

SIKA  
BUSINESS YEAR

2014

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# SUSTAINABILITY REPORT

ENHANCING UTILITY AND REDUCING NEGATIVE IMPACTS  
WHILE ASSUMING SOCIAL RESPONSIBILITY

As a globally operating technology-based company, Sika is especially committed to sustainable development. The company honors its responsibilities by offering sustainable solutions for energy-efficient construction and economical vehicles. It implements numerous measures aimed at boosting the Group's sustainability performance and achieving business, social and ecological benefits.

## SIKA'S SUSTAINABILITY STRATEGY

In 2014, Sika started the worldwide implementation of the sustainability strategy developed the year before. With the avowed aim of "More Value – Less Impact" the company defined six strategic targets to focus its activities over the coming years on economic performance, sustainable solutions, local communities/society, energy, waste/water and safety. Through its products, systems and solutions, Sika strives to create long-term benefits for all its stakeholders and to reduce resource consumption and impacts associated with production significantly (see also "Sustainable Development" on page 37 ff. of the download version of this report).

Main instruments to implement the sustainability strategy globally in the year under review were the "More Value – Less Impact" campaign and the new management and reporting system in line with the G4 Guidelines of the Global Reporting Initiative introduced at local level (GRI G4). Key results and findings are presented on the following pages. Full details are available on the Internet at [www.sika.com/GRI](http://www.sika.com/GRI).

## MANAGEMENT AND ORGANIZATION

Group Management tasked the Corporate Sustainability Office with implementing the sustainability strategy. Local implementation and embedding is ensured by line management and the network of local and regional managers responsible for product sustainability, Environment, Health & Safety (EHS) set up in 2013. The network supports local Sika companies in brainstorming, planning and realizing of cross-regional measures. Through a communication campaign, it informed all internal stakeholders about the new sustainability strategy and included them in planning and implementing respective measures. These activities are going to be extended and intensified in 2015.

### STANDARDS AND COMPLIANCE

In the year under review, Sika globally introduced the Code of Conduct revised in 2013. It applies to all employees and is familiar to them. The code states, among other things, that Sika

under no circumstances tolerates any form of corruption or human rights infringements. Absolutely no leeway is allowed in respect of any breaches of these values. Integrity, ethical and principled conduct, and adherence to the law are the foundation on which Sika's impeccable reputation is built. This is what customers and all other stakeholders – most notably, the Sika staff and shareholders – have rightly come to expect.

To ensure the binding force of the Code of Conduct, Sika companies staged a number of information and training events in the reporting year. Furthermore, Sika published a "Values and Principles" brochure in 2014 and instructed all employees at in-house events. Forming the core of Sika's corporate culture, these values and principles relate to the following aspects: Customer First, Courage for Innovation, Sustainability & Integrity, Empowerment & Respect, and Manage for Results.

These internal standards summarize the key principles of the Sika management style, which is based on mutual trust and personal responsibility at all levels. In the year under review, Group Management created the position of Corporate Compliance Officer to strengthen the compliance organization, refine these important ethical principles, describe the necessary processes, bundle the associated tasks within the company and coordinate them among the different units.

If Sika employees anywhere in the world have doubts or questions about matters relating to the content of the Sika Code of Conduct or the company values and principles, they are required to contact their line manager, Corporate Legal or Corporate HR. Sika has also set up a central help desk.

The senior management teams at the individual subsidiaries are mandated to enforce compliance with the Code of Conduct and with all relevant laws and standards.

Sika also assumes responsibilities for the supply chain. Through amendments made to the Supplier Code of Conduct in 2013, the Group ensured that suppliers are fully informed of Sika's ethical, ecological and social guidelines and expectations. Sika defined a new Group-wide process in the reporting year that maps out the main sustainability principles (economic, social and ecological) for supplier qualification and evaluation. The multi-stage supplier evaluation process has three central elements: It requires all suppliers to sign the Supplier Code of Conduct and to complete a self-report questionnaire. In unclear cases, the Purchasing department will follow up with sustainability audits before concluding a supply contract. Sika will be implementing this new process globally in 2015, initially focusing on high-risk geographies and industries.

