



SIKA'S WAY TO NET ZERO

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SIKA CAPITAL MARKETS DAY 2022

BUILDING TRUST



1. SIKA'S WAY TO NET ZERO
2. METHODOLOGY
3. NET ZERO ROAD MAP

OUR WAY TO NET ZERO

SIKA IS COMMITTED TO REACH NET-ZERO NO LATER THAN 2050

- Sika aims to be a driver of the transformation of the Construction and Manufacturing industry towards Net Zero and is committed to the Net Zero target by 2050 based on SBTi (Science Based Target initiative).
- Over the next 24 months, Sika will submit their targets for validation by the SBTi.
- The challenge to achieve this ambitious goal is substantial and requires all stakeholders to actively contribute.
- Sika's organic growth model will further rise the reduction goals. Sika aims to achieve a win-win environment with committed stakeholders (up and downstream).



OUR WAY TO NET ZERO

SBTI COMMITMENT

Scope 1 (direct) and Scope 2 (indirect)

Commitment to Net Zero by 2050

Scope 1 & 2 1.5°C aligned:

- - 42% by 2032
- - 90% by 2050

Scope 3 (indirect)

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

- -25% by 2032
- -90% by 2050

OUR WAY TO NET ZERO

OUR SBTI SUBMISSION ON SEPTEMBER 16, 2022

Thomas Hasler, CEO	Baar	16.9.2022
Signature	Place	Date
Patricia Heidtman, CISO	Baar	16.9.2022
Signature	Place	Date

COMPANY/FINANCIAL INSTITUTION ▲	TARGETS		
	NEAR TERM ◀▶	LONG TERM ◀▶	NET-ZERO ◀▶
Sika AG ★ Switzerland, Europe	COMMITTED	-	COMMITTED
Date published/updated 2022	Target summary Near term: Committed Net zero: Committed		
Sector Chemicals	★ Business Ambition for 1.5°C campaign member		

Neutralizing the impact of any source of residual emissions by permanently removing an equivalent volume of atmospheric CO₂.

Visit the [SBTi Net-Zero webpage](#) for more Recommendations. For financial institutions, 1 value chain will be further developed.

[Sign the commitment](#)

Please sign this document and return a commitments@sciencebasedtargets.org. The S before accepting and publishing commitments.

This SBTi commitment letter can be signed by of a managerial level point of contact in the org

Once this commitment letter is processed and organization will be recognized as "Committed, Global Compact and We Mean Business. Orga added to the UNFCCC Race to Zero website p

Company name: Sika AG

Thomas Hasler, CEO Baar
Signature

Patricia Heidtman, CISO Baar
Signature

Set net-zero targets, including a long-term science-based target. My company commits to set a long-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050 in line with the [SBTi Net-Zero Standard](#), submit it for SBTi validation and publish it, all within a maximum of 24 months. By committing to set a net-zero target, I also acknowledge that my company will be part of the Business Ambition for 1.5°C campaign. My company will also join the Race to Zero campaign.^{3,4,5}

Science-based targets (SBTs) are near-term targets that meet the criteria and recommendations of the SBTi.

Science-based net-zero targets are longer-term targets - by 2050 at the latest. The SBTi defines the state of net-zero emissions for companies as reaching a state of no impact on the climate resulting from the organization's GHG emissions.



Reaching a status of science-based net-zero emissions implies the following two conditions:




➤ Achieving a scale of value chain emissions reductions consistent with the depth of abatement at the point of reaching global net-zero in pathways that limit warming to 1.5°C with no or low overshoot.

³ All companies except oil and gas companies, airports and companies with >50% coal or at risk of non-panent approach will be able to join Race to Zero at this point in time. If companies have questions, please reach out to Race to Zero at racetozero@unfccc.int or refer to the [Business Ambition for 1.5°C Guidance and FAQs document](#).

⁴ Companies must have valid near-term science-based targets (SBTs) that meet SBTi Criteria to be eligible for a net-zero target, unless the long-term SBT target year is 10 years or fewer from the date of submission.

⁵ Companies that are already part of the initiative can raise their ambition by also committing to set a net-zero target.

