE GREATER THE CHALLENGE

Larger blades are becoming more popular because they allow wind turbines to capture more wind and produce more electricity than shorter blades. However, longer rotor blades also bring new challenges: "The longer the blades, the higher the loads on the structure and the more critical excellent fatigue performance become," explains Claire Thorey, Global Head of Renewables and Equipment Manufacturing at Sika. In the worst-case scenario, cracks appear that can lead to a premature failure of the turbine. This is where Sika can help. The company supplies a complete range of innovative solutions that have been developed for the particularly demanding performance requirements of wind turbines manufacturers and installation contractors. These include products for the manufacture, installation and maintenance of the foundations up to the rotor blades.





EXPERTISE IN ENGINEERED MORTARS

Building the wind tower foundation requires special expertise, and specifically engineered products for these applications. The grouting mortar used for the wind turbine tower must be able to withstand the huge loads emanating from the operating turbine as these are transferred to the foundations. “Our vast experience in the construction industry makes us experts on engineered mortar for wind power plants,” explains Claire Thorey. Sika constantly enriches its already large range of solutions for steel and concrete towers, for instance with grouts containing particularly low amounts of cement. This allows CO₂ reductions of up to 30% compared to standard solutions.

One good example of a current project is the construction of the Etoloakarnania wind energy park in Greece. With 11 wind turbines, the park is situated in the town of Aktio-Vonitsa in the Acarnanian Mountains. SikaGrout®-3200 was the grouting mortar used for filling the structural void between the foundation and metal flanges of the wind turbines. This is a fast-hardening, free-flowing, single-component mortar that achieves high strength and outstanding fatigue performance. Sika developed it specially for filling joints and grouting foundation of onshore steel wind turbines.

BONDING TURBINE BLADES 102 METERS LONG

Sika also plays a leading role in the development of adhesives and sealants for rotor blades. In the construction of a new offshore windfarm using 11 MW turbines in China, rotor blades measuring 102 meters in length were successfully bonded with SikaPower® epoxy adhesive. Sika originally developed this patented Smartcore technology for the automotive industry to provide best-in-class toughness without any compromise in mechanical performance.

Sika is helping revolutionize the construction of modern wind power plants. The accelerated expansion of renewable energies can be expected to double the world’s wind power capacity by 2030, and Sika anticipates market potential of CHF 800 million in this area by the same year.



GETTING THERE FASTER AND LIGHTER



The battery is the heart of electric vehicles. It's the battery's construction features that determine the power and sustainability of electric drive systems. Sika is a pioneering developer of battery assembly products.

With its range of adhesives and sealants, Sika is a leading supplier to the global vehicle manufacturing industry. Sika is also well-positioned to benefit from the increasing demand for electric vehicles worldwide.

RAPIDLY INCREASING DEMAND

Approximately 47 million electric vehicles will be built by 2030 – four times the annual production in 2022. This massive increase is being propelled by governments as transport accounts for about 20% of global CO₂ emissions, making it the second biggest emitter of carbon dioxide. Governments' net zero pledges and regulations are the biggest drivers of growth in this sector.

GREEN MOBILITY

INNOVATIONS ENABLING MORE SUSTAINABLE BATTERIES



DESIGN

UP TO 70% GHG
REDUCTION

Low impact raw materials
Easy assembly



USE

UP TO 35% WEIGHT
REDUCTION

Lowest density
Compressible to thin gaps



END OF LIFE

ENABLE SECOND LIFE
OF BATTERIES

Contributes to safety
Easy disassembly

Up to now, however, the limited range of battery-powered vehicles has deterred many motorists from buying EVs. The capacity and efficiency of the battery systems are usually the critical selling point. “Here we can support our customers by offering high-powered solutions for improved heat management and make batteries stronger and safer,” says Nicolas Morel, Head Business Development Battery Solutions. Products in this area include gap fillers, thermal conductive adhesives, sealing and bonding solutions and fire protection coatings. These products enable optimum and simple assembly of the battery packs and extend their service life.

At the same time, Sika provides solutions that help to give batteries a new lease of life at the end of their normal lifecycle. These facilitate disassembly of the batteries so that the cells can be used otherwise. This technology is another area in which Sika has been playing a pioneering role, generating both ecological and economic benefits for carmakers. Sika’s market potential for battery management products and solutions goes far beyond passenger vehicles – extending, for example, to trucks, delivery vans, two- and three-wheeled vehicles, and construction machinery. As Nicolas Morel explains: “We’re in the midst of a paradigm shift: soon, new vehicles in all categories will be electric.” Sika is also using the expertise gained in e-mobility applications for systems that store renewable energy, like those for

charging electric vehicles. Nicolas Morel believes that by 2030, energy storage systems will make up about 15% of the total market potential. As demand in most regions is extremely dynamic, Sika sees plenty of opportunities for growth.

BATTERY SOLUTION EXAMPLES

- Sika’s thermally conductive adhesive solutions provide both heat transmission and electrical insulation for the assembly of battery cells in modules or packs.
- For the assembly of battery trays, Sika offers the widest range of sealants and adhesives.
- Fireproof products are incorporated to prevent the spread of fire in the event of a fault or overheating in battery cells and arrays or in the whole pack.
- In addition, Sika offers special fire protection coatings that subdue fires and prevent them from spreading quickly.



Sika technologies help produce larger, more sustainable batteries that allow EVs to drive farther and consume less energy.



Business Year 2022

Beyond sustainable performance



SIKA EXCEEDED CHF 10 BILLION SALES MARK RECORD EBIT ACHIEVED

Sika performed well against an increasingly difficult economic backdrop and exceeded the CHF 10 billion sales mark for the first time with sales of CHF 10,491.8 million. This corresponds to an increase in Swiss francs of 13.4% year-on-year. The currency effect came to -2.4%. Operating profit (EBIT) increased by 13.5%, reaching a new record figure of CHF 1,579.7 million. This equates to an EBIT margin of 15.1%.

RECORD FIGURES FOR SALES AND PROFIT

Not only did Sika achieve an all-time high in sales in fiscal 2022; it also set a record in profit. Price increases, rigorous cost management, efficiency gains, and synergies from acquisitions allowed the company to largely offset a significant rise in raw material costs. A profit from the divestment of the European industrial coatings business came alongside expenses relating to the MBCC acquisition. EBIT amounted to CHF 1,579.7 million (previous year: CHF 1,391.4 million) increasing by 13.5%. The EBIT margin expanded to 15.1% (previous year: 15.0%). Operating free cash flow came to CHF 865.2 million, and is therefore below the previous year's level (CHF 908.4 million) due to increased investments in the maintenance and expansion of factories.

GROWTH IN ALL REGIONS

Rising raw material costs around the globe were a prominent feature of fiscal year 2022, as well as a deceleration in the construction sector in the second half of the year. These developments can be attributed to high inflation and accompanying interest rate hikes.

With its broad-based business model and operational implementation speed, Sika quickly adapted to market conditions. The targeted exploitation of new business opportunities as well as the implementation of corresponding operational measures have contributed to growth in all regions (see detailed information on the regions on p.56).

SIKA ON THE PATH TO NET ZERO

Sustainability has been a key element of Sika's corporate strategy for more than a decade. As an innovation leader, the company develops sustainable solutions for the construction sector and industrial applications. Beyond this, innovations are playing a central role on the path to achieving the company's net zero target. By 2032, Sika will have reduced its GHG emissions by around 25% compared with the baseline year 2022, with this figure rising to 90% by 2050. In the year 2022, Sika was able to reduce CO₂e emissions by -6.9% per ton sold (scope 1 and 2).

MBCC ACQUISITION IN THE FINAL STAGES

The takeover of MBCC is now in the final stages. An agreement was signed with Ineos in January of this year for the purchase of parts of MBCC Group's admixtures business with sales of around CHF 920 million. Closing of the acquisition is scheduled for the first half of 2023. The acquisition of MBCC is set to be significantly value-enhancing for Sika. Together with MBCC, Sika intends to strengthen its growth platform and generate annual synergies of CHF 160-180 million.

DIVIDEND INCREASE AND OUTLOOK

At the Annual General Meeting on March 28, 2023, the Board of Directors will propose to increase the gross dividend by 10.3% to CHF 3.20 (previous year: CHF 2.90) given the record high earnings of 2022. This is aligned with the Group profit increase of approximately 10%. For 2023, Sika is confident that it can successfully continue its strategy built on sustainable and profitable growth even in a challenging economic environment. Thanks to its innovative technologies, Sika is the partner of choice for many customers in the construction and industrial sectors. In addition, the global construction industry is being shaped by the megatrend of climate change as well as by increasing automation, digitalization, and easy-to-apply products. With its broad product portfolio, Sika is well positioned to offer its customers solutions that allow them to reduce their carbon footprint while facilitating long-lasting, resource-saving construction. On top of this, Sika is benefiting from global, state-driven economic programs supporting infrastructure expansion and investments in climate protection.

For fiscal 2023, Sika expects sales to rise by 6-8% in local currencies and anticipates an over-proportional increase in EBIT (not including the impact of the MBCC acquisition).

FACTS & FIGURES 2022

In 2022, Sika once again posted record results for sales and profit. With a strong economic, environmental, and social performance, added value was generated to all stakeholders.

in CHF mn

Change in %

Net sales

10,491.8
+13.4%

EBIT

1,579.7
+13.5%

Net profit

1,162.5
+10.9%

ROCE

21.6%
+1.5% points

per ton sold

CO₂eq emissions (scope 1 and 2)

-6.9%

Water consumption -6.1%

Waste -3.3%

Employees 27,708
+2.4%

Proportion of women employees 24.0%

Proportion of women Group Management 25.0%

Lost Time Accidents per 1,000 FTEs 7.0
-23.8%

Acquisitions 2+¹

New / expanded factories 5

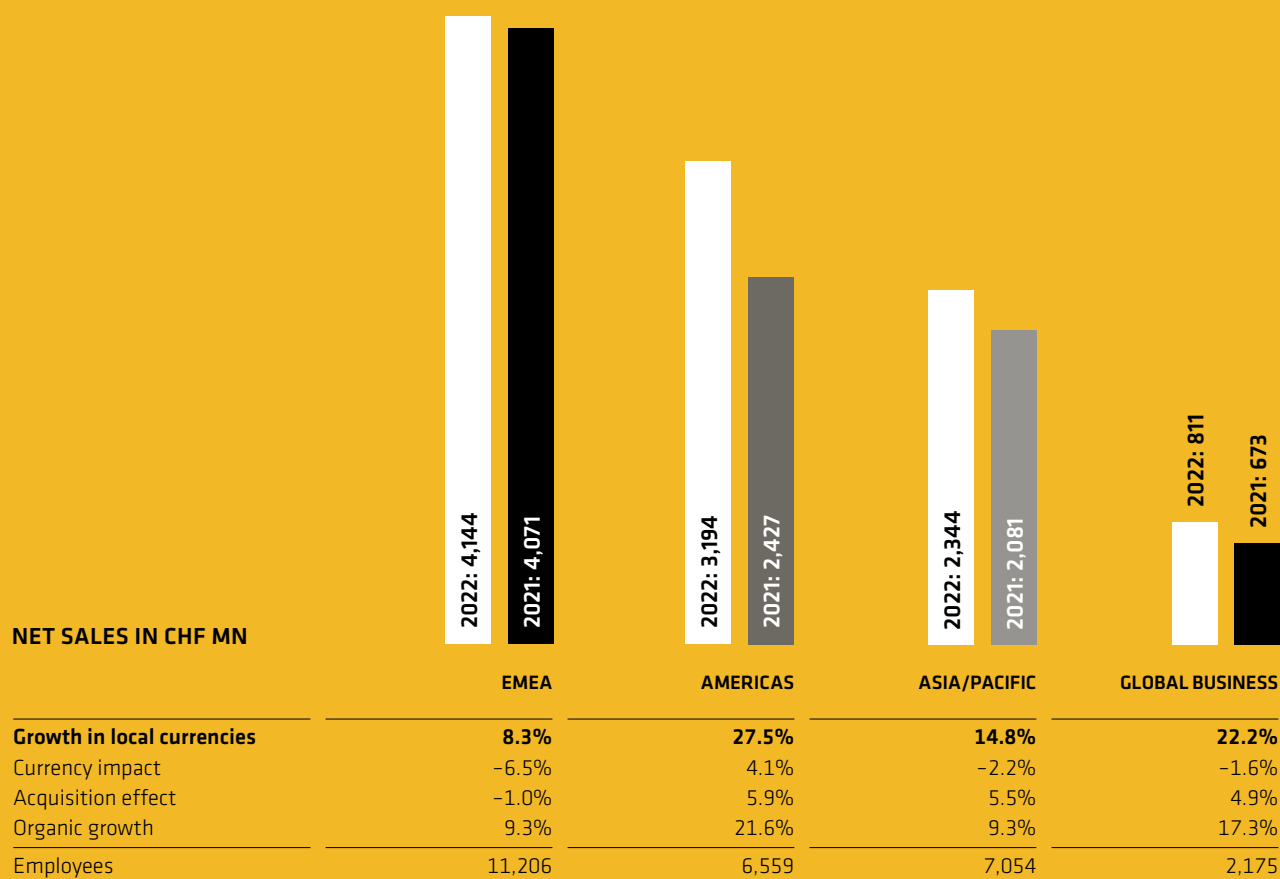
New patents 104

Inventions 168

Employees in R&D 1,334

Global Technology Centers 21

¹ Besides the two acquisitions, Sika has signed a definitive agreement to acquire MBCC Group. The closing of the acquisition is targeted for the first half of 2023.



ALL REGIONS REPORT GROWTH – SIKA PERFORMED WELL IN CHALLENGING MARKETS

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

REGION EMEA

Economic growth in the eurozone slowed noticeably last year and the euro depreciated. Both manufacturers and the service sector experienced a fall in order volumes. The construction industry likewise could not escape this trend. There were fewer residential and commercial construction projects in 2022, with expenditure up a modest 1.1% and 0.6% in these sectors respectively. By contrast, expenditure on infrastructure projects increased by 2.2%.

Whereas total spending in the Western European construction sector was higher than the previous year, with moderate growth of 1.2%, Eastern Europe saw a sharp -9% decline year-on-year. Dynamism was most apparent in the African and Middle Eastern construction markets, which grew by approximately 5%.

Economic stimulus programs and substantial investments in the renewable energy sector support Sika's business activities even in declining markets.

In the project business, Sika was able to supply several key construction projects with high-performance solutions. Among others, these included the Semmering base tunnel in Austria, which was sealed with Sika's waterproofing solutions, and the port of Dakhla in Morocco, which was expanded with the help of Sika concrete admixtures. Sika's high-quality products were also used in the realization of new factories for large key accounts in Germany, Ireland, and Romania.

Region EMEA
sales growth in local currencies

+8.3%

The **EMEA region** (Europe, Middle East, Africa) reported a sales increase in local currencies of 8.3% in 2022 (previous year: 16.1%). Sika's distribution business, which includes product distribution via home improvement stores, builders' merchants, and online platforms, saw a decline in sales volume. The extraordinarily high level of demand witnessed during the pandemic moved back into line with pre-pandemic era levels. In contrast, volumes in the project business, which account for around 60% of sales in the region, witnessed a smaller decline. Economic stimulus programs and substantial investments in the transitions of the energy sector support Sika's business activities even in declining markets.

The region's strongest growth rates were recorded in Africa and the Middle East, which once again achieved double-digit sales growth.

Sika moved to a new site in the East African country of Tanzania in 2022, and is now manufacturing mortar products in Dar es Salaam on top of concrete admixtures. It also extended its facility in Western Africa's Ivory Coast. This site is now double its previous size, enjoying not only additional manufacturing facilities but also new warehousing capacities, office space, and laboratories.

REGION AMERICAS

High rates of inflation and a rising interest rate environment were also dominant features of the Americas region. This caused declines in both residential construction and in retail trading. In Latin America, there were several changes of government in various countries due to elections, with short-term repercussions on the investment trend in construction. Nonetheless, Sika made the most of the business opportunities available in the overall region in a targeted way. The major metropolitan regions are generating above-average growth, and Sika is optimally positioned to benefit from the dynamism of the construction economy. Furthermore, several multi-billion-dollar investment programs to expand infrastructure are being implemented, and manufacturing processes are being reshored to the US.

Sika generated a large proportion of its growth from projects in the US infrastructure segment, which saw significantly higher activity in 2022 compared to the previous year.

The countries in Latin America likewise benefited from a high infrastructure investment, which has been fueled by strong urbanization trends. The expansion of public transportation networks has reached the implementation phase in several major cities, and investments are also being made in water treatment plants and reservoirs incorporating Sika solutions.

With Sable Marco in Canada and United Gilsonite Laboratories (UGL) in the United States, Sika acquired two companies in 2022 that sell their high-performance products via established distribution channels. Furthermore, a new mortar and concrete admixture production facility came on stream in Bolivia, and a new manufacturing plant for concrete admixtures is now operational near Washington D.C.

Region Americas sales growth in local currencies

+27.5%

The **Americas region** recorded growth in local currencies of 27.5% (previous year: 21.0%). Sika generated a large part of this growth from the US infrastructure sector, which saw a significantly higher activity in 2022 compared to the previous year. Construction work focused on the modernization and expansion of subway lines, bridges, tunnels, and freeways. High demand also came from investments in commercial construction projects, including stadiums and data centers. In addition, the USA is seeing large-scale investment in reshoring, which involves bringing industrial know-how back to the United States from Asia and constructing new manufacturing plants. This will open new business opportunities for Sika. Construction activity in large parts of the US was affected by the severe weather in December, which disrupted deliveries of some Sika products.

REGION ASIA/PACIFIC

The economic situation was strained in most countries across the Asia/Pacific region. Alongside the intermittent, radical COVID-19-related restrictions, the Chinese economy was hit by a crisis in the real estate market. At 3.2%, the increase in gross domestic product (GDP) was much lower than in the previous year (6–8%). By contrast, India developed much more dynamically, recording GDP growth of 6.8%. Expenditure in the construction sector increased by 6.6%. In addition, India is investing heavily in the expansion of its transportation infrastructure. Besides extending the rail network, huge sums are earmarked for investment in electric buses for local public transport by 2030.

Sika's Indian business activities continued to experience dynamic development, and double-digit growth was achieved in challenging markets in Southeast Asian countries once the numerous lockdowns were lifted.

Sika is active in all these markets with innovative technologies. As markets opened following the pandemic, this triggered an economic recovery in Southeast Asia. With overall GDP at approximately CHF 3,000 billion, the economic output of this region was above the pre-pandemic level. Particularly strong growth was recorded by Thailand, Singapore, Indonesia, the Philippines, Malaysia, and Vietnam, with growth rates ranging from 3.2% to 7.6%.

Sales in the **Asia/Pacific region** rose by 14.8% in local currencies (previous year: 19.4%). The distribution business in China benefited from ongoing strong growth momentum, recording double-digit growth rates, whereas the project business was heavily impacted by pandemic-related lockdowns in the first nine months of the year and by another wave of the virus toward the end of the year. Sika's Indian business activities continued to experience dynamic development, and double-digit growth was achieved in challenging markets in Southeast Asian countries once the numerous lockdowns were lifted.

Region Asia/Pacific sales growth in local currencies

+14.8%

In 2022, Sika opened a new plant for liquid membranes and mortar production in Chongqing, a city in southwestern China with 30 million inhabitants. With the commissioning of this plant, the Group is strengthening its market position in a fast-growing metropolitan area.

GLOBAL BUSINESS

In fiscal 2022, global automotive production grew by 6.2%. Growth stimuli were apparent in the second semester following an improvement in supply chain bottlenecks.

In North America, the volume of new vehicles manufactured rose to 14.3 million, which is almost 10% higher than the previous year.

The Chinese automotive market grew by 6%, with more than 26 million new vehicles produced. Local automotive manufacturers recorded particularly high sales of electric cars.

However, India displayed the greatest dynamism with impressive double-digit growth in new vehicle production of about 20%. The market is dominated by higher-specification vehicles, with an associated increase in materials built into the interior.

In the **Global Business**, Sika achieved growth in local currencies of 22.2% (previous year: 4.3%), and thus grew much faster than the market. High demand for new vehicles and a normalization of supply chains boosted business activity. For the automotive business, Sika is anticipating a recovery in the market over the medium term with continued growth stimuli from electromobility and alternative drive concepts in particular.

Sika anticipates a recovery in the market over the medium term, with growth stemming from electromobility and alternative drive concepts.

Global Business Segment sales growth in local currencies

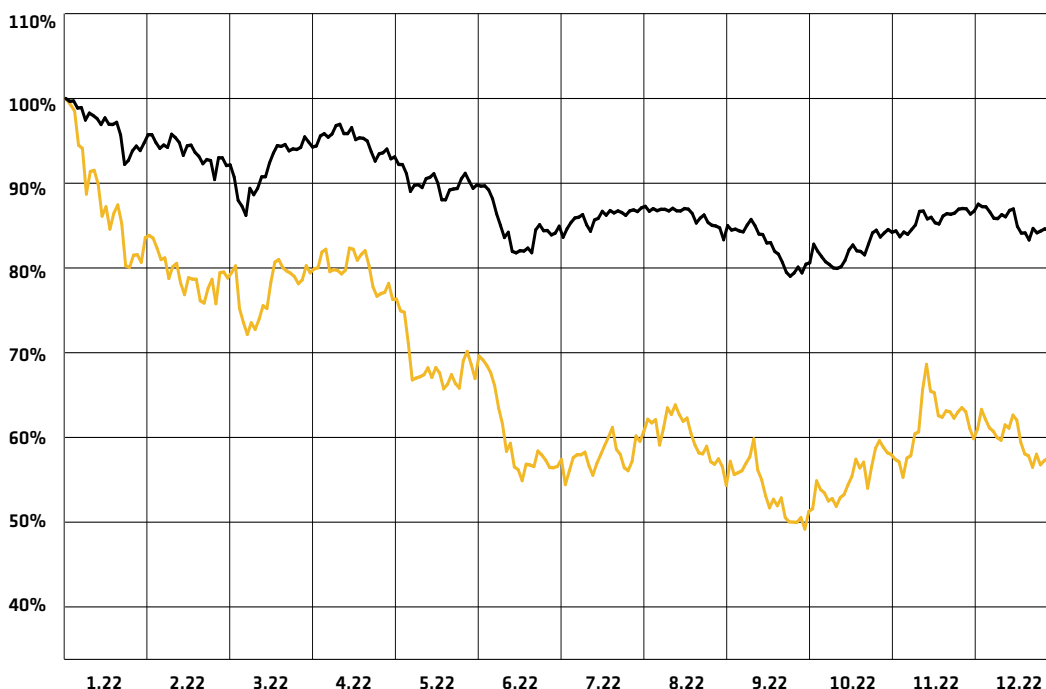
+22.2%

THE SIKA SHARE

In a market characterized by uncertainty as a result of the war in Eastern Europe, high inflation, and rising interest rates, quality growth stocks such as Sika did not perform as well as the overall market. The SMI lost 16.09% in 2022, while the Sika share declined by 41.69%.

SIKA VS SMI

1.1.2022–31.12.2022



-41.69 %

With a share price decline of -41.69%, the Sika share performed worse than the SMI Index.

CHF 221.70

Closing price of the Sika share at the end of 2022.

GLOBAL SHARE INDICES

in %

2022

SMI	-16.09
DAX	-12.17
Dow Jones	-9.4
Nikkei	-10.95
Sika share	-41.69

STOCK EXCHANGE RATIOS SIKA

in CHF

2022

Market capitalization as at 31.12.2022 in CHF mn	34,083.06
Yearly high	382.30
Yearly low	193.05
Year-end	221.70
Dividend 2021	2.90
Dividend 2022 ¹	3.20
Earnings per share (EPS) ²	7.57

¹ Pursuant to proposal to Annual General Meeting

² Basic earnings per share

GROUP MANAGEMENT

Sika's Group Management is a strong team of eight experienced executive managers that fully embody the Sika Spirit. Their respective careers within the Group have taken them to Sika regions and subsidiaries around the globe, and to various units within the company.



From left to right

MIKE CAMPION

Regional Manager
Asia/Pacific
With Sika for 25 years in Asia
and the USA

IVO SCHÄDLER

Regional Manager
EMEA
With Sika for 26 years in
Switzerland and the UK

PATRICIA HEIDTMAN

Chief Innovation &
Sustainability Officer
With Sika for 25 years in
Switzerland and the USA

THOMAS HASLER

Chief Executive Officer
With Sika for 34 years in
Switzerland and the USA

ADRIAN WIDMER

Chief Financial Officer
(CFO)
With Sika for 16 years
in Switzerland

RAFFAELLA MARZI

Head Human Resources
& Compliance
With Sika for 9 years in
Switzerland and Italy

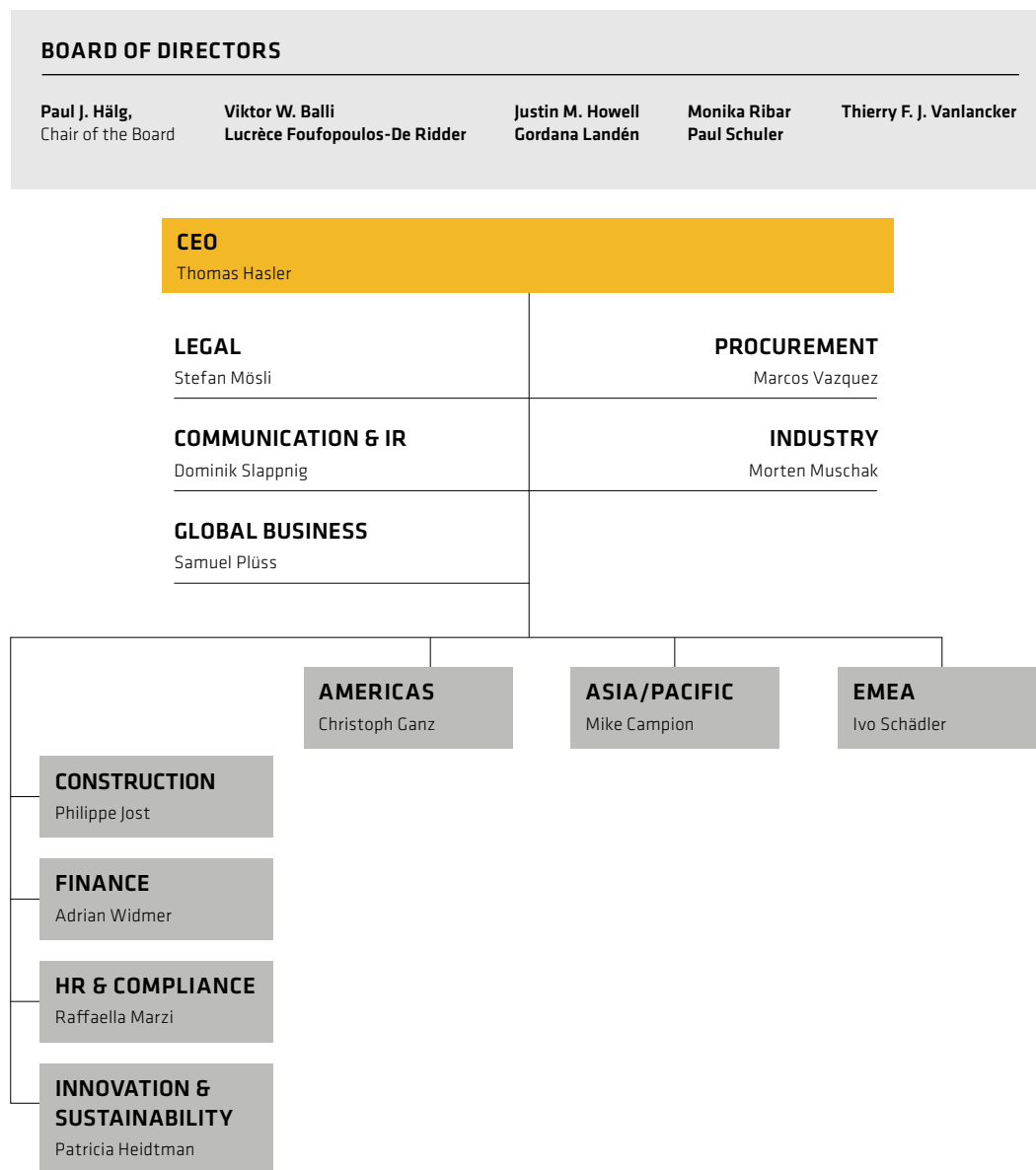
PHILIPPE JOST

Head Construction
With Sika for 26 years
in the USA and
Switzerland

CHRISTOPH GANZ

Regional Manager
Americas
With Sika for 27 years
in Switzerland, France,
and the USA

ORGANIZATIONAL CHART



Sika is committed to sustainable corporate management. Business areas are developed on a long-term basis with the aim of securing lasting value enhancement for all stakeholders. A clear focus on our corporate values and performance is just as fundamental as assuming social responsibility and ensuring a careful approach to the environment and resources. This forms the foundation of our success.

PERFORMING BEYOND THE EXPECTED **ALL TOGETHER**

Sika fosters a win-win relationship with its workforce. Sika promotes a climate of respect in which employees can develop their capabilities and take on responsibility. In return, Sika's employees show their gratitude to the company through their high level of dedication, new ways of thinking and willingness to go the extra mile. More than 27,500 employees are living the Sika Spirit and strive for maximum performance, both individually and as a team. The culture of togetherness, customer focus, and a "can-do" mentality creates value for customers and high performance that consistently exceeds expectations. Sika – Beyond the Expected.



SIKA MEXICO PRODUCTION TEAM

At Sika Mexico, we utilize the latest technology to help optimize our production process and deliver to customers faster. In 2022, our team performed beyond the expected and achieved a record in one of our production lines.



SIKA JAPAN SALES TEAM

In 2022, we held our kick-off meeting to combine forces with Sika and the acquired companies Hamatite and Dyflex. We celebrated the great team spirit and are looking forward to working together and serve our markets more comprehensively.

SIKA COLOMBIA R&D AND QUALITY CONTROL TEAM

We have found new ways to serve customers and respond to environmental challenges. We overcame raw material scarcity and high costs by increasing the use of recyclable material, and managing our water and natural resources more efficiently.



SIKA DAY IN THE UNITED ARAB EMIRATES

Sika Day is wonderful to celebrate with your teammates and their families. It is a day to spend time together and promote employee well-being.



SIKA THAILAND TECHNICAL SERVICE TEAM

Customer centricity is in our blood at Sika. We strive to deliver best-in-class solutions to help customers be successful in a world of rapid change.

SIKA USA AUTOMOTIVE TEAM

The team in Sika Grandview has gone beyond the expected to stabilize the production of SikaReinforcer®-951 pellets. This material is used to mold structural reinforcing parts that are supplied to a large automotive customer. As a result, First Pass Yield increased by 31% for SikaReinforcer®-951 pellets and overall department schedule attainment went up by 10%.



SIKA GHANA TEAM

Sika Ghana is the youngest country in the Sika family and has an energetic "start-up" feel. In our team, we have a good combination of cultures, backgrounds, and personalities which fosters innovation and creates a work environment beyond the expected.



SIKA CARES - PERU

Sika Peru is very active in community engagement and completed 527 hours of work in 2022. The employee volunteers participated in nine activities, including visiting children's and nursing homes, cleaning rivers, and cleaning two kilometers of the Arica beach.



SIKA DAY IN CROATIA

Sika Day was a celebration of the things that make our company unique – our team spirit, solidarity, and willingness to go beyond the expected.



SIKA QATAR OPERATIONS TEAM

We are a great team and ready to meet every challenge. We take pride in exceeding customer expectations in everything we do.



SIKA SOUTH AFRICA R&D TEAM

The R&D team is a critical part of Sika that requires strong commitment and teamwork from all members. We continuously create new formulas to keep our title as an innovation pioneer.

SIKA EGYPT CONCRETE TEAM WITH CUSTOMER

Our team strives for 100% customer satisfaction as a matter of personal pride and to maintain our competitive edge.



SIKA USA PRODUCTION TEAM ST. LOUIS, MISSOURI

We bring the 'Sika Spirit' to everything we do. We are a family, no matter who you are and where you are from – and that is what makes working at Sika so special. At Sika USA, we go beyond the expected in every aspect of our work.



SIKA UK KEY PROJECT MANAGEMENT TEAM

We contribute significantly to the prestigious High-Speed railway project, which form the new backbone of Britain. This exciting project will continue until 2036. With a comprehensive range of solutions, we are delivering beyond the expected.



SIKA CHINA COMMUNICATIONS AND MARKETING TEAM

Our team is pioneering Sika China's sustainability strategy. We do a lot to push the sustainable concept into reality, which strengthens Sika's brand image and reputation in China.



SIKA ALGERIA TEAM WITH CUSTOMER

We are highly motivated to serve and build a climate of trust with our customers. This is the foundation of our success and Sika's values.



SIKA CARES - TANZANIA

We conducted a workshop for engineering students from the University of Dar es Salaam where they could learn about Sika products and how to promote sustainability in the construction industry.

KEY FIGURES AT A GLANCE

	2021	2022	Change in %
Key figures	in %/in CHF mn		
Net sales Group	9,252.3	10,491.8	+13.4
Operating profit (EBIT)	1,391.4	1,579.7	+13.5
EBIT margin	15.0	15.1	-
Net profit	1,048.5	1,162.5	+10.9
Net profit margin	11.3	11.1	-
Operating free cash flow	908.4	865.2	-4.8
Operating free cash flow (as % of net sales)	9.8	8.2	-
ROCE (in %)	20.1	21.6	-
Key data balance sheet	in %/in CHF mn		
Balance sheet total	10,706.8	11,319.2	+5.7
Equity ratio (in %)	41.1	43.9	-
Net working capital (as % of net sales)	18.4	18.3	-
Net debt	2,547.1	2,051.6	-19.4
Key data per share	in %/in CHF		
Basic earnings per share (EPS)	6.91	7.57	+9.6
Diluted earnings per share	6.60	7.29	+10.5
Dividend	2.90	3.20 ¹	+10.3
Payout ratio	42.5	44.2 ²	-
Employees			
Number of employees	27,059	27,708	+2.4
Average training per employee (in hours)	11.1	13.4	+20.2
Lost Time Accidents (LTA)	256	206	-19.5
Lost Time Accidents per 1,000 FTEs	9.2	7.0	-23.8
Environment			
Waste (kg per ton sold)	11.2	10.8	-3.3
Waste Recycling rate (in %)	33.9	40.4	+18.9
Water consumption (m ³ per ton sold)	0.20	0.18	-6.1
Energy intensity (MJ per ton sold)	324.7	315.5	-2.8
Purchased renewable electricity rate (in %)	52.3	62.7	+10.4 p.p
CO ₂ eq emissions (scope 1 and 2, in 1,000 tCO ₂ eq)	238.5	230.6	-3.3
CO ₂ eq intensity (in kgCO ₂ eq/t sold)	17.6	16.4	-6.9
Community engagement			
Voluntary work (in days)	1,392	2,595	+86.5
Community engagement projects	242	406	+67.8
Number of direct beneficiaries	44,188	53,666	+21.4

¹Pursuant to proposal to Annual General Meeting²Corresponds to the maximum possible distribution amount assuming potential exercise of all conversion rights

FINANCIAL CALENDAR

55TH ANNUAL GENERAL MEETING

Tuesday, March 28, 2023

DIVIDEND PAYMENT

Monday, April 3, 2023

NET SALES FIRST QUARTER 2023

Tuesday, April 18, 2023

HALF-YEAR REPORT 2023

Tuesday, July 25, 2023

RESULT FIRST NINE MONTHS 2023

Friday, October 20, 2023

NET SALES 2023

Wednesday, January 10, 2024

FULL-YEAR RESULT 2023

Friday, February 16, 2024

Published by

Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland
Tel. +41 58 436 68 00
sikagroup@ch.sika.com
www.sika.com

Project team

Corporate Communications & Investor Relations
and Corporate Finance, Sika AG, Baar

Concept

Linkgroup AG, Zurich
Steiner Kommunikationsberatung, Uitikon

Design and Realization

Linkgroup AG

Illustration

Martin Tuch, Berlin

Editorial Work

Sika AG
Linkgroup AG
Steiner Kommunikationsberatung

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Photography

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Page 1, 10, 12, 13, 38, 42, 43 and 62: Jos Schmid, 4, 5: Dirk-Jan Poot, page 14, 15: Per Kasch and Ole Schereen, page 16 and 17: Getty, page 21: GradePixel, page 22, 24, 25, 27, 28, 29, 52 and 53: Marc Eggimann, page 26: Foster + Partners, page 30: Carlos Felipe Martinez/Cafe Fotografia, page 31: Sandro Menezes, page 32: Craig Hofmeyer of Williamsburg Environmental, page 33: Chelsea Montani/Sika, page 34: Mario Zimmermann/Geoinfra Ingenieure AG, page 35: Martin Radoň and David Svoboda, page 36 and 37: bloomrealities, page 39: Markus Bertschi, page 40: Getty, page 44: Adam Mørk, page 45: 3XN, page 48: Byron Yu, page 50: Pop Production

Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and motor vehicle industry. Sika has subsidiaries in 101 countries around the world and manufactures in over 300 factories. With more than 27,500 employees, the company generated annual sales of CHF 10.49 billion in 2022.

Sika's purpose is to anticipate and meet future challenges by providing reliable, innovative, sustainable, and long-lasting solutions in the construction, building, and manufacturing industries. In everything we do, we provide a seal of quality which our employees, customers, and all stakeholders can rely on – Building Trust Every Day.

Exhibit - Bond Capacity Letter



SOMPO INTERNATIONAL
INSURANCE

June 23, 2023

TO:
The Cooperative Council of Governments
On Behalf of Equalis Group
6001 Cochran Road, Suite 333
Cleveland, Ohio 44139

RE: Sika Corporation

To Whom It May Concern,

It is the privilege of Endurance Assurance Corporation, Endurance American Insurance Company, Lexon Insurance Company, and Bond Safeguard Insurance Company (individually and collectively, "Sompo International"), to provide bonds on behalf of **Sika Corporation**. In our opinion, **Sika Corporation** remains properly financed, well equipped and capably managed.

Should a project be awarded to and accepted by **Sika Corporation**, it is our intent to provide the required Performance and Payment bonds on its behalf. We consider our client to be a strong entity that we have given a single capacity of **\$500,000.00** per performance and payment bond and an aggregate capacity of **\$5,000,000.00** on its total work program. Our support is conditioned upon completion of the underwriting process, including satisfactory review of contract documents, bond forms, confirmation of financing and our ongoing review of the operational and financial capacity of **Sika Corporation**.

We are pleased to share with you our favorable experience and high regard for **Sika Corporation**. This letter is not an assumption of liability and is issued only as a prequalification reference request from our client. Any arrangement for bonds is strictly a matter between **Sika Corporation** and Sompo International.

The writing companies of Sompo International are listed on the US Treasury Department's Listing of Approved Sureties and are rated A+ XV by A.M. Best Company.

Sincerely,

Endurance Assurance Corporation

Name: Cody Green
Senior Underwriter - Surety

Sarnafil Services, Inc.

World Class Roofing and Waterproofing

Sika Sarnafil References

Daniel Jones, P.E.

Principal Engineer

City of Cincinnati – Recreation Commission

513-607-4597

Dan.Jones@cincinnati-oh.gov

Services provided: Sarnafil Services Inc. developed the roof replacement design and subcontracted the roof replacements of 4 City of Cincinnati facilities (Highway Maintenance Facility, Fleet Services Facility, Millvale Recreation Center, and Evanston Recreation Center). The roof replacement contract total is \$2.3M and is currently ongoing. This roof replacement project is part of a larger City energy upgrade package that includes rooftop solar installations.

Shane Galloway

Director, Properties Administration

Memorial Hospital

574-647-1475

sgalloway@beaconhealthsystems.org

Services provided: Have been a long-standing partner with Memorial Hospital and have completed numerous roofing projects with them over a period of many years. Projects including both new construction and re-roof assemblies. At present, we are approaching over 20 roofing projects completed for this owner and partner. Many of these complex projects, such as the 20,000 sf over a surgical area, required finesse and acumen of an unparalleled nature. As with the govt center above, operations must go on despite the equivalency of open heart surgery going on above them with a roofing project.

Greg Ferguson

Director of Building and Grounds

Bartholomew Consolidated School Corp

812-343-4821

Fergusong@bcsc.k12.in.us

Services provided: Have partnered with BCSC to complete roofing projects at: Taylorsville elementary, Mt. Healthy school, their ISC building, Parkside elementary and Columbus North High School. Partnership does not simply end there with the completion of these successful roofing projects. Have also performed numerous roof assessments, repairs and developed maintenance programs, as the preferred manufacturer and trusted partner of BCSC.



Sarnafil Services, Inc., 225 Dan Road, Canton, MA 02021
Tel. 800-451-2504, Fax: 781-828-5365, usa.sarnafil.sika.com

Sarnafil®

Sarnafil Services, Inc.

World Class Roofing and Waterproofing

Ed Aikman

Director of Building and Grounds

New Prairie Community Schools

574-654-7273

219-778-2814

edwardaikman@npusc.k12.in.us

Services provided: Have been the preferred roofing manufacturer of this school district going back many years and their loyalty is a testament to our services and products. Completed roofing projects for the high school, middle school and their elementaries, totaling tens of thousands of square feet. Also have worked on assessments, repairs, and maintenance solutions for facilities within the district.

Rob Baker

Assistant Public Service Director

City of Kettering

937-296-2472

robert.baker@ketteringoh.org

Services provided: Assessed current roofing assembly on the Kettering government center and developed a scope of work/specification for a new roof assembly. Very challenging project given its design and the need for the building to be in use throughout the project/not disturb operations within the facility. Project was approximately 20,000 sf and was completed in conjunction with Enterprise Roofing in Dayton, OH.



Sarnafil Services, Inc., 225 Dan Road, Canton, MA 02021
Tel. 800-451-2504, Fax: 781-828-5365, usa.sarnafil.sika.com

Sarnafil®

Exhibit - Key Contact Resume's

Sebastien Godard

Executive Vice President - Target Market Roofing at Sika USA
Boston et périphérie

Résumé

Part of the Sika Group since 1998, with a great P&L experience in Sales, Marketing, Finance & Operations.

In 3 continents → Europe, Asia and North America, from France, Vietnam, Africa, USA to Sweden.

During my entire career at Sika, I continuously improved the expansion of the business and achieved the targeted growth.

My goals and aspirations are learning from each culture, providing visionary leadership, delivering sustainable results, having fun with my teams, building an healthy life and enjoying a good family balance!

Sika's purpose is to provide reliable, innovative, sustainable, and long-lasting solutions in the construction, building, and manufacturing industries.

Expérience

Sika USA

2 ans 6 mois

Executive Vice President - Target Market Roofing at Sika USA

janvier 2022 - Present (1 an 6 mois)

Boston, Massachusetts, United States

Senior Vice President - Target Market Roofing

janvier 2021 - décembre 2021 (1 an)

Boston, Massachusetts, United States

Sika Sarnafil is a unique organization, delivering peace of mind and best value through proven sustainable roofing, waterproofing solutions and customer relationships.

We make Sarnafil, what many consider to be the best single-ply roof membrane, but we really sell peace of mind. The Owner/Specifier expects

Coordonnées

Greater Boston Area
godard.sebastien@gmail.com

www.linkedin.com/in/
sebastiengodard (LinkedIn)

Principales compétences

Project Management
Sales Management
Key Account Management

Languages

English (Full Professional)
French (Native or Bilingual)

us to deliver a long lasting, watertight, durable roof system. We deliver this through our trademarked Milestone Management process.

Sika

4 ans 1 mois

Strategic Target Market | Project Manager | Area Europe North
septembre 2020 - mai 2021 (9 mois)

Stockholm, Stockholm County, Sweden

General Manager

mai 2017 - août 2020 (3 ans 4 mois)

Stockholm, Sweden

With Sika Sweden management team and all employees (~ 100), I'm driving and implementing successfully the company strategy around 3 pillars:

- Caring about the people - retention
- Sustainable performance - results
- Operational Efficiency - effectiveness

Sika USA

3 ans 5 mois

Senior Vice President - Sales & Marketing (Focused on Refurbishment - Sealing & Bonding)

janvier 2015 - mai 2017 (2 ans 5 mois)

Greater New York City Area

Through the Sika organization, I'm managing the successful Interior Finishing business channel in the US Market.

We're developing new territories, launching new products line, building strong relationship with our loyal distribution network.

Products related are from moisture solutions, sub-floor preparation and wood adhesives and accessories.

I'm also the Marketing team leader for the Target Market Refurbishment - Sealing & Bonding.

Vice President Marketing - Target Market Refurbishment - Sealing & Bonding

janvier 2014 - mai 2017 (3 ans 5 mois)

United States

Managing the marketing activities and the marketing team for the Target Markets - Refurbishment and Sealing & Bonding (RSB).

Building a strong link in between our Marketing and Sales strategies for both the Commercial and Residential markets/channels

Our goals are to deliver exciting new products and marketing programs to achieve the sales and profitability targets.

The team I'm leading is in charge of Products Management, Marketing Services, Social Medias, Trade shows (World Of Concrete) and support the sales units in an ongoing effort.

Sika

15 ans 2 mois

Business Unit Distribution - Sales Manager & Key Account Manager
janvier 2011 - décembre 2013 (3 ans)

Paris Area, France

BU Distribution - Sales Manager : Team of 12 people

- Implementing the TM's strategy, recruiting and training people.
- Responsible for the pricing, customer's management, sales meeting and salesmen targets.
- Target Market S&B, Waterproofing and Refurbishment
- Leading the team for projects acquisition from basement to roof.

Key Account Manager :

- Management of the Sika France Key Account customers
- Contracts negotiation, pricing policy, products introduction,

Business Unit Manager Contractor (VIETNAM)

janvier 2008 - décembre 2010 (3 ans)

BU Contractor Manager and active member of the country management team.

- Leading the Targets Market : Roofing, Flooring, Sealing & bonding, Waterproofing, Refurbishment
- Transfer the knowledge to all local branches. Working with dedicated specialists for each Target Markets
- Select, train and follow up Sika customers to gain new market share and to be involved in key "basement to roof" projects.
- Achievements: Roofing projects acquisition and main supplier for the biggest country projects.
- Global BU Contractor Turn over, grew up significantly each years.

- Releasing Sika SARNAFIL in Vietnam - 15 roofing projects in 2 years (Over 100 000 m2)

Business Unit - Export Area Manager (West and Central AFRICA)
janvier 2004 - décembre 2007 (4 ans)

Paris Area, France

Based in Sika France HQ, Paris: Export Area Manager for West - Central Africa and other territories.

- Prospecting, negotiating to gain market share as well as important job sites (For all BU's)
- 50 % of time spent on business trips and local business support.
- In charge of managing and setting-up a strong distribution network for each countries, included monthly visit.
- Personnel achievements: Turn over and margin + 20 % above objective during 3 years.

Sales and Technical - BU Contractor & Distribution
novembre 1998 - décembre 2003 (5 ans 2 mois)

- 2 years as a salesman for Sika DIY channel. (Part time in b/w the Sika Business school, and part time on the field with a Senior sales people)
- Followed by 2 years as a salesman for Commercial / Pro retail channel. Working with the major distributors and their network.
- And 1,2 years as a sales dedicated to follow-up on the major job sites, like underground tunnel, subway, the A380 Airbus factory,

Formation

London Business School

Senior leadership retreat · (2019 - 2019)

London Business School

Executive Development Program · (2018 - 2018)

IMD Business School

In partnernship with Sika Business School & IMD, Global Leadership Program · (2015 - 2016)

IMD Business School

Instrumental Leadership, Business Administration and Management, General · (2014 - 2014)

Sika Business School (Singapore)

Business Unit - Leadership Program - Singapore, Business/Commerce,
General · (2008 - 2009)

JAMES P. FRANKLIN

53 Winthrop Street ▪ Kingston, MA 02364 ▪ Phone: 781-792-1953 ▪ franklinjim@hotmail.com

Registered Inspector, Construction Supervisor, General Manager, Sr. Project Manager, Business Development Manager: A dedicated, hardworking professional with 20+ years of construction experience, 20 years in the Industrial Roofing and Waterproofing Industry. I am knowledgeable in most roofing systems with a proven ability in the developing and executing industrial, commercial and residential roof construction and renovation projects. I have experience with both the FM review and Miami-Dade design process and have completed a number such projects throughout the US and Puerto Rico. I possess the experience and confidence to multi-task in a fast-paced environment and am able to facilitate and direct group discussions / meetings without hesitation. I am able to learn new information and concepts quickly and intelligently and disseminate these concepts to others. I have a straightforward and concise written/verbal communication skill set. I am a conscientious worker and am willing to do all that is asked/required in a mutually beneficial work environment.

Professional Experience

SARNAFIL SERVICES, INC.

Sr. Project Manager / Business Development Manager (January 2022 - Present)

- Performs Sr. Project Manager & Business Development responsibilities reporting directly to Peter Bonavita, GM; responsible for developing & executing roof renovation projects for private Sika/Sarnafil clients throughout the US and Caribbean. Jim performs roof observations, issues reports and provides oversight of subordinate reports; provides budget recommendations to owners management representatives; drafts comprehensive shop drawings / bid documents / project contracts. Jim is also responsible for oversight of third-party deliverables; vetting of local contractors; providing bid management services and assistance with owner contractor selections; providing turn-key roof project management services from procurement through project close-out; and managing day to day client relationships while developing strategy for expanding current business base.
- Additional tasks achieved:
 - Jim has developed and implemented data collection and site survey documentation protocols and has developed and implemented full construction document packages / protocols to establish and provide the necessary framework required for the diligent execution of SSI's General Contractor and Construction Management 'turn-key' projects.

ROOF MANAGEMENT CONSULTANTS, INC.

Sr. Project Manager / Operations Manager (2018 - 2022)

- Performed Sr. Project Manager duties reporting directly to Thomas Walczak, President. Responsible for developing & implementation of site survey / data collection and documentation protocols and corresponding packages; performed roof observations, issued reports and provided oversight of subordinate generated reports; provided budget recommendations to owners management representatives; drafted comprehensive shop drawings / bid documents and provided oversight of subordinate generated deliverables; vetted local contractors, provided bid management services and assisted with owner contractor selections; provided turn-key roof project management services from procurement through project close-out; managed day to day client relationships and developed strategy for expanding current business base.
- Additional tasks achieved:
 - Standardized and upgraded IT software applications throughout the company to improve work flow efficiencies.
 - Implementation of a 'Citrix' platform based file sharing and cloud based storage solution which greatly improved team collaboration, eliminated inefficiencies and reduced client response times.

- Developed / Implemented excel based 'Site Survey' Package application which identifies location based site parameters (ASCE07 and FM uplift Calculations, IECC requirement, FM Hail Rating, Site Location Windspeeds, NOAA Historic Hail Data and Satellite imagery)
- Incorporated, developed and implemented a robust CAD reference library which includes standardized templates for roof specific Plan sheets, Isometric and standard 2d view flashing and termination details.
- Incorporated, developed and implemented new standardized roof asset management database to drive life cycle management services.
- Oversight of subordinate activities for all company employee's.

SIKA SARNAFIL

Sarnafil Services, Inc. Canton, MA - Sr. Project Manager (2015 - 2018)

- Performed Project Manager / Sr. Project Manager duties working for Peter Bonavita. Responsible for developing site survey packages; performing roof observations and issuing reports; providing budget recommendations; drafting comprehensive shop drawings / bid documents; providing bid management services and assisting with owner contractor selections; providing turn-key roof project management services from procurement through project close-out; and managing day to day client relationships with various strategic sales clients (JCPenney, Macy's, Nestle, Winn, RMR/REIT, DOW Chemical and others).
- Additional tasks achieved:
 - Facilitated the replacement and upgrade of the SSI teams' mobile workstations and implementation of a 'Citrix' platform-based file sharing and cloud based storage solution which greatly improved team collaboration and reduced client response times.
 - Developed excel based 'Site Survey' Package application which identifies location-based site parameters (FM uplift rating, IECC requirement, FM Hail Rating, Site Location Windspeeds, NOAA Historic Hail Data and Satellite imagery)
 - Incorporated, developed and improved a robust CAD reference library which includes standardized templates for roof specific Plan sheets, Isometric and standard 2d view flashing and termination details.

INTERNATIONAL UNION OF ROOFERS, WATERPROOFERS AND ALLIED WORKERS- LOCAL UNION #33 – BOSTON, MA

The Hartford Roofing Company, Inc. Stoughton, MA - Apprentice, Journeyman, Project Foreman and Assistant Project Manager (1998-2003)

- Assistant Project Manager (1998, 2003) – Performed Assistant Project Manager / Cad technician duties working with Jeff Holstein in an office run by Andy Houle and Dan Ranahan. Responsible for developing comprehensive shop drawings / submittal packages and following through the architectural review process; fabricated in-house project work packages for field/operations use.
- Roofers, Waterproofers and Allied Workers- Local Union #33 (1999-2003) – Completed apprenticeship training in 2000, promoted to Project Foreman in late 2001. Foreman responsibilities included project oversight and jobsite coordination of materials, methods and labor on projects totaling +/- \$2million/per annum.

Commonwealth Building Systems, LLC. Rockland, MA - Journeyman, Foreman (2004-2006, late 2008 into 2009)

- My time at CBS was split between running finish-up crews and as the special projects' foreman. Responsible for the aesthetically pleasing detail work on the Marriott Long Warf Project (2005 Sika/Sarnafil Project of the Year).

