

umicore
materials for a better life

Climate Transition Plan

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About Umicore

The advanced materials and recycling company

Through our deep expertise in materials science, chemistry, metallurgy and metals management, we reduce harmful emissions, power the vehicles and clean technologies of today and tomorrow, and give new life to used metals.

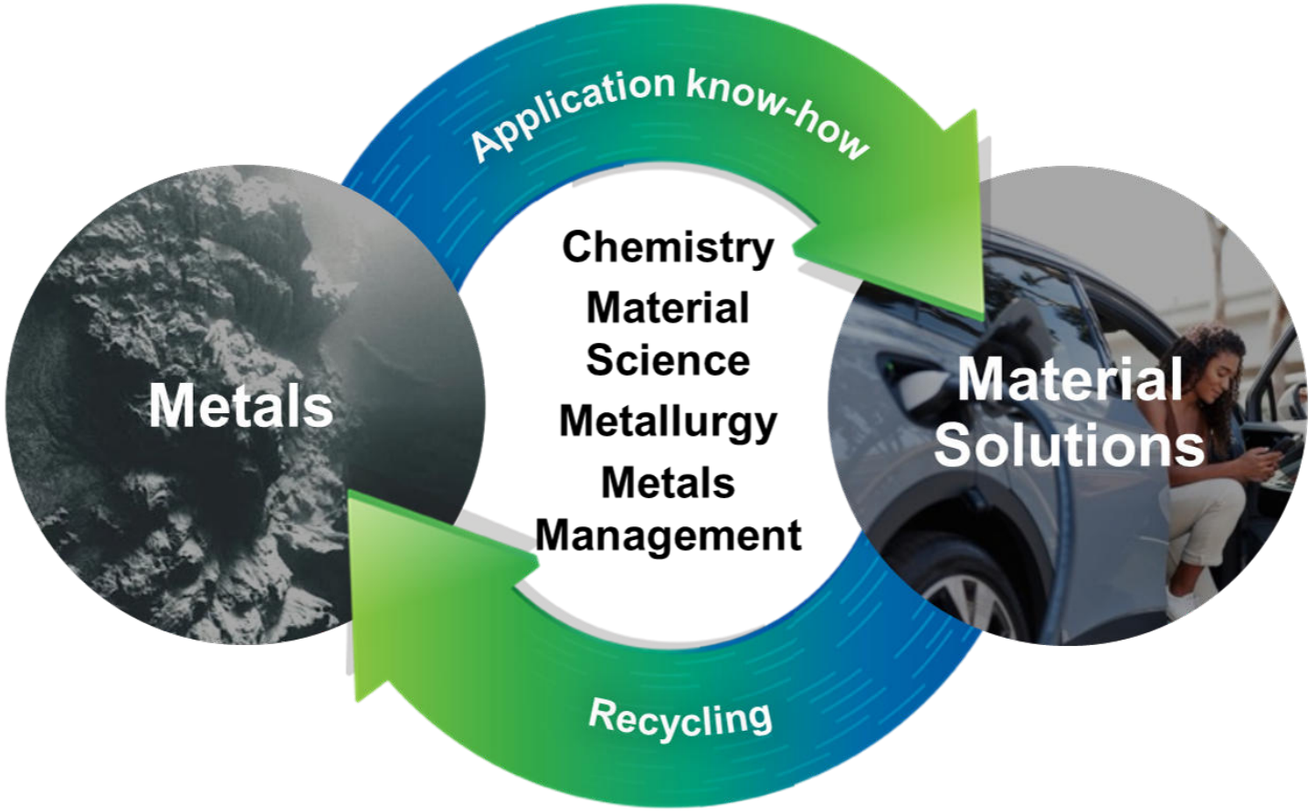
We believe that metal-based materials technologies lie at the heart of progress and are enablers of value creation, contributing to fundamental advancements for society. Metals have the ability to be efficiently and infinitely recycled, making them the basis for sustainable products and services.

Umicore is a leader in technology-enabling materials and recycling solutions creating materials for a better life today and for generations to come.

Umicore's circular business sets us apart. With our know-how, we refine, recycle and transform critical and valuable metals into solutions people rely on every day.

Our integrated approach minimizes the impact of our industrial operations. We prioritize health and safety, recyclability, cost efficiency, energy efficiency and waste reduction. Our commitment to ethical and responsible sourcing delivers value and distinguishes us from other players in the market.

