

Sika Business Year

# 2025

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**BUILDING TRUST**





# RISK MANAGEMENT

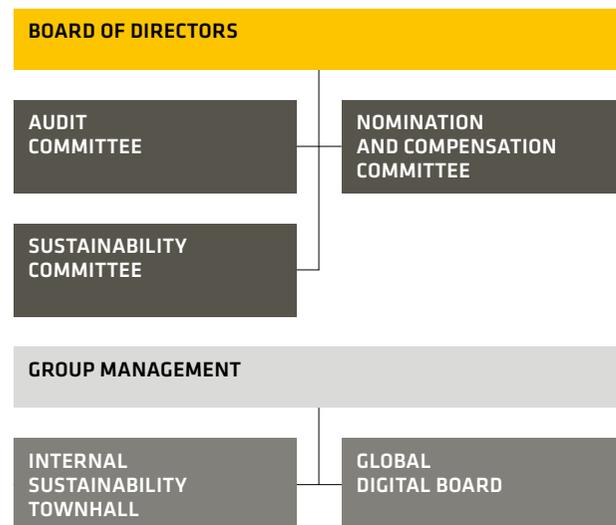
Sika has a comprehensive risk management system structured at Group level that covers all subsidiaries. This system facilitates the identification and pursuit of new opportunities that enhance the company's long-term value.

# RISK MANAGEMENT

Identifying, assessing, and managing risks through robust mitigation practices

As a global player in specialty chemicals, Sika is exposed to a variety of risks. To achieve the Group's objectives, safeguard its reputation, and protect the capital invested in Sika, Group Management regularly analyzes potential risks and incorporates them into the strategic decision-making process.

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 overseeing its risk management. Its duties include the annual reassessment of the risk profile at Group level, and it is also the highest governing body for climate-related risks and opportunities. For more information on Sika's Task Force on Climate-related Financial Disclosures (TCFD), please see the "Climate" section on p.54 of the Sustainability Report 2025. The BoD, through the Sustainability Committee, is responsible for reviewing and endorsing the implementation of sustainability policies, while the Chair of the Board oversees climate-related topics by receiving regular updates from Group Management. The Chair of the Board is a standing guest on the Sustainability Committee and 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 Targets initiative (SBTi) to achieve net zero greenhouse gas emissions by 2050.

At Sika, there are three standing committees at Board level:

1. The Audit Committee (AC) approves the annual audit plan, and Internal Audit conducts audits accordingly. The AC reviews the results of internal and external audits, including ESG-related audits and reviews, and the Enterprise Risk Management report, and monitors the implementation of corrective actions. Internal Audit covers 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, by conducting internal non-financial audits, the AC verifies the company's alignment with its strategic targets. 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. The AC convenes at the request of its Chair 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 five times. More information is provided in the Corporate Governance Report on p.185.

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.185. Group Management's performance is evaluated based on achievements related to strategic targets, including ESG targets such as climate performance, and health and safety. This is explained in more detail in the Compensation Report on p.194.
3. The Sustainability Committee (SC) consists of three Board members with expertise in different areas of ESG. The SC prepares sustainability-related topics for discussion and decision-making in the Board. The Sustainability Committee focuses on the following four areas: validating a formal ESG impact, risk and opportunity assessment via the double materiality assessment (DMA); monitoring regulatory developments and their implications for the company; setting measurable goals aligned with Sika's strategic priorities; and the

approval of the annual Sustainability Report. Sika's strong focus on ensuring the use of accurate and consistent quantitative measures in non-financial reporting is reflected in the close link between the Sustainability Committee and the Audit Committee, with one member sitting on both committees. In the year under review, the SC met five times. More information is provided in the Corporate Governance Report on p.185.