South Shore Roofing, LLC. Rockland, MA – General Manager (2006-2008)

- In 2006, I was tasked with forming South Shore Roofing, LLC – a startup roofing and architectural sheet metal company, in order to offer a union trained workforce to a historically non-union market sector. I was solely responsible for all office operations including: developing/maintaining client relations, estimating, contract negotiation, material procurement, project management/closeout, oversight of the company safety program; I was jointly responsible for field operations with Brian Medico. On the larger projects, I ran the flat crews and combined with Brian Medico to run the sheet metal projects. SSR

installed/serviced single-ply (EPDM, TPO's and PVC's), Steep slope (shingles, slate and metal roofs) and waterproof coatings (GAF-Topcoat).

MASSACHUSETTS LICENSED HOME INSPECTOR

Boston Home Inspectors, Inc. South Boston, MA - Associate and MA Licensed Inspector (2008-2010)

- Completed associate home inspector training under the direct supervision of company founder, James Brock. Practiced and honed 'presentation of findings' skills with real-time criticism while applying knowledge from 15+ years of hands on training throughout the construction industry, formal college education (Wentworth Institute of Technology) and extensive continuing education courses.

Sanctuary Inspection, LLC. Abington, MA - Licensed Home Inspector (2010-2015)

- I formed Sanctuary Inspection in order to offer home and construction consultation services to clients of contacts throughout the real estate, mortgage and insurance industry. I expect that I have performed over a thousand home/building inspections over the years; each inspection is essentially a four-hour job meeting where I must find and explain the 'what and how' of a building and its noted defects in a real-time/dynamic environment balancing multiple conversations (each with their own motive). I am conditioned to generate site specific reports ranging anywhere from 2-3k words nightly. This type of group speaking has allowed me to be very comfortable in situations that tend to make others apprehensive. My demeanor and work ethic reflect well on my employers.

MISC. RESIDENTIAL CONSTRUCTION

A. Ricci General Contracting – Holbrook, MA (1993-1996) – Laborer, Small Equipment Operator

Period Millwork and Restoration – Brookline, MA (1997) – Finish Carpenter, Cabinetry

Mann Construction – Holbrook, MA (1997-98) – Lead Carpenter, Framing Foreman

Education

WENTWORTH INSTITUTE OF TECHNOLOGY – BOSTON, MA

Building Construction Management (B.S. Degree), 1996-2000; 2011-12

7 Deans List Honors; 3.4 GPA

HOLBROOK HIGH SCHOOL – HOLBROOK, MA

With honors 1994

Continuing Education (2009-Present)

Roof Consultants Institute (RCI), International Institute of Building Enclosure Consultants (IIBEC), American Society of Home Inspectors, International Association of Certified Home Inspectors, Professional Home Inspectors Institute, International Associate of Certified Indoor Air Consultants and American Institute of Architects, roughly 450 CEU hours total.

Licenses, Certifications and Affiliations

Comm. of Massachusetts Board of Prof. Licensure, Unrestricted Construction Supervisors License Number – 95588

Comm. of Massachusetts Board of Prof. Licensure, Licensed Home Inspector Number – 706 (Expired)

Comm. of Massachusetts Driver's License # 92868430

Comm. of Massachusetts Licensed Home Improvement Contractor Number – 153056 (Expired)

U.S. Dept. of Labor, Occupational Safety and Health Administration, 30 Hr Training Course, #600241538

U.S. Dept. of Labor, Occupational Safety and Health Administration, 10 Hr Training Course, 2000

National Radon Safety Board, Radon Measurement Technician Number – 9ST0007

National Radon Safety Board, Radon Mitigation Specialist Number – 11G006 (expired)

National Association of Certified Home Inspectors Member Number – 08051414

International Assoc. of Certified Indoor Air Consultants Number – 01-4589

Sika/Sarnafil (Sarnafil) Applicator/Installer Training (2000)

GAF TopCoat System Installer Training (2007)

ATAS Metal – Metal Panel Roofing Installer Training (2008)

CertainTeed Master Shingle Applicator, Quality Master and Select Shingle Roofer Credentials

Versico Roofing Products Applicator/Installer Training (2003)

Firestone Building Products Applicator/Installer Training (2001)
Carlisle/SynTec Roofing Applicator/Installer Training (2001)
Member New England Chapter of Roof Consultants Institute (RCI).
Asbestos Abatement Contractor / Worker Certificate (Expired)
Contractor Radiation Worker Training/Certification, Entergy (Plymouth, MA) (Expired)

Contact

clark.kevin@us.sika.com

www.linkedin.com/in/kevin-clark-rro-b787768a (LinkedIn)
usa.sarnafil.sika.com (Company)

Top Skills

Manufacturing
Product Development
Lean Manufacturing

Certifications

Registered Roof Observer (RRO)
HAAG Certified Inspector
(Commercial Roofs)

Kevin Clark, RRO

National Account Manager - Midwest at Sika Corporation
Toledo, Ohio Metropolitan Area

Experience

SIKA SARNAFIL

National Account Manager - Midwest
June 2022 - Present (1 year 1 month)

Sarnafil Services

Senior Project Manager
September 2020 - June 2022 (1 year 10 months)

Sika USA

10 years 7 months

Project Manager - Sarnafil Services Inc.
January 2018 - September 2020 (2 years 9 months)
Canton, MA

Assistant Regional Technical Manager - Midwest East District
May 2017 - January 2018 (9 months)
Midwest Region

Senior Technical Service Representative
January 2016 - May 2017 (1 year 5 months)
Midwest Region

Technical Services, Target Market - Roofing
March 2010 - December 2016 (6 years 10 months)
Ohio & Michigan

Overhead Roofing and Sheetmetal
10 years 3 months

Project Manager
January 2004 - March 2010 (6 years 3 months)
Toledo, OH

Production Foreman
January 2000 - December 2003 (4 years)
Toledo, OH



BUILDING TRUST



Bill Bellico, Sika Corporation – VP of Marketing & Inside Sales

Bill has worked in the commercial construction industry for 19 years as part of Sika's roofing and flooring divisions, starting out in sales and eventually evolving into sales and marketing management as well leading key digital transformation projects for the organization. He is a LEED Accredited Professional with a strong background in sustainability. Bill is the current acting marketing chair for the CFFA's PVC Roofing Division as well as the Vinyl Sustainability Council and is also a participating member of the RT3 (Roofing Technology Think Tank). Bill has a Bachelor's in English and Psychology from Bridgewater State University and also completed the business strategy certificate program from Cornell University.

SIKA CORPORATION • ROOFING

100 Dan Road • Canton, MA 02021

Tel: 781-828-5400 • Fax: 781-828-5365 • usa.sarnafil.sika.com

Exhibit - Marketing Examples



ROOFING GOVERNMENT

MANDATING EXCELLENCE IN ROOFING

No roofing manufacturer is more prepared to address the unique challenges of federal facility roof management than Sika Sarnafil. We are committed to providing turn-key service and leak-free protection through our carefully executed Milestone Management process. From system design through final inspection, our attention to detail is your guarantee of superior quality, precision installation, and unrivalled reliability.

SOLVING PROBLEMS

With over 55 years of proven performance and experience, Sika Sarnafil has helped the US government and USACE solve a variety of roofing challenges by offering fully customizable, high-performance thermoplastic roofing and waterproofing systems proven to be energy-efficient, low maintenance, highly resilient, and sustainable – factors which produce one of the highest returns on investment in the facilities industry.

ADDRESSING YOUR NEEDS

Your roofs play an essential role in the protection of valuable assets. Each facility presents its own unique roofing challenges based on environment, existing conditions, building use, and occupancy. With every installation, Sika Sarnafil addresses these unique challenges in the design and specification of a high-performance, low-maintenance, thermoplastic roofing system.

INCREASING YOUR RETURN ON INVESTMENT

The total cost of any roofing system is determined over its entire life cycle, considering system longevity, maintenance expenses, and disposal costs. As the global market leader in thermoplastic membrane technology, Sika Sarnafil posts the most impressive record of proven performance in climates all over the world. Locally, Sika Sarnafil is your source for sustainable roofing and waterproofing peace of mind.

Return On Investment Attributes:

- Reputable System Longevity
- Low/No Maintenance Systems
- Energy Efficiency/Sika SolaRoof Systems

YOUR CHALLENGES, OUR SOLUTIONS

Leak Free Environment: No other thermoplastic roofing membrane has a longer track record of proven performance than Sarnafil. Third party testing agencies in both Europe and the United States agree that a “service life of 35 years of Sarnafil roofing membrane...reflects the high resistance to weathering and aging of the product when properly installed.”

Low/No Maintenance: Sika Sarnafil designs products that perform to the highest standards and continue to perform after decades of service. A reliable, high quality roof simply lasts longer and requires less maintenance. Unlike other roofing systems that use glues, double-sided tape, or asphalt to bond their seams, Sika Sarnafil’s overlapping seams are “hot-air welded” together to prevent water from penetrating the building. Once welded together, the seams are one of the strongest parts of the system, do not break down over time, and require no maintenance.

Innovative Products for Government Projects:

- Sarnafil Hybrid Roofing Systems
- Sarnafil Self-Adhered Technologies - VOC/Odor Free Systems
- Sika SolaRoof System

Photo: Naval Air Station - Jacksonville, Florida

Quality Control: From specification writing, installer support, and roof evaluations to the creation of custom roof details, Sika Sarnafil’s local and national representatives are there to ensure you install the optimal roof for your facility needs. We support you through every milestone of the project, ensuring quality control before, during, and after installation.

Safety: Sika Sarnafil systems are the preferred products for easy and safe installation. With options to fit every roofing need, we utilize clean, self-adhered technology to take the place of hot asphalt kettles and open flames. With the introduction of the new Sarnafil Self-Adhered Membrane and flashing sheet, a complete, multi-layered SBS or APP Hybrid Roof System with a Sarnafil membrane is installed without concerns of hot asphalt fumes, VOC’s or odors, protecting building occupants during the installation. Our Sarnafil Textured Membrane is the industry’s first thermoplastic roofing membrane with a textured surface. Also offered are the Sarnatred-V and Crossgrip XTRA walkway mats for safety in high foot traffic areas.

Specifying Sustainable Roofing Products: Our EnergySmart Roof membranes can help decrease cooling costs in your building while our Sika SolaRoof can help you generate energy by harnessing the power of the sun. Solar installations bundled with a Sarnafil Roof System are covered under one single-sourced warranty for up to 20 years. Sika Sarnafil is also the only PVC roofing manufacturer with an old roof “take back” program that recycles old PVC roof membrane back into new membrane to reduce the burden on landfills.

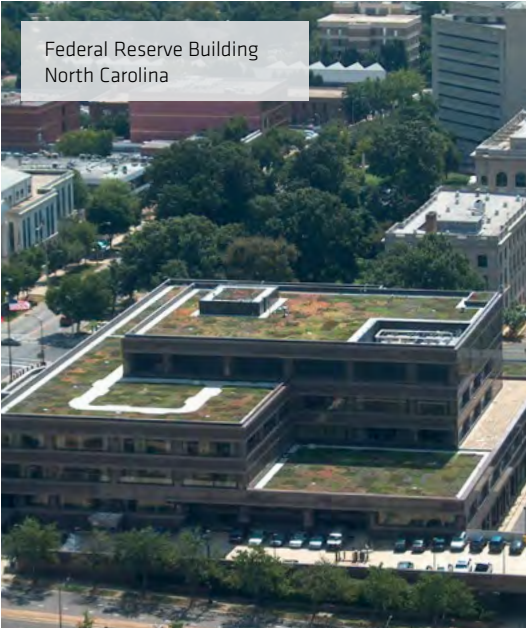
Superior Fire Performance: Vinyl materials, such as Sika Sarnafil membranes, are naturally fire resistant and do not continue to burn when the flame source is removed. This is important on all building types but especially crucial on government facilities and any building with Solar.

Hybrid Roofing System

- Durable for critical applications
- Multi-layered roof for resiliency
- Highly-reflective for energy savings
- Class A fire rated



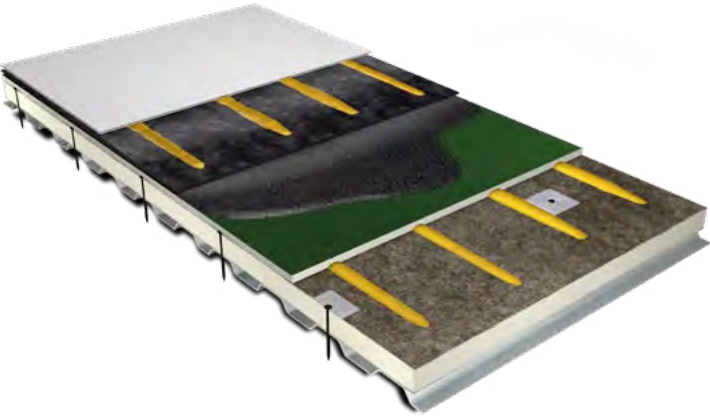
Federal Courthouse
Los Angeles, California



Federal Reserve Building
North Carolina



Long Beach Courthouse
Long Beach, California



COMPANY WE KEEP - GOVERNMENT

MILITARY BASES

Andrews Air Force Base - Beltsville, MD
Barksdale Air Force Base - Barksdale, LA
Buckley Air Force Base - Aurora, CO
Camp Edwards - Bourne, MA
Coronado Naval Air Base - San Diego, CA
Edwards Air Force Base - Edwards, CA
Eglin Air Force Base - Eglin, FL
Elmendorf Air Force Base - Elmendorf, AK
Fort Carson Army Base - Fort Carson, CO
F.E. Warren Air Force Base - Cheyenne, WY
Fort Bragg - Fort Bragg, NC
Fort Carson - Fort Carson, CO
Fort Detrick - Frederick, MD
Fort Drum - Fort Drum, NY
Fort Hood - Fort Hood, TX
Fort Huachuca - Fort Huachuca, AZ
Fort Rucker - Fort Rucker, AL
Fort Sam Houston - San Antonio, TX
Fort Meade - Fort Meade, MD

Grand Forks Air Force Base - Grand Forks, ND
Hill Air Force Base - Hill, UT
NAS Whiting Field - Milton, FL
Nellis Air Force Base - Las Vegas, NV
Peterson Air Force Base - Colorado Springs, CO
Tyndall Air Force Base - Panama City, FL

FEDERAL BUILDINGS

Federal Aviation Administration (FAA) - El Paso, TX
Federal Drug Administration (FDA) - San Juan, PR
Federal Reserve Bank - Oklahoma City, OK
JFK Presidential Library - Boston, MA
Johnson Space Center - Houston, TX
Lawrence Livermore National Laboratory - Livermore, CA
National Aeronautics and Space Administration (NASA)
Sustainability Base - Moffett Field, CA
National Oceanic Atmospheric Administration (NOAA) - Newport, OR
Social Security Administration - Baltimore, MD
United States Department of Agriculture (USDA) - El Segundo, CA
United States Environmental Protection Agency (EPA) - Edison, NJ

BUILDING TRUST, EVERY DAY

With over 100 years of experience, Sika is a worldwide innovation and sustainability leader in the development and production of systems and products for construction, as well as the marine, automotive, and renewable energy manufacturing industries. Sika has offices in over 100 countries with over 300 manufacturing facilities and more than 27,000 employees worldwide. With annual sales of 9.5+ billion dollars in 2021, our commitment to quality, innovation, and the environment as well as putting our customer's needs first, encompasses why Sika is a global leader in our industries. Sika, Building Trust.

Our most current General Sales Conditions shall apply. Please consult the most current local Product Data Sheet prior to any use.



LEED® is a trademark of the U.S. Green Building Council.
Green Globes® is a trademark of the Green Building Initiative.

THE SIKA SARNAFIL DIFFERENCE

High Performing, Resilient, Sustainable Systems

Low Lifetime Ownership Costs

35+ Year Longevity - Third Party Verified

Hot-air Welded Seams = Maintenance Free

VOC/Odor Free Systems

Superior Fire Performance

Sika SolaRoof = Non-penetrating, Lightweight,
20 Year Single-Source Warrant

Prefabricated Details and Roof Edge Materials

Weld New to Old Membrane Easily

SIKA CORPORATION • ROOFING

100 Dan Road • Canton, MA 02021 • USA

Tel: 866-255-3738

Fax: 781-828-5365

webmaster.sarnafil@us.sika.com

usa.sika.com/sarnafil

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Sarnafil®

BUILDING TRUST



SAVE THE DATE!



SIKA ROOFING DAY OF LEARNING

We are excited to invite you to a new commercial roofing event hosted by Sika Corporations local roofing team and sponsored by leading construction manufacturing companies. The event is free to those invited and you are welcome to spend the day or only part of it as your schedule allows.

WHEN

Thursday, March 23rd 2023
8:00 am – 4:00 pm

WHERE

Lincoln Park Zoo
Café Brauer – A Historic Chicago Landmark
2021 N. Stockton Drive
Chicago, IL 60614

WHAT

- AIA Presentations (1 hour LU each)
 - Vegetated Roofs - Sustainable Design Considerations (HSW)
 - Solar Roofs: The Good, The Bad and The Ugly (HSW)
 - The Facts About Poly-Vinyl Chloride (PVC) and the Environment
 - Liquid Applied Membranes
- New Sika Roofing Products and Systems Update

LOGISTICS

Free (invite only)
Free Valet Parking
Continental Breakfast and Buffet Lunch provided
Prize Raffle

Eric Ziemba – Regional Sales Manager

Ziemba.eric@us.sika.com
630-423-2630
usa.sika.com/sarnafil

SIKA ROOFING

Sikalastic®
Sikaplan®



Sarnafil®

SPEAKERS

- Bill Bellico, VP of Marketing & Inside Sales, Sika Roofing
- Kevin Serena, Central Region Technical Sales, American Hydrotech
- Peter Bonavita, General Manager of Sarnafil Services
- Sean Fraker, National Manager, Sika Liquid Applied Membranes
- Tyler Sweeney, District Manager – Technical Sales, Sika Roofing

MINI “SPONSORS” TRADESHOW

Showcasing some of our new innovations along with our vendor sponsors.



RSVP by clicking or scanning the QR code!



BUILDING TRUST



HEALTHCARE FACILITIES CHOOSE ROOFS FROM SIKA

Many of America's best-known healthcare facilities rely on Thermoplastic Roofing and Waterproofing Systems from Sika. Below is a partial list from around the country.

AADCO Medical Building – Randolph, VT
Acequia Medical Center – Visalia, CA
Advocate Health Systems – Hazel Crest, IL
Alaska Medical Centers – Palmer, AK
Ambulatory VA Hospital – Togus, ME
Appleton Medical Center – Appleton, WI
Barnes Jewish Hospital – St. Louis, MO
Baxter Health Care – Deerfield, IL
Beth Israel Hospital – Boston, MA
Beverly Hospital – Beverly, MA
Boston Medical Center – Boston, MA
Brenner Children's Hospital – Winston-Salem, NC
Brigham & Women's Hospital – Boston, MA
Caldwell Hospital – Columbia, LA
Cedar Hill – Windsor, VT
Cedar Manor Nursing Home – Ossining, NY
Central Vermont Medical Center – Berlin, VT
Children's Hospital Los Angeles – Los Angeles, CA
Clearlake Regional Medical Center – Webster, TX
Clinton Memorial Hospital – Wilmington, OH
Cottage Hospital – Woodsville, NH
Crosby Memorial Hospital – Picayune, MS
Deseret View Medical Center – Parump, NV
Dixie Regional Medical Center – St. George, UT



Duke University Albert Eye Research – Durham, NC
Eastern Maine Medical Center – Bangor, ME
Edmond Medical Center – Edmond, OK
Elkhart General Hospital – Elkhart, IN
Emerson Hospital – Concord, MA
Evergreen Hospital – Kirkland, WA
Faulkner Hospital – Boston, MA
Faxton Hospital – Utica, NY
Fort Hudson Nursing Home – Fort Edward, NY
Franklin County Medical Center – Preston, ID
Frisbie Memorial Hospital – Rochester, NH
Golden Valley Memorial Hospital – Clinton, MO
Green Oaks Hospital – Dallas, TX
Hancock Medical Center – Bay St. Louis, MS
Harborview Medical Center – Seattle, WA
Harrisburg Hospital – Harrisburg, PA
Hartford Hospital – Hartford, CT
Harvard Vanguard Medical Center – Medford, MA
HCA Health Systems – Nashville, TN
Hebrew Rehabilitation Center – Brookline, MA
Henry Ford Health Systems – West Bloomfield, MI
Hoag Hospital – Newport Beach, CA
Holyoke Soldiers' Home – Holyoke, MA
Houston Orthopedic Surgical Hospital – Bellaire, TX
Howard Hughes Medical Institute – Ashburn, VA
JML Health Care Center – Falmouth, MA
Johns Hopkins – Baltimore, MD
Jordan Health Complex – Halifax, MA
Kaiser Permanente – Oakland, CA
Kalkaska Memorial Health Center – Kalkaska, MI



HEALTHCARE FACILITIES CHOOSE ROOFS FROM SIKA

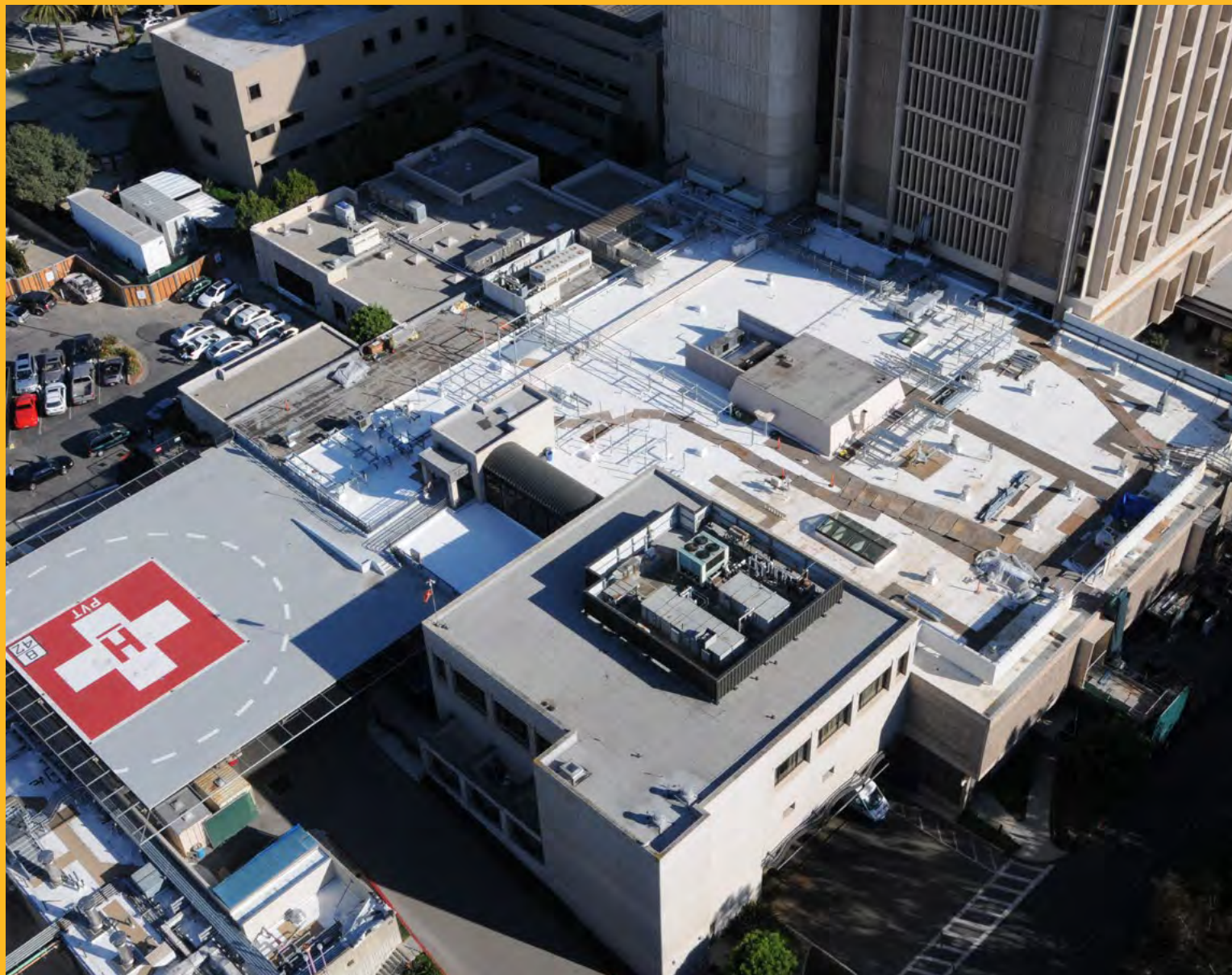
Many of America's best-known healthcare facilities rely on Thermoplastic Roofing and Waterproofing Systems from Sika. Below is a partial list from around the country.



Laconia Clinic – Laconia, NH
Los Robles Regional Medical Center – Thousand Oaks, CA
Massachusetts Hospital School – Canton, MA
MD Anderson Cancer Center – Houston, TX
Merck – Ralway, NJ
Miami Valley Hospital – Centerville, OH
Milette Manor – Nashua, NH
Mission Hospital Pediatrics – Mission Viejo, CA
Morton Hospital – Taunton, MA
Mount Ascutney Hospital – Windsor, VT
Mountain View Hospital – Payson, UT
Munson Medical Center – Traverse City, MI
Newport Health Center – Newport, NH
Oakwood Hospital – Dearborn, MI
Ocala Regional Medical Center – Ocala, FL
Penobscot Valley Hospital – Lincoln, ME
Phoenix Baptist Hospital – Phoenix, AZ
Providence Centralia Hospital – Centralia, WA
Providence St. Joseph Medical Center – Fullerton, CA
Rio Grande Regional Hospital – McAllen, TX
Riverside Community Hospital – Riverside, CA
Saint Joseph's Hospital – Syracuse, NY
Saint Jude's Medical Center – Fullerton, CA
Salt Lake Regional Hospital – Salt Lake City, UT
San Joaquin Community Hospital – Bakersfield, CA
San Jose Regional Medical Center – San Jose, CA
Scott & White Hospitals – Temple, TX
Sentera Health Systems – Williamsburg, VA
South County Hospital – Wakefield, RI

Southern Nevada Mental Health – Las Vegas, NV
Southern Regional Medical Center – Riverdale, GA
St. John's Pleasant Valley Hospital – Camarillo, CA
St. John's Regional Medical Center – Oxnard, CA
St. Louis Children's Hospital – St. Louis, MO
St. Luke's Hospital – Cedar Rapids, IA
Sturdy Memorial Hospital – Attleboro, MA
Sutter Medical Building – Sacramento, CA
Swedish Orthopedic Institute – Seattle, WA
UCLA - Westwood Hospital – Los Angeles, CA
Uintah Basin Medical Centers – Roosevelt, UT
University Health Center – San Antonio, TX
University Hospitals – Cleveland, OH
University of Maryland Medical Center – Baltimore, MD
UMASS Medical School – Waltham, MA
UMASS Medical Center – Worcester, MA
University of New Mexico Children's Hospital – Albuquerque, NM
University of Utah Hospital – Salt Lake City, UT
Valley Hospital of Alaska – Palmer, AK
Valley View Medical Centers – Cedar City, UT
Vancouver Clinics – Vancouver, WA
Veterans Administration Hospital – West Roxbury, MA
Via Christi Hospitals – Wichita, KS
Wesley Medical Center – Wichita, KS
Wilson Hospital – Johnson City, NY
Woonsocket Medical Office Building – Woonsocket, RI
Yale New Haven Hospital – New Haven, CT



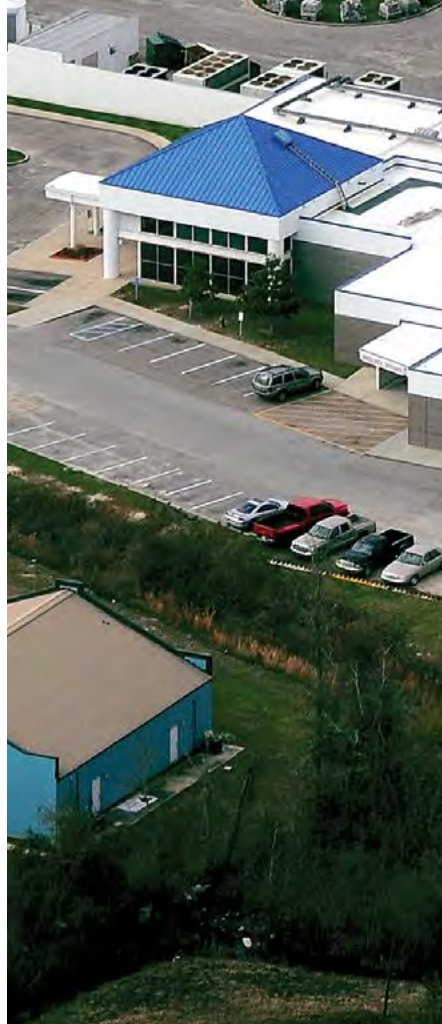


ROOFING SOLUTIONS FOR HEALTHCARE FACILITIES

Sarnafil®

BUILDING TRUST





CHAMPION OF DESIGN FREEDOM

When it was time for the Hancock Medical Center in Bay St. Louis, Mississippi, to reroof its building, aesthetics were an important factor. The sloped roofs are an architectural element of the building, and the Medical Center wanted the look of standing seam metal. The Azure Blue Sarnafil Décor Roof System was the ideal choice, providing them with the look they desired along with the long-term, water-tight performance of a Sarnafil thermoplastic membrane.

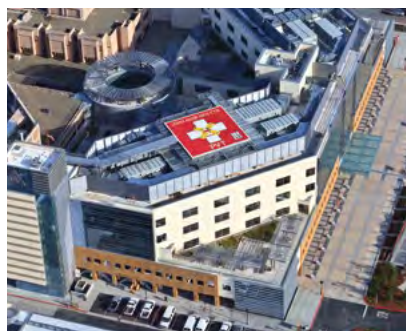
In addition, EnergySmart White Sarnafil membrane was used on the low slope roof sections, enabling the Medical Center to receive a single source warranty for the entire roofing project.

Décor is available in seven standard colors, including four EnergySmart Roof colors that meet the latest EPA Energy Star[®] standards, and an almost unlimited number of custom colors.



Hancock Medical Center, Bay St. Louis, MS

A PRESCRIPTION FOR HEALTHCARE THAT SAVES MONEY.



John Muir Medical Center, Walnut Creek, CA

On The Cover: Hoag Memorial Hospital Presbyterian, Newport Beach, CA

No roofing manufacturer understands the needs of healthcare facility building owners and managers better than Sika. No roofing membrane manufacturer is better prepared to address those needs.

Sika delivers a series of high performance thermoplastic roofing systems proven to be energy-efficient, highly reliable and sustainable – factors that result in one of the lowest roofing life cycle costs in the industry.

The company's products can be installed free of odor and VOC's and with minimal disruption to facility occupants. They provide long-term, reliable protection for buildings and building contents, require little in the way of costly maintenance and save dollars by minimizing energy consumption when compared to

competitive roofing products.

These characteristics are extremely important to healthcare facilities housing vulnerable patients, with high value systems and equipment in place for the treatment of these patients. Hospitals, medical clinics and healthcare facilities already face a host of ever-increasing costs that have a major impact on patient healthcare and treatment – as well as the financial health of the facility, itself.

Sika acts as a partner with healthcare facility management, tailoring a roofing system to their specific needs and delivering a proven, high performance system that, over time, will help to keep expenses in line.

REDUCING FACILITY COSTS FROM THE TOP DOWN

To remain viable in a very competitive marketplace, hospitals and clinics must invest in expensive medical systems and equipment. Older healthcare facilities must stay ahead of building repairs and refurbishments. Newly-planned facilities must contend with the rising costs of construction. Compliance with a host of safety regulations can be costly, as well. In the very near-term, a wave of baby boomers will be accessing health care facilities in far greater numbers.

Sika roofing systems help to alleviate cost issues. The company's single-ply thermoplastic membranes are durable, lightweight and flexible, and available in a variety of systems. Included are the reflective, energy-efficient EnergySmart Roof[®]; solar-ready roofing systems that accommodate a wide variety of

solar configurations; vegetated Green Roofs; and stylish Décor Roof Systems in a range of standard and custom colors. Sika roofing products feature long service life, low maintenance requirements, and consume fewer raw materials.

Reflective surfaces help conserve energy and are available with several Sika roofing systems. Cool roofs like the Sarnafil EnergySmart Roof have been shown in independent testing to significantly lower energy consumption.

In a Lawrence Berkeley National Laboratory study commissioned by the U.S. Department of Energy and the EPA¹, researchers compared energy consumption in a 100,000-square-foot Texas facility over a two-year period – with a black rubber EPDM roof in use for the first 12 months, and a Sarnafil

vinyl EnergySmart Roof in place for the following 12 months. As recorded in the Lawrence Berkeley report, the EnergySmart Roof reduced peak summertime air conditioning demand by 14 percent and resulted in an estimated savings of \$7,200 (7.2 cents per square foot per year).

Cool roofs save in other ways, too. These systems do not experience the high rooftop temperatures that accompany dark-colored roofing systems and negatively affect the thermal performance of insulation. In addition, rooftop-mounted air conditioning equipment gets less use with cool roofs, thereby potentially extending the equipment's service life.

¹ Lawrence Berkeley National Laboratories (LBNL-47149). Copies available upon request.

A HISTORY OF PROVEN PERFORMANCE.

“Our Sarnafil roof has been virtually maintenance-free for 22 years, with no coating, seam work or re-securing required.”

– Bill Doney, Facilities Manager, Oconto Falls Community Memorial Hospital, Oconto Falls, WI

Performance over time is the only true test of the quality of roofing or waterproofing systems². Independent studies have shown that Sika roofs last for decades – this legacy of proven performance can be found on buildings around the globe, in every imaginable climate. With billions of square feet of roofing and waterproofing membrane installed worldwide over a 50+-year period, healthcare facility managers know they can depend on Sika for proven products and system performance.

Sika Roofing and the National Research Council of Canada (NRCC) collaborated on a durability survey of Sarnafil vinyl roof membranes². Roofing membrane samples from 44 roofs in North America and Europe were used to test the durability of the Sarnafil thermoplastic roofing membranes in exposed applications. Laboratory evaluations tested physical properties considered essential in estimating long-term behavior of thermoplastic roofing membranes according to ASTM (USA), DIN (Germany), and SIA (Switzerland) standards. The average age of the roofs tested was more than 20 years, with the oldest 34 years of age.

The laboratory testing confirmed that the membranes being examined held up extremely well when compared to the standard minimum values for new vinyl roofing membranes, as per North American and European standards. After considering the age and condition of the roofs analyzed, the data indicated that a properly formulated, properly maintained, Sarnafil-reinforced vinyl roof membrane system could perform in excess of 20 to 30 years in various

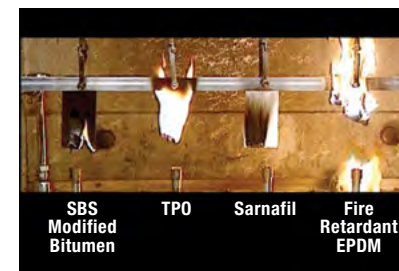
climates throughout Europe and North America.

The British Board of Agrément (BBA) conducted their own independent analysis of Sarnafil membranes, resulting in the issuance of a certificate for Sarnafil vinyl membranes. The certificate indicated “All available evidence suggests that the durability of Sarnafil membranes when used in accordance with the relevant BBA Certificates should have a life in excess of 35 years³.”

SAVING MONEY OVER THE LIFE OF YOUR BUILDING

The total cost of your roofing system is determined over its life cycle by system longevity, maintenance expenses, and disposal cost. The initial installation expense, while a component of life cycle costing, is outweighed by these other factors. In particular, the life of the roofing system and its annual maintenance expenditures are the two biggest factors determining total life cycle cost. The long-term differences between roofing systems can be dramatic when considering life cycles – these differences should be carefully weighed before making a roofing decision. This is especially true for healthcare facilities, which are typically designed and built for a long service life.

Sika roofing systems satisfy the most demanding service life requirements. System seams are hot-air welded and Sarnafil membranes require virtually no maintenance, helping to keep annual operational costs to a minimum. Sika systems have a proven history of durability and are amongst the lowest cost roofing systems available when considering the life cycle of a building.



FIRE RESISTANCE MEANS A SAFER ENVIRONMENT

Vinyl materials, such as Sarnafil membranes, are naturally fire retardant and do not support combustion when the flame source is removed. In a laboratory test conducted in accordance with a European fire testing standard, a flame source was applied for 10 seconds to SBS modified bitumen, polyolefin (TPO), Sarnafil (PVC) and fire-retardant rubber (EPDM). When the flame source was removed, the flame extinguished on the Sarnafil membrane, while the alternative membranes continued to burn.

[View a video of a laboratory test for fire resistance at: usa.sarnafil.sika.com](https://usa.sarnafil.sika.com)

² S.P. Graveline, H.R. Beer, R.M. Paroli, A.H. Delgado, “Field Investigation and Laboratory Testing of Exposed Poly (Vinyl Chloride) Roof Systems,” Proceedings of the RCI 20th Annual International Convention and Trade Show, Miami, Florida, 2005.

³ British Board of Agrément Assessment Report Numbers 08/4531 and 08/4532, 2008.



In addition to being environmentally responsible, green roofs like the Sarnafil system pictured are believed to have therapeutic value in a health care setting.

HELPING TO SUSTAIN THE ENVIRONMENT.



Sarnafil membranes integrate with a variety of solar configurations to form complete solar roof systems that generate electrical power.

According to independent industry groups, a sustainable roofing system must minimize the burden on the environment, conserve energy and extend roof system life spans⁴. Based on these criteria, Sika roofing and waterproofing systems score exceptionally well.

The EnergySmart Roof conserves energy and supports the environment by minimizing rooftop temperatures as compared to less-reflective, dark-colored roofs. The result is less energy consumption for building cooling and a reduction in carbon emissions from energy production.

The company's Green Roof tops off buildings with a durable thermoplastic

membrane under a vegetated cover. Green roofs lower rooftop temperatures and reduce storm water run-off to minimize erosion.

The Solar Integrated Roofing System does more than conserve energy – this system protects the building interior from the elements and generates power for its energy needs.

Sika also helps to reduce the landfill burden by recycling vinyl roofing at the end of its life. The company has diverted more than 45 million pounds of pre- and post-consumer roofing material from landfills into new roofing membrane products. Today, Sika's Roof Recycling Program allows building owners to recycle their old vinyl roofs at the end of their

service life into new roofing membrane products.

SPECIFYING A RELIABLE ROOFING SYSTEM

A high quality membrane is a crucial component in a reliable, long lasting roofing system. It is not, however, the only criterion to consider when developing a roof specification. System design and installation are critical factors to consider. Even the best roofing system can have problems if these two elements are ignored. Sika Sarnafil is uniquely qualified to deliver a total system solution through our Milestone Management™ process. This rigorous approach is a key reason for the company's reputation for delivering

high quality roofing and waterproofing systems that stand the test of time.

When considering a roofing system, building owners, architects and contractors should seek out a list of reference projects in the area that have exhibited longevity. Performance up on the roof is the only real true indicator of a roofing manufacturer's ability to deliver a high quality roofing system.

Call 1-800-576-2358 to receive a copy of Sika's Sustainability Kit, a guide to developing a long-lasting, reliable roofing system.

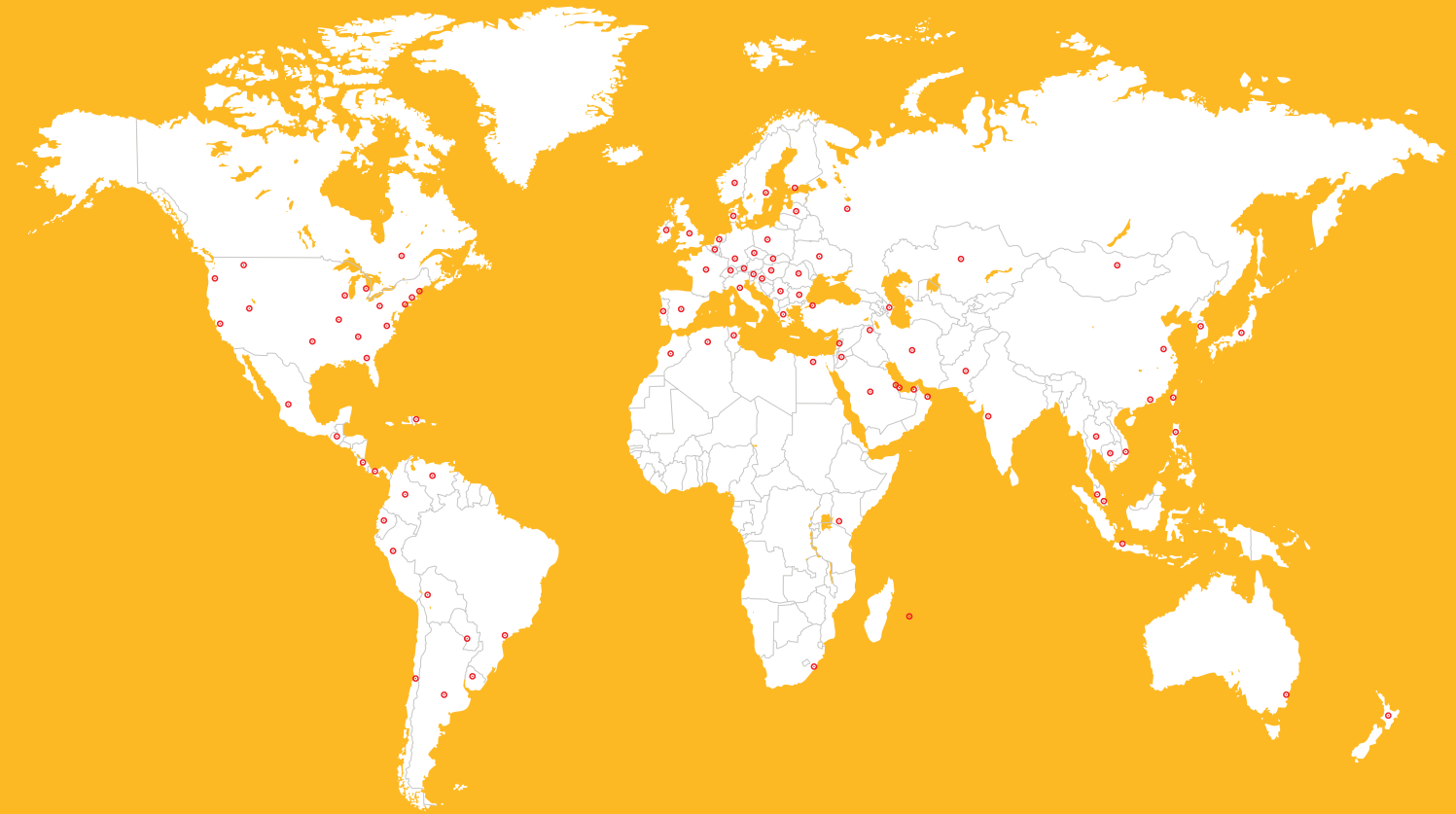


SARNAFIL MILESTONE MANAGEMENT

The Sarnafil Milestone Management™ process integrates proven materials, skilled workmanship, and expert assistance into every phase of every project for comprehensive quality control. The result: peace of mind for architects, engineers, owners, and occupants alike.

⁴ Council for Research and Innovation in Building Construction (CIB) and International Union of Testing and Research Laboratories (RILEM) (CIBW.83/RILEM166 RMS)

GLOBAL BUT LOCAL PARTNERSHIP



BUILDING TRUST, EVERY DAY

With over 100 years of experience, Sika is a worldwide innovation and sustainability leader in the development and production of systems and products for construction, as well as the marine, automotive, and renewable energy manufacturing industries. Sika has offices in over 100 countries with over 300 manufacturing facilities and more than 27,000 employees worldwide. With annual sales of 9.5+ billion dollars in 2021, our commitment to quality, innovation, and the environment as well as putting our customer's needs first, encompasses why Sika is a global leader in our industries. Sika, Building Trust.

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Flooring



Sealing and
Bonding



Refurbishment



Waterproofing

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webmaster.sarnafil@us.sika.com

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SIKA AT WORK

DUKE ELLINGTON SCHOOL OF THE ARTS

WASHINGTON, D.C.

ADHERED ROOF SYSTEM WITH G 410 80 MIL
FELTBACK MEMBRANE IN WHITE

Sarnafil

BUILDING TRUST



DUKE ELLINGTON SCHOOL GETS STATE-OF-THE-ART SARNAFIL ROOF

Like a touching orchestral jazz piece, the Duke Ellington School of the Arts in Washington, D.C. features many beautiful but diverse components. Built in 1898 and featured in the National Register of Historic Places, this high school recently underwent an \$162,000,000 renovation which expanded the facility from 175,000 to 265,000 square feet and added state-of-the-art performance and classroom spaces. The most notable part of the renovation was a four-story light-filled atrium with a show-stopping, egg-shaped 800-seat theater suspended in the middle of the new space.

The roof itself has 30 distinct roof sections of different elevations, including 20,000 square feet of green roof plantings, 3,000 square feet of 2-inch concrete pavers, and an 1,800 square foot composite decking system on the Educational Terrace. As with most District of Columbia schools, the roof specified for this extensive renovation was the 80 mil Sarnafil G410 membrane. "Sarnafil is an excellent performing membrane," said Miah Dancy, President at Bluefin LLC, the roof consultants on the project. "We knew it would do well even underneath some unique overburden."

"There was some pressure to go with a hot-applied system on some of the roofs, but we wanted to go with Sarnafil because it is not as limited as a hot-applied system, and would allow us to get dried in much faster," stated Dan Waldo, vice president at GCS-SIGAL of Washington, D.C., the design builder.

ALL THAT JAZZ

The roof installation was one of the most challenging that John Maviglia, project executive of roofing contractor HRGM Corporation of Washington, D.C. had ever faced. "There were so many trades, so many roof

levels and types of facades, skylights, storm water requirements," he remarked. In fact, the roof had the most transitions and flashing details HRGM had ever installed, including 160 solar panel support penetrations, and 4,300 linear feet of transitions to EIFS walls, metal panels, cast stone, historic brick, screen wall supports, and edge metal/copings. None of these details had been prepared when HRGM was selected as the roof contractor, so they worked closely with the design team and Sika Sarnafil to create details that met the project's unique needs and complexity.

"What's unique about HRGM is that they wanted to be involved with the design process," Waldo explained. "We brought them in right away to work with us on the details, and then John Maviglia would take the details to Sika Sarnafil to have them blessed."

IMPROVISATION WAS KEY

HRGM had to improvise and use creative problem solving on several areas of the roof. The first was getting the roof and the mechanical sections to drain properly. The project's storm water management plan required that a significant portion of the roof drain to the front of the building -- but the multitude of new penetrations, obstacles, and mechanical units/ductwork complicated this task. There was limited space to accommodate the oversized mechanical system, which also required continuous duct supports that were 30" wide by 8" tall over 4,250 square feet of roof across multiple elevation changes and slopes. "Developing the cricket system for these roofs was not something that could be done from a desk. It needed to be worked out -- obstruction by obstruction -- in the field, in real time," Maviglia said. Since there wasn't a coordinated layout drawing, HRGM performed careful quality control

PROJECT

Duke Ellington School of the Arts
Washington, D.C.

OWNER

District of Columbia Public
Schools/Department of General Services

ROOFING CONTRACTOR

HRGM Corporation
Washington, D.C.

ROOFING CONSULTANT

Bluefin, LLC
Crofton, Maryland

DESIGN BUILDER

GCS-SIGAL
Washington, D.C.

ROOFING SYSTEM

Adhered Roof System with G 410 80 mil
feltback membrane in White

PROJECT SIZE

72,000 square feet

COMPLETED

August 2017





checks at each point to ensure that the area around each obstruction achieved drainage. HRGM also had to restore and reconfigure the half-round, built-in gutter at the front of the building, without making visible changes to the facade. This was accomplished by end-damming select sections of the rebuilt gutter, lining the full gutter with Sarnafil 80 mil membrane, and resloping the adjacent roof sections using carefully aligned crickets and insulation fill.

"John Maviglia's group did a great job with creative cricketing and in identifying and strategizing how to move water to gutters and downspouts," Gabe Oliver, vice president at GCS-SIGAL stated.

SARNAFIL PRODUCTS PROVE TO BE RIGHT INSTRUMENTS

Integrating the new part of the building with the existing, historic front of the building was another challenge. The front "bar" had a flat roof with a new balustrade and a historic built-in cornice gutter. Since the balustrade is inset from the gutter, it needed to be installed on elevated supports to allow water to pass through. These supports are visible from the street, so HRGM made creative use of Sarnafil's PVC membrane-fabricated outside corners, carefully applying them to each support to make sure the balustrade looks crisp from all angles.

On places where HRGM had less than three inches of clearance to do flashing and couldn't use a hand welder, like on the "egg" roof, they decided to use Sarnafil Liquid Flashing. "It's a great product -- very unique and fast paced," Maviglia said. "It was very beneficial in this scenario."

"We love working with HRGM because they deal with challenges very well," Dancy commented. "If they were given a deadline by the general contractor they wouldn't push back but would figure out how to get it done. They will do whatever it takes to get the job done."

It was this professionalism that earned HRGM first place in the Sustainability Category of Sika Roofing's 2017 Project of the Year competition.

RAVE REVIEWS ALL AROUND

Today the roof -- and its installation -- are getting rave reviews. "This is the most complicated roof we've done with HRGM and the roof is doing very well," Waldo said. Added Oliver, "I'd definitely use the Sarnafil membrane again, especially if it was being installed by HRGM."

"This roof doesn't just prevent rain from getting into the building, but is a fully formed part of the building's design, vision and programming," Maviglia commented. "It is an outstanding example of the creativity, craftsmanship, technical expertise, and collaboration that are increasingly required for 21st century buildings."

Especially those that want to make beautiful music.



DUKE ELLINGTON SCHOOL OF THE ARTS



WHO WE ARE

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SIKA AT WORK

Hopkins County Courthouse Sulfur Springs, TX

LIQUID APPLIED ROOFING & WATERPROOFING
Sikalastic® RoofPro System

BUILDING TRUST



RESTORATION OF AN 1895 HISTORICAL LANDMARK



// 2022

PROJECT DESCRIPTION

Hopkins county courthouse situated in Sulphur Springs, Texas was designed in the Romanesque Revival Style by San Antonio-based architect, James Riely Gordon. The courthouse was constructed in 1894 & 1895. Through the years Mother Nature's relentless exposure to the elements on this building took its toll and now the soldered copper panel roofs and concrete decks required weatherproofing. The project needed a protection system that could stand the test of time and be flexible enough to accommodate movement in the structure. The solution also had to tie into and maintain the appearance of the historical building components.

UNIQUE PROBLEM

The unique nature of this project was the problem of the multi-substrate waterproofing and roofing needs. The clear solution for this building was the Sikalastic® RoofPro membrane system. Sikalastic® RoofPro is the one-stop, one-brand restoring solution.



PROJECT SOLUTION

The RoofPro membrane system along with its multiple choices in primers provided the unique ability to span soldered copper panel roofing, pink granite, plywood, concrete, and Pecos red sandstone surfaces. The Sika trained approved applicators were diligent with the surface preparation and installation of the Sikalastic® RoofPro membrane materials. Their professional work and attention to detail provided a monolithic waterproofing/roofing system imperative to protecting the National Registered Historical courthouse. Hopkins County now has one of its local treasures restored, dry, and functional without interruption of continued service to its residents.

PRODUCTS USED

- SIKALASTIC® -621 TC
- SIKALASTIC® -624
- SIKA® EP PRIMER
- SIKA® REEMAT PREMIUM

PROJECT PARTICIPANTS

SIKA CORPORATION: David Axt,
Technical Field Services Manager – LAM
GENERAL CONTRACTOR: Phoenix 1
Restoration & Construction





SIKA AT WORK

JASPER HIGH SCHOOL

JASPER, ARKANSAS

RhinoBond® ROOF SYSTEM USING
60 MIL Sarnafil® S327 MEMBRANE IN WHITE

Sarnafil

BUILDING TRUST



Sarnafil RhinoBond ROOF TREASURED BY JASPER “PIRATES”

When your team is named the Pirates, you aren't likely to take any gruff from anyone or anything. That's why the Jasper School District in Arkansas decided to go for only the best when they wanted to replace the 25-year-old roof on Jasper High School. "The roof, which covered three buildings that were eventually joined together, had multiple leaks," said Jeff Cantrell, superintendent of Jasper School District. "We wanted to find a cost-effective roof that wouldn't leak and would have a long life."

"Because of the various additions to the school, there was a mixture of different roofing systems on the building," explained Craig Boone, president of Architecture Plus of Fort Smith, Arkansas. "There was a modified bitumen built-up roof which had some polyurethane foam applied in some areas, and a standing seam metal roof. We needed a roofing system that could easily work with these different materials, and also support the Department of Education's requirement for 1/2-inch slope on any BUR and 1 inch slope on metal."

Brian Kirk, owner of Freedom Roofing Solutions, Inc. of Vilonia, Arkansas, knew just the right roof for the high school: the Sarnafil RhinoBond system. This system uses Sarnafil's proven PVC membrane, which is attached using RhinoBond's advanced induction

welding technology. RhinoBond secures the membrane directly to specially coated plates that are used to secure the insulation to the deck, all without penetrating the roofing membrane. The result is a roofing system with improved wind performance that requires 25 to 50 percent fewer fasteners and plates.

In addition, since the fastening points are spread out across the roof deck in a grid pattern rather than concentrated in the seams of the membrane, the wind uplift load is distributed more evenly. The result is less point loading on each fastener, enabling the system to achieve higher wind ratings with fewer fasteners.

