

# Climate Transition Plan

# About us



## ☰ Contents

---

### About us

---

About Umicore

Our mission: Materials for a better Life

Approach to sustainability

### Baseline, targets & progress

---

### Implementation strategy

---

### Navigating success

---

# About Umicore

## We transform metals into the core technologies that power everyday life.

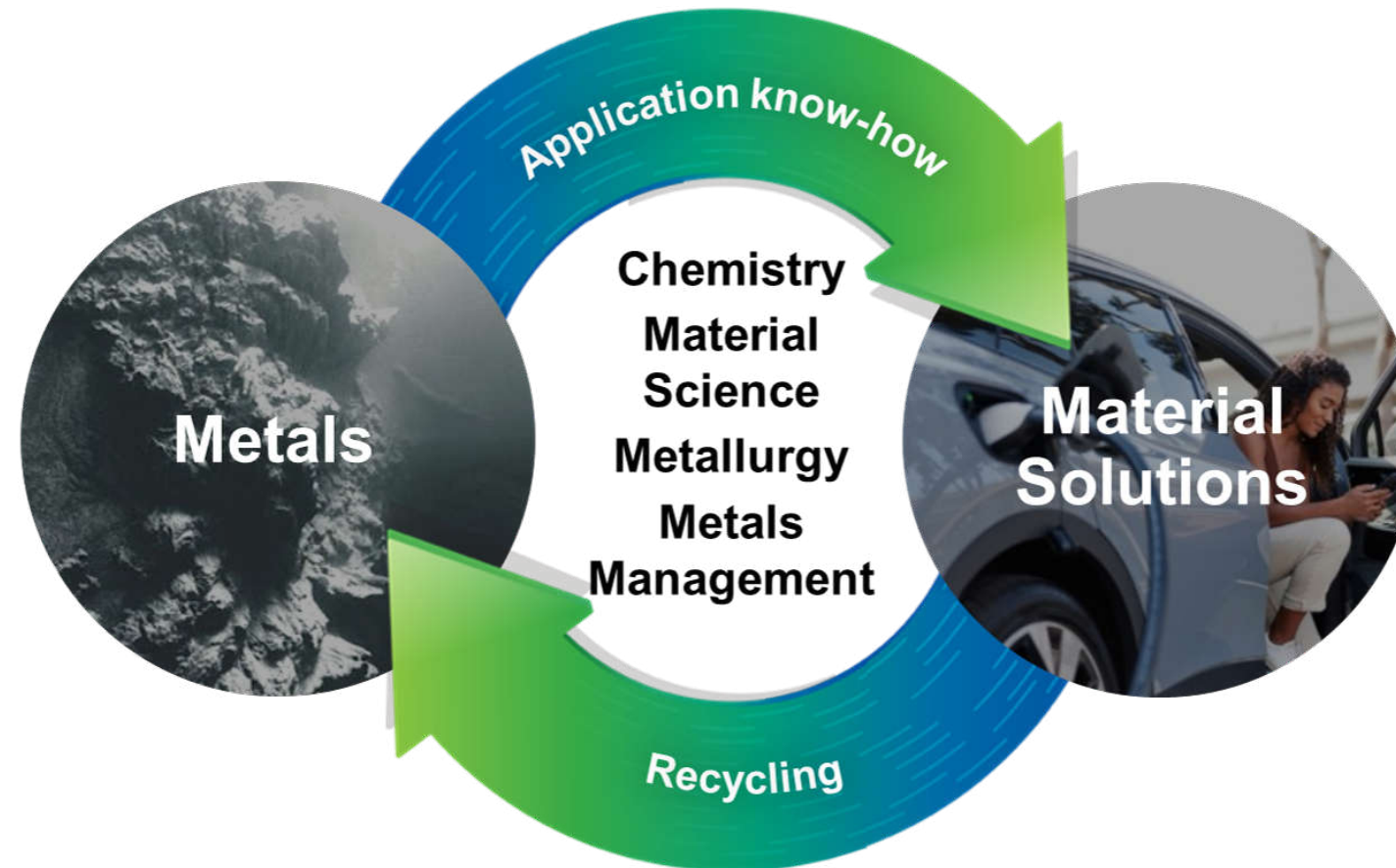
With unmatched expertise in material science, chemistry, metallurgy, and metals management, we deliver innovative, industry-leading solutions—and bring them back to life through advanced recycling. Our closed-loop approach is more relevant than ever in a resource-scarce world that demands cleaner, smarter, and more efficient technologies.

## Our unique business model maximizes value at every stage of the metal lifecycle.

Our unique circular know-how means that we can deliver both positive environmental impact and economic value to our customers. Metals can and should be recycled endlessly. Bringing together our industry-leading expertise we maximize value at every stage of the metal lifecycle. Our commitment to responsible sourcing means that materials come from ethical and sustainable supply chains.

Our business model is not only about what we do. It's how we do it. We help our customers minimize waste, reduce ecological impact and access critical metals—all while creating sustainable value. Our circular business model is the basis of everything that we do.