Group Management regularly reviews the risk management processes and is responsible for the development and implementation of actions to mitigate risks (including those related to climate change) in line with the defined sustainability strategy and targets. Group Management is responsible for risk management at the highest executive level and provides the Board with regular updates. The Corporate Finance department, headed by the CFO, is responsible for risk management, including climate-change-related risks. The CFO oversees financial and non-financial information and data. As part of the due diligence process for potential acquisitions, the Mergers & Acquisitions (M&A) team conducts assessments of financial and non-financial performance.

In 2025, Sika reorganized its risk management by establishing a new Group Risk Management team, bringing together three risk-related functions that had previously been part of different finance and legal departments: Enterprise Risk Management (ERM), Insurance Management, and Internal Controls. Having an integrated Group Risk Management offers several advantages, including greater efficiency, improved collaboration, and more comprehensive risk oversight. Structured dialogue between the new Group Risk Management team and the sustainability teams ensures consistent alignment of risk identification, assessment, and response.

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

1. The internal Sustainability Townhall, established in 2021, allows corporate functions – Innovation & Sustainability, Operations & EHSQ (environment, health, safety, and quality), Communications & Investor Relations, Controlling, M&A, Human Resources, Compliance, Legal, Procurement, Marketing, Target Markets, and Regional Sustainability

Managers – to meet on a quarterly basis and exchange information about all sustainability-related projects aimed at achieving sustainability targets with the whole organization. For more information, please see “Sustainability Organizational Structure” section on p.44 of the Sustainability Report 2025.

2. The Global Digital 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 21<sup>st</sup> 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 see the corporate webpage [Digitalization and IT](#).

## Risk management framework

Sika has a comprehensive Enterprise Risk Management system that covers all subsidiaries. The system is aligned with best international practices, including the COSO and ISO 31000 standards. Risks are identified at an early stage, and those deemed relevant are integrated into strategic decision-making processes. Risk management also helps to identify new opportunities and adds value to the business. It ensures that business objectives can be achieved and obligations to customers, shareholders, employees, and society can be met. Climate-change-related risks are integrated into the ERM framework, since unexpected climate-related disasters and the resulting economic fluctuations could affect global and local markets. Locally, climate-related risks are evaluated by EHS and operations managers in collaboration with regional operations managers and general managers. Risks in individual countries are consolidated at regional level, and in a final step summarized and discussed at corporate level.

### TRAINING DEDICATED TO RISK MANAGEMENT<sup>1</sup>

The governance structure fosters the buildup of expertise to evaluate the impact of risks. In 2025, regular risk management education was provided for staff at various levels within the company. Additionally,

risk assessment reviews were conducted with selected regional, area, corporate, and local leaders through compliance assessments and training sessions. These reviews aimed to evaluate their knowledge levels and awareness of relevant compliance and legal risks in their respective business ecosystems, as well as their preparedness to address these issues effectively. This has provided feedback to be included in new training and educational materials under development for roll-out in 2026 in the areas of respect in the workplace and conflicts of interest.

### FOR EXECUTIVE MANAGERS

- Business ethics, ethical leadership, and speak-up culture: In 2025, a variety of compliance leadership development sessions were provided, including as part of global leadership programs and regional leadership programs. Compliance sessions were generally about one to two hours in duration and covered topics including Sika's Values & Principles, Code of Conduct, reporting channels, speak-up statistics, and lessons learned from case studies. Compliance training and case studies were also included as part of HR, controller, and area meetings. Furthermore, compliance training sessions took place as part of events organized for specific business units or functions (e.g. Controlling and HR). During compliance audits, as part of the closing meeting for each audit, a detailed compliance training session was provided for the respective country leadership teams, and in several cases also a wider employee audience. During Group leadership meetings, i.e. the Sika Senior Management Meeting, Regional Management Meetings, Area Manager Meetings, and Corporate Senior Management Meeting, compliance leadership development sessions were provided, including an overview of Sika's compliance management system.
- Sustainability and climate change: In 2025, several official meetings were organized to allow Sika's management to discuss the topic of sustainability and climate change. For instance, in May, the Board of Directors (BoD) travelled to Germany, visiting construction and infrastructure projects, plants and technology centers, job sites, and customers. The Board met the regional manager EMEA, the general managers, the Heads Industry and Automotive, as well as representatives of HR, Sales, R&D, and Operations to address