 
#OurOnlyFuture commitments@sciencebasedtargets.org

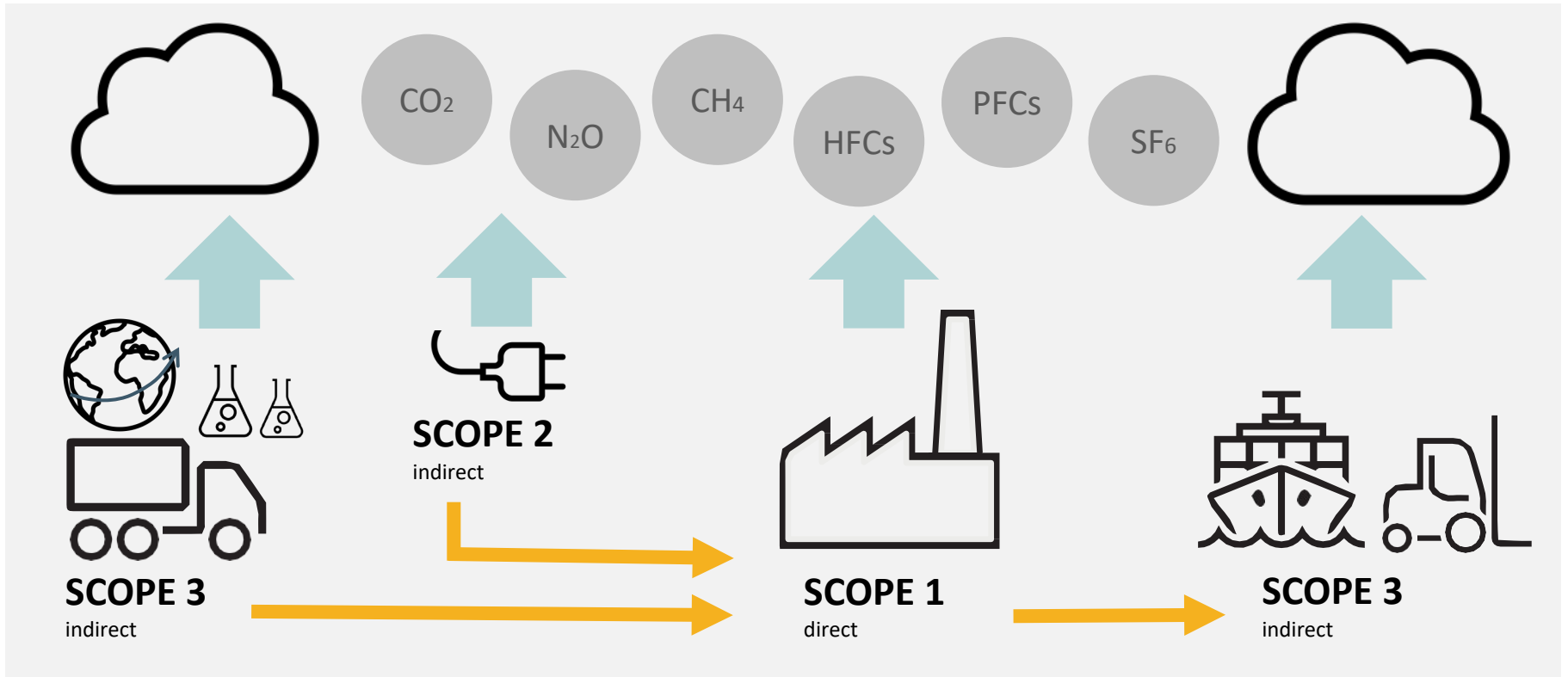
  
#OurOnlyFuture commitments@sciencebasedtargets.org www.sciencebasedtargets.org/ambition