RhinoBond also offered an advantage on the metal roof retrofit. Because RhinoBond eliminates the traditional in-seam fastening, the membrane seams do not have to be aligned exactly over the purlins. This eliminates the need for specialty width sheets trimmed to match the purlin spacing, which simplifies installation and eliminates waste.

"I had used RhinoBond before on smaller installations, so I knew how easy it was to install," Kirk remarked. "As for Sarnafil, we are big fans of the performance and longevity of this system. I sometimes joke that if we take off our shirts you'll find Sarnafil tattoos on our backs."

PROJECT

Jasper High School
Jasper, Arkansas

OWNER

Jasper School District

ROOFING CONTRACTOR

Freedom Roofing Solutions, Inc.
Vilonia, Arkansas

ARCHITECT

Architecture Plus
Fort Smith, Arkansas

ROOFING SYSTEM

RhinoBond Roof System using 60 mil
Sarnafil S327 EnergySmart membrane
in white

PROJECT SIZE

40,000 square feet

COMPLETED

July, 2015





NO SHIVERING TIMBERS

Installation involved tearing off the built-up roof, replacing the decking, filling in some skylights, putting on a tapered insulation system and also filling the flutes of the metal roof with recovery board. Then the Sarnafil membrane was installed with RhinoBond induction welding. “This was our first large RhinoBond installation and we loved it!” Kirk commented. “We love the ease of the installation and how quickly we were able to install the membrane. This was especially true with the flute-filled metal roof – we were rocking and rolling through that!”

Boone was impressed with not only the ease of installation with RhinoBond, but also with the versatility of the Sarnafil membrane. “This is the first time I used one membrane to cover three components – the BUR, the metal roof, and flashing of some vertical walls,” he said. “I was a little skeptical about this – especially with the flute-filled metal portion. But the roof is solid.”

The job was not without challenges, however. One was the summer heat, including days when the temperature went over 100 degrees. “We worked as early as possible – sometimes at 4 a.m. – to avoid the hottest portion of the day,” Kirk stated.

There were also two long interior gutters and interior drains that were replaced, as well as downspouts, fascia and soffits. In addition, much of the HVAC and electrical systems were being renovated, and the HVAC equipment had not been braced correctly when they were installed. “We had to remove the units, get inside and brace the decking up, and then flash everything when the units were reinstalled,” Kirk said. “Fortunately, our job superintendent Oscar Jimenez did a great job coordinating everything with the subcontractors and the school district.” Kirk added the Sika personnel also helped with their inspections.

“Freedom Roofing and Architecture Plus did a great job correcting past problems,” Cantrell commented. “They engineered a solution for every area of the roof where water could get trapped.”

“Freedom Roofing did a great job as far as their craftsmanship and the roof looks just beautiful,” Boone said. “In fact, I trust Freedom Roofing so much I’m having them reroof my house.”

A ROOF TO TREASURE

Despite some very heavy downpours since it was installed, Cantrell says the new roof is “performing flawlessly” and he expects it to continue to perform well in the future. “We are very happy with the results and with Freedom Roofing,” he explained. “These folks come in and do exactly what they say they will do.”

“I was very impressed with this installation and would not hesitate to recommend the Sarnafil RhinoBond system to another client,” Boone said. “This is unusual for me because I was not a big PVC membrane fan. But I’m impressed with how Sika stands behind their roofs.”

Sounds like a roof even a pirate could love.



JASPER HIGH SCHOOL



WHO WE ARE

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SIKA AT WORK HILLSBOROUGH COUNTY JAIL - ORIENT ROAD LOCATION TAMPA, FLORIDA

RhinoBond® Roof System USING 60 MIL
Sarnafil® S327 EnergySmart Roof® MEMBRANE IN WHITE

Sarnafil

BUILDING TRUST



ORIENT ROAD JAIL SECURED BY SARNAFIL RHINOBOND ROOF

Installing a 417,700-square-foot roof on a building with 500 residents is always difficult. Add the fact that this is high security jail with 152 separate roof sections, extensive security and a 12-foot fence with razor wire surrounding it and you have an installation that would challenge even the most experienced of roofing contractors. But Service Works of Tampa, Florida, had a secret weapon that would make the job easier: The Sarnafil RhinoBond roofing system.

A TRIED AND TRUE SYSTEM

The Sarnafil RhinoBond system uses Sarnafil's proven PVC roof membrane, which is attached using RhinoBond's advanced induction welding technology. RhinoBond secures the membrane directly to specially coated plates that are used to secure the insulation to the deck, all without penetrating the roofing membrane. The result is a roofing system with improved wind performance that requires 25 to 50 percent fewer fasteners and plates.

In addition, since the fastening points are spread out across the roof deck in a grid pattern rather than concentrated in the seams of the membrane, the wind uplift load is distributed more evenly. The result is less point loading on each fastener, enabling the system to achieve higher wind ratings with fewer fasteners.

"We're a proponent of RhinoBond because of the flexibility it offers with fastener placement, and the Sarnafil membrane is one of the premium roofing products on the market," remarked William Cowart, vice president at Construction Moisture Consulting, Inc. of Tampa.

Garry Tipton, project manager at Service Works, said that the wind uplift ratings and the structural concrete deck on the roof made RhinoBond the right choice, although it turned out there was another benefit that made RhinoBond a good option. "Using RhinoBond on a project of this size really opened our eyes to the system's labor savings," he stated. "The crews find it more comfortable to install and now we try to turn everything over to a RhinoBond system."

Tipton was also pleased with the decision to use the Sarnafil membrane. "We have had tremendous success with Sarnafil," he commented. "It is our membrane of choice."

SAFETY AND SECURITY WARRANTED

As might be expected, the Service Works crews were subjected to an extensive background check to obtain proper clearance to work on the project. In addition, Service Works had to store anything that might be a hazard to prisoners, such as knives, blades and tools, in a mobile warehouse. "These items were inventoried every day, and a guard was assigned to supervise this," Tipton explained. "Even a broken tool had to be returned so it could be accounted for." Jail guards also were on the roof 100 percent of the time to ensure that there was no unauthorized contact with inmates. "The jail workers were great to work with," said Jr. Garza, general superintendent at Service Works.

The roof installation was done in sections, and one of the first major challenges, due to the perimeter security fence, was transporting and loading the materials to the site. In order to load the heavy recovery

PROJECT

Hillsborough County Jail - Orient Road
Location
Tampa, Florida

OWNER

Hillsborough County

ROOFING CONTRACTOR

Service Works Commercial Roofing, Inc.
Tampa, Florida

ROOFING CONSULTANT

Construction Moisture Consulting, Inc.
Tampa, Florida

ROOFING SYSTEM

RhinoBond Roof System using 60 mil
Sarnafil S327 EnergySmart Roof
membrane in White

PROJECT SIZE

417,700 square feet

COMPLETED

October, 2015





board, a 220 ton all-terrain crane was used. After the interior sections were stocked, smaller cranes were used to reach the outside perimeter roof sections. Hand carts could not be used to move materials because of the multiple roof levels. "It could take up to three days to load just one phase of the roof," Garza remarked. "That's a full 10-hour day with 10-12 workers unloading three to four truckloads of material."

Safety was another concern. "Our in-house safety director developed and implemented a comprehensive OSHA safety plan," Tipton stated. "We invested in a parapet wall attachment safety rail system, and all our crews were harnessed for all perimeter attachments."

The project also included more than seven miles of vertical base flashings, and five miles of Sarnaclad fabricated metal edge flashing. Over 6,000 Sarnacorners, 420 Sarnaclad overflow scuppers and 750 pipe penetration flashings were also used. Sarnatred V walkway pads were installed on all expected roof traffic areas.

A TEAM-BASED WORK PROGRAM

Everyone involved in the project agreed that teamwork played a major role in this installation. "Cooperation between the owner, contractor and Sika was crucial to the success of this project," Cowart remarked. "Whenever details arose that were unique to the project, the Sika field tech representative documented the conditions and Sika technical services provided custom details in a timely manner, which was quite helpful."

"The jail allowed us to have the roof sections inspected as they were completed, and the Sika inspector was tremendous," Tipton stated. "He was extremely thorough, but if you know what he wants and how he wants it, then it is a home run at the end of the project."

"Service Works performed great and worked hard," said Angel Varela, director, Detention Maintenance Bureau at the Department of Detention Services at the Hillsborough County Sheriff's Office. "They were like the Energizer Bunny and had tremendous output."

Cowart added, "Service Works' workmanship was outstanding. They were very diligent and accommodating to the client, which made my job easy."

It was this workmanship and attention to detail that earned Service Works first place in the Low Slope Category of Sika Sarnafil's 2015 Project of the Year competition.

ROOF EXHIBITING GOOD BEHAVIOR

The completed roof has weathered strong rains and winds without issue. "We've experienced storms that have delivered two to five inches of rain and the roof is performing great," Cowart said. "I would definitely use the Sarnafil RhinoBond system again. It is a good system, good membrane, and Sika has a great reputation."

"The roof is doing great," Varela added. "It will probably outlast me!"

Thanks to Service Works and the Sarnafil RhinoBond system, this high security facility now boasts an equally secure and long-lasting roof



HILLSBOROUGH COUNTY JAIL - ORIENT ROAD LOCATION



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SIKA AT WORK

SUSTAINABILITY BASE AT NASA'S AMES RESEARCH CENTER MOFFETT FIELD, CALIFORNIA

MECHANICALLY ATTACHED Sarnafil® EnergySmart Roof®
USING 60 MIL S 327 MEMBRANE IN WHITE

Sarnafil

BUILDING TRUST



SARNAFIL ROOF PART OF NASA'S LATEST MISSION ON EARTH

Outer space is not the only area where NASA does research. In fact, the Sustainability Base at NASA's Ames Research Center in Moffett Field, California, is testament to research NASA is doing right here on earth. Considered to be the "greenest" federal building in existence, the 50,000-square-foot, two-story, lunar-shaped building is designed to be "a workplace, a showcase for NASA technology and a living prototype for future buildings," according to NASA. "It is NASA's latest mission on earth."

About 200 NASA employees work at the Sustainability Base, which NASA sees as a prototype of what a 21st-century building should be. "The building and its site are designed not only for planetary well-being, but also for human physical and emotional health," NASA's website states. "The elements for human well-being include plentiful fresh air, daylight, outdoor workspaces, views of nature, natural shading, nontoxic building materials and a variety of greenery."

The facility is LEED® Platinum certified and designed to be "net energy positive," which means it generates more energy than it consumes. To this end, the Sustainability Base has a narrow width (54 feet) to allow daylight to reach desks in the middle of each floor, and windows that can be opened for natural ventilation.

Electric power is generated by on-site photovoltaic solar panels and solid oxide fuel cell technology from a Bloom Energy Box (developed for a NASA Mars project). There are also 106 geothermal wells supporting a groundsource heat pump system, and a water recovery system filters water used to flush toilets and urinals.

A ROOF LIGHT YEARS AHEAD

Selecting an energy efficient roof for the Sustainability Base led the architect to a reflective, light colored single ply membrane with solar panels. "We typically specify white roofs because those roofs have a high reflectance rating, and therefore lower heat gain," said June Grant, associate principal at AECOM of San Francisco. "Instead, the light color acts like a mirror and bounces the heat rays back, keeping the building cool."

One white roof which NASA's Ames Research Center is very familiar with is Sika Roofing's Sarnafil EnergySmart Roof. This vinyl roof is heat-weldable, creating seams that are as strong as the membrane itself. The membrane is a proven performer, due to more than 50 years in the field, and its light, reflective color, as Grant pointed out, reduces air conditioning costs. "We've specified Sarnafil roofing systems before and they have all performed well," Grant added.

"This is NASA's preferred roofing system," explained Mark McAtee, estimator and project manager at Alcal Specialty Contracting of Fremont, California. "They have a great relationship with Sika Roofing, which is why the majority of the roofs at the Ames Research Center are Sarnafil roofs."

A PROBLEM FREE INSTALLATION

Installation of the 25,000-square-foot roof was pretty straightforward, McAtee said. "It took about one month for our six-man crew to install the roof on the Sustainability Base," he remarked. "We had

PROJECT

Sustainability Base at NASA's Ames Research Center
Moffett Field, California

OWNER

NASA

ROOFING CONTRACTOR

Alcal Specialty Contracting, Inc.
Fremont, California

DESIGN ARCHITECT

William McDonough + Partners
San Francisco, California

ARCHITECT / ENGINEER OF RECORD

AECOM
Orange, California

GENERAL CONTRACTOR

Swinerton Builders
San Francisco, California

ROOFING SYSTEM

Mechanically attached Sarnafil EnergySmart Roof using 60 mil S 327 membrane in White

PROJECT SIZE

25,000-square feet

COMPLETED

June, 2011





also just purchased a window and glazing company, so we did that work as well."

"I liked that Alcal could do the entire building envelope, including the roof and windows," said Jack Carter, project executive at Swinerton Builders of San Francisco. "We have a long-standing relationship with Alcal and know they are very proficient at installing Sika's Sarnafil roofing systems," he explained. "We've had very positive working experiences with both companies and find Sika Roofing to be very responsive to our needs."

"Sika's in-progress inspections are always helpful," McAtee added. "We really like Sika Roofing's products and technical support. That's why we always recommend Sarnafil systems."

After the roofing membrane was put down, the solar array panels were installed. "The solar panels used a combination of mounting techniques. The solar panels were attached and anchored to the I-beams underneath the roof deck, which required penetrating the roof.

Fortunately, the Sarnafil system is easy to reseal," said David Wong, utilities manager at Ames Research Center, Facilities Engineering Branch. "The solar panels were also self-ballasted to prevent them from catching the wind and sliding around."

In a typical year, the solar panels are expected to generate about one third of the Sustainability Base's electricity needs.

MISSION ACCOMPLISHED

Today the Sarnafil roof on the NASA Sustainability Base is performing according to plan, and has survived several winters with no problems.

"Sustainability Base is just finishing up its commissioning period," said Steven Zornetzer, associate center director for research and development at NASA's Ames Research Center. "To date, the building's roof has performed as expected. It provides excellent reflectivity and all indications are that it will meet our expectations for durability."



SUSTAINABILITY BASE AT NASA'S AMES RESEARCH CENTER



WHO WE ARE

The commercial roofing industry has relied on thermoplastic single-ply membranes from Sika for more than 50 years to achieve sustainable roofing and waterproofing solutions.

Sika is a globally active specialty chemicals company. Sika supplies the building and construction industry as well as manufacturing industries (automotive, bus, truck, rail, solar and wind power plants, facades). Sika is a leader in processing materials used in sealing, bonding, damping, reinforcing and protecting load-bearing structures. Sika's product lines feature high-quality concrete admixtures, specialty mortars, sealants and adhesives, damping and reinforcing materials, structural strengthening systems, industrial flooring as well as roofing and waterproofing systems.

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Please consult the Product Data Sheet prior to any use and processing.
ISO 14001: 2004-Compliant



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100 Dan Road • Canton, MA 02021 • USA
Tel: 781-828-5400 • Fax: 781-828-5365
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SIKA AT WORK

WOGAMAN 5-8 SCHOOL

DAYTON, OHIO

Décor Roof System USING 60 MIL Sarnafil®
G410 FELTBACK MEMBRANE IN LEAD GRAY

Sarnafil

BUILDING TRUST



DÉCOR GIVES WOGAMAN SCHOOL ROOF A NEW LIFE

“Act your age!” is something you might expect to hear directed to a school student, but not to the school’s roof. Yet instead of being problem-free like most roofs its age, the nine-year old shingle roof on the Wogaman 5-8 School in Dayton, Ohio, was performing like a much older roof that was past its prime. “There was a plethora of leaks, with the worst leak being over the principal’s office,” remarked John H. Carr, AIA and chief construction officer at Dayton Public Schools. As with a misbehaving student, this was a situation that had to be addressed – and soon.

“FUNCTION FIRST, AESTHETICS SECOND”

Gary Mays, president of Mays Consulting & Evaluation Services, Inc. of Delaware, Ohio, thought a membrane roofing system might be good solution for the Wogaman School. “A shingle roof requires ventilation, and with a 3/12 low slope like this roof has, it is easy for water to back up under the shingles,” he said. Because the roof is very visible from the ground, its appearance was also important. This made the school’s roof a perfect candidate for the Sarnafil Décor Roof System.

The Décor Roofing System combines Sika’s G410 feltback thermoplastic single-ply roofing membrane with Décor profiles to give

the appearance of a standing seam metal roof – and thanks to its watertight seams, the durability of this system is unmatched. It is one of the only roofing systems of this type that includes warranty coverage for the hot-air welded ribs that give the roof the appearance of metal.

“I have 40 years of experience with Sarnafil roofs, and have specified millions of square feet of Sarnafil,” Mays explained. “I know it is a proven product that works well with no callbacks. I also knew the Décor system would give us the appearance we wanted. It met my criteria of ‘function first, aesthetics second.’”

Carr, who is an architect, has “always been a proponent of membrane roofing.” He went on to say that his previous experiences with Sarnafil systems have been positive and he was familiar with the Décor system. “I like the aesthetics of the Décor system, and the lead gray color was a good match for this building.”

BATTLING THE THREE S’S: SCHEDULE, SCOPE AND SAFETY

Schedule: Although the Notice to Proceed was signed in June of 2013, work did not begin until mid-August due to funding issues, putting roofing contractor Harold J. Becker Company, Inc., of Dayton in a bit of a bind. “Not only were we installing the roof when school was in

PROJECT

Wogaman 5-8 School
Dayton, Ohio

OWNER

Dayton Public School District

ROOFING CONTRACTOR

Harold J. Becker Company, Inc.
Dayton, Ohio

ROOF CONSULTANT

Mays Consulting & Evaluation Services, Inc.
Delaware, Ohio

ROOFING SYSTEM

Sarnafil Décor Roof System using 60 mil
G410 feltback membrane in lead gray

PROJECT SIZE

85,000 square feet

COMPLETED

October, 2014





session, which creates its own challenges, but we also were scheduled to work through the Midwestern winter,” said Casey Bechtel, president and CEO of Harold J. Becker Company. In fact, the tough conditions during the winter months shut down the project in December of 2013. When the project started up again in March of the following year, double crews were put on the job until completion of the project in October of 2014.

Scope: The scope and size of the 85,000-square-foot project were daunting. After the existing roof materials were removed, new fire rated blocking was anchored at the perimeter. Two layers of Sarnatherm and a gypsum board were installed, followed by the Sarnafil G410 feltback membrane and the Décor ribs 18” on center. The system included hot-air-welded laps and coated metal drip edge stripping, valleys, hips and ridges. At predetermined locations, the metal deck received flute filler and three layers of fire retardant 2x10s were installed for the Alpine Snow Guard System base plates.

The tear-off of the old roof included removal of approximately 61,000 fasteners from the original nail board, plus the addition of a couple thousand more on the reinstallation. There were also 2,500 feet of gutters and 1,400 feet of downspouts. Due to the installation of additional insulation between the roof joists, all existing soffits – which totaled approximately 3,000 square feet – had to be removed, located, numbered, stored and reinstalled without damage. All told, the project required approximately 17,500 man hours.

Safety: Safety of the crew and building occupants was a big concern. Scaffolding at different levels and heights was built to keep the crew safe as they worked on the multi-leveled roof. Harold J. Becker Company made sure the students and other occupants of the building were kept safe, too. “They worked hand-in-hand with our construction observer and the school principal to make sure everyone was safe and not inconvenienced by the reroofing project,” Mays pointed out. “For instance, if students were taking tests, we made sure work was not being done on the roofs over those classrooms.”

SAVINGS AND SATISFACTION

Fortunately, there were two other “S’s” on the project, the first being

savings. “Thanks to the additional insulation and new masonry walls, I believe we are going to save 20-25 percent on heating and cooling costs in this building with the new roof,” Carr said.

Satisfaction with the quality of the installation was also mentioned, as both Sika and Harold J. Becker received high marks for their performance on this project. “The Sika representative was very good about giving advice and had a good technical background,” Mays stated. “Harold J. Becker also did an excellent job. We have been working with them for many years and they are very capable, with very good installation and office crews.”

“We are very familiar with Harold J. Becker and are always happy with their work, including on this job,” added Carr. It was this professionalism that earned Harold J. Becker first place in the Steep Slope Category of Sika Sarnafil’s 2014 Project of the Year competition.

A ROOF FOR THE AGES

Now the new roof on the Wogaman School is acting its age. “The roof came out very well and the Décor system is an excellent success,” said Mays. “Everyone with the project is happy with the results.”

“We are absolutely pleased with how the roof came out, and would strongly consider using the Décor system again,” Carr remarked. “I feel very confident that this roof will last for many years to come.”



WOGAMAN 5-8 SCHOOL



WHO WE ARE

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SIKA AT WORK

County of San Diego Behavioral Health
San Diego, CA

LIQUID APPLIED ROOFING & WATERPROOFING
Sikalastic®646 Lo-VOC

BUILDING TRUST



PROJECT DESCRIPTION

The PVC roofing membrane at the San Diego County building was in need of refurbishment. Sikalastic 646 Lo-VOC RoofCoat, a moisture triggered urethane, was chosen for it's user friendly nature and performance characteristics.

PROJECT SOLUTIONS

The PVC roofing membrane was cleaned by pressure washing to provide a clean sound surface for application. Sikalastic EP Primer was used to adhere the RoofCoat 646 product to the existing membrane. At the edge terminations Sikalastic SA Tape was used to transition over the horizontal edge termination of the existing PVC roofing and allow a smooth locally reinforced tie in at all perimeter details. All seams in the existing PVC membrane roof were locally reinforced with Sika Flexitape set in a coat of the Sikalastic 646. Alta Roofing & Waterproofing also coated the exposed concrete above the roof to seal and protect this portion of the building as well. The finished product provided the County of San Diego facility with a seamless 20 year roof refurbishment as well as protection of the exposed concrete structure associated with the roof.



PRODUCTS USED

- Sikalastic EP Primer
- Sikalastic 646 Lo-VOC
- Sika Flexitape Heavy
- Sika SA Tape
- Sika Concrete Primer Lo-VOC

PROJECT PARTICIPANTS

- Contractor: Alta Roofing & Waterproofing





SIKA AT WORK

Dan Russel Federal Court House

LIQUID APPLIED ROOFING & SKYLIGHT WATERPROOFING

BUILDING TRUST





PROJECT BACKGROUND

The Dan Russel Federal Court House in Gulfport, MS has a beautiful entryway with large skylights that brighten the foyer. However, a recent hurricane and prior aged conditioned required a roof replacement and repairs to the skylight waterproofing.

PROJECT REQUIREMENT

Install a continuous, monolithic waterproofing/roofing membrane system integral across the roof, built in gutters/scuppers, and over parapet walls that also incorporated the skylights. The total size of the project was 4400 square feet with 1900 SF being built up new roof and 2500 SF skylight waterproofing.

PROJECT DESCRIPTION

The Sikalastic-621 RoofPro BUR membrane system along with the Sikalastic Clearglaze skylight waterproofing system were chosen for their ability to incorporate the skylights into a completely seamless, monolithic, and compatible waterproofing/roofing system. The Western Specialty crew out of New Orleans was selected for the task.

First, the old roof was stripped off and replaced with new insulation, roof cover board and a Sikalastic RoofPro 20-year, liquid-applied membrane system. The Sikalastic-621 RoofPro system ran continuously across the roof, into gutters, scuppers and up onto building and skylight frames. Finally, the skylights were cleaned and primed, The Sikalstic-621 RoofPro system was installed over all mullions, caps and perimeters followed by two coats of the Sikalastic Clearglaze over the skylights that tied into the newly installed Sikalastic-621 RoofPro system.

Sika has the resources to provide all materials for a built-up roof and skylight repair as a single source manufacturer. Call your local Sika Rep today for more information!

PRODUCTS USED

- Sika Cold Stick Adhesive
- Sikalastic 621 TC
- Sika Reemat Premium
- Sika Flexitape Heavy
- Sikalastic Clearglaze

Sika Corporation
 201 Polito Avenue
 Lyndhurst, NJ 07071
 Phone: 201-933-8800
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PROJECT PARTICIPANTS

- Owner: Federal Government
- Architect: GSA
- Engineer: GSA
- Main contractor: Brave Solutions
- Sub contractor: Western Specialty Contractors

BUILDING TRUST





SIKA AT WORK

Marin County Civic Center

San Rafael, CA

**Sikalastic®-641 Lo-VOC Liquid Applied Roofing / Waterproofing System
with Custom Color Option**

Estimated area: Over 195,000 SF

BUILDING TRUST



REFURBISHMENT OF AN ARCHITECTURAL ICON

One of the more prominent works of renowned architect Frank Lloyd Wright the design intent sought to consolidating county services in a centralized space with an open air feel and an abundance of natural light. The Marin County Civic Center just north of San Francisco effectively addresses the needs of the local populace while catering to tourists and architectural devotees year round.



PROJECT DESCRIPTION

The site features 2 buildings: a 580 foot long, 4 story Administration Building completed in 1962 and a 3 story 880 foot long structure known as the Hall of Justice completed in 1969. The 2 buildings are connected at 120 degree angle by an 80 foot diameter rotunda and all 3 sections feature a concrete roof. Since opening, liquid applied roofing options have been employed to protect the interior and have met with varying degrees of success.

Beginning in the spring of 2016, Sika was engaged along with 2 other manufacturers to evaluate the possibility of recoating the existing surface. While Sika was able to achieve acceptable adhesion to the existing surface, it was a collective decision among the owner and design team to remove all existing coating to effectively address numerous blisters and related defects and eliminate instances of ponding water.

An evaluation process was soon commissioned involving three different manufacturers encompassing both on site testing and accelerated laboratory testing. Based on the aggregated results of this testing, the functionality, availability and compatibility of Sika products, and the accompanying technical support, the Sikalastic RoofPro-641 Lo-VOC system was selected as the single source solution with no substitutions permitted. The chosen system features a single component polyurethane resin requiring no mixing and generates minimal waste. When coupled with the highly conformable Sika Reemat Premium reinforcing scrim, Sikalastic-641 Lo-VOC offers a smooth, seamless system which satisfied the historical preservation guidelines.

The project was awarded in the fall of 2017 with work commencing in the spring of 2018 and was completed in January of 2020.



SPECIAL REQUIREMENTS ADDRESSED BY SIKA:

- Since the Marin County Civic Center is a historically significant structure, the repair solution could not adversely impact final appearance. Sika Reemat fiberglass reinforcement furnished a highly conformable, seamless option preserving the architectural look of the original design.
- As the project progressed, the need for significant concrete repairs and resloping was discovered. Sika supplied all needed concrete repair and sloping products using compatible Sika Products while keeping the original warranted system.
- Enhanced manufacturer involvement / oversight was required by the owner. Sika Technical Services furnished substrate review, application monitoring, and/or verification of cured material thickness on a pre-determined weekly basis.
- Large open-air spaces and operable skylights are present in and around the structure. The Sikalastic RoofPro line features our 641 Lo-VOC low odor formulation which allowed employees to work uninhibited.



PROJECT SOLUTIONS

- Sikalastic®-641 Lo-VOC single component
- Sika® EP 2 Part Epoxy Primer
- Sika® Reemat Premium Fiberglass Reinforcement
- Sikaflex®-11 FC and 102 Ever Flash Sealants
- SikaQuick®-1000 Mortar
- Sikalastic®-720 Base 2 part urethane resin for sloping and cricketing applications
- Sikadur®-31 Hi-Mod Epoxy
- Sikadur®-22 Lo-Mod Epoxy

PROJECT PARTICIPANTS

OWNER: County of Marin

GENERAL CONTRACTOR: Arntz Builders

WATERPROOFING CONTRACTOR: Rainbow Waterproofing

SURFACE PREP CONTRACTOR: PARC

ARCHITECT: Wiss, Janney, Elstner Associates, Inc., Emeryville, CA

FOR MORE INFORMATION PLEASE CONTACT:

Scott Tyson, CDT Senior Technical Sales Representative: 650-291-9651

David Axt, National Technical Manager: 863-670-6841

Sika Corporation

201 Polito Avenue

Lyndhurst, NJ 07071

Phone: 201-933-8800

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BUILDING TRUST





SIKA AT WORK

McEniry Building University of North Carolina Charlotte, NC

LIQUID APPLIED ROOFING & WATERPROOFING
Sikalastic® RoofPro System

BUILDING TRUST



AN EXISTING EPDM ROOF GETS A NEW LIFE!



// 2021

PROJECT DESCRIPTION

Housing the Department of Geography and Earth Sciences, the McEniry Building, built in 1975, was in dire need of repairs, one of which was the roof. The existing EPDM roof cover was aging poorly and now leaking into the science rooms and labs housed in this building.

UNIQUE PROBLEM

Prior to the application of Sikalastic® RoofPro, an interior renovation took place and multiple new roof penetrations, and equipment pads were added.

Adding the many penetrations for ventilation and proper airflow to the labs and classrooms soon made this a “busy rooftop”. In the roofing industry, this introduces many obstacles that can cause issues with potential leaking. The more units and penetrations a roof holds also makes for a very difficult installation to produce a monolithic weatherproof system.



PROJECT SOLUTION

The main reasons for choosing this RoofPro application to go over the existing EPMD membrane were for a cost savings of not having to do a complete tear off and replacement and to not cause disruption to the classes in the academic areas of the building. With RoofPro, the application went smoothly and quickly around and up all the equipment pads and penetrations to create a seamless roof cover inclusive of flashings. Without the solution of RoofPro reinforced liquid applied membrane this roof would have continued to deteriorate making replacement inevitable. Instead the university was able to save the existing roof and obtain a 20 year warranted roof system.

PRODUCTS USED

- SIKALASTIC® -641 LO-VOC
- SIKA® EPDM PRIMER
- SIKA® EP PRIMER RAPID
- SIKA® REEMAT PREMIUM
- SIKA® FLEXITAPE HEAVY, 3" & 6"
- SIKA® JOINT TAPE SA, 3"

PROJECT PARTICIPANTS

SIKA CORPORATION: Chris Oler,
Technical Field Services Rep – LAM
SIKA INDEPENDENT REP: Hydro-Corr
GENERAL CONTRACTOR: BIRS, Inc.
ENGINEER: SKA Consulting Engineers, Inc.

BUILDING TRUST



Sikalastic® RoofPro | RoofCoat



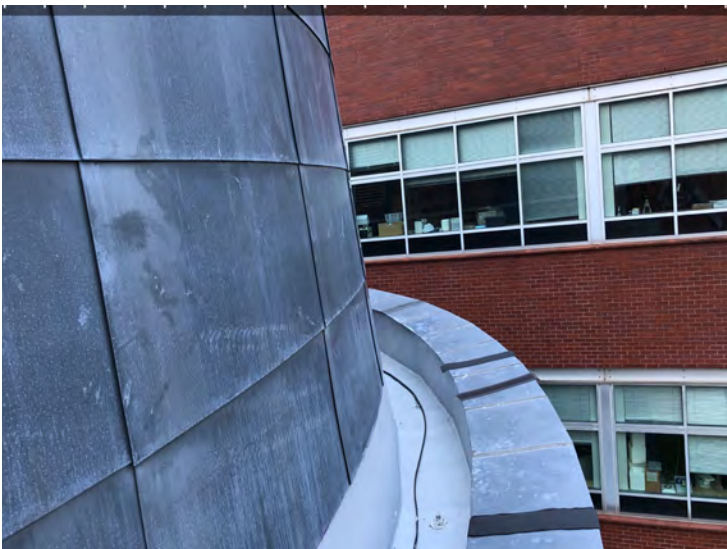
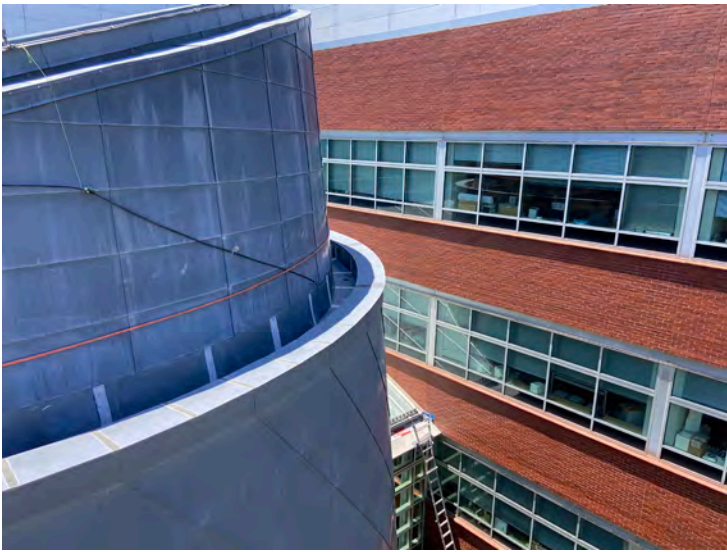
SIKA AT WORK

Rowan University Science Hall Planetarium Repairs, New Jersey

LIQUID APPLIED ROOFING & WATERPROOFING
Sikalastic® RoofPro 20

BUILDING TRUST





PROJECT DESCRIPTION

TBS Services, a Building Consultant from New Jersey reached out to Sika and was looking for a waterproofing solution that could be installed on the existing gutters at the Planetarium of the Rowan University. The gutters were leaking and the Consultant needed a solution with minimal disruption for the building owner. Sikalastic RoofPro 20 year system, a fully reinforced and fully adhered liquid applied waterproofing system has been evaluated by the Consultant as most suitable solution. After the contractor has been awarded Sika has trained and certified D.A Nolt as Sikalastic RoofPro certified installer on the project.

PROJECT SOLUTIONS

Sikalastic RoofPro systems and it's unique Sika Reemat Premium fiberglass reinforcement confirm perfectly to all kind of shapes, and allowed the contractor to install a 100 % seamless waterproofing system in the gutters. The Sikalastic-641 Lo-VOC resin with reduced solvent and minimal odor allowed the contractor to install the system without any precautionary measures in terms of odor mitigation. The contractor was able to finish the job on time, and highlighted the fact that Sikalastic-641 Lo-VOC is rain resistant immediately after application, and he was less dependent on the weather with his construction schedule.

PRODUCTS USED

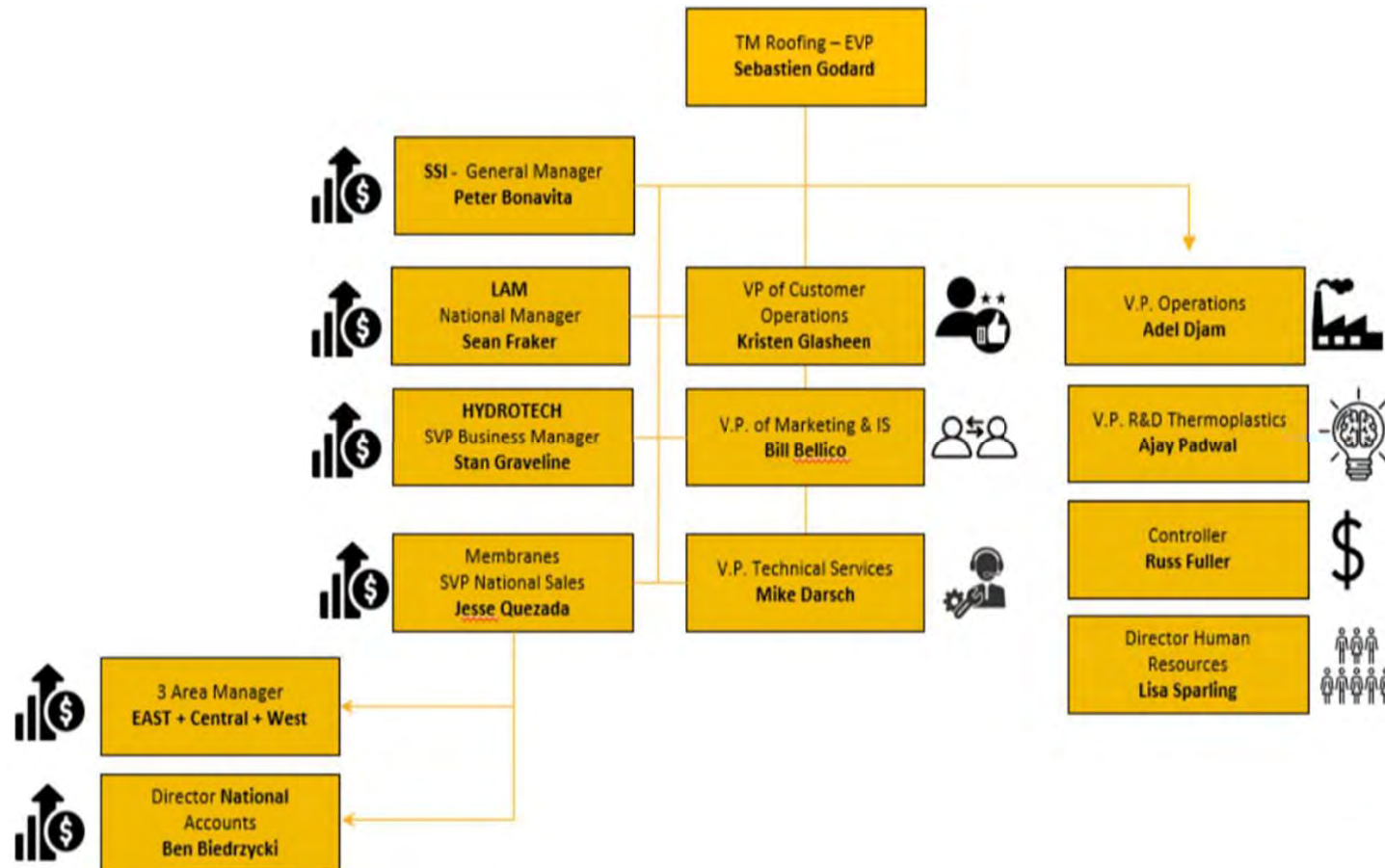
- Sikalastic®-641 Lo-VOC
- Sika® Reemat Premium
- Sikalastic® Primer EP
- Sika® Joint Tape SA

PROJECT PARTICIPANTS

- Engineer: TBS, Haddon Heights, NJ
- Contractor: D.A. Nolt. Inc.

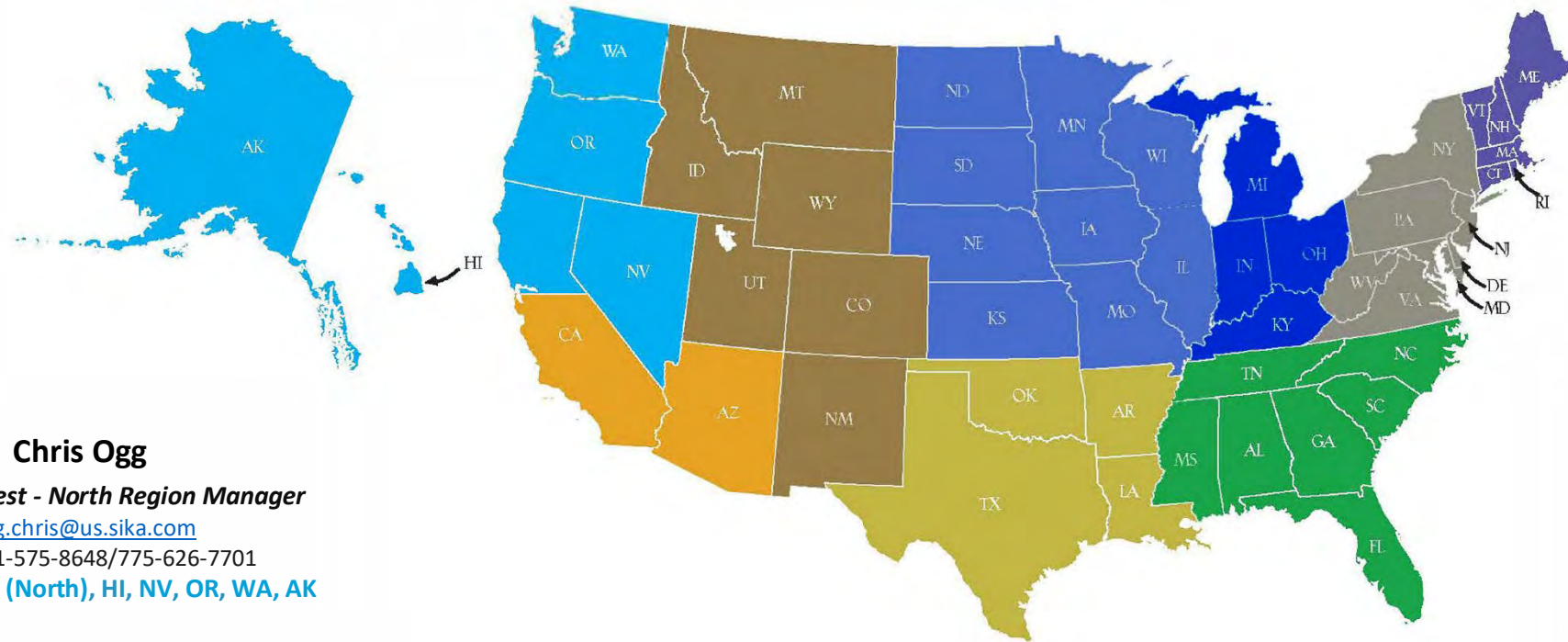
Exhibit - Sales Organization

SIKA US TARGET MARKET ROOFING



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Chris Ogg

West - North Region Manager

ogg.chris@us.sika.com

801-575-8648/775-626-7701

CA (North), HI, NV, OR, WA, AK

Matt Hardy

Mountain Region Manager

hardy.matt@us.sika.com

801-575-8648 / 801-949-9243

CO, ID, MT, NM, UT, WY

Eric Ziemba

Midwest West Region Manager

ziemba.eric@us.sika.com

800-532-5123 / Fax: 630-620-9646

IA, IL, KS, MO, MN, ND, NE, SD, WI

Mike Daniels

Midwest East Region Manager

daniels.michael@us.sika.com

260-458-1029

IN, KY, MI, OH

Mike Dadekian

New England Region Manager

dadekian.mike@us.sika.com

508-887-6720

CT, MA, ME, NH, RI, V T

Eric Karman

West - South Region Manager

karman.eric@us.sika.com

800-421-1662/714-898-9355

AZ, CA (South)

Doug Kirk

Southwest Region Manager

kirk.doug@us.sika.com

214-883-9530

AR, LA, OK, TX

Jon Jacobsen

Southeast Region Manager

jacobsen.jon@us.sika.com

404-909-0222

AL, FL, GA, MS, NC, SC, TN

Chris Matisse

East Region Manager

matisse.chris@us.sika.com

800-782-3859 / 717-562-2410

DC, DE, MD, NJ, NY, PA, VA, WV



Project Safety Manual

Introduction

This manual contains safety policies designed to control risks associated with operations at client sites and to provide the safest possible work environment for our employees. While this safety manual is intended to be comprehensive, it is impossible to cover every scenario, therefore if you have questions regarding a specific task contact your supervisor who can provide guidance.

The best ambassadors of our safety program are those performing the jobs daily. If you observe a safety issue or have a suggestion that could improve the safety measures outlined in this document, please speak with your supervisor. It takes the dedicated effort of the entire team to prevent workplace incidents.

Incidents are the result of unsafe conditions, acts or practices. Many incidents are caused using unsafe equipment, tools used in an unsafe manner or failure to follow safe work practices. Therefore, the implementation of a comprehensive safety program is critical to maintaining a safe work environment for all employees. To ensure a safe work environment, it is imperative that we strictly enforce our policy. Violations of safety policies and procedures could result in disciplinary action, up to and including termination. If you have questions or need additional information regarding the contents of this manual, you should speak with your supervisor or their predetermined designee immediately.

Safety policy statement

Providing a safe work environment for SSI staff, subcontractors, clients and visitors, is of the utmost importance. The goal of our safety policy is to provide guidance on how to avoid risks associated with the jobs performed by our employees. It is impossible to provide guidelines for every situation; therefore, we depend on you, our staff, to make safe choices in your daily work. Our success depends on everyone performing their job in the safest possible manner.

Safety is a team effort

With any great team, each member must know their role and how to perform it well to achieve success. The same is true for safety teams.

Management's responsibilities:

Providing a safe work environment and adequate supervision of operations, which includes as applicable:

- Providing a safe work environment and adequate supervision
- Provisioning of tools and equipment
- Providing proper safety equipment and clothing
- Training and on-site safety direction
- Inspecting work areas and operations periodically
- Ensuring prompt action is taken when unsafe conditions or actions are identified
- Ensuring all incidents are reported and properly investigated
- Reviewing incident reports to verify proper corrective action is taken

Supervisor's responsibilities:

- Promoting safety awareness, and leading by example
- Ensuring employees are trained on safe work practices related to their assigned job tasks
- Ensuring safety equipment and protective devices are provided and properly used
- Conducting frequent safety inspections of all work areas and operations to improve and eliminate unsafe conditions
- Taking prompt, corrective action when unsafe conditions or unsafe actions are observed
- Investigating and reporting to management all incidents involving personnel or property
- Reviewing new equipment to identify potential risks
- Educating employees on the disciplinary policy as it relates to the safety policy; taking appropriate action when merited
- Arranging transportation and accompany the injured employee to the medical facility
- Facilitating paperwork and answering questions of both the treating physician and injured employee

Employee's responsibilities:

- Following the safety policy and procedures
- Reporting unsafe conditions and practices to management immediately
- Keeping work areas clean and orderly always
- Operating equipment only if authorized and instructed on safe work procedures
- Reporting all incidents to management immediately and complete an incident report as soon as possible

What to do if an incident occurs

While every effort is made to avoid incidents, it is important to know what to do if one should occur. Acting quickly and getting the injured employee treatment they need as soon as possible can help to prevent further injury.

- Report all incidents, no matter how minor, immediately to management
- Prompt reporting ensures the employee receives proper treatment if it is required, and ensures appropriate corrective action is taken to avoid future injuries
- Perform first-aid and CPR, only if you are trained
- Follow established Bloodborne Pathogens procedures
- Arranging transportation and accompany the injured employee to the medical facility should be done by the supervisor
- Facilitating paperwork and answering questions of both the treating physician and injured employee should be done by the supervisor
- Incident report forms must be completed by the supervisor and injured employee as soon as possible; route as directed on the form

Emergency action plans

Emergency situations such as fire, severe weather, bomb threat, etc., require swift and immediate action by our employees to ensure the safety of everyone. In the event of an emergency, our staff should be prepared for the following:

Supervisor/management or designee for their respective areas will:

- Direct actions of personnel
- Know the location of fire extinguishers
- Know who is first-aid and CPR trained
- Identify individuals who need special assistance during evacuations and plan ahead to ensure their safety
- Familiarize employees with evacuation route
- Ensure the building is clear and account for personnel after building evacuation

Fire evacuation:

- Turn off nearby equipment and walk to the nearest exit, when the fire alarm sounds and if it is safe to do so
- Assemble away from the building at the designated assembly area
- Remain outside until the all-clear is given by responding fire personnel
- The supervisor or their designee will account for all individuals

Severe weather:

- Stay inside the building
- Proceed to the appropriate designated shelter when directed

Bomb threat:

- Bomb threats must always be taken seriously
- Document as much information as possible
- Report the incident immediately to the supervisor
- The supervisor or the authorities will determine if the situation warrants evacuation; if called for, follow the procedures used for a fire evacuation

Recordkeeping

Documentation is a critical component for maintaining a safe working environment. The following records are retained in personnel files:

- Employee training records
- Certifications
- Incident reports
- Hazard identification and corrective actions
- Signed acknowledgments
- Equipment inspection/certifications

Violence in the workplace

It is the policy of **(Insert company name)** that violence or the threat of violence, even in a joking manner, is not appropriate and subject to disciplinary procedures, up to and including termination.

Employees are to report any acts or threats of violence to their supervisor immediately. Report the behavior or threats made, give facts of where and when the event occurred, what was said and include any witnesses.

Anyone who observes a weapon on the premises is required to report it to the supervisor immediately.

Biological exposure control plan

Within the scope of your job, you may encounter blood or other bodily fluids that have the risk of transmitting blood and/or airborne diseases. Always wear personal protective equipment (PPE) if it is necessary for you to be in contact with blood or other body fluids. For more information on biological exposures, visit www.CompSourceMutual.com.

Ergonomics

(Insert company name) has an ergonomics program to educate and train employees on the basic principles of ergonomics and proper body mechanics. The program includes written guidelines to prevent musculoskeletal injuries caused by exertion, repetitive motion, or sustained posture; these include back injuries, sprains, strains, carpal tunnel syndrome or other cumulative trauma disorders.

Depending on the physical demands of a particular job, changes in the layout of your workstation or procedures may need to be changed to minimize the risk of a cumulative trauma injury. It is important to request an ergonomic evaluation if you believe your workstation or procedures need to be changed. Once the ergonomic evaluation is complete, modifications identified should be implemented. It is important that employees follow the recommendations and modifications to help prevent a cumulative trauma injury.

General policies for all operations

- Employees should perform their job tasks in a safe manner, speak with your supervisor if you have any questions regarding safe work practices
- Illness or extreme fatigue may impact your ability to perform your job safely; it is the employee's responsibility to monitor their well-being and ensure they are physically able to perform their job tasks safely
- Horseplay of any kind is strictly forbidden, and employees who willfully engage in horseplay are subject to disciplinary procedures, up to and including termination
- Clean and orderly work areas prevent injuries; take time each day to keep your work area clear of unnecessary materials, tools and/or equipment
- All exits and stairways should be clear and free of obstructions
- Use only approved, grounded electrical extension cords

- Extension cords are to be unplugged, coiled and stored in their designated locations when not in use
- Dispose of extension cords that show wear and tear immediately
- Follow proper lifting techniques and seek assistance when necessary
- Ensure all equipment (dolly, etc.) is in good condition before use
- Visually check equipment and machinery before use and ensure work area is clear
- Never leave machines or equipment running while unattended
- Loose clothing, long hair and/or jewelry should not be worn by employees working around or near moving machinery or equipment
- Use of a personal music device in the work area, including vehicles, is at the discretion of the immediate supervisor
- Smoking is strictly prohibited

Ladders

- Do not use chairs, boxes or other objects in lieu of approved ladders.
- Ladders must be regularly inspected before use. All defective ladders (weakened, broken or missing steps, broken side rails, etc.), must be tagged, removed from service and reported to the supervisor immediately. All portable ladders shall have non-skid bases.
- In placing an extension ladder, the ladder should be one foot out for every 4 feet up and the ladder should extend at least 3 feet above the roofline and be tied off at the top.
- When using a stepladder longer than ten feet high, another person must hold the ladder.
- Use both hands when ascending and descending ladders and always face the ladder.
- Only one employee is to use a ladder at any time.
- Do not climb higher than the 2nd step from the top of a stepladder. Do not climb straight ladders higher than the third step from the top.
- Do not use metal ladders near energized electrical circuits.

Extreme temperature conditions

(Insert company name) operations may expose employees to extreme temperatures. Employees are responsible for monitoring their physical condition both on and off the job and notifying the supervisor of any condition that may impact their ability to tolerate extreme temperatures. For more information on safely working in extreme temperatures, visit www.CompSourceMutual.com.

Hazard communication

Chemical substances and mixtures used by the company are to be evaluated and approved before use. The associated risks with products should be communicated to employees before use and can be found by reviewing the product Safety Data Sheet (SDS). Annual training on proper hazard communication is provided with additional training as new products are introduced in the work environment. For more information on hazard communication, visit www.CompSourceMutual.com.

Personal Protective Equipment (PPE)

Eye protection:

Appropriate safety glasses, goggles, or face shields shall be worn when the work may result in a potential risk of injury to your face or eyes. Eye protection is provided by the company and employees are responsible for keeping track of and maintaining the equipment in good condition. Damaged equipment must be replaced immediately.

Head protection:

Approved head protection (hard hats) must be worn when the work may result in a potential risk of injury to your head. Hard hats are normally required at every construction site at the discretion of the general contractor. Head protection must be worn as recommended by the manufacturer to include replacement by the stamped date. Employees are responsible for keeping track of and maintaining this equipment in good condition.

Hearing protection:

The company has elected to implement a hearing conservation program to control the risks associated with high noise levels in the work area. Approved ear protection shall be worn under all work conditions that have been determined by the company to exceed acceptable noise levels. Hearing protection shall be provided by the company and employees are responsible for keeping track of and maintaining the equipment in good condition. For more information on hearing conservation, visit www.CompSourceMutual.com.

Respiratory Protection:

The company has elected to implement a respiratory protection program to control the risks associated with workplace exposure to dusts, vapors, fumes and other airborne particulate. Employees are responsible for keeping track of and maintaining the equipment in good condition. For more information on respiratory protection, visit www.CompSourceMutual.com.

Foot and hand protection:

Shoes or boots suitable to the type of work and work area conditions shall always be worn. Slip resistant soles may be required in some operations. Safety-toed footwear will be required in all construction site locations where a higher-level risk of foot injury exists. Open toe shoes are prohibited from all construction site work areas.

Hand protection will be chosen based on the risk potential and utilized by the employee during the performance of their assigned work activities. However, in operations such as pedestal grinding or other situations where the glove may cause or contribute to an injury, other methods of hand protection shall be used. Consult your supervisor regarding glove selection and use. All gloves required at a construction site to be provided by the company.

Outerwear protection:

Regular work clothing will be of cotton or other natural fiber. Shorts and tank top shirts are prohibited. Employees are responsible for keeping track of and maintaining their clothing and company provided gear in good condition or replaced as necessary. Contaminated clothing or gear will be removed and replaced when the contaminants pose a health or fire hazard.

The use of Tyvek or other non-porous clothing increases the risk of heat stress. Employees utilizing these garments will be monitored during the work performance. For more information on temperature extremes, visit www.CompSourceMutual.com.