**At Umicore, we are uniquely positioned to maximize opportunities in society's transition to a sustainable future.**



## About us

### About Umicore

Our mission: Materials for a better Life  
Approach to sustainability

### Baseline, targets & progress

### Implementation strategy

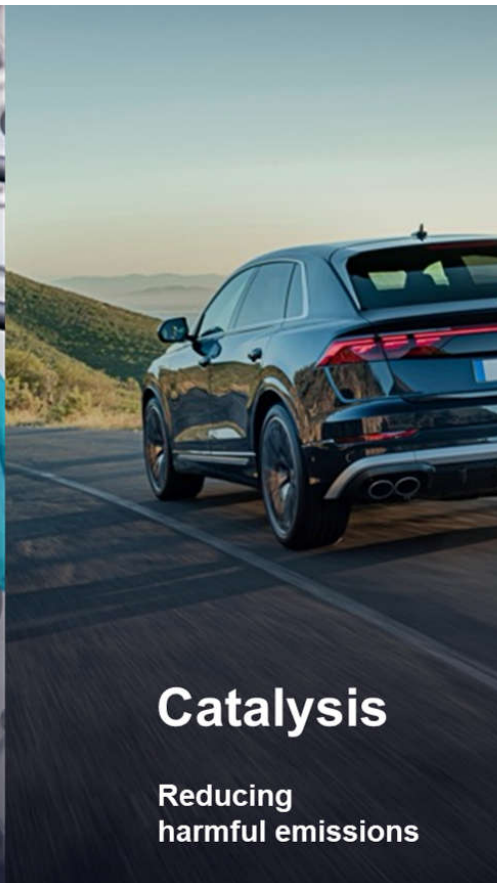
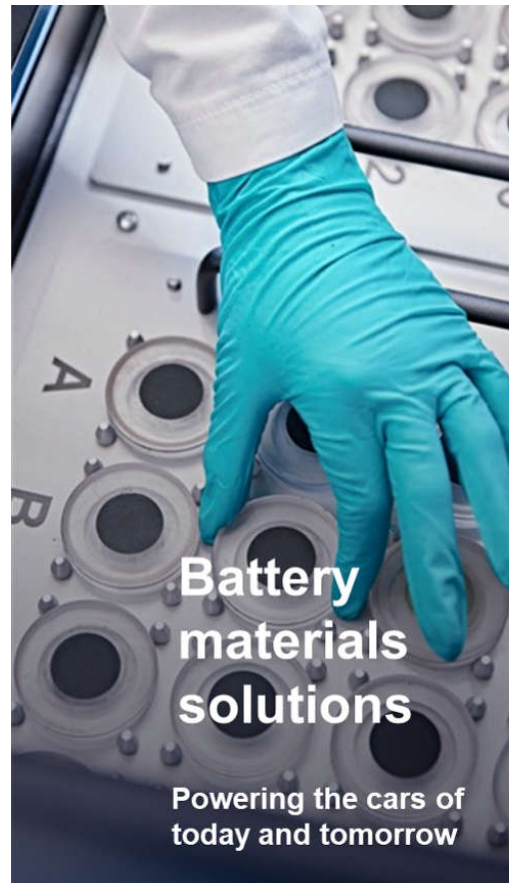
### Navigating success

# Our mission: Materials for a better Life

We believe that materials have been a key element in furthering the progress of mankind and that they are at the core of today's life and will continue to be enablers for future value creation.

We believe that metal-related materials have a vital role, as they can be efficiently and infinitely recycled, which makes them the basis for sustainable products and services.

We want Umicore to be a leader in providing and creating material-based solutions which contribute to fundamentally improving quality of life.



**About us**

About Umicore

**Our mission: Materials for a better Life**

Approach to sustainability

**Baseline, targets & progress**

**Implementation strategy**

**Navigating success**

# Approach to sustainability

**Sustainability is at the heart of Umicore’s mission. It is an integral part of everything we do, and over the years it has hard-coded sustainability into our DNA.**

Through our closed-loop business model and industry-leading innovation, we develop the materials that transform everyday life and improve the health of our planet. The launch of Umicore’s Let’s Go for Zero ambitions in June 2021 was an important milestone in our long sustainability journey. Our ambitions are underpinned by a robust governance and are aligned with the United Nations Sustainable Development Goals (SDGs), ensuring that our actions contribute to a more sustainable and equitable world.

Transparency and accountability are key to how ESG is integrated into governance at Umicore. This ensures that our strategic goals, including our sustainability ambitions, are actively managed with both financial and sustainability performance in mind. By embedding ESG into governance, we not only reinforce our commitment to longterm value creation and maximizing positive impact, but also enhance our resilience and accountability to our stakeholders and to society. Our sustainability and ESG performance are available in our annual reporting and in our [ESG Data Book](#).

**This Climate Transition Plan outlines Umicore’s footprint, ambitions, and plan to decarbonize our operations and our value chain.**



About us

About Umicore  
Our mission: Materials for a better Life  
**Approach to sustainability**

Baseline, targets & progress

Implementation strategy

Navigating success

An aerial photograph showing a paved road that curves through a dense, lush green forest. To the left of the road is a calm, dark blue lake. The overall scene is serene and natural.

