



Statement of Principles of Sika Deutschland CH AG & Co KG on the Human Rights Strategy

Scope of application: Sika Deutschland CH AG & Co KG and all subsidiaries
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1. Statement by Group Management and Executive Management

Scope and Overall Strategy

Sika Deutschland CH AG & Co KG, as a subsidiary of Sika AG, Switzerland, and part of its global group with more than 33,000 employees, is a key manufacturer of construction chemicals and industrial materials, offering leading products in Germany. Our company currently maintains business relationships with approximately 4,000 suppliers and service providers worldwide. Our products and services are used in the construction of buildings, infrastructure, commercial and industrial facilities, and in industrial production.

The Sika Group acknowledges the impact of its actions on human rights and the environment and acts responsibly. This statement outlines our strategy in the areas of human rights, sustainability, and the environment, including the promotion of diversity, equity, and inclusion. It applies to all affiliated entities and employees of the Sika Group in Germany. It encompasses our commitment to responsible corporate governance, our guiding principles, and main objectives.

We are aware of the significant contribution our industry can make to the economic aspects of the United Nations Sustainable Development Goals (SDGs). We also recognize the risks posed by our business activities to certain aspects of the 2030 Agenda for Sustainable Development, such as environmental issues, climate change, and health.

Consequently, we have integrated our sustainability goals into the Sika Strategy 2028 under the themes "NET ZERO," "SUSTAINABILITY," "DIVERSITY AND INCLUSION," and "MORE VALUE, LESS IMPACT," which combine targets in environmental, energy, and occupational safety management. These objectives shape our strategy, guided by the UN Guiding Principles on Business and Human Rights and other initiatives.

To contribute appropriately to safeguarding human rights, we identify the negative impacts of our operations and align them with our goals and requirements. The risk due diligence processes employed by our company, along with how we manage our adverse impacts both preventively and remedially, allow us to mitigate, reduce, or eliminate the negative impacts of our business activities on people and the environment. In the long term, we aim to make a positive contribution to human rights protection and the realization of the SDGs.

Sika participates in numerous associations and initiatives through its subsidiaries to drive the sustainable transformation of our industry. We engage in events, presentations, and panel discussions to demonstrate how we fulfill our due diligence obligations and how Sika, as one of the world's leading construction chemicals companies, contributes to addressing societal challenges.

Through this statement, we aim to ensure that all employees of Sika Deutschland CH AG & Co KG and its subsidiaries are fully informed about the legal positions of the German Supply Chain Due Diligence Act (LkSG) and its implementation in our daily business processes.

2. Commitment to Respect for Human Rights

2.1 Principles

Sika is committed to protecting human rights within its operations and throughout its supply chain. We adhere directly to the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

Accordingly, we commit to the principles of the UN Global Compact, the Universal Declaration of Human Rights, and the ILO Core Labor Standards.

Sika focuses on key issues concerning human rights, working conditions, and environmental protection, including:

- Zero tolerance for child labor, forced labor, and slavery
- Respect for occupational safety
- Recognition of freedom of association
- Equality in employment
- Respect for human rights in the use of private/public security forces
- Payment of fair wages
- Prohibition of illegal eviction and land, forest, or water expropriation
- Prohibition of harmful pollution of soil, water, and air, as well as excessive noise emissions and water consumption
- Compliance with import/export rules for hazardous waste under the Basel Convention
- Compliance with the Minamata Convention on mercury and related waste management
- Adherence to the Stockholm Convention on persistent organic pollutants (POPs)
- Environmentally responsible handling, collection, storage, and disposal of substances and chemicals in line with the POPs Convention

As a Germany-based company, we adhere to the obligations outlined in the Supply Chain Due Diligence Act (LkSG).

Through our membership in the "Together for Sustainability" initiative and the use of EcoVadis tools, Sika has access to instruments and best practices to enforce our human rights strategy and conduct supplier audits.

2.2 Human Rights and Environmental Core Objectives

Sika is committed to avoiding and combating negative impacts on human rights and the environment caused by its actions or omissions. Our efforts focus on our own sites and employees, as well as those of our business partners, particularly our suppliers, and the people and communities surrounding our sites. Our goal is to ensure that the human rights of everyone involved in our operations and supply chains are respected.