> **At Umicore, we are uniquely positioned to maximize opportunities in society's transition to a lower-carbon, more circular future.**



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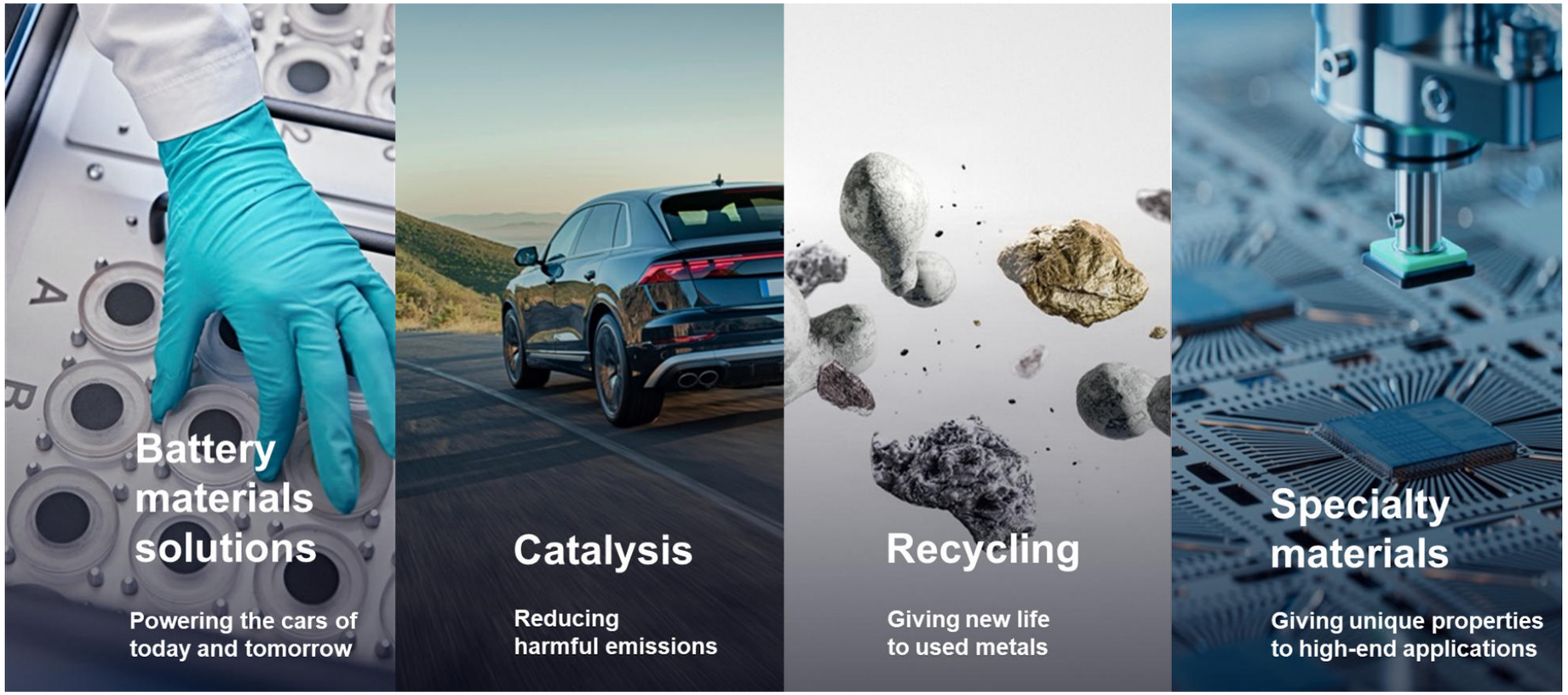
Our mission: Materials for a better Life

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

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

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



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Approach to sustainability

Sustainability is at the heart of Umicore's mission. It is an integral part of everything we do.

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

Transparency and accountability are key to how ESG is integrated into governance at Umicore. This ensures that our strategic goals, including our sustainability ambitions, are actively managed with both financial and sustainability performance in mind. By embedding ESG into governance, we not only reinforce our commitment to long-term value creation and maximizing positive impact, but also enhance our resilience and accountability to our stakeholders and to society.

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



Net Zero by 2050

Scope 1 + 2 GHG emissions:

- -50% by 2030

Scope 3 GHG emissions:

- - 42% carbon intensity of purchased materials (scope 3.1) by 2030
- 80% of suppliers and customers by emissions to have science-based targets by 2030

Zero Harm

Safety & wellbeing

Minimizing impact on the environment

Safeguarding Human Rights

Sustainable and ethical sourcing

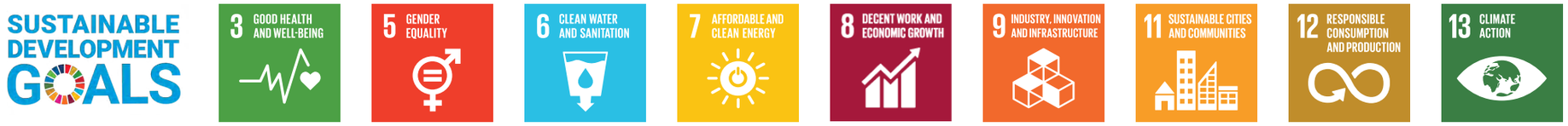
Zero barriers to Opportunity

Driving inclusion, engagement, and an empowered, high-performing workplace

- 80% engagement index by 2030
- 80% learning & development index by 2030
- 80% inclusion index by 2030

Gender parity as soon as possible

- Keep gender pay gap <5%
- 40 % women in executive and non-executive director roles