## INSPECTIONS AND AUDITS

Inspections and audits are core elements of Sika's comprehensive management system. They provide management at Group, regional and local company level with a regular, independent assessment as to whether all activities comply with official requirements as well as with Sika's own internal guidelines, principles and risk management specifications. The inspections and audits thereby ensure the effectiveness of the relevant processes and controls at Sika. The auditing process is centrally organized and is overseen by the Audit Committee of the Board of Directors. Group Management is regularly informed about the planning of inspections and their results. In all, Sika conducted 111 audits in the reporting year and implemented associated improvements wherever necessary. The audits covered all aspects of Sika's business operations, including quality control, environment, safety, health, risk management, technology, compliance, IT security, suppliers and products.

To ensure that suppliers also meet the official requirements and labor standards, Sika calls on them to perform self-assessments and itself conducts supplier audits. In the year under review, a total of 40 suppliers in China and India were assessed according to the new vendor evaluation process. As a supplier to major customers – particularly from the automotive and industrial sectors – Sika is itself often subject to external audits. These audits are designed to ensure compliance with international labor standards and prescribed quality, environment, safety and health criteria.

## INVOLVEMENT OF STAKEHOLDERS

Sustainable development is not something that any company can pursue in isolation. That is why Sika actively seeks the involvement of internal and external stakeholders, such as employees, customers, suppliers, shareholders, authorities, governments and associations. In developing its sustainability strategy in 2013, as part of a materiality analysis Sika consulted the principal internal and external stakeholders on what they considered to be the most important sustainability issues. In order to review and adapt the findings of this analysis, Sika regularly engages with the various stakeholder groups. The materiality analysis will be conducted again at the end of 2015.

## SUSTAINABILITY: TARGETS AND IMPLEMENTATION

### MORE VALUE OR ENHANCING UTILITY

Sika takes a long-term perspective on the development of its business, and acts with respect and responsibility towards customers, stakeholders and employees. Sika operates with a strong focus on safety, quality, environment, fair treatment, social involvement, responsible growth, and value creation.

Sustainability has always been part of Sika's identity. The company aims to continually measure, improve, report and communicate sustainable value creation. "More Value – Less Impact" refers to Sika's obligation to maximize the value of its solutions and contributions for all stakeholder groups, while simultaneously minimizing risks and resource consumption.

## SUSTAINABLE SOLUTIONS

Sustainability is a key component of the company's drive for innovation. Sika strives to extend the service life of buildings and industrial applications and to improve both energy and material efficiency. The company continues to make every effort to reduce resource consumption and CO<sub>2</sub> emissions – both internally and for partners who place their trust in Sika products.

Sika aims to lead the industry and pioneer with a portfolio of sustainable products, systems and services to tackle global challenges safely with the minimum possible impact on resources. The two Group goals are:

**TARGET – NEW PRODUCT DEVELOPMENTS ARE REVIEWED:** New product developments are reviewed against key sustainability criteria including a documented, recognized relevance audit and an appropriate improvement plan where necessary.

**IMPLEMENTATION:** Sika has introduced a new sustainability evaluation process (incl. guidelines and tools). It is part of the official Sika product development process, which was reviewed in 2014. The objective of the sustainability evaluation is to assess all sustainability aspects of a new development over its entire life cycle, compared with the company's own or competitive solutions. Economic, social and ecological aspects are assessed and serve as a basis for any decision to improve a development. If a new solution fails to provide an improvement over the existing product, it is normally not worthwhile to pursue a development any further. On the other hand, if a significant improvement over the existing product is achieved, the relevant projects must be prioritized for special attention.

As Sika defined and introduced the sustainability evaluation process during the reporting year, only a few product development projects have been reviewed to test the new procedures. They will become a mandatory component of the innovation process in 2015.

**TARGET – ALL PLANNED SUSTAINABILITY PROJECTS ARE IMPLEMENTED:** The larger Sika companies draw up a product sustainability plan geared to local demand and containing key projects and themes aligned with the global approach. All key projects are carried out in accordance with the approved plan.