<sup>1</sup> The list of training courses for executive managers and employees presented in the Risk Management Report of the Annual Report provides examples related to top risks. This list is not exhaustive, instead representing a selection of training activities conducted at the Group level.



topics like health and safety, supply chain, operational efficiency, marketing, people and talent management, and sustainability through innovation. In September, the company organized the Sika Senior Management Meeting (SSMM), where the BoD, Group Management, and all Sika senior managers took part in several workshops to align strategies driving sustainable business expansion. The SSMM sessions explored several topics, including customer centricity and satisfaction, branding, procurement and supply chain, digital transformation, people management, compliance, and safety.

#### FOR ALL EMPLOYEES

- Business ethics: For employees active in marketing and sales-related roles, nine training sessions for approximately 145 participants were organized in 2025. These sessions focused on dilemma case studies and team discussions on gifts, entertainment, and sexual harassment in the context of customer relations and duty of care of managers/supervisors.
- Environmental, health, and safety (EHS) exposures: Sika has designed a set of four mandatory e-learning courses related to personal protective equipment, life-saving rules, general site rules, and rules for visitors. As of the end of 2025, over 90% of Sika employees completed the courses. During the reporting year, Sika also strengthened its process safety culture by implementing new standards for explosion protection and fire safety, and delivering dedicated training courses across all regions. The blended process safety training program combines eleven e-learning modules with a two-day workshop at a Sika site, where participants reinforce key concepts through team exercises, risk analysis, and focused plant walkdowns to connect theory with real operations. In total, 81 participants completed the program during workshops held in Japan, USA, Mexico, Colombia, and Portugal.
- Innovation and sustainability: Throughout 2025, workplace safety, sustainability, innovation, compliance, risk management, and product development levers supporting net zero were key topics at seminars and meetings for representatives of Sika Technology Centers and R&D teams at global, regional, and local levels. During the so-called “Chemist Days”, which are dedicated to each of Sika’s core

technologies, participants addressed topics such as collaboration, knowledge sharing, safety, compliance, risk management, and innovation.

- Product compliance requirements and regulations: In the area of Regulatory & Product Compliance (RPC), regular training courses and workshops were held in all regions to minimize operational, legal, and reputational risks. The focus is on knowledge of current and future regulations on chemicals and hazardous materials, legally compliant hazardous substance classification, product labels, safety data sheets, and substance information, as well as correct and consistent information for customers, employees, and authorities. Another training focus for Regulatory Affairs worldwide is the monitoring and implementation of applicable standards, laws, and regulations in all regions, with regular updates on changes in regulations, approval procedures, and compliance requirements. The aim is to increase legal and product safety, reduce compliance risks, improve employee safety, and enhance the reliability of customer communication. In 2025, the Global Product Stewardship team organized 296 training sessions involving 1,456 Sika employees from various functions (Product Stewardships, Regulatory Affairs, EHS, Risk & Crisis Management, Procurement, Marketing, and R&D) in all Sika regions (EMEA, Asia/Pacific, Americas).
- Product development and marketing: Sika operates a global program to minimize risks in customer support, relationship management, and sales activities that may lead to product complaints. Through a combination of regular employee training, well-defined standards, root cause analyses, and controls, the company has consistently reduced expenditures associated with product-related claims. In addition to providing systematic instructions, application training, and ongoing support to customers, Sika invests in robust infrastructure and streamlined processes to further strengthen consistency in its technical documentation. This includes continuous improvement of content to ensure customers use Sika products correctly, thereby enhancing customer satisfaction and minimizing risk.
- Cyber security risks: Sika provides its staff with the appropriate training and reinforces its IT organization within the Group accordingly. The measures to defend against such attacks are continually reviewed

with the help of external specialists and adapted in line with any new situations that may arise. Mandatory for every employee is to successfully pass the e-learning course on “IT security for users”.