# Baseline, targets & progress

## ☰ Contents

---

### About us

---

### Baseline, targets & progress

---

Umicore GHG baseline profile  
Umicore's decarbonization targets  
Monitoring progress

### Implementation strategy

---

### Navigating success

---

# Umicore GHG baseline profile

Umicore’s carbon footprint is composed of the emissions from our operations (Scope 1 & 2) and from our value chain (Scope 3). We selected 2019 as the baseline year for Scope 1, Scope 2, and Scope 3 emissions.

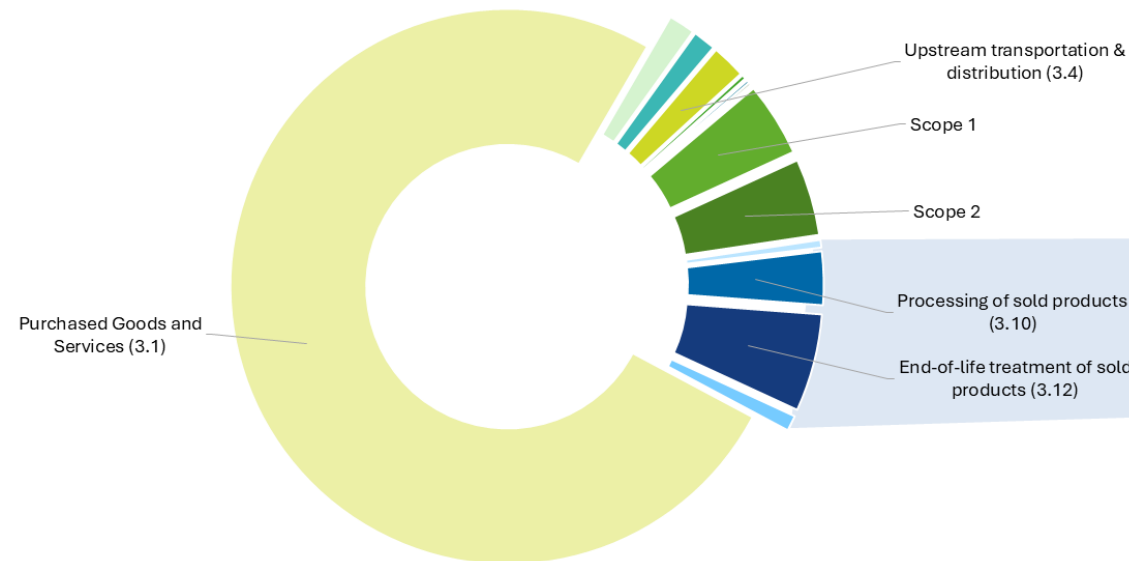
Umicore’s Scope 1 emissions are mainly from natural gas, fossil fuels and process emissions. 85% of our baseline Scope 1 emissions were from our activities in Belgium. Our Scope 2 emissions are from purchased electricity, steam, compressed air and heat purchased from third parties. The majority of our Scope 2 emissions are from purchased electricity and linked to our global rechargeable battery materials activities. The baseline total of just under 0.8 million tons of GHG emissions from our operations was about equally split between Scope 1 and 2. Scope 1 and 2 emissions from our direct operations accounted for 8% of our total greenhouse gas emission profile.

More than 90% of our total emission profile is generated by the activities in our value chain, which amounts to 8.2 million tons of baseline Scope 3 emissions (upstream + downstream). This is over 10 times the amount of emissions from our operations. Out of the total, 7.3 million tons of emissions were from upstream activities, of which 6.8 million tons from scope 3, category 1 emissions: purchased goods and services.

Umicore has a long track record in energy and process efficiency. This way of working has contributed to our exceptional operational emissions profile in our sector.<sup>1</sup> We report and monitor our GHG emissions following best practice, using the Greenhouse Gas Protocol definition, and reporting methodology. Our emissions inventory can be found in our [ESG Databook](#) and in our [annual reporting](#).

## 2019 GHG inventory

<b>Scope 3 upstream</b> 7.3 million tons CO <sub>2</sub> emissions	<b>76%</b> Purchased goods & Services
	<b>2%</b> Transportation & distribution
	<b>4%</b> Other upstream Scope 3
<b>Scope 1</b> 0.4 million tons CO <sub>2</sub> emissions	<b>4%</b> Scope 1
<b>Scope 2</b> 0.4 million tons CO <sub>2</sub> emissions	<b>4%</b> Scope 2
<b>Scope 3 downstream</b> <b>0.9 million tons CO<sub>2</sub> emissions</b>	<b>3%</b> Processing of sold products
	<b>6%</b> End of life treatment of sold products
	<b>1%</b> Other downstream Scope 3



<sup>1</sup> CDP has published a technical note identifying the most relevant and most significant Scope 3 categories per industry, including the chemical industry.

About us

Baseline, targets & progress

**Umicore GHG baseline profile**  
Umicore’s decarbonization targets  
Monitoring progress

Implementation strategy

Navigating success

# Umicore's decarbonization targets

## Target overview

	Scope 1 + 2 target	Scope 3 target
	-20% vs. 2019	
2025	60% electricity from renewables globally	
2030	-50% vs. 2019	Supplier engagement covering 80% of expected 2030 Scope 3, cat 1 emissions
		-42% scope 3.1 GHG intensity
2035	Net Zero	

## Sciened-based ambitions

The Science Based Targets initiative (SBTi) provides guidance and validation services for scientifically credible and ambitious decarbonization targets aligned with the latest climate science.

