

REPORT ON PAYMENTS TO GOVERNMENTS 2023

FEBRUARY 2024

BUILDING TRUST



INTRODUCTION

Sika is a specialty chemicals company with a globally leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and automotive industry. Sika's core business is not in extractive activities involving the exploration, prospection, discovery, development, and extraction of minerals or other materials. These activities are a part of the acquired operations from KVK and Sable Marco for extracting sand, limestone, and dolomite.

This report has been prepared in accordance with the Swiss Code of Obligations Art. 964d-ii¹ and Chapter 10 of the EU Accounting Directive which aims to provide transparency on payments to government authorities² for companies active in the extraction of raw materials (minerals, oil, gas, timber from primary forests).

The Report on Payments to Governments 2023 has been approved by the Board of Sika AG on February 13, 2024.

SCOPE

The report covers the period January 1, 2023, to December 31, 2023. It covers any payments of CHF 100,000 or more in any financial year made to state bodies and includes both individual payments and payments made in two or more smaller sums that together amount to CHF 100,000 or more. The report considers payments to governments, authorities, or parties close to governments in relation to the extraction of minerals. All payments are presented on a cash-paid basis. The information is reported under the following payment categories:

- **Taxes:** represents taxes levied on production, the revenues or profits of companies, excluding value added or sales taxes and other taxes on consumption. Payments are reported net of refunds.
- **Royalties:** represents payments to a government for the rights to extract minerals.
- **User Charges:** represents user charges related to the extractive operation. For the financial year to which the report relates, Sika did not make any relevant payments in this category.

- **Dividends:** represents dividends paid to a host government holding an interest in a consolidated entity, with the exception of dividends paid to a state body as a member of the company, provided these are paid to the state body under the same conditions as to the other company members. For the financial year to which the report relates, Sika did not make any relevant payments in this category.
- **Bonuses:** represents signing, discovery, and production bonuses. For the financial year to which the report relates, Sika did not make any relevant payments in this category.
- **Fees:** represents license, rental, and access fees or other considerations for permits or concessions.
- **Infrastructure Improvements:** represents payments to a government for local development, including the improvement of infrastructure. For the financial year to which the report relates, Sika did not make any relevant payments in this category.

GOVERNMENT

Government includes any national, federal, regional, state, province, county, district, municipal, local or equivalent authority of a country, and includes a department, agency, or entity that is state-owned or is a subsidiary of a government.

PROJECTS

Project means the aggregation of operational activities governed by a single contract such as a license, lease, concession or similar legal agreement. Where a series of such agreements are substantially interconnected, those agreements are to be treated as a single project. Substantially interconnected means forming a set of operationally or geographically integrated agreements.

¹ Entered into force in January 2021 and with a first mandatory reporting in 2022.

² Of CHF 100,000 or more.

PAYMENTS TO GOVERNMENTS RELATED TO EXTRACTION ACTIVITIES

in kCHF

	Taxes	Royalties	User Charges	Dividends	Bonuses	Fees	Infrastructre Improvements	Total
CZECH REPUBLIC								
Krkonošské vápenky Kunčice, a.s.	389	100	-	-	-	96	-	584
OBVODNÍ BĀŇSKÝ ÚŘAD TRUTNOV	-	100	-	-	-	-	-	100
FINANČNÍ ÚŘAD TRUTNOV	389	-	-	-	-	-	-	389
SPRÁVA KRKONOŠSKÉHO NÁRODNÍHO PARKU	-	-	-	-	-	13	-	13
CELNÍ ÚŘAD PRO KRÁLOVEHRADECKÝ KRAJ	-	-	-	-	-	6	-	6
OBEC LÁNOV	-	-	-	-	-	77	-	77
CANADA								
Sable Marco Inc.	133	-	-	-	-	-	-	133
City of Pont Rouge	76	-	-	-	-	-	-	76
Central Revenue Agency	48	-	-	-	-	-	-	48
Revenue Quebec	9	-	-	-	-	-	-	9

Amounts in currencies other than Swiss franc (presentation currency for this report) have been converted based on the average annual foreign exchange rates prevailing on December 31, 2023.

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