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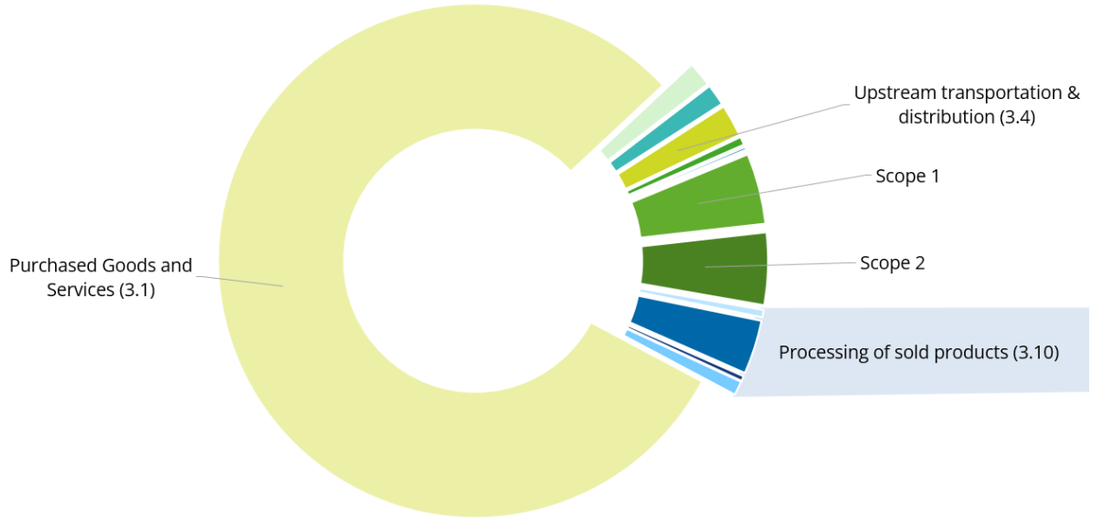
Umicore GHG baseline profile

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

Umicore's Scope 1 emissions are mainly from natural gas, fossil fuels and process emissions. 85% of our baseline Scope 1 emissions were from our activities in Belgium. Our Scope 2 emissions are from purchased electricity, steam, compressed air and heat purchased from third parties. The majority of our Scope 2 emissions are from purchased electricity and linked to our global rechargeable battery materials activities. The baseline total of just under 0.8 million tonnes of GHG emissions from our operations was about equally split between Scope 1 and 2. Scope 1 and 2 emissions from our direct operations accounted for 9% of our total greenhouse gas emission profile.

More than 90% of our total emission profile is generated by the activities in our value chain, which amounts to 8.1 million tonnes of baseline Scope 3 emissions (upstream + downstream). This is over 10 times the amount of emissions from our operations. Out of the total, 7.6 million tonnes of emissions were from upstream activities, of which 7.1 million tonnes from Scope 3, category 1 emissions: purchased goods and services. Umicore has a long track record in energy and process efficiency. This way of working has contributed to our exceptional operational emissions profile in our sector.[1] We report and monitor our GHG emissions following best practice, using the Greenhouse Gas Protocol definition, and reporting methodology. Our emissions inventory can be found in our ESG Databook and in our annual reporting.



2019 GHG inventory

Scope 3 upstream 7.6 million tonnes CO_2 emissions	**80%** Purchased goods & Services
	2% Transportation & distribution
	4% Other upstream Scope 3
Scope 1 0.4 million tonnes CO_2 emissions	**4%** Scope 1
Scope 2 0.4 million tonnes CO_2 emissions	**5%** Scope 2
Scope 3 downstream **0.5 million tonnes CO_2 emissions**	**3%** Processing of sold products
	2% Other downstream Scope 3

[1] CDP has published a technical note identifying the most relevant and most significant Scope 3 categories per industry, including the chemical industry.

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Umicore's decarbonization targets

Umicore aims to achieve net-zero GHG emissions across its operations and value chain by 2050

NET ZERO BY 2050

SCOPE 1+2

Umicore has defined a set of targets that will guide our actions to reach net zero for Scope 1+2 emissions by 2050:

- Near-term target*:
  - Reduce our Scope 1+2 emissions by 50% in absolute terms by 2030 compared to the 2019 baseline.
- Long-term net-zero target:
  - Reduce absolute Scope 1 and 2 GHG emissions by at least 90% by 2050 from a 2019 baseline and use carbon credits to neutralize residual, hard-to-abate emissions.

**First near-term target to reduce Scope 1+2 emissions by 20% in absolute terms by 2025 compared to the 2019 baseline, exceeded in 2025 (-31.8% vs 2019).*

The net-zero ambition reflects the current maturity of key abatement technologies for industrial process emissions, and alignment with CSRD requirements and sector practice. Rolling five-year interim targets will be set progressively as technology readiness and market conditions evolve.

SCOPE 3

Value chain emissions account for over 90% of Umicore's total GHG profile. Considering the materials we buy have the largest impact on our Scope 3 footprint, Umicore has defined targets that will guide our actions to reach net zero Scope 3 emissions by 2050:

- Near-term targets
  - Reduce the carbon intensity of purchased materials by 42% by 2030 from a 2019 base year.
  - Scope 3 engagement target: 80% of suppliers and customers by emissions to have science-based targets by 2030.
- Long-term net-zero target:
  - Reduce absolute Scope 3 GHG emissions by at least 90% by 2050 from a 2019 baseline and use carbon credits to neutralize residual, hard-to-abate emissions.

