

UMICORE
Limited Company ("Naamloze Vennootschap" / "Société Anonyme")
1000 Brussels, Broekstraat 31 rue du Marais
VAT BE 0401.574.852 – RLE Brussels
(the "Company")

STATUTORY ANNUAL REPORT – FINANCIAL YEAR 2023

To the shareholders,

In accordance with legal and statutory obligations, we hereby report to you on the execution of our appointment for the year ended 31 December 2023 and submit the annual accounts for your approval.

1. RESULT AND POSITION OF THE COMPANY

1.1. PROFIT AND LOSS STATEMENT

1.1.1. SUMMARY

Statutory Income statement

(in million €)	31/12/2022	31/12/2023	Delta
	-	-	-
I. OPERATING INCOME	7.093	4.687	(2.406)
A.Turnover	6.525	4.229	(2.296)
B.Increase, decrease in stocks	123	79	(44)
C.Own construction capitalised	91	120	29
D.Other operating income	349	258	(91)
E.Non recurring operating income	5	-	(5)
II. OPERATING CHARGES	(6.932)	(4.555)	2.377
A.Raw materials and consumables	(5.996)	(3.484)	2.512
B.Services and other goods	(429)	(433)	(4)
C.Remuneration, social security costs and pensions	(338)	(401)	(63)
D.Depreciation, amounts written off fixed assets	(147)	(152)	(5)
E.Amounts written off stocks and trade debtors	(3)	(12)	(9)
F.Increase, decrease provisions for liabilities and charg.	44	(2)	(46)
G.Other operating charges	(34)	(28)	6
H.Operating charges capitalised as reorganization costs	-	-	-
I.Non recurring operating charges	(29)	(43)	(14)
III. OPERATING RESULT	161	132	(29)
IV. FINANCIAL INCOME	292	428	136
A.Recurring financial income	236	428	192
B.Non recurring financial income	56	-	(56)
V. FINANCIAL CHARGES	(143)	(281)	(138)
A.Recurring financial charges	(129)	(219)	(90)
B.Non recurring financial charges	(14)	(62)	(48)
VI. RESULT FOR THE PERIOD BEFORE TAXES	310	279	(31)
VII. INCOME TAXES	(13)	(11)	2
VIII. RESULT FOR THE PERIOD	297	268	(29)

1.1.2. COMMENTS

- The turnover decreased versus 2022 mainly due to lower Precious Metals (“**PM**”) and Platinum Group Metals (“**PGM**”) prices and lower battery metal rates;
- Other operating income decreased, which is mainly explained by lower re-invoicing of corporate and Business Unit costs within the group;
- Raw materials and consumables costs decreased accordingly with the lower metal rates and, to a lesser extent, also due to lower rates for utilities, partly counterbalanced by inflation impacts for consumables;
- Remuneration, social security costs and pensions costs increased significantly following the indexation of the wages and salaries combined with new hirings in the context of global increase of corporate and Umicore Battery Materials (“**UBM**”) activities;
- Depreciation and impairments increased in line with CAPEX investments;
- Non-Recurring operating charges: these mainly include €34m impairments on assets compared to additions to environmental provisions in 2022;
- The operating result decreased, driven by a lower performance at Precious Metals Refinery (“**PMR**”) (–€149m) and higher costs at Battery Recycling Solutions (“**BRS**”) (–€18m) for building up operational activities, partly compensated by improved UBM performance (+€128m), metal Non-Current-Inventory (NCI) sale (+€21m) and corporate development cost increase (–€12m);
- The financial income increased due to the dividend income from Umicore International SA (+€100m), Umicore Korea Ltd (+€33m) and increased interest rates (+€32m), counterbalanced by the negative variance (–€50m) related to the reversal in 2022 of the historical impairment of Umicore USA, Inc. (supported by a net equity value above investment value);
- Financial expenses increased by –€30m due to the increase of the provision covering the shortage between the number own shares in portfolio and the number of stock options granted, by –€51m related to an increase in interest cost following the increasing interest rates and by –€46m related to the decrease of value of own shares (mark-to-market in Belgian GAAP).

1.2. BALANCE SHEET

1.2.1. ASSETS

1.2.1.1. Summary

Statutory Balance sheet

(in million €)	31/12/2022	31/12/2023	Difference
FIXED ASSETS	3.543	4.046	503
I. FORMATION EXPENSES	6	3	(3)
II. INTANGIBLE ASSETS	114	144	30
III. TANGIBLE ASSETS	462	480	18
A. Land and buildings	173	171	(2)
B. Plant, machinery and equipment	222	226	4
C. Furniture and vehicles	16	17	1
D. Leasing and other similar rights	2	2	-
E. Other tangible assets	21	20	(1)
F. Assets under construction and advance payments	28	44	16
IV. FINANCIAL ASSETS	2.961	3.419	458
CURRENT ASSETS	2.632	2.182	(450)
V. AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR	436	369	(67)
A. Trade debtors	-	-	-
B. Other amounts receivable	436	369	(67)
VI. STOCKS AND CONTRACTS IN PROGRESS	721	720	(1)
A. Stocks	719	716	(3)
B. Contracts in progress	2	4	2
VII. AMOUNTS RECEIVABLE WITHIN ONE YEAR	1.173	698	(475)
A. Trade debtors	894	400	(494)
B. Other amounts receivable	279	298	19
VIII. INVESTMENTS	226	248	22
A. Own shares	213	149	(64)
B. Other investments and deposits	13	99	86
IX. CASH AT BANK AND IN HAND	5	8	3
X. DEFERRED CHARGES AND ACCRUED INCOME	71	139	68
TOTAL ASSETS	6.175	6.228	53

1.2.1.2. Comments

- Intangible assets: the increase is mainly explained by a new long term license agreement for UBM and development expenses;
- Financial Assets: the increase is predominantly explained by capital increases in UBM entities (UBM Poland Sp. Zo.o. +€219m; UBM Canada, Inc. +€69m) and IONWAY (+€179m);
- Amounts receivable after more than 1 year: these decreased, following decreasing loan volumes to affiliates;
- Stocks: UBM inventories increased (+€70m) explained by increased quantities on nickel, partly counterbalanced by a price effect; Cobalt Specialty Materials ("CSM") decreased (-€72m) driven by the lower nickel and cobalt prices and lower volumes. The PMR stocks increased (+€11m) mainly on finished products, and decreased on Recycling inventory (-€10m);
- The amounts receivable within one year decreased year-over-year. This is mainly explained by UBM (-€540m) driven by metal prices (lithium), CSM (-€66m) due to lower volumes and the lower metal prices; and PMR (+€70m) on refining charges;
- Investments increased due to increase in cash on the In-House Bank (+€86m), partly counterbalanced by the own shares market value decrease (-€63m);

- Deferred charges and accrued income (Assets) increased following an increase of positive mark-to-market (+€79m) on Metal hedging (cobalt, lithium and nickel); an increase of interest accruals (+€14m); and a decrease of MTM effects on FX (-€27m).

1.2.2. LIABILITIES

1.2.2.1. Summary

(in million €)	31/12/2022	31/12/2023	Delta
CAPITAL AND RESERVES	2.396	2.468	72
I. CAPITAL	550	550	-
II. SHARE PREMIUM ACCOUNT	848	848	-
III. REVALUATION SURPLUS	-	-	-
IV. RESERVES	418	354	(64)
A. Legal reserve	55	55	-
B. Reserves not available for distribution	213	149	(64)
C. Untaxed reserves	150	150	-
D. Reserves available for distribution	-	-	-
V. RESULT CARRIED FORWARD	570	710	140
Vbis. RESULT FOR THE PERIOD	-	-	-
VI. INVESTMENT GRANTS	10	6	(4)
PROVISIONS AND DEFERRED TAXATION	180	211	31
VII.A. PROVISIONS FOR LIABILITIES AND CHARGES	180	211	31
CREDITORS	3.599	3.549	(50)
VIII. AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR	1.620	2.002	382
A. Financial debts	1.620	1.981	361
B. Trade debts	-	21	21
IX. AMOUNTS PAYABLE WITHIN ONE YEAR	1.830	1.272	(558)
A. Current portion of amounts payable	88	199	111
B. Financial debts	666	163	(503)
C. Trade debts	836	564	(272)
D. Advances received on contracts in progress	-	-	-
E. Taxes, remuneration and social security	96	102	6
F. Other amounts payable	144	244	100
X. ACCRUED CHARGES AND DEFERRED INCOME	149	275	126
TOTAL LIABILITIES	6.175	6.228	53

1.2.2.2. Comments

- The decrease of the reserves not available for distribution is explained by a decrease in the number of own shares and their market value;
- The provisions for liabilities and charges increased, which is explained mainly by the increase of provision for stock options;
- The amounts payable after more than one year (Financial debts) increased mainly due to the US Private Placement long-term loans by +€566m with a long-term horizon (up to 12 years), partly compensated with -€199m related to the transfer to long-term debt maturing within one year (Schuldschein debt);
- Amounts payable within one year:
 - Current portion: +€199m long-term financial debt, which is payable within one year (decrease of the Schuldschein loan); -€88m repayment of tranche Schuldschein loan;
 - Financial debts decreased by -€503m linked to the reimbursements of intercompany loans;
- Trade debts are down due to lower metal prices and lower purchased volumes;
- Other amounts payable increased by +€100m following IONWAY capital increases and decreased by -€132m following the dividends paid in 2023 to the shareholders;

- Accrued charges and deferred income (liabilities) increased following a positive mark-to-market effect on forex hedging (+€25m), interest accruals (+€22m) and PMR revenue recognition adjustments (invoiced but not delivered) (+€23m).

1.3. PERSONNEL (social balance)

The approach and policy on social management are determined at group level. For a more detailed analysis of the social engagement, we refer to the [Umicore website](#) and the annual report on the consolidated accounts.

Unified Remuneration Policy

On 1 January 2023, the ambitious and uniform remuneration policy for all blue and white collar workers in Belgium was implemented. This means that there will be no differentiation in compensation between blue and white-collar workers. Both groups are placed on the same pay scale and receive identical compensation components. Additionally, a consistent job classification system was introduced. This new approach guarantees a fair, transparent, sustainable and motivating compensation policy. It also provides employees with the opportunity to address their individual needs more effectively. Lastly, this initiative aids in retaining and attracting talent in the highly competitive Belgian labor market.

Workforce

The total number of employees (full time equivalents or "FTE") on Umicore's payroll in Belgium at year-end rose from 3,173 in 2022 towards 3,341 in 2023. Umicore welcomed 411 new employees in Belgium.

People development

Training and development are considered a key investment in competence building. Umicore expects people to steer their career, including taking the necessary initiatives to continuously develop their own competencies. There was an increase in 2023 of the total number of formal and informal training hours (160,072 hours in 2023 compared to 157,925 in 2022). This corresponds to an average of more than 6 days per employee.

Social Objectives

As it is Umicore's mission to continue to be a sustainability leader, our "Let's go for zero" or "ESG-strategy" of June 2021 is embedded in RISE Together. This strategy includes a set of social objectives, brought together under the heading "Zero Inequality". These social pillars of the new ESG-strategy include "Diversity & Inclusion", "Learning & Growth", "Agile way of working" and "Wellbeing".

We have multiple programs to support these ambitions and to become an even more diverse and inclusive workplace. Engage at Work is an extension of our Umicore values for all our colleagues. We want our colleagues to be proud to be working in an inclusive and agile organization, to learn and to share, and to take care of each other. Our Leadership Compass will encourage everyone to achieve success by sharing different perspectives, engaging all colleagues and going beyond borders, as we can all lead from where we stand.

Preferred employer

In 2023, Umicore was once again honored as a top employer for the 19th consecutive year by the Top Employer Institute. Umicore's re-election underscores its commitment to providing exceptional employee conditions, fostering talent development across all organizational levels and continually refining employment practices.

We are recognized more particularly for outstanding achievements at the level of:

- Business & People Strategy
- Leadership
- Employer Branding
- Purpose & Values

Furthermore, this recognition significantly aids our efforts to attract top talent in an increasingly competitive Belgian labor market.

The Top Employer Institute awarded Umicore a 2nd place recognition in the Blue Collar Community, recognizing ongoing efforts to standardize working conditions company-wide.

Occupational health and safety

Umicore is determined to reach the highest level of occupational and process safety in all facilities as part of ensuring Zero Harm, with an ambition to achieve zero work-related injuries. A strengthened EHS function at Group level, combined with a hands-on approach and increased engagement, resulted in the Group's safety performance improving compared to 2022 from a total recordable injury rate (TRIR) perspective, at 7.5 per million exposure hours, compared to 9.0 in 2022. Umicore is progressing on track with its roadmap to creating a more robust caring safety culture, developing safety coaching skills and ensuring continuous improvement of its safety programs. The fatal contractor accident at Hoboken, however, has cast a shadow over these improvements.

Process safety

Improvements to Umicore's process safety management were fully updated and implemented during 2023. We commit to further improving the process safety standards and management that are core to preventing catastrophic process events. Process hazard assessment (PHA) and process risk analysis (PRA) continued to be carried out in 2023, with all but one of 147 high-priority processes completed. The implementation of risk reduction measures (RRM) already brought 84% of all process installations to a low risk level compared with 76% in 2022. We will continue to implement additional risk reduction measures in 2024. The same priority has been given to new process installations with PRAs, which are now carried out during the design stage so that risk reduction measures are already included in the design. The in-depth process safety audit process, started in 2022, is now in full deployment with 11 Process Safety Auditors trained and three sites audited in 2023.

2. SUBSEQUENT EVENTS AND CONTINGENT LIABILITIES

There are no significant events occurred after balance sheet date to be reported, except the following: in February 2024, Umicore concluded a €350 million, eight-year-maturity loan with the European Investment Bank (EIB). The proceeds will be dedicated to fund part of Umicore's European research, development and innovation (RDI) in rechargeable battery materials technologies for electric vehicles (EV) and the recycling of EV batteries.

3. DEVELOPMENT OF THE COMPANY.

A more elaborate description of the Company's global development and the key underlying trends, opportunities and risks can be found in the annual report on the consolidated annual accounts.

4. RESEARCH AND DEVELOPMENT

For a more detailed analysis of the research and development activities, we refer to the annual report on the consolidated annual accounts.

5. CORPORATE GOVERNANCE STATEMENT

5.1. CORPORATE GOVERNANCE FRAMEWORK

During the financial year 2023, the Company was subject to the Belgian Code on Corporate Governance 2020 (the "**CG Code 2020**").

The English, Dutch and French versions of the CG Code 2020 can be found on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be).