SBTi has validated Umicore's 2030 GHG emissions reduction targets, classifying Umicore's Scope 1 + 2 target ambition as in line with a 1.5°C trajectory.

## Scope 1 +2: Net zero GHG emissions by 2035

Umicore has defined three targets that will guide our actions to reach net zero for Scope 1 + 2 emissions by 2035:

- 2025 target:
  - to reduce our Scope 1 + 2 emissions by 20% in absolute terms by 2025 compared to the 2019 baseline.
  - To operate on 60% on renewable electricity globally
- 2030 target:
  - to reduce our Scope 1 + 2 emissions by 50% in absolute terms by 2030 compared to the 2019 baseline.
- Net-zero target:
  - to achieve net zero Scope 1 + 2 emissions by 2035 compared to the 2019 baseline.

These targets apply to the Umicore Group's consolidated activities.

## Scope 3: -42% in carbon intensity of purchased materials by 2030

Considering the materials we buy have the largest impact on our Scope 3 footprint Umicore has defined two targets that will guide our actions to reduce Scope 3 emissions by 2030:

- Reduce the carbon intensity of purchased materials by 42% by 2030 from a 2019 base year (i.e., by 2030, we will not increase the intensity of our Scope 3, category 1 emissions from our purchased raw materials).
- Engage with raw material suppliers to cover at least 80% of the expected Scope 3, category 1 emissions by 2030. On an annual basis, we aim to cover an additional 10% of those expected emissions. An engaged supplier has:
  - signed, recognized, or is adherent to the [Umicore Global Sustainable Sourcing Policy \(UGSSP\)](#);
  - **AND** provided a product-specific emission factor;
  - **AND** provided information on how this will evolve by 2030 based on its decarbonization plans (i this is not available, the suppliers should submit within two years of the start of the engagement);
  - **AND** provided the carbon calculation method.

Umicore supports the goals of the Paris Agreement and continues to act decisively on the path towards decarbonization.

About us

Baseline, targets & progress

Umicore GHG baseline profile  
**Umicore's decarbonization targets**  
 Monitoring progress

Implementation strategy

Navigating success

# Monitoring progress

## 2024 performance at a glance

	2024	Target
Scope 1+2 GHG market-based	-28.8%	-20%
Global electricity from renewables	46.3%	60%
Scope 3: carbon intensity of purchased materials	-22.9%	-42%

## Scope 1, 2, 3 emissions data

(tCO <sub>2</sub> e)	2019	2023	2024
<b>Scope 1 GHG emissions</b>			
Gross Scope 1 GHG emissions	389,101	317,908	<b>277,717</b>
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	<b>81.0%</b>
<b>Scope 2 GHG emissions</b>			
Gross location-based Scope 2 GHG emissions	429,177	377,519	<b>340,738</b>
Gross market-based Scope 2 GHG emissions	402,715	314,097	<b>286,349</b>
<b>Significant Scope 3 GHG emissions</b>			
<b>TOTAL GROSS INDIRECT (SCOPE 3) GHG EMISSIONS</b>	<b>8,224,693</b>	<b>7,252,813</b>	<b>6,467,283</b>
1 Purchased goods and services	6,816,941	5,988,009	<b>5,339,902</b>
2 Capital goods	137,760	130,486	<b>66,475</b>
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	119,080	121,596	<b>108,780</b>
4 Upstream transportation and distribution	178,180	440,118	<b>420,088</b>
5 Waste generated in operations	22,140	38,977	<b>38,363</b>
6 Business traveling	10,159	6,340	<b>4,105</b>
7 Employee commuting	14,689	14,785	<b>14,560</b>
8 Upstream leased assets	12,269	7,824	<b>12,936</b>
9 Downstream transportation	40,157	36,186	<b>31,550</b>
10 Processing of sold products	279,806	185,054	<b>188,198</b>
11 Use of sold products	-	-	-
12 End-of-life treatment of sold products	512,125	260,967	<b>224,771</b>
13 Downstream leased assets	-	-	-
14 Franchises	-	-	-
15 Investments	81,387	22,471	<b>17,555</b>
<b>Total GHG emissions (location-based)</b>	<b>9,042,971</b>	<b>7,948,239</b>	<b>7,085,738</b>
<b>Total GHG emissions (market-based)</b>	<b>9,016,509</b>	<b>7,884,817</b>	<b>7,031,349</b>

### About us

### Baseline, targets & progress

Umicore GHG baseline profile  
Umicore's decarbonization targets  
**Monitoring progress**

### Implementation strategy

### Navigating success

A woman with dark curly hair, wearing a light-colored jacket and blue jeans, is walking on a paved path. In the foreground, a black charging cable is plugged into a white electric vehicle. The background shows a modern building with a white fence and some greenery under a clear blue sky.