Fall protection

Work on raised platforms, ladders or other elevated work locations creates the risk of serious injury. Appropriate fall protection in the form of railings, barriers or personal fall protection harnesses will be used anytime work is performed above normal grade or finished floor. For more information on fall protection, visit www.CompSourceMutual.com.

Aerial and scissor lifts

Aerial and scissor lifts pose a significant risk due to fall, crushing and electrical hazards. To ensure that employees can identify and control these risks, only trained and qualified personnel will be allowed to operate these types of equipment. For more information on aerial and scissor lifts, visit www.CompSourceMutual.com.

Scaffolding

(Insert company name) will ensure that all potential hazards regarding scaffolding at our job sites are evaluated. The standard practice will address, evaluating and identifying potential deficiencies, evaluating the associated potential hazards, communicating information concerning these hazards, and establishing appropriate procedures and protective measures for employees. To ensure safety and serviceability, general precautions concerning the care and use of scaffolding will be observed: For more information on scaffolding, visit www.CompSourceMutual.com.

Hand tools

Hand tools are to be used only for the purpose for which they are designed. They will be inspected before use and replaced as required.

Tools with burrs, cracks, mushroom heads, or broken, loose or splintered handles shall not be used.

Do not leave tools on overhead work areas or other where they pose a potential risk of injury where they will fall and strike someone working below.

Never leave tools lying around where they may be tripped over or interfere with other work in progress.

Do not carry an edged or pointed tool in pockets or belts unless the point or edge is protected.

Portable power tools

Do not attempt to operate any power tools without proper instruction and authorization.

Never use any portable power tools without checking for both proper safeguard operation, (e.g. safety on pneumatic nail gun and spring-loaded guard on skill saw) and electrical continuity. Questionable items should be inspected and tested by qualified personnel. Always report defects or minor shocks on any piece of equipment. Any electrical equipment or cord without a ground prong intact shall not be used.

Ground fault circuit interrupters (GFCIs) shall be used in all wet locations.

Electrical cords should be protected from damage by oil or wear and not left in aisles where they may be run over by trucks or other equipment or cause a tripping hazard. Never run an electrical cord through a doorway.

Material handling and storage

Employees shall evaluate the object(s) to be lifted prior to attempting the lift. Get help or divide the load and always utilize proper body mechanics when lifting.

Lifting aids such as portable cranes, front loaders, back hoes, hand trucks, skids, hoists or power lift trucks should be used to move heavy objects whenever possible.

Work gloves should be worn when handling heavy or rough objects. Foot protection is required when there is a potential risk of foot injury.

Do not stand under loads, which are suspended by ropes, chains or cables. Stand clear when ropes, cables and chains are under tension. Check the rope, cable or chain prior to use as a lifting aid.

When power equipment is being used to raise or lower materials outside of the operator's direct view, one person in clear view of both the load and the operator shall give standard hand signals and the operator shall accept his signals only.

Stack materials to facilitate subsequent handling on the job site to minimize travel.

All pallet/containers protruding nails must be bent over or removed as soon as possible.

Adequate lighting shall be provided for all work areas. If in doubt about the light level, notify your supervisor for evaluation.

Forklifts

Due to the risks associated with working on and around forklifts, the company has implemented a forklift program that includes the following requirements:

- Only authorized and certified personnel shall operate forklifts
- Operators are responsible for attentive driving and personal awareness of their surroundings and possible changes in the work area. Seatbelts shall always be worn while operating the equipment.

For more information on forklifts, visit www.CompSourceMutual.com.

Motor vehicle operation

In recognition of the high risks associated with motor vehicle operation, the company has implemented the following requirements:

- All employees who drive company vehicles must have a valid Oklahoma driver's license, operator, commercial or chauffeur's license as required for the equipment being operated.
- Only company employees are permitted to operate or ride in company owned equipment and vehicles.
- Employees are required to obey all Oklahoma traffic regulations. Cost for violations of traffic laws are the responsibility of the employee. Employees convicted of two or more traffic moving violations within a 12-month period will not be allowed to operate company vehicles.
- Employees must report all vehicle accidents as required by city and state accident reporting procedures. Employees involved in vehicle collisions will report the incident to their supervisor or designee immediately after contacting the local law enforcement agency.

For more information on safe driving, visit www.CompSourceMutual.com.

Heavy equipment

Do not attempt to operate any power equipment, such as cranes, graders or bulldozers without proper instruction and authorization.

When walking in proximity of heavy equipment operations, keep clear of equipment when operators cannot see you.

When working near moving traffic, ensure that proper barricades have been placed around the work zone.

Ensure all roll-over protective devices are in place on heavy equipment.

When operating heavy equipment on loose soil or excavated material slanted surfaces, operator should take caution to ensure equipment does not roll over or into open ditch area.

SAFETY POLICY/PROCEDURE ACKNOWLEDGEMENT

By my signature below, I acknowledge that:

I have received and read the company's safety policy/procedures and I have been given the opportunity to ask questions and have received clarification of any area of the policy/procedures that I questioned. I agree to abide by the provisions in the policy/procedures and I understand that failure to do so may result in disciplinary actions, up to and including, termination of my employment with the company.

I have received training by the company for the duties associated with my job and I understand the potential hazards and physical requirements of these duties as well as the necessary precautions to control these hazards.

I have been informed and I understand that I am to report any accident and injury while performing the duties of my job to my immediate supervisor immediately, or if in their absence, the next available senior company representative. An accident investigation report must be completed and signed immediately (as is reasonable under the injury circumstances) by me after my injury.

I have been informed and I understand that I am to immediately report any unsafe acts and/or conditions that I discover during the performance of my job duties.

Employee's signature _____

Witness signature _____

Printed name _____

Date _____

Sika S.A.F.E. Handbook

Safety Always For Everyone

BUILDING TRUST



May 2021

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Section 1: Purpose

The purpose of the Sika Corporation Sika S.A.F.E. Handbook is to provide an overview of our platform for managing the employee driven Environmental Health and Safety (EHS) programs at all North American facilities.

Section 2: Environmental Health and Safety

Sika S.A.F.E. Mission Statement

Sika Corporation is dedicated to preserving the health and safety of our employees, visitors and contractors and protecting the environment by promoting a culture of safety and by demonstrating a technical approach towards excellence in EHS. Sika Corporation is dedicated to preventing injuries and illnesses and protecting the environment. This will be achieved through the implementation of our Sika S.A.F.E. program and its elements. If an injury does occur, employee's treatment and/or return to work will be managed under the company's Worker's Compensation Program.

Section 3: Sika S.A.F.E. Program Elements (2021)

The Sika S.A.F.E. program is comprised of six (6) elements managed under our Sika S.A.F.E. Roadmap. Those elements consist of:

1. Committee Structure & Functionality

- Meets on regular basis
- Action items/progress shown toward goals
- Meeting Minutes to be taken

2. Employee Engagement

- Job Safety Analysis (JSA)
- Risk Assessments
- Committee Member
- Audits and Compliance
- Incident Investigation
- Process Hazard Analysis (PHA)
- Management of Change (MOC)

3. Safety Programs

- Sika Fundamental Rules
- Sika Life Saving Rules
- Safety Absolutes
- Covid-19 Safety Fundamentals
- EHS Minimum Requirements
- Emergency Response Program

4. Communication & Training

- Safety Online
- 24 hrs. notification to Global EHS
- Incident reporting and notification
- Safety moment
- Safety banners and reminders
- Standardization of training programs
- OSHA safety training

5. Audits

- Internal/external audits
- Sharing of Best Demonstrated Practices (BDP)
- Identify/fix problems
- ISO/IATF certification
- Evaluate effectiveness of QMS
- Compliance

6. Responsibility and Accountability

- Perform self-assessment on regular basis
 - A review of all Life Saving Rules and OSHA programs should be performed, at a minimum, every 6 months and documented
- Take proper actions to ensure commitment, performance and leadership
- Report status on a regular basis

Committee Structure & Functionality

Within the Sika S.A.F.E program, the keys to success are the formation and proper function of the Steering Team and the Subcommittees at each location.

Steering Team:

The Steering team is made up of a cross-functional group of employees that **oversee, guide, and drive the plant safety process/journey**. They become safety “experts” and share their knowledge of the safety process with all plant employees including the subcommittee teams. The team should ideally consist of a person from every shift and a maintenance employee, but not management. A chairperson and a co-chairperson are to be selected by the team members through a voting process. A scribe should be assigned as meeting minutes are mandatory and must be distributed to the site manager and whomever else he/she designates.

The EHS manager or the location EHS expert will act as the technical person to help interpret rules and regulations providing training to the team as needed. A sponsor must be part of the team as well. The sponsor will act as a go between for the team and site management. The sponsor can help with keeping meetings flowing and working with the team to gain approval for funding for various team needs (i.e. visual safety posters, banners etc.), but does not lead meetings or direct the team. Sponsors can be anyone other than from Plant Management or Human Resources.

Subcommittee:

A team **focused on a single aspect** of the safety process (i.e. Fire & Emergency, Ergonomics, Process Hazards, Hand Safety, etc.).

Subcommittees work with the Safety Steering Committee (and other subcommittees) to reduce hazards & risks pertaining to their specific topic matter. The Subcommittee membership will follow the same structure and function as the Steering Team.

Steering Team/Subcommittee Meeting Minutes Template

	ENVIRONMENTAL, HEALTH & SAFETY MANAGEMENT SYSTEM		Rev 01	Page: 1 of 2
	SUBJECT: SAFE Meeting Minutes			
RCF-401	APPROVED BY:			

Date of Meeting:		Start Time:	
Team Leader:		End Time:	
Scribe:		Location:	

1. Attendance			
Name	Department	Role	Absent/Present



2. Meeting Agenda	
Topic	Time
Safety numbers	6:00-6:10
Old business	6:10-6:35
New business	6:35-6:45
Safety learning	6:45-7:15



	ENVIRONMENTAL, HEALTH & SAFETY MANAGEMENT SYSTEM	Rev 01	Page 2 of 2
	SUBJECT: SAFE Meeting Minutes		
RCF-401	APPROVED BY:		

3. Discussion

- Safety numbers of the week

Near Misses	
First Aids	
Recordables	
Lost time	

- SAFETY Team

o

- Housekeeping station

o

- Inoue;

- COVID-19 (It is still a threat)

o

- Heat stress

o

- LF

o

- Compressor close to primer room leak

o

4. Action Items

Action Item	Owner	Due Date

Employee Engagement

The engagement of every employee is paramount to the success of the Sika S.A.F.E. program. The engagement criteria are as follows:

1. Perform or participate in a Job Safety Analysis (JSA)

- a. A job safety analysis (JSA) is a procedure which helps integrate accepted safety and health principles and practices into a particular task or job operation. In a JSA, each basic step of the job is to identify potential hazards and to recommend the safest way to do the job.

Example: moving 50-pound bags onto a pallet

2. Perform or participate in a Risk Assessment

- a. Risk assessment is a term used to describe the overall process or method where you: Identify hazards and risk factors that have the potential to cause harm (hazard identification). Determine appropriate ways to eliminate the hazard or control the risk when the hazard cannot be eliminated (risk control).

Example: review the process by which a truck is offloaded

3. Committee member

- a. Sub-committee teams
- b. Project teams
 - i. Project teams are created to address hazards such as warnings for confined space entry or performing machine guard assessments

4. Audits and Compliance

- a. Participate in an EHS audit
- b. Participate in other audits such as ISO audit

5. Incident investigations

- a. Part of the team that investigates site incidents

6. Process Hazard Analysis (PHA)

- a. Be a part of a PHA review that is required for a Process Safety Management (PSM) covered facility

7. Management of Change (MOC)

- a. Be part of a MOC process review for an equipment or process change
- b. Sites have the freedom to identify other criteria

Safety Programs

SIKA SAFETY FUNDAMENTAL RULES ENVIRONMENTAL, HEALTH & SAFETY RULES

By initialing next to the Health & Safety statements listed below, I agree that the statements are true and correct.

I have been informed and understand that:

_____ Safety glasses (must be Z-87), Hi-Vis apparel and steel-toed shoes/boots (must be Z-41) are required in the manufacturing and warehouse areas except for breakroom, restrooms, office areas.

_____ Portable electronic devices (radios, cameras, iPods, Bluetooth, MP3 players, e-cigarettes, etc.) are not allowed in the manufacturing areas (locker/vehicle only).

_____ Use of cell phones not permitted in manufacturing areas except for authorized purposes or in emergency situations.

_____ Loose hanging jewelry, body piercings, loose clothing, sleeveless shirts, short pants, sweatpants are not permitted while working in the manufacturing floor.

_____ Food and drink will only be consumed in designated areas and will not be brought into the production or warehouse areas. The only exceptions are water and hydrating liquids which must be stored in a sealable container.

_____ I am not qualified or certified to operate any powered industrial vehicle (i.e. fork truck, stand up, walkie, etc.) on SIKA property until I am properly trained and certified by a SIKA certified trainer.

_____ If I am not qualified or certified (properly documented and trained by a Sika certified trainer) to operate any equipment on Sika property, I will not attempt to operate the equipment.

It is my responsibility to work safely and report any safety incident(s), safety violation(s) and/or unsafe work condition(s) to a member of Sika management or representative immediately.

I am not authorized to perform LockOut/TagOut on any piece of equipment until properly trained and documented by a Sika certified trainer.
When a piece of equipment has a lock and/or tag on it, I will not attempt to start-up and/or work on that piece of equipment unless authorized to do so. No work shall be performed on any equipment without the equipment being properly de-energized and locked out according to the LockOut/TagOut program.

I understand how to leave the building and where to report in the event of an emergency requiring evacuation of the plant. No use of cell phones or other electronic devices are permitted; do not enter vehicles or leave the site unless told to do so; no smoking.

I will not be under the influence of, possess, use or distribute alcohol or drugs while on Sika property

No horseplay, threats, harassment or fighting

No firearms or other weapons are permitted on any Sika site, including parking lots, leased or rented properties

Smoking and the use of lighters or matches is prohibited inside facilities and on other Sika property, except in designated areas.

Using compressed air to blow dust/debris off clothing, skin or equipment is prohibited

Work areas are to be kept clean and orderly

A minimum clearance of 36 inches will be maintained for fire equipment, electrical cabinets, and eyewash/showers. Emergency egress pathways will be unobstructed.

_____ I am not authorized to enter a Confined Space until properly trained and documented by a Sika certified trainer. Confined Space entry shall only be made according to the Confined Space program.

_____ I will dispose of used oil, trash and waste materials properly. If I do not know the proper procedure, I will ask Sika management for the correct process for disposal.

_____ I will not work with any chemical until I have been trained on its hazards and the use of any personal protective equipment that may be required when using it. I know where Safety Data Sheets are located and how to access them.

_____ No equipment or machinery is to be operated if guards or interlocks are not in place or working properly.

_____ I am not authorized to perform Hot Work (welding, cutting, grinding, brazing) until properly trained and documented by a Sika certified trainer. Hot Work shall only be performed according to the Hot Work program.

_____ I am not authorized to work at heights above 4 feet requiring Fall Protection until properly trained and documented by a Sika certified trainer. Work at heights above 4 feet shall only be performed according to the Fall Protection program.

I understand that I am an employee at will. By signing this document, I acknowledge that I have been informed and understand the SIKA Fundamental Rules. I understand that I shall be subject to disciplinary action up to and including termination for not abiding by the SIKA's policies and programs.

_____/_____
Employee Name (Print) Date

Employee Signature

_____/_____
Supervisor's Signature Date

SIKA LIFE SAVING RULES

SIKA LIFE SAVING RULES

THE **SIKA LIFE SAVING RULES** ARE IN PLACE TO KEEP EVERYBODY SAFE. THEY APPLY TO ALL SIKA SITES AND TO SIKA EMPLOYEES WHEN VISITING CLIENTS OR SUPPLIERS.
STOP WORK IF YOU THINK IT IS UNSAFE!



FIT FOR WORK

Come to work unimpaired by alcohol, drugs or fatigue.



SAFETY CONTROLS

Never alter or bypass safety controls.



WORK AUTHORIZATION

Only start work with all valid permits and approvals, and when it is safe to do so.



DRIVER SAFETY

Always wear a seatbelt. No mobile phones or other devices. No alcohol or drugs.



CONFINED SPACE

Only enter when it is safe to do so, and never enter without an attendant and rescue plan.



PROTECT AGAINST EXPLOSION

Identify explosion risks. Ensure grounding equipment is in place, functional, and that you are trained in its use.



ENERGY ISOLATION

Identify, isolate, lock and tag all energy sources, ensuring zero residual or stored energy.



HOT WORK

Eliminate fire and explosion risks. Control all ignition sources. Remove or isolate flammable material.



WORK AT HEIGHT

Ensure safety equipment is in place and functioning at all times.



BEWARE OF HAZARDS

Keep yourself and others safe. Comply with all health and safety instructions and guidelines.

VERSION: JUNE 2022 - PUBLISHED 2nd GLOBAL QUALITY C 115

BUILDING TRUST



INSTRUCTION

Sika Life Saving Rules

1 OBJECTIVES

The Sika Life Saving Rules are in place to keep all Sika employees, contractors and visitors safe from harm while at work. They are a condition of entry to our sites and must be adhered to at all times.

2 SCOPE

The Sika Life Saving Rules apply to all Sika sites, employees, contractors and visitors, and to Sika employees when visiting clients or suppliers on business.

3 RESPONSIBILITIES

General Managers are accountable for the implementation of this instruction.

Local Management at all levels, supported by the EHS Manager, is responsible to fulfill the duties of this instruction.

All employees must adhere to the Sika Life Saving Rules and are empowered to stop work if they think it is unsafe.

4 REQUIREMENTS

If national regulations or risk assessments require additional or stricter rules, management must go beyond this instruction in order to fulfill them. Management must make these rules visible at all sites.

4.1 FIT FOR WORK

- Employees must come to work unimpaired by alcohol, drugs or fatigue.

4.2 WORK AUTHORIZATION

Employees must:

- Only operate equipment that is fit for purpose and for which they are trained, competent and authorized.
- Ensure that all risk assessments, valid permits and approvals are in place.
- Only start work when it is safe to do so.

4.3 CONFINED SPACE

Employees must:

- Obtain approval before entering a confined space.
- Confirm that all energy sources are isolated, that the atmosphere is safe and monitored, and that breathing apparatus is functioning.
- Never enter a confined space without an attendant and rescue plan.

4.4 ENERGY ISOLATION

Employees must:

- Ensure that all energy sources have been identified (e.g. electrical, chemical, hydraulic, kinetic).
- Ensure that all hazardous energy sources are isolated, locked and tagged.
- Ensure zero energy and zero residual or stored energy.

4.5 WORK AT HEIGHT

Employees must:

- Only work at height if trained and approved to do so.
- Ensure fall protection equipment and dropped object controls are in place and functioning at all times.

4.6 SAFETY CONTROLS

- Employees must never remove, alter or bypass safety controls and devices.

4.7 DRIVER SAFETY

When driving, employees must:

- Always wear a seatbelt (includes passengers, and when employees are using taxis).
- Comply with all road rules and drive to the conditions.
- Never drive under the influence of alcohol, drugs, or when fatigued.
- Never use mobile phones without hands-free while driving.

4.8 PROTECT AGAINST EXPLOSION

Employees must:

- Identify explosion risks.
- Ensure grounding equipment is in place, functional, and that they are trained in its use.

4.9 HOT WORK

Employees must:

- Not perform hot work unless fire or explosion risks are eliminated.
- Ensure that all ignition sources are identified and controlled.
- Ensure that all flammable material is removed or isolated.

4.10 BEWARE OF HAZARDS

Employees must:

- Keep themselves and others safe.
- Avoid moving objects and vehicles (e.g. cars, trucks, forklifts), pressure releases, and potential dropped objects.
- Follow all labeling instructions.
- Obey walkways, barriers and exclusion zones.

Safety Absolutes Policy

Objective: To foster and maintain a working environment free from workplace hazards or risks caused by employee behavior or other actions potentially leading to injury.

Authority: Sika Corporation Corporate Policies

Scope: Sika Corporation has determined that strict adherence to four (4) specific safety focus areas can prevent conditions potentially leading to injury. These four (4) rules are IMPERATIVE to a safe work environment. The Safety Absolutes Policy provides specific guidance and enforcement accountabilities to apply in the event of any violation of this policy.

Accountabilities: Every Sika Corporation employee is accountable for adherence to all company safety rules and regulations. In all facilities, production and warehousing, the plant/site manager is accountable for the application and enforcement of this policy, where applicable.

Procedure:

1. Sika Corporation had defined the following Safety Absolutes:

- a. **Lockout/Tagout:** Proper lockout and/or tagout machinery or equipment as required by the Lockout/Tagout (LO/TO) procedure. All employees are prohibited from working on or with machinery or equipment that has not been properly locked out according to the LO/TO program and Hazardous Energy Control Program (HECP).
- b. **Machine Guarding:** All employees are prohibited from modifying, bypassing, or tampering with a guard or safety device on machinery or equipment and/or working with or using machinery or equipment in which a safety device has been modified, bypassed or tampered with.
- c. **Confined Space Entry:** All employees are prohibited from entering a vessel which has been marked as a permit or non-permit confined space without the proper training or personal protective equipment or permits as set forth by plant or OSHA standards.
- d. **Weapons:** No weapons or explosive devices of any kind (i.e. firearms) are allowed within the facility or on the property. Company property includes all company buildings, parking lots and all other company owned or leased physical grounds.

- I understand that I am an employee at will. By signing this document, I acknowledge that I have been informed and understand the SIKA Safety Absolutes. I understand that I shall be subject to disciplinary action up to and including termination for not abiding by the SIKA's policies and programs.***

_____/_____
Supervisor's Signature / Date

Sika Corporation

(Version 7:12-18-2020)

COVID-19 Safety Fundamentals

- Objective:** To foster and maintain a working environment free from Coronavirus (COVID-19) and risks caused by employee behavior or other actions that may lead to an illness.
- Authority:** Sika Corporation Corporate Policies
- Scope:** Sika Corporation has determined that strict adherence to the controls listed below can minimize the spread of COVID-19 according to the Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO) guidance.
- Accountabilities:** Every Sika Corporation employee is accountable for adherence to all company safety rules and regulations. In all facilities, production and warehousing, the plant/site manager or facility head is accountable for the application and enforcement of this policy.

Procedure:

7. Sika Corporation has developed the following COVID-19 Safety Fundamentals:

- a. **If sick or in close contact with someone who is sick:** Stay at home for minimum 48 hrs. Do not return to work until free of flu-like symptoms for at least 24 hrs. with no fever-reducing medications. Employees exhibiting symptoms at work will be immediately separated from other employees and sent home. When sneezing or coughing, cover your mouth with a tissue or the arch of your forearm, not your hands. Contact your doctor and HR manager for further guidance.
- b. **If in close contact with someone who has tested positive or presumed positive for COVID-19:** DO NOT come to work. Stay at home and quarantine for the CDC recommended 10 days after last contact or 7 days after last contact if you receive a negative test result (test must occur on day 5 or later). Close contact is defined as being within 6 ft. of an infected person for a cumulative total of 15 minutes or more over a 24-hour period starting from 2 days before illness onset (irrespective of whether the person with Covid-19 or the contact was wearing a mask). You must contact your supervisor, HR Manager and doctor for further guidance BEFORE reporting to work.
- c. **Testing:** Do not come to work after taking a COVID-19 test until results are available. If positive, isolate for minimum of 10 days. Isolation can be discontinued 10 days after symptoms onset and resolution of fever for at least 24 hours without the use of fever-reducing medications. If negative and symptomatic, wait at least 72 hrs. after symptoms go

away before returning to work. If negative and asymptomatic, no additional self-quarantine is required.

- d. **High risk:** The CDC has identified some individuals as being at high risk to COVID-19 ("At-Risk Persons"). This includes persons 65 years and older, and persons of all ages with underlying medical conditions, particularly if not well controlled. We understand that employees who are At Risk Persons (as outlined in Sika's Coronavirus Update #3), may be particularly concerned about potential exposure to the virus. To that end, we encourage any employee in an at-risk category to contact Human Resources or their manager if he or she would like to discuss any additional accommodations the employee believe may be necessary.
- e. **Temperature taking (at home):** Prior to leaving home for work, take your temperature. Do not return to work until free of fever (less than 100.4° F [37.8° C] using an oral thermometer) and have no signs of fever or any other symptoms for **at least 24 hours**, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants). If local rules dictate lower temperature requirements, follow the lower temperature rule. You must also contact your doctor and HR Manager for further guidance.
- f. **Temperature taking (upon arrival for shift):** Employees must take their temperature per the posted guidelines in the lobby or temperature checking station upon entering Sika facility. This must be performed while strictly adhering to 6-foot social distancing. If your temperature is above 100.4° F, you must go home and stay home. If local rules dictate lower temperature requirements, follow the lower temperature rule. Employees must contact their medical provider and contact their HR Manager for further guidance. Do not return to work until free of fever (less than 100.4° F [37.8° C] using an oral thermometer) and have no signs of fever or any other symptoms for at least 24 hours, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants). You must also contact your doctor and HR Manager for further guidance.
- g. **Visitors & Contractors:** Visitors and contractors to Sika facilities are limited to business-critical events only and must be pre-approved by management. Those allowed into the facility must take their temperature, wear a proper face covering and be screened using the Sika COVID-19 questionnaire.
- h. **Maintain social distancing:** Employees must continually maintain the CDC social distancing guideline of 6 feet in all common areas, while working, on breaks, in the restrooms, lunch rooms and locker rooms. Lunch rooms and break rooms should be reviewed for the best possible seating arrangements to maintain these guidelines. All meetings should be held either by phone or through virtual tools, if possible.
- i. **Flexible work scheduling:** Facilities should stagger start and stop times where practicable. Stagger lunch breaks and restrict the number of individuals in common areas, breakrooms, lunch rooms and locker rooms.
- j. **Wash hands frequently:** It is recommended to wash hands frequently and avoid touching your face. Upon arriving at work, wash your hands with soap and water or use hand sanitizer. Regularly wash hands with soap and warm water for minimum of 20 seconds or use hand sanitizer throughout the day.

- k. **Face covering:** COVID-19 is a respiratory virus and is mainly spread through droplets created when a person who is infected coughs, sneezes, or talks. Based on CDC guidance, all employees must wear a face covering while in the production and warehouse areas, laboratories and lobbies. The only exceptions are when eating or drinking. CDC guidelines allow for a face covering to be made of cloth but must have a way to hook over the ears or tie behind the neck or head and cover both the mouth and nose. Be careful when wearing face coverings in hot and humid conditions to avoid heat stress and other heat related hazards. Take breaks as needed, hydrate regularly and remove face coverings on breaks when properly socially distanced.
- l. **Gloves:** Gloves are only required when handling hazardous materials, chemicals, corrosive materials, rough- or sharp-edged objects, and very hot or very cold materials (i.e. follow the requirements for gloves that were in place prior to the COVID-19 protocol). Hands must be washed prior to putting gloves on. Upon removing gloves, hands must be washed immediately. Avoid touching your face with or without gloves.
- m. **Cross contamination:** Care must be taken when putting on and taking off PPE to ensure employee and PPE does not become cross contaminated.
- n. **Daily cleaning:** Restrooms, breakrooms and locker rooms are to be sanitized daily using CDC approved disinfectants. Equipment, machinery, powered industrial trucks and common tools are to be sanitized between shifts using CDC approved disinfectants.
- o. **Notifications:** Employees will be notified by Sika of any known exposure to COVID-19 while at work.
 - Employees must notify their supervisor, HR manager or plant manager should they become exposed, have a household member exposed, or suspect they have become exposed to COVID-19 while outside of Sika. This notification must be done BEFORE reporting to work. HR manager and plant manager will determine the next steps.
- p. **Facility decontamination (positive test):** Upon notification that an employee has tested positive for COVID-19, the plant manager will contact the contracted Infectious Disease Response contractor (e.g. CleanHarbors) to request a decontamination of the facility or a portion of the facility. Contractor must clean and disinfect areas in accordance with CDC guidelines. The plant manager should also contact the EVP Operations, SVP Quality and Risk Management and VP EHS.

Addendum for Working in the Field

- a. **Temperature taking:** Prior to leaving home for work, take your temperature. Do not go to work unless free of fever (less than 100.4° F [37.8° C] using an oral thermometer) and have no signs of fever or any other symptoms for **at least 24 hours**, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants). If local rules dictate lower temperature requirements, follow the lower temperature rule. You must also contact your doctor and HR Manager for further guidance.
- b. **Maintain social distancing:** Employees must continually maintain the CDC social distancing guideline of 6 feet in all common areas, while working, visiting customers, on breaks, in restrooms, lunch rooms and locker rooms. Lunch rooms and break rooms should be reviewed for the best possible seating arrangements to maintain these guidelines. All meetings should be held either by phone or through virtual tools, if possible.
- c. **Visiting job sites and customer locations:** The first option for interacting with customers should always be virtual or over the phone. Only make job site visits and face-to-face meetings with customers when absolutely necessary and should be limited to business-critical events. Always inquire in advance and understand and follow the specific rules for the local facility or jobsite, especially if those rules are more stringent than those contained in the Sika Fundamentals herein. Suspend business practice of shaking hands.
- d. **Group gatherings:** Avoid group gatherings, job shacks, trailers, conferences and seminars whenever possible. Maximum 10 people per gathering and must maintain social distancing (min. 6 ft.) with appropriate face coverings. No plant tours until further notice.
- e. **Wash hands frequently:** It is recommended to wash hands frequently and avoid touching your face. Upon arriving at work, wash your hands with soap and water or use hand sanitizer. Regularly wash hands with soap and warm water for minimum of 20 seconds or use hand sanitizer throughout the day.
- f. **Face covering:** COVID-19 is a respiratory virus and is mainly spread through droplets created when a person who is infected coughs, sneezes, or talks. Based on CDC guidance, all employees must wear a face covering in all public settings, especially where social distancing measures are difficult to maintain. The use of simple cloth face coverings helps to slow the spread of the virus and help people who may have the virus and do not know it from transmitting it to others. The only exceptions to wearing a face covering in public are when eating or drinking. CDC guidelines allow for a face covering to be made of cloth but must have a way to hook over the ears or tie behind the neck or head and cover both the mouth and nose.
- g. **Gloves:** Gloves are only required when handling hazardous materials, chemicals, corrosive materials, rough- or sharp-edged objects, and very hot or very cold materials (i.e. follow the requirements for gloves that were in place prior to the COVID-19 protocol). Hands must be washed prior to putting gloves on. Upon removing gloves, hands must be washed immediately. Avoid touching your face with or without gloves.
- h. **Notifications:** Employees will be notified by Sika of any known exposure to COVID-19 while at work.

- Employees must notify their supervisor or HR manager should they become exposed, have a household member exposed, or suspect they have become exposed to COVID-19 while outside of Sika. This notification must be done BEFORE reporting to work. HR manager and supervisor will determine the next steps.
- i. **Vehicles:** Sika is classified as essential business to support critical infrastructure. Avoid traveling with others in vehicles unless proper social distancing rules can be adhered to and face coverings are worn. Keep hand sanitizer in vehicle and use as appropriate.
- j. **Travel:** All non-critical distance travel and hotel stays are prohibited unless business critical and must be pre-approved by Target Market or Department Manager until further notice. Avoid planes, trains, mass transportation, ferries and other means of public transport whenever possible. Please use cars and trucks as preferred means of transportation until further notice.
- k. **Equipment and tools:** Do not share tools, PPE or other equipment. Wash your hands or use hand sanitizer before and after touching equipment and tools to prevent contamination. Clean tools with mild soap, clean damp cloth, disinfectant wipes or approved dilute bleach solution after each use.

Addendum for Working in the Office

- a. **Face covering:** COVID-19 is a respiratory virus and is mainly spread through droplets created when a person who is infected coughs, sneezes, or talks. Based on CDC guidance, all employees and visitors must wear a face covering in all public settings and common areas, especially where social distancing measures are difficult to maintain. The use of simple cloth face coverings helps to slow the spread of the virus and help people who may have the virus and do not know it from transmitting it to others. The only exceptions to wearing a face covering in public are when eating or drinking, in private offices and in properly distanced cubicles (greater than 6 ft. spacing between employees). CDC guidelines allow for a face covering to be made of cloth but must have a way to hook over the ears or tie behind the neck or head and cover both the mouth and nose.
- b. **Gloves:** Gloves are only required when handling hazardous materials, chemicals, corrosive materials, rough- or sharp-edged objects, and very hot or very cold materials (i.e. follow the requirements for gloves that were in place prior to the COVID-19 protocol). Hands must be washed prior to putting gloves on. Upon removing gloves, hands must be washed immediately. Avoid touching your face with or without gloves.
- c. **Single entry/exit:** Single entry way to be established at all facilities (wherever feasible) to include temperature checking station for all employees and visitors. Follow temperature guidelines and visitor guidelines, including visitor questionnaire, as described above.
- d. **Maintain social distancing:** Employees must continually maintain the CDC social distancing guideline of 6 feet in all common areas, while working, on breaks, in restrooms, lunch rooms and locker rooms. Lunch rooms and break rooms should be reviewed for the best possible seating arrangements to maintain these guidelines. All meetings should be held either by phone or through virtual tools, if possible. Wearing a cloth face covering does not replace the need to practice social distancing.
- e. **Mail delivery:** Mail will only be delivered and picked up from one mail drop location per floor.
- f. **Meetings:** Meetings should continue to be conducted virtually whenever possible. Minimize number of attendees at essential meetings to only include critical few. Maintain proper social distancing requirements of 6 ft. in all directions when face to face meetings are absolutely necessary. Wear face coverings, as described above, for all face to face meetings.
- g. **Cross flow of traffic:** Minimize cross flow of traffic from one building to another and from office building to manufacturing plant, whenever possible.
- h. **Elevators:** Maximum capacity of one person in elevator at a time.
- i. **Stairwells:** In facilities with multiple staircases, one-way traffic should be followed (one staircase up and one staircase down) whenever possible. Maintain social distancing (min. 6 ft. spacing) at all times. **In the event of an emergency, always use closest stairwell to exit building.**
- j. **Sick employee:** In the event an employee or visitor becomes sick during the day with COVID-19 symptoms (fever, cough, shortness of breath), they should be separated from all other employees and visitors and sent home immediately. All employees or visitors who have been in close contact with sick employee should also be sent home immediately. All

sick employees and visitors, and others who have been in close contact with sick people should contact their medical provider for guidance.

- k. **Facility decontamination (positive test):** Upon notification that an employee has tested positive for COVID-19, the facility head will contact the contracted Infectious Disease Response contractor (e.g. CleanHarbors) to request a decontamination of the facility or a portion of the facility. Contractor must clean and disinfect areas in accordance with CDC guidelines. The facility head should also contact the EVP Operations, SVP Quality and Risk Management and VP EHS.
- l. **Notifications:** Employees will be notified by Sika of any known close contact exposure to COVID-19 while at work.
 - Employees must notify their supervisor or HR manager should they become exposed, have a household member exposed, or suspect they have become exposed to COVID-19 while outside of Sika. This notification must be done BEFORE reporting to work. HR manager and supervisor will determine the next steps.

Travel and Quarantine Advisories for COVID-19 Impacted Areas

Given the significant spread of COVID-19 in certain states within the U.S. or other countries ("COVID-19 Impacted Area"), the United States and many U.S. State governments have issued travel and quarantine advisories to individuals entering the U.S. or their respective state from COVID-19 Impacted Areas ("COVID-19 Quarantine Advisory"). Travel to or from a COVID-19 Impacted Area may subject you to a COVID-19 Quarantine Advisory.

Before returning to your usual Sika work location from travel to a COVID-19 Impacted Area, you may be required to self-quarantine. While the actual recommended quarantine period is subject to each respective COVID-19 Quarantine Advisory, as a general rule, you should anticipate self-quarantining for a period of 14 days upon your return.

Please note, if you voluntarily choose to travel to a COVID-19 Impacted Area and are required to self-quarantine, you may not be eligible to utilize your available vacation or paid time off. Such a determination will be made on a case-by-case basis and is recommended to be discussed with your supervisor in advance of your anticipated travel.

If you have any questions regarding whether your anticipated travel may subject you to a self-quarantine on your return, please contact your supervisor or human resources manager in advance.

Minimum Requirements

General Site Safety Rules

BUILDING TRUST



INSTRUCTION

Minimum Requirements

General Site Rules

1 OBJECTIVES

Define general rules for all employees for environment, health, safety and security

2 SCOPE

Applicable to all employees, including temporary workers, at all sites.

3 DEFINITIONS

EHS = Environment, Health and Safety

PPE = Personal Protective Equipment

10 km/h = 6 mph

4 RESPONSIBILITIES

General Managers are accountable for the implementation of this instruction.

Local Management at all levels, supported by the EHS Manager, is responsible to fulfill the duties of this instruction.

5 REQUIREMENTS

If national regulations or risk assessments require additional or stricter rules, management must go beyond this instruction in order to fulfill them.

5.1 GENERAL SAFETY RULES

- Each employee is responsible for maintaining a clean and safe work area.
- All instructions and directions given by the Site Manager, Plant Manager or EHS Manager must always be followed.
- In principle, the local road traffic regulations apply on the company grounds. The maximum speed is 10 km/h (walking speed). Parking is allowed in the designated areas only.
- The warehouse and driveway areas have frequent forklifts and vehicle movements. Please be alert to vehicle movement on site.
- Walkways must be marked throughout the entire factory premises in the production and logistics areas.
- Designated walkways and all safety, prohibition and mandatory signs must be properly placed and observed at all times.
- Barriers and enclosures must be used to secure all ground openings, trenches, open shafts or other special hazards.
- All electrical equipment must be checked at least every 2 years by an authorized and competent representative.

Instruction
Released 15.05.2020
Version 1

Global EHS

BUILDING TRUST



- Smoking is forbidden on the entire company grounds. The only exclusions from this are the specifically designated smoking areas according to the site map.
- Working under the influence of alcohol is prohibited. The consumption of, or being under the influence of, illegal drugs or any controlled substance is prohibited on the entire premises, including vehicles.
- Employees are always expected to work safely. Running is not allowed unless in an emergency. Employees should always use handrails on stairs. Employees must never stand or walk underneath a load. Only one person is permitted on a ladder at a time. Horseplay and scuffling are strictly prohibited.
- Special provisions exist for certain work. Dangerous work is generally prohibited and requires a permit. Please refer to the site-specific rules and information.
- Without a work order, employees are not allowed to enter the production, logistics, laboratories or technical centers.
- In production areas, warehouses and further logistic areas, the use of safety glasses and work clothing with reflectors or reflective vests is mandatory.
- All persons who are exposed to chemical, mechanical and physical hazards must wear the PPE required (see instruction PPE), especially those entering production rooms, laboratories, technical centers and warehouses.
- If employees, visitors and contractors are within the marked footpaths and not performing any work, the use of safety glasses and reflective clothing or reflective vests may be sufficient as a minimum requirement.
- Endangering the environment e.g. pollutant emissions in air, water and ground are strictly forbidden. Violations must be reported to the Site Manager, Plant Manager and EHS Manager immediately.
- Accidents on the company grounds must be reported to the supervisor and EHS Manager immediately.
- In case of emergency, fire or other dangers please refer to the Emergency Plan for site specific rules and information.
- All fire doors and emergency equipment must remain clearly marked, visible, unblocked, unlocked and ready for use.
- Recordings in picture or sound are only allowed with prior permission of the management.
- No visitors, guests and contractors are allowed on the premises without prior permission (see instructions Rules for Visitors and Rules for Contractors).
- Disposing of commercial and hazardous waste on company grounds requires prior approval by the Site Manager, Plant Manager or EHS Manager and must be carried out according to the local Sika waste disposal system in the receptacles provided.
- Firearms and all kind of weapons are prohibited on the premises.

5.2 INSTRUCTION AND RECORDING

Every employee must receive safety and security training at least once a year. Attendance to EHS and security training sessions is mandatory.

The safety program must comply with national safety regulations and comply with Sika Vision Zero initiative.

At a minimum, the safety and security training will include detailed instructions regarding overall EHS and security objectives, individual employee EHS and security responsibilities, specific EHS and security procedures and the organization's EHS and security structure. It must be in accordance with national rules and subject to Sika's Vision Zero initiative (Global initiative and program, supported by almost all (inter-)national EHS authorities (United Nations, US-OHSA, EU-OHSA, SUVA (CH), DGUV (DE) + 159 countries)).

The training will be documented and become a permanent record in the human resource (HR) records. This documentation will contain the employee's name, date of training, name of trainer and identification of training program. The record must be signed by the employee and kept for at least 3 years.

EHS and security training will be conducted every year and upon initial employment, or within 30 days of a change in job function.

EHS and safety functions are part of Sika's global EHS network and subject to regular audits to ensure compliance with local and Sika's safety rules and regulations.

INSTRUCTION

Minimum Requirements

Personal Protective Equipment (PPE)

1 OBJECTIVES

Protecting employees, contractors and visitors from hazards.

2 SCOPE

In all areas where our employees including temporary workers, contractors and visitors are exposed to chemical, mechanical and physical hazards. Especially in production rooms, laboratories, technical centers and warehouses.

3 DEFINITIONS

Personal Protective Equipment (PPE) is wearable equipment and gear meant to protect individuals from hazards.

3.1 SAFETY GLASSES

Protective eyewear that encloses or protects both eyes in order to prevent contamination caused by liquid splashes or particles. Regular glasses do not offer the same protection and are not an acceptable alternative to safety glasses.

3.2 SAFETY SHOES

Protective footwear, typically robust shoes with reinforced toecaps, to protect against falling objects or compression.

3.3 WORK CLOTHING

Workwear made of fabrics appropriate to the hazards that exist in the areas.

4 RESPONSIBILITIES

General Managers are accountable for the implementation of this instruction.

Local Management at all levels is responsible to fulfill the duties of this instruction.

5 REQUIREMENTS

If national regulations or working environment risk assessments require additional protection, the Management must fulfill these requirements.

5.1 WORK CLOTHING

The work clothing for all employees must fulfill the risk assessment requirements. Long trousers are mandatory.

The use of synthetic fabrics which can melt into the skin and cause further burn injury in the event of fire shall be restricted (best practice: max. 35 % of melting synthetic fibres in mixed fabric).

In production areas, warehouses and further logistic areas, the use of work clothing with reflectors or reflective vests is mandatory. This shall also apply for contractors and visitors.

5.2 EYE PROTECTION

It is mandatory for everyone to wear safety glasses in production, warehouses, mechanics workshops as well as in laboratories and technical centers. When needed, additional protective full-face shield or mask might be required.

5.3 FOOT PROTECTION

It is mandatory for everybody to wear safety shoes in production facilities, mechanics workshops, warehouses and further logistic areas. Exceptions only for individuals who strictly walk on marked walkways. In such cases, closed footwear is mandatory.

INSTRUCTION

Minimum Requirements

Rules for Contractors

1 OBJECTIVES

Stipulate conditions under which contractors may work for the company and state the prescribed rules. Ensure that external employees are informed and aware of potential hazards. Create uniform specifications regarding requirements for the protection of persons, material assets and the environment.

2 SCOPE

This instruction applies to all contractors and their employees who carry out work on Sika premises.

3 DEFINITIONS

3.1 CONTRACTOR COORDINATOR

The Contractor Coordinator appointed in writing is responsible for external company management.

The contact person specified on each purchase order/work order for that specific task/job is responsible for the instruction, training and coordination of the contractor employees as Contractor Coordinator.

4 RESPONSIBILITIES

General Managers are accountable for the implementation of this instruction.

Local Management at all levels is responsible to fulfill the duties of this instruction.

The **Contractor Coordinator** fulfills the function of assessing hazardous work already in the planning phase (e.g. in projects), when the contract is awarded and when the external company starts work, if necessary, in consultation with the respective project manager, and coordinating it by means of suitable measures. The work of the parties involved must also be coordinated and monitored on site.

5 REQUIREMENTS

5.1 QUALIFICATION AND PROJECT BIDDING

- Only contractors who can demonstrate good EHS performance shall be engaged.
- Contractor must certify in writing (prior to work) that their employees have been certified to perform certain activities that require specialized training if that activity will take place while at the site. Examples are confined space entry and rescue, vessel inspection credentials, hot work, fork lift operation, boiler operation, tank inspection, respirator use, work at heights, work in ex-zones (ATEX), etc.
- Contractors must assure that all contract employees are instructed in safe work practices that will prevent fire, explosion and toxic material releases specific to the work being performed, the process being worked on and facility's emergency action plan.
- Contractor employees must know how to perform their job tasks safely and understand the required site safety rules and regulations prior to starting the job.
- Safety Data Sheets (SDS) and GHS (Global Harmonized System for classification and labelling of Chemicals) label will be made available for any substance that the contractor's employees may be exposed to during the performance of their work.
- Contractors must ask for the facility's approval for any chemical that they will use on site. The contractor will supply SDS to the facility for any substances that they bring on site.
- Contractors will supply equipment certifications which are required by the local governmental health & safety agency upon request of the facility.
- Before work begins, the contractor must present Sika with an up-to-date insurance certificate showing the company under "additional insured" section.

5.2 TASKS OF THE CONTRACTOR COORDINATOR

The Contractor Coordinator appointed in writing is responsible for external company management.

Tasks:

- Verify the creation and distribution of site access/ID badges for each contractor to be on site.
- Reception of employees from external companies.
- Brief discussion of the work at hand and needed safety requirements to conduct a safe work execution.
- Instruction and initial safety training before starting work (exception in the case of delivery and collection).
- Ensuring the safe and proper execution of the work.
- Before completion of the work, a review of and acceptance of the workplace is performed.
- Review of the purchase order/work order after completion of the work.

5.3 TRAINING AND COMMUNICATION

- Prior to commencement of work, all contractor employees (or on-the-site safety representative for the contractor) must attend a safety training to ensure compliance with and understand facility's requirements. Contractors shall be informed of Sika rules, which apply at the workplaces, specifically the work-permit system and the general site rules.
- Each contractor employee must sign an attendance sheet after the training session. This attendance sheet will be handed over to the Sika Contractor Coordinator and must be retained for 2 years.
- Contractor supervisors and Sika Contractor Coordinator will review site specific safety performance periodically.

5.4 SITE ENTRY REGISTRATION

- Each contractor employee must always register at the reception or security. The records must include the contractor's name, company/institution, and the site contact person.
- The contractor then receives the access card or ID badge. At the end of the work (one day or multiple days), the access card must be returned to the reception desk and the contractor is then booked out.
- All contractor employees must complete a safety briefing/training and sign that they have received the safety briefing/training before commencing activities at the site.

5.5 SITE SAFETY INSTRUCTION

- All instructions and directions given by the Contractor Coordinator or by management must always be followed.
- Prohibitions of passage through e.g. gates must be observed. Contractors are only permitted to enter operating areas in which they carry out the order or the specified routes to these areas. Access to break rooms and the canteen is permitted.
- Smoking is forbidden on the entire company grounds. The only exclusions from this are the specifically designated smoking areas according to the site map.
- The consumption of, or being under the influence of, alcohol or any drugs that impair the workers judgment is prohibited on the entire premises, including cars.
- Designated walkways and all safety, prohibition and mandatory signs must be observed at all times.
- Carrying or using hazardous materials requires prior approval by the Contractor Coordinator.
- Firearms and all kind of weapons are prohibited on the premises.
- All persons who are exposed to mechanical, chemical and physical hazards must wear the PPE required (see instruction PPE). Especially all persons entering production areas, laboratories, technical centers and warehouses.
- Disposing of commercial or hazardous waste on company grounds requires prior approval by the Contractor Coordinator and must be carried out according to the local Sika waste disposal system in the receptacles provided.
- Endangering the environment e.g. pollutant emissions in air, water and ground are strictly forbidden. Violations are to be reported to the Contractor Coordinator or management immediately.
- The local road traffic regulations apply on the company grounds. The maximum speed is 10 km/h (= 6mph; walking speed). Parking is allowed in the designated areas only.
- The warehouse and driveway areas have frequent forklifts and vehicle movements. Please be alert to vehicle movement on site.
- Accidents on the company grounds must be reported to the Contractor Coordinator or management immediately.
- Recordings in picture or sound are only allowed with prior permission of the Contractor Coordinator.
- The contractor is legally fully responsible for any damages resulting from violating Sika's safety rules.

5.6 DANGEROUS WORKS

Special provisions exist for certain work. These works are generally prohibited and require a permit from the Contractor Coordinator. These works include:

- Hot Work: welding, cutting, burning, grinding, sawing, flexing, drilling, soldering, as well as for all other types of flame- or spark-forming work,
- Confined Space Entry: entering and driving into mixers, stirrers, tanks, shafts, canals, any other containers and confined spaces,
- Fall Protection: work on roofs and work at height,
- Electrical Classified Areas: work in ex-zones (ATEX),
- Lockout/Tagout: elimination of energy prior to working on equipment
- Other work with increased risk, i.e. Process Safety Management covered areas

In order to prevent accidents, a risk analysis must always be carried out and measures to avoid these risks must be defined. The stipulations on the permits must be strictly followed.

Other specific requirements may be needed depending on specific local rules. Contractor coordinator and EHS personnel will advise accordingly.

5.7 EMERGENCY PROCEDURE

The specific emergency procedure will be explained to the contractor upon first employment by Sika. The contractor acknowledges instruction/training with his signature.

5.8 MACHINERY, EQUIPMENT AND TOOLS

- When contractors bring their own machinery, equipment and tools to the site, they must be stored under lock and key when not in use. Sika is not liable for lost or stolen machinery, equipment or tools.
- Machine guarding must never be removed unless authorized by Contractor Coordinator for repairs and maintenance and specific LO/TO procedures for that equipment are followed.
- Equipment and machinery must be secured and unable to move prior to working with it.
- Usage of Sika equipment by contractors should be avoided. Where this is not possible because of technical or organizational needs, a formal agreement between Sika and the contractor must be signed. In this document the contractor must declare to have checked and confirmed proper conditions of the equipment with reference to the functionality of the safety devices. The contractor has also to declare that its personnel is properly trained for utilization of the identified equipment. For leased equipment a direct signed agreement between leasing company and the contractor must be in place. The contractor assumes complete responsibility for associated costs and potential liabilities that may arise from the use. After completion of the work, any devices provided by Sika (e.g. forklift, lift truck, etc.) must be returned immediately in the same condition as the start of work. The Sika Contract Coordinator will not sign off on completion of the work until inspection of equipment has been performed and equipment is found to be in acceptable condition.

5.9 DOCUMENTATION AND RETENTION

The contractor records and the countersigned contractor safety information must be kept for 2 years.

INSTRUCTION

Minimum Requirements

Rules for Visitors

1 OBJECTIVES

Define minimum safety rules to ensure the health, safety and security of all Sika visitors.

2 SCOPE

Applicable to all visitors at all sites.

3 DEFINITIONS

The visitors can be third party personnel or Sika employees visiting from other locations.

EHS = Environment, Health and Safety

PPE = Personal Protective Equipment

10 km/h = 6 mph

4 RESPONSIBILITIES

General Managers are accountable for the implementation of this instruction.

Local Management at all levels is responsible to fulfill the duties of this instruction.

5 REQUIREMENTS

The Minimum Requirements Rules for Visitors are mandatory for all sites. Risk assessments, national and local rules and regulations may require additional safety measures and it is the responsibility of the General Manager to ensure compliance with these local and national rules and requirements.

5.1 SITE ENTRY REGISTRATION

- The visitor registration must be easily accessible.
- All visitors must register at the reception, quoting the Sika contact person. The reception records the visitor's name, company/authority/institution and the corresponding Sika contact person. The contact person is then informed about the visitor and must confirm the visitor.
- The visitor then receives an ID badge and, if necessary, the access card for the access control system. The ID badge must be worn visibly during the visit. At the end of the visit, the ID badge (and access card) must be returned to the reception desk and the visitor is then booked out.
- All visitors must complete a safety briefing, including general instructions for emergencies. Each visitor is given safety information about the site, for which he must countersign.

- Internal visitors (e.g. Sika employees from other locations) can move freely after registration and receipt of the visitor authorization card (ID badge/access card) and safety information, provided they are familiar with the location.
- External visitors must wait for the contact person in the waiting area. External visitors will be picked up and brought back to the reception after the visit.

5.2 SITE SAFETY INSTRUCTION

- All instructions and directions given by the host or by management must always be followed.
- Visitors are not permitted to enter the warehouse, lab or production areas unless accompanied by an authorized staff member.
- Smoking is strictly forbidden on the entire company grounds. The only exclusions from this are the specifically designated smoking areas according to the site map.
- Working under the influence of alcohol is prohibited. The consumption of, or being under the influence of, illegal drugs or any controlled substance is prohibited on the entire premises, including vehicles.
- Designated walkways and all safety, prohibition and mandatory signs must be observed at all times.
- Carrying or using hazardous materials requires prior approval by the host.
- All persons who are exposed to chemical and physical hazards must wear the PPE required (PPE instruction must be followed). Especially all persons entering production rooms, laboratories, technical centers and warehouses.
- Disposing of commercial or hazardous waste on company grounds requires prior approval by the Site Manager, Plant Manager or EHS Manager and must be carried out according to the local Sika waste disposal system in the receptacles provided.
- Endangering the environment e.g. pollutant emissions in air, water and ground are strictly forbidden. Violations are to be reported to management immediately.
- The local road traffic regulations apply on the company grounds. The maximum speed is 10 km/h (walking speed). Parking is allowed in the designated areas only.
- The warehouse and driveway areas have frequent forklifts and vehicle movements. Please be alert to vehicle movement on site.
- Accidents on the company grounds must be reported to management immediately.
- Recordings in picture or sound are only allowed with prior permission of the host.
- External contractors must also adhere to additional guidelines.
- Firearms and all kind of weapons are prohibited on the premises.

