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

Umicore has signed a long-term agreement with Terrafame Ltd. for the supply of low carbon, sustainable high-grade nickel sulphate. Following the successful completion of the qualification process, commercial deliveries have already started with further ramp-up of volumes to take place during 2023.

With this partnership, Umicore and Terrafame reconfirm their strong commitment to establish a sustainable battery materials value chain in Europe. The European value chain will secure the high quality European origin battery materials which are fully aligned with the environmental and human rights principles outlined in Umicore's Global Sustainable Sourcing Policy as well as Terrafame's sustainability commitments in line with the leading global sustainability principles. Moreover, the low carbon footprint of Terrafame's processes was a critical consideration for Umicore in light of its ambition to decarbonize the battery materials value chain.

"Umicore's partnership with Terrafame provides yet another important contribution to the European Union's Green Deal ambitions and to achieving a regionally independent and sustainable supply chain for EV battery materials in Europe," said Mathias Miedreich CEO of Umicore. *"Umicore's contribution to creating a sustainable battery supply chain and to reducing the scope 3 greenhouse gas emissions of our customers is part of our sustainability convictions and our differentiating competitive and strategic positioning."*

High-quality nickel is a critical raw material for the production of cathode materials used in batteries for electric vehicles. Against a background of an accelerating transition to electromobility in Europe, this agreement for locally produced nickel sulphate allows the industry to meet the growing demand for cathode materials from its customers in the region. This agreement will cover a substantial part of the future nickel requirements of Umicore's cathode materials plant in Poland. This plant, which started production mid-2022 and is fully powered by renewable electricity, is Europe's very first gigafactory for cathode materials.

"The European customers not only benefit from secure access to critical raw materials. They also know that these raw materials are obtained with a significantly lower carbon footprint and that we at Umicore, in turn, process them using green electricity to produce cathode materials for electric vehicle batteries," Miedreich continued.

"We have conducted a rigorous product qualification process together with Umicore and are pleased to have started commercial supplies meeting Umicore's high standard on quality and sustainability. Terrafame's unique and energy-efficient production process allows more than 60% reduction of the carbon footprint of battery grade nickel compared to the current industry average", says Joni Lukkaroinen, CEO of Terrafame.

This agreement complements Umicore's diverse long-term supply contracts for critical battery metals -- lithium, cobalt, nickel -- and follow long-term agreements for the sustainable supply of lithium.

More information

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About Umicore

Umicore is the circular materials technology Group. It focuses on application areas where its expertise in materials science, chemistry and metallurgy makes a real difference. Its activities are organized in three business groups: Catalysis, Energy & Surface Technologies and Recycling. Each business group is divided into market-focused business units offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean mobility materials and recycling. Umicore's overriding goal of sustainable value creation is based on an ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

Umicore's industrial and commercial operations as well as R&D activities are located across the world to best serve its global customer base. The Group generated revenues (excluding metal) of € 2.1 billion (turnover of €13.8 billion) in the first half of 2022 and currently employs 11,350 people.

About Terrafame Ltd

Terrafame enhances low-carbon mobility by delivering responsibly produced battery chemicals to the global battery industry. One of the world's largest production lines for chemicals used in electric car batteries is located on Terrafame's industrial site. The plant is capable of producing nickel sulphate for around 1 million electric cars per year. The carbon footprint of the nickel sulphate produced by Terrafame is among the smallest in the industry.

Terrafame's integrated, unique and energy-efficient production process from the mine to battery chemicals is located on a single industrial site. It provides customers with a transparent, traceable and truly European battery chemical supply chain.

Terrafame Ltd was founded in 2015. Its net sales in 2021 were EUR 378 million. Around 1,500 people work on its industrial site, half of whom are employees of partner companies. www.terrafame.com