METHODOLOGY

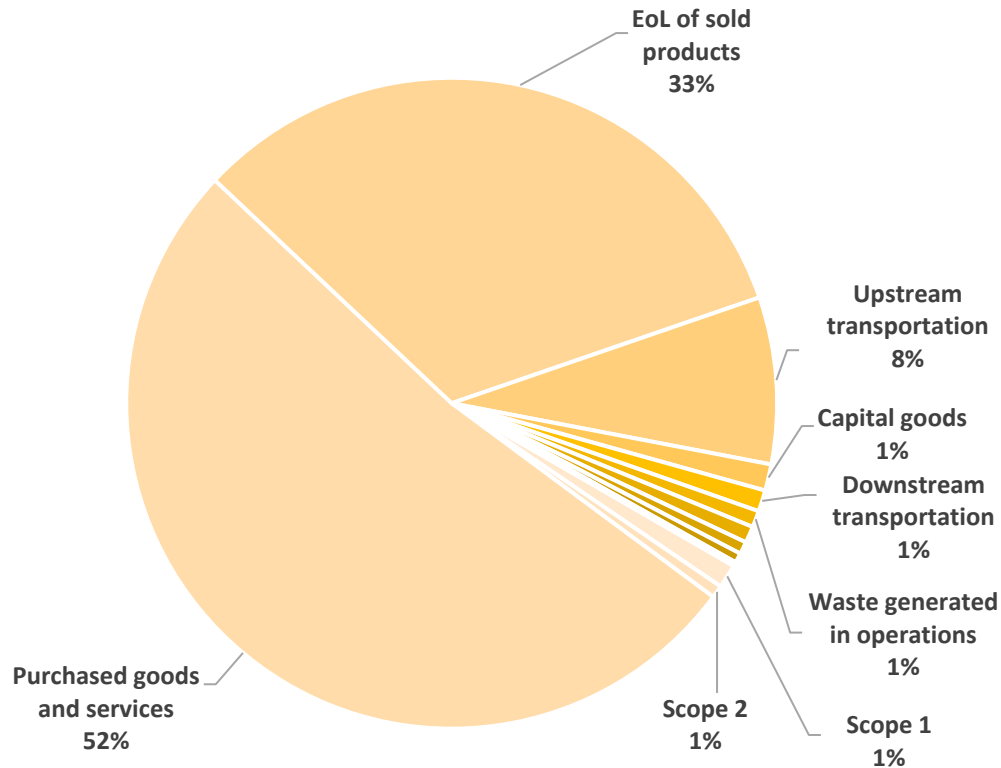
METHODOLOGY

THREE SCOPES - IMPACT FOR SIKA



METHODOLOGY

SIKA'S EMISSION CATEGORIES 2021

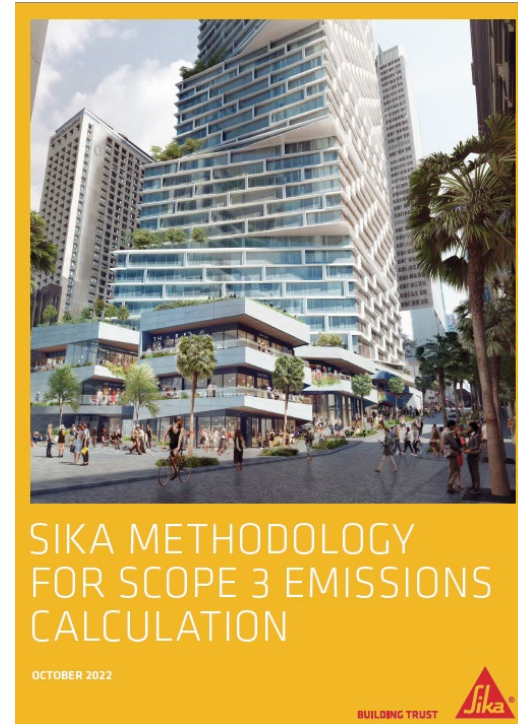


CATEGORIES		ktCO ₂ -eq
Scope 1		156
Scope 2		82
Scope 3	Cat.1 Purchased goods and services	6,595
	Cat.12 End of Life of sold products (EoL)	4,190
	Cat.4 Upstream transportation	1,070
	Cat.2 Capital goods	172
	Cat.9 Downstream transportation	139
	Cat.11 Use of sold products	108
	Cat.5 Waste generated in operations	108
	Cat.3 Fuel and energy-related activities	81
	Cat.7 Employee Commuting	63
	Cat.8 Upstream leased assets	21
Cat.6 Business travels	6	
TOTAL		12,553