Science-based ambitions

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

The SBTi has validated Umicore's:

- near-term science-based Scope 1+2 reduction target of reaching a 50% reduction by 2030 in line with a 1.5°C trajectory.
- near-term science-based target for 80% of its suppliers and customers by emissions, covering purchased goods and services, processing of sold products and investments, to have science-based targets by 2030
- net-zero decarbonization target by 2050

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

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Umicore reports its full Scope 1, 2 and 3 GHG emissions inventory, including its 2019 baseline, in its Annual Report and ESG Databook.

2025 performance at a glance

	Target year	Target value	2025
Scope 1+2 GHG market-based	2030	-50%	**-31.8% (vs 2019)**
Scope 3, all categories[1]	--	--	**-31.4% (vs 2019)**
Scope 3.1: carbon intensity of purchased materials	2030	-42%	**-34.3% (vs 2019)**
Scope 3 engagement: Suppliers and customers to have science-based targets[2]	2030	80%	**9.5%**
Scope 1+2+3: Net Zero by 2050	2050	-90%	**-31.44% (vs 2019)**

1 Absolute Scope 3 emissions have decreased from 8.1 million tonnes (2019) to approximately 5.5 million tonnes in 2025. This reflects a combination of sourcing shifts, improved supplier-specific emissions data, and business volume effects. The near-term Scope 3 target is intensity-based; absolute Scope 3 progress is reported to track trajectory toward the 2050 net-zero target. Note that Umicore reports Categories 11 (Use of sold products), 13 (Downstream leased assets), and 14 (Franchises) as zero or not applicable.

2 This Scope 3 engagement target was introduced in 2026 as part of Umicore's updated sustainability roadmap. The 2025 figure is the first measurement under the SBTi defined scope of emissions from purchased goods and services, processing of sold products, and investments.



Our plan in action

Annual Report publication

Umicore publishes its Annual Report 2025, including its sustainability statements. 2025 marked a milestone year in Umicore's sustainability roadmap, demonstrating solid statements progress against the sustainability ambitions it announced in 2021.

ESG databook

Published annually alongside our Annual Report, our ESG Databook provides stakeholders with a clear overview of all ESG data, targets and policies.

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Decarbonizing our operations: Scope 1 + 2

Our baseline operational emissions of approximately 0.8 million tonnes CO_2e (2019) were roughly equally split between Scope 1, comprising process emissions and fossil fuel combustion, concentrated at our Belgian operations; and Scope 2, dominated by purchased electricity for our materials processing and battery materials activities. This profile shapes our three-lever strategy: **avoid, replace, capture.**

In 2025, Umicore exceeded its intermediate targets, achieving a 31.8% reduction in Scope 1+2 emissions vs the 2019 baseline and sourcing 60% of its global electricity from renewable sources, confirming the effectiveness of this approach.

Avoid emissions

Improving energy **efficiency** is both a decarbonization lever and a business priority. Energy presents a significant and volatile cost in industrial operations, and systematic efficiency improvements reduce consumption, lower operating costs, and contribute directly to our emissions reduction targets.

In 2026, we began deploying a standardized energy intensity and variance methodology across the Group. This approach enables sites to measure energy performance relative to production activity, distinguish genuine efficiency gains from volume and product-mix effects, and focus actions where they will have the greatest impact. The methodology is being progressively rolled out and integrated with our Operational Excellence program to embed energy efficiency in everyday operational routines.

In parallel, we continue to pursue process efficiency and utility-driven measures. One example is furnace heat recovery across our battery materials operations, where reusing waste heat reduces overall energy demand and, where it displaces carbon-emitting sources, lowers associated greenhouse gas emissions.

Energy efficiency contributes a complementary share of our overall decarbonization effort. Its primary value lies in reducing total energy demand, which in turn reduces the scale and cost of our low-carbon energy procurement.

Replace emissions

Securing low-carbon and renewable electricity

Securing long-term Power Purchase Agreements (PPAs) is a key piece of our approach. As electrification of industrial processes increases electricity demand, adequate low-carbon supply becomes critical — reinforcing the link between our Scope 1 and Scope 2 decarbonization pathways. We have PPAs for a number of sites, including in Belgium, Poland, and Finland, reducing the Scope 2 emissions associated with our materials production in those geographies[1]. PPAs are complemented by other renewable electricity contracts globally and on-site generation (solar and wind).

Our strategy targets low-carbon electricity broadly, with renewable PPAs as the primary but not exclusive instrument. Our operations in several jurisdictions benefit from grid mixes that already include significant low-carbon generation beyond renewables. Beyond their decarbonization value, our long-term PPAs also provide meaningful protection against energy price volatility.