The governance structure of the Company and the policies and procedures of the Umicore Group are described in detail the corporate governance charter of Umicore (the "**CG Charter**"), which was last amended on 27 July 2023. The CG Charter is available on the Umicore website (<https://www.umicore.com/en/investors/governance/documents/corporate-governance-charter/>) or may be obtained on request from Umicore's Group Communications Department.

Umicore has articulated its mission, values and basic organizational philosophy in a document called The Umicore Way. This document spells out how Umicore views its relationship with its customers, shareholders, employees and society. It is supplemented by detailed company codes and policies, the most significant of which is the Code of Conduct.

In organizational philosophy, Umicore believes in decentralization and in entrusting a large degree of autonomy to each of its business units. The business units in turn are accountable for their contribution to the Group's value creation and for their adherence to Group strategies, policies, standards and sustainable development approach.

In this context, Umicore is convinced that a sound corporate governance structure is a necessary condition to ensure its long-term success. This implies an effective decision-making process based on a clear allocation of responsibilities. Such approach must ensure an optimal balance between a culture of entrepreneurship at the level of the business units and effective steering and oversight processes. The deals in more detail with the responsibilities of the shareholders, the Supervisory Board, the CEO, the Management Board and the specific role of the Audit Committee, the Nomination & Remuneration Committee, the Sustainability Committee and the Investment Committee. The present statements provide information on governance issues which relate primarily to the financial year 2023.

5.2. CORPORATE STRUCTURE

The management board ("*directieraad*" / "*conseil de direction*" – the "**Management Board**") is entrusted with all matters not specifically reserved to the supervisory board ("*raad van toezicht*" / "*conseil de surveillance*" – the "**Supervisory Board**") or the shareholders' meeting by the Belgian Code of Companies and Associations (the "**BCCA**") or Umicore's articles of association.

The Supervisory Board is responsible for the general policy and the strategy of Umicore, as well as for all actions that the BCCA reserves specifically for the board of directors in a one-tier system. It appoints and dismisses the CEO and the other members of the Management Board,

and it also supervises the Management Board. The Supervisory Board is assisted in its role by an Audit Committee and a Nomination & Remuneration Committee.

The day-to-day management of Umicore has been delegated to the CEO, who also chairs the Management Board. The Management Board, under the leadership of the CEO, is responsible for proposing the overall strategy of Umicore to the Supervisory Board and for Umicore’s operational management. It also approves the strategies of the individual business units and monitors their implementation. The Management Board is furthermore responsible for screening the various risks and opportunities that Umicore may encounter in the short, medium or longer term (see Risk Management section) and for ensuring that adequate systems are in place to address these. The Management Board is responsible for defining and applying Umicore’s approach to sustainable development.

Umicore is organized in business groups which in turn comprise business units that share common characteristics in terms of products, technologies and end-user markets. To provide a Group-wide support structure, Umicore has regional management platforms in China, North America, Japan and South America. Its corporate headquarters are based in Belgium (Brussels). This centre provides a number of corporate and support functions in the areas of legal, finance, people & organization, tax, internal audit, public and investor relations.

5.3. SHAREHOLDERS

5.3.1. ISSUED SHARES – CAPITAL STRUCTURE

On 31 December 2023 there were 246,400,000 Umicore shares in issue.

The following shareholders had declared a participation of 3% or more on 31 December 2023 (the below mentioned participations are those as mentioned in the transparency declarations of the resp. shareholders):

Gérald Frère, Ségolène Gallienne, Stichting Administratiekantoor Frère-Bourgeois, The Desmarais Family Residuary Trust, Groupe Bruxelles Lambert SA/NV, Arthur Capital S.à r.l.:	40,623,159 shares (16.49%)
Baillie Gifford & Co and Baillie Gifford Overseas Ltd.:	24,420,971 shares (9.91%)
BlackRock Inc.:	14,516,549 shares (5.89%)
Norges Bank	13,054,028 shares (5.30%)
APG Asset Management:	6,728,778 shares (2.73%) ¹

Also on 31 December 2023, Umicore owned 5,999,083 of its own shares representing 2.43% of its capital. Information concerning the shareholders’ authorization for Umicore to purchase and/or sell its own shares and the status of such buy-backs and divestments can be consulted in the CG Charter and on Umicore’s website.

During the year, 133,700 own shares were used in the context of the exercise of employee stock options and 24,321 shares were used for share grants, of which 10,321 to the members of the Supervisory Board and 14,000 to the Management Board members. 42,237 own shares were used for the variable compensation granted in the form of shares to the former CEO and some members of the Management Board.

¹ Transparency notification received prior to the 2018 capital increase of the Company (the participation crossed the 3% threshold at that time) – according to the information we received, the current participation would still reach the 3% threshold.

5.3.2. DIVIDEND POLICY AND PAYMENT

In 2023, Umicore paid a gross dividend of € 0.80 per share relating to the financial year 2022. This was the same amount as paid in 2022 in respect of the financial year 2021.

In July 2023, the Supervisory Board decided to pay a gross interim dividend of € 0.25 per share, which was paid on 22 August 2023.

5.3.3. SHAREHOLDERS' MEETINGS IN 2023

The annual shareholders' meeting took place on 27 April 2023. A special shareholders' meeting was also held on the same day. The shareholders' meeting took place physically but could also be viewed via a live (or differed) webcast.

The annual shareholders' meeting approved the resolutions regarding the annual accounts, the appropriation of the results and the discharges to the Supervisory Board members and to the statutory auditor regarding their respective 2022 mandates. At the same meeting, the shareholders appointed Marc Grynberg as new member of the Supervisory Board for a period of three years. Furthermore, the mandate of Mario Armero as member of the Supervisory Board was renewed, also for three years. The annual shareholders' meeting also approved the remuneration report and the remuneration of the Supervisory Board for 2023. Details of the fees paid to the members of the Supervisory Board in 2023 are disclosed in the remuneration report.

The special shareholders' meeting approved two contractual change of control clauses in accordance with article 7:151 of the BCCA.

5.4. SUPERVISORY BOARD

5.4.1. COMPOSITION

The Supervisory Board, whose members are appointed by the shareholders' meeting resolving by a simple majority of votes without any attendance requirement, is composed of at least six members. The members' term of office may not exceed four years. In practice, Supervisory Board members are elected for a (renewable) period of three years. A member of the Supervisory Board cannot at the same time be member of the Management Board.

Members of the Supervisory Board can be dismissed at any time following a resolution of a shareholders' meeting, deciding by a simple majority of the votes cast. There are no attendance requirements for the dismissal of Supervisory Board members. The BCCA provides for the possibility for the Supervisory Board to appoint members of the Supervisory Board in the event of a vacancy. The next general meeting must decide on the definitive appointment of the above member of the Supervisory Board. The new member completes the term of office of his or her predecessor.

On 31 December 2023, the Supervisory Board was composed of nine members. On the same date, five Supervisory Board members were independent in accordance with the criteria laid down in article 3.5 of the CG Code 2020.

In terms of gender and cultural diversity, the Supervisory Board counted three women and five different nationalities among its 9 members on 31 December 2023. Diversity also arises from the Supervisory Board members' educational backgrounds which include engineering, law,

economics, finance, earth sciences and applied languages. The Supervisory Board's cumulative industry experience is broad, covering automotive, electronics, chemicals, metals, energy, financial sectors and in academia. It also includes people experienced in the public and private sector and members with experience in the different regions in which Umicore is active. Collectively, the Supervisory Board possesses strong experience of managing industrial operations and counts four active or former CEOs in its ranks. It counts several members with extensive experience in the fields of sustainability and industrial safety.

The composition of the Supervisory Board underwent the following changes in 2023:

- The mandate of Ines Kolmsee as independent member of the Supervisory Board ended with effective date 27 April 2023;
- Eric Meurice resigned as independent member of the Supervisory Board with effective date 27 April 2023;
- Marc Grynberg was appointed member of the Supervisory Board for a period of three years, at the annual shareholders' meeting held on 27 April 2023;
- Furthermore, the mandate of Mario Armero as Supervisory Board member was renewed for three years on 27 April 2023.

5.4.2. MEETINGS AND TOPICS

The Supervisory Board held ten regular meetings in 2023. Four of these meetings were held by means of a videoconference. On one occasion, the Supervisory Board also took decisions by unanimous written consent.

The matters reviewed by the Supervisory Board in 2023 included the following:

- safety performance and governance,
- financial performance of the Umicore Group,
- approval of the annual and half-year financial statements,
- Group strategy,
- adoption of the statutory and consolidated annual accounts and approval of the statutory and consolidated annual reports (including the remuneration report),
- approval of the agenda of an ordinary and a special shareholders' meeting and calling of these meetings,
- environmental, social and governance (ESG) related topics, including but not limited to climate action, risk and resilience, water and biodiversity, diversity;
- business risk assessment,
- investment and divestment projects,
- reports of the Supervisory Board committees,
- cybersecurity,
- Group funding,
- business and technology reviews and market updates,
- joint venture and partnership projects and updates,
- annual performance review of the CEO and the other members of the Management Board,
- nomination and remuneration matters,
- interim dividend distribution.

The Supervisory Board also visited the RBM site in Kokkola (Finland).

5.4.3. PERFORMANCE REVIEW OF THE BOARD AND ITS COMMITTEES

The Supervisory Board undertakes periodical performance reviews which are either conducted by the Chairman or externally facilitated. An in-depth, externally facilitated Board review, will take place in 2024.

5.4.4. AUDIT COMMITTEE

The composition of the audit committee (the “**Audit Committee**”) and the qualifications of its members are fully in line with the requirements of article 7:99 of the BCCA and of the CG Code 2020. On 31 December 2023, the Audit Committee was composed of four members of the Supervisory Board, three of them being independent. It is chaired by Alison Henwood, following the end of the mandate of Ines Kolmsee effective 27 April 2023.

The composition of the Audit Committee underwent the following changes in 2023:

- Following the end of her mandate as Supervisory Board member, Ines Kolmsee’s mandate as Audit Committee member also ended effective 27 April 2023;
- Mark Garrett was appointed Audit Committee member effective 27 April 2023.

All the members of the Audit Committee have extensive experience in accounting and audit matters as demonstrated by their curriculum.

The committee met five times in 2023, including one videoconference call. Apart from the review of the 2022 full year and the 2023 half year accounts, the Audit Committee reviewed reports and discussed matters related to internal audit, financial reporting, internal controls, external audit mandate renewal, ESG and other audit-related matters. The 2024 internal audit plan was validated. The committee met with the Group’s auditor and reviewed and approved provided non-audit services.

5.4.5. NOMINATION AND REMUNERATION COMMITTEE

The composition of the nomination and remuneration committee (the “**Nomination & Remuneration Committee**”) is fully in line with the requirements of article 7:100 of the BCCA and of the CG Code 2020.

On 31 December 2023, the Nomination & Remuneration Committee was composed of five members, all members of the Supervisory Board, three of them being independent. The committee is chaired by the chair of the Supervisory Board. The composition of the Nomination & Remuneration Committee remained unchanged in 2023.

Three Nomination & Remuneration Committee meetings were held in 2023, including two videoconference calls. During the same period the committee discussed the remuneration policy for the Supervisory Board members, the Supervisory Board committee members and Management Board members, and the rules of the stock grant and option plans offered in 2023. The committee also discussed the succession planning at the level of the Supervisory Board and the Management Board.

5.4.6. SUSTAINABILITY COMMITTEE

This new Supervisory Board committee was established on 15 February 2023. Its terms of reference can be found in part VI of the CG Charter. On 31 December 2023, the sustainability committee (the "**Sustainability Committee**") was composed of four members of the Supervisory Board. It is chaired by Birgit Behrendt.

Three Sustainability Committee meetings were held in 2023, including one videoconference call and one held jointly with the Audit Committee. During the same period the committee discussed inter alia:

- Sustainability Committee roles, responsibilities, and ways of working,
- ESG Governance, roles and responsibilities within the Group, policies and processes within the Group, as well as related policies processes,
- Supervisory Board "*ESG readiness*" self-assessment,
- materiality, market trends, and ESG ratings,
- decarbonization of Scopes 1, 2 and 3,
- ESG regulatory and disclosure landscape.

5.4.7. INVESTMENT COMMITTEE

This new Supervisory Board committee was established on 15 February 2023. Its terms of reference can be found in part VII of the CG Charter. On 31 December 2023, the investment committee (the "**Investment Committee**") was composed of four members of the Supervisory Board. It is chaired by the chair of the Supervisory Board.

Four Investment Committee meetings were held in 2023, including three videoconference calls. During this period the committee discussed several capital expenditures and investment proposals, as well as commercial contracts in that respect.

5.5. MANAGEMENT BOARD

5.5.1. COMPOSITION

The Management Board is composed of at least four members. It is chaired by the CEO. All members of the Management Board, including the CEO, are appointed by the Supervisory Board upon recommendation of the Nomination & Remuneration Committee.

The composition of the Management Board underwent the following changes in 2023:

- Denis Goffaux, Executive Vice-President Recycling, resigned as member of the Management Board effective 1 June 2023,
- Veerle Slenders was appointed Executive Vice-President Recycling and member of the Management Board effective 1 June 2023;
- Geert Olbrechts was appointed Chief Technology Officer, Executive Vice-President and member of the Management Board effective 1 August 2023;
- Ana Fonseca-Nordang was appointed Executive Vice-President People and Organization, and member of the Management Board effective 1 September 2023.

On 31 December 2023 the Management Board was composed of nine members, including the CEO.

5.5.2. PERFORMANCE REVIEW

The Management Board regularly reviews and assesses its own performance. The assessment is also discussed at the Nomination & Remuneration Committee and presented to the Supervisory Board.

The last performance reviews of the CEO and the other members of the Management Board took place on 15 February 2023.

5.6. RELEVANT INFORMATION IN THE EVENT OF A TAKEOVER BID

5.6.1. RESTRICTIONS ON TRANSFERRING SECURITIES

Umicore's articles of association do not impose any restriction on the transfer of shares or other securities.

The Company is furthermore not aware of any restrictions imposed by law except in the context of the market abuse legislation and of the lock-up requirements imposed on some share grants by the BCCA.

The options on Umicore shares as granted to the CEO, to the members of the Management Board and to designated Umicore employees in execution of various Umicore incentive programs may not be transferred inter vivos.

5.6.2. HOLDERS OF SECURITIES WITH SPECIAL CONTROL RIGHTS

There are no such holders.

5.6.3. VOTING RIGHT RESTRICTIONS

Umicore's articles of association do not contain any restriction on the exercise of voting rights by shareholders, providing the shareholders concerned are admitted to the shareholders' meeting and their rights are not suspended. The admission rules to shareholders' meetings are articulated in article 20 of the articles of association. Pursuant to article 7 of the articles of association, if a share is the subject of concurrent rights, the rights attached to these shares are suspended until one person is designated as owner vis-à-vis the Company.