5.3 EMERGENCY PROCEDURE

- In case of fire, accident and other dangers notify your host immediately and evacuate the building.
- Upon hearing an alarm, leave the building by the nearest exit and follow staff to the assembly area (see site map). Host is responsible to ensure their visitor(s) exit the building and is accounted for.
- Please refer to the Emergency Evacuation Plan for site specific information.

5.4 DOCUMENTATION AND RETENTION

The visitor records and the countersigned visitor safety information must be kept for 2 years.

Emergency Response Program

Emergency drills must be performed at least two (2) times per year at each facility across all shifts. The drills must be documented with good practices (i.e. time it takes to exit the facility) as well as areas of improvement, critiqued and then reviewed by site management and the Steering Team. The drill and its review documents are to be forwarded to the VP of EHS.

Communication & Training

1. The communication of incidents is key to ensuring that we continue to improve in our Safety journey. The Sika Safety Online and 24-hour notification system to Sika AG are key components of the communication process. Examples of these are;
 - a. Safety moment
 - b. Safety banners and reminders
 - c. Standardization of training programs
 - d. OSHA safety training

INSTRUCTION

Safety Online

1 OBJECTIVES

By sharing information about root causes and preventive actions, we will prevent a similar accident within Sika entities and premises.

2 SCOPE

Accidents that happen within Sika entities and premises and that involve Sika employees as well as contractors and visitors.

3 DEFINITIONS

3.1 OCCUPATIONAL ACCIDENT

Accident which results in personal injury during the performance of activities or any tasks job related, in any part of the organization. Accidents can occur inside or outside Sika sites.

4 RESPONSIBILITIES

The Regional EHS Manager is accountable for the implementation of this instruction in his region.

The local EHS Manager is responsible to fulfil the duties of this instruction.

5 REQUIREMENTS

To prevent similar accidents we need a clear and short summary of the accident in a standardized form.

The local EHS-Manager has to prepare the Safety Online and send it to the regional EHS-Manager, latest five days after the accident.

5.1 TEMPLATE

Make sure using the latest version of the "Safety Online"-template given in the CMS. It is not allowed to change the template. The information must fit on one page.

5.2 CIRCUMSTANCE

Describe the events leading up to the accident.

- Last steps before event
- Tools, equipment, hazards, etc. involved in the accident
- Ambiance (time, shift, workload, inside/outside, etc.)
- Maintenance, repair work or standard procedure
- Only facts, no assumptions
- Add picture (re-enact) or sketch
- No picture of the injury

5.3 CONSEQUENCES

Describe the injury, without using medical terms.

- Apparent injury
- Body part affected
- Absence from work

5.4 CAUSES

Describe the root cause(s).

- Root causes
- Unsafe acts
- Unsafe conditions

5.5 FIRST ACTIONS

Describe the first actions to prevent a similar accident.

Emergency management

- On site first aid, hospitalization
- Not more than one sentence
- No detailed medical report

Preventive actions

- Actions that prevent similar accident based on root cause
- Immediate actions to raise awareness like safety talks, warning signs
- Immediate short-term actions like closing off area, shutting-down machine, replacing (defect) parts, etc.

0.1 / 1000000000

CONCLUSIONS

DATE _____

SITE

Contact email address:

- (insert pictures of area, no employees please)

- What was the outcome of the incident

- List the immediate causes without pointing blame

- List all of the actions taken immediately following the incident (i.e. stabilizing the area, stopping the leak)

This information should be published on local EHS boards in all factories!

INSTRUCTION

Reporting of Incidents

1 OBJECTIVES

Sika local, country, regional and global management have to be promptly informed in order to support needed actions in case of incidents that fall under their responsibilities.

2 SCOPE

Reporting of incidents that happen within Sika entities and premises and that involve Sika employees as well as contractors and visitors.

3 DEFINITIONS

3.1 INCIDENT

Work-related event in which an

- Occupational Accident,
- Occupational Diseases,
- Fatality,
- Event with potential damage to the environment

occurred, or could have occurred ("near miss").

3.2 FATALITIES

Accident leading to the death of a victim within one year from the accident.

3.3 OCCUPATIONAL ACCIDENT

Accident which results in personal injury during the performance of activities or any tasks job related, in any part of the organization. Accidents can occur inside or outside Sika sites, and that can be related also to travelling to/from working place.

3.4 OCCUPATIONAL DISEASES

Acute or chronic disease resulting from work related causes. Confirmed by an official medical opinion.

3.5 EVENT WITH POTENTIAL DAMAGE TO THE ENVIRONMENT

Event inside or outside Sika premises (e.g. spillage, media/emission release).

Significant events are

- reportable to authorities,
- having media coverage,
- leading to permit exceedance,
- effecting public health or the environment,
- creating significant costs (> 20 T CHF).

3.6 NEAR-MISS

Incident that could have occurred or incident with no reported injury or illness.

3.7 LOST DAYS

Day(s) of absence following the day of the event. Excluding the day of the event. A holiday or weekend day is also viewed as accident related lost day. Lost days are determined by a medical report.

4 RESPONSIBILITIES

The General Managers are accountable for the implementation of this instruction.
The Line Management is responsible to fulfil the duties of this instruction.

5 REQUIREMENTS

All incidents involving Sika employees, contractors and visitors are reportable.

5.1 REPORTING TO GLOBAL EHS

Following incidents have to be reported within 24h.

- Fatalities
- Injuries with ≥ 1 lost day(s)
- Significant events
- Occupational disease which results in ban from work

To report an incident you have to send an e-mail within 24 hours.

To:	accident@int.sika.com
Cc:	Global EHS Manager CTO General Manager + further line management Local EHS Manager
Blind copy:	Leave blank
Subject:	Accident "Country / Site"
Text field	→ Use only 500 characters (incl. space character) No salutation Give very short description of incident. Only facts. Examples: <ul style="list-style-type: none">- Severe burn forearm, hot surface, ambulance needed,- Released 100 litres of oil, crash forklift, external firefighters, media coverage- Broken leg, concussion, fall down stairs, hospitalization,- Fire in warehouse, internal and external firefighters, police, media coverage
Attachment	→ No attachments allowed!

5.2 REPORTING TO GRI-REPORTING AND FACTORY-KPI-REPORTING

Follow the given instruction.

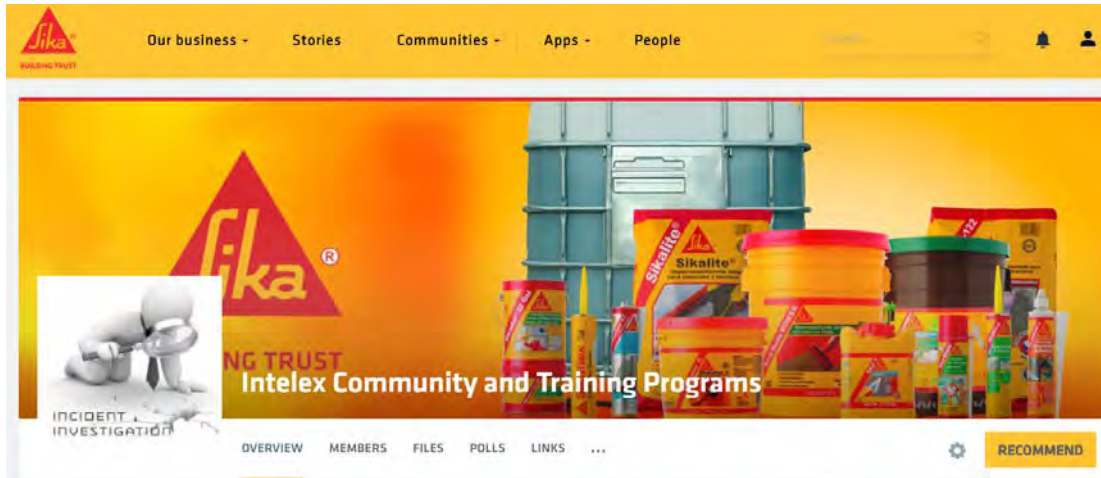
5.3 ROOT CAUSE ANALYSIS

See Instruction "Accident Investigation" (available in CMS – chapter 7.3.2).

5.4 ANALYZING INCIDENTS

See Instruction "Incident Accident Analysis" (available in CMS- chapter 7.3.2).

Intelex Incident Reporting System



- Internet based so it can be accessed from anywhere
- Allows for incident investigation for 4 categories
 - Injury/Illness
 - Environmental
 - Property Damage
 - Vehicle Damage
- Allows for the capture of detailed information from the incident
 - Requires a 5 Why Root Cause Analysis on all incidents
- Allows for the incidents to be routed to the appropriate people
- Allows for better trend analysis to help expenditure allocation
- Provides an escalation of corrective actions
 - The system will send a reminder to the person assigned the corrective action 5 days before the due date entered in to the system. The corrective action owner will receive e-mail reminders 5 days past the due date as well. The owner's supervisor will receive an e-mail notification for 10 days past the due date
- Allow for the tracking of open and closed investigations
- Training is easy and readily available
 - Presentations have been created for all categories and are posted on Sika World 3.0 under Communities

Community Initiatives

At least one time per year, each facility will host the local first responders (Police, Fire and EMS) at their location. The purpose of these visits is to establish sound relationships with these departments as well as to familiarize them with the Sika facility. All areas where hazardous chemicals are present should be reviewed and all Safety Data Sheets provided to all departments. All sites are to be involved with their Local Emergency Planning Committee (LEPC) as well.

Audits

Under the Sika S.A.F.E. program, all sites must go through a full EHS audit at least once every three (3) years unless circumstances dictate otherwise (i.e. OSHA visit). These audits will follow the corporate EHS template. The auditor will assist the site with the completion of some action items following the audit. The auditor and site management will agree on a plan to address those action items which could not be completed by the auditor during his/her time on site. Monthly progress reports will be submitted to the Director, EHS for review and tracking. Examples of additional audit items would be the following;

- Internal/external audits
- Sharing of Best Demonstrated Practices (BDP)
- Identify/fix problems
- ISO/IATF certification
- Evaluate effectiveness of QMS
- Compliance

Responsibility and Accountability

Good environmental, health and safety practices are the responsibility of each Sika employee. The following is a summary of these responsibilities.

Employee Responsibilities

All Sika employees are responsible for:

- Participating in mandated training programs provided by Environmental Health & Safety (EHS), supervisors, and other instructors;
- Promptly reporting unsafe conditions, environmental and health hazards, and injuries and illnesses to their supervisor
- Considering their own safety and the safety of others while performing assigned tasks; and
- Strictly following federal, state, and Sika minimum safety requirements and guidelines.

Supervisor Responsibilities

Supervisors are responsible for:

- Providing safe, healthy environments for those areas and personnel for whom they are responsible;
- Making safety and health an integral part of all activities
- Being continuously aware of the safety and health needs of their co-workers and employees;
- Initiating and enforcing preventive measures to control hazards
- Ensuring employees are aware of all workplace hazards
- Ensuring employees are properly trained prior to beginning any new tasks;
- Serving as a conduit for safety and health concerns;
- Reporting injuries and illnesses through Sika's electronic incident reporting and Workers' Compensation programs
- Reviewing injury and illness reports for their area(s), and applying corrective actions as appropriate

Upper Management Responsibilities

- Allocate resources to safety programs and demonstrate organization's commitment to safety
- Ensuring that facilities and equipment meet requirements for a safe work environment for activities being conducted;
- Ensure that employees be given time during working hours to participate in their engagement activities
- Ensuring individuals under their management have the authority and support to implement environmental, health and safety policies, practices, and programs;
- Ensuring areas under their management comply with state and federal environmental health and safety policies, practices, and programs;
- Establishing priorities and committing resources to correct environmental health and safety deficiencies
- Implement the Safety Absolutes
- Implement the Global Minimum Safety Requirements

Section 4: Sika S.A.F.E. Roadmap

The Sika S.A.F.E. Roadmap is the overall guidance for the Sika S.A.F.E. program. The Roadmap consists of the following;

1. Safety Communication Strategy

- a. Increase the frequency of safety communication by Sr. Management (CEO, ET and OLT)
- b. Provide monthly safety communication to the organization
- c. Share all recordable incidents with EHS and Plant managers (Safety Online)

2. Develop a comprehensive list of Sika fundamental EHS rules

- a. Enforce rules consistently/Discipline must be consistent
- b. Implement the Safety Absolutes
- c. Implement the Global Minimum Safety Requirements

3. Training

- a. Standardize all safety training - Set a clear process for Who is trained, What topic and, When do we train
- b. Implement standardized weekly tool box talks
- c. Robust onboarding process for new hires, temp to hires, and temps
- d. OSHA 10 training for Leads, foremen, supervisors, plant managers and OLT
- e. All EHS managers will take the OSHA 500/501 outreach trainer certification class (reduces costs for consultants)

4. Improve Corporate EHS Audit program

- a. Publish and adhere to a three-year audit schedule
- b. Close Open Actions in a timely fashion
- c. OLT to review the audit plan every year to ensure compliance
- d. Assigned auditors will contact the plant managers and set a date for the audit
- e. 4-day audit: 2 days auditing, 2 days to address action items
- f. Target is to audit all Sika US Sites to Develop Baseline and Share BDP

5. Sika SAFE – Employee Engagement

- a. Facility's must target 100% engagement within a reasonable time frame

Section 5: Worker's Compensation Program

Knowing what to do and who to contact in the event of an accident or injury can make it easier to get medical treatment and help prevent similar accidents.

If an employee sustains an injury or illness at work, the supervisor or manager must be notified immediately. The supervisor or Human Resources will contact the Corvel 24/7 Nurse Hotline to begin the claims process and provide initial triage of the incident.

Emergency Medical Attention (Normal and Off Hours)

In the event of an emergency where immediate medical attention is needed, 911 is to be called. The caller should stay on the line while another employee waits for the emergency responders in order to guide them to the proper location within the facility.

Non-Emergency Medical Attention (Normal Hours)

The Corvel Nurse Hotline should be called immediately by Human Resources, site management or a supervisor to provide medical attention and begin the claims process. The nurse will direct medical attention based on their conversation with the injured employee. **The 24/7 hotline number is (877) 764-3574**

Non-Emergency Medical Attention (Outside of normal 8- 5 Hours)

If an employee sustains a non-emergency injury or illness at work, during off hours, the supervisor or manager must be notified immediately. The supervisor or manager will call the Corvel 24/7 Nurse Hotline to begin the claims process and provide initial triage of the incident. The supervisor will also create an incident report in the Intelex system.



Employee Injury Call Center
(877) 764-3574

Registered Nurses | Immediate Care | Bilingual Nurses Available

At anytime, you can call and speak with a registered nurse to evaluate the nature of your incident and determine immediate care. All nurses specialize in occupational injuries and will ensure you get the care you need.

Call 911 for Medical Emergencies

CORVEL

Section 6: Revisions

Revision Number	Revision Date	Description	Sections Affected
1	03.10.2021	No short pants on manufacturing floor. No radios on manufacturing floor. Only water and hydrating liquids in sealable containers permitted on manufacturing floor.	Fundamental rules

COMMUNICATION FORM

BUILDING TRUST



Employee Name:

Date:

Position: Division/Dept.:

PLEASE CHECK ONE:

- ☐ **Counseling**
Check this box whenever an employee had repeated an infraction, is not meeting performance standards or has more than one area of problem performance.
- ☐ **Confirmation of Verbal Conversation**
Check this box whenever a conversation takes place with an individual regarding any of the topics checked below.
- ☐ **Formal Written Correction**
Check this box whenever a formal written correction is issued on any of the topics listed below.

CHECK ALL APPROPRIATE ITEMS:

- | | | |
|--|---|--|
| <input type="checkbox"/> Initiative | <input type="checkbox"/> Proficiency/Efficiency of Work | <input type="checkbox"/> Attendance/Tardiness |
| <input type="checkbox"/> Quality of Work | <input type="checkbox"/> Professional Appearance | <input type="checkbox"/> Discourteous/Non-Cooperative |
| <input type="checkbox"/> Cooperation/Attitude | <input type="checkbox"/> Not Attaining Goals | <input type="checkbox"/> Failure to Comply with Policy |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Failure to Follow Instructions | <input type="checkbox"/> Gross Misconduct |
| <input type="checkbox"/> Other: <input type="text"/> | | |

Explain item or items checked above. Give time and date(s) of specific incident(s).

Have the above checked item(s) been discussed before?

☐ Yes ☐ No When?

Corrective effort, if needed:

Note: Failure to attain an immediate and sustained improvement in the above applicable area(s) can result in termination. Termination can be immediate depending on the infraction. NOTHING HEREIN IS INTENDED TO NOR SHALL BE CONSTRUED AS ALTERING IN ANY WAY AN EMPLOYEE'S STATUS AS AN AT WILL EMPLOYEE. Please indicate if employee refuses to sign below.

I acknowledge reading this form and understand its contents.

Supervisor/Manager's Signature

Date

Employee's Signature

Date

Midland Engineering Co., Inc.

SAFETY VIOLATION & DISCIPLINARY ACTION

PURPOSE

The purpose of this policy is to support the enforcement of good safety performance and to eliminate repeated or continuing safety violations by the use of appropriate disciplinary measures. Disciplinary data will be used to modify employee training to further reduce safety infractions.

OBJECTIVE

Our objective is to provide a safe, productive, profitable, work environment for all employees. To achieve this it is imperative all employees to: (1) act in the best interest of Midland Engineering Company at all times, (2) act in a safe manner and in accordance with Midland's expressed Safety Policies, (3) act lawfully, (4) act in a highly productive, team oriented manner, (5) act in a professional, best practice, customer focused manner. In addition, all employees need to communicate thoroughly and effectively. Supervisory personnel are to issue directives in accordance with Company policy to subordinates in clear terms, ensure subordinates understand tasks assigned them and monitor subordinates performance to ensure compliance. Subordinates are to adhere to directives of their supervisors and perform tasks assigned efficiently and in the highest quality manner possible. If a subordinate believes a task assigned is in conflict with any of the above, they have the responsibility to so advise their supervisor or any Midland management personnel deemed appropriate.

GENERAL COMPANY SAFETY RULES

Company Policies and Safety Rules are for your protection. The following rules have been established to help you protect yourself and others and avoid injury.

You have a responsibility to yourself and your coworkers to prevent accidents. Everyone's safety depends upon a thorough understanding of all safety rules. Employees who jeopardize their own safety and the safety of others, or who fail to observe these rules, will be subject to disciplinary action, up to and including termination.

1. Be on the lookout for possible problems. Always work in a safe manner and do not commit an unsafe act.
2. If you are injured or involved in an accident, notify your supervisor immediately!
3. Report any equipment or condition that is unsafe or dangerous to your supervisor.

Midland Engineering Co., Inc.

SAFETY VIOLATION & DISCIPLINARY ACTION

4. Do not block or impair electrical rooms or fire fighting equipment with any equipment, buffers or barrels.
5. Know the proper use of and exact location of fire alarms, extinguishers and exit routes.
6. SMOKING IS NOT PERMITTED while working.
7. Proper dress is required for work.
8. When using harsh, corrosive, caustic chemicals, protective eye wear and gloves should be used. Gloves should also be worn when cleaning restrooms.
9. Follow instructions for mixing all chemicals. Speak with your supervisor if you have any questions.
- 10 Arms, hands and feet should be kept out of trash cans, chutes and dumpsters to avoid hidden sharps.
11. Handrails should be used when going up or down stairs. Caution should be used when approaching and opening doors.
- 12 Use A CAUTION or A WET FLOOR sign when mopping, stripping or waxing floors, especially in traffic areas.
13. Wear protective eye-wear or goggles while changing or cleaning overhead lights to prevent anything from falling into your eyes.
14. Do not trip, vacuum or scrub over electrical cords. Electrical equipment should be turned off before plugging into or unplugging from electrical sockets. Always use care when unplugging electrical equipment.
15. Return all supplies and equipment to proper storage when finished. Position supplies and equipment in a safe manner while using them.
16. Cigarette butts should be placed in metal containers instead of in trash. Do not leave trash in closets or carts overnight *unless* instructed to do so by your supervisor.
17. Ladders should be firmly positioned on the ground or floor and used with caution. Do not stand on chairs, boxes or furniture.
18. Do not force elevator doors open or restrict them from closing. Watch out for dark elevators; it may mean there is an open shaft.
19. Always use proper lifting techniques.
 - Stand, closed feet firmly apart; grip object firmly; kneel close and bend knees
 - Hold objects as close to the body as possible; KEEP BACK STRAIGHT; lift by pushing up with strong leg and arm muscles.
 - Watch where you walk; reverse procedure to set object down; do not lift heavy or awkward loads alone; get help if you need it.

Midland Engineering Co., Inc.

SAFETY VIOLATION & DISCIPLINARY ACTION

DISCIPLINARY ACTION

To aid in the accomplishment of the stated objective and to give all supervisory personnel guidelines to use in managing subordinates, the Company is now implementing the following formal disciplinary policy.

Levels of Discipline:

- Verbal reprimand- This form of discipline will be issued only for a true lack of judgment, the employee truly lacked knowledge, or in the opinion of management did not intend to commit the violation.
- Written reprimand- Utilizing the attached "Written Reprimand Form" A written reprimand will be issued when verbal reprimands fail to achieve desired performance, when the act caused potential danger to the employee or others or potential property damage, when rules and regulations are blatantly disregarded. A copy of the written reprimand will be forwarded to any applicable Union office.
- Suspension- A suspension is warranted when written reprimands fail to improve behavior or performance. Employees can be suspended for 1 day to 1 week. Suspensions are unpaid days off work. Suspension notices are kept on file for 24 months with Midland Engineering
- Termination- Immediate termination will occur if a blatant disregard for regulation causes damage to employee or others; Theft or destruction of Midland Eng. or customer's property or equipment; when written reprimands or suspensions fail to change behavior; and when employee capabilities fail to reach standards for production or safety.

Midland Engineering Co., Inc.

SAFETY VIOLATION & DISCIPLINARY ACTION

JUDICIAL PUNISHMENT

For willful negligent offences or illegal activity it is possible for Midland Engineering or the customer to file charges against employees for their infractions. The court system will determine the punishment for judicial infractions.

Procedure: Steps that Midland Engineering and Employees will follow to ensure fair treatment or fair punishment.

- Supervisors will note any verbal reprimands issued on their daily production reports in detail containing who, what, where, when, and why pertaining to the charged party.
- Supervisors will channel any written reprimands through their immediate supervisor. The Safety and Loss Control Director will file the written report. The employee retains the right to rebut any verbal or written report with the next higher level of leadership progressively up to the Owner.
- Suspensions and termination require approval of the next higher level of leadership and are filed by the Safety/ Loss Control Director. The employee retains the right to rebut any disciplinary action through the next level of leadership progressively up to the Owner.
- Judicial punishment through formal charges is handled through the justice system. Midland Engineering disciplinary policy is no longer in effect when judicial proceedings begin. Midland will cooperate fully with any and all legal actions.

IMPLEMENTATION

Actions taken by Midland Engineering and Employees after a disciplinary action has been issued.

- All parties agree on disciplinary settlement: The employee accepts the parameters of his or her disciplinary action and a return to work after disciplinary measures are satisfied or accepts termination. The record of the action will remain in the employees file.
- Employee does not accept disciplinary settlement: Employee requests a conference with his next higher level of leadership progressively up to the owner of the company. Outcome of the conference is to be considered final.
- Supervisors are not satisfied with parameters of disciplinary action: The Supervisor has the obligation to seek conference with his next level of leadership progressively to the owner. Supervisors will support and enforce the final decision as if it was their own.
- If at any time a disciplinary action is subsequently proven to be unwarranted, the action will be reversed and the record of the incident will be so modified and kept in their file.

Midland Engineering Co., Inc.

SAFETY VIOLATION & DISCIPLINARY ACTION

HARASSMENT

Harassment is a form of employment discrimination that violates Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, (ADEA), and the Americans with Disabilities Act of 1990, (ADA).

Harassment is unwelcome conduct that is based on race, color, sex, religion, national origin, disability, and/or age. Harassment becomes unlawful where 1) enduring the offensive conduct becomes a condition of continued employment, or 2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive. Anti-discrimination laws also prohibit harassment against individuals in retaliation for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or lawsuit under these laws; or opposing employment practices that they reasonably believe discriminate against individuals, in violation of these laws.

Petty slights, annoyances, and isolated incidents (unless extremely serious) will not rise to the level of illegality. To be unlawful, the conduct must create a work environment that would be intimidating, hostile, or offensive to reasonable people.

Offensive conduct may include, but is not limited to, offensive jokes, slurs, epithets or name calling, physical assaults or threats, intimidation, ridicule or mockery, insults or put-downs, offensive objects or pictures, and interference with work performance. Harassment can occur in a variety of circumstances, including, but not limited to, the following:

- The harasser can be the victim's supervisor, a supervisor in another area, an agent of the employer, a co-worker, or a non-employee.
- The victim does not have to be the person harassed, but can be anyone affected by the offensive conduct.
- Unlawful harassment may occur without economic injury to, or discharge of the victim.

Midland Engineering Co., Inc.

SAFETY VIOLATION & DISCIPLINARY ACTION

Midland Engineering is committed to providing a quality work environment for each of its employees. Midland Engineering requests employees file reports within the company to allow us to improve substandard leadership issues prior to involving the EEOC. Complaints can be submitted to the EEOC through an equal opportunity intake questioner on the EEOC web site. Information needed for a harassment complaint is the following:

- The complaining party's name, address, and telephone number;
 - The name, address, and telephone number of the respondent employer, employment agency, or union that is alleged to have discriminated, and number of employees (or union members), if known;
 - A short description of the alleged violation (the event that caused the complaining party to believe that his or her rights were violated); and
 - The date(s) of the alleged violation(s).
- Federal employees or applicants for employment should see Federal Sector Equal Employment Opportunity Complaint Processing.

Midland Engineering Co., Inc.
SAFETY VIOLATION & DISCIPLINARY ACTION

Employee Reprimand Record

Employee Name: _____

Social Security Number: _____ Date of Reprimand: _____

Project Name or Shop: _____ Position or Craft: _____

What is the employee being reprimanded for?

☐ Conduct ☐ Production ☐ Timeliness/Tardiness ☐ Safety ☐ Other

Please explain: _____

What is expected of this employee in response to this reprimand?

What action is recommended if the employee does not meet expectations outlined?

How will supervision assist the employee? _____

Has the employee been warned about this before? ☐ Yes ☐ No

☐ Written ☐ Verbal

Date of earlier reprimand and by whom? _____

Supervisor's name: _____

Supervisor's signature: _____ Date: _____

Other comments: _____

If this written record concerns the Corporate Safety Program, this record is for your own protection and safety, and the safety of those with whom you work. It also may document a violation of a safety rule, work rule, or safety direction. Midland Engineering Co., Inc. is very concerned for the safety of its employees and work place. Please note that this is a serious matter and may affect your employment with this company.

NOTE: Place this form in the employee file

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Disciplinary action company policy

Policy brief & purpose

Our **Disciplinary Action company policy** explains how we address our employees' misconduct or inadequate performance. Employees must be aware of the consequences of their actions. We use this policy to outline our disciplinary procedure.

Scope

This policy applies to all SSI employees.

Policy elements

The stages that may be followed when discipline is deemed necessary include the following:

1. Verbal warning
2. Corrective Actions/Counseling
3. Official written reprimand
4. Disciplinary meeting with appropriate supervisor or manager
5. Final written warning
6. Detraction of benefits
7. Indefinite suspension or demotion
8. Termination

The nature of the offense must be explained to the employee from the beginning of the procedure. The verbal warning may take the form of a simple oral reprimand but also a full discussion if that is necessary.

The employee must read and sign the written reprimand and final written warning. These documents include the time limit in which an employee must correct their conduct before we take further disciplinary action.

The following scenarios indicate where the disciplinary procedure starts depending on the violation:

Performance issues. Disciplinary procedure starts at stage 1. It includes but is not limited to:

- Failure to meet performance objectives.
- Attendance issues.
- Failure to meet deadlines.

Misdemeanors/One-time minor offense. Disciplinary procedure starts at stage 1. It includes but is not limited to:



Sarnafil Services, Inc., 100 Dan Road, Canton, MA 02021
Tel. 800-451-2504, Fax: 781-828-5365, www.sikacorp.com

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- Rude behavior to customers or partners.
- On-the-job minor mistakes.
- Breach of dress code/open door policy etc.
- Involuntary Discrimination.

Misconduct/Frequent offender. Disciplinary procedure starts at stage 5. It includes but is not limited to:

- Lack of response to counseling and corrective actions.
- Lost temper in front of customers or partners.
- On-the-job major mistakes.
- Unwillingness to follow health and safety standards.

Severe offensive behavior/Felony. Disciplinary procedure starts at stage 6. It includes but is not limited to:

- Corruption/ Bribery.
- Breach of employment agreement.
- Harassment/ Voluntary discrimination.
- Workplace Violence.
- Embezzlement/Fraud.
- Substance Abuse.

Managers will work with HR on all disciplinary measures and may choose to repeat stages or if it warrants skip stages if the actions are deemed serious enough. This decision depends on employees' reaction to our disciplinary procedure, whether they repent their behavior and the nature of their offense.

Our disciplinary procedure begins when there is sufficient evidence to justify it. When there is suspicion or hints of misconduct, managers or HR must investigate the matter first.

Appeals are allowed and must be filed to the next line of management as soon as possible.

HR and managers should document every stage of our disciplinary procedure (except the verbal warning.) If appropriate, include necessary information like evidence, testimonies and employee's progress or improvement.

We are obliged to refrain from disciplinary actions that may constitute retaliatory behavior. A no retaliation company policy will be effective at all times to ensure there is no misuse of our disciplinary procedure.

We have the right to modify this policy or act in any other legal or reasonable way as each case demands. But, we will always enforce discipline in a fair and lawful manner.



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Disclaimer: This policy template is meant to provide general guidelines and should be used as a reference. It may not take into account all relevant local, state or federal laws and is not a legal document. Neither the author nor Workable will assume any legal liability that may arise from the use of this policy.



Sarnafil®



CODE OF CONDUCT

INTEGRITY AND ETHICAL CONDUCT

BUILDING TRUST



CODE OF CONDUCT

Dear friends

Integrity and ethical conduct have always been an inherent part of Sika's culture. Already in its earliest version in the 1970's, Sika Philosophy and Policies stated that "we apply high ethical standards to our work." All of you are familiar with Sika's "8 rules", which were enacted in 2001 in all companies.

Ethical conduct is one of the cornerstones on which Sika's excellent reputation is built. Our customers count on it, but also our other stakeholders, most notably our shareholders and all personnel working for Sika. Therefore there is no room for negotiation or interpretation when it comes to following these rules.

This latest version called "Sika's Code of Conduct" is therefore an evolution of the principles and rules which have been strictly followed in Sika for years. Sika wants to continue this tradition and reinforce its highly ethical culture. This new Code of Conduct is directly linked to Sika's Values and Principles.

Compliance with this Code of Conduct is the personal responsibility of all people working for Sika, no matter where they work and what their function is. The personal integrity of each of us makes the difference and is the basis on which these rules are built.

Thank you for strictly following this Code of Conduct in your daily work and helping to continue Sika's success story.



Dr. Paul Hälgl
Chairman



Jan Jenisch
CEO

Baar, October 2013

INTEGRITY AND ETHICAL CONDUCT

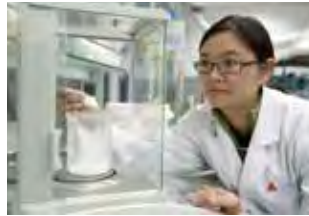
WE ACT IN COMPLIANCE WITH THE LAW

WE DO NOT COMPROMISE ON INTEGRITY

WE APPLY HIGH ETHICAL STANDARDS
TO OUR WORK

WE ENSURE COMPLIANCE WITH THESE
PRINCIPLES

COMPLIANCE WITH THIS
CODE OF CONDUCT IS THE
PERSONAL RESPONSIBILITY
OF ALL PEOPLE WORKING
FOR SIKI



1. COMPLY WITH THE LAW

- Strictly follow all laws and regulations which are applicable to our business.
- Strictly follow this Code of Conduct even if it is stricter than applicable laws.

Full compliance with applicable laws and regulations is the framework for all our activities. In addition this Code of Conduct defines rules which may be stricter than applicable laws. Also, further internal regulations exist which must be followed.

2. NO BRIBERY, NO CORRUPTION

- Avoid any form of either active or passive bribery or corruption.
- Do not offer or accept any favor of any kind (cash, trip, gifts, etc.) for any improper advantage (offer, permit, order, project award, etc.).

Bribery and corruption can take many forms. It may be cash, but also any other favor (trips, excessive gifts of any kind). It is always intended to influence the receiving person's decision to obtain an improper advantage for the person or entity offering the favor. It does not matter whether you offer or receive such a favor. It does not matter who the counter party is (government, company or private person). Except for ordinary gifts and entertainment which do not aim at an improper advantage (see section 3) it does not matter how big or small the favor or the advantage is. It still is bribery or corruption which is strictly forbidden.

3. GIFTS, ENTERTAINMENT AND DONATIONS

- Only give or accept gifts and entertainment which are lawful, reasonable and in compliance with the local Sika company's written rules.
- Sponsoring and charitable contributions are permitted in compliance with the local Sika company's written rules.
- Sika does not contribute to any political party or for a political cause unless approved by Group Management.

In almost all countries and markets reasonable gifts and entertainment (meals, sporting or cultural events, etc.) are an inherent part of business. They become bribery and corruption when they are intended to influence the receiving person's decision. Trips or multiple day events as well as gifts and entertainment for public officials are especially critical. All companies must implement written rules based on the corporate model rules to further specify which gifts and entertainment as well as which sponsoring and charitable contributions are permissible in the framework of this Code of Conduct. The rules must also provide for authority levels depending on the amount involved. Contributions to political parties or a political cause are subject to the approval of Group Management.

4. FAIR COMPETITION

- Act performance oriented and fair in the market both vis-à-vis customers and suppliers.
- Do not discuss, agree or cooperate in any form with competitors on strategies, prices, markets, customers, products, production or other market-sensitive aspects.
- Do not agree with Sika's customers on their resale prices.
- Precheck any sensitive obligation (e.g. exclusivity, noncompete, joint ventures) with Corporate Legal or a local legal adviser.
- Do not abuse a market-dominant position.

We expect full compliance with applicable cartel and antitrust laws. This especially regards any kind of discussion or agreement with competitors on price- or other market- sensitive aspects. Special attention must be given to informal gatherings, conferences, trade shows and meetings of

trade associations or in discussions involving possible acquisition opportunities. To the extent contacts with competitors are permitted, they must as a principle be managed by a member of Sika's Senior Management.

5. AVOID CONFLICT OF INTEREST

- Avoid any situation that may create a conflict of interest between your personal and family interests and Sika's interests. Fully disclose such conflicts to your superior.
- Avoid any activities competing with Sika.
- Do not use a business opportunity of Sika for your own personal benefit.

Decisions on behalf of Sika must not be influenced by personal or family interests. Any activity competing with Sika is not allowed.

6. NO INSIDER TRADING

- Do not use confidential price-sensitive data to trade in Sika shares, options or bonds.
- Do not share such information with third parties.
- Do not use confidential price-sensitive data to trade in shares, options or bonds of Sika's business partners or share such information with third parties.

Trading based on insider information makes use of privileged information to achieve an improper profit. It is illegal in Switzerland and many other countries. Insider trading concerns primarily trading in Sika shares. But it is also not permitted to use insider knowledge to trade in shares of Sika's business partners. Sika's Insider Trading Rules provide for further specific guidance especially with regard to no-trade periods.

7. MAINTAIN CONFIDENTIALITY / DATA PROTECTION

- Protect confidential business, technical and financial information about Sika.
- Within Sika, share confidential information only on a need-to-know basis.
- Do not share confidential information with any third party unless required for business purposes and only after having signed a confidentiality agreement.
- Respect confidential information of third parties.
- Comply with data protection laws.

Safeguarding Sika's know-how is of utmost importance. While Sika does not intend to hinder the flow of information required for the business, it is crucial to protect Sika's know-how from improper use. We equally respect confidential information of third parties.

8. PROTECT SIKA'S ASSETS

- Use Sika's assets (equipment, computers, cars, etc.) with care and only for business purposes unless approved otherwise by your superior.
- Protect them from any misuse (fraud, theft, loss).

Sika's assets may only be used for business purposes and should be handled with care.

9. FAIR WORKING CONDITIONS, NO HARASSMENT, NO DISCRIMINATION

- Fully comply with labor and employment laws.
- Treat your subordinates and work colleagues fairly and with respect.
- Do not discriminate based on race, nationality, sexual orientation, gender, age, religion.

Treating each other fairly and with respect is an inherent part of the Sika Spirit.

10. HEALTH AND SAFETY, ENVIRONMENT

- Comply with health and safety laws and relevant internal guidelines.
- Comply with environmental laws and relevant internal guidelines.

Sika has a particular responsibility to fully comply with health and safety as well as environmental laws and internal guidelines in the interest of our employees, customers, the public and the environment in general.

11. BUSINESS PARTNERS

- Ensure compliance of suppliers, service providers, agents and distributors with these rules.
- Comply with customers' rules especially in case of gifts and entertainment even if they are stricter than this Code of Conduct.

We expect that our business partners providing services and products to us share the same ethical values. More details are available in Sika's Supplier Code of Conduct.

12. APPLY THE FOUR-EYE PRINCIPLE

- All commitments on behalf of Sika are only made by collective signature and only in line with local authority rules.
- In electronic communication ensure the four-eye principle by having commitment previewed by a second pair of eyes.
- Unless required by law, do not use chops or personal stamps instead of your personal signature.

The four-eye principle is Sika's key principle for proper risk management and ethical conduct. A competent second pair of eyes must review business matters and ensure a diligent decision-making process and especially compliance with this Code of Conduct.

13. DO NOT BYPASS THESE RULES

- Do not use third parties to bypass these rules.

Critical conduct or business practice must not be delegated to third parties (e.g. agents, distributors, consultants, etc.) in order to bypass these rules.

14. KEEP FULL TRANSPARENCY

- Always ask beforehand if in doubt.
- Properly declare and account any transaction.
- Inform your superior about potential conflicts with these rules.
- Report violations of these rules to your superior and to a member of the Group Management and/or Corporate Legal.
- Reporting persons will be protected. Violators of these rules will face disciplinary measures.

Transparency about potential conflicts and detected violations helps to enforce this Code of Conduct. Transparency is also important with regard to accurately documenting and accounting for all transactions. Violations may be reported to your superior and to Corporate. Alleged violations will be carefully investigated and, if confirmed, will have disciplinary consequences for the persons concerned (including dismissal where applicable) while reporting persons will be protected.

15. SET AN EXAMPLE

- As a superior, lead by example and strictly adhere to the Code of Conduct.
- Apply a zero tolerance policy in your area of responsibility.
- Insist on transparency in order to address potential conflicts early.

Setting the tone from the top is a crucial element to bringing this Code of Conduct alive. It is essential to set an example and also to apply a zero tolerance policy. It also means having a working environment where possible conflicts are openly addressed.

16. ENSURE COMPLIANCE

- All employees joining Sika are requested to commit to these rules.
- All personnel in all companies will be regularly reminded, at least once a year, about these rules.
- General Managers of all Sika companies will for each year confirm compliance of his/her company with these rules.
- Corporate Functions will regularly conduct trainings and audits.

This Code of Conduct is addressed to all Sika employees. While Corporate will provide the necessary instruments and methods, compliance with this Code of Conduct is a continuous responsibility of line management. Proper selection, training and supervision of personnel is also crucial in this respect.

17. RULE OF THUMB: NEWSPAPER RULE

Where there is no specific rule or if you are in doubt, check your conduct with the simple newspaper rule:

Would you do it if it appeared on the front page of your local newspaper with all details?

While many of these rules may be specific and may not cover the actual case, the newspaper rule is globally understood and applicable. It provides a sound test as to whether a conduct is permissible or not. Also, if in doubt always ask beforehand.

18. QUESTIONS / COMMENTS

If you are in doubt or have questions regarding this Code of Conduct, contact your superior or Corporate beforehand. You may also send your questions and comments to compliance@ch.sika.com.

CRISIS AND COMMUNICATIONS HANDBOOK SIKA ISSUE MARCH 2022

BUILDING TRUST



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Dear Friends,

Virtually every organization has faced extraordinary situations, challenges, or crises. These events occur because the company sees a need for them (strategic transactions, restructurings, etc.) or they happen because of honest mistakes, adverse events, accidents, manufacturing problems and other issues.

In today's communications environment, companies are expected to be open, transparent, and quick to provide information. To be prepared to deal with difficult situations, careful planning is essential. Crisis preparedness is of paramount importance to protect the reputation of Sika and thus one of our company values.

This manual provides an overall framework to help us respond effectively to potential issues. It contains key principles, roles and responsibilities, processes, and checklists to facilitate communication work once a critical issue arises. The goal is to sensitize the regional organizations to potential risks, speed up the identification and escalation of emerging issues and streamline our decision-making process so we can act quickly and responsibly if a situation arises.

The following manual is designed to help you understand your vital role and your accountability in the issue management process, both in preparing your site for effective cross-functional work on issue management and in facilitating a timely flow of information to Corporate Communications and other teams dealing with communications. Effective, cross-functional collaboration is critical for potential issues to be navigated successfully.

This book cannot define issues that could occur locally. Each local Sika subsidiary has its own environment and its own particularities. We therefore ask the local organizations to identify potential risks in their area of responsibility to ensure they are prepared in case a risk materializes. For issues with either a high likelihood or a high potential for damage, country organizations are asked to develop a crisis plan and, if appropriate, to test this plan through practical role-play.

Thank you very much for your support in this important endeavor and for your active contribution to protect the reputation of Sika.

Thomas Hasler

CEO

Dominik Slappnig

Head Corporate Communications & Investor Relations

PREPARATION & CODES

This manual provides tools to evaluate realistic scenarios and prepare appropriate actions. Its guidelines must be followed in a crisis. In addition, it is the master for the local subsidiaries to create their local crisis and communication handbooks.

Preparation: to be filled in / updated by the local crisis team	
Action: to be filled in / updated during a crisis by the local crisis team	

1. CORPORATE CRISIS GUIDELINES (BASIS)

1.1 PURPOSE

These guidelines summarize

- how crisis management within Sika is organized
- what to do in a crisis

with the purpose of

- ensuring immediate and proper reaction to the crisis

1.2 WHAT IS A CRISIS

A crisis can be any unusual negative event that may cause substantial financial and/or reputational damage to Sika. Examples:

- Accidents resulting in injury and death
- Fire, floods, earthquakes, hurricanes
- A severe disruption in the operation of the company (production standstill)
- A serious product quality claim
- Governmental actions (dawn raids, investigations, seizures, etc.)
- Serious criminal acts against the company or its personnel (theft, kidnapping, extortion) or by personnel of the company (fraud, embezzlement, etc.)
- Serious violations of Sika's ethical rules (e.g. corruption)
- Negative media coverage about Sika
- Cyber-attacks and severe cyber security incidents

Rule of thumb: Consider it a crisis if it will receive full media coverage if known to the local newspaper.

1.3 CRISIS MANAGEMENT WITHIN SIKA

A. CORPORATE LEVEL

Sika maintains a Corporate Emergency Hotline on +49 89 1893735817 or +49 89 43181 35817. A Corporate Crisis Team handles all Group-level crises. Further details can be found in Annex 1.

B. LOCAL AND AREA LEVEL

Each local Sika subsidiary must have the following:

- A local crisis phone number operating 24 hours a day, 7 days a week
- A local crisis team headed by the General Manager
- Area hotline via Fact 24 and/or direct liaison with Area Manager
- Written guidelines on how to handle crises
- Annual training on how to manage crises

1.4 PRINCIPLES OF CRISIS MANAGEMENT

1. Remain calm and gather the facts
2. Define immediate actions to limit and mitigate further damage
3. Organize the local and possibly area crisis team
4. Inform authorities and corporate (if applicable)
5. Only communicate established facts
6. Never make commitments unless previously agreed internally

1.5 PRINCIPLES OF COMMUNICATION

1. Only GM, Deputy or Delegate to communicate on local level
2. Only CEO, Deputy or Delegate to communicate on Corporate level

1.6 INTERNAL CRISIS REPORTING

If the crisis is Group-relevant, call the Corporate Emergency Hotline. The hotline is operated by an external provider. The external provider will transfer your call to Corporate Communications, who will start further actions, if necessary (see Annex 1).

Corporate Emergency Hotline: call +49 89 1893735817 or +49 89 43181 35817

Rule of thumb: If the crisis is of interest to Group Management, you must inform Corporate. If in doubt, inform Corporate as well.

ANNEX 1: CORPORATE CRISIS & EMERGENCY MANAGEMENT TEAM

In the event of a corporate crisis, please call the Corporate Emergency Hotline: +49 89 1893735817 or +49 89 43181 35817. An alarm will be triggered, and the Corporate Communications Team will be connected to assess the severity of the reported incident. In case of a major incident, further actions will be taken by the Corporate Communications Team:

- Escalate to the Cyber Emergency Board / Cyber Case Manager Team in the event of a cyber security related incident (cyber emergency)
- Alert of the Corporate Crisis & Emergency Management Team

Members of the Corporate Crisis & Emergency Management Team

NAME	FIRST NAME	ROLE	OFFICE PHONE	MOBILE PHONE
Hasler	Thomas	Chief Executive Officer	+41584366807	+41794454742
Widmer	Adrian	Chief Financial Officer and IT	+41584366830	+41796990035
Heidtman	Patricia	Chief Innovation and Sustainability Officer	-	+41796416038
Mösli	Stefan	Head Legal	+41584366840	+41793434223
Marzi	Raffaella	Head HR & Compliance	+41584366859	+41795545970
Slappnig	Dominik	Head Corporate Communications & Investor Relations	+41584366821	+41792365264
Vazquez	Marcos	Head Global Procurement	+41584364338	+41795546006
French	Richard	Global Head Quality and EHS	+41798843254	+41798843254

ANNEX 2: POCKET GUIDE “HOW TO ACT IN A CRISIS”

<p>CRISIS PHONE NUMBER OF YOUR LOCAL SIKI SUBSIDIARY:</p> <p>+XX XXX XX XX</p> <p>CORPORATE EMERGENCY HOTLINE: +49 89 1893735817 or +49 89 43181 35817</p> <p>CRISIS REPORTING—REMAIN CALM AND ANSWER THE FOLLOWING QUESTIONS:</p> <p>What happened? When? Where? How? With what consequences? How could the situation develop?</p>	<p>CRISIS COMMUNICATIONS—THE 6 SIKI PRINCIPLES</p> <ol style="list-style-type: none"> 1. Remain calm and gather the facts 2. Define immediate actions to limit and mitigate further damage 3. Organize the local crisis team 4. Inform authorities and corporate (if applicable) 5. Only communicate established facts 6. Never make commitments unless previously agreed internally
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2 LOCAL EMERGENCY PLANS

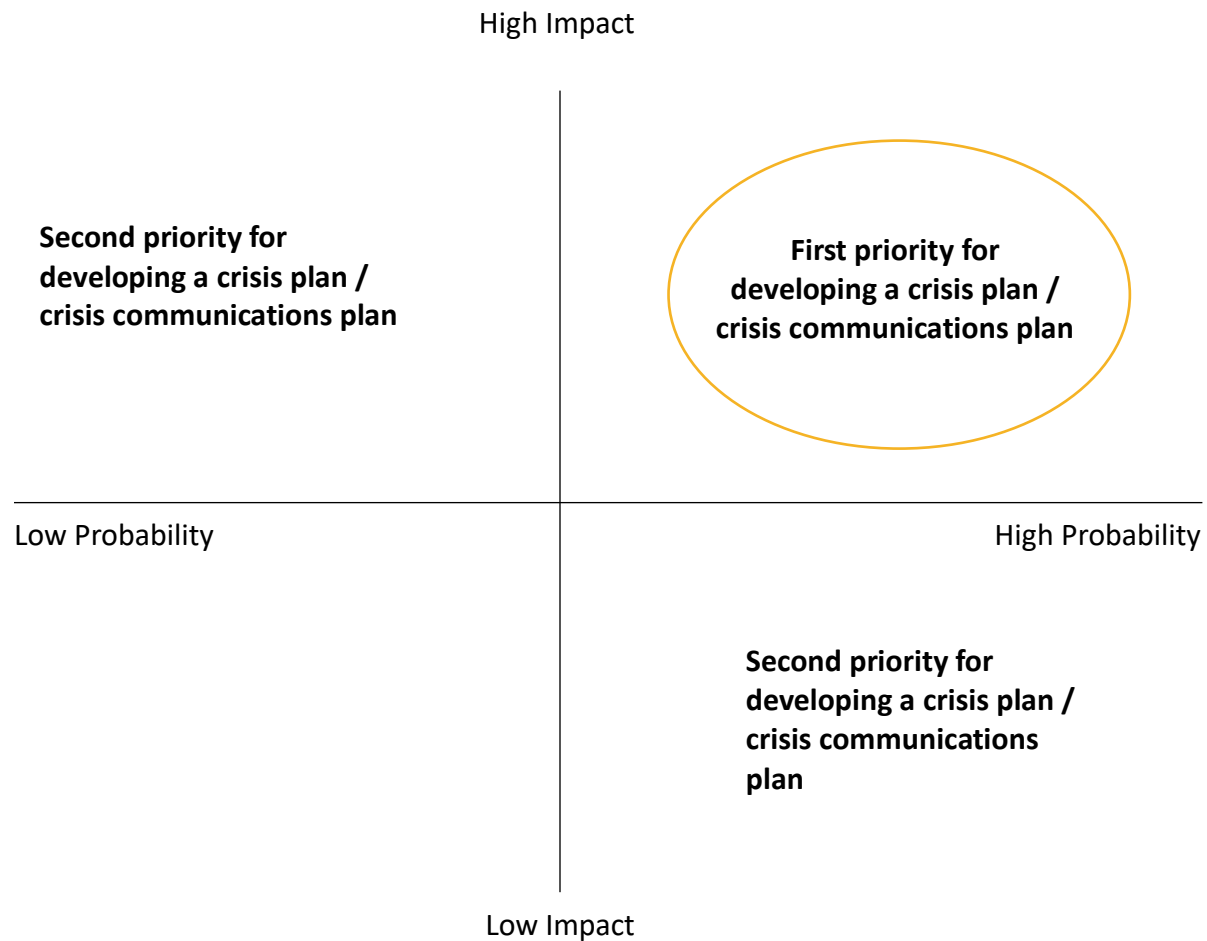
Responsible for Manual	
Last update	
Last training	

3 PREPARATION

All crisis preparation starts with the identification of potential scenarios. Please assess the realistic risks in your area of responsibility and prepare for them in an appropriate way.

For potential risks with a high likelihood of occurring, and for those that would have a major negative impact, crisis plans should be developed and, ideally, role-play exercises should be performed.

As a first step you might list all the specific events and issues that you should realistically be prepared for. A tool is attached in the checklists section. Secondly, to identify which of these risks require preparation of a crisis plan, you need to assess their likelihood and potential impact.



	SCENARIO	IMPACT (1 = low 6 = high)	PROBABILITY (1 = low 6 = high)
1	Accidents resulting in injury or death		
2	Fire, floods, earthquakes, hurricanes		
3	A severe disruption in the operation of the company (production standstill)		
4	A serious product quality claim		
5	Governmental actions (dawn raids, investigations, seizures, etc.)		
6	Serious criminal acts against the company or its personnel (theft, kidnapping, extortion, terrorism) or by personnel of the company (fraud, embezzlement, etc.)		
7	Serious violations of Sika's ethical rules (e.g., corruption)		
8	Negative media reporting about Sika		
9	Cyber-attacks, data manipulation		

Important: Due to the rapid increase of cyber-attacks and their severe potential impacts, a separate Sika Cyber Emergency Handbook has been developed by Corporate IT. Please refer to the Local Cyber Emergency Handbook and Cyber Incident Handling for detailed information on cyber-related incidents, procedures, and responsibilities.

Description of the two most likely scenarios with a potentially significant impact for your site:

4 IMMEDIATE ACTIONS IN CASE OF A CRISIS

- Activate crisis team
- Prepare internal and external communication according to guidelines described in the crisis manual
- Contact Corporate Crisis Hotline
- Prepare initial virtual or on-site meeting (agenda, invitation, room, Teams, flip charts)
- Ensure documentation of all decisions/actions/incidents

5 AGENDA FOR INITIAL MEETING OF THE CRISIS TEAM (TALKING POINTS)

- AGENDA AND SCHEDULE
- REPORTING OF ACTUAL SITUATION AND ASSESSMENT
- DISCUSSION OF COMMUNICATION PLAN ACCORDING TO THE 5 W PROCEDURE

WWWWW	ELEMENTS	EXPLANATION & EXAMPLES
WHAT	MESSAGES ARGUMENTS	Messages (what we want to read in a newspaper headline) and arguments (facts & figures to prove the messages)
WHO	SENDER	Local – Group (headquarters) representative, spokesperson (management, internal specialist, external expert)
WHEN	TIMING	Time (morning, evening) Immediately—later
WHERE	LOCATION	To be defined: access to site, scenario, location for presentation
WITH	INSTRUMENT, ILLUSTRATIONS	Means of communicating information (release, press conference, call, ...). Samples, illustrations

- Q & A
- ILLUSTRATIONS, DOCUMENTATION ABOUT SCENE OF THE CRISIS, BACKGROUND INFORMATION
- MONITORING OF MEDIA AND SOCIAL MEDIA

▪ ACTION PLAN (IMMEDIATE, 24 HOURS)

PERSON IN CHARGE WHO	ACTION WHAT	DEADLINE BY WHEN

▪ SUMMARY AND NEXT STEPS

6 FIRST REACTION GUIDELINES (E.G. COMMENTING ON RUMORS)

Some relevant rules:

- Never comment on rumors, but say "we do not comment on rumors"
- Keep calm and follow procedures and standards
- Think about facts and figures: describe what is confirmed
- Avoid saying "no comment": explain why you will provide information later
- Ask questions
- Control the process
- Think about allies, experts, opinion leaders

7 CONCEPT FOR MESSAGE DEVELOPMENT

(HOW TO DEVELOP POWERFUL MESSAGES AND ARGUMENTS QUICKLY)

Concentrate on 3 to 4 key messages and underline your messages with powerful arguments. The key messages can be of the following types.