Fuel switching and electrification of industrial processes

A significant share of our Scope 1 emissions originates from industrial heating and process operations. Replacing these energy sources is essential to meeting our targets. Umicore's R&D plays a central role in developing solutions: electrification of furnaces and boilers where technically feasible; low-carbon fuels such as biofuels as substitutes for natural gas; and process redesign to reduce combustion-based energy inputs. These technologies are at varying stages of maturity and their deployment depends on technology readiness, grid infrastructure, and applicable regulation.

Capture remaining emissions

Umicore's R&D is at the heart of our successful pilot in capturing nitrous oxide (a strong greenhouse gas). Our Nitric Acid plant in Hoboken prevents nitrous oxide from being emitted into the air and transforms it into nitric acid instead, which can be reused. By capturing and transforming these process emissions, we can reduce our carbon footprint by about 40,000 tonnes of CO_2 equivalent emissions every year and derive value from resources that would otherwise go to waste.

Umicore is also exploring carbon capture possibilities at industrial scale as a significant share of our emissions are process-related. Specifically, a carbon capture pilot project starting in 2026 received €1.2 million in funding, of which 70% is funded by EU Project Aurora. Umicore's community of over 1,300 scientists continues to forge partnerships and develop technologies through market intelligence and open innovation with leading industrial or academic partners and start-ups.

The quantified contributions of each lever to our 2030 target are set out in the decarbonization waterfall on page 12.

[1] Subject to evolution of applicable regulation.

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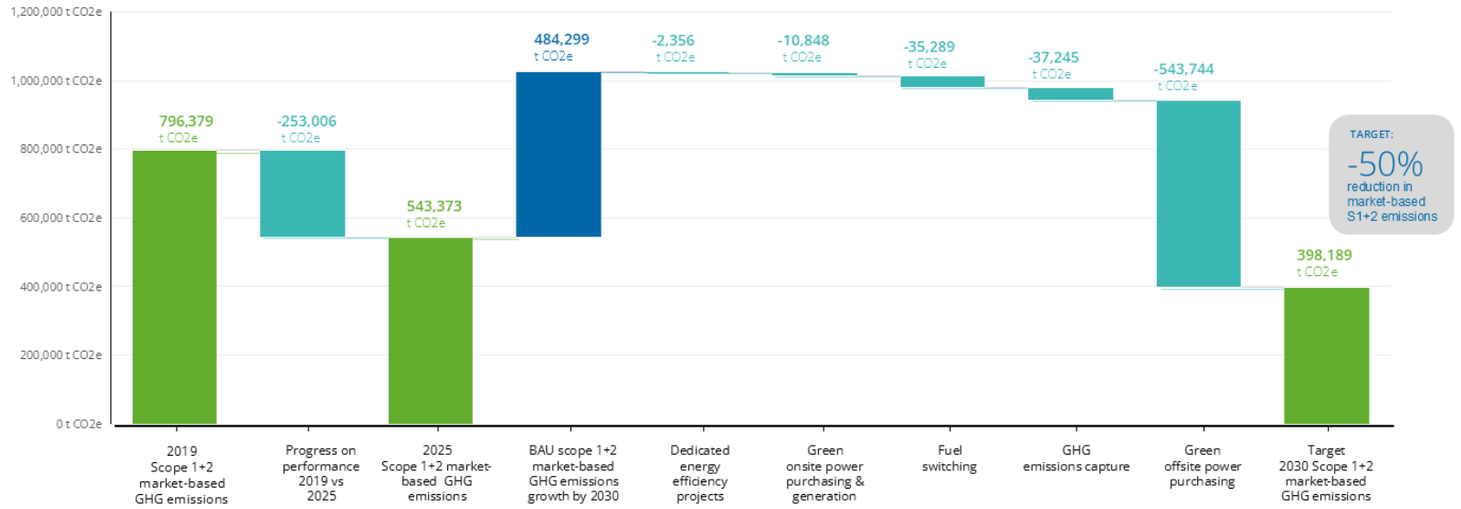
QUANTIFICATION OF DECARBONIZATION LEVERS



Our plan in action

Scope 1

Breakthrough innovations: where the magic happens

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Scope 2

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

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Decarbonizing our value chain: Scope 3

More than 90% of our total emissions profile is generated in our value chain, amounting to 8.1 million tons of CO_2 equivalent at baseline (2019), with purchased goods and services accounting for the largest share. This profile shapes our value chain decarbonization strategy: reducing the carbon intensity of what we buy, recycling and leveraging the share of secondary materials in our input mix, and engaging suppliers and customers to accelerate decarbonization across the chain.

We have defined three levers: **engage, recycle, optimize**. Delivering the depth of absolute reduction required for our 2050 net-zero target will depend on the pace of decarbonization across the broader materials value chain, and our levers are designed to accelerate that transition where we have influence.

Engage

Umicore is prioritizing engagement across its value chain. Upstream, we are committed to leveraging our existing responsible raw materials approach to work with our suppliers on the emissions data linked to Umicore-specific supply streams, to understand their decarbonization plans and drivers and how that will impact our footprint, and to further increase low-to-zero carbon supply streams. We are also exploring long-term strategic partnerships aimed at driving decarbonization across the value chain.

