

INTEGRATED REPORT 2019



About this Report

Reporting Principles and Standards

The 2019 OCI Integrated Report is prepared in accordance with the Core option of the GRI (Global Reporting Initiative) Standards. This is the eleventh edition of our annual report, which we have published since 2010 to transparently share the progress in sustainability management with our stakeholders. Three material topics were selected based on the materiality assessment, and we are sharing our opportunities, risk factors, short-term and long-term performance tasks, financial impact and key performance indicators through the Management Approach (MA).

Reporting Period

This report covers the period from January to December 2019. With respect to certain business activities, the first half of 2020 is included where it is of interest to our stakeholders. Quantitative data are included for the 3-year period from 2017 to 2019 to enable identification of trends.

Reporting Boundaries

This report covers the activities of OCI headquarters, the R&D center, the training center, domestic business sites in Gunsan, Pohang, Gwangyang, Iksan and Iksan VIP, as well as subsidiaries including OCI Solar Power LLC, Shandong OCI Co., Ltd., Shandong OCI-Jianyang Carbon Black Co., Ltd., Ma Steel OCI Chemical Co., Ltd. and OCIM Sdn. Bhd. The financial data in this report was prepared according to the Korean International Financial Reporting Standards (K-IFRS). We have noted where separate standards are used in the case of energy consumption, GHG emissions, health and safety, etc. Where substantial boundary changes have occurred, the changes are noted with each item.

Third Party Assurance

This report has been officially assured by a third party assurance provider, Korea Management Registrar, to ensure fairness and reliability in the reporting process and the content herein. The assurance results are stated in detail on pages 72 and 73. Financial data have been independently audited and given an unqualified opinion, while GHG emissions and energy consumption have been verified in accordance with the principles of the Verification Guidelines for the Operation of Greenhouse Gas Emissions Trading System.

Contents

Introduction

02	CEO Message and 2019 Highlights
06	About OCI
07	Key Figures
08	2019 in Figures

Business Review

12	Basic Chemicals
13	Petrochemicals & Carbon Materials
14	Energy Solutions
15	Biopharmaceuticals
	Research & Development
16	Sustainable Value Chain

Material Topics

20	Materiality Assessment
22	Main Issue 1
	Safety and Health Management
24	Main Issue 2
	Strengthening Core Competencies
26	Main Issue 3
	Integrated Environmental Management

General Topics

30	Corporate Governance
33	Integrated Risk Management
36	Ethical Management
38	Environmental Management
40	Talent Management
42	Supply Chain Management
44	Value Creation for Local Communities

2020 Focus

48	Transforming Value
50	Bringing More Value to Solar Power
52	Bringing More Value to Industry
54	Bringing More Value to Life

Appendix

58	Consolidated Statements of Financial Position
59	Consolidated Statements of Income
	Consolidated Statements of Comprehensive Income
60	Consolidated Statements of Shareholders' Equity
61	Consolidated Statements of Cash Flows
62	Independent Auditor's Report
64	Sustainability Performance Data
68	Taxation Management
69	GRI Standards Index
72	Third Party Assurance Statement
74	Global Network
76	Product List
78	Key Memberships

CEO Message and 2019 Highlights



As we celebrated the milestone of our 60th anniversary in late 2019, I had the opportunity to reflect on how OCI has transformed over the past decade and what the future holds. I am already seeing the clear beginnings of another transformation coming into view as our strategic initiatives focusing on value-added opportunities in existing businesses and promising new growth fields such as biopharmaceuticals investment and urban development move steadily forward.

How did OCI perform in 2019?

Our business strategy continued to focus on financial soundness in 2019, augmented by ongoing cost reduction and value-added product development efforts across all business segments to enhance competitiveness and profitability. These efforts have clearly improved our agility and fundamental competitiveness, preparing us to better meet the realities and challenges ahead.

While the ongoing trade war between the United States and China and the ensuing global economic downturn clearly hindered our overall performance in 2019, worsening dynamics in the global solar-grade polysilicon market led to accelerating losses in our flagship polysilicon business. Overall, we recorded a 16% decline in consolidated sales to KRW 2,605.1 billion and a consolidated operating loss of KRW 180.6 billion for the year.

Our Basic Chemicals segment recorded sales of KRW 1,211 billion and an operating loss of KRW 228.8 billion. While a number of our businesses in this segment such as phosphoric acid, hydrogen peroxide, and chlor alkali performed as well or better than 2018, our flagship polysilicon business faced a market where average selling prices were less than half the level of 2017. Although polysilicon sales rebounded slightly after bottoming out in the first quarter of the year, operating losses piled up with prices continuing to fall as industry overcapacity approaching 140% of demand.