# Implementation strategy

## ☰ Contents

---

### [About us](#)

---

### [Baseline, targets & progress](#)

---

### [Implementation strategy](#)

---

Decarbonizing our operations: Scope 1 + 2

Decarbonizing our value chain: Scope 3

Sustainable products and services

Engagement

### [Navigating success](#)

---

# Decarbonizing our operations: Scope 1 + 2

## To reach our targets, we leverage operational excellence and innovation

To achieve our net-zero ambition, we have defined three levers to pair with our growth on the road to meeting our ambitions: **avoid, replace, capture**. While we investigate innovation potential for long-term decarbonization, increasing energy efficiency and the share of electricity from renewable sources are the priority to reach our short and medium-term goals.



### Avoid emissions

Our key focus is on improving **efficiency**. We conduct energy scans at major sites and explore process efficiency, energy conservation, and utility-driven measures.

We continue to evaluate the feasibility of utilities and modeling solutions. One example is our heat and power co-generation in Olen, Belgium, which increases efficiency and results in less emissions.



### Replace emissions

Securing long-term green Power Purchase Agreements (PPAs) is a key piece of our approach. This is especially important as in a business as usual scenario, where our electricity needs could multiply by 2030 given our projected growth ambitions, mainly within our battery materials business. Green PPAs are a priority to reach our goal of reducing our Scope 1 and 2 emissions by 20% by 2025. We have already signed green PPAs for a number of sites, including our sites in Belgium, Poland, and Finland; consequently lowering the carbon footprint of our cathode materials made in Europe.

We also generate renewable electricity on-site to reduce our need for purchased electricity. Umicore's R&D plays a crucial role in unlocking solutions for decarbonization and replacing the sources of emissions wherever we can. For example, we are exploring replacing fossil fuels with carbon-neutral fuels (biofuels) and electric furnaces. This type of innovation takes time and will require new approaches to our state-of-the-art processes.



### Capture remaining emissions

For this last lever, both innovation and strategic partnerships are essential. Umicore's R&D is at the heart of our successful pilot in capturing nitrous oxide: our Nitric Acid plant in Hoboken which prevents N<sub>2</sub>O from being emitted into the air and transforms it into nitric acid instead, which can be reused. By capturing and transforming these process emissions, we can reduce our carbon footprint by about 40,000 tons of CO<sub>2</sub>e every year and derive value from resources that would otherwise go to waste.

Umicore's community of over 1300 scientists continues to forge partnerships and develop technologies through market intelligence and open innovation with leading industrial or academic partners and start-ups.

## Our plan in action

### Scope 1

Breakthrough innovations: where the magic happens

 [Read full story](#)

### Scope 2

Umicore signs renewable electricity PPA with Gasum for its battery materials precursor and refining plant in Finland

 [Read full story](#)

[About us](#)

[Baseline, targets & progress](#)

[Implementation strategy](#)

[Decarbonizing our operations: Scope 1 + 2](#)

[Decarbonizing our value chain: Scope 3](#)

[Sustainable products and services](#)

[Engagement](#)

[Navigating success](#)

# Decarbonizing our value chain: Scope 3

## Managing our Scope 3 emissions presents us with formidable challenges

There are a number of challenges to address to strategically decarbonize our supply stream. How can we accurately assess our Scope 3 emissions in the absence of comprehensive data? How do we guarantee that our materials contribute to a lower carbon footprint? And, crucially, how can we secure a supply chain characterized by low carbon intensity? We have defined three levers to realize our target: **engage, recycle, optimize**. These levers are designed to ensure that, despite our growth, we can cap our emissions at 2019 levels.



### Engage with suppliers

Umicore is prioritizing engagement with its suppliers. We are committed to leveraging our existing responsible raw materials approach, to work with our suppliers on the emissions data linked to Umicore-specific supply streams, to understand their decarbonization plans and drivers and how that will impact our footprint, and to further increase the low-to-zero carbon supply streams.

We are also exploring long-term strategic partnerships. These collaborations can cover multiple sustainability topics, but are all aimed at driving sustainability the value chain.



### Recycle materials

Umicore is a world leader in the eco-efficient recycling and refining of precious, special, secondary and base metals-bearing materials. Our recycling services – processing over 200 types of metal-containing materials, including industrial residues and end-of-life materials – deliver sustainable sourcing solutions to our customers. The ambition to address increasing global resource scarcity and achieve material efficiency is an important factor in our business strategy.

We recover and sell these metals and our closed-loop business model and maximize the reuse of materials. As such, continuing to source secondary materials, which are inherently lower carbon than primary materials, aligns seamlessly with Umicore's established strategy, reflecting our commitment to sustainable practices. We will also continue to maximize opportunities linked to internal reuse of recycled metals.

### Our plan in action

Umicore signs long-term agreement with Terrafame for the supply of sustainable low carbon nickel

 [Read full story](#)

Umicore signs long-term sustainable lithium contracts with Ganfeng and Vulcan

 [Read full story](#)



### Optimize the supply chain

Umicore has a long-standing responsible and sustainable raw materials sourcing approach. We leverage this approach to strategically secure low-carbon materials. In addition, we will explore opportunities to move upstream and apply our unique know-how to optimize processes, to produce lower carbon precursor materials for example.

[About us](#)

[Baseline, targets & progress](#)

[Implementation strategy](#)

[Decarbonizing our operations: Scope 1 + 2](#)  
[Decarbonizing our value chain: Scope 3](#)  
[Sustainable products and services](#)  
[Engagement](#)

[Navigating success](#)

# Sustainable products and services

## Umicore strives to maximize the positive impact on society through our operations, supply chain, and products and services.

