











MATERIAL TOPIC BOUNDARIES 2023

GRI 3-1

GRI 3-2

The Materiality Analysis conducted between 2021/2022, and approved by the BoD in May 2022, allowed the selection of 29 out of more than 100 potential material topics. Compared to the previous assessment conducted in 2018, the following topics were added: Climate Change; Public Policy; Tax Strategy; Responsible Procurement; Responsible Marketing; Compliance; IT Landscape; Risk and Crisis Management; Stakeholder Engagement; Digitalization; Innovation Management, while others were removed: Emerging Markets; Transport and Logistics; Equal Remuneration; Employee and Management Relations; Employee Fluctuation. All the others not mentioned above were integrated in the definitions of current material topics. The table “Material topic boundaries” presents the Sika ESGE material topics, the related sub-topics, their boundaries, and where information on the management approach can be found in the Annual Report 2023. The concept of “topic boundary” is based on the expectation that organizations have a responsibility not only for impacts they cause directly, but also for impacts they contribute to or that are directly linked to them through their business relationships. These concepts are covered in the UN “Guiding Principles on Business and Human Rights” and the OECD Guidelines for multinational enterprises¹. In the column “Topic boundary”, Sika lists those stakeholders who are directly impacted by the way the company manages its material topics.

ENVIRONMENTAL DIMENSION

| Material topic | Sub-topics ² | Topic boundary | Management approach ³ |
|--------------------------------|---|---|----------------------------------|
| | |        | |
| Biodiversity and Nature | <ul style="list-style-type: none"> – Site planning to limit land use and impact on nature – Assessment of impact on nature and biodiversity – Protection of animals in risk of extinction – Re-naturalization – Financial risks due to nature loss – Transition risks and stranded assets |    | p.101 |

○ **Group:** Board of Directors, Group Management, employees, operating assets, Group entities.

□ **Suppliers**


△ **Customers:** from the industry, automotive, and construction sector.

▭ **Business Partners:** academia, sponsorship partners.

◇ **Financial Community:** investors, financial analysts.

◇ **Regulators**

▽ **Communities**

¹  **OECD Guidelines for multinational enterprises**

² For sub-topics definition, please consult the  **Sika Materiality Analysis 2022** available on the corporate website.

³ Page number(s) refer to the Sika Annual Report 2023.

| Material topic | Sub-topics ¹ | Topic boundary | | | | | | | Management approach ² |
|--------------------------|--|----------------|---|---|---|---|---|---|--|
| | | ○ | □ | △ | ▭ | ⬡ | ◇ | ▽ | |
| Water Management | <ul style="list-style-type: none"> – Water consumption – Wastewater and wastewater disposal – Water discharge – Water stress/scarcity – Release of plastic in the waterways – Water quality – Water-related risks | ■ | | | | | | | p.92-96 |
| Air Emissions | <ul style="list-style-type: none"> – NO_x, SO_x, dust, and VOC | | | | | | | | p.103 |
| Waste Management | <ul style="list-style-type: none"> – Waste prevention and reduction – Hazardous and non-hazardous waste and its disposal | ■ | ■ | | ■ | | | | p.97-98 |
| Product Portfolio | <ul style="list-style-type: none"> – Production processes efficiency – Product information/documentation – Product performance/certification – Product safety – Ease of application/use – Product sustainability – Strategy to manage chemicals of concern and their impact on customers – Compliance with chemical regulations – Sustainable construction and transportation – Product packaging – Product pricing | ■ | ■ | ■ | ■ | | ■ | | p.116-118 |
| Energy Management | <ul style="list-style-type: none"> – Energy consumption from non-renewable sources – Energy consumption from renewable sources – Energy efficiency – Certificates purchase policy (move towards carbon removal) | ■ | ■ | | ■ | | | | p.89-91 |
| Climate Change | <ul style="list-style-type: none"> – Climate strategy and targets – Reduction of GHG emissions – Climate governance – Climate-related risks and opportunities – Carbon storage solutions – Low-carbon solutions – Internal carbon pricing | ■ | ■ | ■ | ■ | | | ■ | p. 22-23, 26, 30, 85-91, 115 TCFD Report 2023 |

○ **Group:** Board of Directors, Group Management, employees, operating assets, Group entities.