METHODOLOGY

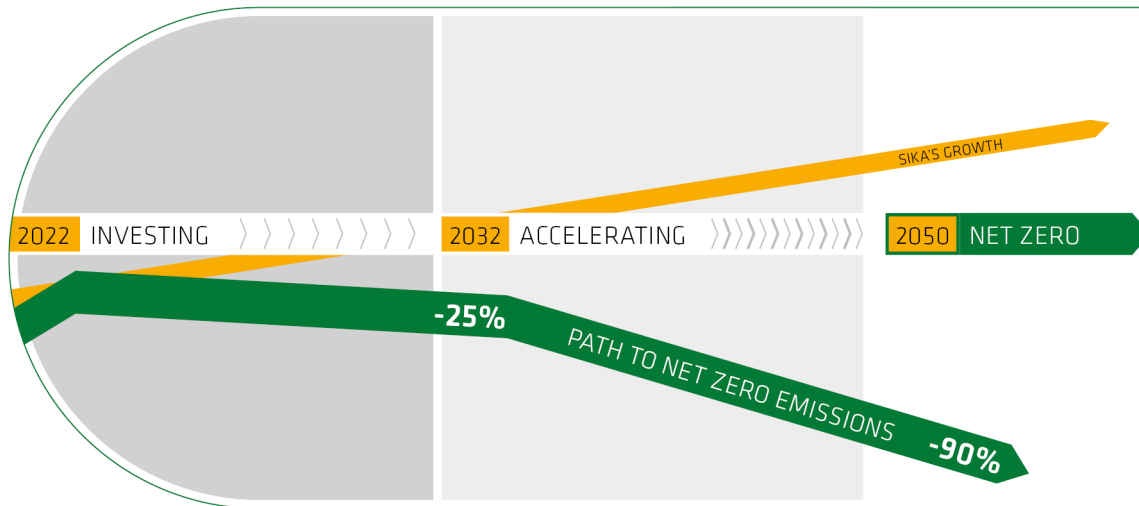
SCOPE 3 METHODOLOGY PAPER AVAILABLE

- Each category assessed is described in the methodology paper.
- 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.



NET ZERO ROAD MAP

SIKA'S NET ZERO ROADMAP



OUR KEY LEVERS

Education and capacity building to improve **material efficiency and circularity**

Accelerated use of **alternative low carbon supplies**

Continued focus on **operational efficiencies**

Partnerships with key suppliers who support Sika's path to net zero

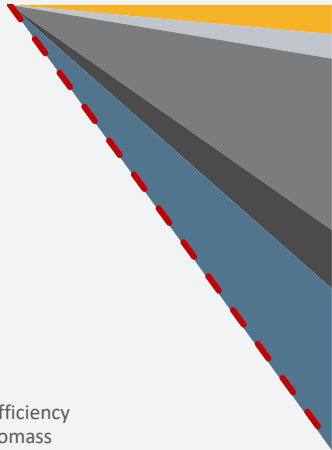
Development of **new innovative solutions** for construction and industry

SCOPE 1 & 2

SIKA DECARBONISATION LEVRS

SIKA SBTi ALIGNMENT SCENARIO

2022 2050



Legend:

- Energy efficiency
- Heat - Biomass
- Heat - Electrification
- Electrification of vehicle fleet
- Power sector decarbonisation
- SBTi

DECARBONIZATION LEVRS UNTIL 2032

- **Continuous energy efficiency improvements** (e.g. sand drying optimization, more efficient machinery, leakage prevention, etc.)
- Increase the share of **renewable electricity**
- Increase **vehicle fleet electrification**

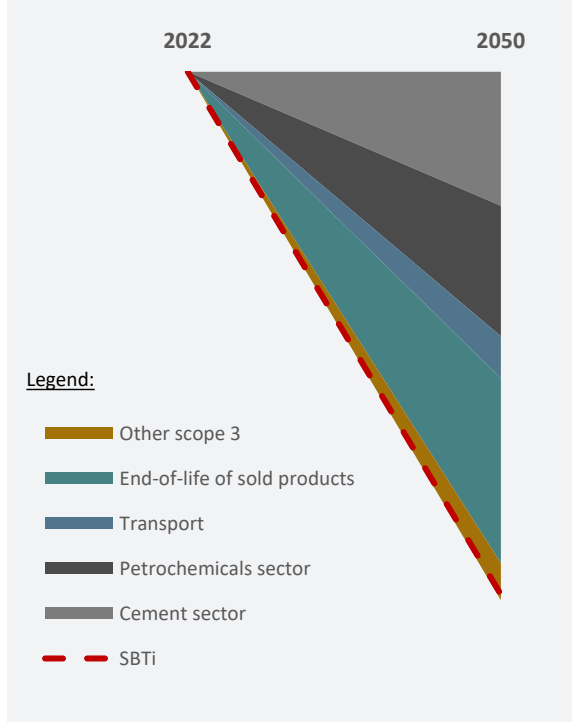
DECARBONIZATION LEVRS UNTIL 2050

- In 2050, **100%** of equipment use **low-carbon energy**
- **100%** of **electricity** is **renewable**
- In 2050, **vehicle fleet** is decarbonized