Downstream, we engage with customers on the carbon profile of the materials and products we supply. Because our customers' upstream Scope 3 is shaped in part by the carbon intensity of the materials they purchase from us, our decarbonization progress directly supports their own carbon reduction objectives.

Underpinning both dimensions is a sustained investment in data quality and measurement. Obtaining supplier-specific emissions factors, improving internal tracking, and strengthening the Scope 3 inventory are essential to accurately capturing progress and directing effort where it has the greatest impact.

Recycle

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

Secondary materials recovered through recycling carry a significantly lower life-cycle carbon footprint than equivalent materials from primary mining and extraction, because the energy- and emissions-intensive steps of ore extraction, concentration, and primary smelting are avoided. Maintaining a high share of secondary inputs is therefore a direct lever for reducing the carbon intensity of our purchased materials, the largest component of our Scope 3 footprint, while addressing global resource scarcity. This benefit extends beyond our own supply chain: when customers source materials produced from secondary inputs, the lower embedded carbon is reflected in the footprint of their own products.

We maximize the reuse of materials through our closed-loop business model and optimize our material mix, including the use of secondary materials, based on product requirements and supply availability.

Optimize

The optimization lever combines supply strategy with product and process innovation: securing lower-carbon and secondary materials, using Umicore's expertise to improve upstream processes, and reducing the amount of precious or critical metal needed to achieve the same or better product performance. In addition, we will explore opportunities to move upstream and apply our know-how to produce lower-carbon precursor materials.

Umicore has a long-standing responsible raw materials sourcing approach. We leverage this approach to strategically secure low-carbon materials through long-term supply agreements that lock in both supply security and carbon performance.

The quantified contributions of each lever to our 2030 target are set out in the decarbonization waterfall on the following page.

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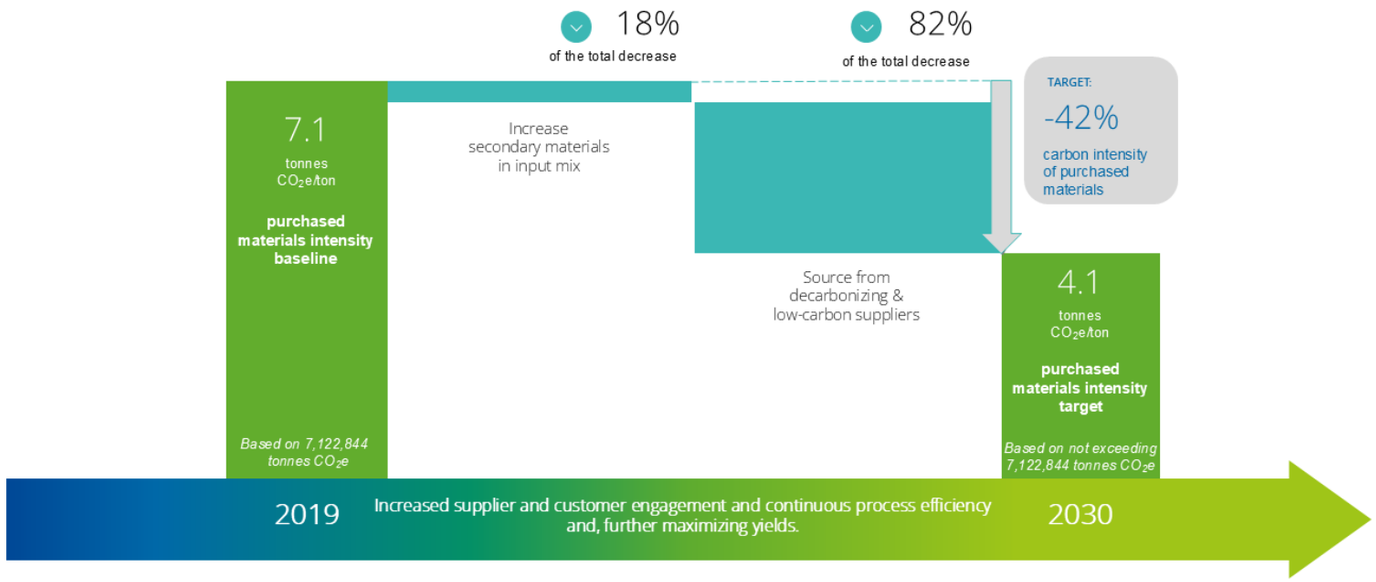

Our plan in action

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

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

Story 2

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Products and services

Umicore aims to deliver measurable environmental and social benefits through our materials for clean mobility, recycling services, and responsible supply chain management.

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

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

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

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

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

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

Umicore follows the framework set forth by the joint International Council of Chemical Associations (ICCA) and World Business Council for Sustainable Development (WBCSD) Guidelines for the chemical industry accounting and reporting GHG emissions avoided along the value chain. Beyond our internal expertise, to conduct our LCAs and for our comparison data, we make use of robust third-party data providers such as Ecoinvent or Ricardo (market leaders in LCA data) as well as research institute LCA data. We report our methodology and assumptions along with our avoided emissions estimations as part of our annual reporting. **Our materials for clean mobility and our recycling services avoided an estimated 79.6 million tonnes of CO_2e** from 2016 through 2025. We will continue this trajectory of delivering sustainable solutions for the transition to a low-carbon future. Our business is driven by the megatrends of clean mobility and circularity, and these trends, combined with our efforts to decarbonize will continue to deliver avoided emissions. This information is disclosed in our Sustainability-Linked Financing Framework.