To meet our due diligence obligations, we commit to internationally recognized human rights standards in the following areas. Additionally, we require our suppliers to comply with these standards:

- **Prohibition of Child Labor:**

Employment age, job roles, and working hours are determined in accordance with national legislation and ILO standards.

- **Prohibition of Forced Labor and Modern Slavery:**

Sika rejects any form of forced labor or modern slavery, including extreme economic or sexual exploitation and degradation. We recognize that employment relationships must be entered into and maintained voluntarily.

- **Occupational Safety:**

Workplace injuries and occupational diseases are largely preventable. We continuously aim to minimize risks for employees and service providers by pursuing the "Vision Zero" goal (no workplace accidents). Our operations comply with all relevant local, regional, national, and international laws and our internal occupational safety standards.

- **Freedom of Association:**

Sika recognizes the right of employees to freely join or form unions, as well as the right to strike and engage in collective bargaining. We acknowledge the right of employees to be protected against anti-union discrimination and to establish or join unions without adverse consequences.

- **Equality in the Workplace:**

We are committed to promoting equal opportunities in employment and occupation and aim for gender equality at all levels. Hiring and training decisions are based on company requirements, qualifications, professional suitability, work quality, and personal commitment. Sika does not tolerate violence, harassment, or discrimination but promotes inclusion and respect regardless of nationality, ethnicity, social origin, age, religion, belief, disability, sexual orientation or identity, or political opinion.

- **Fair Remuneration:**

Sika ensures fair and performance-based remuneration irrespective of gender or origin, including timely and equitable compensation, often exceeding minimum wage requirements.

- **Environmental and Climate Protection:**

Sika acknowledges its responsibility to the environment and future generations and respects the right to a clean, healthy, and sustainable environment. Recognizing the essential role of land, water, air, biodiversity, and natural resources in fulfilling the social, economic, and cultural needs of humanity, Sika is committed to decarbonization through its "Net Zero" program, circular economy promotion, material recycling and reuse, natural resource reduction, pollution prevention or elimination, and biodiversity preservation and enhancement.

We adhere to the rules of the Minamata, Stockholm, and Basel Conventions, even if national standards differ. In any case, we comply with applicable laws and regulations as the legal basis for our business activities.

3. Scope for Business Partners, Managers, and Employees

All managers and employees of Sika and its subsidiaries must adhere to the principles outlined in this statement. We expect all stakeholders and business partners, including our suppliers, to fulfill the human rights and environmental obligations outlined in this statement. Furthermore, we expect them to address human rights and environmental violations that they may cause or contribute to. We also require our suppliers to pass on these expectations and obligations to their own suppliers.

Sika is committed to respecting and protecting human rights and the environment in both its business processes and value chains. To meet this commitment, Sika has integrated due diligence obligations into

its procurement management, which comply with OECD guidelines and international regulations. As a member of the Together for Sustainability (TfS) initiative, we collaborate with our partners to establish a sustainable and future-oriented industry standard that increases transparency within supply chains.

An integral part of our relationships with suppliers is Sika's Supplier Code of Conduct. Each supplier must acknowledge the principles of this code of conduct. This ensures that suppliers are informed about ethical, environmental, and social expectations and guidelines, and that their processes comply with these sustainability criteria.

4. Internal Responsibilities

Respecting human rights is the duty of all Sika employees. As an integral part of our business operations and relationships with suppliers, we have established appropriate processes that enable us to apply the UN Guiding Principles to prevent and address adverse human rights impacts we may be involved in. Our executive management is ultimately responsible for ensuring respect for human rights and environmental requirements within our own operations and along the supply chain. Oversight of risk management has been delegated to the Human Rights Officer (also the Compliance Officer), who reports to executive management twice a year or as necessary.

5. Corporate Governance and Risk Management

Our corporate policies, "Code of Conduct" and "Values & Principles," which are also published online, are designed to fulfill our commitments to human rights. These policies are binding for all Sika employees.

The Compliance Officer in Germany reports directly to the Compliance Organization of Sika AG. This organization is responsible for developing, implementing, and monitoring the compliance management system for human rights and reporting the results of risk analyses to group management. Furthermore, the Legal, Procurement, and HR departments are involved in risk management.