REGRET MESSAGE

- The first thing you should do is express concern that a problem has developed – even if it was not the company's fault.
- Show concern, dismay, and compassion.
- Demonstrate the presence/availability of responsible people (be at the place, be reachable and contactable).
- Be sorry if failure/misbehavior is evident.

FACTUAL MESSAGE (INSTANT TRANSPARENCY)

- Describe the facts as far as they are known. Tell what you know based on the facts known so far. ("At the moment.....")
- Describe the course of events in as much detail as possible.

INVESTIGATION AND RESPONSIBILITY MESSAGE

- Announce investigations into the background of the crisis.
- Start investigations: "We want to know how this happened. That is why....."
- Whether the cause of the problem was the company's fault or not, the company should be prepared to take responsibility for solving the problem. Your actions will reinforce what is said and provide a credible demonstration of the company's commitment to doing the right thing.

REFORM & ACTION MESSAGE

- Show that you have started to manage the crisis and describe what you will do.
- Your various stakeholder audiences must know that the company is taking action to ensure this will not happen again.

A FIVE-STEP MODEL FOR PREPARING MESSAGES	
ANSWERS SHOULD:	BY:
1. Express empathy, show that you are listening, care or demonstrate compassion in the first statement	<ul style="list-style-type: none"> ▪ Using personal pronouns, such as “I” “we” “our” or “us” ▪ Indicating through actions, body language and words that you share the concerns of those affected by the event ▪ Acknowledging the legitimacy of fear and emotion ▪ Using a personal story, if appropriate ▪ Bridging to key messages
2. State the key messages	<ul style="list-style-type: none"> ▪ Limiting the total number of words to no more than approx. 20 ▪ Limiting the total length to no more than 10 seconds ▪ Using positive, constructive and solution-oriented words as appropriate ▪ Setting messages apart with introductory words, pauses, inflections
3. State supporting information	<ul style="list-style-type: none"> ▪ Using three additional facts ▪ Using well thought-out and tested visual material, including graphics, maps, pictures, video clips, animation, photographs and analogies ▪ Citing credible third parties or other credible sources of information
4. Repeat key messages	<ul style="list-style-type: none"> ▪ Summarizing or emphasizing key messages
5. State future actions	<ul style="list-style-type: none"> ▪ Listing specific next steps ▪ Providing contact information for obtaining additional information, if appropriate

8 CODE OF CONDUCT FOR COMMUNICATION AND MEDIA POLICY

(HOW TO DEAL WITH MEDIA AND EXTERNAL REQUESTS)

Consider which key audiences or stakeholders need to be targeted. Revisit this list of potential stakeholders as the crisis evolves to reflect changes in audiences as needed.

Determine possible “starting questions” that can be utilized to help quickly identify any misinformation that might be circulating and allow for targeted responses.

Stakeholder	Potential Media Channels	Threshold Questions
Employees	<ul style="list-style-type: none"> ▪ E-mail or newsletter ▪ Personal contact 	<ul style="list-style-type: none"> ▪ What do they need to know about the source of the problem? ▪ How is the company resolving the situation? ▪ What are the employees expected to do regarding the situation?
Retailers/shippers	<ul style="list-style-type: none"> ▪ Information package and/or letter ▪ Personal contact ▪ E-mail or e-newsletter ▪ 800 number ▪ Web site ▪ Media 	<ul style="list-style-type: none"> ▪ What do they need to know about the source of the problem? ▪ What actions do they need to take to resolve the situation? ▪ What information will they provide to their customers and/or employees?
Customers	<ul style="list-style-type: none"> ▪ 800 number ▪ Phone calls ▪ Web site ▪ Media ▪ Electronic communications 	<ul style="list-style-type: none"> ▪ Does the incident involve a customer? ▪ Are there other companies that could have been affected by the customer? ▪ Is the customer prepared to communicate? ▪ Does the situation create uncertainty in other customers’ minds?
Industry associations	<ul style="list-style-type: none"> ▪ Conference calls/MS Teams Meetings ▪ Personal meetings ▪ E-mail/Statements ▪ Web site ▪ Media 	<ul style="list-style-type: none"> ▪ Could the association be an ambassador for you? ▪ Will the association help solicit testimony from experts on the issue?
Regulatory agencies	<ul style="list-style-type: none"> ▪ Conference calls/MS Teams Meetings ▪ Personal meetings ▪ E-mail ▪ Web site ▪ Media 	<ul style="list-style-type: none"> ▪ What actions are they taking regarding the situation? ▪ What are the implications of their actions?
General public	<ul style="list-style-type: none"> ▪ Web site ▪ 800 number ▪ Media, including social media 	<ul style="list-style-type: none"> ▪ How will the public react? ▪ To whom will they direct their questions? ▪ What (mis)information have they already received?
Media	<ul style="list-style-type: none"> ▪ Initial response statement/holding statement 	<ul style="list-style-type: none"> ▪ Will the news media get information about the situation whether you give it to them or not?

	<ul style="list-style-type: none"> ▪ Media release ▪ Web site ▪ External Q&A ▪ Press conference/briefings ▪ Advertising ▪ Third-party groups/credibility ▪ E-mail 	<ul style="list-style-type: none"> ▪ Will the company's reputation be affected unless information is aggressively released through the news media? ▪ Could this become a Group issue rather than a local issue?
--	--	---

Media requests: Ask questions and use media inquiry log (attached)

- Which media?
- What kind of report? When?
- Questions?
- Deadline?
- Contact details?

Regarding social media posts, please screen relevant channels after an incident. If there are any negative or inappropriate posts, please contact Corporate Communications. If there is an incident which requires an escalation to the local, regional, or global crisis and emergency teams, please refer to such posts.

9 ROLE OF SPOKESPERSONS

Preparation

Every company needs a prepared crisis communications program. This manual must be used as a guide and a tool by all crisis team members and spokespersons.

Practice

Practice makes perfect – as true in crisis situations as anywhere else. There is no substitute for training and practice. An annual drill or run through a crisis simulation will uncover potentially fatal flaws and will prepare top executives to react properly under pressure.

Communicate

Few reputational battles are lost by over-communicating—especially internally. The crisis may require your corporation to respond to audiences whether you like it or not, and often to audiences you do not usually deal with. In most crises, these audiences may affect the outcome of the crisis and its aftermath far beyond their apparent status. Crises often require using new communication channels. This may entail a neighborhood meeting or a press conference with a community newspaper or a political briefing.

Be brief

A good sound bite—the line that television and newspaper headlines will use—often consists of eight words or less. In addition, using existing allies as third parties to reinforce your communications can bolster your position and credibility. And, when communicating, never forget your employees. They are your first line of defense and should be your most ardent supporters.

Set responsibilities

Crises are not the time to create a new decision-making structure. Unfortunately, humans do not necessarily make good decisions under great stress. Therefore, a crisis team and its duties should be determined in advance. The team should include top management and should have its support. Further, a good plan should outline the decision-making process and responsibilities for the most likely emergencies.

Be there

In times of crisis, being on site is not necessarily a pleasant experience. CEOs are forced out from under the corporate umbrella and no longer have control over events and their surroundings. But in terms of perceptions, a crisis is a time that can create a leader. Obviously (to borrow a chess metaphor), decisions must be made about whether—and when—to expose your king. And sometimes using the king is not the best choice. But one of the critical decisions that must be made in good time is: should the CEO be there?

10 DOS AND DON'TS

DOS....

- Set up a 24-hour crisis and media center at a central location from where news is released, rumors dealt with, facts gathered, and briefings held.
- Immediately "go public" with a trained spokesperson at the scene to conduct press briefings. Let the media—and therefore the public—know that you are dealing with the situation.
- Say what you know and only what you know. Don't speculate. Don't be bullied into saying anything based on rumors. If you don't know, admit it. Saying "the matter is under investigation" may be the best response.
- Gather information as quickly as possible. Determine the basic what, who, when, where and with. You might not get the "why" until later.
- Get the top management to the crisis center. Cancel other plans. People want to see the leader, not just the public affairs staff. Having top management in front of the press during a crisis lends credibility and shows that the organization is not treating the situation lightly.
- Inform your internal audiences at the same time you inform the press. If the press is the only source of information for the staff, morale can be damaged and employees can become confused and hurt, especially if the incident is reported inaccurately in the press. The staff will be viewed as sources of information, and they can be the origin of leaks and rumors. Be sure they have the right information.
- Communicate with your internal audiences by e-mail, if available, or through press releases and statements delivered to each office. If there is only a small number of staff, call for a meeting at which members of the crisis team can answer questions.
- Maintain a calm, gracious, and helpful presence. Avoid appearing flustered or overwhelmed
- Pre-empt negative publicity and communicate the actions being taken to solve the crisis. Verify news before releasing it.
- Define access to selected crisis scenes, if possible. TV wants pictures.
- If there are any negative or inappropriate posts, please contact Corporate Communications. Further action depends on the situation and may involve immediate response.
- Take care of the practical needs of the press, such as parking, phones, electrical outlets, desks, and chairs.
- Keep a log of reporters who have called, what they asked, their deadlines, what you promised, and to whom it was delegated (see attachment - 12).
- Always return phone calls. If you don't, reporters will look elsewhere for information. They will write a story with or without your help. Being non-responsive takes away your control of the story.

- Simple sympathetic gestures can help rebuild the public's confidence. Offer reassurance. Say what actions are being taken to solve the problem, to help those affected, and to return things to normal. But first make sure you are doing what you say you are doing.
- Make sure the press spokesperson is involved with senior management in every decision and policy made. Every decision has a public ramification, whether management recognizes it or not.
- Avoid apportioning blame. That can be done after an investigation.
- Appeal to third-party endorsements for your efforts. Get credible people who have been through similar experiences and command the public's attention to speak on your behalf.
- Update information frequently and regularly. Announce when your next update will be.
- Monitor media reports, websites and social media channels, and correct errors immediately.
- Think about emotions.

“One thing to remember that is crucial in a crisis is tell it, tell it fast, and tell the truth.” (Sandra K. Clawson)

DON'TS....

Never lie

This rule is often stated but too often violated. One of the lessons of Watergate was that even the most powerful cannot cover up the facts and survive.

Do not leave too soon

Abandoning the battleground before the battle is won indicates that you do not care, and it gives a distinct advantage to potential opponents. Whatever the merit, "concerned" individuals in any crisis have distinct information needs, and they need assurance that the company is serious about responding to the situation as well as to their needs. They want to know that you will not abandon them.

Do not second-guess

Adhere to the decision-making process during a crisis. This rule bears repeating. All the best-laid plans will be useless if a decision-maker falters in a time of crisis.

11 ROLE AND TASK OF THE LOCAL CRISIS TEAM (TASK FORCE)

Coordination with Group (Corporate Communications)

12 MASTER DOCUMENTS

- **LOG BOOK**

[illegible]

▪ **MEDIA REQUESTS**

Please complete the following form when handling an inquiry from a journalist:

MEDIA INQUIRY LOG

Date of Inquiry:	Name: _____ _____
------------------	----------------------

TYPE OF MEDIA OUTLET:

- | | | |
|--|--|---------------------------------|
| <input type="checkbox"/> Print, national | <input type="checkbox"/> Broadcast, national | <input type="checkbox"/> Trade |
| <input type="checkbox"/> Print, regional/local | <input type="checkbox"/> Broadcast, regional/local | <input type="checkbox"/> Online |

Other (please specify) _____

Name of outlet:	Circulation:
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JOURNALIST INFORMATION:

Name of journalist:

Additional information on journalist:

Contact details:

Telephone/ E-mail:

E-mail:

INQUIRY INFORMATION:

Deadline:

Source of information about issue:

When and how the journalist learned of it

Information requested:

Including requests for spokespeople

Information already provided:

Only publicly available information and/or approved messages can be shared

13 THE 5 W PRINCIPLES

WWWWW	ELEMENTS	
WHAT	MESSAGES ARGUMENTS	
WHO	SENDER	
WHEN	TIMING	
WHERE	LOCATION	
WITH	INSTRUMENT, ILLUSTRATIONS	

14 INTERNAL AND EXTERNAL CONTACT LIST (INCL. CRISIS AGENTS)

NAME	FIRST NAME	POSITION	E-MAIL	OFFICE PHONE	MOBILE PHONE	CATEGORY (1-5)
NEIGHBORHOOD						
POLITICS, GOVERNMENT, EXPERTS						
MEDIA						
ADDITIONAL (LEGAL, PUBLIC RELATIONS ETC)						

CATEGORIES OF STAKEHOLDERS

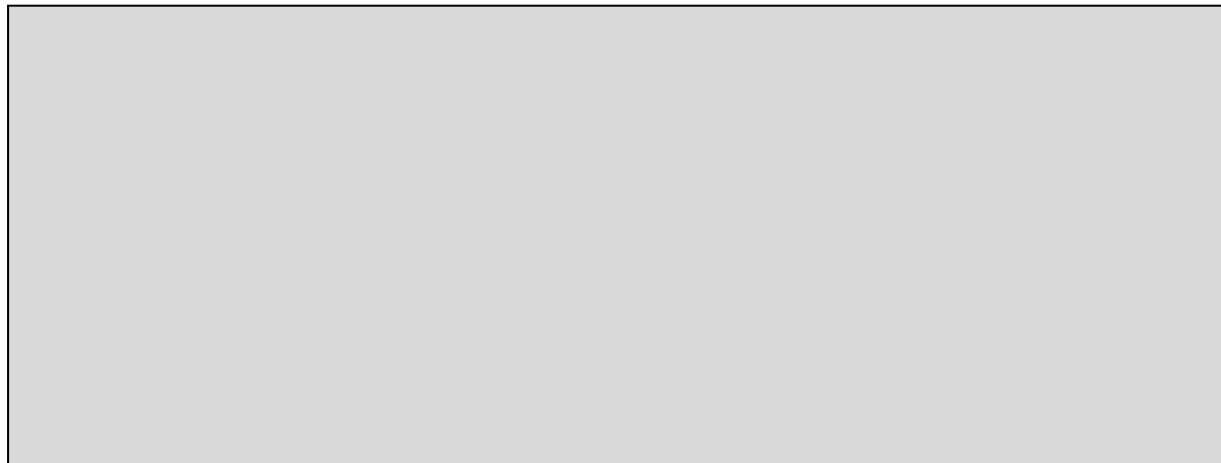
- 1 = crisis team
- 2 = must be informed upon or immediately after announcement
- 3 = should be informed on day of announcement or shortly afterwards
- 4 = should be contacted 2-3 days after announcement
- 5 = only inform if situation requires

15 FACTS & FIGURES, PLANS, MAPS, ILLUSTRATIONS

15.1 FACTS & FIGURES, PLANS, MAPS, ILLUSTRATIONS

Location	
No. of employees	
Founding year	
Production capacity	
Size of factory	
...	
....	

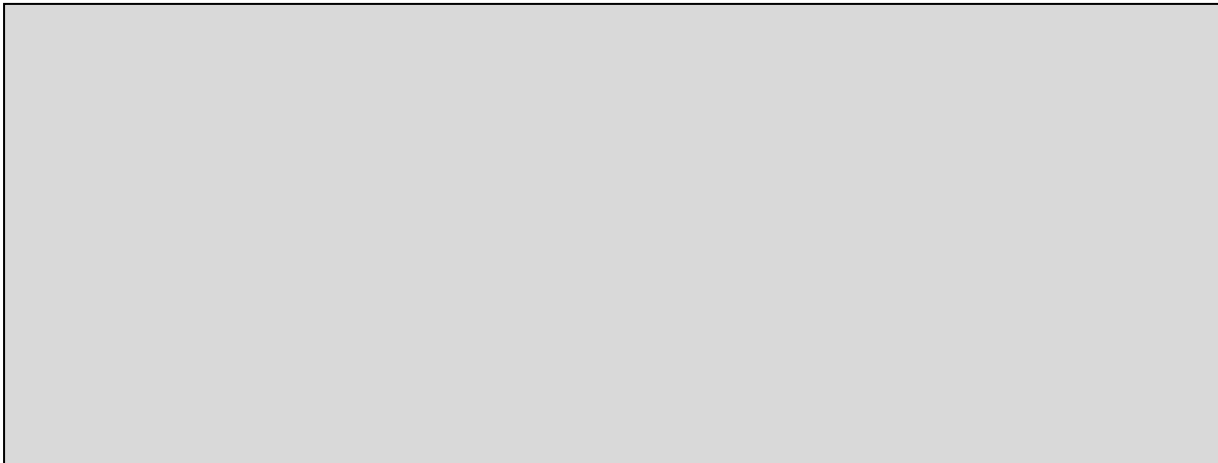
15.2 MAP OF SITE (INCLUDING SURROUNDINGS)



15.3 PHOTOS OF THE SITE



15.4 PHOTOS OF KEY PRODUCTS

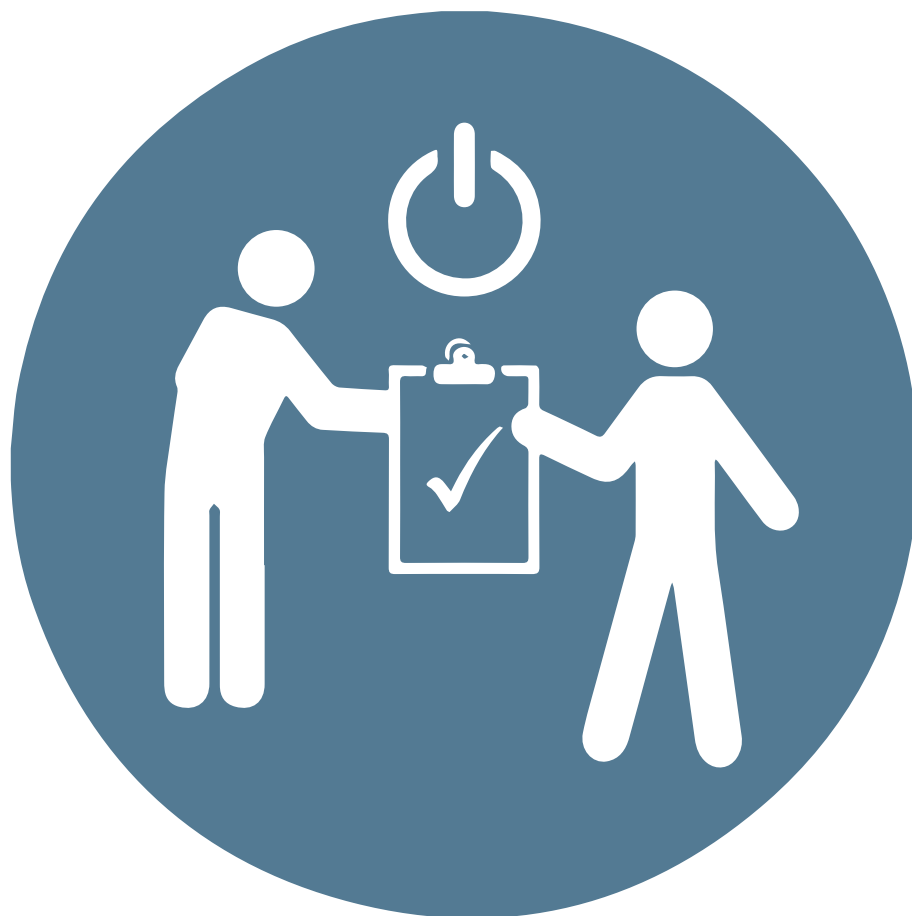


SIKA LIFE SAVING RULES

THE **SIKA LIFE SAVING RULES** ARE IN PLACE TO KEEP EVERYBODY SAFE. THEY APPLY TO ALL SIKA SITES AND TO SIKA EMPLOYEES WHEN VISITING CLIENTS OR SUPPLIERS. **STOP WORK IF YOU THINK IT IS UNSAFE!**



FIT FOR WORK
Come to work unimpaired by alcohol, drugs or fatigue.



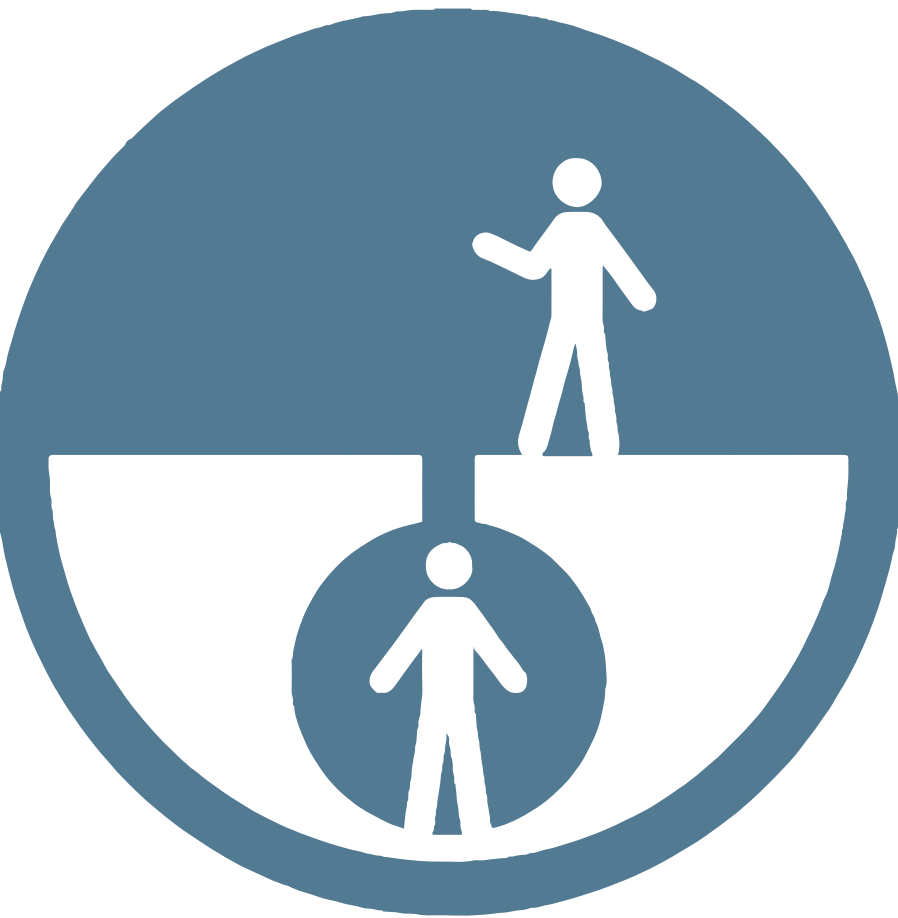
SAFETY CONTROLS
Never alter or bypass safety controls.



WORK AUTHORIZATION
Only start work with all valid permits and approvals, and when it is safe to do so.



DRIVER SAFETY
Always wear a seatbelt. No mobile phones or other devices. No alcohol or drugs.



CONFINED SPACE
Only enter when it is safe to do so, and never enter without an attendant and rescue plan.



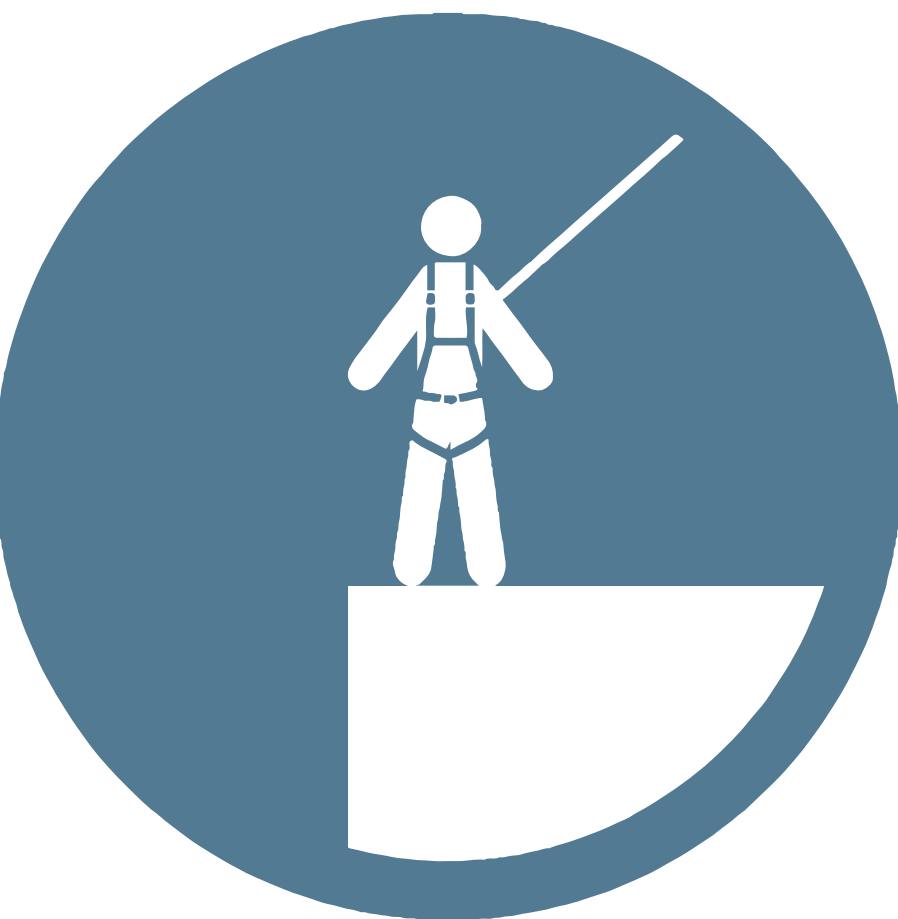
PROTECT AGAINST EXPLOSION
Identify explosion risks. Ensure grounding equipment is in place, functional, and that you are trained in its use.



ENERGY ISOLATION
Identify, isolate, lock and tag all energy sources, ensuring zero residual or stored energy.



HOT WORK
Eliminate fire and explosion risks. Control all ignition sources. Remove or isolate flammable material.



WORK AT HEIGHT
Ensure safety equipment is in place and functioning at all times.



BEWARE OF HAZARDS
Keep yourself and others safe. Comply with all health and safety instructions and guidelines.



Sika Emergency Evacuation Plan

I. Purpose and Objective

Potential emergencies at Sika Corporation at the 100 Dan Road, 225 Dan Road and 960 Turnpike Street facilities include fire, explosion, hazardous materials release, and other emergencies requiring building evacuation. An Emergency Evacuation Plan (EEP) and adequate occupant familiarity with the building minimize threats to life and property. In addition, the Occupational Safety and Health Administration (OSHA) Emergency Action Plan standard, found in 29 CFR 1910.38(a), requires that Sika have a written Emergency Evacuation Plan (EEP). This plan applies to all emergencies where employees may need to evacuate for personal safety. The following procedures have been developed to ensure employee safety during emergency evacuation from the Sika Corporation Canton facilities.

This EEP is intended to communicate the policies and procedures for employees to follow in an emergency situation. This written plan should be made available, upon request, to employees and their designated representatives by the Environmental, Health and Safety (EHS) Department.

Under this plan, employees will be informed of:

- The plan's purpose,
- Preferred means of reporting fires and other emergencies,
- Emergency escape procedures and route assignments,
- Procedures to be followed by employees who remain to shut down critical plant operations before they evacuate,
- Procedures to account for all employees after emergency evacuation has been completed,
- Special conditions,
- Training,
- The alarm system.

II. General Guidelines

The following guidelines apply to this EEP:

1. All personnel must be trained in safe evacuation procedures. Refresher training is required annually, whenever the employee's responsibilities or designated actions under the plan change, and whenever the evacuation procedures of the plan have changed. Annual drills will be considered as an annual refresher training.
2. The training may include use of floor plans and workplace maps which clearly show the emergency escape routes included in the EEP. Additionally, evacuation communication procedures and employee responsibilities will be included.
3. During an evacuation event, no employee is permitted to re-enter the building until advised by the Canton Fire Department.



III. Responsibilities of Emergency Coordinator and Area Evacuation Monitors

EHS responsibilities:

1. Maintain familiarity with the EEP
2. Review and update the EEP at least annually
3. Arrange for the training of all building occupants, new employees, and Area Evacuation Monitors.
4. Notify all personnel of changes to the plan.
5. During an evacuation, communicate with Area Evacuation Monitors and the Emergency Coordinator to ensure all occupants have safely exited the building.
6. Participate in the 'post incident evaluation' (see section X.)

The Emergency Coordinator's responsibilities:

1. Maintain familiarity with the EEP
2. Ensure an evacuation order is issued when necessary
3. Communicate with Area Evacuation Monitors for the purpose of receiving a head count report.
4. Account for missing individuals and report any missing individuals to the responding Canton Fire Department crew.
5. Meet the responding Canton Fire Department crew as they arrive at the facility and provide any pertinent information to the crew regarding the emergency.
6. In the event of a fire or other emergency, relay applicable information to emergency personnel, occupants, and Area Evacuation Monitors.
7. Participate in the 'post incident evaluation' (see section X)

Note: As there are several individuals trained as emergency coordinators, it is important for the coordinators to establish a command structure immediately and work in a cooperative fashion.

The Area Evacuation Monitor's responsibilities:

1. Maintain familiarity with emergency procedures.
2. Act as the liaison between the Emergency Coordinator and their work area.



3. Ensure that occupants are aware of an evacuation order, have vacated the premise in the event of an evacuation, and conduct a sweep of assigned areas.
4. Know where their Designated Meeting Site is and communicate this information to occupants.
5. Create and maintain a list of personnel in their area of coverage, so a head count can be made at their Designated Meeting Site.
6. Ensure that disabled persons and visitors are assisted in evacuating the building.
7. Evaluate and report evacuation problems to the Emergency Coordinator after an emergency event.
8. Participate in the 'post incident evaluation' (see section X)

IV. Alerting or Signaling Building Occupants in Case of Fire or Other Emergency

Alarm Description 100 Dan Road:

Office Area:

There is a fully functional fire alarm system including adequately located horn/strobe units that will provide the building occupants with ample notification that an evacuation is necessary.

Manufacturing Area:

There is a fully functional fire alarm system including adequately located horn/strobe units that will provide the building occupants with ample notification that an evacuation is necessary.

The alarm system is triggered by water flow in the sprinkler system, smoke detectors on either side of the overhead fire door located in the middle of the plant, smoke detectors in all other areas of the building, or activation of a fire alarm pull station at any exit door.

Evacuation initiation for 100 Dan Road:

Persons discovering a **fire, smoky condition, or explosion** should immediately walk to the nearest exit and activate the alarm system by pulling the handle on an alarm pull station. This fire alarm system automatically notifies the Canton Fire Department, who in-turn will respond to the building.

However, the Canton Fire Department should be called personally by the facility manager or supervisor to ensure the information has in-fact been communicated to the CFD. The Sika EHS Department should be notified as well.



Alarm Description 225 Dan Road:

The Sika warehouse located at 225 Dan Road has a fully functional fire alarm system including adequately located horn/strobe units that will provide the building occupants with ample notification that an evacuation is necessary.

The fire alarm at 225 Dan Road is activated by water flow in the sprinkler system, smoke detection units detecting smoke, or a pull station activation at any exit from the building.

Evacuation initiation for 225 Dan Road:

Persons discovering a **fire, smoky condition, or explosion** should immediately walk to the nearest exit and activate the alarm system by pulling the handle on an alarm pull station. This fire alarm system automatically notifies the Canton Fire Department, who in-turn will respond to the building. However, the Canton Fire Department should be called personally by the warehouse manager or supervisor to ensure the information has in-fact been communicated to the CFD. The Sika EHS Department should be notified as well.

Evacuation initiation for 960 Turnpike Street:

Persons discovering a **fire, smoky condition, or explosion** should immediately walk to the nearest exit and activate the alarm system by pulling the handle on an alarm pull station. This fire alarm system automatically notifies the Canton Fire Department, who in-turn will respond to the building. The Sika EHS Department shall be notified. If there are no EHS personnel present the most senior Operations employee shall be notified (i.e; Adel Djam, Robert Lang, Jason Murray, etc.)

V. Evacuation Meeting Locations

100 Dan Road Office Area:

The evacuation meeting location for the office area is located at the strip of land between the driveway on the east side of the building and the Armstrong property toward the rear of the building. There is a sign in that area designating the meeting location for office personnel.

100 Dan Road Manufacturing Area:

The evacuation meeting location for the manufacturing area is located at the strip of land between the driveway on the east side of the building and the Armstrong property toward the rear of the building. There is a sign in that area designating the meeting location for manufacturing personnel.

225 Dan Road – Entire Facility:



The evacuation meeting location for the entire staff of the 225 facility is located in the grassy area opposite the front entrance to the building. There is a sign posted designating the area as the evacuation meeting location.

960 Turnpike St.

The evacuation meeting location for the entire staff of the 960 facility is located in the parking lot in front of the main entrance.

VI. Evacuation Procedure for Building Occupants

Fires

All Canton Office and Warehouses areas:

1. When the fire alarm sounds and/or an evacuation order is given; all personnel should ensure that nearby personnel are aware of the emergency.
2. Personnel will immediately proceed to the nearest safe exit and close doors as they exit the building.
3. All occupants should proceed to their Designated Meeting Site and await further instructions from their Area Evacuation Monitor or supervisor.
4. All personnel should know where primary and alternate exits are located, and be familiar with the various evacuation routes available. Floor plans with escape routes, alternate escape routes, exit locations, and Designated Meeting Sites are located in Appendix I and are posted throughout the building.

Notes and Precautions:

- Small fires can be extinguished **only if you are trained to use a fire extinguisher**. However, an immediate readiness to evacuate is essential.
- **All fires, even those that have been extinguished, must be reported immediately.**
- Never enter a room that is smoke filled.
- Never enter a room if the door is warm to touch
- **All personnel are to remain outside the facility at their Designated Meeting Site until informed that it is safe to re-enter the building or instructed to take shelter elsewhere.** (An alternative shelter area will likely be the Sika facility that is not experiencing an evacuation situation)
- **The EHS Department, Emergency Coordinator, Fire Department Representative, or other designated individual will communicate instructions to evacuated personnel through the Area Evacuation Monitors or supervisors.**



100 Dan Road Manufacturing Area:

1. When the fire alarm sounds and/or an evacuation order is given; all personnel should ensure that nearby personnel are aware of the emergency.
2. Personnel will immediately proceed to the nearest safe exit and close doors as they exit the building.
3. All occupants should proceed to their Designated Meeting Site and await further instructions from their Area Evacuation Monitor or supervisor.
4. All personnel should know where primary and alternate exits are located, and be familiar with the various evacuation routes available. Floor plans with escape routes, alternate escape routes, exit locations and Designated Meeting Sites are located in Appendix I and are posted in the building.

Notes and Precautions:

- The overhead door in the middle of the plant between the M-61 area and the M-48 area will automatically close if the smoke detectors on either side of the door are activated or the alarm system is activated. This door should be avoided as an escape route.
- The two exits to the roof of 100 Dan Road are NOT acceptable emergency exits and should never be used for an emergency exit from the building.
- Exits to the roof of 225 Dan Road are NOT acceptable emergency exits.
- Small fires can be extinguished **only if you are trained to use a fire extinguisher**. However, an immediate readiness to evacuate is essential.
- **All fires, even those that have been extinguished, must be reported immediately.**
- Never enter a room that is smoke filled.
- Never enter a room if the door is warm to touch
- **All personnel are to remain outside the facility at their Designated Meeting Site until informed that it is safe to re-enter the building or directed to take shelter elsewhere.** (An alternative shelter area will likely be the Sika facility that is not experiencing an evacuation situation)
- **The EHS Department, Emergency Coordinator, Fire Department Representative, or other designated individual will communicate instructions to evacuated personnel through the Area Evacuation Monitors or supervisors.**

Manufacturing Area Critical Operations Shutdown:

The M-61 and M-48 production lines have two options for shutdowns, “Controlled” and “Uncontrolled”.



A **Controlled** shutdown may be required during an emergency event where the fire alarms do not sound and the need for an evacuation is not immediate.

An **Uncontrolled** shutdown is required during an emergency event where the fire alarms sound and an emergency evacuation is required.

M-61:

There are two options for the shutdown of the M-61 line in the event of an evacuation:

- Option 1. **Controlled** shutdown: Purge the line prior to shutdown. This process takes approximately 15 minutes and will result in no additional smoke generation, no machine damage, and a relatively routine startup.
- Option 2. **Uncontrolled** shutdown: Activate the machine Emergency-Stop and exit the building. This will result in possible machine damage, additional smoke generation, and the need for cleaning and possible repair prior to restart.

M-48 Coater:

There are two options for the shutdown on the M-48 line in the event of an evacuation:

- Option 1. M-48 **Controlled** shutdown procedures consist of the following actions to avoid fire, plastisol spill and equipment damage:

Coater Head 1

- Insert Leader
- Turn off Plastisol and run out the head
- Cut Reinforcement and film
- Raise the rubber roll
- Turn off the heater box
- Raise coater head and lock into raised position
- Insert sheet of cardboard under first coater head
- Follow web to complete shutdown

Coater Head 2

- Turn off Plastisol valve and run out coater head
- Raise the coater head using the big handle and lock in place
- Follow the web through the oven and remove heat
- Stop the line as soon as the leader is out of the oven
- Exit the building using the nearest safe emergency exit and proceed to the Designated Meeting Site to await further instructions

This procedure will take approximately 10 minutes to complete.

- Option 2. M-48 **Uncontrolled** shutdown procedures consist of the following actions to avoid employee exposure to fire and/or smoke inhalation hazards:



- Activate the Emergency-Stop (Lead Operator)
- Close the plastisol valves for Coater Heads 1 and 2
- Cut the membrane before the second coater head (Coater Head Operator)
- Engage the Air Idler until the membrane has been completely removed from the oven (Operator)
- Turn off the Versator in the Plastisol Mix Plant (Mix Plant Operator)
- Exit the building using the nearest safe emergency exit and proceed to the Designated Meeting Site to await further instructions

Mix Plants and Grind Room:

In the event of an emergency evacuation, the mix plants and the grind room will be immediately stopped and the operators will exit the building and report directly to their assigned meeting location.

TORNADOS

Upon notification of tornado employees should immediately stop what they are doing and move to their designated “safe area”.

Once in the “safe area” sit on the floor in a “triangle” area (against a counter or small file cabinet) if possible, or under a desk or table, and cover your head with both arms to protect from falling and flying debris.

Post-Tornado Procedure

Due to the potential for dangerous debris such as broken glass, ruptured natural gas lines, downed power lines, exposed electrical wires, etc. employees shall remain in their “safe area” until formal instructions are given by an Emergency Coordinator (EC).

The Emergency Coordinator, along with the maintenance and facilities staff shall inspect both buildings to determine the safest routes for exiting the buildings, if possible, and shall coordinate the evacuation from the buildings to the evacuation meeting areas.

100 Dan Road - Manufacturing, Maintenance & QC Lab “Safe Areas”

M48 Side of building – QC Lab

M61 Side of building – Men’s Restroom/Locker Room

100 Dan Road – Office “Safe Areas”

QC Lab

225 Dan Road – “Safe Areas”

Hallway between offices and warehouse



960 Turnpike St. – “Safe Areas”
Bathrooms, or Hallway outside of bathrooms

HURRICANES

Upon notification of impending Hurricane local Management will do the following:

- a. Notify National Sales Manager (NSM) of impending weather conditions
- b. Notify all local employees when the local office will be closing
- c. Phone system will be switched to “weather” mode for answering service
- d. Send out email to “-us_Sika_all” notifying them of the impending office closure
- e. Remove all perishable items from refrigerator
- f. Inform employees who have laptop computers to take them with them
- g. RM will take last back-up server tape with him
- h. Unplug copier, server, all desktop computers from power sources
- i. Send email out to contractors notifying them of office closure and who to contact and how.
- j. Update the phone system to notify employee of when work will resume.

Post-Hurricane Procedure

In order to ensure the safety of all employees the Maintenance/Facilities and/or EHS staff shall be the first employees to re-enter the buildings following a Hurricane. No other employees shall be permitted to re-enter the buildings until they been cleared to do so by their Manager.

EARTHQUAKES

Stay as safe as possible during an earthquake. Be aware that some earthquakes are actually foreshocks and a larger earthquake might occur. Minimize your movements to a few steps to a nearby safe place and stay indoors until the shaking has stopped and you are sure exiting is safe.

If Indoors

- DROP to the ground; take COVER by getting under a sturdy table or other piece of furniture; and HOLD ON until the shaking stops. If there isn’t a table or desk near you, cover your face and head with your arms and crouch in an inside corner of the building.
- Stay away from glass, windows, outside doors and walls, and anything that could fall, such as lighting fixtures or furniture.
- Use a doorway for shelter only if it is in close proximity to you and if you know it is a strongly supported, load bearing doorway.



- Stay inside until shaking stops and it is safe to go outside. Research has shown that most injuries occur when people inside buildings attempt to move to a different location inside the building or try to leave.
- Be aware that the electricity may go out or the sprinkler systems or fire alarms may turn on.

If outdoors

- Stay there.
- Move away from buildings, streetlights, and utility wires.
- Once in the open, stay there until the shaking stops. The greatest danger exists directly outside buildings, at exits, and alongside exterior walls.

If trapped under debris

- Do not light a match or lighter.
- Do not move about or kick up dust.
- Cover your mouth with a handkerchief or clothing.
- Tap on a pipe or wall so rescuers can locate you. Use a whistle if one is available. Shout only as a last resort. Shouting can cause you to inhale dangerous amounts of dust.

After the earthquake

- Follow the evacuation procedure if it is safe to do so and take a headcount and injury report.
- Expect aftershocks. These secondary shockwaves are usually less violent than the main quake but can be strong enough to do additional damage to weakened structures and can occur in the first hours, days, weeks, or even months after the quake.
- Listen to a battery-operated radio or television. Listen for the latest emergency information.
- Use the telephone only for emergency calls.
- Open cabinets cautiously. Beware of objects that can fall off shelves.
- Stay away from damaged areas.

INFECTIOUS DISEASES (COVID-19)

Upon notification that an employee(s) has symptoms of or has tested positive for COVID-19 (presumptive positive or confirmed positive), the Decision Tree Workbook below shall be



followed to ensure exposure is limited to the infected employee(s) and the facility is properly disinfected.

A file folder containing facility contacts, facility maps and potential hazards shall be maintained and provided to the cleaning contractor when they arrive on site. The facility maps shall identify the area(s) where decontamination is required (this may need to be determined with facility personnel and the contractor when they arrive on site).

Cleaning

- The cleaning contractor will be cleaning in Level C PPE. They will be cleaning only “touch point” areas using a three-step cleaning process:
 1. Wipe down all hard surfaces with bleach/water-based disinfectant
 2. Perform fogging (using Shockwave) of the entire area and letting it sit
 3. Wipe down all hard surfaces with bleach/water-based disinfectant a second time
- If equipment touch points need to be decontaminated that equipment shall be locked out prior to starting the cleaning process to prevent any unintended start up. The cleaning contractor will apply their locks as well. A Maintenance employee must be present to identify what needs to be locked out and to apply their locks.
- Once the facility cleaning process begins Sika employees will not be allowed into the target cleaning areas. The Sika Emergency Coordinator (EC) shall be the only person in charge who will communicate with the cleaning contractor personnel.
- The cleaning contractor will notify the EC when it is safe for employees to re-enter the facility.

COVID-19 Decision Tree Workbook

If	And	Then	Employee Actions	Facility Clean-up
Employee does not have flu-like symptoms	No known contact with any person with flu-like symptoms	Follow Sika and CDC guidelines for routine protection (social distance, wash hands often, etc.)	Stay home if sick. Take temperature prior to arriving at work. If temperature > 100.4F with no fever-reducing medications, stay home	Routine/extra disinfecting per guidelines provided.
	Employee's household member has flu-like symptoms	Require employee remain home for 48 hours (minimum). Do not return to work until free of flu-like symptoms for at least 48 hrs. with no fever-reducing medications.	Stay home if sick. Take temperature prior to arriving at work. If temperature > 100.4F with no fever-reducing medications, stay home. Inform HR or Plant Manager as to status.	Routine/extra disinfecting per guidelines provided.



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	Employee has had close contact with someone having flu-like symptoms or with someone who tested positive for COVID-19		Require employee remain home for 5 days (minimum). Do not return to work until free of flu-like symptoms for at least 48 hrs. with no fever-reducing medications.	Stay home if sick. Take temperature prior to arriving at work. If temperature > 100.4F with no fever-reducing medications, stay home. Inform HR or Plant Manager as to status. Contact medical professional.	Routine/extra disinfecting per guidelines provided.
If	And		Then	Employee Actions	Facility Clean-up
Employee has flu-like symptoms (fever, cough, shortness of breath)	Employee has not been assessed for COVID-19 testing		Require employee remain home for 48 hours (minimum). Do not return to work until free of flu-like symptoms for at least 48 hrs. with no fever-reducing medications. No facility clean up required.	Stay home if sick. Take temperature prior to arriving at work. If temperature > 100.4F with no fever-reducing medications, stay home. Inform HR or Plant Manager as to status. Contact medical professional.	Routine/extra disinfecting per guidelines provided.
	Employee has been assessed for COVID-19 and not recommended for test		Require employee remain home for 48 hours (minimum). Do not return to work until free of flu-like symptoms for at least 48 hrs. with no fever-reducing medications. No facility clean up required.	Stay home if sick. Take temperature prior to arriving at work. If temperature > 100.4F with no fever-reducing medications, stay home. Request employee provide documentation to HR or Plant Manager and can return to work once symptoms go away for 48 hrs. with no fever-reducing medications. Contact medical professional.	Routine/extra disinfecting per guidelines provided.
	Employee has tested positive for COVID-19		Require employee to self-quarantine at home for 14 days and follow advice of medical professionals. Send home all other employees who have had close contact with that employee in previous 14 days. Notify Dave White (908-230-8589), evacuate, and close facility for clean up.	After discussions with the employee, inform all other employees who have had close contact with that employee in previous 14 days and suggest they contact their medical provider. All employees who have either tested positive for COVID-19, or have been in close contact with anyone having tested positive for COVID-19 must self-quarantine at home for minimum 14 days.	Call Clean Harbors (855-487-7221), or back-up company, for cleanup. Clean up criteria is listed on 3rd workbook

Cleaning Contractor Emergency Contact Information

Clean Harbors (Primary)

- Infectious Disease Emergency Response Hotline
- Closest Location
- Sika Customer ID

855-487-7221
Braintree, MA
SI23283

ACV Enviro (Secondary)

- 24-Hour Response Line

800-777-4557



VII. Accountability Procedures for Emergency Evacuation

Designated Meeting Sites: Groups working together in the same area should meet outside the building in the prearranged Designated Meeting Site:

- Sales
- Marketing
- Accounting
- Technical
- Customer Service
- Warehouse
- HR and IT
- M61
- M48 and Mix Plant
- Maintenance
- QC/R&D

A roster of personnel should be developed by the Area Evacuation Monitor to use as a tool to ensure that everyone has evacuated. The list will be updated whenever there is a personnel change.

Area Evacuation Monitors will conduct head counts once evacuation has been completed. There is at least one Area Evacuation Monitor with one alternate per designated work area to provide adequate guidance and instruction at the time of an emergency.

The employees selected as Area Evacuation Monitors are to be trained in the complete workplace layout and the various primary and alternate escape routes from the workplace. All trained personnel are made aware of employees with disabilities that may need extra assistance and of hazardous areas to be avoided during emergencies. Before leaving, when it is safe to do so, the Area Evacuation Monitors are to conduct a sweep of their designated area to check rooms and other enclosed spaces for other employees who may be trapped or otherwise unable to evacuate the area. A list of Safety Monitors and Alternate Safety Monitors for Sika appears in Appendix II.

Once each evacuated group of employees have reached their Designated Meeting Site, each Safety Monitor:

1. Assembles his/her group in the Designated Meeting Site.
2. Takes head count of his or her group.
3. Assumes role of department contact to answer questions.
4. Reports status to the Emergency Coordinator.
5. Instructs personnel to remain at the Designated Meeting Site until further notice



VIII. Training and Communications

Evacuation Plan Training

Each building occupant should know that occasionally, evacuation is necessary and what his/her role is in carrying out the plan. Employees should also know what is expected of them during an emergency to assure their safety. Training on the EEPs content is also required by OSHA 29 CFR 1910.38(a).

Training in the requirements of the emergency evacuation plan will be conducted by the EHS Department, or area supervisor/manager.

Evacuation Practice Drills

Practice drills are to be implemented and documented by the EHS department. The evacuation drills are to be a full evacuation of the facility as if there were an actual disaster unfolding within the facility.

Drills within 100 Dan Road must be carefully coordinated with the Plant Manufacturing Superintendent and the Manufacturing Plant Manager in an effort to keep the costs associated with lost product, wasted raw materials, etc. to a minimum.

An assessment of each type of emergency identified in Section VI shall be conducted documented in Appendix III of this evacuation plan. The assessment will identify, commensurate with risk, what emergencies will be tested and the frequency of the testing, including time of day to account for both day and night shifts. The assessment shall be part of the annual review of this Emergency Evacuation Plan.

Fire Extinguisher Training

Employees authorized to fight an incipient stage fire with a fire extinguisher will receive formal Fire Extinguisher Training annually. Employees trained to operate fire extinguishing equipment and fight a fire in the oven of M-48 will be designated as Authorized Employees.

Training Records

A Training Attendance Record should be maintained by the EHS Department and Human Resources for a period of five (5) years.

Evacuation drill reports should be maintained by the EHS Department for a period of five (5) years.



IX. Special Conditions

Extrusion/Coating Equipment Oven Fires:

At times, PVC compounds may “hang-up” or otherwise stagnate in the processing equipment causing a smoky fire to develop. Under most circumstances, if PVC stagnates in the oven, most of the PVC will be pulled from the oven by an air operated winding system before significant burning can occur. If the PVC sheet breaks entirely, the PVC which remains in the oven will burn creating a smoky fire. NOTE: Once this remaining PVC sheet burns, there are no other sources of “fuel” present in the oven. The M48 oven is an electric oven. The M61 oven is a gas fired IR oven which reduces this type of hazard.

The hazards associated with fire and subsequent thermal decomposition of PVC compounds consist primarily of liberation of hydrogen chloride gas, an irritant to the eyes and respiratory tract. This gas has a sharp pungent odor which is detectable at levels below those considered to be toxic.

If handheld extinguishers can be used to put out an oven fire immediately, smoke generation to the surrounding area will be minimal as the exhaust from the smoke and extinguisher media will be collected through the air pollution control system (smog hog).

Authorized Employees may attempt to extinguish a small-localized oven fire if:

- a) They have clear access to an escape route at all times.
- b) They have been trained in the uses and limitations of extinguishers through an on-site training program.
- c) They are familiar with firefighting procedures on the production lines.
- d) Notified at least one person outside of the affected area (in case assistance is required).

If the Authorized Employee(s) are unsuccessful at putting out the fire after **two** attempts using handheld extinguishers, all personnel (excluding authorized employees) must leave the manufacturing zone immediately. All equipment should be stopped using the emergency (e-stop) buttons.

The Authorized Employees will then activate the local carbon dioxide flood system. Activation of this system will activate the existing limited evacuation system (horn/strobe units). At this time, if a facility evacuation has not been ordered, an evacuation must be initiated. Additionally, the Canton Fire Department must be notified if they have not already been called.

NOTE: Once the CO₂ flood system has been discharged, the air pollution control equipment is automatically deactivated in order to restrict oxygen entering the system and allow for the CO₂ to put out the fire. Depending on the severity and length of release, emissions reporting may have to be made to the Massachusetts Department of Environmental Protection. Notify the EHS Department or Plant Technical Manager for consultation.



In the event of the CO₂ flood system failing to extinguish the fire, the Authorized Employee will activate the dry chemical extinguishing system in the oven and immediately exit the building.

M61 Fire Suppression System (FSS)

The M61 FSS is designed to activate automatically or manually. In either case, opening the side doors of the laminating station during a fire event may result in exposure to smoke and flying glass, as the IR heaters may shatter due to rapid cooling from the CO₂. For this reason, the side doors of the laminating station shall remain closed at all times during a fire event.

Hand-held fire extinguishers shall not be utilized to fight a fire inside the M61 Laminating & Embossing hood. Hand-held fire extinguishers may only be used to extinguish a fire on the outside fans of the station.

No employee may re-enter the building until given clearance to re-enter by the Canton Fire Department or escorted by a Canton Fire Department representative.

Certain employees may need to re-enter the building in order to perform the following tasks:

- a) Monitor the progress of the CO₂ flood system or dry chemical extinguishing system.
- b) Activate manual dry chemical system if the fire has not been extinguished by the CO₂ flood system.
- c) Reactivate air pollution equipment once the fire has been extinguished to assist in clearing the plant of smoke.
- d) Purge PVC material from line equipment. If PVC material is not immediately purged from the system, it will cure in the extrusion barrel causing extensive damage to the process equipment. It could also lead to an additional fire.

No employee may re-enter the building until given clearance to re-enter by the Canton Fire Department or escorted by a Canton Fire Department representative.