- Supplier engagement and assessment: All procurement staff worldwide are required to complete the “Sustainable Procurement” e-learning course available on Sika’s internal learning platform. This training is designed to raise awareness of Procurement’s crucial role in Sika’s sustainability journey. As of end of 2025, over 90% of procurement staff globally had completed the course, and since January 2025, it has also been accessible to all Sika employees. Additionally, in 2025, regional webinar series on sustainability in procurement were introduced for procurement employees in EMEA and the Americas. In EMEA, webinars are offered quarterly and are available via self-registration. They cover two key areas: social and governance topics, such as risk management, and environmental matters, like GHG emissions monitoring and transparency, reduction strategies, and Sika’s supplier engagement program. Over 170 procurement professionals in the region attended these sessions. In the Americas, similar training sessions were held, attended by around 60 procurement professionals. Furthermore, sustainability-related training and best demonstrated practices on environmental and social topics are included in every area and regional procurement meeting to increase awareness of the topic and ensure it becomes a priority for everyone, in line with Sika’s strategy and net zero commitment.
- Supplier auditor training program: In 2025, Sika successfully delivered several training courses, engaging a total of around 300 participants across procurement, technical, and quality functions, reinforcing our commitment to continuous development and collaboration.

**TOP RISKS**

Sika's risk management process is regularly reviewed, enabling the company to identify potential risks more effectively and implement robust mitigation practices. Sika uses this process rigorously to ensure that any potential risk to the company and its stakeholders is mitigated, and no opportunities are overlooked. Each top risk is owned by a member of the Executive Committee, ensuring clear accountability and effective

oversight. The company continuously assesses its risk profile, adding emerging risks and eliminating those that are no longer relevant or have been effectively mitigated. Where appropriate, risks are combined to ensure a more targeted and efficient response. Compared to last year's Annual Report, one new top risk – environmental, health, and safety (EHS) exposures – has been added, while two risks are no longer considered to be top risks: increasing product-related claims and tax risk.

Within the ERM framework, the risk assessment is based on a five-year time horizon, reflecting the company's medium-term planning cycle. The same core approach is applied in the double materiality assessment (DMA) as in Sika's ERM framework, but with consideration of longer time horizons. For more information, please see the "Double Materiality Assessment" section on p.47 of the Sustainability Report 2025.

