

**Umicore's Supply Chain Risks & Considerations**  
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2023 IPMI Winter Meeting



# Umicore's Supply Chain Risks & Considerations

**Kristl Matton**

**CSO**



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# Umicore Footprint



COLLEAGUES  
**11,050**



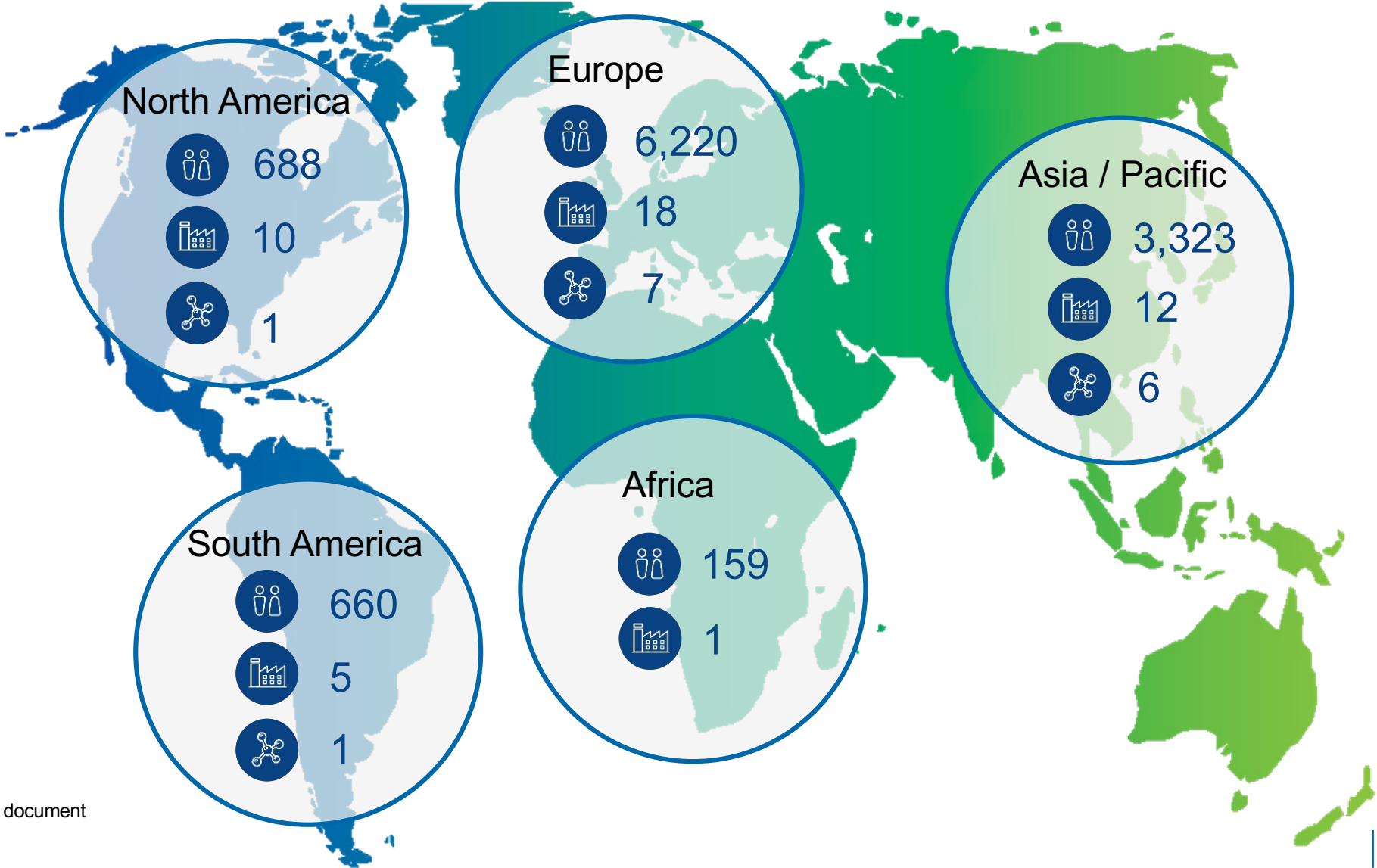
PRODUCTION  
SITES  
**46**



R&D | TECHNICAL  
CENTERS  
**15**



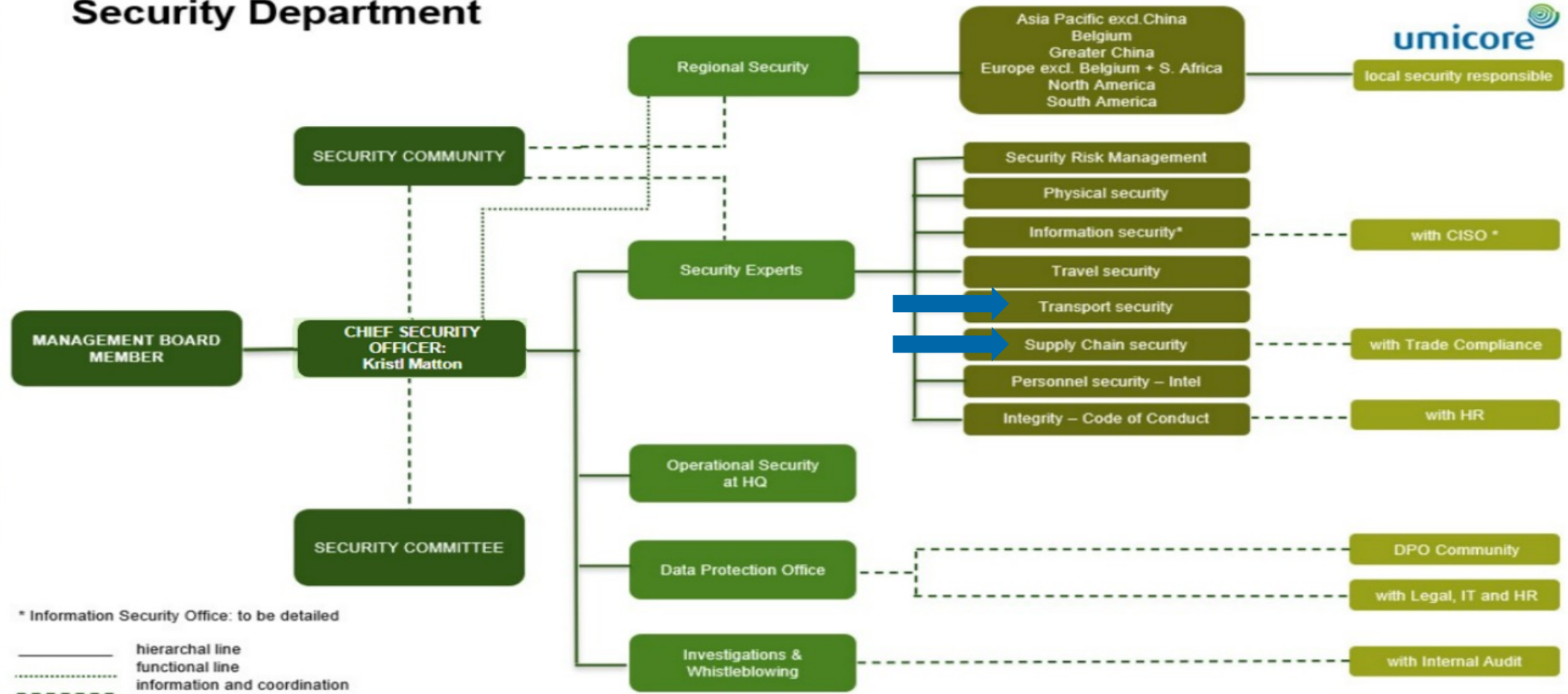
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# Corporate Security



## Security Department



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# Supply chain security

## Crime in the supply chain - risks

The market for (precious) metals, industrial by-products and recyclables is characterized by:

- still a considerable number of cash transactions
- the frequent use of middlemen or intermediate companies
- a complex material flows
- material transiting via various countries
- the identity of material can be lost due to pre-processing