□ **Suppliers**

△ **Customers:** from the industry, automotive, and construction sector.

▭ **Business Partners:** academia, sponsorship partners.

⬡ **Financial Community:** investors, financial analysts.

◇ **Regulators**

▽ **Communities**

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

² Page number(s) refer to the Sika Annual Report 2023.

SOCIAL DIMENSION

| Material topic | Sub-topics ¹ | Topic boundary | | | | | | | Management approach ² |
|--|---|----------------|---|---|---|---|---|---|--|
| | | ○ | □ | △ | ▭ | ⬡ | ◇ | ▽ | |
| Community Relations | <ul style="list-style-type: none"> – Community engagement – Volunteerism – Community relations | ■ | | | ■ | | | | p.75-77 |
| Stakeholder Engagement | <ul style="list-style-type: none"> – Stakeholder engagement – Public affairs and lobbying | ■ | ■ | ■ | ■ | ■ | ■ | ■ | p.47, 78 ▶ Sika Materiality Analysis 2022 ▶ Stakeholder Engagement Activities 2023 |
| Labor Management | <ul style="list-style-type: none"> – Labor management | ■ | | | ■ | | | | p.64-68 |
| Human Rights | <ul style="list-style-type: none"> – Human rights due diligence in the whole value chain – Training on human rights policies – Freedom of association – Child labor | ■ | ■ | ■ | ■ | | | | p.62-63, 127-133 |
| Diversity and Inclusion | <ul style="list-style-type: none"> – Equal treatment – Inclusion – Diversity – Gender pay gaps | ■ | | | | | | | p.69-71 |
| Human Capital Development | <ul style="list-style-type: none"> – Employee trainings – Digital skills – Feedback culture | ■ | | | | | | | p.72-74 |
| Talent Attraction and Retention | <ul style="list-style-type: none"> – Compensation and social benefits – Incentives programs – Employee turnover – Work-life balance | ■ | | | | | | | p.64-68, 72-74 |
| Health and Safety | <ul style="list-style-type: none"> – Occupational health and safety – Health risks – Safety measures and health programs – Contractors' health and safety | ■ | ■ | ■ | ■ | | ■ | | p.26, 53-58 |

- **Group:** Board of Directors, Group Management, employees, operating assets, Group entities.
- **Suppliers**
- △ **Customers:** from the industry, automotive, and construction sector.
- ▭ **Business Partners:** academia, sponsorship partners.
- ⬡ **Financial Community:** investors, financial analysts.
- ◇ **Regulators**
- ▽ **Communities**

¹ For sub-topics definition, please consult the ▶ **Sika Materiality Analysis 2022** available on the corporate website.

² Page number(s) refer to the Sika Annual Report 2023.

GOVERNANCE DIMENSION

| Material topic | Sub-topics ¹ | Topic boundary | | | | | | | Management approach ² |
|---|---|----------------|---|---|---|---|---|---|--|
| | | ○ | □ | △ | ▭ | ⬡ | ◇ | ▽ | |
| Public Policy | – Public policy | ■ | | | | | ■ | | p.78 |
| Tax Strategy | – Tax strategy – Good corporate citizenship – Tax risk | ■ | | | | | ■ | ■ | p.146 |
| Corporate Governance | – Board structure and diversity – Executive compensation – Sustainability governance and decision-making – Reputation risk – Investor ratings | ■ | | | | | ■ | ■ | p.29, 41–43, 49, 70 ▶ Corporate Governance Report 2023 |
| Responsible Procurement | – Conflict minerals – Due diligence and supplier assessment – Sustainable logistics – Packaging – Direct material sourcing | ■ | ■ | | ■ | | | | p.127-133 |
| Responsible Marketing | – Fact-based marketing communications – Product labeling | ■ | | ■ | | | | | p.123-124 |
| Customer Relationship Management | – Customer satisfaction measurement – Customer satisfaction management – Request and analysis of customer data | ■ | | ■ | | | | | p.125-126 |
| Compliance | – Compliance with industry regulations – Compliance with sustainability/ESG regulations – Customer compliance readiness | ■ | | ■ | | | ■ | ■ | p.25, 59–61, 147–151 |
| IT Landscape | – Cyber security risk and security measures – IT infrastructure and information security management system – Data protection and customer privacy | ■ | ■ | ■ | ■ | | | | p.134-141 |