To the Supervisory Board's best knowledge, none of the voting rights attached to the shares issued by the Company were suspended by law on 31 December 2023, save for the 5,999,083 shares held by the Company itself on that date (article 7:217 §1 of the BCCA).

5.6.4. EMPLOYEE STOCK PLANS WHERE THE CONTROL RIGHTS ARE NOT EXERCISED DIRECTLY BY THE EMPLOYEES

The Company has not issued such employee stock plans.

5.6.5. SHAREHOLDERS' AGREEMENTS

To the Supervisory Board's best knowledge there are no shareholders' agreements which may result in restrictions on the transfer of securities and/or the exercise of voting rights.

5.6.6. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Save for capital increases decided by the Supervisory Board within the limits of the authorized capital, only an extraordinary shareholders' meeting is authorized to amend Umicore's articles of association. A shareholders' meeting may only deliberate on amendments to the articles of association – including capital increases or reductions, mergers, de-mergers and a winding-up – if at least 50% of the subscribed capital is represented. If the above attendance quorum is not reached, a new extraordinary shareholders' meeting must be convened, which will deliberate regardless of the portion of the capital represented. As a general rule, amendments to the articles of association are only adopted if approved by 75% of the votes cast. The BCCA provides for more stringent majority requirements in specific instances, such as the modification of the corporate object or the company form.

The Company's articles of association were not amended in 2023.

5.6.7. AUTHORIZED CAPITAL – BUY-BACK OF SHARES

The Company's capital may be increased following a decision of the Supervisory Board within the limits of the authorized capital. The authorization must be granted by an extraordinary shareholders' meeting; it is limited in time and amount and is subject to specific justification and purpose requirements.

Following the resolutions of the extraordinary shareholders' meeting held on 28 April 2022 (resolutions published on 10 May 2022), the Supervisory Board is authorized to increase the capital in one or more times by a maximum amount of € 55,000,000. The authorization will lapse on 9 May 2027, but it can be renewed.

Up until 31 December 2023, the Supervisory Board had not made use of this authorization.

Following a resolution of the extraordinary shareholders' meeting held on 28 April 2022, the Company is authorized to acquire own shares on a regulated market within a limit of 10% of the subscribed capital, at a price per share comprised between € 4 and € 120 and until 30 June 2026 (included). The same authorization was also granted to the Company's direct subsidiaries. The Company did not acquire any own shares in 2023 in implementation of the above and the previous authorization.

5.6.8. AGREEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS OR EMPLOYEES PROVIDING FOR COMPENSATION IF THEY RESIGN, OR ARE MADE REDUNDANT WITHOUT VALID REASON, OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKE-OVER-BID

For a limited group of employees an individual agreement has been put in place, applicable in the event of a dismissal within 12 months after a change of control over the Company. As far as the members of the Management Board are concerned, reference is made to the remuneration report and policy.

5.7. CONFLICTS OF INTERESTS (art. 7:115 through 7:117 BCCA)

During 2023, no conflicts of interests or decisions/transactions as defined under articles 7:115 through 7:117 BCA were discerned at the level of the Supervisory Board or the Management Board.

5.8. STATUTORY AUDITOR

At the annual shareholders' meeting held on 29 April 2021, EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL was appointed statutory auditor for a renewable period of three years. The statutory auditor is represented by Marnix Van Dooren & C^o BV/SRL, itself represented by Marnix Van Dooren, and Eef Naessens BV/SRL, itself represented by Eef Naessens for the exercise of this mandate. The Umicore policy detailing the independence criteria for the statutory auditor may be requested from Umicore.

5.9. CODE OF CONDUCT

Umicore has a Code of Conduct for all its employees, representatives, and Supervisor or Management Board members.

The main purpose of Umicore's Code of Conduct is to ensure that all persons acting on behalf of Umicore carry out their activities in an ethical way and in accordance with the laws and regulations and with the standards Umicore sets through its present and future policies, guidelines and rules. The Code of Conduct contains a specific section on complaints and expressions of concern by employees and whistle-blower protection².

The Code of Conduct is published in Appendix 6 to the CG Charter.

5.10. MARKET MANIPULATION AND INSIDER TRADING

Umicore's policy related to market abuse including insider trading is spelled out in the Umicore Dealing Code, which can be found under Appendix 7 to the CG Charter.

5.11. COMPLIANCE WITH THE CG CODE 2020

During the financial year 2023, the Company has complied with all the provisions of the CG Code 2020.

5.12. REMUNERATION POLICY AND REMUNERATION REPORT

5.12.1. REMUNERATION POLICY

Umicore's remuneration policy (the "**Policy**") outlines the remuneration principles for the members of Umicore's Supervisory Board and Management Board.

In 2021, Umicore undertook a detailed review of the Policy to ensure the Group's remuneration structure and rewards remain fair, responsible with a clear link to sustainable long-term value creation and in line with current international remuneration trends. The review also took into account the feedback received from our international shareholder base.

² Umicore also adopted an internal global guideline on whistleblowing, in implementation of the EU Directive 2019/137 of the European Parliament and the Council dated 23 October 2019 on the protection of persons who report breaches of Union law.

The Policy provides targets and remuneration with an increased focus on sustainable, profitable growth, combining financial and sustainability performance in full alignment with our sustainability ambitions.

The Policy, effective as of 1 January 2022, is available on Umicore's website.

5.12.2. REMUNERATION REPORT

5.12.2.1. Remuneration for the members of the Supervisory Board

The remuneration structure of the members of the Supervisory Board is in accordance with the Policy.

In 2023 the annual fixed fee for the chair of the Supervisory Board was increased from € 60,000 to an all-in-one fee of € 140,000, while attendance fees no longer apply for him. The remuneration for the newly established Sustainability Committee and Investment Committee is in alignment with the other committees. Other fees remained unchanged.

- **Supervisory Board**
 - Chair: annual fixed fee: € 140,000 + 2,000 Umicore shares + company car
 - Member: annual fixed fee: € 30,000 + € 3,000 per meeting attended + € 1,000 per meeting attended in person (for foreign-based members) + 1,000 Umicore shares

- **Audit Committee – Sustainability Committee**
 - Chair: annual fixed fee: € 10,000 + € 5,000 per meeting attended + € 1,000 per meeting attended in person (for foreign-based Chair)
 - Member: annual fixed fee: € 5,000 + € 3,000 per meeting attended + € 1,000 per meeting attended in person (for foreign-based members)

- **Nomination and Remuneration Committee – Investment Committee**
 - Chair: included in the annual fixed fee of chair of the Supervisory Board
 - Member: annual fixed fee: € 5,000 + € 3,000 per meeting attended + € 1,000 per meeting attended in person (for foreign-based members)

2023 Remuneration overview members of the Supervisory Board

All components of the remuneration of the members of the Supervisory Board for the reported year are detailed in table 13.1.

13.1 Remuneration overview members of the Supervisory Board

In €										
Name	Mandate	Start date	End date	Fixed fee	Shares ¹	Attendance Fee	Number of meetings attended	Other (Car)		Total
LEYSEN T.	Chair of the supervisory board	19-11-2008		140,000	57,760		10	4,241		202,001
	Chair of the nomination & remuneration committee	19-11-2008					3			
	Chair of the investment committee	27-04-2023					4			
ARMERO M.	Member of the supervisory board	30-04-2020		30,000	28,880	35,000	10			120,277
	Member of the nomination & remuneration committee	09-12-2020		5,000		9,000	3			
	Member of the sustainability committee	27-04-2023		3,397		9,000	3			
BEHRENDT B.	Member of the supervisory board	29-04-2021		30,000	28,880	35,000	10			131,072
	Member of the investment committee	27-04-2023		3,397		12,000	4			
	Chair of the sustainability committee	27-04-2023		6,795		15,000	3			
CHOMBAR F.	Member of the supervisory board	26-04-2016		30,000	28,880	27,000	9			112,277
	Member of the nomination & remuneration committee	26-04-2018		5,000		9,000	3			
	Member of the sustainability committee	27-04-2023		3,397		9,000	3			
DEBACKERE K.	Member of the supervisory board	26-04-2018		30,000	28,880	30,000	10			122,880
	Member of the audit committee	26-04-2018		5,000		15,000	5			
	Member of the nomination & remuneration committee	09-12-2020		5,000		9,000	3			
GARRETT M.	Member of the supervisory board	28-04-2015		30,000	28,880	34,000	10			116,277
	Member of the audit committee	27-04-2023		3,397		6,000	2			
	Member of the nomination & remuneration committee	25-04-2017		5,000		9,000	3			
GRYNBERG M.	Member of the supervisory board	27-04-2023		20,384	19,610	21,000	7			70,390
	Member of the investment committee	27-04-2023		3,397		6,000	2			
HENWOOD A.	Member of the supervisory board	01-09-2023		30,000	28,880	29,000	8			127,675
	Member of the audit committee	01-09-2023	27-04-2023	1,603		9,000	3			
	Chair of the audit committee	27-04-2023		6,795		10,000	2			
KOLMSEE I.	Member of the sustainability committee	27-04-2023		3,397		9,000	3			
	Member of the supervisory board	26-04-2011	27-04-2023	9,616	9,270	8,000	2			45,092
	Chair of the audit committee	28-04-2015	27-04-2023	3,205		15,000	3			
MEURICE E.	Member of the supervisory board	28-05-2015	27-04-2023	9,616	9,270	4,000	1			22,887
RAETS L.	Member of the supervisory board	25-04-2019		30,000	28,880	30,000	10			124,277
	Member of the audit committee	25-04-2019		5,000		15,000	5			
	Member of the investment committee	27-04-2023		3,397		12,000	4			

¹ The share grant relates to the services rendered in the reported year. Shares were granted on 12 May 2023 and were valued at the fair market value of € 28.88 per share, equivalent to either the closing share price on the day before the delivery date or the average closing price of the last 30 calendar days before delivery date, whichever is the lowest.

5.12.2.2. Remuneration for the CEO and the other Management Board members

The value of the CEO's and other Management Board members' remuneration was reviewed by the Supervisory Board on 15 February 2023. This review was carried out on the basis of recommendations from the Nomination and Remuneration Committee following a comparison survey with BEL20 and European peer companies.

In line with the Policy, remuneration of the CEO and other Management Board members included the following components in 2023: fixed remuneration, variable compensation, share-based compensation, pension plans and other benefits.

Remuneration of the CEO

2023 decided to set the annual fixed remuneration of the CEO at € 1,035,000 as of 1 January 2023 and to increase the annual target for both the short- and long-term variable remuneration to € 620,000 for the reported year. The actual variable remuneration can vary between 0-125% depending on the Group and individual performance.

Adjusted EBITDA came in below 2022 levels due to a Platinum Group Metals (PGM) price and inflation headwind. Together with the impact of the fatal accident in Hoboken at the beginning of 2023 and a lower than female recruitment target, this resulted in an award outcome of 46.8% for Group performance (50% weight). The individual performance (50% weight) was assessed at target level, hence a total award level of 73.4% versus a potential maximum of

125%. The CEO's actual gross annual variable compensation for the year of reference amounts to € 455,080. See Table 13.2 for more details on the 2023 performance award level.

In line with the Policy, a Performance Share Unit Plan (the 2023 PSU Plan) was launched in 2023. The 2023 PSU Plan rewards strategic achievements driving long-term sustainable performance over a period of three years (2023-25). Under this PSU Plan, Mathias Miedreich received 19,639 PSUs, for vesting per 1 March 2026, provided the vesting conditions are met and subject to the achievement of the PSU performance objectives set in 2023 (as published in the 2022 remuneration report).

As part of the annual Umicore Incentive Stock Option Plan, 81,301 stock options were granted for 2023. On 15 February 2024, the Supervisory Board also decided to grant 2,000 Umicore shares for services rendered in the reported year. These shares are subject to a three-year lock-up.

The Group also paid for the 2023 tuition fees for his child.

All components of the remuneration earned by Mathias Miedreich for the reported year are detailed in the Table 13.3.

Remuneration of other Management Board members

On proposal of the Nomination & Remuneration Committee, the Supervisory Board decided to increase the fixed remuneration for other Management Board members to € 570,000 as of 1 January 2023. In addition, the annual target for both the short- and long-term variable remuneration was increased to € 360,000 for the CFO and the members of the Management Board supervising a business group and in mandate per 1 January 2023, and to € 330,000 for other members of the Management Board.

The actual variable remuneration can vary between 0-125% depending on Group and individual performance. See Table 13.2 for more details on the 2023 performance award level and Table 13.3 for the actual pay-outs.

Other Management Board members also participate in the 2023 PSU Plan. Under this PSU Plan, a number of PSUs were granted, for vesting per 1 March 2026, provided the vesting conditions are met and subject to achieving the 2023 PSU performance targets (see 2022 Remuneration Report). See Table 13.5 for more details.

As part of the annual Umicore Incentive Stock Option Plan 30,000 stock options per Management Board member in mandate per 1 January 2023 were offered for 2023. A pro rata for the months in service was applied for Denis Goffaux. On 1 June 2023, 17,500 stock options were granted to Veerle Slenders, together with the payment of € 500,000 as a sign on fee.

The Supervisory Board decided on 15 February 2024 to grant 2,000 Umicore shares per person for services rendered in the reported year (pro rata for the members of the Management Board who joined or left in the course of 2023). These shares are subject to a three-year lock-up.

All components of the remuneration earned by the other Management Board members for the reported year are detailed in Table 13.3.

Group and individual performance 2023

The 2023 Group performance results related to the 2023 annual variable remuneration plan, are outlined in table 13.2. This table also shows results for individual performance in 2023.

13.2 Annual variable remuneration plan 2023 – Outcome

Topic	2023 Performance objectives	Weight	Award Min-Max	Threshold	Maximum	Award	
Financial	ROCE	15%	0-150%		≥ 17.5%	110%	
Financial	Adjusted EBITDA	15%	0-150% < 95% = 0% pay; 95% of target = 50% pay		≥ 105% of target	0%	
Safety	Process Safety Event Frequency Rate: Reduction of 10% (vs 2022) + the absence of process safety events with material env. or health impact	5%	0-100%		≥ -10%	100%	
Safety	Total Recordable Injury Rate (TRIR): Reduction of 10.5% (vs 2021)	10%	0-100%		≥ -10.5%	0% ¹	
Diversity & Inclusion	Recruitment of women managers: 35% in 2023	5%	0-100%		≥ 35%	38%	
Group	Total Group performance	50%				46.80%	
Individual	Individual Performance - CEO	50%	0-120%		Defined yearly	Qualitative assessment	100%
Individual	Individual Performance - EVP (average)	50%	0-120%		Defined yearly	Qualitative assessment	101.54%

¹ The TRIR target was achieved but the award was zero due to the fatal accident in Hoboken at the beginning of 2023.