**IMPLEMENTATION:** In 2014, larger countries in the following regions drafted product sustainability plans in collaboration with the Corporate Product Sustainability department: North America, Southern Europe, Northern Europe, Eastern Europe, the UK, Germany, Turkey and Mexico. Sika has created regional and local product sustainability roles to facilitate the development, launch and handling of these plans. Quarterly virtual meetings take place between the local and regional roles, as well as between the regional and global roles, to manage plans and discuss progress and activities. The focus in 2015 will be on implementing planned activities locally and extending planning to Latin America.

Practical implementation of the "More Value – Less Impact" motto calls for sound data and knowledge about the effects of product manufacturing and the added value of finished prod-

ucts in their application and use. In the year under review, Sika expanded the life-cycle data it had collected in 2013 for its products, technologies and applications in accordance with the international Life-Cycle Assessment (LCA) standard ISO 14040 and further developed the existing reference database. This enabled Sika to develop a set of new tools for the national subsidiaries to use, including Environmental Product Declarations (EPD) for roofing membranes according to German, UK and US standards and tools to assess the sustainability performance of roofing and flooring systems as well as concrete mix designs. As a benefit for customers, they quantify the project-specific sustainability performance of the selected Sika solution and allow for simple and comprehensible communication. Leveraging the acquired expertise in the market, a number of companies have successfully launched and tested new services to quantify the sustainability performance of Sika solutions.

This marks Sika's aim to develop further from a product to a solution provider, serving its customers with innovative solutions and substantially enhancing the efficiency, durability and aesthetic appeal of buildings, infrastructure facilities, installations and vehicles. The integrated concepts and solutions address the entire life cycle of a facility, from initial construction and maintenance, through refurbishment or extension, to deconstruction.

Extensive product and project case studies from all target markets can be found at [www.sika.com/sustainability](http://www.sika.com/sustainability). They detail how Sika solutions support sustainable construction and help to save energy, raw materials and water and reduce CO<sub>2</sub> emissions.

## SOCIAL RESPONSIBILITY

Social, economic and ecological issues are closely intertwined. Social responsibility is a necessary component of success. Mindful of its obligations, Sika actively engages in sustainable and humanitarian development projects, either as a member of international organizations or directly on the spot. Sika's social involvement also embraces the sponsorship of organizations and initiatives in the fields of science, culture and sport.

Sika aims to build trust and create value – with customers, local communities and society as a whole. The Group goals are:

**TARGET – 5% MORE COMMUNITY PROJECTS PER YEAR:** Social projects benefit all non commercial stakeholder groups of local companies and their neighborhoods. They encompass monetary benefits or material donations, local projects and community engagement programs, dialog with stakeholder groups, community consultation procedures, social activities and programs, training, environmental projects or recovery programs.

**IMPLEMENTATION:** Sika supported 67 projects in 2014 (previous year: 52 projects), a year-on-year increase of 29%. Sika supported the following priority projects:

### SOCIAL SPONSORING

Social sponsoring at Sika is mainly organized through the Romuald Burkard Foundation. Its main goals, among others, are

to support communities in infrastructure development for social projects, to promote training in construction professions and trades, and to provide emergency aid to disaster-stricken regions. The Sika Board of Directors established the Romuald Burkard Foundation in 2005 in memory of Dr. Romuald Burkard, the third-generation representative of the Winkler family, who founded Sika. Sika seeks to promote on-the-ground self-help. The local Sika companies are thus required to put forward specific aid applications and, working with local partners, supervise the projects on site up to completion. Via the Romuald Burkard Foundation, Sika supported the following major projects in the year under review:

Yayasan Tirta Lestari (YTL) is a nonprofit organization whose mission is to improve health care, water supply, sanitation and drainage facilities in Indonesia. YTL is incorporated in the US umbrella organization WatSan Action. Sika has been the main sponsor since 2008. Every year, YTL helps to improve the living standards of 1,500 people. Aid provided in 2014: CHF 42,000. <http://watsanaction.org>