**CATEGORY: STRATEGIC**

Top risk	Description	Risk mitigation	Trend	Status
<b>Price pressure and cost inflation</b>	Supply chain disruptions, protectionism, market dynamics, and raw material price increases may lead to deteriorating profitability.	<ul style="list-style-type: none"> <li>– Drive structural cost improvement measures that support material margins, such as procurement projects, formulation efficiency, restructuring, relocation, and digital transformation.</li> <li>– Push value and system selling, balance sales growth with value pricing.</li> <li>– Maintain group-wide systems to monitor raw material prices and sales prices to measure and manage the material margins.</li> <li>– Synergies arising from acquisitions and integrations.</li> </ul>	→	<b>Mature</b>
<b>Changing product compliance requirements and regulations</b>	Changing product compliance requirements for supply chains, products, product solutions, and production processes, driven by changing customer requirements, stronger and rapidly changing regulations, and increasingly complex ESG and transparency requirements. Net zero commitments of regions and countries will drive regional and local compliance.	<ul style="list-style-type: none"> <li>– Closely monitor regulatory changes with the help of a global network of experts and the close involvement of relevant commercial and technical functions.</li> <li>– Collaborate with industry associations and working groups; consult authorities at regional and local level.</li> <li>– Set up product conformity management system.</li> <li>– Regularly communicate with global/regional/local functions.</li> <li>– As part of the due diligence process for acquisitions, examine potential targets to ensure that they operate in full compliance with prevailing laws and regulations.</li> <li>– As part of the capital investment process, give attention to zoning compliance, production processes, and regulatory requirements.</li> <li>– Ensure compliance of raw materials and products with regional and local laws and regulations.</li> <li>– Align sustainability targets with accepted practices and a clear improvement path, including net zero commitment.</li> </ul>	↗	<b>Mature</b>
<b>Country risks</b>	Political and economic instability may negatively impact Sika's business/activities in affected regions.	<ul style="list-style-type: none"> <li>– Consistently monitor development in critical countries.</li> <li>– Implement risk-reducing measures.</li> <li>– Review investment/acquisition strategy in affected countries.</li> <li>– Implement short-term measures to safeguard supply chains.</li> </ul>	→	<b>Mature</b>
<b>Climate change</b>	Global climate change and related local, regional, and global regulations can negatively impact Sika's day-to-day business (physical and transition risks).	<ul style="list-style-type: none"> <li>– Commitment to the Science Based Targets initiative (SBTi) to achieve net zero by 2050. Net zero targets for scope 1, 2, and 3 were validated by the SBTi in May 2024.</li> <li>– Assessment of physical risk based on 2-3°C and 4.4°C scenarios across production sites. Identification of climate-related physical risk per site and review of underlying activities and business impacts.</li> <li>– Assessment of transition risk based on 1.5°C and 4.4°C scenarios.</li> <li>– Product carbon footprint (PCF) creation to demonstrate impact by product. Coverage of supplier-specific emission factors.</li> <li>– Identification of carbon reduction levers via R&amp;D and regions. Review of the current Sika product portfolio and its carbon footprint.</li> <li>– Operational efficiency programs are implemented worldwide to reduce emissions, energy, water, and waste.</li> <li>– Assessment of climate-related reporting regulations impacting Sika, and implementation of upcoming standards.</li> </ul>	→	<b>Mature</b>



## CATEGORY: STRATEGIC

Top risk	Description	Risk mitigation	Trend	Status
<b>Geopolitical tensions and fragmentation in a multipolar world</b>	Geopolitical instability and a rise in protectionism may impact international trade and the global economy.	<ul style="list-style-type: none"> <li>– Maintain and reinforce geographical balance of the businesses across regions and countries.</li> <li>– Maintain an agile supply chain to mitigate single-source supply and to react rapidly to supply chain disruptions, changes in tariffs, and sanctions.</li> <li>– Centralize key technologies and intellectual property at Sika Technology AG to protect Sika's core values.</li> <li>– Strengthen capabilities of local organizations to maintain know-how locally.</li> </ul>	↗	<b>Emerging</b>
<b>Competition law/antitrust</b>	Competition law continues to evolve globally, becoming more complex.	<ul style="list-style-type: none"> <li>– Provide training on competition law tailored to audience: web-based basics training, in-person advanced training for employees with higher risk exposure.</li> <li>– Fair Competition Policy and quick references for specific situations.</li> <li>– Reduce memberships in trade association based on risk-benefit analysis.</li> </ul>	→	<b>Emerging</b>