13.3 Remuneration overview of the Management Board members

In € Name Position	Mandate Start date End date	Fixed Compensation ¹	Short-term Variable ²	Long-term Variable ³	Shares ⁴	Stock Options ⁵	Pension Plans ⁶	Other ⁷	Total	Ratio fixed ⁸	Ratio variable ⁹
MIEDREICH M. CEO	1-10-2021	1,035,000	455,080	0	41,340	600,001	222,127	36,813	2,390,361	81%	19%
DAUFENBACH D. EVP	6-12-2021	570,000	233,970	0	41,340	221,400	119,016	13,706	1,199,432	80%	20%
FONSECA NORDANG A. EVP	01-09-2023	190,000	80,740	0	13,787	0	39,672	97,882	422,081	81%	19%
KISSLING R. EVP	01-02-2019	570,000	282,240	200,000	40,828	221,400	119,016	86,460	1,519,944	68%	32%
NOLENS G. EVP	01-07-2015	570,000	250,470	200,000	41,340	221,400	134,544	21,302	1,439,056	69%	31%
OLBRECHTS G. EVP	01-08-2023	237,500	97,488	0	17,239	0	49,590	5,256	407,073	76%	24%
PEFEROEN W. EVP	01-10-2022	570,000	264,240	0	41,340	221,400	119,016	15,566	1,231,562	79%	21%
SAP B. EVP	01-03-2021	570,000	291,240	166,667	41,340	221,400	119,016	13,824	1,423,487	68%	32%
SLENDERS V. EVP	01-06-2023	332,500	141,295	0	24,122	97,650	69,426	507,680	1,172,673	88%	12%
GRYNBERG M. CEO (FORMER)	19-11-2008 31-10-2021	0	0	291,667	0	0	0	0	291,667	0%	100%
CSOMA S. EVP (FORMER)	01-11-2012 31-03-2021	0	0	50,000	0	0	0	0	50,000	0%	100%
GOFFAUX D. EVP (FORMER)	01-07-2010 31-05-2023	229,167	87,600	200,000	17,239	92,250	114,668	15,504	756,428	62%	38%
PLATTEUW F. CFO (FORMER)	01-11-2012 30-09-2022	0	0	200,000	0	0	0	0	200,000	0%	100%
STEEGEN A. EVP (FORMER)	01-10-2018 30-09-2021	0	0	150,000	0	0	0	0	150,000	0%	100%

- The fixed compensation includes the fixed remuneration from Umicore entities, if any.
- The annual variable remuneration has been determined in accordance with the Policy and relates to the reported year 2023. The pay-out was made in cash in 2024, except for F. Daulenbach, A. Fonseca Nordang, M. Miedreich, G. Nolens, W. Peferoen and B. Sap, who received the variable partially or fully in the form of shares.
- The deferred variable, following the previous remuneration policy, relates to the reference year 2021 and takes into account, over the years 2021-2022-2023, an average ROCE of 18.3%, resulting in a pay-out of 100% of the 2021 deferred target, and a compounded average EBIT growth of 75%, below the required 10% threshold for an additional award. The pay-out was made in cash in 2024, except for M. Grynberg and G. Nolens, who received the variable partially or fully in the form of shares.
- Shares granted relate to services rendered in the reported year 2023 during the mandate of a Management Board member. The shares were granted on February 19th, 2024 and were valued at the fair market value of the share at € 20.67, equivalent to the closing share price on the day before the delivery date or the average closing price of the last 30 calendar days before delivery date, whichever is the lowest. For German tax purposes, the shares were valued at € 20.26 (lowest market quotation of the shares on the delivery date).
- Stock options granted relate to services rendered in the reported year 2023 during the mandate of a Management Board member. Stock options were granted on February 16th, 2023 and were valued at a notional value of € 7.38 per option according to the Black & Scholes formula. On June 1st, 2023 17,500 stock options were granted to V. Slenders as sign on fee, valued at a notional value of € 5.58 per option.
- Includes defined contributions (DC) and defined benefits (DB) contributions and the related social contributions.
- Includes the representation allowance, benefit in kind company car, insurance benefits, additional benefits for R. Kiessling for his frequent and extensive presence in Asia and the tuition fees paid for M. Miedreich's child and the children of A. Fonseca Nordang. It also includes the sign on fee of € 500,000 to V. Slenders.
- (1)+(4)+(5)+(6)+(7)/Total remuneration.
- (2)-(3)/Total remuneration.

5.12.2.3. Comparative information on remuneration changes – pay ratio

Table 13.4 provides an overview on the annual remuneration changes for the CEO; other Management Board members (in aggregate); mandates within the Supervisory Board and the Committees; the average employee remuneration on a full-time equivalent basis; and company performance. Incomplete years of remuneration due to a start or end of mandate in the course of the reference year, have been adjusted to an annual base. The number of shares in Table 13.4 represents for all years the numbers of shares taking into account the share split of 16 October 2017. Average employee remuneration relates to Umicore (Belgium), in accordance with applicable legal provisions.

13.4 Comparative table on remuneration changes of and company performance over the last five reported financial years

Annual Change		RFY 2019	RFY 2020	RFY 2021	RFY 2022	RFY 2023	Information regarding RFY
		VS RFY 2018	VS RFY 2019	VS RFY 2020	VS RFY 2021 ¹	VS RFY 2022	
Remuneration management board							
	Fixed	0.0%	2.9%	0.0%	38.9%	3.5%	
	Variable	-5.6%	37.9%	57.7%	-22.3%	-27.5%	
CEO (Mathias Miedreich) Mandate as of 01/10/2021	Number of shares	-3.8%	0.0%	0.0%	-80.0%	0.0%	
	Number of options	-6.7%	0.0%	-31.4%	-2.8%	-12.9%	
	Pension + other	8.2%	13.0%	6.7%	-7.8%	-2.1%	
	Fixed	0.4%	4.5%	0.0%	25.0%	3.4%	
Members of the management board (excl. CEO)	Variable	18.3%	10.6%	58.2%	45.2%	-24.4%	
	Number of shares	-5.4%	0.0%	-0.9%	-71.2%	0.0%	
	Number of options	-14.3%	5.6%	0.0%	0.0%	0.0%	
	Pension + other	1.9%	13.8%	-6.1%	3.3%	7.2%	²
	Remuneration supervisory board		Type of remuneration				
Chair supervisory board	Fixed	0.0%	0.0%	0.0%	0.0%	233.3%	³
	Attendance fee/meeting	0.0%	0.0%	0.0%	0.0%	-100.0%	³
	Number of shares	0.0%	0.0%	0.0%	0.0%	0.0%	
Chair nomination & remuneration committee Investment committee (as of 2023)	Fixed	-	-	-	+ 10,000 €	-100.0%	³

Annual Change		RFY 2019	RFY 2020	RFY 2021	RFY 2022	RFY 2023	Information regarding RFY
		vs RFY 2018	vs RFY 2019	vs RFY 2020	vs RFY 2021 ¹	vs RFY 2022	
	Attendance fee/meeting	0.0%	0.0%	0.0%	0.0%	-100.0%	³
	Number of shares	-	-	-	-	-	
	Fixed	0.0%	0.0%	0.0%	0.0%	0.0%	⁴
Chair audit committee sustainability committee (as of 2023)	Attendance fee/meeting	0.0%	0.0%	0.0%	0.0%	0.0%	⁴
	Number of shares	-	-	-	-	-	
	Fixed	0.0%	0.0%	0.0%	11.1%	0.0%	
Member supervisory board	Attendance fee/meeting	0.0%	0.0%	0.0%	20.0%	0.0%	
	Number of shares	0.0%	0.0%	0.0%	0.0%	0.0%	
	Fixed	0.0%	0.0%	0.0%	0.0%	0.0%	⁴
Member audit committee sustainability committee (as of 2023)	Attendance fee/meeting	0.0%	0.0%	0.0%	0.0%	0.0%	⁴
	Number of shares	-	-	-	-	-	
	Fixed	-	-	-	+ 5.000 €	0.0%	
Member nomination & remuneration committee investment committee (as of 2023)	Attendance fee/meeting	0.0%	0.0%	0.0%	0.0%	0.0%	
	Number of shares	-	-	-	-	-	
	Fixed	-	-	-	-	-	
Average employee remuneration on a full time equivalent basis							
% change versus previous year		3.7%	2.7%	7.5%	5.6%	10.2%	
Company's Performance							
	2019	2020	2021	2022	2023		
ROCE	12.6%	12.1%	22.2%	19.2%	13.5%		
EBIT M€	509	536	971	865	674		
% ROCE change versus previous year		-18.2%	-4.0%	83.5%	-13.5%	-29.7%	
% EBIT change versus previous year		-1.0%	5.4%	81.1%	-11.0%	-22.0%	

¹ The Remuneration Policy was reviewed in 2021 and is effective as of January 1st, 2022.

² The percentage is excluding the sign on fee paid to V. Slenders in the reported year.

³ The fixed fee for the Chair of the Supervisory Board has been replaced by an all in one fee.

⁴ Fixed fees for his mandate as Chair of the nomination & remuneration committee and the investment committee and attendance fees therefore no longer apply for him.

⁴ The remuneration for the newly established sustainability committee and investment committee is in alignment with the other committees.

The pay ratio 2023 between the highest and lowest pay level at Umicore (Belgium) was equal to 41.

5.12.2.4. Share based plans and transactions 2023

Management Board PSU Plans

As of performance year 2022, a Performance Share Unit Plan (PSU Plan) was introduced, replacing the deferred cash variable program that was in place until performance year 2021. Under this PSU Plan, PSUs are granted conditionally to the members of the Management Board. The PSUs vest after three years, depending on the achievement of pre-set performance goals and provided continued service on the date of vesting. The objectives are defined by the Supervisory Board upon proposal of the Nomination & Remuneration Committee and include measurable financial and sustainability targets. (See the 2021 and the 2022 remuneration report respectively for the 2022 and 2023 PSU performance targets).

Table 13.5 provides an overview of the number of PSUs granted in 2023 and the main provisions of the PSU Plan. The number of PSUs granted conditionally was determined by dividing the target PSU grant value by the Umicore share price on Euronext Brussels, being equivalent to either the closing share price on the day before the grant date or the average closing price of the last 30 calendar days before the grant date, whichever is lowest.

13.5 Management Board PSU plans

Name Position	Number of PSUs received in 2023
Miedreich M., CEO	19,639
Daufenbach F., EVP	10,453
Fonseca Nordang A., EVP	4,496
Klössling R., EVP	11,404
Nolens G., EVP	10,453
Olbrechts G., EVP	5,133
Peferoen W., CFO	11,404
Sap B., EVP	11,404
Slenders V., EVP	7,404
Goffaux D., EVP (former) ¹	11,404

¹ The number of months in mandate in 2023 will be taken into account upon vesting of the plan.

Main provisions of the outstanding PSU plans

PSU Plan	Grant Date	Vesting Date	Performance window Start End
2022	01/03/2022	01/03/2025	01/01/2022 - 31/12/2024
2022 (Peferoen W.)	1-10-2022	1-03-2025	01/01/2022 - 31/12/2024
2023	1-03-2023	1-03-2026	01/01/2023 - 31/12/2025
2023 (Slenders V.)	01/06/2023	1-03-2026	01/01/2023 - 31/12/2025
2023 (Olbrechts G.)	01/08/2023	1-03-2026	01/01/2023 - 31/12/2025
2023 (Fonseca Nordang A.)	1-09-2023	1-03-2026	01/01/2023 - 31/12/2025

Vesting PSUs is subject to:

- (1) a continued mandate as Management Board member, to the extent applicable under the PSU Plan. This condition is not applicable for members of the Management Board appointed before 1 April 2021 (unless in the event of termination for serious cause); and
- (2) achievement of PSU performance objectives as defined by the Supervisory Board (see the 2021 and 2022 remuneration reports).

If and when vesting takes place, the vesting of the PSUs is proportionate to the total weighted achieved award percentage, which can vary between 0-125%, pro rata of the number of months served by a Management Board member in the related performance year.

Management Board share option transactions 2023

Table 13.6 provides an overview of the number of stock options granted for the services rendered in 2023 in the mandate of member of the Management Board, the number of stock options exercised and expired in the course of the reported year, as well as the main provisions of the outstanding stock option plans.

Contrary to other countries, under Belgian Law, taxes on stock options are due at the time they are granted. Therefore and in alignment with other Belgian companies, the Umicore Incentive Stock Option Plans do not include performance conditions.

Details of all options exercised, and other share-related transactions can be found on the Financial Services and Markets Authority (FSMA) website.

13.6 Management Board share option transactions

Transactions in the reported year 2023

Name Position	Options Granted		Options Exercised	Options Expired
Miedreich M. CEO	ISOP 2023	81,301	0	0
Daufenbach F. EVP	ISOP 2023	30,000	0	0
Kiessling R. EVP	ISOP 2023	30,000	0	0
Nolens G. EVP	ISOP 2023	30,000	0	0
Peferoen W. CFO	ISOP 2023	30,000	0	0
Sap B. EVP	ISOP 2023	30,000	0	0
Slenders V. EVP	ISOP 2023	17,500	0	0
Goffaux D. EVP (former)	ISOP 2023	12,500	0	0

Main provisions of the outstanding stock option plans

ISOP Plan	Grant Date	Exercise Price ¹	Exercise window Start End
2023 (Slenders V.)	01/06/2023	26.00	01/06/2026 - 31/05/2030
2023	16/02/2023	32.69	16/02/2026 - 15/02/2030
2022	16/02/2022	33.22	16/02/2025 - 15/02/2029
2021	11/02/2021	47.08	11/02/2024 - 10/02/2028
2020	10/02/2020	42.05	10/02/2023 - 09/02/2027
2019	11/02/2019	34.08	01/03/2022 - 10/02/2026
2018	09/02/2018	40.90	01/03/2021 - 08/02/2025
2017	13/02/2017	25.50	01/03/2020 - 12/02/2024

¹ Exercise prices take into account the share split of 16 October 2017.

Management Board share grant in 2023

Table 13.7 provides an overview of shares granted in 2023 for services rendered in 2022 during a Management Board member's mandate. Shares were granted on 16 February 2023 and were valued at the fair market value of € 32.69 per share, equivalent to either the closing share price on the day before the delivery date or the average closing share price of the last 30 calendar days before delivery date, whichever is the lowest. For German tax purposes, shares were valued at € 31.18. Shares are subject to a three-year lock-up until 15 February 2026.