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Engagement

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

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

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

Policy engagement and advocacy

Umicore supports the transition to a low-carbon economy through active and transparent engagement with policymakers, industry associations and other stakeholders. Our advocacy activities are aligned with the objectives of this Climate Transition Plan and with the goals of the Paris Agreement. Our EU Transparency Register entry is publicly available.

Our policy engagement concentrates on frameworks that enable industrial decarbonization, circularity, renewable energy deployment, sustainable mobility and climate resilience. We assess key legislative and regulatory developments and engage on climate-related policies relevant to Umicore's operations and value chain, ensuring consistency between our policy positions and our climate ambitions. For example, on low-carbon product recognition and carbon footprinting, we advocate for the appropriate recognition of Power Purchase Agreements (PPAs), a cornerstone of Umicore's Scope 2 trajectory, in legislation governing carbon footprint calculations and electricity emissions modelling, such as the EU Battery Regulation's carbon footprint rules. We also support frameworks that recognise and define demonstrably low-carbon products. Another example is our engagement on the EU ETS and the treatment of process emissions, where we advocate for consistency with the EU's circular economy and critical raw materials objectives. Recycling and refining activities that are essential to circular and resilient value chains may inherently generate process emissions while delivering significant lifecycle emissions reductions compared with primary production, and we believe the EU ETS framework should appropriately recognise such strategically important activities.

Industry associations and partnerships

Umicore participates in a number of industry associations, alliances and multi-stakeholder initiatives through which we contribute to climate-related policy discussions.

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

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

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

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

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Governance

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

Policies and initatives

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

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

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

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

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

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

Leadership

Umicore's Supervisory Board approves the strategic direction and targets for sustainability, including climate. Our Supervisory Board oversees Umicore's climate-related agenda, strategy, policies, and performance related to ESG commitments. The Supervisory Board's Audit Committee reviews and oversees the double materiality assessment, including impacts, risks, and opportunities. The Nomination and Remuneration committee ensures sustainability performance is integrated into executive remuneration. The CEO and the Executive Leadership Team are responsible for overseeing and managing Umicore's decarbonization roadmap. The Executive Vice President responsible for ESG ensures Group delivery on our sustainability targets and actions, including the Climate Transition Plan.

Both our Supervisory Board and ELT are highly knowledgeable and experienced in climate-related matters, with a deep understanding of the industry. They possess the relevant skills and expertise in disciplines relevant to Umicore's sustainability objectives, including those linked to the Group's material sustainability impacts, risks, and opportunities (IROs) as well as business conduct. They are committed to guiding Umicore towards sustainable practices and ensuring that we meet our sustainability goals. Together, they understand the impact of greenhouse gas emissions and the factors contributing to decarbonization throughout our value chain. They are aware of the actions required to work towards net zero and actively support the implementation of these measures. Both the Board and the ELT also request and receive regular training on decarbonization topics to stay informed and up to date.

Umicore's executive remuneration policy reflects the importance of sustainability and climate-related efforts. At Umicore, climate-related performance is embedded in the executive remuneration framework as part of our broader ESG integration strategy. In addition to financial objectives, the short-term and long-term variable remuneration plans of the ELT include ESG-linked KPIs, with climate targets in the LTI.

In 2025, Umicore transitioned to a Group-optimized decarbonization model, in which initiatives are prioritized at Group level based on cost-effectiveness, technical feasibility, and site-specific conditions. The governance follows a structured annual cycle aligned with the strategic planning and budgeting process. Business Units provide forward-looking emissions forecasts and project proposals; Group ESG consolidates and optimizes the portfolio; Group Finance provides independent financial review; the ELT arbitrates trade-offs and approves a binding roadmap with confirmed capital allocation. Business Units are accountable for executing approved initiatives, supported by Group ESG's monitoring of roadmap delivery. A cross-functional community of practice supports knowledge-sharing on decarbonization across the Group.

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Umicore's Climate Transition Plan is embedded in our business strategy and financial planning through a framework that balances carbon impact with cost and provides transparency for decision-making. Decarbonization investments are funded and executed at Business Unit level, embedding carbon costs in local cost bases and strengthening accountability for delivery. The governance and allocation process is described in the Governance section.

Cost framework and prioritization

Umicore employs a Marginal Abatement Cost (MAC) curve to prioritize decarbonization initiatives based on cost-effectiveness, benchmarked against the current cost of carbon in the EU Emissions Trading System. As part of our Value Trade-off Framework, we apply a differentiated shadow carbon price covering Scope 1, 2, and 3 emissions. The framework uses regional carbon price assumptions based on International Energy Agency (IEA) classifications, or a minimum internal carbon price of €80/tCO_2e, whichever is higher. The shadow carbon price is applied in financially material project evaluations to assess future carbon costs and prioritize decarbonization initiatives. Following pilot applications, Umicore updated its CapEx Policy in 2025 and is further developing its Internal Carbon Pricing Policy.