X. Post-Incident Evaluation

After every evacuation practice drill and actual emergency evacuation, once operations return to normal, a post evacuation evaluation meeting will be held. The purpose of this meeting is to discuss the evacuation and emergency response and learn from it.

Attendees of the meeting may include the EHS Department, all trained Emergency Coordinators, Area Evacuation Monitors, Production Supervisors, the Plant Manager, and any other personnel with constructive input for the purposes of the discussion.



The purpose of the meeting is to evaluate the evacuation and emergency response actions taken by Sika personnel. Things that worked well and ran smooth are to be discussed and listed. Things that did not work well or did not occur in an orderly fashion are to be listed as well. Possible corrective actions for any issue will be identified and agreed upon. Personnel responsible for corrective action implementation and a time frame for completion will be identified as well.

EHSF 031 Drill and Emergency Evaluation Form shall be used to document this evaluation and will be kept and maintained on file by the EHS Department.

XI. Post-Incident Communications

Employees – the results of drills and actual emergency evacuations shall be shared with employees relevant to their performance during the event. This may be communicated verbally at the muster area, or via toolbox talks during shift safety starters.

Emergency Responders and other interested parties – the results of drills and actual emergency evacuations shall be shared with first responders only to the extent that a lapse in the procedure could have the potential to impact the first responders' ability to safely respond to an emergency situation. This will be evaluated on a case-by-case basis and communications may be made in the form an emails, letters or telephone calls.

The need for post-incident communications shall be noted on form EHSF 031 Drill and Emergency Evaluations.

Appendix I

Floor plans with escape routes, alternate escape routes, exit locations, and Designated Meeting Sites

Appendix II

List of Evacuation Safety Monitors and alternates

Appendix III

Assessment of Emergencies and Drills

Revision Listing

Revision No.	Reason For Revision	Revision Date
3	Added additional procedures for M48 shutdowns during an emergency evacuation	4/25/2013
4	Updated section IV to reflect the alarm notification system installed at 100 Dan Road.	5/15/13
4	Annual Review, no rev change	5/30/2014
5	Section VI. Fires updated to include specific instructions for M48 Coater heads	6/19/2014



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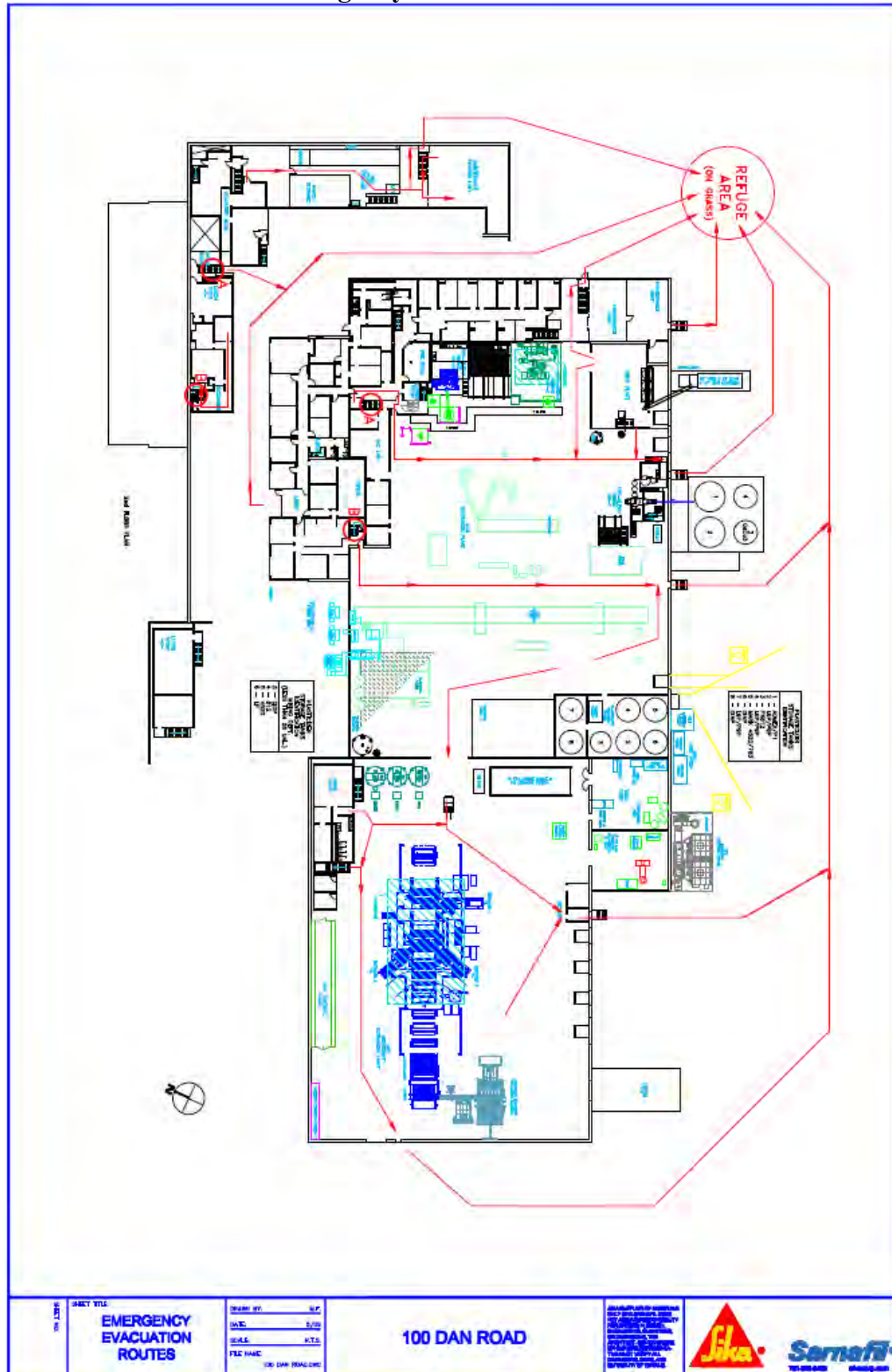
6	Added evacuation plans for 65 Dan Road; Annual Review	9/3/2015
7	Section IX. Special Conditions – updated to include requirements for the M61 FSS	12/21/2015
8	Replaced <i>Sika Sarnafil</i> with <i>Sika Corporation</i> throughout document. Annual review.	10/10/2016
9	Changed EHS Coordinator to EHS Department throughout document; Changed Copley to Armstrong	12/09/2016
10	Changed 65 Dan Road evacuation muster area to rear parking lot on South side of building. Added Hallway outside of bathrooms to “Safe Areas”. Annual review.	5/17/2017
11	Added EHSF 031 Drill and Emergency Evaluation Form, added assessments for each emergency to section VIII, added Appendix III	4/5/2018
12	Added active shooter to types of drill, updated emergency contacts, removed 65 Dan/added 960 Turnpike st	11/18/2019
13	Added procedures for Covid-19 response	3/24/2020
14	Updated evacuation coordinators	1/25/2023
15	Added section XI. Post-Incident Communications	5/23/2023
16	Updated Appendix II with changes to shifts and contacts	8/1/2023



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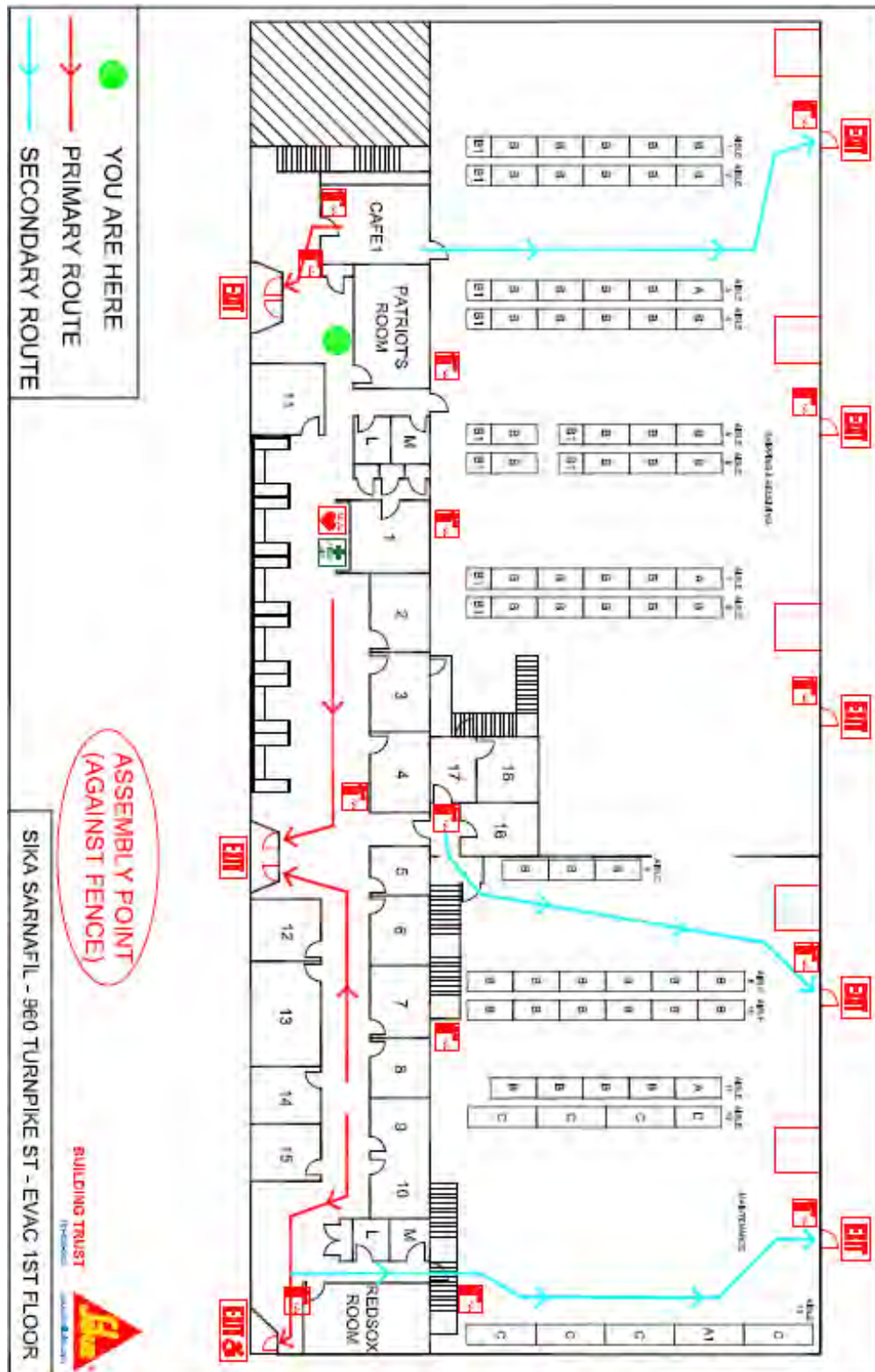
Appendix I Emergency Evacuation Routes





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Appendix II Area Evacuation Monitors

Area	Primary	Backup
225 Office	Kristen Glasheen	Josie Bell
225 Warehouse	Henry Villalobos	Kevin Hamblett Al Butler
All Manufacturing report to:	Adel Djam	Jason Murray
Maintenance	Bob Lang	Derek Duhamel
Production (M48, M61, Mix Plants, M48 Extruder)	Jason Murray	M-48 1 st : Innocent Philistin M-61 1 st Tru Huynh 2 nd Truong Ho 3 rd Matt Ryan
QC/R&D Lab, Purchasing, MFG Supervision	Andrew Howard	Andrew Howard
Accounting, HR, IT	Lisa Sparling	Kristen Herget
Front Offices	Open	Kristen Herget
960 Turnpike St – 1 st Floor	Michelle Cavacas	Michael Dorr
960 Turnpike St – 2 nd Floor	Bill Bellico	Don Piccolo

Appendix III Assessment of Emergencies and Drills

Type of Emergency	Risk Level*	Type of Assessment	Frequency
Fire	3	Drill	Annual
Hurricane	1	Desk Top	*Every 2 Years
Spills	2	Desk Top and Drill (covered in annual HAZWOPER training)	Annual
Tornado	1	Desk Top	*Every 2 Years
Earthquake	1	Desk Top	*Every 2 Years
Active Shooter	1	Desk Top	*Every 2 Years


Risk Level *(based on regulatory requirements and past history)

High (3) – Requires physical drill

Medium (2) – Requires desk top assessment, at minimum

Low (1) – Requires desk top assessment, at minimum

*To be conducted during biennial Hazard Communication training

JOB SAFETY ANALYSIS 	Job Title:	Page 1 of	Date:	Select One
	Title of employee who does job:	Supervisor/Manager:	Analysis By:	New / Revised
Division: Roofing	Facility: 100 Dan Rd. Canton MA	Work Location (Dept. & Activity):	Reviewed By:	
Required and/or Recommended Personal Protective Equipment: Safety Glasses, Safety Shoes, High Viz Vest			Approved By:	


SEQUENCE OF BASIC STEPS	POTENTIAL HAZARDS	RECOMMENDED ACTION OR PROCEDURE	VA/NVA/WASTE	Waste Type
1)			NVA	
2)			VA	
3)			NVA	
4)			VA	
5)			VA	
6)				
7)				
8)				
9)				
10)				
11)				
12)				
13)				
14)				

INSTRUCTIONS FOR COMPLETING JOB SAFETY ANALYSIS FORM

Job Safety Analysis (JSA) is an important accident prevention tool that works by finding hazards and eliminating or minimizing them *before* the job is performed, and *before* they have a chance to become accidents. Use your JSA for job clarification and hazard awareness, as a guide in new employee training, for periodic contacts and for retraining of senior employees, as a refresher on jobs which run infrequently, as an accident

investigation tool, and for informing employees of specific job hazards and protective measures. Set priorities for doing JSA's: jobs that have a history of many accidents, jobs that have produced disabling injuries, jobs with high potential for disabling injury or death, and new jobs with no accident history.
Here's how to do each of the three parts of a Job Safety Analysis:

SEQUENCE OF BASIC STEPS	POTENTIAL HAZARDS	RECOMMENDED ACTION OR PROCEDURE
<p>Break the job down into steps. Each of the steps of a job should accomplish some major task. The task will consist of a <i>set</i> of movements. Look at the first <i>set</i> of movements used to perform a task, and then determine the next logical <i>set</i> of movements. For example, the job might be to move a box from a conveyor in the receiving area to a shelf in the storage area. How does that break down into job steps? Picking up the box from the conveyor and putting it on a handtruck is one logical set of movements, so it is one job step. Everything is related to that one logical set of movements is part of that job step.</p> <p>The next logical <i>set</i> of movements might be pushing the loaded handtruck to the storeroom. Removing the boxes from the truck and placing them on the shelf is another logical set of movements. And finally, returning the handtruck to the receiving area might be the final step in this type of job.</p> <p>Be sure to list <i>all</i> the steps in a job. Some steps might not be done each time--checking the casters on a handtruck, for example. However, that task is a part of the job as a whole, and should be listed AND ANALYZED</p>	<p>Identify <i>all</i> hazards associated with each step. Examine each step to find and identify hazards--actions, conditions, and possibilities that could lead to and accident.</p> <p>It's not enough to look at the obvious hazards. It's also important to look at the entire environment and discover every conceivable hazard that might exist.</p> <p>Be sure to list health hazards as well, even though the harmful effect may not be immediate. A good example is the harmful effect of inhaling a solvent or chemical dust over a long period of time.</p> <p>In order to do part three of a JSA effectively, you must identify potential and existing <i>hazards</i>.</p> <p>Some people find it easier to identify possible accidents and illnesses and work back from them to the hazards. If you do that, you can list the accident and illness types in parentheses following the hazard. But be sure you focus on the <i>hazard</i> for developing recommended actions and safe work procedures.</p> <p>Ask yourself these questions to help identify hazards regarding each step.</p> <ul style="list-style-type: none"> • Is the environment hazardous to safety and/or health? For example, is there exposure to radiation, heat, dust, gases, vapors, or fumes? • Are there tripping, slipping, or falling hazards? • Is there potential for strains from pushing, pulling, bending, twisting, or lifting? • Can body parts be caught by, in, or between objects? • Can the employee strike against, be struck by, or have contact with objects that may cause injury? 	<p>Using the first two columns as a guide to decide what actions are necessary to eliminate or minimize the hazards that could lead to an accident, injury, or occupational illness.</p> <p>Among the actions that can be taken are 1) engineering the hazard out; 2) providing personal protective equipment; 3) job instruction training; 4) good housekeeping; and 5) good ergonomics (positioning the person in relation to the machine or other elements in the environment in such a way as to eliminate stresses and strains).</p> <p>List recommended safe operating procedures on the form, and also list required or recommended personal protective equipment for each step of the job.</p> <p>Be specific. Say <i>exactly</i> what needs to be done to correct the hazard, such as, "lift using your leg muscles." Avoid general statements like, "be careful."</p> <p>Give a recommended action or procedure for <i>every</i> hazard.</p> <p>If the hazard is a serious one, it should be corrected immediately. The JSA should then be changed to reflect the new conditions.</p>
<p>VA Work that changed the form, fit, or function.</p> <p>NVA Work that is required to support value added activities but does not necessarily add value.</p> <p>WASTE Work that is unnecessary and adds no value</p>		
<p>WASTE TYPES</p>	<p>Transportation, Inventory, Motion, Waiting, Over-processing, Over Production, Defects, Unused Creativity</p>	

	<u>ENVIRONMENTAL HEALTH AND SAFETY MANAGEMENT SYSTEM</u>		REV 06	Page: 1 of 5
	WORK PRACTICE: PERSONAL PROTECTIVE EQUIPMENT			
EHSWP 109	APPROVED BY:	<i>Patrick Pelletier</i>		3/17/2020

I. STATEMENT OF POLICY

Written, up-to-date, health and safety programs and procedures will provide a clear direction for all employees to follow. Through continuous review of rules, regulations, and safe work practices, Sika Corporation will create programs and procedures appropriate to the facility. These written program and procedures will be the basis for providing a safe and healthy work environment for all Sika employees and the surrounding communities.

II. PURPOSE

The purpose of this policy is to ensure that personal protective equipment (PPE) is of an approved type; employees are aware of how to properly use such personal protective equipment; and that protective gloves, protective clothing, and other PPE are supplied, properly maintained and cleaned as necessary.

III. SCOPE

This standard applies to all personnel using all types of personal protective equipment except for eye protection, respiratory protection, and hearing protection. Eye Protection is covered in Environmental Health and Safety Work Practice Procedure EHSWP-111, Respiratory Protection is covered in Environmental Health and Safety Work Practice Procedure EHSWP -110 and Hearing Protection is covered in Environmental Health and Safety Work Practice Procedure EHSWP -106.

IV. RESPONSIBILITIES

It is the responsibility of the *Environmental, Health & Safety Coordinator* to review and update this policy periodically and assure compliance with regulatory guidelines.

The *Environmental, Health & Safety Coordinator* has the responsibility to maintain this procedure regarding personal protective equipment. Upon request, the *Environmental, Health & Safety Coordinator* will provide a workplace hazard assessment for a specified work environment.

It is the responsibility of *Supervisors* and *Managers* to provide all employees with proper training and the correct personal protective equipment, for their assigned work area, and enforce the usage of said equipment.


It is the responsibility of all *Employees* to wear the appropriate personal protective equipment while in the work environment.

V. PROCEDURE

Safety Shoes

Steel-toed Safety shoes are required for all employees that work in all areas of the plant, warehouses and labs where there is the potential for foot injury. Safety shoes must comply with ANSI specifications, and must properly fit the employee.

Sika will reimburse employees up to \$95 per year for approved safety shoes.

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Gloves

The selection of gloves for specific operations shall be made by consulting the Safety Data Sheet for the raw materials being handled. For mixtures of more than one raw material, the mixture should be considered to display a hazard similar to that of the most hazardous material.

Proper gloves are required at all times while handling chemicals. Glove type to be worn may be indicated on the label, SDS, or in the operation procedure. If the type of glove required is not specified, consult the Safety Data Sheet, manufacturer's instructions for the raw material being used or the EHS Department.

Cut-resistant gloves shall be worn when working with cutting tools such as knives, razors, box cutters or any other type of blade. Cut-resistant gloves are not required with the use of scissors.

When other hand hazards exist such as burn hazards leather, cotton, or nomex work gloves will be used as appropriate to the hazards. Any questions regarding which work glove to use may be directed to the EHS department or supervisor.

Welders shall be issued, and required to use, heavy gauge, heat resistant gloves.

All gloves must fit the wearer properly.

Hard Hats

Hard hats are required in any area where there is a possibility of head injury due to impact. Hard hats must comply with ANSI specifications. Hard hats must be adjusted to fit properly.

Hard hats are required whenever signs are posted indicating the need for hard hats.

Safety Vests


Highly visible safety vests, or high visibility t-shirts are required by all employees working in Sika Corporation Manufacturing facilities, Warehouse facilities, Technical testing and training areas and on customer roofs. The safety vests are to be the most outer layer of clothing worn by employees and are to be worn according to manufacturer's instructions and design.

Third party drivers who are engaged in tasks associated with their deliveries / pick-ups on Sika property shall be required to wear reflective safety vests during those tasks. These tasks include but may not be limited to the following: securing and tarping loads, monitoring bulk delivery and bulk pickup processes, unloading materials in a parking lot, outdoor environmental testing or storm drain cleaning. Exempt from this requirement will be drop-off type deliveries such as UPS, FedEx, and USPS.

Other Protective Clothing

Other protective clothing, such as Tyvek suits, coveralls, burn protection sleeves, gloves, etc., may be necessary for some employees.

In the event of an infectious disease outbreak (i.e. Covid-19) Sika may impose, in conformance with CDC or other federal, state or local guidelines, a requirement for all or some employees under certain situations to wear additional PPE. This PPE includes, but may not be limited to, face coverings which cover the mouth and nose, face shields, gloves, gowns or any other PPE deemed necessary to protect employees from the transmission of an infectious disease.

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All protective clothing must fit the wearer properly.

Operating procedures may call out specific personal protective equipment required for a given operation.

Hazard Assessment

Hazard assessments are to be conducted to determine if hazards are present, or likely to be present, which necessitate the use of personal protective equipment. Based on these hazard assessments, personal protective equipment will be selected to protect employees. This selection will be communicated to the employees during operation specific training sessions and may be specified in the operation procedures. The form for hazard assessments is found in Appendix A.

The findings from the hazard assessment may be reflected on the work instruction for that operation and in the manufacturing procedure. The requirements for Personal Protective Equipment will be followed when working at that operation.

Each hazard assessment will be performed upon the reasonable request of any employee, visitor or contractor. Completion of the hazard assessment should be timely.

The person completing the hazard assessment should meet with employees who perform the job task being assessed and understand the functions involved.

All new processes shall have a hazard assessment performed prior to the development of the associated operating procedures thus allowing for input in accordance with the hazard assessment recommendations.

Each hazard assessment shall be performed using the Sika Hazard Assessment form (Appendix A). Alternatively, a Job Safety Analysis (JSA) may be used for hazard assessments.

Prior to issuing the final recommendations the Safety Management Representative, or designated alternate, must discuss his findings and proposed recommendations with the Plant Manager or his designee.

Applicable operating procedures or other established policies shall be adjusted accordingly.


Damaged Equipment

Employees shall not be provided, or be permitted to use, torn, ripped or otherwise damaged personal protective equipment, the use of which may pose a safety hazard to the wearer.

Gloves and other personal protective equipment are to be cleaned and/or replaced as required due to contamination and damage from normal use.

VI. TRAINING

New employees and employees moving to a new area will be trained on the specific use of Personal Protective Equipment by the area supervisor. This may be accomplished through the computer-based New Employee Training program, the Sika Fundamental Rules and the On-The-Job Training procedure (EHSP 021).

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Training shall be presented to employees by any one, or combination of any of the following: Supervisors, Managers, Employees trained in EHSP 021, EHS, Training Consultants/Vendors approved by EHS.

Retraining will be given at a minimum once every two years. Retraining will also be given if:

- Changes in the workplace render previous training obsolete, or
- Changes in the type of PPE to be used render previous training obsolete, or
- Inadequacies in an affected employee's knowledge or use of assigned PPE indicate that the employee has not retained the requisite understanding or skill.

Employees shall be required to demonstrate an understanding of training at the end of the training class by means of a written exam or hands-on demonstration. This demonstration shall be documented.

Training must be documented and certified by the instructor.

VII. RECORDKEEPING

The Environmental, Health & Safety Department shall maintain records of all training for each employee for the duration of employment. Copies of training records shall be maintained in the Human Resources Department.

All hazard assessments shall be documented and kept on file in the EHS office or on the "I" drive for future reference.

Revision Date	Description	Sections Affected
04/28/2009	Hazard Assessment Form relabeled as Appendix A. JSA added as alternative to Appendix A. Records shall be kept in HR	V. Procedure VII. Recordkeeping
08/13/2009	Safety Shoes – added warehouse employees	V. Procedure
06/19/2013	Added safety vest requirement and other PPE examples	V. Procedure
1/1/2014	Added requirement for cut-resistant gloves	V. Procedure
4/25/2016	Added requirements for safety vests for drivers working on Sika property; changed all references of MSDS to SDS	All; V. Procedure
12/21/2016	Program review. Converted document to EHSWP, removed all references to RC	All
3/17/2020	Added section for PPE requirements in the case of an infectious disease outbreak. Program review.	V. Procedure

Appendix A
Sika Corporation
Personal Protective Equipment Hazard Assessment

GENERAL INFORMATION	
Department:	
Job, Function, Activity or Situation:	
Location of Job, Function Activity or Situation:	
LIST OF ALL APPARENT HAZARDS (check all that apply & describe)	
Impact	()
Penetration	()
Compression (Roll Over)	()
Chemical	()
Heat	()
Harmful Dust	()
Light (Optical Radiation)	()
Noise Levels	()
Respiratory	()
Others:	()
LIST PERSONAL PROTECTIVE EQUIPMENT REQUIRED FOR SAFE PERFORMANCE	
ASSESSMENT COMPLETED BY:	
<p>Note: During the walk-through survey, observe hazards in above, gather data, and analyze the type, level of risk and seriousness of potential injuries from the hazards. After personal protective equipment (PPE) necessary is determined, select the proper type, in consultation with the Safety Management Representative. All PPE must fit properly.</p>	
Employee Name (print):	Title:
Employee Signature:	Date:

COMMUNICATION FORM

BUILDING TRUST



Employee Name:

Date:

Position: Division/Dept.:

PLEASE CHECK ONE:

- ☐ **Counseling**
Check this box whenever an employee had repeated an infraction, is not meeting performance standards or has more than one area of problem performance.
- ☐ **Confirmation of Verbal Conversation**
Check this box whenever a conversation takes place with an individual regarding any of the topics checked below.
- ☐ **Formal Written Correction**
Check this box whenever a formal written correction is issued on any of the topics listed below.

CHECK ALL APPROPRIATE ITEMS:

- | | | |
|--|---|--|
| <input type="checkbox"/> Initiative | <input type="checkbox"/> Proficiency/Efficiency of Work | <input type="checkbox"/> Attendance/Tardiness |
| <input type="checkbox"/> Quality of Work | <input type="checkbox"/> Professional Appearance | <input type="checkbox"/> Discourteous/Non-Cooperative |
| <input type="checkbox"/> Cooperation/Attitude | <input type="checkbox"/> Not Attaining Goals | <input type="checkbox"/> Failure to Comply with Policy |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Failure to Follow Instructions | <input type="checkbox"/> Gross Misconduct |
| <input type="checkbox"/> Other: <input type="text"/> | | |

Explain item or items checked above. Give time and date(s) of specific incident(s).

Have the above checked item(s) been discussed before?

☐ Yes ☐ No When?

Corrective effort, if needed:

Note: Failure to attain an immediate and sustained improvement in the above applicable area(s) can result in termination. Termination can be immediate depending on the infraction. NOTHING HEREIN IS INTENDED TO NOR SHALL BE CONSTRUED AS ALTERING IN ANY WAY AN EMPLOYEE'S STATUS AS AN AT WILL EMPLOYEE. Please indicate if employee refuses to sign below.

I acknowledge reading this form and understand its contents.

Supervisor/Manager's Signature

Date

Employee's Signature

Date

Exhibit - Warranty Samples

SIKA CORPORATION - ROOFING																		
WARRANTY SELECTION GUIDE																		
Warranty Duration ¹					Wind Speed (up to) ¹								Hail ¹					
Membrane - Thickness	5 - 15 Years	20 Years	25 Years	30 Years	System	Sheet Width	46 mph	60 mph	74 mph	99 mph	120 mph	Over 120 mph	Warranty Duration	Sarnafil Membrane				
Sarnafil, G410 & S327 - 60 mil ^{2,3}	●	●	-	-	Sarnafil Adhered ^{2,3}	all	-	●	●	●	●	-	Years	1.5" System ⁵	2.0" Limited System ⁶	2.0" System ⁷		
Sarnafil, G410 & S327 - 72 mil ^{2,3}	●	●	●	-	Sarnafil G410 SA	6.5'	-	●	●	●	-	-	5	60 mil	N/A	60 mil		
Sarnafil, G410 & S327 - 80 mil ^{2,3}	●	●	●	●	Sarnafil RhinoBond ³	all	-	●	●	●	● ⁴	-	10	60 mil	N/A	60 mil		
Sarnafil G410 SA - 60 mil	●	●	-	-	Sarnafil S327 Sarnafast ^{2,3} In-Seam, Single Weld	5'	-	●	●	●	●	-	15	60 mil	60 mil	72 mil		
Sikaplan Fastened - 45 mil ²	●	-	-	-		6.5'	-	●	●	●	-	-	-	20	60 mil (S327 only) 72 mil	72 mil	80 mil	
Sikaplan, Fastened & Adhered - 60 mil ²	●	●	-	-		10'	-	●	●	-	-	-	-					
Special Systems ¹¹	5 - 15 Years	20 Years	25 Years	30 Years	Sarnafil S327 Express ^{2,3} In-Seam, Double Weld	5' / 6.5'	-	●	●	●	●	-	Warranty Duration	Skylight ^{8,9}	PMR Insulation Panel ^{8,10}			
	Décor (white, reflective gray, tan colors)	●	●	●		●	10'	-	●	●	●	-			-	Years	2.0"	2.0" (LightGuard®)
	Décor (other colors)	●	●	-	-	Sarnafil S327 Engineered ^{2,3} Bar & Coverstrip	all	-	●	●	●	●			● ⁴	5	●	●
RhinoBond	●	●	●	● ⁴	Sikaplan Adhered ²	all	●	●	●	● ⁴	-	-	10	●	●	●		
Recover	●	●	● ⁴	● ⁴	Sikaplan RhinoBond	all	●	●	●	● ⁴	-	-	15	●	●	●		
Accessories	5 - 15 Years	20 Years	25 Years	30 Years	Sikaplan Fastened ² In-Seam, Single Weld	5'	●	●	●	● ⁴	-	-	20	-	●	●		
	Skylight ⁸ (watertightness)	●	●	-		-	10'	●	●	●	-	-	-	25	-	● ⁴	● ⁴	
Liquid Flashing	●	●	-	-														
SarnaRoof ES-1 Edge Cleat	●	●	-	-	Accessories		46 mph	60 mph	74 mph	99 mph	120 mph	Over 120 mph		30	-	● ⁴	● ⁴	
						SarnaRoof ES-1 Edge Cleat		●	●	●	-	-	-					

¹ Requirements for deck and component securement must be met, additional enhancements may be required.

² Includes feltbacked membranes.

³ Includes textured membranes.

⁴ Special Warranty Request (SWR) required, written approval necessary by approved personnel within Corporate Technical.

⁵ Available for adhered systems & mech fastened systems (SWR required for Sarnafil Feltback membrane, excludes Sarnafil Textured membrane & Sikaplan membrane); Gypsum cover board required below. membrane.

⁶ Available for adhered systems & mech fastened systems (SWR required for Sarnafil Feltback membrane, excludes Sarnafil Textured membrane & Sikaplan membrane); Gypsum cover board required below membrane; Replacement membrane only (no labor, no accessories).

⁷ Available for adhered systems & RhinoBond systems (SWR required for Sarnafil Feltback membrane, excludes Sarnafil Textured membrane & Sikaplan membrane); Gypsum cover board required below membrane; Gypsum cover board must be adhered to underlying insulation in adhered systems.

⁸ Products must be purchased through Sika Corporation to be eligible for Sika warranty coverage.

Warranty Serial No.: SAMPLE

SIKA CORPORATION ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE

Building Name: SAMPLE

Building Address: SAMPLE

Applicator: SAMPLE

Date of Substantial Completion: SAMPLE

Date of Inspection: SAMPLE

Phone: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sarnafil Roofing Membrane, Sarnatherm Insulation or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of xx years commencing with the date of substantial completion of the installation of the Roofing Membrane with no monetary limit with respect to roof repair costs.

* For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

- Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.
- If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in Sarnafil Roofing Membrane, Sarnatherm Insulation or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sarnafil Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation or Accessory.
- This warranty does not apply and may be null and void if any of the following occur:
 - The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail greater than 1.5 inches in diameter, tornado, or peak wind gust in excess of 60 mph, as defined by The National Weather Service, or other acts of God, or:
 - The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:
 - A deficient pre-existing condition or equipment is causing water entry, or:
 - Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:
 - There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:
 - Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:
 - Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:
 - Condensation accumulates in the roof assembly, or:
 - A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:
 - The Roofing Membrane is damaged by contaminates and/or spills, or:
 - Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:
 - The Owner fails to comply with every term and condition stated herein.
- During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.
- Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.
- Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.
- Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
- This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.
- The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sika Corporation Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by The American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.
- THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**

NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty Is Effective From: SAMPLE through: SAMPLE

SAMPLE

SAMPLE

SAMPLE

Date: SAMPLE

SAMPLE

SAMPLE

SAMPLE

Date: SAMPLE

SIKA CORPORATION • ROOFING

100 Dan Road • Canton, MA 02021

Tel: 781-828-5400 • Fax: 781-828-5365 • usa.sarnafil.sika.com

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BUILDING TRUST



Year System Warranty

Warranty Serial No.: SAMPLE

SIKA CORPORATION ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE

Building Name: SAMPLE

Building Address: SAMPLE

Applicator: SAMPLE

Phone: SAMPLE

Date of Substantial Completion: SAMPLE

Date of Inspection: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sarnafil Roofing Membrane, Sarnatherm Insulation, Cellular Light Weight Concrete Insulation System, or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of xx years commencing with the date of substantial completion of the installation of the Roofing Membrane with no monetary limit with respect to roof repair costs.

* For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.
2. If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in Sarnafil Roofing Membrane, Sarnatherm Insulation, Cellular Light Weight Concrete Insulation System, or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sarnafil Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation, Cellular Light Weight Concrete Insulation System, or Accessory.
3. This warranty does not apply and may be null and void if any of the following occur:

(a) The Roofing Membrane or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, tornado, or peak wind gust in excess of 60 mph, hurricane, or tornado, as defined by The National Weather Service, or other acts of God, or:

(b) The Roofing Membrane or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:

(c) A deficient pre-existing condition or equipment is causing water entry, or:

(d) Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:

(e) There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:

(f) Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:

(g) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:

(h) Condensation accumulates in the roof assembly, or:

(i) A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:

(j) The Roofing Membrane is damaged by contaminates and/or spills, or:

(k) Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:

(l) The Owner fails to comply with every term and condition stated herein.
4. During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.
5. Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.
6. Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.
7. Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
8. This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.
9. The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sika Corporation Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.
10. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.

NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty Is Effective From: SAMPLE through: SAMPLE

SAMPLE SAMPLE

SAMPLE SAMPLE

Date: SAMPLE Date: SAMPLE

Warranty Serial No.: SAMPLE

SIKA CORPORATION ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner:

SAMPLE

Building Name:

SAMPLE

Building Address:

SAMPLE

Applicator:

SAMPLE

Phone:

SAMPLE

Date of Substantial Completion:

SAMPLE

Date of Inspection:

SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sarnafil Roofing Membrane, Sarnatherm Insulation or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of xx years commencing with the date of substantial completion of the installation of the Roofing Membrane.
* For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.

2. If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in Sarnafil Roofing Membrane, Sarnatherm Insulation or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sarnafil Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation or Accessory. In the event that Sika determines the leak is caused by damage to the Sarnafil Roofing Membrane, Sarnatherm Insulation or Sika Corporation Accessories from hail less than 2 inches in diameter, the Owner's sole and exclusive remedy shall be the supply of replacement Sarnafil Roofing Membrane only and shall not include the cost of, or the repair or replacement of, the Sarnatherm Insulation or the Sika Corporation Roofing Accessories or any labor costs.

3. This warranty does not apply and may be null and void if any of the following occur:

(a) The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail 2 inches in diameter or greater, tornado, or peak wind gust in excess of 60 mph, as defined by The National Weather Service, or other acts of God, or:

(b) The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:

(c) A deficient pre-existing condition or equipment is causing water entry, or:

(d) Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:

(e) There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:

(f) Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:

(g) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:

(h) Condensation accumulates in the roof assembly, or:

(i) A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:

(j) The Roofing Membrane is damaged by contaminates and/or spills, or:

(k) Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:

(l) The Owner fails to comply with every term and condition stated herein.

4. During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.

5. Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.

6. Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.

7. Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.

8. This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.

9. The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sika Corporation Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.

10. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.
- NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.
- This Warranty Is Effective From:

SAMPLE

through:

SAMPLE

SAMPLE

SAMPLE

Date:

SAMPLE

SAMPLE

SAMPLE

Date:

SAMPLE
- SIKA CORPORATION • ROOFING

100 Dan Road • Canton, MA 02021

Tel: 781-828-5400 • Fax: 781-828-5365 • usa.sarnafil.sika.com

Page 1 of 1

20 Year System Warranty

Warranty Serial No.: SAMPLE

SIKA CORPORATION ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE
 Building Name: SAMPLE
 Building Address: SAMPLE
 Applicator: SAMPLE Phone: SAMPLE

Date of Substantial Completion: SAMPLE Date of Inspection: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sarnafil Roofing Membrane, Sarnatherm Insulation or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of 20 years commencing with the date of substantial completion of the installation of the Roofing Membrane with no monetary limit with respect to roof repair costs. Sika Corporation warrants that the Decor Profile shall remain in place, fused to the Sarnafil membrane for the duration of the warranty, to the wind speed noted below. During the period of warranty coverage, Sika Corporation will replace any Decor Profile that separates from the Sarnafil membrane under conditions of normal intended use.

* For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

- Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.
- If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in Sarnafil Roofing Membrane, Sarnatherm Insulation or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sarnafil Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation or Accessory.
- This warranty does not apply and may be null and void if any of the following occur:
 - The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, peak wind gust in excess of 60 mph, hurricane, or tornado, as defined by The National Weather Service, or other acts of God, or:
 - The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:
 - A deficient pre-existing condition or equipment is causing water entry, or:
 - Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:
 - There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:
 - Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:
 - Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:
 - Condensation accumulates in the roof assembly, or:
 - A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:
 - The Roofing Membrane is damaged by contaminants and/or spills, or:
 - Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:
 - The Owner fails to comply with every term and condition stated herein.
- During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.
- Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.
- Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.
- Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
- This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.
- The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sika Corporation Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.
- THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**

NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty Is Effective From: SAMPLE through: SAMPLE

SAMPLE SAMPLE SAMPLE SAMPLE
 Authorized Signature(1): Date: Authorized Signature(2): Date:



Year Membrane Warranty

Warranty Serial No.: SAMPLE

SIKAPLAN ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE

Building Name: SAMPLE

Building Address: SAMPLE

Applicator: SAMPLE

Phone: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will supply replacement membrane for any defective Sikaplan Roofing Membrane installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of xx years.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the roofing membrane and confirm in writing within one week. Should Owner determine that the leak event is directly due to a defect in the Sikaplan Roofing Membrane, Owner shall submit a representative sample of said membrane to Sika Corporation's Corporate Office.

2. If on Sika Corporation's inspection of the membrane sample Sika Corporation determines that the leak is caused by a defect in the Sikaplan Roofing Membrane, Owner's remedies and Sika Corporation's liability shall be limited to providing replacement material for the defective Roofing Membrane.

3. This warranty does not apply and may be null and void if any of the following occur:

(a) The Roofing Membrane is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, tornado, or wind, as defined by The National Weather Service, or other acts of God, or:

(b) The Roofing Membrane is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:

(c) A deficient pre-existing condition or equipment is causing water entry, or:

(d) Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:

(e) There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:

(f) Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:

(g) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:

(h) Condensation accumulates in the roof assembly, or:

(i) A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:

(j) The Roofing Membrane is damaged by contaminates and/or spills, or:

(k) Deficient design or defective workmanship was applied to the Roofing Membrane such as membrane contact with incompatible materials and/or failure of membrane seams, or:

(l) The Owner fails to comply with every term and condition stated herein.

4. During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.

5. Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.

6. Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.

7. Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.

8. This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.

9. The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sikaplan Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.

10. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.
- NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.
- This Warranty Is Effective From: SAMPLE through: SAMPLE

SAMPLE SAMPLE SAMPLE SAMPLE

SAMPLE Date: SAMPLE SAMPLE Date: SAMPLE
- SIKA CORPORATION • ROOFING
100 Dan Road • Canton, MA 02021
Tel: 781-828-5400 • Fax: 781-828-5365 • usa.sarnafil.sika.com

Page 1 of 1

Warranty Serial No.: **SAMPLE**

SIKAPLAN ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner:

SAMPLE

Building Name:

SAMPLE

Building Address:

SAMPLE

Applicator:

SAMPLE

Phone:

SAMPLE

Date of Substantial Completion:

SAMPLE

Date of Inspection:

SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sikaplan Roofing Membrane, Sarnatherm Insulation or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of xx years commencing with the date of substantial completion of the installation of the Roofing Membrane. * For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

- Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.
- If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in the Sikaplan Roofing Membrane, Sarnatherm Insulation or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sikaplan Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation or Accessory. Sika Corporation's cumulative liability throughout the duration of this warranty shall not exceed the original installed cost of the Sikaplan Roofing System.
- This warranty does not apply and may be null and void if any of the following occur:
 - The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, tornado, or peak wind gust in excess of 60 mph, as defined by The National Weather Service, or other acts of God, or:
 - The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:
 - A deficient pre-existing condition or equipment is causing water entry, or:
 - Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:
 - There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:
 - Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:
 - Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:
 - Condensation accumulates in the roof assembly, or:
 - A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:
 - The Roofing Membrane is damaged by contaminates and/or spills, or:
 - Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:
 - The Owner fails to comply with every term and condition stated herein.
- During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.
- Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.
- Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.
- Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
- This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.
- The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sikaplan Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.
- THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**

NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty Is Effective From:

SAMPLE

through:

SAMPLE

SAMPLE

SAMPLE

Date:

SAMPLE

SAMPLE

SAMPLE

Date:

SAMPLE



Year System Plus Warranty

Warranty Serial No.: SAMPLE

SIKAPLAN ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE

Building Name: SAMPLE

Building Address: SAMPLE

Applicator: SAMPLE

Date of Substantial Completion: SAMPLE

Date of Inspection: SAMPLE

Phone: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sikaplan Roofing Membrane, Sarnatherm Insulation or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of xx years commencing with the date of substantial completion of the installation of the Roofing Membrane with no monetary limit with respect to roof repair costs.

* For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.

2. If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in the Sikaplan Roofing Membrane, Sarnatherm Insulation or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sikaplan Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation or Accessory.

3. This warranty does not apply and may be null and void if any of the following occur:

(a) The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, tornado, or peak wind gust in excess of 60 mph, as defined by The National Weather Service, or other acts of God, or:

(b) The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:

(c) A deficient pre-existing condition or equipment is causing water entry, or:

(d) Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:

(e) There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:

(f) Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:

(g) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:

(h) Condensation accumulates in the roof assembly, or:

(i) A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:

(j) The Roofing Membrane is damaged by contaminates and/or spills, or:

(k) Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:

(l) The Owner fails to comply with every term and condition stated herein.

4. During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.

5. Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.

6. Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.

7. Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.

8. This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.

9. The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sikaplan Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.

10. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.
- NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.
- This Warranty Is Effective From: SAMPLE

through: SAMPLE

SAMPLE

SAMPLE

Date: SAMPLE

Date: SAMPLE
- SIKA CORPORATION • ROOFING
100 Dan Road • Canton, MA 02021
Tel: 781-828-5400 • Fax: 781-828-5365 • usa.sarnafil.sika.com
- Page 1 of 1



Year System Warranty

Warranty Serial No.: SAMPLE

SIKA CORPORATION ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE

Building Name: SAMPLE

Building Address: SAMPLE

Applicator: SAMPLE

Phone: SAMPLE

Date of Substantial Completion: SAMPLE

Date of Inspection: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will repair roof leaks originating from the Sarnafil Roofing Membrane, Sarnatherm Insulation or Sika Corporation Roofing Accessories* installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of {{WARRANTY_ROOFING_WARRANTY_TERMS}} years commencing with the date of substantial completion of the installation of the Roofing Membrane with no monetary limit with respect to roof repair costs.

* For skylights purchased through Sika Corporation, refer to the attached Skylight Warranty Addendum for specific warranty coverage.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the Roofing System and confirm in writing within one week.
2. If on Sika Corporation's inspection, Sika Corporation determines that the leak is caused by a defect in Sarnafil Roofing Membrane, Sarnatherm Insulation or Accessory provided by Sika Corporation to the Applicator for this building or from a defect in the Sika Corporation Authorized Applicator's workmanship applied to that Sarnafil Membrane, except as provided in the following paragraph three (3) Owner's remedies and Sika Corporation's liability shall be limited to Sika Corporation's repair of the Roofing Membrane, Sarnatherm Insulation or Accessory.
3. This warranty does not apply and may be null and void if any of the following occur:

(a) The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, tornado, or peak wind gust in excess of 60 mph, as defined by The National Weather Service, or other acts of God, or:

(b) The Roofing Membrane, Sarnatherm Insulation or Accessory is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:

(c) A deficient pre-existing condition or equipment is causing water entry, or:

(d) Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:

(e) There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:

(f) Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:

(g) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:

(h) Condensation accumulates in the roof assembly, or:

(i) A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:

(j) The Roofing Membrane is damaged by contaminates and/or spills, or:

(k) Deficient design applied to the Roofing Membrane such as membrane contact with incompatible materials and/or substrates, or:

(l) The Owner fails to comply with every term and condition stated herein.
4. During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.
5. Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.
6. Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.
7. Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
8. This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.
9. The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sika Corporation Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.
10. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.

NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty Is Effective From: SAMPLE through: SAMPLE

SAMPLESAMPLESAMPLESAMPLE

Date:Date:



Year Membrane Warranty

Warranty Serial No.: SAMPLE

SIKA CORPORATION ROOFING WARRANTY FOR COMMERCIAL BUILDING

Building Owner: SAMPLE

Building Name: SAMPLE

Building Address: SAMPLE

Applicator: SAMPLE

Date of Substantial Completion: SAMPLE

Date of Inspection: SAMPLE

Phone: SAMPLE

Building/Area Name	Used As	Area Warranted (Sq. Ft.)
SAMPLE	SAMPLE	SAMPLE

Sika Corporation warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations, including the limitations set forth in section 10 below, stated herein, Sika Corporation will supply replacement membrane for any defective Sarnafil Roofing Membrane installed according to Sika Corporation's Technical instructions by a Sika Corporation Authorized Roofing Applicator for a period of {{WARRANTY_ROOFING_WARRANTY_TERMS}} years.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika Corporation on the first business day immediately following the discovery of each leak in the roofing membrane and confirm in writing within one week. Should Owner determine that the leak event is directly due to a defect in the Sarnafil Roofing Membrane, Owner shall submit a representative sample of said membrane to Sika Corporation's Corporate Office.

2. If on Sika Corporation's inspection of the membrane sample Sika Corporation determines that the leak is caused by a defect in the Roofing Membrane, Owner's remedies and Sika Corporation's liability shall be limited to providing replacement material for the defective Roofing Membrane.

3. This warranty does not apply and may be null and void if any of the following occur:

(a) The Roofing Membrane is damaged by a natural disaster including, but not limited to, earthquake, lightning, hail, tornado, or wind, as defined by The National Weather Service, or other acts of God, or:

(b) The Roofing Membrane is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, excessive traffic during and after the install of photovoltaic (PV) systems, civil disobedience, or act of war, or:

(c) A deficient pre-existing condition or equipment is causing water entry, or:

(d) Metal work or other accessories or equipment is used in the Roofing and causes leaks, or:

(e) There are any alterations or repairs made on or through the completed roof, or objects such as but not limited to photovoltaic (PV) systems, fixtures, equipment, or structures are placed on or attached to the completed roof without first obtaining written authorization from Sika Corporation, or:

(f) Failure by the Owner or his lessee to use reasonable care in maintaining the roof as described in the Owner's Guide provided with this warranty, including that of sealants and caulking, or:

(g) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of roof decking, wall siding, windows, doors or other envelope components or from roof damage by wind blown objects, or:

(h) Condensation accumulates in the roof assembly, or:

(i) A significant change in the use of the building by the Owner or his lessee expected by Sika Corporation to effect the Roofing Membrane as originally installed, or:

(j) The Roofing Membrane is damaged by contaminates and/or spills, or:

(k) Deficient design or defective workmanship was applied to the Roofing Membrane such as membrane contact with incompatible materials and/or failure of membrane seams, or:

(l) The Owner fails to comply with every term and condition stated herein.

4. During the period of this warranty, Sika Corporation, its agents and employees, shall have free access to the roof during regular business hours.

5. Should the Roofing Membrane be concealed, the cost of exposure of the Roofing Membrane for purposes of Sika Corporation's investigation and/or repair, such as removal and replacement of any photovoltaic (PV) system, paving or other overburden, shall be the Owner's responsibility. Owner is responsible for rendering any PV system inoperable and safe, prior to, and during, any investigation or repair.

6. Sika Corporation shall have no obligation under this warranty until all invoices for materials, installation, and services provided by Sika Corporation and the Sika Corporation Authorized Applicator have been paid for in full.

7. Sika Corporation's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.

8. This warranty may be transferred to a subsequent Owner of the Building if approved in advance and in writing by Sika Corporation and the cost to process the transfer and to inspect and repair the Sika Corporation Roofing System, if necessary, such as but not limited to, removal and replacement of overburden, shall be the Owner's responsibility.

9. The Owner and Sika Corporation hereby agree that any and all claims (contractual, statutory, common law or otherwise), disputes, or suits that in any way, directly or indirectly, arise out of or relate to this Warranty, or the alleged breach thereof, or to any contracts between the owner and Sika Corporation, or the alleged breach thereof, or to the design, manufacture, sale, distribution, installation, and/or inspection of the Sika Corporation Roofing System, shall first be submitted to non-binding mediation before a neutral mediator jointly selected by the parties or, in the absence of agreement, as designated by the American Arbitration Association. In the absence of resolution by mediation, all such claims shall be settled by arbitration by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Any such mediation and/or arbitration shall take place in Boston, Massachusetts. This Warranty, and any claims, disputes or suits between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.

10. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES AND SIKA CORPORATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE BUILDING ON WHICH THE COMPONENTS OF THE ROOF ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE BUILDING OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.

NO REPRESENTATIVE OF SIKA CORPORATION HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty Is Effective From: SAMPLE

through: SAMPLE

SAMPLE

SAMPLE

Date: SAMPLE

SAMPLE

Date: SAMPLE



Limited Labor and Material Warranty

Warranty No.: LAM 19-

Building Owner:
Building Name:
Building Address:

Contractor:

Date of Substantial Completion:
Type of System:
Building/Area Name:
Used As: Waterproofing Membrane

Final Inspection:

Area Warranted sq. ft.