Environmental aspects are regularly reviewed at our sites. Additionally, our facilities are equipped with environmental management systems (ISO 14001 or similar). Sika's due diligence process is continuously improved and adjusted based on the results of risk assessments and the evaluation of the effectiveness of implemented measures to ensure risks are adequately identified and addressed.

6. Risk Analysis

6.1 Processes and Expectations for Employees and Suppliers

Our risk assessments include potential and actual impacts and combine insights from research, as well as internal and external dialogue. Furthermore, the impacts of each new investment on our human rights and environmental commitments are part of our due diligence process. Human rights, as well as environmental and business aspects are thus considered in investment decisions.

Risk analyses are conducted annually and on an ad hoc basis within our own business operations and the supplier network to identify associated potential risks to human rights and the environment. Risk identification is supported by the EcoVadis IQ platform and based on country-specific and industry-specific ESG risks. Suppliers identified with increased risks are prioritized within our risk management system, and acute risks are further specified through TfS assessments and audits. Actions are derived

from these results, tracked, and their implementation evaluated. This process is sponsored by the global procurement, M&A, and sustainability teams.

To ensure supplier compliance and improvement in due diligence practices, corresponding training and webinars are made available to them. The TfS Academy offers these learning opportunities.

6.2 Results of Risk Analysis

The abstract risk analysis results for our own business operations are first evaluated on a country and industry-specific basis. While Germany is consistently assessed as having a very low country risk, the chemical manufacturing sector requires prioritization of employee health and safety. Sika has already implemented numerous measures to enhance safety culture and awareness and provide a secure working environment for all employees. These measures include preventive medical check-ups, workplace inspections, risk assessments, and training.

In our supply chain, notable human rights risks were identified during the abstract risk assessment concerning equal treatment and working conditions concerning occupational safety. In some high-risk countries, additional human rights risks in our supply chain include freedom of association and collective bargaining rights, forced labor, child labor, and the rights of indigenous peoples. The most pronounced environmental risks in our supply chain pertain to high energy consumption, water usage, greenhouse gas emissions, and impacts on biodiversity.

Verification based on supplier assessments results in a concrete risk assessment for suppliers with an elevated risk disposition in at least one legal position. Individual risk consideration focuses, for example, on the chemical raw materials and plastics manufacturing sector, which has been classified as particularly high priority. Risk field prioritization has been carried out for environmental impacts as well as human rights concerns, including diversity, discrimination, and harassment.

In the context of implementing the requirements of the Supply Chain Due Diligence Act, the existing risk assessment is being expanded. Deviating priority risks will be published by Sika in the next update of the statement of principles. The results of the risk analyses are continuously incorporated into Sika's business strategies, supplier selection, and management decisions. The risk analysis forms the basis for identifying appropriate targets, prevention, and remedial actions.

7. Preventive and Remedial Measures

Based on the list of potential and actual human rights and environmental risks identified through risk assessments, Sika develops appropriate preventive measures to fulfill its commitment to protecting human rights, preserving the environment, and promoting social progress. These measures are implemented through our codes of conduct, policies, and training programs. This statement of principles, along with Sika's codes of conduct, outlines the rules we establish for ourselves. They describe our values and the ethical and legal standards that apply to all of Sika's business activities and employees. This includes, among other things, non-discriminatory employment conditions and open, fair dialogue with employee representatives. In situations where specific written rules for certain behaviors do not exist, we adhere to legal provisions and generally accepted ethical standards. Additionally, Sika has implemented the "Sika Trust Line," a whistleblowing system that allows employees to report issues related to violations of labor and social standards confidentially and anonymously.

During the evaluation of new and existing supplier relationships, factors such as environmental protection, occupational safety, human rights, and overall compliance are considered. When assessing

the appropriateness of a new supplier relationship, we apply the standards set forth in our global "Supplier Code of Conduct."