SCOPE 3

SIKA DECARBONISATION LEVRS

SIKA SBTi ALIGNMENT SCENARIO



DECARBONIZATION LEVRS UNTIL 2032

TRANSPORT: Decrease **upstream** and **downstream transport emissions**

RAW MATERIALS: Reduce **virgin cement** and **petrochemicals** consumption

- Increase the share of **low-carbon raw materials**
- Establish a **sustainable procurement strategy**

RECYCLING: Enhance **recyclability** of Sika's products through **product formulation** and **packaging material**

DECARBONIZATION LEVRS UNTIL 2050

TRANSPORT: Minimize **upstream** and **downstream transport emissions**

RAW MATERIALS: Significantly reduce **virgin cement** and **petrochemicals** consumption

- Maximize the share of **low-carbon raw materials**
- Create a **strong sustainable procurement ecosystem** by actively collaborating with customers and suppliers

RECYCLING: Become a **fully circular company**

EXAMPLE NET-ZERO ROADMAP DEVELOPMENT FOR SIKA CEMENT REPLACEMENT IN MORTARS – BUSINESS CASE

480 ktons of CO₂

In Year 2025 reduction
feasible on global level.



- To achieve long-term target of -90% for Scope 3 emissions by 2050, Sika needs to find **alternative raw materials** that would **replace virgin cement**.
- **The replacement** of 1ton of Portland cement by 1 ton of SCM saves **770kg of CO₂ eq**
- A **roadmap** focusing on Cementitious Materials is currently **under development**.
- Current substitution rates: **30% to 50%** with **no compromise** on quality, performance and ease of application.

EXAMPLE NET-ZERO ROADMAP DEVELOPMENT FOR SIKA PVC MEMBRANE RECYCLING – BUSINESS CASE

49 ktons of CO₂

In Year 2032 reduction
feasible on global level.



RECYCLE OF SOLD PRODUCTS

- Shifting from incineration to recycling reduces emissions: 1.8 kg CO₂ eq per 1 kg of PVC Membranes

PURCHASED GOODS

- Replacement of fossil-based polymers by recycled membrane: 1.8 kg CO₂ eq per 1 kg savings for recycling-PVC

CASE PVC USA

- US recycled 350 tons PVC roofs in 2021
- Target: Scale up to 10% PCR in PVC for 2032
- **Resulting reduction 15 ktons CO₂ eq**

EXAMPLE CIRCULAR ECONOMY – SUSTAINABLE DEVELOPMENT

reCO₂ver[®] – SIKA BREAKTHROUGH INNOVATION

reCO₂ver[®]

contributes to circular
economy in construction



- Segregates concrete back to its original ingredients to be re-used for new high-grade concrete
- This unique process includes sequestration of CO₂ and produces high quality SCM powder which allows reduction of cement in new concrete

EXAMPLE CIRCULAR ECONOMY – SUSTAINABLE DEVELOPMENT ENABLING OUR CUSTOMERS TO SAVE CO2 EMISSIONS



7505 tons of CO₂
emissions saved

UPCYCLING EXISTING STRUCTURES

- Retaining 98% of the structural walls
 - Saving time
 - Saving 130,000,000 Aus\$
-
- Sika Carboshear was a major factor in the ability to increase the height and floor plate of the building

SIKA AS ENABLER FOR A SUSTAINABLE FUTURE

Construction

40% of global CO₂ emissions attributable to construction and building sector



Huge opportunity as potential for progress is immense



Automotive

Road traffic responsible for **20% of global CO₂**



Sika possesses the solutions and innovative strength to enable the necessary transformation



PARTNERSHIPS

TOGETHER FOR SUSTAINABILITY



WS 1: Governance and Partnerships

Coordination of TfS external partnerships

WS 2: TfS Assessments

Improve & further develop TfS Assessments; Manage EcoVadis

WS 3: TfS Audits

Improve & further develop TfS Audit; Manage Audit companies

WS 4: TfS Capability Building & Com.

Supplier development, internal and external communications; TfS Academy

WS 5: GHG Emissions

TfS approach to measure and reduce GHG emissions incl. data collection and sharing

Regional Team CN

Regional Team SG

Regional Team JP

Regional Team IN 

Regional Team LATAM 

Regional Team US 

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

OUR COMMITMENT

OUR PEOPLE OUR ENABLERS

NEEDS SKILLS



TAKES A TEAM



IS AN OPPORTUNITY





THANK YOU

BUILDING TRUST