Since 1968, the ATMI (Akademi Teknik Mesin Industri) vocational training center in Surakarta (Solo), Central Java, has been providing young people from the lower and middle classes with an opportunity to learn a technical trade. Having given its support in past years to build the training infrastructure, Sika helped fund the expansion of further building tracts in 2014, including boarders, sleeping quarters. Aid provided in 2014: CHF 200,000 and products worth CHF 70,000. [www.atmi.ac.id](http://www.atmi.ac.id)

In Greece, Sika supported the welfare organization The Smile of the Child, which helps children from socially and financially disadvantaged families as well as orphans. With Sika's support, a day clinic for children with psychological problems was set up in 2014. Aid provided in 2014: CHF 80,000. [www.hamogelo.gr](http://www.hamogelo.gr)

Sponsoring four schools, Sika has launched a program to help finance the education of children from Myanmar's poorest regions in 2014. The respective infrastructures were extended, and furnishings and school materials were purchased for a total of 600 children. Aid provided in 2014: CHF 50,000. [www.600kids.org](http://www.600kids.org)

Sika has supported the activities of the nonprofit organization Operation Smile in Vietnam since 2010, and in Thailand since 2014. Thanks to the assistance of committed volunteers, the organization has since 1989 arranged operations for some 200,000 children and youths with cleft lips and palates or similar facial disfigurements. In Thailand, Sika employees did volunteer work at the Mae Sot Hospital between November 2 and 7, 2014. Sika financed 156 examinations and 107 surgical operations. Aid provided in 2014: CHF 100,000 (Vietnam), CHF 58,000 (Thailand). [www.operationsmile.org](http://www.operationsmile.org)

Since 2007, Sika has supported the Pan de Vida orphanage in Mexico, where disadvantaged children and youths have the chance to live and study. The funds provided in the year under

review covered scholarships for five young people, the construction of a sports ground, a dental care program and the building permit costs for a new residential block. Aid provided in 2014: CHF 26,000.

[www.pandevidea.org](http://www.pandevidea.org)

Sika has supported the Liter of Light organization since 2012, when it was founded by ten master's students from the University of St. Gallen in Switzerland. The organization sets out to provide underprivileged areas of the world with an alternative light source made from reused plastic bottles. In 2014, Sika sponsored Liter of Light projects in Bangladesh, India, Kenya, Nicaragua, the Philippines, South Africa and Tanzania. Value of products supplied free of charge in 2014: CHF 12,000.

[www.literoflightswitzerland.org](http://www.literoflightswitzerland.org)

Sika has supported an orphanage in the municipality of Valea Lupului in eastern Romania since 2010. The construction of a guesthouse created jobs for a number of young people who had grown up as orphans. Aid provided in 2014: CHF 25,000.

[www.valealupului.ch](http://www.valealupului.ch)

Sika supported the UPSV orphanage in Brasov, Romania, in the reporting year. The institution not only offers a home for children and adolescents, but also helped over 100 young people to find work and establish a foothold in society. In addition to giving financial support, Sika also helped to renovate one of the buildings. Aid provided in 2014: CHF 100,000.

Sika Baar in Switzerland supports the local scouts and guides, the largest such division in Central Switzerland as well as Baar's biggest youth organization. In the year under review, work began on renovating the existing buildings and constructing a functional new building equipped to cater to the needs of people with disabilities and able to accommodate 220 scouts and guides. Work is scheduled for completion in 2015. Aid provided in 2015: CHF 50,000.

#### ECOLOGICAL SPONSORING

The focus of Sika's ecological sponsoring is on water, building, infrastructure and renewable energy projects. The main sponsorship partner in this field is the Global Nature Fund (GNF). Sika has supported the GNF and its international Living Lakes environmental program since 2004. Comprising over 100 partner organizations from various lake regions across the globe, the Living Lakes network sets out to promote sustainable development and the protection of drinking water, lakes and wetlands. The initiative uses successful models and concrete projects to demonstrate how, with the involvement of the local population, positive social and economic developments can be achieved in different regions and societies without any threat to nature and the environment. In the reporting year, Sika sponsored drinking water and environmental projects in Burundi, Côte d'Ivoire, Kenya, Colombia, the Philippines and South Africa. Sika also supports efforts to reinforce park management and develop sustainable tourism within the Lake Hovsgol National Park in Mongolia. Aid provided in 2014: CHF 90,000.