As per the Policy, within five years from the date of appointment, the CEO is required to set aside a minimum of 30,000 Umicore shares, which he must retain throughout his tenure. This requirement also applies to other Management Board members in respect of a minimum of 15,000 shares.

On 31 December 2023, R. Kiessling, G. Nolens and B. Sap reached this minimum shareholder requirement. The CEO and other members of the Management Board are still within the five-year time-frame to build up the required minimum.

Management Board members held collectively a total of 142,631 shares on 31 December 2023.

13.7 Management Board share grant

Name Position	Number of shares received in 2023 for RFY 2022
Miedreich M., CEO	2,000
Daufenbach F., EVP	2,000
Kiessling R., EVP	2,000
Nolens G., EVP	2,000
Peferoen W., CFO	500
Sap B., EVP	2,000
Goffaux D., EVP (former)	2,000
Platteeuw F., CFO (former)	1,500

Supervisory Board share grant in 2023

Table 13.8 provides an overview of shares granted in 2023 to Supervisory Board members for services rendered in 2023. Shares were granted on 12 May 2023 and were valued at the fair market value of the share at € 28.88, equivalent either to the closing share price on the day before the delivery date or the average closing price of the last 30 calendar days before delivery date, whichever is lowest. Shares must be held until at least one year after the member leaves the Supervisory Board and until at least three years after the delivery date.

Supervisory Board members held collectively a total of 1,889,006 shares on 31 December 2023.

13.8 Supervisory Board share grant

		Number of shares received in 2023	Comment
Leysen T.	Chair	2,000	
Armero M.	Member	1,000	
Behrendt B.	Member	1,000	
Chombar E.	Member	1,000	
Debackere K.	Member	1,000	
Garrett M.	Member	1,000	
Grynberg M.	Member ¹	679	Pro rata the services in 2023
Hemwood A.	Member	1,000	
Kolmsee I.	Member ²	321	Pro rata the services in 2023
Meurice E.	Member ²	321	Pro rata the services in 2023
Raets L.	Member	1,000	

1 As of 27/04/2023

2 Until 27/04/2023

5.12.2.5. Approval of the 2022 remuneration report

The 2022 remuneration report received 90.74% of shareholder votes (disregarding the abstention votes, as provided under Belgian Company Law), compared with 63.51% of the previous year.

The 2022 remuneration report showed both the revised financial targets and also the sustainability/ESG targets. These targets are in alignment with Umicore's "Let's Go for Zero" ambitions embedded within the Umicore 2030 RISE Strategy to enhance sustainable long-term value creation. Umicore will continue to include stretched and achievable targets, disclosing these targets upfront. See Table 13.9 for the 2024 performance objectives.

13.9 Overview of the 2024 performance objectives and weighting

Annual Variable compensation plan (1y performance)	Weight	2024 Target Award %	Threshold Award %	Maximum Award %
ROCE	15%	12.5% 100% award	7.5% 0% award	≥17.5% 150% award
Adjusted EBITDA	15%	Defined by the supervisory board ¹ Reduction of 20.6% by 2024 versus 2022 + the absence of process safety events with material environmental or health impact	(Below 95%, 0% award) 50% award Reduction of 19.6% 50% award	≥105% 150% award ² ≥27.5% 150% award ²
Process Safety Event Frequency Rate	5%		(<19.6%, 0% award) Reduction of 21.1% 50% award	150% award ² ≥26.3% 150% award ²
Total Recordable Injury Rate (TRIR)	10%	Reduction of 23.7% by 2024 versus 2021	(<21.1%, 0% award)	150% award ²
Recruitment of women managers	5%	35% recruited	0% award	≥37% recruited 150% award ²
Individual performance	50%	Defined yearly	0% award	120% award
Performance Share Unit Plan (3y performance)				
ROCE (average 2024-2025-2026)	25%	12.5% 100% award	7.5% 0% award	≥17.5% 150% award
Total Shareholder Return (TSR)	25%	Ranked in top 50% of 12 peers ³ (Ranked outside the top 50%, 0% award)	Sixth place 25% award	First place 150% award
GHG emissions - Scope 1+2	25%	Scope 1+2: Reduction of 20.7% by 2026 versus 2019	Reduction of 18.86% 0% award	≥20.7% 100% award
GHG emissions - Scope 3	12.5%	Suppliers engaged covering 30% of the SBTI-submitted scope 3 category 1 emissions Increase of 25.5% by 2026 versus 2021	25% 0% award	≥30% 100% award
Diversity of thought index	12.5%		Increase of 20.5% 0% award	≥25.5% 100% award

1 Umicore does not disclose the adjusted EBITDA target, which is commercially sensitive information.

2 The maximum award on total ESG level amounts to 100%, in line with the Remuneration Policy. A zero award on Process Safety Event Frequency Rate or on TRIR as a result of a fatal accident or other serious incident cannot be compensated by overachievement of other ESG KPIs.

3 The Supervisory Board of February 15th, 2024 decided to adjust the TSR peer group following the split of Sakay and to ensure a better fit with the Umicore activities. The TSR comparison over the financial years 2024-2025-2026 consists of the following 12 companies: Albemarle, Aurubis, BASF, Boliden, Clariant, Croda, EcoPro BM, Johnson Matthey, LG Energy Solution, Posco Future M, Samsung SDI and Syensqa.

5.13. RISK MANAGEMENT AND INTERNAL CONTROL

5.13.1. MANAGING RISK EFFECTIVELY

The aim of our risk management system is to enable the Group to identify risks and opportunities in a proactive way and manage or mitigate them to an acceptable level wherever possible. To anticipate economic and geopolitical uncertainty; the increased focus on climate change and energy transition; and the rapidly changing technological landscape, a robust risk management process supported by strong governance is needed to support the Group in achieving its financial and strategic objectives.

Each of the Group's activities is exposed to a variety of risks that are financial or non-financial in nature but have the potential to impact the Group's financial performance. Financial risks include changes in: metal prices; foreign currency exchange rates in certain market-defined commercial conditions; in interest rates; and credit and liquidity risks. Non-financial risks include natural catastrophes, loss of assets as a result of a major incident, supply chain risks and other operational risks. The Group's overall risk management program seeks to mitigate risks and potential adverse effects on the Group's financial performance, including through the use of hedging and insurance instruments. For more on Managing financial risks, see Note F3. All identified risks and opportunities are assessed against three criteria: their time horizon (short, <1y; medium, 1<5y; long >5y); their likelihood of occurrence; and the impact that the materialization of a risk or opportunity could have.

Sustainability matters are also assessed on their impact on the Group as well as on people, society and the environment.



5.13.1.1. Process and framework

Umicore’s Enterprise Risk Management (ERM) framework is based on the “Three lines of defence” model, where the primary source, the responsibility and ownership for identifying risks and opportunities lies within the individual business units.

As they operate in an environment carrying specific growth expectations and differing degrees of market and technological uncertainty potentially impacting strategic objectives, each business unit is responsible for implementing the necessary mitigating actions, which are systematically reported corresponding to the respective strategic objectives, and identified risks and opportunities.

The second line of defence is assured by specific corporate departments in close collaboration with the ERM function.

Under the auspices of the Management Board, the corporate departments are also tasked with identifying, managing and mitigating certain risks and opportunities while ensuring that adequate systems are in place to address them. These risks and opportunities cover Group-wide elements that extend beyond the purview of individual business units, (e.g. financial, strategic, social, reputational, climate and environmental-related risks and opportunities) in the short, medium or longer term.

Together, they aggregate the risks and opportunities and provide a consolidated view while the ERM function will also assure a regular follow-up of the mitigation actions.

Finally, the Internal Audit function, through its independent review, assures the effectiveness and efficiency of the Risk Management process, while at the same time aligning the internal audit plan with ERM priorities.

This model is subject to continuous improvement and is designed to be dynamic and flexible in a way that enables Umicore to respond appropriately to the Risk & Opportunity Environment.

An example of such improvement is the creation of a Risk Steering Committee as shown in the above figure, which was implemented in 2023. Going forward, the frequency of the Risk Steering Committee is set to be quarterly with additional ad-hoc meetings when necessary.

Umicore also enhanced its ERM organization by implementing a Governance, Risk and Compliance tool (GRC), supporting the visibility of the different risks and opportunities.

Moreover, to identify, quantify and prioritise mitigation actions for climate related physical risks and their impact on the Group's operations, Umicore implemented a Sustainability Risk Assessment tool, allowing for in-depth analyses and quantification of its current and future physical climate related risks as well as Biodiversity & Ecosystem Services (BES) impact risks for the different sites worldwide.

5.13.1.2. Governance and oversight

The Management Board, as the "*Executive Risk Owner*" and '*Subject Matter Expert*' will make risk-priority decisions following the regular review of the Group's top risks. The Audit Committee of the Supervisory Board reviews all financial and non-financial risks at Group-level annually.

5.13.1.3. Our internal control system

Internal control is a key aspect of risk management. Different Internal control mechanisms exist throughout Umicore to manage, with reasonable assurance, our ability to achieve our objectives.

They cover:

- effectiveness and efficiency of operations,
- reliability of financial processes and reporting,
- compliance with laws and regulations,
- mitigation of errors and fraud risks.

Umicore adopted the COSO³ framework for its Internal Control System and has adapted its various constituents within its organization and processes. The Umicore Way and the Code of Conduct are the cornerstones of the internal control environment; together with the concept of management by objectives and through the setting of clear roles and responsibilities, they establish the operating framework for the Company.

Specific internal control mechanisms have been developed by business units at their level of operations, while shared operational functions and corporate services provide guidance and set controls for cross-organizational activities. These give rise to specific policies, procedures and charters covering areas such as corporate security, environment, health and safety, human resources, information systems, legal, trade compliance, research and development and supply chain management.

³ Committee of Sponsoring Organizations of the Treadway Commission.

Umicore operates a system of Minimum Internal Control Requirements (MICR) specifically to address the mitigation of financial risks and to enhance the reliability of financial reporting. Umicore's MICR framework requires all Group entities to comply with a uniform set of internal controls in 12 processes.

Within the internal control framework, specific attention is paid to the segregation of duties and the definition of clear roles and responsibilities. MICR compliance is monitored by means of self-assessments to be signed off by senior management. The outcome is reported to the Management Board and Audit Committee. The Internal Audit department reviews the compliance assessments during its missions.

Out of the 12 control cycles, two cycles (Internal Control Environment and Metal & Currency Hedging) were assessed in the new self-assessment tool in 2023 by the 103 control entities currently in scope. Risk assessments and actions taken by local management to mitigate potential internal control weaknesses identified through prior assessments are monitored continuously.

5.13.1.4. Insurance

One of the techniques used to respond to risks is the use of insurance as a risk transfer mechanism. Umicore currently has insurance programs in place to protect itself against a number of risks including Property Damage & Business Interruption, Public & Products Liability, Employer's Liability, Workers Compensation, Transport, Directors' and Officers' Liability and Credit Insurance.

As part of its risk transfer strategy, Umicore has been actively using its fully owned reinsurance captive in Luxembourg to retain part of the (insurable) risks before transfer to the (direct) insurance market.

The type of insurance and the respective insured limits purchased from the direct insurance market are regularly reviewed and aligned with our assessment of the relevant risks and the Group's risk appetite.

5.13.2. OPPORTUNITIES AND RISKS OVERVIEW

Risk & Opportunity	Link to Material topics	Change in Risk profile	Change in Opportunity Profile
Regulatory & Legal Context	<ul style="list-style-type: none"> • Digitalization & Cybersecurity • Ethical Supply • Product Stewardship • Responsible Governance • Sustainability Governance 	↑	→
Sustainable & Ethical Supply	<ul style="list-style-type: none"> • Climate & Environment • Ethical Supply • Sustainable Governance • Sustainable Sourcing & Recycling Services 	→	→
Metal Price	<ul style="list-style-type: none"> • Sustainable Sourcing & Recycling Services 	↓	→
Market	<ul style="list-style-type: none"> • Innovation • Product Quality & Production Capacity • Sustainability Governance 	↑	→
Technology & Substitution	<ul style="list-style-type: none"> • Innovation • Product Quality & Production Capacity • Product Stewardship 	→	→
Information Security & Data Protection	<ul style="list-style-type: none"> • Digitalization & Cybersecurity 	→	→
Talent Attraction & Retention	<ul style="list-style-type: none"> • Employee Engagement • Employee Health, Safety & Wellbeing • Sustainability Governance 	↓	→
Climate & Environment	<ul style="list-style-type: none"> • Climate & Environment • Innovation • Sustainability Governance • Waste • Water 	→	→

5.13.2.1. Regulatory and legal context

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
<ul style="list-style-type: none"> • Digitalization & Cybersecurity • Ethical Supply • Product Stewardship • Responsible Governance • Sustainability Governance 	 INCREASE	 NO CHANGE

RISK DESCRIPTION

The globally changing regulatory environment brings both threats and opportunities for Umicore. This applies not only in the countries and regions where Umicore operates, but also in those where its products are sold and used.

Umicore’s business operations are subject to a variety of increasingly stringent environment, sustainability governance, health & safety related laws, regulations and standards. In the **short term**, these present operational challenges for our businesses, resulting in continuous improvements and investments (which may impact costs) and potentially in an uneven competitive environment. One of the areas in which this short-term impact is visible is the renewal or “ex officio” amendment of operational (environmental) permits for Umicore’s production sites. In 2021, the Flemish Government imposed new and more stringent environmental requirements for Umicore’s recycling plant in Hoboken. These challenging requirements include, among others, annually declining limits for levels of lead in the blood of children under the age of 12 living in the vicinity of the Hoboken plant. Despite Umicore’s continuing efforts to reduce the harmful effects of emissions, it cannot be excluded that certain of these new targets in the Hoboken permit will not be met in the future. As Umicore’s recycling activities are concentrated on this one unique site, not reaching an environmental target might have a significant impact on Umicore’s earnings and cash flows.

Similarly, environmental legislation can impact the way end-of-life batteries must be handled, transported and stored, which in turn can drive business decisions.

The European Green Deal, EU Taxonomy Regulation and Corporate Sustainability Reporting Directive (CSRD) collectively shape a demanding regulatory environment in the **short to medium term**. This also brings opportunities. These initiatives drive the transition towards sustainability by requiring significant shifts towards clean energy, reduced emissions, transparency, good governance, and sustainable practices. The EU Taxonomy Regulation sets out detailed disclosures on how companies’ activities align with environmental sustainability criteria, encouraging the adoption of sustainable operations. The CSRD significantly widens the scope and detail of required sustainability-related disclosures, enhancing reporting on environmental impacts, social responsibilities, and governance practices. Together, these regulations accelerate and substantially expand reporting obligations, demanding robust data management and disclosure practices. They present opportunities for enhancing transparency, fostering investor trust, and supporting the growth of sustainability-linked finance. Importantly,

they also directly incentivize the development and scaling of sustainable activities themselves, fostering an ecosystem where environmentally and socially responsible practices become a cornerstone of business innovation and market competitiveness.