Our primary focus is to leverage activities that provide solutions for clean mobility and resource scarcity. Umicore has emphasized this focus for many years by disclosing the revenues we gain from clean mobility materials and recycling in our annual report.

To gain a competitive advantage through sustainability, we must fully comprehend our product's impact on the world. These insights can then be leveraged to improve the footprint of our products and services. Umicore's product life cycle assessments (LCAs) identify the environmental impact of products and services and set a baseline against which improvements can be measured.

We evaluate the environmental, climate, health and safety performance of our products through their life cycle to identify and implement improvements – from the supply chain, to up- and downstream production, to recycling or end-of-life – even looking to the future, with substitution planning, and exploring how to reduce the use of substances of very high concern.

Umicore will continue to develop selective products and services that have specific sustainability benefits and answer the growing sustainability needs of our customers.

## Our plan in action

Umicore speeds up its EV battery materials R&D with unique large-scale prototyping center for solid-state battery materials

 [Read full story](#)

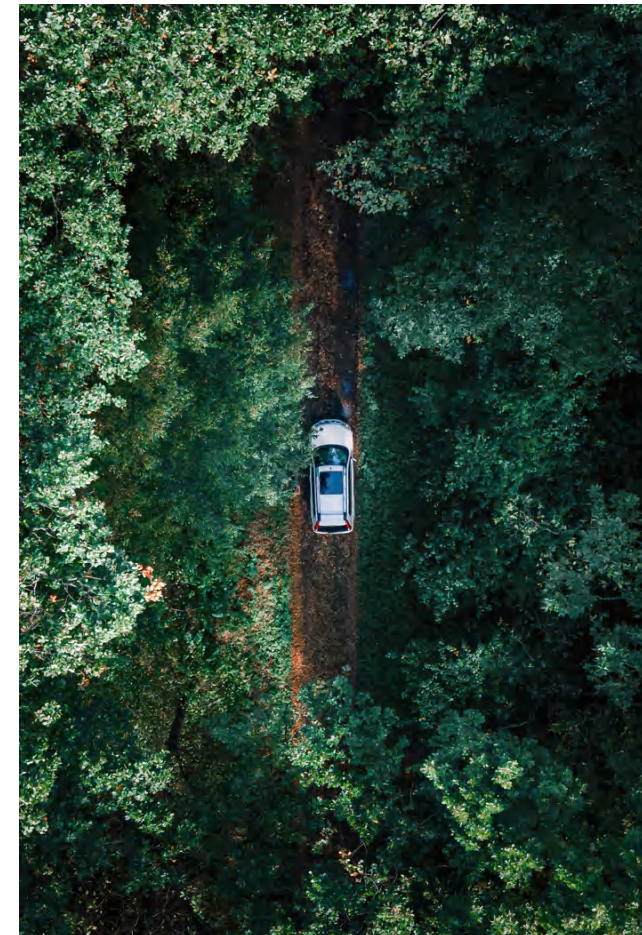
## Reducing Scope 1, 2, and 3 emissions is critical in managing the impacts of climate change.

Umicore is committed to providing products and services that help drive the transition to a low-carbon future through their use. We continue to develop bespoke products and services that contribute to a more sustainable value chain, enabling our suppliers and customers to reduce their greenhouse gas emissions. This happens independently of the product's lifecycle or value chain, as a result of its usage. We began estimating these avoided emissions in response to growing stakeholder requests for a quantified estimation of the positive impacts of our products and services.

Umicore follows the framework set forth by the joint International Council of Chemical Associations (ICCA) and World Business Council for Sustainable Development (WBCSD) Guidelines for the chemical industry accounting and reporting GHG emissions avoided along the value chain. Beyond our internal expertise, to conduct our LCAs and for our comparison data, we make use of robust third-party data providers such as Ecoinvent or Ricardo (market leaders in LCA data) as well as research institute LCA data. We report our methodology and assumptions along with our avoided emissions estimations as part of our annual reporting. Our clean mobility products and recycling services avoided an estimated 71.3 million tons of CO<sub>2</sub>e from 2016 through 2024. We will continue this trajectory of delivering sustainable solutions for the transition to a low-carbon future. Our business is driven by the megatrends of clean mobility and circularity, and these trends, combined with our efforts to decarbonize despite increased production, will lead to more significant avoided emissions.

Our products and services contribute to climate change mitigation as defined by the EU Taxonomy. In 2024, Umicore's EU Taxonomy-aligned capital expenditures (CAPEX) related to climate change mitigation amounted to €350.5 million, and operating expenditures (OPEX)

reached €124.4 million. For further details, please refer to our [EU Taxonomy disclosures](#).



## About us

## Baseline, targets & progress

## Implementation strategy

Decarbonizing our operations: Scope 1 + 2

Decarbonizing our value chain: Scope 3

**Sustainable products and services**

Engagement

## Navigating success

# Engagement

**Engagement is a key lever to drive sustainability and climate action in the value chain. Umicore continues to leverage its sustainability approach both upstream with suppliers and downstream with customers.**

We regularly engage with a broad set of stakeholders. With customers for example, Umicore offers circular business solutions and options for products with the highest energy and material efficiency. We work directly with our customers to develop, produce and recycle metal-related [materials for material-based solutions](#) tailored to their needs.