[www.globalnature.org](http://www.globalnature.org)

#### SCIENTIFIC SPONSORING

As project sponsor, Sika engages in a lively dialog with ETH Zurich (Swiss Federal Institute of Technology in Zurich), the University of Fribourg, the EPFL (Swiss Federal Institute of Technology in Lausanne), the ESPCI ParisTech (School of Industrial Physics and Chemistry of the City of Paris), the University of Burgundy, Princeton University, the Beijing University of Chemical Technology and many similar institutions across the globe. Sika's local subsidiaries cooperate with research institutes and provide mutual support.

**ETH ZURICH:** Professor Jan Vermant took up his post as Full Professor of Soft Materials at ETH Zurich in August. Endowed by Sika, the professorship addresses soft materials (e.g. gels, polymer melts and rubber) and their interfaces. 2014 was the fifth year in which the Sika Master Award was presented to the author of an outstanding master's thesis in the field of applied chemistry, based on the recommendation of ETH's Department of Chemistry and Applied Biosciences. Sika also participates in the Sustainable Construction Partnership Council. This interdisciplinary forum promotes a dialog on current research topics, supports resources and knowledge transfer, and encourages the launch of joint research projects in the field of sustainable construction.

**UNIVERSITY OF FRIBOURG:** The University of Fribourg and Sika signed a cooperation agreement in the year under review. A research group on management in emerging markets was established at the Faculty of Economics and Social Sciences in 2014. Reflecting the growing significance of newly industrializing countries for the strategies of western companies, the objective of the cooperation venture between the University of Fribourg and Sika is to enable research and teaching on management in emerging markets at the University of Fribourg.

**YES COURSES:** Sika continued its sponsorship of YES (Youth Encounter on Sustainability) courses worldwide in 2014. The courses, developed by a spin-off from the ETH Zurich, address various aspects of sustainable development and are primarily geared to students. Sika was actively involved in a course in Bremerhaven, Germany, in the reporting year. Aid provided in 2014: CHF 70,000.

[www.actis-education.ch](http://www.actis-education.ch)

#### SPORTS AND CULTURAL SPONSORING

Sika companies support sports and cultural projects throughout the world. The focus of sponsorship in Switzerland is on the Lucerne Symphony Orchestra, the EV Zug ice hockey club and the Swiss Sliding sports association.

**LUCERNE SYMPHONY ORCHESTRA:** Sika has been a partner of the Foundation for the Lucerne Symphony Orchestra (LSO) for several years now. The foundation sets out to promote the artistic reputation of the LSO at regional, national and international level. It supports outstanding creative projects undertaken by the LSO and fosters the innovative development of the orchestra. As Switzerland's oldest symphony orchestra, the LSO enjoys international acclaim. Sponsorship sum in 2014: CHF 100,000.

[www.sinfonieorchester.ch](http://www.sinfonieorchester.ch)

**150TH ANNIVERSARY OF BILATERAL RELATIONS BETWEEN JAPAN AND SWITZERLAND:** February 6, 1864 saw the signing of the first trade and friendship agreement between Japan and Switzerland. To mark this anniversary, Sika was a gold sponsor of the Japan Week (October 22 to 28, 2014) in Bern. Over 1,000 Japanese artists provided a cross-section of the cultural, craft and culinary traditions of their country. Sika also sponsored the Japan booth at the Geneva Book Fair (April 30 to May 4, 2014). Sponsorship sum in 2014: CHF 10,000 (Japan Week), CHF 10,000 (Geneva Book Fair Japan Booth Association).