In the **mid- to longer term**, Umicore can benefit from these trends, especially those regarding the reduction of vehicle emissions, electrification and the circular economy.

Data protection and intellectual property rights have a significant impact on technology-driven businesses including Umicore. Failure to adequately manage data, knowledge and intellectual property (IP) rights may, in the short- and medium term, have a negative impact on Umicore's business and freedom to operate. Despite robust mitigation measures in place, it cannot be excluded that Umicore becomes the victim of a data breach and will be fined or have to compensate victims as a result of such a breach. Umicore could also be forced to take legal action against perpetrators to safeguard its intellectual property rights. It is also exposed to the risk of having to defend itself against alleged breaches of third-party IP rights, despite processes in place to manage its IP portfolio.

Geopolitical conditions, trade legislations and restrictions continue to be a factor in Umicore's trans-border activities in the short, medium and **long term**. More countries now require review or approval procedures for cross-border technology transfers, acquisitions and exports. Compliance with such measures may adversely affect the speed of innovation and/or the flexibility to collaborate with third parties or even within the same group. They may, however, also create opportunities for Umicore whether in protecting its technology or creating barriers to market entry by foreign competitors.

Today, Umicore is the only cathode player to produce industrial cathode active materials on two continents. In 2023, the organization commenced construction of a local manufacturing facility in Canada (Loyalist, ON) completing its global rollout of regional supply chains for automotive and cell customers on three continents.

The growing trend towards electrification and more stringent emission control should be seen as an opportunity to Umicore's business as described in Investing in Umicore. Although Europe announced, in 2023, a ban on the sale of new fossil fuel cars from 2035, governments in other parts of the world may still postpone implementing such new legislation. In the short term, such delays could have a negative impact on certain parts of Umicore's business. In the medium term, however, electrification and more stringent emissions control will be an opportunity for further market development, positively impacting sales and revenues.

The US Inflation Reduction Act of 2022 (IRA) requires a certain percentage of critical minerals in a battery to have been recycled in North America and extracted or processed in a country that has a free-trade agreement with the US. The battery must also have been manufactured or assembled in North America. Such requirements represent an opportunity for Umicore. Our cathode active battery materials (CAM) plants in South Korea and our future manufacturing facility for CAM and their precursor materials (pCAM) in Canada (Loyalist, ON), for where construction started in 2023, will enable Umicore to supply "IRA compliant" products to its customers in North America.

National and international tax regulation and enforcement are increasing and becoming more complex, which increases the Group's tax compliance burden (particularly in the field of transfer pricing and indirect taxes such as VAT). The uncertainty associated with announced or potential tax reforms is also increasing both on a national level (e.g. in Brazil) and on an international level (e.g. OECD initiatives). These developments and the resulting uncertainties may impact the Group's earnings despite Umicore continuing to manage the requirements proactively by

implementing best practice processes and systems. Umicore currently has an active process of monitoring and provisioning of uncertain tax positions.

RISK PROFILE

Although the global regulatory environment remains very complex and legislation continues to become more stringent, overall we consider that the risk profile remains stable compared with 2022. At the same time, new opportunities will equally arise out of more stringent legislation.

Risks and opportunities related to trade and tariffs (including export regulations regarding both goods and technologies) require close monitoring and follow-up.

The risk profile for matters related to intellectual property (IP) rights and data protection is increasing as a result of the stricter regulations. The IP landscape has also become more litigious. Despite our active management of patents and other IP rights, Umicore cannot exclude that any of our patents will be violated (and we may not always be able to act successfully to stop or obtain compensation for any such violations), nor can the company exclude litigation against it for any alleged infringement of a third-party IP right.

RISK MITIGATION

Umicore provides continuous training on regulatory requirements to ensure compliance with applicable legislation.

Umicore is continuously and systematically monitoring the regulatory landscape on health, safety, environment and climate change, and adapting its frameworks and reporting accordingly. See 8. Climate and Environment, later in this chapter.

To ensure ongoing compliance with EHS legislation on our industrial sites, Umicore has a well-established EHS compliance audit program and constantly monitors changes in legal requirements where it operates. See Environment.

Our facility in Hoboken is the world's largest and most complex precious metals recycling operation, processing over 200 types of raw material and recovering over 20 different metals. We ensure that a high volume of the metals that we process come from secondary sources such as production scraps, residues and end-of-life materials. We can also recycle customers' residues and production scrap to help them maximize their material efficiency and then transform the recovered materials into new products. In total we recover 28 metals from our closed-loop activities, and we continue to adapt our processes to recycle new and more complex end-of-life products. Several initiatives have been taken and continue to be taken to reduce the possible impact of harmful emissions from Umicore's production, such as the creation of a "green zone" on and next to the Hoboken production facility, as described in Environment.

At Umicore, we are committed to the responsible and sustainable management of our products throughout their lifecycle. We recognize the importance of product stewardship in protecting human health and the environment. We work collaboratively with our stakeholders to ensure the responsible management of our products. For Umicore, a specialty materials company, this also includes managing the potential risks associated with the chemicals used and implementing measures to reduce those risks. Umicore ensures regulatory compliance of the products worldwide and therefore closely monitors all changes in regulations, interpretations and guidance documents that might affect its European REACH implementation strategy. In 2023, we started 11 new substances dossiers for registration under REACH due to new business developments.

As part of regular maintenance, we updated 53 REACH dossiers for reasons including changing the tonnage band, replying to ECHA requests and including new information. Additionally, two full Registration dossiers for UK-REACH have been completed to support new UK-import activities. Umicore submitted two registrations in Korea in 2023 for priority chemical substances. See Product Stewardship.

To mitigate the potential impact of (product) liability claims, Umicore has implemented mechanisms such as contract management and risk transfer using insurance, in addition to rigorous quality controls.

Umicore's dedicated Intellectual Property Team within the global legal department, has rigorous processes that monitor the requirements to commercialize our products.

Governments have implemented new or enhanced legislation on data protection, such as GDPR in Europe, LGPD in Brazil, POPI in South Africa or PIPL in China. Umicore closely monitors any changes and new regulations on this topic and has put in place the appropriate governance structures.

To safeguard its data and innovations, Umicore provides training to its employees worldwide on how they can contribute to, and ensure, the protection of trade secrets. To that end, the "I Stay Alert" campaign, which was launched in 2021, was continued throughout 2023 as described in information security and data protection.

The Umicore Trade Compliance Team follows closely and responds to global trade conditions including the imposed sanctions following the geopolitical events in 2023.

Umicore played an active role in informing legislators of various emission control technologies for both diesel- and gasoline-powered vehicles, to help them make knowledgeable decisions about future emission and testing norms. To manage policy risks, Umicore participates in public consultations and is a member of relevant industry associations, including those related to sourcing, climate and business. As described in Engaging for impact Umicore is supportive of challenging targets in areas such as battery regulation, as they represent opportunities for us.

As a founding member of the Global Battery Alliance (GBA), Umicore is one of the driving forces and co-developers of the Battery Passport. Transparency on a battery's lifecycle enables consumers, companies and regulators to make well-informed choices, propelling decarbonized electric driving.

Umicore is re-enforcing its international tax team and has increased third-party advisory services to monitor and manage tax-related risks.

5.13.2.2. Sustainable and ethical supply

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
<ul style="list-style-type: none"> • Climate & Environment • Ethical Supply • Sustainable Governance • Sustainable Sourcing & Recycling Services 	 NO CHANGE	 NO CHANGE

RISK DESCRIPTION

In the **short term**, potential disruption in supply chains due to factors such as changes in trade regulation, geopolitical events and subsequent delays at borders and ports, container transportation shortage, and high energy prices remain a risk. A further source of stress in the supply relates to stricter regulations on cross-border movements of waste and/or bans by carriers, ports or countries to accept waste or dangerous goods. Securing a sufficient supply of input metals is essential for the ongoing viability of our product and service offering, and to achieve our growth objectives. Responsible sourcing is a key priority and competitive edge for Umicore: when sourcing materials or through indirect procurement, suppliers are checked and risk-based due diligence conducted to ensure that no harm is inflicted on people (e.g., human rights violations), the environment or society. More details about what we expect from our suppliers can be found in Society. Insufficient availability of raw materials such as palladium, rhodium, lithium or battery nickel units, combined with a lack of alternatives, can impact metal prices as described in the metal price chapter.

In the **medium term**, price volatility and limited supply remain a concern, in particular for battery materials where demand is expected to increase, or for certain platinum group metals, the use of which is currently closely linked to internal combustion engine (ICE) technology. The uncertain grade mix for battery materials may lead to inadequate supplies. There are risks that development of new supply may not precisely match demand increases. A gap in supply and demand during the anticipated rapid future growth could lead to temporary supply shortages or excesses, which in turn would impact metal prices. Other materials such as germanium may face long-term supply challenges due to changing market conditions and competition. Umicore’s supply chain needs to align with its ESG ambitions, fully certified against environment, social and governance criteria and decarbonization targets for Scopes 1, 2 and 3. In addition to the grade, price volatility and limited availability, the GHG impact of raw materials is as an additional dimension to be taken into account when managing supply and spans over the short, medium and the long term.

In the **long term**, Umicore requires certain metals or metal-containing raw materials to manufacture its products and feed its recycling activities. Some of these raw materials are comparatively scarce and require very specific sourcing strategies. Obtaining adequate supplies of these materials will continue to be important for the ongoing success and growth of our business.

RISK PROFILE

For battery materials in particular, demand is expected to increase significantly in the coming years, as is competition for the ethically sourced and low-carbon input materials. Physical supply is currently tight and sensitive to any short-term supply or demand disruption for certain precious metals and platinum group metals (PGM). In the longer term, this is sensitive to the pace of electrification and alternative drive train technologies such as fuel cells.

Geopolitical risks have remained elevated, causing disruption of the global supply chain and increased costs.

Existing and upcoming laws at national and EU level on due diligence and sustainable product policy have increased awareness about the topics of responsible sourcing and sustainable value chains, in particular for designated conflict minerals (tin, tantalum, tungsten and gold) and more recently also for battery materials (cobalt, nickel, lithium, manganese). Requirements for robust due diligence management systems, compliance and reporting will increase in the coming years for the entire supply chain. Increased standards are also an **opportunity** for Umicore because of our long-standing experience in due diligence and responsible sourcing, and because they will create a more level playing field for the industry.

RISK MITIGATION

Umicore continues to ensure that its production operations are certified as conflict-free and receives site and metal-specific responsible sourcing certifications from the LBMA, RJC and RMI. For more information, see Society.

Umicore has implemented policies and measures covering human rights, the right for workers to organize, collective bargaining, equal opportunities and non-discrimination, banning of child labour, banning of forced labour, consistent with International Labour Organisation (ILO) standards, as supported through a Global Framework Agreement (GFA) on Sustainable Development with IndustriALL Global Union. The GFA captures Umicore's engagement to both our employees and our suppliers.

Umicore's policies and charters such as the Code of Conduct, Human Rights Policy and the Umicore Global Sustainable Sourcing Policy (UGSSP) illustrate our long-standing and growing experience in ensuring we only buy from suppliers who can guarantee sustainable and ethical sourcing.

In addition to these general policies, Umicore also has specific risk-based policies in force, designed to protect human rights in our supply chain, and safeguard the environment: the Sustainable Procurement Frameworks for Cobalt, Nickel and Lithium, and Responsible global supply chain of minerals from conflict-affected and high-risk areas which follow the principles of the United Nations Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance.

Both policies include a robust due diligence system. This includes background screening of suppliers, a risk assessment based on country, material and supplier risk and risk mitigation actions, in combination with onsite visits and third-party audits for critical suppliers. Under the due diligence system of the Battery Materials Framework (cobalt, nickel and lithium), any indication of potential "zero-tolerance issues" or "issues of concern" triggers enhanced due diligence and engagement with the supplier on the related issue.

The case will be appropriately followed up through an internal decision-making process involving senior management. Umicore was the first company globally to get annual third-party assurance on its responsible sourcing framework for Cobalt through the annual compliance report (publicly available).

Together with the launch of the dedicated Frameworks for Nickel and Lithium, a reviewed and strengthened Cobalt Framework became applicable in 2023. Updates include a broader scope of ESG criteria and a strengthened risk assessment and mitigation approach.

In 2022, to underpin its sustainable sourcing commitments, Umicore defined a Scope 3 reduction target focusing on purchased goods and services. Battery materials and precious metals are the main contributors to the impact of this Scope 3 category. We have identified ways to achieve our target by 2030 and have started working with suppliers to understand their GHG emission profile and reduction opportunities so that we can provide our customers with both responsible and sustainable products.

Umicore continues to ensure that its production operations are certified as conflict-free and receives site and metal-specific responsible sourcing certifications from the LBMA, RJC and RMI.

To manage the risk of supply disruption for critical materials, we ensure that materials come from several reliable suppliers. In addition, we closely monitor developments in other regions and investigate other projects to diversify sourcing, seek out secondary raw material sources and negotiate long-term contracts.

5.13.2.3. Metal price

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
<ul style="list-style-type: none"> Sustainable Sourcing & Recycling Services 	 DECREASE	 NO CHANGE

RISK DESCRIPTION

Umicore’s metal price risk has reduced because there is lower price volatility in the metals markets, but the volatility of metal prices remains an important risk to manage.

Earnings are exposed to risks relating to the prices of the metals that are processed or recycled. These risks relate mainly to the impact that metal prices have on the surplus metals recovered from materials supplied for recycling, and concern platinum, palladium, rhodium, gold, silver and a wide range of base and specialty metals.

Umicore also faces transactional price risks on metals. The majority of its metal-based transactions use global metal market references. If the underlying metal price were constant, the price Umicore pays for the metal contained in the raw materials purchased would be transferred to the customer as part of the price charged for the product. However, because of

the lapse of time between the conversion of purchased raw materials into products and the sale of products, the volatility in the reference metal price creates differences between the price paid for the contained metal and the price received. Accordingly, there is a transactional exposure to any fluctuation in price between the time raw materials are purchased (when the metal is “priced in”) and the time the products are sold (when the metal is “priced out”). As lithium and manganese have become increasingly valuable and volatile components in rechargeable battery materials, in 2022 Umicore decided to no longer treat them as a consumable but to hedge the transactional exposure going forward, in line with other battery metals like nickel and cobalt.