○ **Group:** Board of Directors, Group Management, employees, operating assets, Group entities.

□ **Suppliers**

△ **Customers:** from the industry, automotive, and construction sector.

▭ **Business Partners:** academia, sponsorship partners.

⬡ **Financial Community:** investors, financial analysts.

◇ **Regulators**

▽ **Communities**

¹ For sub-topics definition, please consult the ▶ **Sika Materiality Analysis 2022** available on the corporate website.

² Page number(s) refer to the Sika Annual Report 2023.

| Material topic | Sub-topics ¹ | Topic boundary | Management approach ² |
|--------------------------------------|--|--|---|
| Risk and Crisis Management | <ul style="list-style-type: none"> – Process safety – Risk governance – Risks assessment and management | <div style="display: flex; justify-content: space-around; align-items: center;"> ○ □ △ ▭ ⬡ ◇ ▽ </div> | <p>p.22-30 TCFD Report 2023</p> |
| Business Ethics and Integrity | <ul style="list-style-type: none"> – Codes of Conduct – Anti-corruption – Anti-competitive practices – Integrity | | <p>p.59-61</p> |

○ **Group:** Board of Directors, Group Management, employees, operating assets, Group entities.

□ **Suppliers**

△ **Customers:** from the industry, automotive, and construction sector.

▭ **Business Partners:** academia, sponsorship partners.

⬡ **Financial Community:** investors, financial analysts.

◇ **Regulators**

▽ **Communities**

¹ For sub-topics definition, please consult the **Sika Materiality Analysis 2022** available on the corporate website.

² Page number(s) refer to the Sika Annual Report 2023.

ECONOMIC DIMENSION

| Material topic | Sub-topics ¹ | Topic boundary | | | | | | | Management approach ² |
|------------------------------|---|----------------|---|---|---|---|---|---|----------------------------------|
| | | ○ | □ | △ | ▭ | ⬡ | ◇ | ▽ | |
| Digitalization | <ul style="list-style-type: none"> - Automation - Artificial intelligence - 3-D constructions - Predictive maintenance - Virtual reality - Customer engagement via digital channels | ■ | | ■ | ■ | | | | p.134-141 |
| Economic Performance | <ul style="list-style-type: none"> - Financial results - Shareholder value - Business growth - Cash/Liquidity - Investments CapEX towards environmental topics | ■ | | | | ■ | | | p.142-145, 199-254 |
| Circular Economy | <ul style="list-style-type: none"> - Resource consumption - Recycled materials - Renewable and bio-based materials - End-of-life solutions and services - Urban mining - Eco-design of products | ■ | ■ | ■ | ■ | | | | p.99-100 |
| Innovation Management | <ul style="list-style-type: none"> - Innovating sustainable solutions - Innovation strategy - R&D projects and expenditures - Clean technology innovation - Innovative partnerships - Technology risk - Intellectual property - Business model innovation | ■ | ■ | ■ | ■ | | | | p.6, 27, 49, 111-115 |

○ **Group:** Board of Directors, Group Management, employees, operating assets, Group entities.

□ **Suppliers**

△ **Customers:** from the industry, automotive, and construction sector.

▭ **Business Partners:** academia, sponsorship partners.

⬡ **Financial Community:** investors, financial analysts.

◇ **Regulators**

▽ **Communities**

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

² Page number(s) refer to the Sika Annual Report 2023.