



## **INDEPENDENT LIMITED ASSURANCE REPORT ON THE LPPM REFINER'S COMPLIANCE REPORT OF UMICORE PRECIOUS METAL REFINING HOBOKEN FOR THE YEAR ENDED 31 DECEMBER 2022 OF UMICORE NV**

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To the Board of Directors of Umicore NV

This report has been prepared in accordance with the terms of our engagement contract dated 26 October 2022 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with the LPPM Refiner's Compliance Report for the year ended 31 December 2022 (the "Report" as enclosed in Appendix 1).

### **The Director's responsibility**

The Directors of Umicore NV ("the Company") are responsible for the preparation and presentation of the information and data in the in the LPPM Refiner's Compliance Report in respect of platinum and palladium (the "Subject Matter Information"), and the declaration that its reporting is in accordance with the requirements of the LPPM Responsible Platinum/Palladium Guidance v3 of March 2021 (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgment, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2022 presented in the Report;
- conducting interviews with responsible officers including a site visit;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

### **Our independence and quality control**

Our engagement has been carried out in compliance with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Our conclusion**


Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your LPPM Refiner's Compliance Report as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Criteria.

### **Other matter - restriction on use and distribution of our report**

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2022 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 24 March 2023

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL  
Represented by

DocuSigned by:  
  
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Marc Daelman<sup>1</sup>  
Partner

Appendix 1 - LPPM Refiner's Compliance Report 2022

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<sup>1</sup> Marc Daelman BV, director, represented by its permanent representative Marc Daelman

Table 1 Refiner's details

Refiner's name	Umicore Precious Metals Refining (UPMR)
Location	Hoboken - Belgium
Report Year-end	2022
Date of Report	16/03/2023
Senior Management responsible for this Report	Management UPMR (Management Team level of Umicore Precious Metals Refining) + Umicore Corporate Security

Table 2 Summary of activities undertaken to demonstrate compliance

### Step 1: COMPANY MANAGEMENT SYSTEMS

#### Compliance Statement with Requirement

UPMR has fully complied with step 1 "company management systems".

The management system and internal procedures are the same as for platinum & palladium.

- 1.1. Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of platinum & palladium ?

#### Comments & Demonstration of Compliance:

On top of the existing Group Policies "Umicore Responsible Global Supply Chain of Minerals from CAHRA" and the "Umicore Global Sustainable Sourcing Policy", which are available on our website: [Sustainable Sourcing | Umicore](#), an updated detailed supply chain due diligence guideline has been implemented, covering following topics:

- Scope
- Roles & Responsibilities
- Best-effort due diligence process UPMR
  - o Standard due diligence track (KYC / KYM / Risk analysis / Result)
  - o Enhanced due diligence track
  - o Risk mitigation
- Documentation & traceability (KYT)
- Training

The new UPMR guideline was finalized late 2022, incl. training of concerned staff. The guideline is valid as from 31/12/2022.

The updated guideline enables the proper assessment of all potential risks as stated in the OECD DDG Annex II.

The Supply Manager, who is the first point of contact to the business partner, has the appropriate expertise to make a first assessment on the ESG performance and compliance of the company. An enhanced due diligence track or the mined material due diligence procedure will provide a more in depth ESG assessment, if required. Contribution to catastrophic or highly adverse Environmental, Social and Governance factors, will lead to a Red Flag.

The UPMR Supply Chain Security Guideline is approved by senior management and is applicable to the Umicore business unit Precious Metals Refining in Hoboken . It is subject to annual review and it is updated when required. The Supply Chain Security Guideline is an internal UPMR document, made available and explained to all staff of the Supply Dept.

The Umicore Global Sustainable Sourcing Policy is publicly available: [Global Sustainable Sourcing Policy | Umicore](#)

1.2. Has the Refiner set up an internal management structure to support supply chain due diligence ?
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### **Comment & Demonstration of Compliance**

To ensure compliance and due diligence, UPMR has a supporting internal management system in place . This system defines the governance, roles and responsibilities, internal compliance review, communication and senior management's involvement. The Compliance & Sustainability Manager PMR, with senior experience level at PMR, is responsible for the implementation of and compliance with the guidelines. He/she forms part of the commercial department in order to obtain best interaction with the Supply dept., whilst remaining independent because not being part of any supply business line. The Compliance & Sustainability Manager PMR directly reports to the Vice President of Supply / Sales & Customer Services / MIBR and has a regular interaction with the Corporate Security Manager to discuss specific files, to review the guideline on its effectiveness and performance and to organize required trainings. The Chief Security Officer overlooks the process from a risk and control perspective.

The training is given on a yearly basis to the Supply dept. of PMR and – if required - the colleagues from the Purchasing & Transportation dept,. The recurrent training typically includes the updated requirements, points of attention from internal and external reviews and learnings out of due diligence process cases.

Incoming and outgoing payments are always done via the official banking channels. Bank name and bank location are systematically screened in our updated business partner screening.