For more information on the structural risk and on the transactional and inventory risk related to the metal prices, see note F3 of the consolidated statements.

Materials produced by Umicore contain precious or scarce metals which are partly sourced from in-house recycling operations and, for the balance, procured from primary metal producers. Umicore’s ability to procure the required quantity of such metals is key in determining our ability to produce the materials which have been ordered by our customers.

The availability of metals such as cobalt, lithium and nickel, as described in Ethical and sustainable supply, is the main long-term risk.

Due to the liquidity of the metal markets for precious metals, platinum group metals (PGM) and battery metals, Umicore’s impact on the metal price is limited.

RISK PROFILE

Prices for precious metals, such as rhodium and to a lesser extent Palladium, continued their downward trend throughout 2023.

After a short increase at the start of 2023, the nickel price dropped further during the year. The cobalt price also dropped further in the first half of 2023, before stabilising in the second half. The Lithium price dropped significantly in comparison with the historic highs of 2022.

As described in the sustainable and ethical supply risk, metal scarcity is increasing because of supply / demand tightness and other factors such as geopolitical tensions or trade regulations.

RISK MITIGATION



For some metals quoted on futures markets, Umicore hedges a proportion of its forward metal exposure to cover part of the future price risks.

Umicore stepped up its strategic metal hedging approach to reduce volatility, to increase visibility on future cash flows and to reduce future earnings from exposure to certain precious metals prices. Over the course of 2023, it has entered into forward contracts to cover a substantial part of its expected structural price exposure to certain precious metals for a substantially longer period (up to 2028) and a significantly larger portion of its structural price exposure compared with its past approach. For 2024, based on the respective currently expected exposures, the following lock-ins have been secured: close to three quarters for palladium, more than two thirds for rhodium, close to two thirds for gold, close to half for silver, and above one quarter for platinum. For the years 2025-28, Umicore has increasingly secured its structural price exposure on precious metals and platinum group metals by entering into forward contracts.

The Group’s policy is to hedge the transactional risk to the maximum possible extent, primarily through forward contracts. For a selection of metals, either no derivatives markets exist, or the existing market does not offer the required liquidity to enter forward contracts. This is increasingly the case for metals gaining in importance, such as cobalt and lithium. To mitigate the price risk on its transactions in these metals, Umicore maximizes the use of back-to-back hedging, matching the price reference of purchases and sales.

Umicore aims to increase the production of precious and scarce metals from its recycling capabilities, thereby securing a significant proportion of its metals’ needs. In addition, the Group maintains close commercial relationships with leading primary metals producers from which it procures metals through annual or evergreen contracts.

5.13.2.4 Market

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
<ul style="list-style-type: none"> • Innovation • Product Quality & Production Capacity • Sustainability Governance 	 INCREASE	 NO CHANGE

RISK DESCRIPTION

The main industries served by Umicore are automotive (clean mobility materials such as automotive catalysts and fuel cell catalysts, rechargeable battery materials, recycling), consumer electronics (rechargeable battery materials, recycling, coating and electroplating solutions), and non-ferrous metal mining and refining industries (recycling activities). Umicore is sensitive to any major growth or global reduction in activity levels or market disruptions in these industries.

The transformation of the automotive industry poses one of the main risks for Umicore today. In the **short term**, Umicore has a limited visibility on future automotive (ICE and EV) demand. Geopolitical tensions create market uncertainty in the short and medium term. Persistent supply chain disruptions impact the supply and demand market dynamics. The pace of electrification also impacts demand for our products. Electrification will reduce the demand for automotive catalysts and boost the demand for cathode active materials. Increased demand for cathode active materials requires more production lines and sites, entailing challenges in hiring and training people, acquiring the right qualifications against the right timelines and funding. The lack of visibility on demand for cathode active materials is a risk in both the short and **medium term**.

The shift to electrification influences not only Umicore’s cathode active materials activities, but also its catalysis and recycling activities. Since the production of emission control catalysts requires platinum group metals (PGMs), a declining demand for such catalysts as a result of the reduced production of ICE vehicles will have an impact on PGM prices. The availability of recyclable “*end of life*” catalysts is also expected to decrease over time (medium to long term). The electrification can also lead to price volatility of metals needed to produce cathode active materials. To mitigate the consequences of such price volatility the necessary hedging

mechanisms have been put in place (see above). A consistent supply of metals for rechargeable battery materials (as described in ethical and sustainable supply) is imperative to ensure efficient production of these products.

In the **long term**, the transition to electrification changes the competitive environment. The market for cathode active materials remains an emerging market with different dynamics per continent (for example in terms of over and under supply). Through its current customer and product portfolio, Umicore is exposed to the mass and premium automotive segments (NMC, mid- and high-nickel) for cathode active materials technology, and as announced in 2023 the industrialization of manganese-rich HLM (high lithium, manganese) battery materials technology, which will serve the entry-to-mass automotive segments. Compatible with the NMC technology, this future HLM production is foreseen at Umicore's battery materials plants in Korea and Poland as well as at the new facility under construction in Canada. The addition of HLM to our existing NMC portfolio will enable us to serve all segments of this rapidly growing and rapidly evolving market. Umicore is also working on next generation battery materials technologies. See At the Core.

As the pace of electrification is increasing rapidly, technological disruptions could have a negative impact on Umicore if a battery technology, to which Umicore is not exposed, would be preferred by the industry over another. The market for rechargeable battery materials is becoming more crowded as new players enter. At the same time, more original equipment manufacturers (OEMs) have started producing rechargeable battery materials – in addition to being Umicore's customer, they have become a competitor.

By actively pursuing R&D to offer new solutions to car OEMs and cell makers, and due to its positioning and long-term relationships with the overall market (through its Catalysis activities and its long-term value-creative battery materials contracts), Umicore is also influencing the changing market structure for rechargeable battery materials for the automotive industry. Umicore is uniquely positioned to offer the market a closed-loop solution for cathode active materials, as we are both a producer of cathode active materials and a recycler of batteries. In addition, Umicore's recycling services have a positive impact on society by enabling a shift towards a low impact industrial future.

RISK PROFILE

As confirmed by the scenario analysis of our climate-related risks and opportunities, the electrification of mobility increases Umicore's risk profile for its catalysis business, while at the same time increasing Umicore's **opportunity** profile for the rechargeable battery materials and recycling businesses.

RISK MITIGATION

Notwithstanding the limited visibility on automotive demand, and even in fast electrification scenarios, the Catalysis Business Group is expected to continue to benefit from its strong market position in gasoline catalyst applications in Europe and China. Umicore works continuously to maintain its excellent cost position with continued work on operational efficiencies, a globally optimized production footprint and a low break-even point, which resulted in continued market share gains in 2023. We have a good product and technology portfolio with strong customer demand, as evidenced by the fact that we have further increased our exposure to the longevity segment⁴ of the market, which represents a very significant part of our automotive catalyst activities. Umicore also has a balanced regional presence in this

⁴ The longevity segment is the heavy-duty diesel and the light-duty gasoline part of the market, which will be there in the long term, especially given the hybridisation of the market.

light-duty gasoline segment with Europe, China and America, providing an excellent platform for the business going forward.

In the Energy & Surface Technologies Business Group, and more specifically in the Rechargeable Battery Materials Business Unit, Umicore is actively diversifying its customer and platform exposure. In 2023, the business unit continued to secure long-term strategic customer contracts and partnerships, securing future market share and also non-refundable government grants for its capacity expansions. These milestones are described in the operations section of this report.

Increased intimacy with car OEMs and qualifications for the right platforms are ever more important, which is why we focused on solidifying our relationships with customers. Umicore's agility in its operations and supply chain equip us to adapt quickly to changes in demand.

In terms of competitive environment, the Rechargeable Battery Materials Business Unit has more than 25 years' experience in cathode active materials (first for portable electronic applications, then for electric vehicle (EV) applications). Its innovation roadmap is combined with a proven product and process technology leadership track record and demonstrated industrial capabilities in manufacturing cathode active materials and the related precursor materials at mass scale at the highest quality and environmental standards. In addition, it is currently the first and only cathode player to produce industrial cathode active materials in Europe, it has an existing footprint in Asia and in its future North American plant (Canada, ON).

Umicore is therefore uniquely positioned with a regional local-for-local fully integrated supply chain.

In terms of demand and supply dynamics for cathode active materials (CAM), Umicore's fully integrated supply chain and its existing and planned CAM manufacturing footprint in Europe and North America will play an important role in supporting regional demand for battery and car OEMs.



With its local footprint in Europe and North America, Umicore is also well equipped to comply with the US Inflation Reduction Act and the EU Critical Raw Materials and Net Zero Industry Act.

The market risk is intimately associated with the metal price risk. As described in the metal price section above, we hedge a proportion of our forward metal exposure to cover part of the future price risks and maximize the use of back-to-back hedging, matching the price reference of purchases and sales. In 2023, in the framework of its strategic metal hedging approach, Umicore entered into forward contracts covering for a longer period and a significantly larger portion of its structural price exposure compared with the past approach. The aim is to reduce volatility, protect future earnings linked to its exposure to certain precious metal prices and to increase visibility on future cash flows.

The complementarity of our activities has proven to be a true competitive advantage. In Energy & Surface Technologies and Catalysis we serve the automotive market by enabling electrification on a mass scale and by offering cutting-edge technologies for clean combustion engines. Through our Recycling (including the Battery Recycling Solutions) activities, we close our own and our customers' materials loop and offer a unique sustainable and circular approach that will become even more important in a world of raw materials scarcity.

Umicore aims to further strengthen its market position with our ambition and plan to capture growth from the next wave of sustainability-driven markets, such as fuel-cell catalysts and battery recycling. See Financial, Operations and Strategy.

5.13.2.5. Technology and substitution

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
<ul style="list-style-type: none"> • Innovation • Product Quality & Production Capacity • Product Stewardship 	 NO CHANGE	 NO CHANGE

RISK DESCRIPTION

Umicore is a materials technology group with a strong focus on the development of innovative materials and processes. The choice and development of these technologies for existing and new markets represents the single biggest **opportunity** and risk for Umicore.

The European Commission (EC) last year announced its intention to reduce emissions from heavier vehicles by 65% from January 2035 and by 90% from January 2040 relative to 2019 levels. Although Umicore’s business related to HDD (Heavy Duty Diesel) is mainly situated in China, this announcement by the EC may affect Umicore’s business in this segment. The substitution of internal combustion engines by electrical vehicles and fuel cell cars presents an **opportunity** for Umicore in the short and medium term. Apart from the opportunity for Umicore’s battery materials, Umicore can leverage its catalysis expertise in hydrogen applications. Umicore’s risk/opportunity depends on how well the development of our technologies will correspond to such new demands.

Achieving the best cost-performance balance for materials is a priority for Umicore and its customers. There is always a risk that customers will seek alternative materials for their products, should those of Umicore not provide this optimum balance. The risk is especially present in businesses producing materials containing expensive metals (especially those with historically volatile pricing characteristics).

In achieving an optimal cost-benefit balance, the cost efficiency of our production processes plays a key role. Hence, there is a risk that we could fall behind the competition in our operational excellence and digitalization.

It is crucial for Umicore to consistently develop winning technologies, such as in battery recycling and for cathode active materials. For example, lithium iron phosphate (LFP) battery chemistry is a mainstream technology in China. This chemistry is not produced by Umicore, and the risk is that LFP would become widely adopted elsewhere. A switch to solid state batteries, as a substitution for lithium-ion batteries, is an **opportunity** in the **long term** as this battery technology calls for more sophisticated materials solutions that may require Umicore’s expertise. In that respect, in June 2023 Umicore inaugurated one of the world’s largest and most advanced solid-state battery material prototyping facilities in Olen, Belgium, which will expand and accelerate its innovation and technology development.

RISK PROFILE

In comparison to 2022, both Umicore's Opportunity and Risk profile have remained stable.

RISK MITIGATION

Timely introduction of key technologies is essential. As described in the market risk, Umicore closely monitors the market and makes sure a close relationship with its customers is maintained to focus on the right technology trends at the right time. We prioritize key development projects and allocate the necessary resources. We are continuously working on the efficiency and digitalization of our R&D. We have installed a rigorous governance system for our R&D activities with a key focus on essential milestones and risks to be covered.

As described in the regulatory and legal context risk, the environmental permit for the smelter on our Hoboken site is a risk for our license to operate. To mitigate this risk, Umicore has leveraged robotic process automation (RPA) to automate the "wind barometer" process that steers which activities on the site can be conducted according to the weather forecast. We are also evaluating whether we can engineer the slags on our Hoboken site towards a cement replacement product.


To support our **opportunity** in hydrogen technology, Umicore has set up a dedicated "Fuel Cells" business unit and in our New Business Incubator there is a portfolio of projects around hydrogen. On 1 December 2023, Umicore held the groundbreaking ceremony for its large-scale fuel cell catalyst plant in China.

With the increasing popularity of green hydrogen, the demand for fuel cell catalyst products is growing rapidly. Over the past 30 years, Umicore has been committed to the research and development of fuel cell catalysts, providing platinum and iridium catalysts for different Proton Exchange Membrane (PEM) fuel cells, covering a wide range of industries such as automotive, marine industry, aerospace, energy storage, and water electrolysis for hydrogen production. Leveraging its durable and high-performance fuel cells catalysts and working closely with customers across the value chain, Umicore has become a global leader in PEM fuel cell catalysts for the mobility segment. Its new greenfield plant in China, which is expected to become the world's largest PEM catalyst production facility to date, will enable Umicore to cater for the rapidly growing customer demand to 2030.

As a pioneer in battery recycling, we have continued to develop our technologies, focusing on the most relevant battery chemistries. This has been done with a keen focus on the sustainability but also on the recovery of all essential metals with the highest yields, including Cu, Ni, Co and also Li. By developing our processes in an integrated way, pre-processing and refining, we can ensure the lowest environmental impact. For cathode active materials, we are investigating a range of chemistries to be ready for the market. We design products both for performance and for cost-driven segments. In line with the trend to lower cobalt and nickel contents in the cost-driven segment and to mitigate the risk posed by LFP, we are further developing and starting the industrialization of our HLM cathode active materials technology.

Umicore patents disruptive technologies. In 2023, Umicore registered 77 new patent families. For more information, see Innovation.