As we proceed to drive decarbonization in the value chain, we prioritize supplier engagement. We prioritize collaborating with our raw material suppliers who have the most significant impact on our Scope 3 upstream emissions. We also engage directly with shareholders to understand priorities when it comes to climate action and to share where we are in our plan. The voice of our stakeholders is a key piece of how we implement our sustainability strategy. We lend our experience and expertise to governments, trade associations, and industry alliances on reducing the use of primary materials and increasing the use of recycled materials. Our advocacy focuses on clean mobility (lower emissions, electric mobility, and hydrogen-based mobility) and responsible sourcing, i.e., conflict minerals and battery regulations.

We are committed to making the car industry more circular by participating in the World Economic Forum (WEF) Circular Cars Initiative (CCI), which explores the impact of the second-life battery market, materials passports, and designs-for-recycling concepts in the future automotive and transportation business models. Since the transition to a sustainable future is a long-term practice, Umicore is encouraging global partnerships for sustainable development, at a global level through the WEF Climate Leaders Group, and locally through the Belgian Alliance for Climate Action (BACA). We also advocate for ambitious European decarbonization regulations.

Umicore partners with RECHARGE Battery Industry Association leaders to establish public positions on sustainable development of a competitive rechargeable and lithium batteries value chain in Europe through working groups and debates.

As a founding member and representative on the Executive Board of the Global Battery Alliance (GBA), Umicore is working with NGOs, academic players, authorities, and industrial members to develop the first battery passport with a QR code. The QR code enables transparency by including the source of the raw materials within a battery and providing the carbon footprint of that battery.

The feedback from stakeholder engagement and from our industry and advocacy efforts is presented as part of strategic updates to both the Executive Leadership Team and Supervisory Board.



# Navigating success

An aerial photograph of a wind farm situated on a mountain ridge. A dirt road winds through the landscape, connecting several white wind turbines. The scene is misty, with low-lying clouds and fog partially obscuring the terrain. The sky is a mix of blue and orange, suggesting a sunrise or sunset. The overall atmosphere is serene and natural.

☰ Contents

---

About us

---

Baseline, targets & progress

---

Implementation strategy

---

Navigating success

---

Governance

# Governance

## We are committed to playing an active role in driving the transition to a sustainable future.

Umicore is committed to supporting the Ten Principles of the United Nations Global Compact in Human Rights, Labor, Environment and Anti-Corruption, and contributing to the [Sustainable Development Goals](#) (SDGs). Our annual reporting describes our actions to continually improve and monitor how our strategy, culture, and daily operations contribute to ambitions and support the Global Compact and its principles.

As stated in our [Environmental Stewardship Policy](#), we support the goals of the United Nations' Paris Agreement, limiting global warming to well below 2°C above preindustrial levels and pursuing efforts to limit warming to 1.5°C. Umicore has science-based 2030 greenhouse gas (GHG) reduction targets validated by the Science Based Targets initiative (SBTi).

As a circular materials technology company, we purchase and recycle minerals and metals for use in a wide range of products and technologies. Umicore has a long-standing expertise in maximizing the value of our precious and other non-ferrous metals. For our operations to function, we need raw materials, transportation, energy and other goods and services. Our approach to sustainable procurement in our value chain is shaped by our [Umicore Global Sustainable Sourcing Policy](#) (UGSSP).

### The Umicore Way

[The Umicore Way](#) is the cornerstone of everything we do at Umicore. It outlines our values, our overall commitment to the principles of sustainable development, and our commitment to our mission: materials for a better life.

At Umicore, sustainability is consistently one of the top three reasons why people choose Umicore as an employer. The integration of our climate and sustainability ambitions is strengthened through proactive leadership, comprehensive training programs, and active engagement across all workforce levels. This includes raising ongoing awareness through regular communications with colleagues and empowering our internal Sustainability Champions network.

We report on the progress made in implementing the plan as part of our annual reporting. An independent third party has assured our GHG emissions inventory for several years, and we are committed to continuing this practice. The Climate Transition Plan will be updated in line with the milestones of our strategy.

The CEO and the Executive Leadership Team are responsible for overseeing Umicore's decarbonization roadmap. The EVP ESG is responsible for the Climate Transition Plan. Umicore's executive [remuneration policy](#) reflects the importance sustainability and of climate-related efforts by including climate and sustainability objectives next to financial objectives in both short- and long-term variable remuneration plans.

The financial strategy aimed at decarbonizing our operations is primarily driven by operational excellence and green electricity. We are particularly focused on a balanced and efficient use of capital expenditure (CapEx) and operational expenditure (OpEx) for decarbonization. Umicore invests CapEx in operational excellence projects and energy efficiency improvements every year. The CapEx program is developed by each individual site, reviewed, and approved by the Executive Leadership Team. Business Units are responsible for ensuring that the transition to lowcarbon energy is reflected in their operational budget and for making financial allocations to decarbonize Scope 2, with the support of the Group ESG team.