**EV ZUG ICE HOCKEY CLUB:** Featuring on the club kit, stadium banners and even the ice rink, the Sika logo is now a part of EV Zug's public identity. The sponsorship agreement with the top Swiss ice hockey team was concluded in 2013 and will run until the end of the 2014/2015 season. Sponsorship sum in 2014: CHF 270,000. [www.evz.ch](http://www.evz.ch)

**SWISS SLIDING:** Sika is a sponsor of Swiss Sliding, the association for the Winter Olympic disciplines bobsleigh, luge and skeleton. Swiss Sliding is committed to both top-level competitive and grass-roots sport, with the development of young talent as a key priority. As Reto Götschi, Swiss Sliding CEO, points out: "Apart from the financial support, Swiss Sliding also benefits from Sika's know-how and products." Sponsorship sum in 2014: CHF 168,000. [www.swiss-sliding.ch](http://www.swiss-sliding.ch)

**2015 STREET HOCKEY WORLD CHAMPIONSHIPS:** Sika is the main sponsor of the 2015 Street Hockey World Championships taking place from June 19 to 28, 2015 in Zug, Switzerland. Over 1,200 athletes in 26 to 30 teams from around 20 different countries are expected. This partnership underscores Sika's aim to help establish street hockey as a sporting discipline and promote canton Zug's international positioning. Sponsorship sum in 2014: CHF 237,600. <http://zug2015.com>

## LESS IMPACT OR REDUCING THE NEGATIVE FOOTPRINT

The following details relate to all business operations of the Sika Group, including the activities of the newly acquired companies, and focus on the core themes of energy, water/waste, occupational safety, and CO<sub>2</sub> emissions at the more than 160 Sika production sites.

Sika constantly improves its environmental protection and safety performance through its routine investment planning and maintenance activities. In the year under review, Sika invested a further CHF 6.1 million in technical equipment for accident and illness prevention, equivalent to around 4% of the total investment (approx. CHF 150 million) in technical equipment. The numerous other environmental, health, safety and sustainability measures implemented by Sika in the reporting year involved investments of CHF 23.1 million (previous year: CHF 24.4 million). Sika employs environment, safety and sustainability specialists at all its major sites. The total worldwide headcount in this field runs to over 100.

## ENERGY

Global megatrends, such as energy and raw materials shortages, urbanization and population growth, are confronting companies and communities with major economic, social and ecological challenges. Availability and efficient use of energy and resources are crucial to sustainable development and poverty reduction. Sika sees it as its particular responsibility to minimize impact on climate change by reducing energy consumption from nonrenewable sources with the positive effect of lowering costs and increasing competitiveness. The Group goals are:

**TARGET – 3% LESS ENERGY CONSUMPTION PER TON AND YEAR:** This includes the total energy produced and consumed by all Sika operating companies and units, both industrial and nonindustrial sites.

**IMPLEMENTATION:** Sika consumed 1,671 TJ in 2014 (previous year: 1,681 TJ). 55.8% of Sika's energy requirements were met by electrical power from the local grid. The remaining demand was mainly covered by natural gas and liquid fuels.

Achieving an efficiency improvement of approximately 12%, Sika has clearly exceeded its target: The energy consumption per ton of product sold was at 478 MJ (previous year: 541 MJ). This increase in efficiency is mainly due to improved capacity utilization at the Sika factories, which lifted production by an average of 22% in 2014, achieving a better utilization of the basic energy consumed. Beyond that, Sika initiated and successfully carried out various energy projects worldwide, as illustrated by two commendable examples from Turkey and the US. In Turkey, the energy required to drive the compressors was cut by 8% thanks to measures to reduce compressed air losses. As part of the program, workers were trained to identify and repair compressed air leaks in all equipment at the subsidiary's production facilities. In the US, the installation of efficient interior and exterior lighting led to power savings of 979,000 kWh per year. The project was eligible for a New Jersey State incentive to encourage companies to install more energy-efficient lighting.

## CO<sub>2</sub> EMISSIONS

CO<sub>2</sub> is a consequence of fossil energy consumption, and can only be limited by increasing energy efficiency. This is why Sika controls its CO<sub>2</sub> emissions via its energy target and has not set a specific reduction target at Group level.