5.13.2.6. Information security & data protection

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
• Digitalization & Cybersecurity	 NO CHANGE	 NO CHANGE

RISK DESCRIPTION

Umicore’s production plants and services are highly dependent on the availability of IT services. Cybersecurity includes our hardware, software and information protection. Due to cyber incidents, Umicore’s servers or network could be blocked, and data breaches could jeopardize the confidentiality of our data and personal data. Unavailability of services, disruption of the supply chains or interruption of our production facilities due to cyber-attacks could have a major impact on our customers and our financial results. Any compromise on the confidentiality of intellectual property would negatively impact our competitive advantage. Unauthorized modification of financial data would jeopardize accurate reporting to shareholders. A personal data breach could result in a fine and exposure to negative reputational consequences. Whether in the short, medium or long term, any cyber incident or data breach would have an immediate impact.

Beyond Umicore’s own operations, we could also be impacted if any of our main suppliers experiences a cyber incident. Cyber incidents can be local, regional or global and if Umicore is attacked, this could have consequences for our customers.

RISK PROFILE

Cyber-attacks may be very focused and advanced. The expanding threat landscape and expanding digital footprint is leading to an increase in cyber-attacks. The risk profile is increasing because there are more cyber-attacks, and they are becoming more sophisticated as the attacks happen in multiple layers.

In addition, due to the increased use of a digital work environment (on site and at home), the role of IT services in delivering seamless access to all corporate resources as well as ensuring information security remains important.

In 2023, there was no change in opportunity profile.

RISK MITIGATION

Umicore protects its data for confidentiality, availability and integrity.

Umicore continues to regularly assess and improve its information security, and the state of cyber resilience of its IT landscape, against evolving threats. A security operation centre analyses the logs of the systems and warns us of any suspicious movement. We have ourselves tested by ethical hackers and scan all our hardware and software to exclude technical vulnerability.

Umicore has put in place in-service training sessions for our employees about phishing and all employees are part of a mobile device management platform to protect Umicore’s applications and data. The “I Stay Alert” campaign continues to be a base to inform and raise awareness about information security. Its developed materials remain available to all and are used for (refresher) trainings. An additional module called “*Follow-me printing*” was launched to support the global roll-out of secure printing. This is an ID-enabled printing system activated on the printers, which allows Umicore employees to queue documents virtually and print them at a time and Umicore location of choice, making printing more efficient, secure and eco-friendly. With Artificial Intelligence entering more into the work environment, initiatives are taken to inform and train the workforce to be aware of the opportunities and consequences of such a resource.

Since April 2022, Umicore obtained ISO 27001 (information security) certification, following an independent external audit by the British Standards Institute (BSI). Moreover, third party expert security assessments are conducted, and additional audits were performed in 2023 on compliance with GDPR, TISAX and recertification of ISO 27001.

Both the corporate cyber security team and the corporate security department have expanded. Umicore consistently increases its investments in security-related IT systems and applications such as backup processes, virus and access protection, authentication and encryption tools. Security-related IT controls are being extended and are tested as part of Umicore’s external audit process.

In 2022, a Proof of Concept was performed with the objective to determine the maturity of operational technology (OT) and to upgrade the resilience of industrial control systems against malicious actions. Umicore continued the effort in 2023 by expanding the project scope to more business units and sites and by initiating an OT security governance. The result is being used to improve the security concept from the start for new build and expansions and as a reference for retrofit where deemed appropriate.

5.13.2.7. Talent attraction and engagement

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
<ul style="list-style-type: none"> • Employee Engagement • Employee Health, Safety & Wellbeing • Sustainability Governance 	 DECREASE	 NO CHANGE

RISK DESCRIPTION

The attraction, and engagement of skilled workforce in a labour market which is driven by talent scarcity, are important factors in enabling Umicore to fulfil its strategic ambitions and to build further expertise, knowledge and capabilities in the business. This represents a critical risk for Umicore because being unable to do so would compromise our ability to deliver on our 2030 RISE ambitions in the short, medium and long term.

Umicore’s main **short-term** risk remains linked to keeping our employees healthy and safe.

As part of the expansion of the group, we will continue the onboarding and where needed upskilling of employees, especially in the battery-related business units, while at the same time anticipating a number of retirements at some production sites in the coming years.

In the **medium term**, Umicore is faced with the challenge of ensuring a safe working environment in an industrial operation combined with a deep need to foster and operationalize a new safety culture. Employee safety impacts employees, their families and our operations. Employee wellbeing is key to both employee engagement and recruitment.

Talent management, attraction, retention and engagement pose a **medium- to long-term** risk, especially in terms of expected strategic growth as part of our 2030 RISE objectives, this might be accompanied by new skills to be developed or acquired. Umicore aspires to have an agile workforce so we can adapt and respond quickly to change – key elements towards maintaining a competitive advantage.

Diversity of thought at Umicore is a reality we live in our organization: our employees are active across the globe, in our different business units and support organizations, representing multiple generations as well as different communities and genders. We firmly believe that this diversity of thought, where different perspectives are valued, leveraged and where knowledge is shared across the organization and generations, will continue to enrich our employees in triggering bold, new and creative ideas, leading to even more innovative teams.

RISK PROFILE

The short-term risk remains keeping our employees healthy and safe.

In the longer term, the war for talent is still a reality. As Umicore is growing, the onboarding of new colleagues will generate more opportunities to boost diversity in the company's workforce.

RISK MITIGATION

A new People & Organization operating model has been put in place. Streamlining the recruitment approach, pro-active sourcing and reinforced recruitment teams in alignment with our revised hiring plans, are some of the initiatives we take to mitigate our main risk of talent attraction. We have refined talent management processes globally to improve employee engagement by supporting, for example, internal mobility or providing the right learning programs for our employees. Employee wellbeing is also a strategic priority and multiple initiatives, which had been launched earlier, such as burn-out prevention and vitality, have continued throughout 2023 to support this objective.

Following the Umicore's Group EHS Guidance Note, units and sites identify occupationally linked health and safety hazards and risks. Workplace injuries and occupationally related health symptoms are thoroughly investigated, reported and discussed at the site's safety committee. This information contributes to the set-up, maintenance and, where needed, improvement of a health and safety management system with the aim of preventing all workplace-related injuries and health symptoms.

A process safety management system is deployed on all sites following strict process risk analysis and risk reduction methods. Regular internal health and safety audits evaluate the efficiency of its implementation.

We are improving the safety culture within the company, by deploying a “Coaching for Safety” program. Active leadership engagement is in place to stimulate engagement on all levels and measures endorsed by the shop floor are implemented. Safety programs focus on Control of High-Risk activities, behavioural aspects, administrative measures and include in-service training. Health programs aim at reducing exposure and also focus on improving physical and mental wellbeing at the workplace.

In the Employees section, many initiatives and programs illustrate how Umicore is mitigating the risks linked to talent management and how we are developing our diversity of thought.

5.13.2.8. Climate and environment

Link to Material topics	Change in Risk profile	Change in Opportunity Profile
• Climate & Environment	→	→
• Innovation	NO CHANGE	NO CHANGE
• Sustainability Governance		
• Waste		
• Water		

RISK DESCRIPTION

In the **short term**, many of the climate and environmental risks are either regulatory or linked to the impact of our operations on the environment. Increasingly stringent regulations on energy use and emissions can induce higher operational costs and our license to operate is predicated on managing the impact of our operations in the communities where we operate. Any incident in a plant can affect emissions in air or water and increase noise, impacting the immediate surroundings, which is a risk on any time horizon. There is also an environmental risk linked to the shipment of materials. Many of the materials Umicore processes, such as scrap and residues, are classified as dangerous goods and maritime and air transport are increasingly reluctant to ship this hazardous material. The scarcity of transport could impact Umicore’s operational efficiency and there is also an impact on society, as a leakage of hazardous materials during transport could have negative consequences for the environment and for people’s health.

In the **medium term**, Umicore experiences the market risk of increasing requirements for carbon footprint of products and processes. Increasing requirements for environmental impacts such as biodiversity and land use could pose a risk and the rising cost of water is a risk in the medium and long term, as well as access to renewable energy, which is both a risk and an **opportunity**.

The consequences of climate change are the main **long-term** risk for Umicore.

Umicore has conducted climate-related risk analysis. Scenarios were chosen for relevance to Umicore and to represent the entire spectrum of possible future worlds, from Paris-aligned,

through business as usual, to strongly increased physical risks. Short term is defined as until 2025, medium term until 2030 and long term after 2030.

Umicore has conducted a climate-related transition risks scenario analysis of a 1.8°C scenario (RCP2.6, Paris-aligned) and a 3.0°C scenario (RCP4.5), based on the IEA ETP and WEO 2020 reports, for our own operations with a timeframe of 10 and 30 years. Umicore's climate-related transition risks and opportunities could be linked to market, reputation, policy & legal and technology. In the process of 2030 RISE Strategy development we quantified the financial impact of climate transition-related opportunities and risks. In a 1.8°C scenario, Umicore has a transition risk in the automotive catalysts business as demand for catalysts might be impacted given the foreseen declining demand for cars with internal combustion engines. Most other Umicore product lines (e.g. rechargeable battery materials, fuel cells and recycling services) show transition opportunities in both the 1.8°C and 3.0°C scenarios, the degree of which is linked to the pace of the shift towards electric mobility.

For the climate-related physical risk analysis, we chose the 3.0°C scenario (RCP4.5) and the worst-case climate change scenario (RCP8.5) until 2050 in which we identified both chronic and acute physical risks. For both climate-related physical risk scenarios, climate change causes extreme natural events, chronic deviations in temperatures and precipitation patterns, and rising sea levels. This could impact our sites or supply chain. For example, Flanders, an area in which Umicore has several production sites, has been declared an area at risk of drought. Umicore's main physical risks are related to flooding and water availability.

RISK PROFILE

The climate and environmental risks from a regulatory or operational point of view remained the same. The opportunity profile remains the same as in the previous year. 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.

RISK MITIGATION

Umicore plays a key role in the transition to a low-carbon future as our materials tackle global trends for clean air and e-mobility, and our closed-loop business model tackles resource stewardship.

Our facility in Hoboken is the world's largest and most complex precious metals recycling operation, processing over 200 types of raw material and recovering over 20 different metals. We ensure that a high volume of the metals we process come from secondary sources (e.g. production scraps, residues and end-of-life materials). We can also recycle customers' residues and production scrap to help them maximize their material efficiency and then transform the recovered materials into new products. In total we recover 28 metals from our closed-loop activities, and we continue to adapt our processes to recycle new and more complex end-of-life products. As described in the regulatory and legal context and in Environment, we are mitigating the risk concerning the environmental permit in Hoboken. Umicore's recycling activity is the best mitigation to both climate change and environmental degradation, because recycling metals emits less greenhouse gases and is more resource efficient than mining metals.

To mitigate the impact of our operations, Umicore keeps to the most stringent environmental standards for air and water and works every year to improve our energy efficiency and environmental footprint despite our growth and increased production. Umicore takes measures, such as windshields and green buffer zone to further minimize the impact of operations and

manages its historical environmental legacy, ensuring adequate financial provisions are in place, which are reviewed twice a year. For more information, see Environment.

Umicore supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has embedded this in its ERM system, including by implementing a structural approach to tracking sustainability-related physical risks using a Sustainability Risk Assessment tool which was added to the ERM system in 2023. The tool allows for in depth analyses and quantification of current and future physical climate related risks as well as Biodiversity & Ecosystem Services (BES) impact risks for all sites. Read more about our approach to biodiversity in Environment.

Similarly, Umicore maps its sites in water stress areas and keeps track of water types and consumption to mitigate our risk with respect to water availability and rising costs of water. Only the Olen and Hoboken, Belgium sites have been identified as material in terms of both water impact and risks. Building on the Group-wide water stewardship program, which was defined in 2022, Umicore conducted detailed "Water Risk Assessments" for the two above mentioned sites. The program further includes an ongoing education and awareness campaign, review of data granularity for improved disclosure, the development of contextual targets based on granular process-by-process water use data at material sites, and development of internal water risk guidance.

To address the environmental impact of our products, Umicore is committed to the responsible and sustainable management of our products throughout their lifecycle. (See Legal & Regulatory risks for more on REACH and online for more on Umicore Product Stewardship.) To address the carbon footprint of products and processes, Umicore performs lifecycle assessments on selected products and services on a rolling and ongoing basis to sharpen insight on environmental performance, through the right choice of the chemistry, energy mix, and raw materials, including recycled materials.

In a further key step in the Group's decarbonization journey, Umicore unveiled its Climate Transition Plan in 2023, underscoring its commitment to climate action, resilience, and transparency. This plan not only captures ongoing efforts to reduce greenhouse gas emissions across the Group's operations but also how Umicore engages its entire value chain in driving meaningful climate impact. Climate related risk mitigation measures corresponding to this plan include:

- avoiding emissions by improving energy and heat efficiency, such as the heat and power cogeneration in Olen, Belgium, which increases energy efficiency. In addition, our R&D is at the heart of our successful pilot in capturing nitrous oxide. This is the case for our nitric acid plant in Hoboken where we capture nitrous oxide emissions and transform them into nitric acid for reuse in our precious metals refinery.
- avoiding emissions by ensuring carbon-neutral growth, such as production at our site in Nysa being 100% powered by renewables.
- replacing emissions by generating renewable electricity across several sites; reducing the need for purchased electricity, piloting circular energy storage projects and securing long-term green power purchase agreements (PPAs). We actively pursue and sign green PPAs for our largest sites around the world, as part of our commitment to meet 100% renewables in Europe and 60% globally by 2025. For more, see Environment.
- designing out emissions through research and development as part of our R&D roadmap.

Umicore's businesses, strategy and financial planning reflect many climate-related risks and opportunities. Our global footprint and diverse site locations reduce our exposure to physical risks. New sites have been chosen considering proximity to customers, access to skilled workforce, excellent logistics, infrastructure and green energy. The focus of our products and

services, our investments in R&D and operational excellence, our policies for collaboration with our suppliers and our 2030 RISE objectives are a few examples of these strategic choices. They are embedded in our ongoing financial planning and decision making through their integration in business planning and the development of the ESG dashboard. Further analysis will be repeated or refined on a recurring basis to identify risks based on current scientific findings.

6. BRANCHES

The Company has no branches.

7. CONTINUITY

The Company has no losses carried forward. Article 3:6 §1 6° of the BCCA is not applicable.

8. IMPORTANT EVENTS

We refer to §2. "*Subsequent events*" and §3. "*Development of the Company*".

9. NON-FINANCIAL INFORMATION

The non-financial information, as defined under 3:6 §4 of the BCCA, has been duly taken into account and can be found in the annual report on the consolidated accounts.

10. DISCHARGE

In accordance with legal and statutory requirements, we hereby request to discharge the supervisory board members and the statutory auditor for the exercise of their mandate for the accounting year 2023.

For the Supervisory Board
Brussels, 8 March 2024.

DocuSigned by:

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Mathias Miedreich
Chief Executive Officer

DocuSigned by:

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Thomas Leysen
Chairman