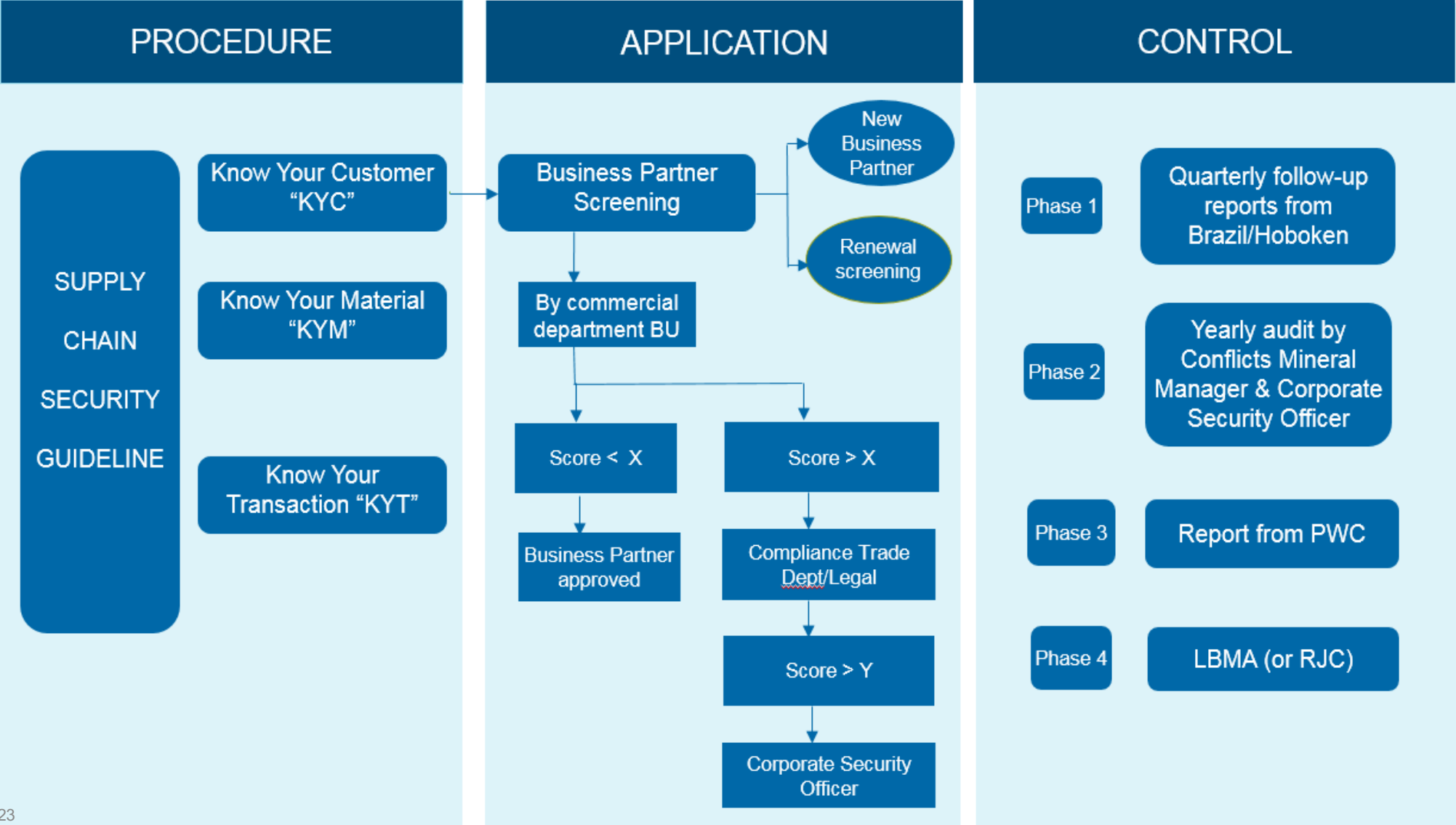
As a consequence, this market is an easy target for deceptive business practices such as illicit traffic of stolen materials, conflict materials, money laundering, VAT schemes, corruption and bribery, treatment of waste streams and financing of terrorism activities.