We have developed a number of tools to support the implementation of our decarbonization strategy across the Group. We employ a MAC (Marginal Abatement Cost) curve for decarbonization project prioritization to maximize decarbonization value and cost-effectiveness. The comparison line follows the current cost of carbon as set in the European Emission Trading system. We are also testing an internal process framework for new projects in terms of carbon impact. In doing so, we are developing guidance on how to integrate the low- and zero-carbon models into the business case using shadow pricing, and we are updating our CapEx policy to reflect these considerations. We are directing our investments toward low-capital expenditure efficiency programs and optimizing expenditures, both operational and capital through efficiency programs.

To decarbonize our value chain, we are investing in long-term supply agreements, such as long-term cobalt supply agreements, long-term nickel supply planning agreements and lithium. We are piloting a purchasing framework that captures the impact of the carbon footprint in Nickel.

We integrate TCFD recommendations into our risk and opportunity assessments and strategic planning. We evaluate both transition and physical climate-related risks annually and disclose them in our reports.

Umicore continues to innovate in clean air, e-mobility, and resource stewardship. Our strategy, R&D, and supplier collaboration reflect our climate-related priorities, embedded in financial planning and ESG dashboards. We value transparency, which is why we will continue to measure and publicly report our impact and performance in line with international standards. This information is available in our [annual reporting](#) and in our [ESG Data Book](#). We participate in third-party sustainable supplier assessments like EcoVadis and the CDP.

[About us](#)
[Baseline, targets & progress](#)
[Implementation strategy](#)
[Navigating success](#)
[Governance](#)

## Board Leadership

Our Supervisory Board is highly knowledgeable and experienced in climate-related matters, with a deep understanding of the industry. They are committed to guiding Umicore towards sustainable practices and ensuring that we meet our sustainability goals. The Board understands the impact of greenhouse gas emissions and the factors contributing to decarbonization throughout our value chain. They know the actions required to work towards net zero. The Board also requests and receives regular training on decarbonization topics to stay informed and up to date. Our Supervisory Board's Sustainability Committee oversees Umicore's climate-related agenda, strategy, policies, and performance related to ESG commitments.

## Our approach to climate-related impacts, risks and opportunities (IROs)

Umicore has incorporated the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This has resulted in the implementation of new systems for modeling climate-related risks and opportunities, as well as updating the risk and opportunity register that integrates the TCFD guidelines. As we grow, we are progressively integrating this analysis into our strategic planning. We are confident in our ability to address the challenges and opportunities of a future with reduced carbon emissions.

Umicore has considered the potential impact of climate-related risks and opportunities, which cover both transition risks and opportunities (market, reputation, policy & legal, technology) and physical risks (direct damage to assets and supply chain disruption). Every year, we evaluate the IROs in the organization, the long-term consequences of climate change, and the climate-related transition risks scenario analysis for Umicore are further in our annual report.

The ongoing transition to a lower carbon economy continues to present Umicore with opportunities to expand and develop processes in ways that can mitigate or address climate change and environmental risks. We continue to play a key role in this transition, no matter the pace, as our materials tackle global trends for clean air

and e-mobility, and our closed-loop business model tackles resource stewardship. We will further strengthen our market position and plan to capture growth from the next wave of sustainability-driven markets, such as fuel-cell catalysts and battery recycling.

Umicore's businesses, strategy, and financial planning reflect many climate-related impacts, risks and opportunities. The focus of our products and services, our investments in R&D and operational excellence and our policies for collaboration with our suppliers are a few examples of these strategic choices. They are increasingly embedded in our ongoing financial planning and decisionmaking through their progressive integration in the BU budgeting process and the development of the ESG dashboard.

## Uncertainties and challenges

- **Greenhouse gas accounting** – One of the uncertainties in greenhouse gas accounting is that any potential changes to the current accounting guidelines could significantly impact our plans and timelines; additionally, variations in the usage of different protocols and ongoing data quality issues further contribute to the challenges and complexities of the process.
- **Scope 3 measurement** – Our Scope 3 measurements currently rely on a combination of life cycle assessments (LCAs), public disclosures, and data provided by sector associations, particularly regarding specific metals. It's important to note that any new insights or potential barriers encountered in these areas can substantially impact our plans and timelines for refining Scope 3 measurements.
- **Technical innovation** – Rapid advancement or unexpected barriers in technology development could impact our plans and timelines.
- **Customer willingness to pay** – Doing the right thing comes at a cost to both us and customers. A potential concern arises with insufficient consumer demand or pressure to purchase low-carbon goods.
- **Energy infrastructure** – Uncertainty also stems from the existing energy infrastructure and the accessibility of renewable energy sources, which are contingent upon governmental decisions and policies.
- **Security of supply and reliability of suppliers** – A challenge that could arise stems from the trade-off between the volume of raw materials needed for the transition to a low-carbon economy, and the reliability of the suppliers.

We acknowledge the listed uncertainties that could impact our plan over time and will communicate and update the plan accordingly. These uncertainties will not hold us back in our transition and we expect the level of uncertainties to decrease over time.

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[Baseline, targets & progress](#)

[Implementation strategy](#)

[Navigating success](#)

[Governance](#)