**CO<sub>2</sub> EMISSIONS (DIRECT):** CO<sub>2</sub> emissions from energy consumed directly by all Sika operating companies and units, both industrial and nonindustrial sites, and by its own vehicles are calculated based on the reported fuel quantities. CO<sub>2</sub> emissions resulting from the use of primary energy sources added up to around 47,000 tons (previous year: 50,000 tons). A number of factories in China still rely on locally sourced coal as a fuel. This has a low gross calorific value and entails higher CO<sub>2</sub> emissions than natural gas. Changes to the product mix reduced emissions at two factories, an improvement achieved by partly replacing a coal-intensive process with a coal-free one.

**CO<sub>2</sub> EMISSIONS (INDIRECT):** CO<sub>2</sub> emissions from energy consumed indirectly by all Sika operating companies and units, both industrial and nonindustrial sites, by leased vehicles and as a

result of business travel are calculated based on the reported energy quantities. CO<sub>2</sub> emissions caused by purchased electricity are calculated using current emission factors from the Greenhouse Gas Protocol (GHG). Instead of determining the emissions caused by effective power consumption, average values for electricity production in each particular country are applied. In 2014, CO<sub>2</sub> emissions caused by power consumption were calculated at 102,000 tons (previous year: 118,000 tons), i.e. more than twice as high as direct CO<sub>2</sub> emissions. Leased vehicles and business travel caused additional CO<sub>2</sub> emissions of 20,500 and 14,000 tons, respectively (previous year: 17,400 and 17,500 tons).

Extensive project case studies from around the globe detailing how Sika was able to save energy at its plants and reduce CO<sub>2</sub> emissions can be found at [www.sika.com/sustainability](http://www.sika.com/sustainability).

## **WATER**

Sika aims to boost the sustainability performance of its production sites by reducing water consumption and treating water locally. The company implements measures to reduce consumption or to use lower-grade water qualities especially in geographies where water is scarce. Efficient production means closed loop cooling and switching from public to surface and ground water, reducing the amount of drinking water used in production. By reusing wastewater, Sika aims to reduce its water consumption on a larger scale. The Group goal is:

**TARGET – 3% LESS WATER CONSUMPTION PER TON AND YEAR:** This includes water consumed by all Sika operating companies and units, both industrial and non-industrial sites, whether from public utilities or from ground or surface water sources.

**IMPLEMENTATION:** In 2014, Sika again used approximately 2 million cubic meters of water (previous year: 2 million cubic meters). With water consumption per ton sold down by around 10% to 0.60 cubic meters (revised figure for the previous year: 0.67), Sika exceeded its target due to significantly higher production volumes: Cooling water, accounting for some 80% of water consumption, was deployed more effectively. In the reporting year, Sika invested in various water efficiency projects at its factories worldwide, including the plant in Lyndhurst, NJ, USA, where the newly installed closed loop cooling water system will lead to a drastic reduction in annual cooling water demand from 2015 on. Continuous small-scale improvements also add up to contribute to the global increase in efficiency, such as in Argentina, where total water volume goes down by 75% thanks to a high-pressure cleaner requiring less water and to a filtration process that reuses service water in production.

Extensive project case studies from around the globe detailing how Sika succeeded in saving water at its plants can be found at [www.sika.com/sustainability](http://www.sika.com/sustainability).

## **WASTE**

Efficient use of input materials is extremely important to all Sika companies as production processes are material intensive using high volumes of nonrenewable resources. Efficient production in this context means reducing and reusing production scrap, reducing and reusing packaging materials and improving

packaging design, leading to higher productivity and lower material use. The Group goal is:

**TARGET – 3% LESS WASTE PER TON AND YEAR:** This includes all waste material sent to external contractors for disposal – with the exception of materials returned to suppliers – and covers all Sika operating companies and units, both industrial and nonindustrial sites.