## CATEGORY: OPERATIONAL

Top risk	Description	Risk mitigation	Trend	Status
<b>Talent shortage</b>	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 positions.	<ul style="list-style-type: none"> <li>– Talent management across global, regional, and local levels prepares the workforce for challenging tasks. Solid performance, succession, and development processes foster a high-performance organization and unique leadership culture.</li> <li>– Embed the Sika employer brand in all recruitment activities and redefine the recruitment strategy of talent at all hierarchy levels.</li> <li>– Align People &amp; Culture strategy at regional and functional level.</li> <li>– Talent-sharing culture to upskill and retain talent and ensure business continuity by increasing internal mobility across functions and regions.</li> <li>– Revise policies for international assignments to provide more flexibility and adapt to business needs.</li> <li>– Fully embedded SuccessFactors as a global human resources information system to enhance people analytics in global workforce and talent pool.</li> </ul>	→	<b>Mature</b>
<b>Business interruption</b>	Business interruptions can jeopardize daily business continuity and impact operational business profit.	<ul style="list-style-type: none"> <li>– Implement crisis management at country level to enable a swift adaptation to country-specific events and regulations.</li> <li>– Steer and monitor execution at local level via the Corporate Crisis Management organization.</li> <li>– Ensure sufficient liquidity of the Sika Group and subsidiaries with diverse sources of funding from either capital markets or local banks.</li> <li>– Maintain a corporate insurance program with worldwide coverage.</li> <li>– Implement fire protection concept for sites/plants with high loss expectancy.</li> </ul>	→	<b>Mature</b>
<b>Cyber and data security</b>	Potential financial loss, operational disruption, legal action, or reputational damage resulting from unauthorized access to, or attacks on, Sika's digital systems and data. Cyber security incidents can lead to data breaches, theft of sensitive information, theft of assets, regulatory penalties, and loss of customer trust.	<ul style="list-style-type: none"> <li>– The Sika Cyber Security Organization and Strategy relies on five pillars – people, policies, technology, processes, and governance – to deliver detection, response, prevention, and assurance.</li> <li>– Consistently assess Sika's cyber maturity.</li> <li>– Improve user awareness through regular cyber security awareness campaigns and e-learning courses.</li> <li>– Implement cyber security capabilities and processes to detect and prevent potential cyber security incidents.</li> <li>– Maintain and regularly test IT continuity, disaster recovery planning, and backup &amp; restore processes for business-critical systems.</li> <li>– Improve IT and operational technology capabilities within the Sika Group.</li> <li>– Reinforce cyber security activities in acquired companies.</li> </ul>	→	<b>Mature</b>



## CATEGORY: OPERATIONAL

Top risk	Description	Risk mitigation	Trend	Status
<b>Supply chain – direct material sourcing</b>	Sourcing of critical direct materials could be at risk due to single-sourced material, supplier discontinuity, capacity shortage, and geopolitical impacts such as sanctions and tariffs.	<ul style="list-style-type: none"> <li>– Assess and manage all third-party direct materials according to risk management process (assess business/sales impact and supplier criticality/single source).</li> <li>– Ensure compliance with the Supplier Code of Conduct and regulatory requirements.</li> <li>– Maintain close cooperation between Sika's procurement specialists and technical experts and the suppliers' technical units to fully understand the raw material flows and continually optimize costs, quality, availability, and sustainability.</li> <li>– Conduct sustainability assessments and audits (incl. identification and addressability of ESG risks along the entire value chain) on both direct and indirect suppliers via the Together for Sustainability (TfS) initiative.</li> <li>– To reduce Sika's dependency on crude oil, increasingly rely on renewable raw materials. Use recycled raw materials wherever possible, and employ production plants to implement their own or externally operated recycling loop systems.</li> <li>– In respect of all the materials used, monitor and ensure compliance with the relevant statutory registration requirements (e.g. REACH or TSCA).</li> </ul>	↘	<b>Mature</b>

## CATEGORY: FINANCIAL

Top risk	Description	Risk mitigation	Trend	Status
<b>Impairments</b>	Tangible and intangible assets may be impaired, which would have a negative P&L impact. In volatile markets, there is a risk that acquisitions will not perform according to the business plan or valuation, which could result in financial impairment.	<ul style="list-style-type: none"> <li>– Continuously generate strong cash flow of all operational entities aligned with the strategy and Group targets.</li> <li>– Maintain a conservative accounting policy regarding fixed assets.</li> <li>– Use Group-wide reporting and controlling systems to track business development, to quickly identify shortcomings, and swiftly initiate corrective actions.</li> <li>– Continue to closely monitor the integration of acquisitions via a dedicated integration management team.</li> </ul>	→	<b>Mature</b>
<b>Currency fluctuation/FX risk</b>	Volatility of foreign currencies and uncertainty in financial markets.	<ul style="list-style-type: none"> <li>– Report on and consistently monitor the foreign exchange (FX) exposure of the Sika Group, enabling prompt action if the situation requires it.</li> <li>– Mostly hedge FX exposures related to IC financing.</li> <li>– Net Group internal transactions monthly and hedge at a corporate level.</li> <li>– Maintain a strong natural hedge and keep all other FX exposures to a minimum.</li> </ul>	→	<b>Mature</b>