Sika Corporation ("Sika"), warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations stated herein, Sika will cause to be repaired leaks originating in the system indicated above (the "System") as applied to the building, including the cost of replacement product and labor to repair the leaks, which leaks are caused solely by defects in the materials supplied by Sika a for a period of ____ () years commencing with the date of substantial completion of the installation of the System.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika on the first business day immediately following the discovery of each leak in the System and confirm in writing within one (1) week.
2. If on Sika's inspection, Sika determines that the leak is caused by a defect in the Sika material supplied by Sika to the Contractor for this building, except as provided in the following paragraph six (6), Owner's remedies and Sika's liability shall be limited to Sika's supply of replacement material or reimbursement of the cost thereof, and reimbursement of the direct costs of labor to repair such leak, exclusive of profit or overhead; provided, however, that Sika's liability under this warranty shall be limited to the total invoiced amount for the products sold by Sika for the building.
3. Sika shall in no way be responsible for the work of the Contractor, including without limitation, any installation errors or defects, or any costs whatsoever associated with, or attributable to, the work of the Contractor.
4. Sika shall not be responsible for the removal or cost of removal and/or reinstallation of any components/materials installed over the Sika System, including but not limited to, insulation, drainage mat, filter fabric, growing medium, plant life, pavers, gravel, concrete or walkways.
5. Sika is not responsible for the cost of scaffolding or any type of staging that may be necessary to make repairs to the Sika System installed and warranty herein.
6. This Limited Warranty does not apply and may be null and void if any of the following occur:
 - (a) The System is damaged by a natural disaster including without limitation, earthquake, lightning, hail, windstorm, hurricane, tornado, winds in excess of 60 mph, or flood, or:
 - (b) The System is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, civil disobedience, or act of war, or:
 - (c) The System is damaged by the use of materials not supplied by or approved of in writing by Sika, or:
 - (d) A deficient pre-existing condition or equipment is causing water entry, or:
 - (e) Metal work or other accessories or equipment is used in the System and causes leaks, or:
 - (f) There are any alterations or repairs made on or through the completed System, or objects such as but not limited to fixtures, equipment, or structures are placed on or attached to the completed structure without first obtaining written authorization from Sika, or:
 - (g) Failure by Owner or his lessee to use reasonable care in maintaining the System, or:
 - (h) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of decking, wall siding, windows, doors or other envelope components or from damage by windblown objects; or
 - (i) The System is damaged by structural failures, including without limitation, settling or shifting of the building or movement, or cracking or deflection of the roof deck and or roof structure, or:



- (j) The System is damaged by chemical conditions, animals, insects, or other conditions not disclosed in writing to Sika prior to the date of this Limited Warranty; or
 - (k) There are any alternations or repairs made on or through the System, or objects including without limitation, machines, structures, fixtures or utilities are placed on the System without prior written authorization of Sika; or
 - (l) A significant change in the use of the building by Owner or his lessee expected by Sika to affect the System as originally installed, or:
 - (m) Deficient design applied to the System such as contact with incompatible materials and/or substrates, or:
 - (n) Owner fails to comply with every term and condition stated herein.
- 7. During the period of this Limited Warranty, Sika, its agents and employees, shall have free access to the building during regular business hours.
 - 8. Should the System be concealed, the cost of exposure of the System for purposes of Sika's investigation and/or repair, such as removal and replacement of any concrete, paving, backfill or overburden, shall be Owner's responsibility.
 - 9. Sika shall have no obligation under this Limited Warranty until all invoices for materials, installation, and services have been paid for in full.
 - 10. Sika shall not be responsible for the appearance and/or the performance of the anti-skid or decorative system.
 - 11. Sika's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
 - 12. The remedies set forth in this Limited Warranty shall be Owner's exclusive and sole remedy against Sika with respect to the System and the work performed in connection with the System. Performance by Sika of its obligations under this Limited Warranty satisfies all obligations and liabilities of every kind and nature of Sika to Owner.
 - 13. Owner is responsible to Sika for all costs attributed to work performed as the result of service calls for items not covered under this Limited Warranty.
 - 14. This Warranty is extended solely and exclusively to the owner of the building at the time the Sika System is installed. It does not extend nor is it otherwise assignable or transferable to any other party unless approved in advance and in writing by Sika and the costs to process the transfer and to inspect and repair the Sika System, if necessary, are paid for by the original owner.
 - 15. This Warranty shall be governed by the laws of the State of New Jersey
 - 16. **THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. SIKAI MAKES NO, AND EXPRESSLY DISCLAIMS ANY AND ALL, WARRANTIES, EXPRESS OR IMPLIED. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES.**
 - 17. **SIKA SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE STRUCTURE ON WHICH THE COMPONENTS OF THE SYSTEM ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE STRUCTURE OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**
 - 18. This Limited Warranty shall not become effective unless and until signed by Sika.

This Warranty is Effective From through

Manufacturer:

Sika Corporation

By: _____
V.P. Product Engineering/Technical Services
Authorized Representative of Sika Corporation

Limited Material Warranty

Warranty No: LAM19-

Building Owner:

Building Name:

Building Address:

Contractor:

Date of Substantial Completion:

Type of System:

Building/Area Name:

Date of Inspection:

Area Warranted: sq. ft.

Sika Corporation ("Sika"), warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations stated herein, Sika will either a) supply material, or b) refund the purchase price of materials purchased from Sika for the above building, for the repair of leaks caused solely by defects in the materials supplied by Sika for a period of ____ () years commencing with the date of substantial completion of the installation of the system indicated above (the "System").

TERMS, CONDITIONS, LIMITATIONS

1. Owner is required to notify Sika on the first business day immediately following the discovery of each leak in the System and confirm in writing within one (1) week.
2. If on Sika's inspection, Sika determines that the leak is caused by a defect in the Sika material supplied by Sika to the Contractor for this building, except as provided in the following paragraph six (6), Owner's remedies and Sika's liability shall be limited to Sika's supply of replacement material or refund of the purchase price of the materials supplied by Sika on the building.
3. Sika shall in no way be responsible for the work of the Contractor, including without limitation, any installation errors or defects, or any costs whatsoever associated with, or attributable to, the work of the Contractor.
4. Sika shall not be responsible for the removal or cost of removal and/or reinstallation of any components/materials installed over the Sika System, including but not limited to, insulation, drainage mat, filter fabric, growing medium, plant life, pavers, gravel, concrete or walkways.
5. Sika is not responsible for the cost of scaffolding or any type of staging that may be necessary to make repairs to the Sika System installed and warranty herein.
6. This Limited Warranty does not apply and may be null and void if any of the following occur:
 - (a) The System is damaged by a natural disaster including without limitation, earthquake, lightning, hail, windstorm, hurricane, tornado, winds in excess of 60 mph, or flood, or:
 - (b) The System is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, civil disobedience, or act of war, or:
 - (c) The System is damaged by the use of materials not supplied by or approved of in writing by Sika, or:
 - (d) A deficient pre-existing condition or equipment is causing water entry, or:
 - (e) Metal work or other accessories or equipment is used in the System and causes leaks, or:
 - (f) There are any alterations or repairs made on or through the completed System, or objects such as but not limited to fixtures, equipment, or structures are placed on or attached to the completed structure without first obtaining written authorization from Sika, or:
 - (g) Failure by Owner or his lessee to use reasonable care in maintaining the System, or:
 - (h) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of decking, wall siding, windows, doors or other envelope components or from damage by windblown objects; or
 - (i) The System is damaged by structural failures, including without limitation, settling or shifting of the building or movement, or cracking or deflection of the roof deck and or roof structure, or:
 - (j) The System is damaged by chemical conditions, animals, insects, or other conditions not disclosed in writing to Sika prior to the date of this Limited Warranty; or

- (k) There are any alternations or repairs made on or through the System, or objects including without limitation, machines, structures, fixtures or utilities are placed on the System without prior written authorization of Sika; or
 - (l) A significant change in the use of the building by Owner or his lessee expected by Sika to affect the System as originally installed, or;
 - (m) Deficient design applied to the System such as contact with incompatible materials and/or substrates, or;
 - (n) Owner fails to comply with every term and condition stated herein.
7. During the period of this Limited Warranty, Sika, its agents and employees, shall have free access to the building during regular business hours.
8. Should the System be concealed, the cost of exposure of the System for purposes of Sika's investigation and/or repair, such as removal and replacement of any concrete, paving, backfill or overburden, shall be Owner's responsibility.
9. Sika shall have no obligation under this Limited Warranty until all invoices for materials, installation, and services have been paid for in full.
10. Sika shall not be responsible for the appearance and/or performance of the anti-skid or decorative system.
11. Sika's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
12. The remedies set forth in this Limited Warranty shall be Owner's exclusive and sole remedy against Sika with respect to the System and the work performed in connection with the System. Performance by Sika of its obligations under this Limited Warranty satisfies all obligations and liabilities of every kind and nature of Sika to Owner.
13. Owner is responsible to Sika for all costs attributed to work performed as the result of service calls for items not covered under this Limited Warranty.
14. This Warranty is extended solely and exclusively to the owner of the building at the time the Sika System is installed. It does not extend nor is it otherwise assignable or transferable to any other party unless approved in advance and in writing by Sika and the costs to process the transfer and to inspect and repair the Sika System, if necessary, are paid for by the original owner.
15. This Limited Warranty shall not become effective unless and until signed by Sika.
16. **THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. SIKAI MAKES NO, AND EXPRESSLY DISCLAIMS ANY AND ALL, WARRANTIES, EXPRESS OR IMPLIED. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES.**
17. **SIKA SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE STRUCTURE ON WHICH THE COMPONENTS OF THE SYSTEM ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE STRUCTURE OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**
18. This Warranty shall be governed by the laws of the State of New Jersey.

NO REPRESENTATIVE OF SIKAI HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty is Effective From _____ through _____

Manufacturer:
Sika Corporation

By: _____
Authorized Representative of Sika Corporation



Roofing Single Source Warranty

Warranty No.: LAM 19-

Building Owner:
Building Name:
Building Address:

Contractor:

Date of Substantial Completion:

Date of Inspection:

Type of System:

Building/Area Name:

Used As: Waterproofing Membrane

Area Warranted: sq. ft.

Sika Corporation ("Sika"), warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations stated herein, including the limitations set forth in Sections 14 and 15 below, Sika will cause to be repaired leaks originating in the roof system (the "System") indicated above as applied to the building which are caused by defects in the materials supplied by Sika or defects in workmanship by a Sika Authorized Applicator for a period of ____ () years commencing with the date of substantial completion of the installation of the System with no monetary limit with respect to System repair costs.

TERMS, CONDITIONS, LIMITATIONS

1. Owner shall notify Sika on the first business day immediately following the discovery of each leak in the System and confirm in writing within one (1) week.
2. If on Sika's inspection, Sika determines that the leak is caused by a defect in the Sika material supplied by Sika to the Sika Authorized Applicator for this building or the workmanship of the Sika Authorized Applicator, except as provided in the following paragraph five (5), Owner's remedies and Sika's liability shall be limited to Sika's repair of the System, including membrane, insulation and coverboard, and the replacement of materials in the System which are determined by Sika to be damaged by the leak.
3. Sika shall not be responsible for the removal or cost of removal and/or reinstallation of any components/materials installed over the Sika System, including but not limited to, insulation, drainage mat, filter fabric, growing medium, plant life, pavers, gravel, concrete or walkways.
4. Sika shall not be responsible for the cost of scaffolding or any type of staging that may be necessary to make repairs to the Sika System installed and warranty herein.
5. This Warranty does not apply and may be null and void if any of the following occur:
 - (a) The System is damaged by a natural disaster including without limitation, earthquake, lightning, hail, windstorm, hurricane, tornado, winds in excess of 60 mph, or flood, or;
 - (b) The System is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, civil disobedience, or act of war, or;
 - (c) The System is damaged by the use of materials not supplied by or approved of in writing by Sika, or;
 - (d) A deficient pre-existing condition or equipment is causing water entry, or;
 - (e) Metal work or other accessories or equipment is used in the System and causes leaks, or;
 - (f) There are any alterations or repairs made on or through the completed System, or objects such as but not limited to fixtures, equipment, or structures are placed on or attached to the completed structure without first obtaining written authorization from Sika, or;
 - (g) Failure by Owner or his lessee to use reasonable care in maintaining the System, or;
 - (h) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of decking, wall siding, windows, doors or other envelope components or from damage by windblown objects; or
 - (i) The System is damaged by structural failures, including without limitation, settling or shifting of the building or movement, or cracking or deflection of the roof deck and or roof structure, or;
 - (j) The System is damaged by chemical conditions, animals, insects, or other conditions not disclosed in writing to Sika prior to the date of this Warranty; or
 - (k) There are any alterations or repairs made on or through the System, or objects including without limitation, machines, structures, fixtures or utilities are placed on the System without prior written authorization of Sika; or
 - (l) A significant change in the use of the building by Owner or his lessee expected by Sika to affect the System as originally installed, or;
 - (m) Deficient design applied to the System such as contact with incompatible materials and/or substrates, or;
 - (n) Owner fails to comply with every term and condition stated herein.



6. During the period of this Warranty, Sika, its agents and employees, shall have free access to the building during regular business hours.
7. Should the System be concealed, the cost of exposure of the System for purposes of Sika's investigation and/or repair, such as removal and replacement of any concrete, paving, backfill or overburden, shall be Owner's responsibility.
8. Sika shall not be responsible for the appearance and/or performance of the anti-skid or decorative system.
9. Sika shall have no obligation under this Warranty until all invoices for materials, installation, and services have been paid for in full.
10. Sika's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
11. The remedies set forth in this Warranty shall be Owner's exclusive and sole remedy against Sika with respect to the System and the work performed in connection with the System. Performance by Sika of its obligations under this Warranty satisfies all obligations and liabilities of every kind and nature of Sika to Owner.
12. Owner agrees to pay Sika for all costs attributed to work performed as the result of service calls for items not covered under this Warranty.
13. This Warranty is extended solely and exclusively to the owner of the building at the time the Sika System is installed. It does not extend nor is it otherwise assignable or transferable to any other party unless approved in advance and in writing by Sika and the costs to process the transfer and to inspect and repair the Sika System, if necessary, are paid for by the original owner.
14. This Warranty shall not become effective unless and until signed by Contractor and Sika.
15. **THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. SIKA MAKES NO, AND EXPRESSLY DISCLAIMS ANY AND ALL, WARRANTIES, EXPRESS OR IMPLIED. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES.**
16. **SIKA SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE STRUCTURE ON WHICH THE COMPONENTS OF THE SYSTEM ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE STRUCTURE OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**
17. This Warranty shall be governed by the laws of the State of New Jersey.

NO REPRESENTATIVE OF SIKA HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty is Effective From _____ through _____

Manufacturer:

Sika Corporation

By: _____

Authorized Representative of Sika Corporation

Contractor:

By: _____

Authorized Representative of _____

Roofing Single Source Warranty

Warranty No.: LAM 19-

Building Owner:

Building Name:
Building Address

Contractor:

Date of Substantial Completion:

Type of System:

Building/Area Name:

Used As: Waterproofing Membrane.

Date of Inspection:

Area Warranted: sq. ft.

Sika Corporation ("Sika"), warrants to the owner of the building described above ("Owner"), that subject to the terms, conditions, and limitations stated herein, including the limitations set forth in Sections 14 and 15 below, Sika will cause to be repaired leaks originating in the roof system (the "System") indicated above as applied to the building which are caused by defects in the materials supplied by Sika or defects in workmanship by a Sika Authorized Applicator for a period of ____ () years commencing with the date of substantial completion of the installation of the System.

TERMS, CONDITIONS, LIMITATIONS

1. Owner is required to notify Sika on the first business day immediately following the discovery of each leak in the System and confirm in writing within one (1) week.
2. If on Sika's inspection, Sika determines that the leak is caused by a defect in the Sika material supplied by Sika to the Sika Authorized Applicator for this building or the workmanship of the Sika Authorized Applicator, except as provided in the following paragraph five (5), Owner's remedies and Sika's liability shall be limited to Sika's repair of the System, including membrane, insulation and coverboard, and the replacement of materials in the System which are determined by Sika to be damaged by the leak.
Owner's remedies and Sika's liability shall not exceed the original purchase price of the materials supplied by Sika on the project.
3. Sika shall not be responsible for the removal or cost of removal and/or reinstallation of any components/materials installed over the Sika System, including but not limited to, insulation, drainage mat, filter fabric, growing medium, plant life, pavers, gravel, concrete or walkways.
4. Sika shall not be responsible for the cost of scaffolding or any type of staging that may be necessary to make repairs to the Sika System installed and warranty herein.
5. This Warranty does not apply and may be null and void if any of the following occur:
 - (a) The System is damaged by a natural disaster including without limitation, earthquake, lightning, hail, windstorm, hurricane, tornado, winds in excess of 60 mph, or flood, or:
 - (b) The System is damaged by any act of negligence, accident, or misuse including, but not limited to, vandalism, falling objects, civil disobedience, or act of war, or:
 - (c) The System is damaged by the use of materials not supplied by or approved of in writing by Sika, or:
 - (d) A deficient pre-existing condition or equipment is causing water entry, or:
 - (e) Metal work or other accessories or equipment is used in the System and causes leaks, or:
 - (f) There are any alterations or repairs made on or through the completed System, or objects such as but not limited to fixtures, equipment, or structures are placed on or attached to the completed structure without first obtaining written authorization from Sika, or:
 - (g) Failure by Owner or his lessee to use reasonable care in maintaining the System, or:
 - (h) Loss of integrity of the building envelope and, or structure including, but not limited to partial or complete loss of decking, wall siding, windows, doors or other envelope components or from damage by windblown objects; or
 - (i) The System is damaged by structural failures, including without limitation, settling or shifting of the building or movement, or cracking or deflection of the roof deck and or roof structure, or:

- (j) The System is damaged by chemical conditions, animals, insects, or other conditions not disclosed in writing to Sika prior to the date of this Warranty; or
 - (k) There are any alternations or repairs made on or through the System, or objects including without limitation, machines, structures, fixtures or utilities are placed on the System without prior written authorization of Sika; or
 - (l) A significant change in the use of the building by Owner or his lessee expected by Sika to affect the System as originally installed, or;
 - (m) Deficient design applied to the System such as contact with incompatible materials and/or substrates, or;
 - (n) Owner fails to comply with every term and condition stated herein.
6. During the period of this Warranty, Sika, its agents and employees, shall have free access to the building during regular business hours.
7. Should the System be concealed, the cost of exposure of the System for purposes of Sika's investigation and/or repair, such as removal and replacement of any concrete, paving, backfill or overburden, shall be Owner's responsibility.
8. Sika shall not be responsible for the appearance and/or performance of the anti-skid or decorative system.
9. Sika shall have no obligation under this Warranty until all invoices for materials, installation, and services have been paid for in full.
10. Sika's failure at any time to enforce any of the terms or conditions stated herein shall not be construed to be a waiver of such provision.
11. The remedies set forth in this Warranty shall be Owner's exclusive and sole remedy against Sika with respect to the System and the work performed in connection with the System. Performance by Sika of its obligations under this Warranty satisfies all obligations and liabilities of every kind and nature of Sika to Owner.
12. Owner agrees to pay Sika for all costs attributed to work performed as the result of service calls for items not covered under this Warranty.
13. This Warranty is issued to the owner of the building at the time the Sika System is installed. This Warranty may only be transferred to a subsequent owner of the building, within the original applicable warranty period, upon prior written approval and acceptance by Sika. All costs to process the transfer and to inspect and repair the Sika System, if necessary, shall be paid for by the original owner prior to any warranty transfer being effective. Under no circumstances, including but not limited to a warranty transfer, shall the original warranty period be deemed extended for any reason.
14. This Warranty shall not become effective unless and until signed by Contractor and Sika.
15. **THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. SIKA MAKES NO, AND EXPRESSLY DISCLAIMS ANY AND ALL, WARRANTIES, EXPRESS OR IMPLIED. THE REMEDIES STATED HEREIN ARE EXCLUSIVE REMEDIES.**
16. **SIKA SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING THE PRESENCE OF MOLDS, FUNGI, BACTERIA, SPORES, MYCOTOXINS OR THE LIKE OR FURTHER LOSS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, DAMAGE TO THE STRUCTURE ON WHICH THE COMPONENTS OF THE SYSTEM ARE SITUATED, DAMAGE TO THE CONTENTS THEREOF, LOSS OF USE OF THE STRUCTURE OR ANY COMPONENT PART THEREOF, OR DAMAGE TO ANY OTHER PROPERTY OR PERSONS.**
17. This Warranty shall be governed by the laws of the State of New Jersey.

NO REPRESENTATIVE OF SIKA HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

This Warranty is Effective From _____ through _____

Manufacturer:

Sika Corporation

By: _____

Authorized Representative of Sika Corporation

Date

Contractor:

By: _____

Authorized Representative of _____

Date

Exhibit - WC Mod Ratings

WORKERS COMPENSATION EXPERIENCE RATING



Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

State	Wt	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
AL	.51	3,567	5,248	1,681	0	255,225	0	0
AZ	.58	2,687	4,191	1,504	0	247,500	0	0
AR	.56	0	0	0	0	252,200	0	0
CO	.43	11,032	18,896	7,864	0	247,000	0	0
CT	.50	1,488	2,067	579	0	261,300	0	0
FL	.52	40,806	61,856	21,050	0	254,775	848	848
GA	.49	67,514	97,913	30,399	61,387	260,850	98,387	37,000
IL	.44	90,567	125,126	34,559	0	275,250	601	601
IN	.57	3,590	5,512	1,922	0	246,400	0	0
IA	.50	2,255	3,071	816	0	255,450	0	0
KS	.55	528	839	311	0	249,900	0	0
KY	.56	6,416	10,752	4,336	0	249,750	1,715	1,715
LA	.40	1,695	2,145	450	0	281,250	0	0
ME	.62	288	492	204	0	243,200	0	0
MD	.51	3,781	5,507	1,726	0	255,000	0	0
MA	.38	192,807	232,690	39,883	432,406	260,000	461,805	29,399
MN	.56	2,081	3,150	1,069	0	252,200	0	0
MS	.51	33	49	16	0	259,000	0	0
MO	.48	699,547	1,118,015	418,468	56,377	264,250	192,991	136,614
MT	.54	0	0	0	0	254,400	0	0
NE	.52	60	88	28	0	258,300	0	0
NV	.57	25,757	41,370	15,613	18,429	249,375	38,833	20,404
NH	.54	1,015	1,459	444	0	250,800	0	0
NM	.51	10,750	14,740	3,990	81,194	258,000	99,694	18,500
NC	.52	128,230	199,613	71,383	46,254	256,200	145,554	99,300
OK	.52	237	376	139	0	254,100	0	0
OR	.44	3,970	7,314	3,344	0	247,950	0	0
RI	.54	792	1,182	390	0	253,800	0	0
SC	.47	67,224	99,466	32,242	60,967	267,750	79,719	18,752
TN	.57	28,514	52,143	23,629	8,218	248,875	27,220	19,002
TX	.55	67,386	122,399	55,013	24,015	249,900	45,139	21,124
UT	.62	5,625	9,855	4,230	0	240,625	0	0
VA	.52	1,936	2,708	772	0	256,300	0	0
WV	.58	143	250	107	0	245,100	0	0
WI	.55	2,878	4,236	1,358	0	252,350	13,955	13,955
HI	.44	1,703	2,240	537	0	268,250	0	0

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WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

(A) Wt	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses
.48		1,476,848	2,256,866	780,018	758,538	261,451	1,151,818	393,280

	Primary Losses		Stabilizing Value		Ratable Excess		Totals
Actual	(I)	393,280	$C * (1 - A) + G$ 1,029,412		$(A) * (F)$ 364,098		(J) 1,786,790
Expected	(E)	780,018	$C * (1 - A) + G$ 1,029,412		$(A) * (C)$ 708,887		(K) 2,518,317
	ARAP		FLARAP		SARAP		Exp Mod
Factors	1.00		1.00		1.11		(J) / (K) .71

REVISED RATING

NOTICE - THIS EXPERIENCE MODIFICATION IS CALCULATED TO REFLECT THE WEIGHTED FORMULA IN COMPLIANCE WITH MAINE LAW H.P. 1397. RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.

THE ARAP FACTOR SHOWN IS FOR THOSE STATES CONTAINED ON THIS RATING THAT HAVE APPROVED THE ARAP PROGRAM AND IS CALCULATED BASED ON THE STATE WITH THE HIGHEST APPROVED MAXIMUM ARAP SURCHARGE. THE MAXIMUM ARAP SURCHARGE MAY VARY BY STATE. PLEASE REFER TO EACH STATE'S APPROVED RULES FOR THE APPLICABLE MAXIMUM ARAP SURCHARGE.

THE TENNESSEE CODE ANNOTATED SECTION 50-6-501 REQUIRES EVERY PUBLIC OR PRIVATE EMPLOYER THAT IS SUBJECT TO THE WORKERS COMPENSATION STATUTE TO "ESTABLISH AND ADMINISTER A SAFETY COMMITTEE IN ACCORDANCE WITH RULES ADOPTED PURSUANT TO T.C.A. SECTION 50-6-502 IF THE EMPLOYER HAS AN EXPERIENCE MODIFICATION RATE EQUAL TO OR GREATER THAN 1.2."

ONE OR MORE CLAIM AMOUNTS HAVE BEEN REDUCED DUE TO EMPLOYER REIMBURSEMENTS AS PART OF A NET DEDUCTIBLE, EMPLOYER-PAID MEDICAL OR COMPENSATION REIMBURSEMENT PROGRAM IN THE FOLLOWING JURISDICTIONS: CO, GA, MO NEW YORK WILL NO LONGER PARTICIPATE IN INTERSTATE EXPERIENCE RATING EFFECTIVE 10/01/2022. EXPERIENCE RATING MODIFICATIONS WITH AN EFFECTIVE DATE OF 10/01/2022 AND LATER WILL EXCLUDE NEW YORK EXPERIENCE.

REVISED RATING TO INCLUDE UPDATED DATA FOR: MS, NE, POL. #: RWD943531910, EFF.: 07/01/2021



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

01-ALABAMA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
4410	1.18	.37	147,363	1,739	643					
8742	.13	.30	616,174	801	240					
8810	.07	.37	56,990	40	15					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				820,527	Subject Premium:	6,327			Total Act Inc Losses:	0

01-ALABAMA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8720	.95	.27	74,015	703	190					
8742	.13	.30	493,821	642	193					
8810	.07	.37	57,288	40	15					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total: 625,124				Subject Premium: 3,044		Total Act Inc Losses: 0				

01-ALABAMA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.13	.30	986,589	1,283	385					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total:				986,589	Subject Premium:	3,151			Total Act Inc Losses:	0

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* Total by Policy Year of all cases \$2000 or less.

D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

02-ARIZONA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.24	.35	121,955	293	103					
8742	.07	.36	1,192,674	835	301					
8810	.04	.46	66,999	27	12					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				1,381,628	Subject Premium: 4,753	Total Act Inc Losses: 0				

02-ARIZONA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.24	.35	183,181	440	154					
8742	.07	.36	1,371,415	960	346					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				1,554,596	Subject Premium: 5,133	Total Act Inc Losses: 0				

02-ARIZONA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.24	.35	187,597	450	158					
8742	.07	.36	1,651,821	1,156	416					
8810	.04	.46	75,829	30	14					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				1,915,247	Subject Premium: 5,840	Total Act Inc Losses: 0				

03-ARKANSAS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
1111			NO EXPOSURE DEVELO	0	0					
Policy Total:				0	Subject Premium: 0	Total Act Inc Losses: 0				

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKI CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

05-COLORADO Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
4410	.99	.47	152,611	1,511	710					
7380	1.75	.40	164,990	2,887	1,155					
8742	.08	.40	1,527,879	1,222	489					
8810	.04	.47	150,282	60	28					
9812	EMPLOYERS LIABILITY			0	0					
Policy Total:				1,995,762	Subject Premium:	13,575			Total Act Inc Losses:	0

05-COLORADO Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4410	.99	.47	155,425	1,539	723						
7380	1.75	.40	157,915	2,764	1,106						
8742	.08	.40	1,873,644	1,499	600						
8810	.04	.47	153,552	61	29						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				2,340,536	Subject Premium:	13,287				Total Act Inc Losses:	0

05-COLORADO Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
4410	.99	.47	136,397	1,350	635					
4828	.58	.36	61,700	358	129					
7380	1.75	.40	246,368	4,311	1,724					
8742	.08	.40	1,614,344	1,291	516					
8810	.04	.47	107,624	43	20					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total:			2,166,433	Subject Premium:	15,093	Total Act Inc Losses:			0	

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* Total by Policy Year of all cases \$2000 or less.

D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKI CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

06-CONNECTICUT Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.13	.28	444,030	577	162					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:			444,030	Subject Premium:	1,597	Total Act Inc Losses:			0	

06-CONNECTICUT Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.13	.28	579,703	754	211					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:			579,703	Subject Premium:	1,832	Total Act Inc Losses:			0	

06-CONNECTICUT Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.13	.28	566,370	736	206					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:			566,370	Subject Premium:	1,796	Total Act Inc Losses:			0	

09-FLORIDA Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
4036	1.02	.34	183,837	1,875	638					
7380	2.21	.34	82,255	1,818	618					
8720	.63	.31	215,993	1,361	422					
8742	.13	.34	5,098,297	6,628	2,254					
8810	.07	.40	398,169	279	112					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:			5,978,551	Subject Premium:	35,364	Total Act Inc Losses:			0	

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* Total by Policy Year of all cases \$2000 or less.

D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

09-FLORIDA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
4036	1.02	.34	623,229	6,357	2,161					
7380	2.21	.34	86,651	1,915	651					
8720	.63	.31	230,608	1,453	450					
8742	.13	.34	5,199,795	6,760	2,298					
8810	.07	.40	1,134,186	794	318					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				7,274,469	Subject Premium:	46,039			Total Act Inc Losses:	0

09-FLORIDA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	22138744	06	F	848	848
4036	1.02	.34	831,994	8,486	2,885					
4410	1.35	.40	178,306	2,407	963					
7380	2.21	.34	159,554	3,526	1,199					
8232	2.08	.34	292,852	6,091	2,071					
8720	.63	.31	673,272	4,242	1,315					
8742	.13	.34	5,777,459	7,511	2,554					
8810	.07	.40	504,804	353	141					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total:				8,418,241	Subject Premium:	81,559	Total Act Inc Losses:			848

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

10-GEORGIA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531908

Eff Date: 07/01/2019

Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4036	1.13	.30	399,994	4,520	1,356						
4558	.80	.34	1,560,512	12,484	4,245						
4828	.78	.27	48,247	376	102						
7380	2.30	.30	234,308	5,389	1,617						
8720	.44	.27	125,973	554	150						
8742	.10	.30	3,512,454	3,512	1,054						
8810	.05	.37	877,560	439	162						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				6,759,048	Subject Premium:	68,253				Total Act Inc Losses:	0

10-GEORGIA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	21117444	09	O	73,918	18,500
4036	1.13	.30	1,194,455	13,497	4,049					
4558	.80	.34	666,305	5,330	1,812					
7380	2.30	.30	292,455	6,726	2,018					
8720	.44	.27	127,809	562	152					
8742	.10	.30	3,511,692	3,512	1,054					
8810	.05	.37	730,275	365	135					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				6,522,991	Subject Premium:	78,942	Total Act Inc Losses:			73,918

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

10-GEORGIA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	22115346	05	O	24,469	18,500
4036	1.13	.30	1,465,292	16,558	4,967					
4410	1.35	.37	340,590	4,598	1,701					
4828	.78	.27	39,079	305	82					
7380	2.30	.30	267,525	6,153	1,846					
8232	2.29	.30	354,206	8,111	2,433					
8720	.44	.27	220,282	969	262					
8742	.10	.30	3,718,025	3,718	1,115					
8810	.05	.37	469,993	235	87					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total: 6,874,992				Subject Premium: 101,972	Total Act Inc Losses: 24,469					

12-ILLINOIS

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531908

Eff Date: 07/01/2019

Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0	NO. 2	06	*	524	524	
4558	1.43	.29	2,257,404	32,281	9,361						
8720	.71	.20	304,828	2,164	433						
8742	.14	.24	3,418,979	4,787	1,149						
8810	.06	.31	2,035,347	1,221	379						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				8,016,558	Subject Premium:	62,346				Total Act Inc Losses:	524

12-ILLINOIS

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	20207558	06	F	77	77
4558	1.43	.29	2,047,213	29,275	8,490					
8720	.71	.20	239,865	1,703	341					
8742	.14	.24	3,537,249	4,952	1,188					
8810	.06	.31	1,914,970	1,149	356					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:			7,739,297	Subject Premium:	55,576	Total Act Inc Losses:			77	

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKI CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

12-ILLINOIS

Firm ID:

Firm Name: SIKI CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4558	1.43	.29	2,065,343	29,534	8,565						
4828	.97	.20	100,968	979	196						
8232	3.07	.24	318,499	9,778	2,347						
8720	.71	.20	253,009	1,796	359						
8742	.14	.24	3,187,086	4,462	1,071						
8810	.06	.31	1,741,311	1,045	324						
9816	DESCRIPTION: EMPLO			0	0						
Policy Total:				7,666,216	Subject Premium:	71,629				Total Act Inc Losses:	0

13-INDIANA

Firm ID:

Firm Name: SIKI CORP

Carrier: 10480

Policy No. RWD943531908

Eff Date: 07/01/2019

Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8720	.42	.33	198,259	833	275					
8742	.09	.36	1,184,176	1,066	384					
9812	EMPLOYERS LIABILITY			0	0					
Policy Total:				1,382,435	Subject Premium:	3,568			Total Act Inc Losses:	0

13-INDIANA

Firm ID:

Firm Name: SIKI CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8720	.42	.33	215,487	905	299					
8742	.09	.36	1,102,242	992	357					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				1,317,729	Subject Premium:	3,204	Total Act Inc Losses:			0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

13-INDIANA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.42	.33	87,947	369	122					
8742	.09	.36	1,497,172	1,347	485					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:			1,585,119	Subject Premium:	2,947	Total Act Inc Losses:			0	

14-IOWA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.55	.25	86,224	474	119					
8742	.21	.28	277,818	583	163					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:			364,042	Subject Premium:	2,494	Total Act Inc Losses:			0	

14-IOWA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.55	.25	87,808	483	121					
8742	.21	.28	209,926	441	123					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:			297,734	Subject Premium:	2,215	Total Act Inc Losses:			0	

14-IOWA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.55	.25	93,165	512	128					
8742	.21	.28	275,234	578	162					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:			368,399	Subject Premium:	2,576	Total Act Inc Losses:			0	

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

15-KANSAS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.10	.37	218,783	219	81					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				218,783	Subject Premium: 671	Total Act Inc Losses:				0

15-KANSAS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.10	.37	302,364	302	112					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				302,364	Subject Premium: 770	Total Act Inc Losses:				0

15-KANSAS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.10	.37	318,386	318	118					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				318,386	Subject Premium: 797	Total Act Inc Losses:				0

16-KENTUCKY Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
8742	.11	.33	258,075	284	94					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				258,075	Subject Premium: 652	Total Act Inc Losses:				0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

16-KENTUCKY Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
8742	.11	.33	138,615	152	50					
9812	EMPLOYERS LIABILITY			0	0					
Policy Total: 138,615				Subject Premium: 337		Total Act Inc Losses: 0				

16-KENTUCKY Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
4410	.88	.41	1,111,793	9,784	4,011	NO. 2	06	*	1,715	1,715	
8742	.11	.33	433,067	476	157						
8810	.06	.42	93,061	56	24						
9816	DESCRIPTION: EMPLO			0	0						
Policy Total:				1,637,921	Subject Premium:	17,468				Total Act Inc Losses:	1,715

17-LOUISIANA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
8742	.21	.21	441,311	927	195						
9812	EMPLOYERS LIABILITY			0	0						
Policy Total:				441,311	Subject Premium:	1,969				Total Act Inc Losses:	0

17-LOUISIANA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
8742	.21	.21	352,548	740	155						
9812	EMPLOYERS LIABILITY			0	0						
Policy Total:				352,548	Subject Premium:	1,573				Total Act Inc Losses:	0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

17-LOUISIANA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
8742	.21	.21	227,596	478	100					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total:				227,596	Subject Premium:	969	Total Act Inc Losses:			0

18-MAINE Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.10	.41	346,864	347	142					
8810	.06	.48	66,573	40	19					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total: 413,437				Subject Premium: 1,444	Total Act Inc Losses: 0					

18-MAINE Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.10	.41	105,001	105	43					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				105,001	Subject Premium:	Total Act Inc Losses:				0
					601					

18-MAINE Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
Policy Total:				0	Subject Premium: 0	Total Act Inc Losses: 0				

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

19-MARYLAND Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.40	.27	75,686	303	82					
8742	.12	.32	1,307,385	1,569	502					
8810	.04	.39	110,291	44	17					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				1,493,362	Subject Premium: 4,451	Total Act Inc Losses:				0

19-MARYLAND Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.40	.27	76,672	307	83					
8742	.12	.32	1,108,437	1,330	426					
8810	.04	.39	102,963	41	16					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				1,288,072	Subject Premium: 3,677	Total Act Inc Losses:				0

19-MARYLAND Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.40	.27	82,330	329	89					
8742	.12	.32	1,271,597	1,526	488					
8810	.04	.39	145,083	58	23					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				1,499,010	Subject Premium: 3,641	Total Act Inc Losses:				0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

20-MASSACHUSETTS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	20176762	05	F	380,709 #	7,500
4410	1.15	.18	412,306	4,742	854					
4459	1.06	.17	5,103,369	54,096	9,196					
8720	.33	.17	376,682	1,243	211					
8742	.04	.18	3,153,167	1,261	227					
8810	.02	.18	8,217,586	1,644	296					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				17,263,110	Subject Premium: 151,136	Total Act Inc Losses: 380,709				

20-MASSACHUSETTS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	21101403	05	F	1,160	1,160
4410	1.15	.18	391,814	4,506	811	20207693	05	F	56,022	7,500
4459	1.06	.17	4,906,583	52,010	8,842	NO. 2	06	*	366	366
8720	.33	.17	368,235	1,215	207					
8742	.04	.18	4,038,737	1,615	291					
8810	.02	.18	7,901,332	1,580	284					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				17,606,701	Subject Premium: 142,749	Total Act Inc Losses: 57,548				

20-MASSACHUSETTS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	22131245	05	F	944	944
4410	1.15	.18	1,246,364	14,333	2,580	22131206	05	F	2,224	2,224
4452	1.26	.17	7,124,741	89,772	15,261	22123344	05	F	18,175	7,500
8720	.33	.17	534,563	1,764	300	NO. 4	06	*	2,205	2,205
8742	.04	.18	3,754,363	1,502	270					
8810	.02	.18	7,037,237	1,407	253					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				19,697,268	Subject Premium: 216,721	Total Act Inc Losses: 23,548				

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

22-MINNESOTA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.09	.34	906,345	816	277					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				906,345	Subject Premium: 2,724	Total Act Inc Losses:				0

22-MINNESOTA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.09	.34	1,180,707	1,063	361					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				1,180,707	Subject Premium: 3,115	Total Act Inc Losses:				0

22-MINNESOTA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8720	.35	.30	13,156	46	14					
8742	.09	.34	1,361,588	1,225	417					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				1,374,744	Subject Premium: 3,676	Total Act Inc Losses:				0

23-MISSISSIPPI Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.13	.32	37,459	49	16					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				37,459	Subject Premium: 345	Total Act Inc Losses:				0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

24-MISSOURI Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4410	2.27	.38	12,573,983	285,429	108,463						
4459	1.45	.30	1,707,163	24,754	7,426						
8720	.61	.27	88,062	537	145						
8742	.15	.30	762,389	1,144	343						
8810	.08	.38	6,807,698	5,446	2,069						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				21,939,295	Subject Premium:	465,320				Total Act Inc Losses:	0

24-MISSOURI Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	20236058	05	O	38,235	18,500
4410	2.27	.38	13,474,089	305,862	116,228	21153810	09	O	16,825	16,825
4459	1.45	.30	2,795,335	40,532	12,160	21110798	09	O	26,739	18,500
8232	3.39	.30	226,224	7,669	2,301	21153807	09	O	29,958	18,500
8720	.61	.27	88,934	542	146	21110611	09	O	34,768	18,500
8742	.15	.30	952,571	1,429	429					
8810	.08	.38	6,468,116	5,174	1,966					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				24,005,269	Subject Premium:	544,439	Total Act Inc Losses:			146,525

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

24-MISSOURI Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	22138843	05	O	13,886	13,886
4410	2.27	.38	12,359,016	280,550	106,609	22138890	09	O	13,403	13,403
4452	1.67	.34	56,072	936	318	22123283	09	O	19,177	18,500
4484	1.87	.38	8,203,349	153,403	58,293					
8720	.61	.27	90,935	555	150					
8742	.15	.30	985,946	1,479	444					
8810	.08	.38	3,218,109	2,574	978					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				24,913,427	Subject Premium: 690,086	Total Act Inc Losses:				46,466

25-MONTANA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
1111			NO EXPOSURE DEVELO	0	0					
Policy Total:				0	Subject Premium: 0	Total Act Inc Losses:				0

26-NEBRASKA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.16	.32	42,511	68	22					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				42,511	Subject Premium: 392	Total Act Inc Losses:				0

26-NEBRASKA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
1111			NO EXPOSURE DEVELO	0	0					
Policy Total:				0	Subject Premium: 0	Total Act Inc Losses:				0

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Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

26-NEBRASKA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.16	.32	12,256	20	6					
Policy Total:			12,256	Subject Premium:	284	Total Act Inc Losses:			0	

27-NEVADA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
4484	1.44	.38	689,538	9,929	3,773					
8742	.29	.32	108,000	313	100					
8810	.13	.38	121,567	158	60					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				919,105	Subject Premium:	20,498			Total Act Inc Losses:	0

27-NEVADA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	21110688	09	F	36,929	18,500
4484	1.44	.38	652,155	9,391	3,569					
8742	.29	.32	144,000	418	134					
8810	.13	.38	108,000	140	53					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				904,155	Subject Premium:	20,112	Total Act Inc Losses:			36,929

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

27-NEVADA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	NO. 2	06	*	1,904	1,904
4410	1.62	.38	1,221,828	19,794	7,522					
8232	2.33	.32	28,285	659	211					
8742	.29	.32	144,000	418	134					
8810	.13	.38	115,603	150	57					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				1,509,716	Subject Premium: 37,009	Total Act Inc Losses:				1,904

28-NEW HAMPSHIRE

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531908

Eff Date: 07/01/2019

Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
8720	.58	.30	82,044	476	143					
8742	.11	.31	131,525	145	45					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				213,569	Subject Premium: 1,238	Total Act Inc Losses:				0

28-NEW HAMPSHIRE

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
8720	.58	.30	83,555	485	146					
8742	.11	.31	128,537	141	44					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				212,092	Subject Premium: 1,077	Total Act Inc Losses:				0

28-NEW HAMPSHIRE

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
8742	.11	.31	192,724	212	66					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				192,724	Subject Premium: 429	Total Act Inc Losses:				0

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D Disease Loss

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C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

30-NEW MEXICO Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
4036	1.03	.27	162,373	1,672	451					
8742	.20	.27	257,978	516	139					
8810	.11	.34	17,533	19	6					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				437,884	Subject Premium: 3,977	Total Act Inc Losses:				0

30-NEW MEXICO Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
4036	1.03	.27	559,982	5,768	1,557					
8742	.20	.27	398,058	796	215					
8810	.11	.34	66,195	73	25					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				1,024,235	Subject Premium: 10,475	Total Act Inc Losses:				0

30-NEW MEXICO Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	21193076	09	O	99,694	18,500
4036	1.03	.27	489,840	5,045	1,362					
8742	.20	.27	392,243	784	212					
8810	.11	.34	60,645	67	23					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				942,728	Subject Premium: 9,270	Total Act Inc Losses:				99,694

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* Total by Policy Year of all cases \$2000 or less.

D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKI CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

32-NORTH CAROLINA Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	20176869	05	F	4,919	4,919
4410	1.01	.36	5,464,474	55,191	19,869	NO. 2	06	*	836	836
8720	.34	.25	155,789	530	133	19320385	06	F	2,008	2,008
8742	.09	.29	1,600,771	1,441	418	20185987	09	F	10,270	10,270
8810	.04	.36	2,015,104	806	290	19375997	09	F	20,139	18,500
9812			EMPLOYERS LIABILITY	0	0	20101235	09	F	33,616	18,500
Policy Total:			9,236,138	Subject Premium:	119,153	Total Act Inc Losses:			71,788	

32-NORTH CAROLINA Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	NO. 3	06	*	1,918	1,918
4410	1.01	.36	5,856,489	59,151	21,294					
8720	.34	.25	157,867	537	134					
8742	.09	.29	1,297,072	1,167	338					
8810	.04	.36	1,557,678	623	224					
9812			EMPLOYERS LIABILITY	0	0					
Policy Total:			8,869,106	Subject Premium:	112,798	Total Act Inc Losses:			1,918	

32-NORTH CAROLINA Firm ID: Firm Name: SIKI CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	22108772	06	F	2,229	2,229
4410	1.01	.36	7,648,320	77,248	27,809	NO. 7	06	*	4,800	4,800
8720	.34	.25	161,943	551	138	21171035	09	F	5,019	5,019
8742	.09	.29	1,857,880	1,672	485	21190522	09	O	11,801	11,801
8810	.04	.36	1,739,094	696	251	21193009	09	O	47,999	18,500
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:			11,407,237	Subject Premium:	136,590	Total Act Inc Losses:			71,848	

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

35-OKLAHOMA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.15	.37	37,484	56	21					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				37,484	Subject Premium: 364	Total Act Inc Losses:				0

35-OKLAHOMA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.15	.37	99,310	149	55					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				99,310	Subject Premium: 593	Total Act Inc Losses:				0

35-OKLAHOMA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.15	.37	113,838	171	63					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total:				113,838	Subject Premium: 597	Total Act Inc Losses:				0

36-OREGON Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8232	1.86	.46	58,252	1,083	498					
8720	.44	.40	213,825	941	376					
8742	.10	.46	469,944	470	216					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				742,021	Subject Premium: 5,072	Total Act Inc Losses:				0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

36-OREGON Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8232	1.86	.46	84,169	1,566	720					
8720	.44	.40	153,267	674	270					
8742	.10	.46	472,548	473	218					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total: 709,984				Subject Premium: 5,084		Total Act Inc Losses: 0				

36-OREGON Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
4410	1.50	.54	80,920	1,214	656					
8720	.44	.40	77,978	343	137					
8742	.10	.46	550,386	550	253					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total: 709,284				Subject Premium: 3,605		Total Act Inc Losses: 0				

38-RHODE ISLAND Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.17	.33	305,853	520	172					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				305,853	Subject Premium:	1,240			Total Act Inc Losses:	0

38-RHODE ISLAND Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.17	.33	181,591	309	102					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				181,591	Subject Premium:	837	Total Act Inc Losses:			0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

38-RHODE ISLAND Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.17	.33	207,794	353	116					
9816	DESCRIPTION: EMPLO			0	0					
Policy Total:				207,794	Subject Premium:	817			Total Act Inc Losses:	0

39-SOUTH CAROLINA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	20193762	06	F	252	252
4484	1.46	.33	1,727,382	25,220	8,323	20117995	09	F	79,467	18,500
8742	.20	.27	1,036,415	2,073	560					
8810	.10	.33	282,071	282	93					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				3,045,868	Subject Premium:	52,141	Total Act Inc Losses:			79,719

39-SOUTH CAROLINA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4484	1.46	.33	1,840,222	26,867	8,866						
8742	.20	.27	1,375,006	2,750	743						
8810	.10	.33	278,901	279	92						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				3,494,129	Subject Premium:	51,338				Total Act Inc Losses:	0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

39-SOUTH CAROLINA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4410	1.59	.33	2,326,039	36,984	12,205						
7380	2.83	.27	64,165	1,816	490						
8742	.20	.27	1,536,948	3,074	830						
8810	.10	.33	120,728	121	40						
9816	DESCRIPTION: EMPLO			0	0						
Policy Total:				4,047,880	Subject Premium:	63,302				Total Act Inc Losses:	0

41-TENNESSEE Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0						
4410	.80	.46	999,711	7,998	3,679						
8720	.32	.32	73,156	234	75						
8742	.10	.38	911,713	912	347						
8810	.05	.46	532,320	266	122						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				2,516,900	Subject Premium:	22,943				Total Act Inc Losses:	0

41-TENNESSEE Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
0930	WAIVER OF SUBROGAT			0	0	21125803	06	F	197	197	
4410	.80	.46	2,093,570	16,749	7,705						
8742	.10	.38	1,072,247	1,072	407						
8810	.05	.46	491,698	246	113						
9812	EMPLOYERS LIABILIT			0	0						
Policy Total:				3,657,515	Subject Premium:	40,557				Total Act Inc Losses:	197

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

41-TENNESSEE Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0	22138821	06	F	305	305
4410	.80	.46	2,838,595	22,709	10,446	21171053	09	O	26,718	18,500
7380	1.60	.38	10,229	164	62					
8720	.32	.32	75,778	242	77					
8742	.10	.38	1,467,740	1,468	558					
8810	.05	.46	166,126	83	38					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:			4,558,468	Subject Premium:	49,598	Total Act Inc Losses:			27,023	

42-TEXAS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
4036	.39	.40	304,656	1,188	475	20176732	06	F	1,952	1,952
4410	.84	.48	2,771,746	23,283	11,176					
7380	1.03	.41	272,375	2,805	1,150					
8234	1.35	.41	73,072	986	404					
8742	.06	.41	10,115,323	6,069	2,488					
8809	.04	.41	62,400	25	10					
8810	.03	.48	2,606,368	782	375					
Policy Total:			16,205,940	Subject Premium:	95,149	Total Act Inc Losses:			1,952	

42-TEXAS Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
4036	.39	.40	1,100,173	4,291	1,716	21110690	06	F	125	125
4410	.84	.48	1,959,137	16,457	7,899					
4558	.39	.44	740,176	2,887	1,270					
7380	1.03	.41	290,581	2,993	1,227					
8234	1.35	.41	263,546	3,558	1,459					
8742	.06	.41	8,835,096	5,301	2,173					
8810	.03	.48	3,899,028	1,170	562					
Policy Total:			17,087,737	Subject Premium:	85,098	Total Act Inc Losses:			125	

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

42-TEXAS

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
4036	.39	.40	1,224,223	4,774	1,910	21193015	04	O	42,515	18,500
4410	.84	.48	3,250,067	27,301	13,104	22138806	06	F	547	547
4452	.73	.44	60,786	444	195					
4828	.13	.35	528,055	686	240					
7380	1.03	.41	426,888	4,397	1,803					
8234	1.35	.41	439,154	5,929	2,431					
8720	.06	.35	567,508	341	119					
8742	.06	.41	9,581,995	5,749	2,357					
8809	.04	.41	62,400	25	10					
8810	.03	.48	3,193,450	958	460					
Policy Total:			19,334,526	Subject Premium:	114,494	Total Act Inc Losses:			43,062	

43-UTAH

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531908

Eff Date: 07/01/2019

Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8232	1.00	.43	167,934	1,679	722					
8720	.22	.39	333,640	734	286					
8742	.07	.43	1,223,107	856	368					
8810	.03	.50	224,318	67	34					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				1,948,999	Subject Premium:	9,008			Total Act Inc Losses:	0

43-UTAH

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8232	1.00	.43	224,678	2,247	966					
8720	.22	.39	337,335	742	289					
8742	.07	.43	1,082,183	758	326					
8810	.03	.50	223,014	67	34					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:				1,867,210	Subject Premium:	8,706			Total Act Inc Losses:	0

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* Total by Policy Year of all cases \$2000 or less.

D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

43-UTAH

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531910

Eff Date: 07/01/2021

Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
4452	.53	.50	180,112	955	478					
8720	.22	.39	347,374	764	298					
8742	.07	.43	1,303,470	912	392					
8810	.03	.50	245,196	74	37					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				2,076,152	Subject Premium: 6,408	Total Act Inc Losses:				0

45-VIRGINIA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531908

Eff Date: 07/01/2019

Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.07	.27	952,453	667	180					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				952,453	Subject Premium: 2,176	Total Act Inc Losses:				0

45-VIRGINIA

Firm ID:

Firm Name: SIKA CORP

Carrier: 10480

Policy No. RWD943531909

Eff Date: 07/01/2020

Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.07	.27	897,843	628	170					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				897,843	Subject Premium: 1,703	Total Act Inc Losses:				0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

45-VIRGINIA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
4410	1.06	.34	55,620	590	201					
8720	.36	.25	19,687	71	18					
8742	.07	.27	1,074,834	752	203					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				1,150,141	Subject Premium: 2,826	Total Act Inc Losses:				0

47-WEST VIRGINIA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.09	.43	90,955	82	35					
9812			EMPLOYERS LIABILITY	0	0					
Policy Total:				90,955	Subject Premium: 398	Total Act Inc Losses:				0

47-WEST VIRGINIA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.09	.43	91,086	82	35					
9812			EMPLOYERS LIABILITY	0	0					
Policy Total:				91,086	Subject Premium: 398	Total Act Inc Losses:				0

47-WEST VIRGINIA Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.09	.43	95,354	86	37					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				95,354	Subject Premium: 395	Total Act Inc Losses:				0

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

48-WISCONSIN Firm ID: Firm Name: SIKA CORP

Carrier: 27944 Policy No. RWR943532008 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
8742	.16	.32	917,778	1,468	470					
9812	EMPLOYERS LIABILIT			0	0					
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:				917,778	Subject Premium: 4,707	Total Act Inc Losses:				0

48-WISCONSIN Firm ID: Firm Name: SIKA CORP

Carrier: 27944 Policy No. RWR943532009 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	21190461	06	F	13,611	13,611
8742	.16	.32	876,186	1,402	449					
8810	.08	.35	3,796	3	1					
9812	EMPLOYERS LIABILIT			0	0					
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:				879,982	Subject Premium: 4,149	Total Act Inc Losses:				13,611

48-WISCONSIN Firm ID: Firm Name: SIKA CORP

Carrier: 27944 Policy No. RWR943532010 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0	21193052	06	F	344	344
8742	.16	.32	815,110	1,304	417					
8810	.08	.35	73,957	59	21					
9816	DESCRIPTION: EMPLO			0	0					
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:				889,067	Subject Premium: 4,171	Total Act Inc Losses:				344

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D Disease Loss

X Ex-Medical Coverage

U USL&HW

C Catastrophic Loss

E Employers Liability Loss

Limited Loss



WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: SIKA CORP

Risk ID: 910234064

Rating Effective Date: 07/01/2023

Production Date: 05/23/2023

State: INTERSTATE

52-HAWAII Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531908 Eff Date: 07/01/2019 Exp Date: 07/01/2020

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.38	.24	172,059	654	157					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				172,059	Subject Premium: 1,206	Total Act Inc Losses:				0

52-HAWAII Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531909 Eff Date: 07/01/2020 Exp Date: 07/01/2021

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.38	.24	207,725	789	189					
9812			EMPLOYERS LIABILIT	0	0					
Policy Total:				207,725	Subject Premium: 1,426	Total Act Inc Losses:				0

52-HAWAII Firm ID: Firm Name: SIKA CORP

Carrier: 10480 Policy No. RWD943531910 Eff Date: 07/01/2021 Exp Date: 07/01/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930			WAIVER OF SUBROGAT	0	0					
8742	.38	.24	209,668	797	191					
9816			DESCRIPTION: EMPLO	0	0					
Policy Total:				209,668	Subject Premium: 1,543	Total Act Inc Losses:				0

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Limited Loss