**IMPLEMENTATION:** Sika achieved only a moderate improvement in material efficiency in the reporting year. Recording a higher production volume, the company caused 62,000 tons of waste (previous year: 56,000 tons). This corresponds to 17.9 kilograms of waste per ton sold (revised figure for the previous year: 18.1 kilograms), or a reduction of 1%. As Sika had reported significant improvements in previous years, material efficiency will be a priority in 2015. A large part of the waste – particularly from polymer and mortar production – is recycled by external companies. Extensive measures such as the efficient and economical use of raw materials, process optimizations, improved waste sorting and recycling of packaging materials have contributed to a global increase in waste efficiency. Sika's Shanghai plant, for example, achieved significant material and cost savings by granulating the polyester scrim and felt backing used in roofing membranes, and feeding the materials back into the production process. In 2014, Sika Thailand won a Silver Award from the Industrial Estate Authority Thailand Waste Management for continuous improvements in operational waste handling.

Extensive project case studies from around the globe detailing how Sika managed to reduce waste at its plants can be found at [www.sika.com/sustainability](http://www.sika.com/sustainability).

## **OCCUPATIONAL SAFETY**

The health, safety and well being of all Sika employees are essential to the success of its business and are core concerns throughout the organization. This requires focus and a systematic approach: occupational standards, management commitment, employee involvement, work site and risk analysis, hazard recognition and resolution, training and education are key components of Sika's health and safety framework. A culture of safety and a healthy work environment are at the center of everything the company does. Sika has the ambitious goal of every employee leaving the workplace healthy. The Group goal is:

**TARGET – 5% LESS ACCIDENTS PER YEAR:** This refers to the number of work-related accidents leading to injuries, covering all Sika employees, including temporary and subcontracted staff, at the company's operating companies and units, both industrial and nonindustrial sites. Construction projects are not factored in.

**IMPLEMENTATION:** The number of occupational accidents leading to lost work time of more than one day showed a year-on-year decrease. In the year under review, 11 occupational accidents per 1,000 employees (previous year: 12) were recorded. In 2014, injuries caused absences of an average of 17 days (previous year: 16). Sika will continue to improve safety constantly

in 2015: All plants will regularly run Safety Days and invest in technical safety measures. Depending on the situation and cultural context, local companies also include external partners to stage Safety Days, a case in point being Sika Thailand, which invited a Buddhist monk to address the topic of safety and religion. Sika Vietnam conducted a safety campaign throughout the entire country to raise employee safety awareness and establish a safety-first work culture at production sites and offices. The subsidiary introduced an implementation program for teams, processed feedback and rewarded participants for strong achievements. Employees received training in first aid and dealing with chemical spills. At Sika UK, lean management and organizational structures, along with the introduction of safety management tools, helped to increase employees' safety awareness resulting in a stronger commitment on their part to improve the safety of their working environment.

Extensive project case studies from around the globe detailing how Sika was able to reduce occupational accidents and days lost at the plants can be found at [www.sika.com/sustainability](http://www.sika.com/sustainability).

# FINANCIAL CALENDAR

|   |                            |
|---|----------------------------|
| <b>SALES FIRST QUARTER 2015</b>   | Tuesday, April 14, 2015    |
| <b>47TH ANNUAL GENERAL MEETING</b>  | Tuesday, April 14, 2015    |
| <b>DIVIDEND PAYMENT</b>   | Monday, April 20, 2015     |
| <b>HALF-YEAR REPORT 2015</b>  | Friday, July 24, 2015      |
| <b>RESULT FIRST NINE MONTHS 2015</b>                                      | Thursday, October 29, 2015 |
| <b>NET SALES 2015</b>   | Tuesday, January 12, 2016  |
| <b>MEDIA CONFERENCE / ANALYST PRESENTATION<br/>FULL-YEAR RESULTS 2015</b> | Friday, February 26, 2016  |

# IMPRINT

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## **PROJECT TEAM**

Corporate Communications & Investor Relations and Corporate Finance  
Sika AG, Baar

## **CONCEPT, DESIGN, REALIZATION**

Ramstein Ehinger Associates AG, Zurich

## **TEXT**

Sika

## **EDITORIAL WORK**

Zoebeli Communications, Bern  
Ramstein Ehinger Associates AG, Zurich

## **PRINT**

Kalt Medien AG, Zug

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