## CATEGORY: ORGANIZATIONAL

Top risk	Description	Risk mitigation	Trend	Status
<b>Environmental, health, and safety (EHS) exposures</b>	Deficiencies in safety culture can lead to workplace injuries, illnesses, environmental damage, and regulatory breaches across jurisdictions, causing fines, reputational harm, and operational disruptions.	<ul style="list-style-type: none"> <li>– Implement EHS strategy and roadmap.</li> <li>– Measure, follow up, and report on key EHS indicators.</li> <li>– Deploy key safety programs on process safety/risk management and EHS audits.</li> <li>– Deploy e-learning to facilitate EHS minimum requirement appropriation.</li> <li>– Develop, deploy, and continually refresh safety communications and campaigns.</li> </ul>	→	<b>Mature</b>
<b>Reputation risk</b>	Reputational damage due to any substantial incident or personal misconduct.	<ul style="list-style-type: none"> <li>– Adhere to the Sika Code of Conduct and Sika's Values and Principles, which provide clear standards for employee integrity and ethical conduct. All employees and new recruits are trained in the Code of Conduct and in how to use the Sika Trust Line (whistleblower line).</li> <li>– Maintain the comprehensive, Group-wide compliance program.</li> <li>– Use external tools to support the monitoring and management of potential reputational issues.</li> <li>– Maintain zero tolerance for compliance violations. Such violations lead to the imposition of sanctions.</li> <li>– Facilitate regular collaboration, risk foresight, and information-sharing across assurance functions.</li> </ul>	↗	<b>Mature</b>
<b>Hostile takeover/activism</b>	Companies are increasingly targeted by unfriendly actions of investors or third parties to influence the strategic direction of the company or launch hostile takeover attempts.	<ul style="list-style-type: none"> <li>– Maintain a robust governance framework with an experienced board and clear decision rights for takeover situations.</li> <li>– Provide monthly trading updates and monitor market and investor sentiment.</li> <li>– Conduct and regularly update vulnerability assessments.</li> <li>– Run a proactive investor relations program involving regular roadshows, transparent equity story, credible targets, and consistent disclosure.</li> <li>– Integrate hostile takeover/activism into the corporate crisis management framework.</li> </ul>	→	<b>Mature</b>
<b>Loss of Sika's unique culture/ entrepreneurship</b>	Sika's unique corporate culture can be defined as a unique selling proposition (USP). However, with the fast pace of acquisitions, which requires new people to be brought on board, and a changing work environment caused by increasing digitalization, this requires continued focus.	<ul style="list-style-type: none"> <li>– Preserve Sika's unique culture and high levels of employee engagement through global leadership commitment, Sika Day events, and performance debrief dialogues.</li> <li>– Regularly train all Sika managers to "walk the talk" and to internalize the Sika Spirit within their departments.</li> <li>– Hire, reward, and promote people based not only on traditional measures but also on qualitative criteria that demonstrate the Sika Spirit.</li> <li>– Ensure an inclusive work environment and clear communication about the Sika culture, values, and leadership when welcoming and onboarding employees (including those acquired through mergers and acquisitions).</li> <li>– Continue investing in employees' learning and development, internal promotions/careers, and international professional exposure/assignments.</li> <li>– Concentrate on People &amp; Culture as one of the pillars of Strategy 2028, with a focus on achieving an 80% engagement rate (measured through biannual surveys).</li> </ul>	↗	<b>Mature</b>