Pathway to 2030

To deliver our 2030 Scope 1 and 2 target, we have adopted a sustained-performance pathway that balances cost efficiency, operational feasibility, and stakeholder considerations. Between 2026 and 2030, we estimate approximately €6 million in cumulative capital expenditure and €30 million in additional operating expenditure. The pathway follows a non-linear trajectory, with a greater share of reductions and associated expenditure concentrated toward the end of the decade. Several key decarbonization projects, including carbon capture and process electrification, are in development phases and are expected to deliver once commercially and technically proven. Early indications suggest the Group is tracking ahead of this trajectory.

Locked-in emissions

Umicore's locked-in emissions primarily relate to process-based Scope 1 emissions from metallurgical and chemical operations, where long-lived industrial assets have significant remaining useful lives. These emissions are addressed through our capture and fuel-switching levers, as quantified in the decarbonization waterfall, and through ongoing R&D into alternative process technologies. Locked-in emissions contribute to transition risk: regulatory changes may require further investment in decarbonizing existing assets, and market dynamics — particularly in electric vehicle adoption — may impact demand for internal combustion engine technologies, necessitating portfolio adjustments.

Value chain decarbonization investments

To decarbonize our value chain, we are investing in long-term supply agreements for cobalt, nickel, and lithium that lock in both supply security and carbon performance.

EU Taxonomy

Umicore has reported on the share of activities relevant to the EU taxonomy since 2021. We include all obligatory key performance indicators, revenues, OpEx and CapEx for EU taxonomy eligibility and alignment. Based on the list of eligible economic activities that the Taxonomy Regulation has defined so far as substantially contributing to the six objectives, Umicore only reports activities that are Taxonomy-eligible with respect to the EU taxonomy environmental objective of climate change mitigation. Our products and services contribute to climate change mitigation as defined by the EU Taxonomy. For further details, please refer to our EU Taxonomy disclosures in our Annual Report.

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Umicore reports annually on the progress of our Climate Transition Plan in our annual report. Our greenhouse gas emissions inventory is an important monitoring and control element. Each year, our auditor provides third-party assurance. This ensures that we have a transparent and reliable overview of how our Scope 1, 2, and 3 greenhouse gas emissions have developed since 2019.

This information is available in our annual reporting and in our ESG Databook. We participate in external assessments, including EcoVadis and CDP.

Our approach to risk management

Our annual double materiality assessment guides our priorities and keeps our targets aligned with ESG developments and stakeholder expectations. Climate change has been identified by all stakeholder groups as one of our most material topics, from both a financial and an impact perspective.

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

In line with TCFD recommendations, we evaluate climate-related transition risks and opportunities (market, reputation, policy and legal, technology) and physical risks (direct damage to assets and supply chain disruption) annually, and maintain an integrated risk and opportunity register. These assessments are progressively embedded in Business Unit budgeting and strategic planning. The transition to a lower-carbon economy also presents opportunities for Umicore, as our materials address clean air and e-mobility, our closed-loop business model addresses resource stewardship, and we plan to capture growth in emerging markets such as fuel-cell catalysts and battery recycling.

Climate scenario analysis

Umicore conducts qualitative and quantitative climate scenario analyses across multiple time horizons, including a Paris-aligned 1.8°C scenario and a 3.0°C scenario for transition risks, as well as 3.0°C and 4.5°C scenarios for physical risks. These analyses assess the resilience of the business by considering potential impacts on market demand, energy and carbon costs, technological developments and operational asset exposure, and are embedded in risk management and strategic decision-making processes.

Uncertainties and challenges

- **Greenhouse gas accounting** – One of the uncertainties in greenhouse gas accounting is that any potential changes to the current accounting guidelines could significantly impact our plans and timelines; additionally, variations in the usage of different protocols and ongoing data quality issues further contribute to the challenges and complexities of the process.
- **Scope 3 measurement and data quality** – Achieving measurable progress against our Scope 3 targets relies on our ability to capture that progress through supplier- and metal-specific data. If access to such data remains limited, particularly from suppliers and industry associations, improvements may not be fully reflected in our Scope 3 inventory, creating a risk that reported progress lags behind actual decarbonization efforts.
- **Technical innovation and cost** – The pace of technological development, unexpected technical barriers, and the cost of implementing and scaling new technologies could affect the feasibility, timing and pace of our transition plan.
- **Customer willingness to pay** – Doing the right thing comes at a cost to both us and customers. A potential concern arises with insufficient consumer demand or pressure to purchase low-carbon goods.
- **Energy infrastructure** – Uncertainty also stems from the existing energy infrastructure and the accessibility of renewable energy sources, which are contingent upon governmental decisions and policies.
- **Supplier decarbonization and security of supply** – A challenge that could arise stems from the trade-off between obtaining sufficient quantities of lower-carbon materials and ensuring the security of supply.

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

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