- The principles of our globally valid "Supplier Code of Conduct" form the foundation for all contractual relationships. This code requires our suppliers to adhere to internationally recognized human rights and environmental standards and to make similar commitments to their own business partners, including their suppliers.
- If risks are identified with a supplier, the supplier agrees through the Supplier Code of Conduct that Sika or its authorized representatives have the right to develop action plans that may include measures such as self-assessments, training, and audits at the supplier's site to verify compliance with human rights and environmental obligations and to mitigate identified risks.
- Furthermore, through our membership in the "Together for Sustainability" industry initiative, we conduct regular follow-up discussions with our suppliers to prevent human rights violations and ensure compliance with environmental requirements.
- In our own business operations, the principles of our codes of conduct are reinforced through regular training and monitoring of employee participation. These training programs are regularly updated and adapted to address current developments and identified risk areas.

Sika also forms numerous partnerships with organizations to actively promote sustainability within its industries and continuously enhance its own performance. Collaboration across the entire value chain is one of the principles of strategic management. An overview of industry associations, initiatives, and relevant strategic partners is available on our website.

8. Grievance Mechanism

Sika takes any suspicion or concrete evidence of human rights or environmental violations within its own operations or throughout its supply chain seriously. A compliance management system has been established within the group to document all reported compliance cases worldwide. This enables Sika to better understand the risk landscape and improve preventive measures. Grievances can be reported through various channels, including email, telephone, directly to the compliance team, or via our whistleblowing platform "Sika Trust Line." This platform is promoted through the intranet, the internet, and various publications, ensuring internal and external stakeholders, as well as all potentially affected parties, have access to a confidential communication channel for reporting potential human rights or environmental violations. Anonymous reporting is also possible. The information that is received is acknowledged, and impartial, independent individuals bound to confidentiality investigate the claims and discuss the matters with the reporting party. This helps to provide affected individuals with a platform to raise concerns.

9. Effectiveness Review

The effectiveness of the measures implemented in our operations is reviewed by the designated individual responsible for coordinating human rights protection, in collaboration with cross-functional teams, according to a defined schedule. Where necessary, additional actions are taken, or existing measures and standards are adjusted to adequately address human rights and environmental risks. Within our supply chain, the principle of "Enable before Terminate" is applied to promote compliance with human rights and environmental obligations.

10. Documentation and Reporting Obligations

Sika continuously documents the measures taken to comply with the due diligence obligations described in this statement and securely retains these records in accordance with applicable regulations.

Transparent and respectful engagement with stakeholders is anchored in our core values. Setting and adhering to objectives is the foundation of this open exchange. To this end, this statement of principles is updated annually with the information and conclusions derived from our due diligence process. In addition, we publish the Sika Group's annual sustainability report, which combines the non-financial statement and management report and outlines the fundamental procedures, as well as our responsibility, organization, processes, policies, objectives, and commitments.

We also publish an annual report on our website detailing our compliance with human rights and environmental due diligence obligations to inform the relevant authorities in Germany and the public about identified impacts, actions taken, their effectiveness, and conclusions for future measures.

Communication with non-governmental organizations (NGOs) and other relevant stakeholders, such as shareholders, is also part of our accountability and transparency. We use various communication channels to inform and engage with stakeholders, ranging from traditional newsletters and guidelines to social media and public participation concepts. Typically, site or plant management is responsible for engaging with local communities on topics of importance to them. Members of the executive management, the LkSG team, and representatives of key corporate functions regularly hold management dialogues and informational events with our employees on our goals, actions, and strategies related to environmental protection, occupational safety, corporate governance, and human rights.

We respond transparently to inquiries from NGOs, stakeholders, and shareholders.

11. Changes and Updates

In order to present the results of the human rights and environmental due diligence risk assessment and as part of our commitment to transparency and engagement with stakeholders, this statement is updated annually. Due to the change of name of Sika Holding CH AG & Co KG to Sika Deutschland CH AG & Co KG, this policy statement was updated accordingly as of 01.01.2025.

12. Adoption of the Statement of Principles

The management of Sika Deutschland CH AG & Co KG adopted this declaration of principles for the first time on 2 January 2024. It came into force on this date and has since supplemented the existing standards and guidelines on human rights and environmental obligations. No rights or claims of third parties can be derived from this declaration of principles.

Sika Deutschland CH AG & Co KG



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