# Supply chain security

## Security & integrity compliance

- Is defined as the level of adherence to security & integrity related policies, laws & regulations, such as:
  - Anti-money laundering (national legislation, EC directive, etc.)
  - Corruption & bribery (FCPA, Bribery Act, etc.)
  - Conflict minerals (Dodd-Frank, OECD, etc.)
  - Sanctions & black lists (EU, US, UN, etc.)
- But also the level of adherence to industry or company specific policies, such as:
  - Supply chain security guidelines (IPA, IPMI, LBMA, RJC, etc.)
  - Code of conduct (Internal company values)
  - Sustainable procurement charters (Ecovadis audit, Cobalt sourcing)

# Supply Chain Security – Framework



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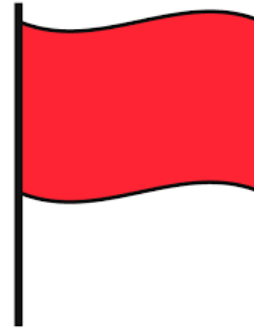
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# Supply Chain Security

## Know Your Customer – KYC

### RED FLAGS

- Companies or individuals with a doubtful reputation
- Multiple changes in name and/or address. Use of PO box
- Director involved in bankruptcy
- Unusually high number of mandates. Unnecessary complex corporate structure. Undisclosed beneficiary shareholders. Weak financial structure.
- Dormant company or recently reactivated company
- Directors from sensitive regions. Frequent changes of mandates. Commercial judgments and liens.
- No or incomplete filing of annual accounts
- Offshore or shell company
- Financial transactions via a shell bank
- Use of intermediaries
- Invalid phone number
- Unusual requests/lack of commercial insight
- Cash payments/diverging payments
- Lack of knowledge of the industry
- Existing customer trading via a new or other company
- Stolen goods and “at risk” material
- Proposition not in line with market expectations
- The specific goods are normally not bought from or sold to this type of company
- Alerts from within the industry
- Origin of the material and location of the offering company

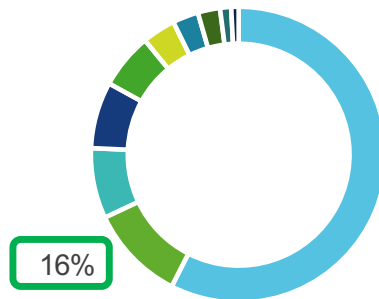




# Transport Security - Incidents

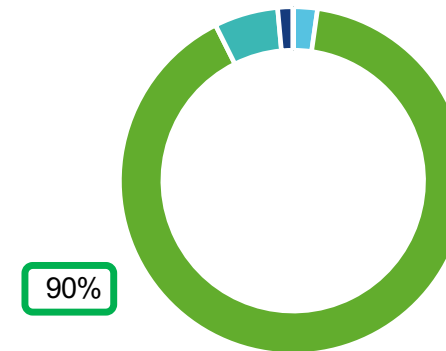
2<sup>nd</sup> most frequently reported incident that triggers 90% or loss...

Security Incidents reported in 2022



- Information and Cyber
- Theft
- Suspicious situation
- Damage to buildings, assets and objects
- Other
- Transport
- Fraud and Misconduct
- Data Breach
- Violence
- Violation of internal regulations

Potential Financial Loss



- Information and Cyber
- Theft
- Suspicious situation
- Damage to buildings, assets and objects
- Other
- Transport
- Fraud and Misconduct
- Data Breach
- Violence
- Violation of internal regulations

# Transport Security - Measures

## Status (where applicable):

- Drivers' Background Screenings
- Escorts (Armed Escorts)
- Trackers
- Reinforced (Armored) Trunk
- CCTV Covered Vault
- Dash Cams
- Thorough route planning
- 24/7 Cargo Theft Monitoring Center
- TAPA TIS and Industry Exchange


## Outlook:

- ISO 17712 High Security Seals only
- Anti Jamming devices
- Trial tests for new tracking devices
- Single package tracking beacons (mother/child solution)
- Ongoing discussions with Business Units and Logistic Providers – costs...



## International traffic of stolen materials - NOK




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## International traffic of stolen materials - OK



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*materials for a better life*