At Umicore corporate level, following relevant committees are in place:

- An Audit Committee that convenes about 4 times per year and discusses concrete risk cases for Umicore related to fraud, corruption, security, etc. The head of internal audit is the secretary and other appointed members are the CFO and multiple members of the Board of Directors. Corporate security is attending upon invitation.
- A Code of Conduct Committee that convenes twice a year to discuss all reported cases of breaches or non-conformities of the expected ethical behavior and integrity of the employees and other stakeholders. Since 2022, the reporting of grievance via

the Integrity Line has been added to these cases. The Code of Conduct Committee exists out of members of internal audit, corporate security and human resources. A report results from these meetings. Specific non-confidential info out of this report is included in the annual report, hence reaching the Board of Directors.

- 1.3. Has the Refiner established a traceability system over platinum and/or palladium supply chains, including chain of custody mapping and identification of supply chain actors?

#### **Comment & Demonstration of Compliance**

Umicore is strongly committed to promoting honest & ethical business conduct by all its employees and sees this as an essential asset to build trust with all stakeholders. More

specifically, we have a similar expectation for our raw material business partners, as described in our Group policy 'Umicore Global Sustainable Sourcing Policy'.

UPMR has an onboarding Business Partner Screening procedure for new business partners and a periodic review of the Business Partner Screening for existing business partners. The Business Partner Screening provides Umicore a level of assurance about the reliability of the business partner concerning responsible sourcing, including country of origin inquiry and environmental, social, and governance (ESG) due diligence checks.

UPMR developed an internal risk based approach ensuring supply chain traceability and maintaining of records for all incoming material. The information of this system includes type of material, weight and assay, reference to the business partner and the relevant Business Partner Screening and also date of arrival and finalization of the refining process. The Compliance & Sustainability Manager reviews together with the Corporate Security Manager the platinum and palladium supply chain due diligence and reports to the management of UPMR. The result of this internal compliance review is recorded.

- 1.4. Has the Refiner strengthened company engagement with platinum and/or palladium supplying counterparties, and, where possible, assisted platinum and/or palladium supplying counterparties in building due diligence capabilities?

#### **Comment & Demonstration of Compliance**

Our Umicore Global Sustainable Sourcing Policy mentions that the Umicore Group expects its business partners to comply with all applicable regulations, such as environment, in all regions where business partners operate and that they have the required licenses and permits in place.

Moreover, Umicore expects its business partners to respect the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the international law in Human Rights. The business partners are expected not to be complicit in any way in Human Right abuses.

All contracts with our business partners clearly stipulate above requirements in a specific contract clause, including a link to the Umicore Global Sustainable Sourcing Policy.

UPMR aims for a long-term, sustainable and value-adding cooperation with reliable business partners and encourages them to source responsibly throughout the supply chain, with focus on ESG and apply proper due diligence. UPMR is open for any assistance and best practice exchange that supports a sustainable partnership.

1.5. Has the Refiner established a company-wide confidential grievance mechanism?

### **Comment & Demonstration of Compliance**

All stakeholders (external and internal) are invited to report concerns or complaints, anonymously if desired, about Umicore's business approach, or that of its business partners, using the Grievance Contact Form. This grievance mechanism is part of Umicore's Integrity Line (<https://www.umicore.com/en/contact/integrity-line/>). All grievances are directed to Umicore's Corporate Security department. They register and follow-up on the cases and treat them confidentially to ensure protection of the reporting person against retaliation. The

subject of a grievance can refer to the platinum and palladium supply chains, possible irregularities in financial, ethical or behavioural matters, etc.

In 2022, Umicore did not receive any relevant grievance via this mechanism related to the UPMR's activities.

## **Step 2: RISK IDENTIFICATION AND ASSESSMENT IN THE SUPPLY CHAIN**

### **Compliance Statement with Requirement**

UPMR has fully complied with step 2 "Risk identification and assessment in the supply chain".

The internal risk identification and assessment procedures are the same as for platinum & palladium.

2.1 Does the Refiner have a due diligence process to identify risks in the supply chain?

### **Comment & Demonstration of Compliance**

UPMR uses an inhouse developed risk based approach tool to screen its business partners with a 'know-your-customer', 'know-your-material' and 'know-your-transaction' component. This tool enables us to do a comprehensive and objective due diligence to gather right info about the business partner, the material offered, the location of material/business partner/bank and the transaction, in order to make a solid assessment. This assessment also takes into account the 'Own Impression' of the supply manager who is the first point of contact to the business partner. The due diligence is systematically done throughout the mined, by-product and recycled platinum & palladium supply chains.

Our due diligence process has been updated in June 2022 to do a specifically enhanced due diligence for mined material. By end December 2022, the due diligence process has been updated to be in compliance with our updated Supply Chain Security Guideline 2022.

Clear criteria are in place to determine high risks on the supplier, location and material. On yearly basis, the country risk and material risk classification are reviewed by the Compliance & Sustainability Manager and the Corporate Security Manager. Both lists form a basis for an objective risk assessment. The supplier risks are assessed after consulting reliable data bases & other sources, such as World Check<sup>®</sup>, Amber Road<sup>®</sup> and Dun & Bradstreet<sup>®</sup>.

In 2022 UPMR received materials from 6 countries that are currently CAHRA listed: Colombia, Egypt, India, Nigeria, Pakistan, Philippines & Turkey. From all countries it was only recycled material with the exception of India, from where also material has been shipped from an established company. UPMR also received recycled material from Mexico.

In 2022, 1 high risk supply has been identified in our supply chain through our due diligence procedure, due to a material with high risk classification, originating from a country with high risk ranking. The material was produced by a known, professional plant of a recognized and stock-listed company. The high risk ranking was not related to any of the OECD Annex II risks or ESG risks.

2.2 How does the Refiner classify identified risks in light of the standards of its due diligence system ?

**Comment & Demonstration of Compliance**

Our due diligence process reflects the procedure as set out in our Supply Chain Security Guideline and our Mined Material Screening Guideline. Both documents have been updated in the course of 2022 (see 2.1) to fully meet the requirements set in the LPPM Responsible Platinum/Palladium Guidance Version 3.

UPMR performs enhanced due diligence for high-risks related to material, location and business partner screening (BPS). Additionally UPMR conducts appropriate scrutiny and monitoring of individual transactions. For all business partners, a standard business partner screening is conducted, with the exception for those business partners that meet the requirements for a light business partner screening.

UPMR verifies that the supply chain documents are consistent with each other and with its knowledge of the supply chain.

The light business partner screening has been updated by December 2022 and will be applicable to all Umicore entities that are a business partner of UPMR, to stock listed companies and to companies that have a valid certification against an accepted industry standard for responsible sourcing.

For our due diligence process, we use reliable and recognized databases and other sources on a systematic basis such as World Check<sup>®</sup>, Amber Road<sup>®</sup> and Dun & Bradstreet<sup>®</sup>.

An on-site visit is triggered by clear requirements in case of identified zero tolerance risks or a combination of location/supplier/material high risk, the supplier's responsiveness and adverse media coverage.

2.3 Has the Refiner undertaken EDD measures for identified high-risk supply chains ?



### **Comment & Demonstration of Compliance**

Escalation procedures have been installed to involve the Compliance & Sustainability Manager and the Corporate Security Manager and in a number of cases the management of UPMR and the Chief Security Officer.

The decision of the Compliance & Sustainability Manager and of the Corporate Security Manager and/or of the management of UPMR could lead to mitigation of the risk (in the highest risk category to an independent audit or a visit on site) or could lead to disengagement.

The Compliance & Sustainability Manager organizes together with the Corporate Security Manager a yearly internal compliance review. Results of the compliance review are reported to the management of UPMR and the Chief Security Officer.

Since December 2022, following updated have been set in place:

- the due diligence process takes into account the Zero-Tolerance and location/business partner/material high.
- The country risk rating (business risk) has been updated from 5 to 6 levels, incl. a tax haven level
- The country risk compilation of sources include EU CAHRA regions dbase.

### **Step 3: RISK MANAGEMENT**

#### **Compliance Statement with Requirement**

UPMR has fully complied with step 2 "Risk Management".

The risk management system is the same for platinum & palladium.

3.1 Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade or (iii) disengagement from the risk?

### **Comment & Demonstration of Compliance**

Escalation procedures are in place to involve the Compliance & Sustainability Manager and the Corporate Security Manager and in a number of cases the management of UPMR and the Chief Security Officer.

The advice of the Compliance & Sustainability Manager and the Corporate Security Manager and the subsequent conferred decision of the management of UPMR could lead to mitigation of the risk (in the highest risk category to an independent audit or a visit on site) or could lead to disengagement.

The involvement of the management of UPMR implies the evaluation by a Supply Committee of the specific case. This committee exist of a dedicated team of the senior management of UPMR. Ultimately and if required, a case can escalate to the Management Board of Umicore, via the Chief Security Officer, for advise/decision.

In 2022, less than 10 new, possible business partners were rejected before engagement, after our due diligence screening.

## Step 4: INDEPENDENT THIRD-PARTY ASSURANCE

### Compliance Statement with Requirement

UPMR has fully complied with step 4 “Independent Third-Party Assurance”.

The scope of the assurance engagement is exactly the same as for platinum & palladium.

### Comment & Demonstration of Compliance

UPMR engaged the services of the assurance provider PwC. Prior to this engagement, clear agreements have been made on the scope and process of this independent third-party assurance in order to safeguard independence, neutrality and to avoid any possible interference or conflict of interest.

Their Independent Assurance Opinion for platinum and palladium is available on our company website.

### Table 3 Management Conclusion

Is the refiner in compliance with the requirements of the LPPM Responsible Platinum & Palladium Guidance for the reporting period ?

**YES Comment:**

Umicore Precious Metals Refining (UPMR) implemented effective management systems, processes and practices to confirm to the requirements of the LPPM Responsible Platinum & Palladium Guidance, as explained above in Table 2, for the reporting year ended 31 December 2022.

Umicore Precious Metals Refining (UPMR) is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. In case corrective actions plans would be necessary, these will be communicated separately to the LPPM Responsible Sourcing Review Committee, in its role as administrator of the LPPM Responsible Platinum & Palladium Guidance version 3.

### Table 4 Other Report Comments

**Comment:**

UPMR has no further report comments.