Our Petrochemicals and Carbon Materials segment recorded sales of KRW 1,133 billion and operating income of KRW 52.7 billion. Sales declined throughout the year due to pricing weakness in major product categories impacted by the ongoing US-China trade war and global economic slowdown. Although our Korea operations generated rising sales from our BTX business and Hyundai OCI joint-venture carbon black business, our carbon black and pitch operations in China experienced a sharp downturn in sales starting in the third quarter due to collapsing industrial demand in that market.

Our Energy Solutions segment recorded sales of KRW 388.6 billion and operating income of KRW 28.3 billion. In the United States, our Mission Solar Energy solar module subsidiary in San Antonio, Texas continued to steadily improve profitability in line with its growing success in the distributed solar PV market. In Korea, our OCI Power solar PV development subsidiary also saw profitability grow with strong sales of PV inverters and power conditioning systems following the January acquisition of the Korea operations of Kaco New Energy. Our OCI SE cogeneration power subsidiary saw profitability decline due to extended maintenance downtime and ongoing volatility in the renewable energy certificate market.

What were OCI's primary operating accomplishments in 2019?

Our Basic Chemicals segment completed the ramp-up of the Sarawak polysilicon plant in Malaysia in March. This increased solar-grade polysilicon production capacity by 10,000 metric tons, bringing total effective plant capacity to 27,000 metric tons. The plant is now operating at full nameplate capacity to meet the needs of our customers and maximize profitability.

As solar-grade polysilicon market prices have steadily fallen in recent years, we have laid the groundwork to refocus our Korean operations on the less-volatile and more profitable electronic-grade polysilicon market. We are presently in the qualification process with global semiconductor makers and are on target to ramp-up electronic-grade polysilicon shipments to customers from our Gunsan plant in Korea.

Our Petrochemicals and Carbon Materials segment saw solid performances from our Korea carbon black and BTX operations. Our Hyundai OCI joint venture continued to generate strong sales as it increased its carbon black production capacity from 100,000 to 150,000 metric tons. Our BTX business is also in good shape and positioned to ramp-up production as needed to meet growing demand when markets recover.

Our Energy Solutions segment continued to expand and diversify its business portfolio. In January, we acquired the Korea operations of German PV inverter maker Kaco New Energy. The acquisition included development and manufacturing technologies for central inverters and power conditioning systems as well as exclusive rights to market Kaco's advanced string inverters in Korea and Japan.

Our new Biopharmaceuticals business made several investments in promising biotechnology companies during its first full year of operations. These included nanotechnology-based cancer therapeutics company SN BioScience, the Synergy Bio Healthcare Venture Fund to gain early access to new technologies, Israel-based early cancer diagnostics company Nucleix, and US-based next-generation CAR-T cell therapy developer Adicet Bio.

What is your outlook for OCI's businesses in 2020?

We entered 2020 facing much the same market and geopolitical uncertainty as in 2019. That uncertainty has grown dramatically with the rapid global spread of the COVID-19 pandemic. Like many other global companies, we are dealing with unprecedented disruptions across our value chain. While we face numerous challenges, I am confident that we have the people, products, network, and financial foundation to successfully navigate them and ultimately emerge stronger than before.

Our Basic Chemicals segment will execute a major restructuring of our Korean polysilicon operations in 2020. We have made the difficult but necessary decision to shut down operations at our Gunsan P2 and P3 plants and focus on finishing preparations to ramp-up production of electronic-grade polysilicon at our P1 plant. Our immediate focus is on completing the qualification process with major global semiconductor makers.

Going forward, our Sarawak plant in Malaysia will take the lead in our solar-grade polysilicon business, providing the same high-quality product to both existing and new customers as we redouble efforts to generate cost savings across our polysilicon value chain. For instance, we plan to expand the on-site chlor alkali plant to help maintain relative competitive parity as solar-grade market prices continue to fall.

We will also be expanding our hydrogen peroxide business through a joint venture with long-time partner Posco Chemical. Here, we expect to begin commercial production of high-purity hydrogen peroxide for use in industrial and electronic applications at a new 50,000 metric ton plant in Gwangyang, Korea by 2022.

Our Petrochemicals and Carbon Materials segment will continue to leverage our economies of scale and diversified network to generate new growth. While the return to profitability of our joint venture operations in China will largely depend on external factors such as the speed of global recovery from the COVID-19 pandemic as well as the completion of a comprehensive US-China trade deal, we continue to work with our local partners to develop new business opportunities.

Our partnership with Hyundai Oilbank through our Hyundai OCI carbon black joint venture in Daesan, Korea has also deepened as we completed a 50,000 metric ton capacity expansion project, boosting capacity to 150,000 metric tons.

Our Energy Solutions segment will continue to pursue solar PV development projects worldwide with a focus on the United States and South Korea. Backed by the world-class central inverter and power conditioning technology acquired from Kaco New Energy Korea, we are now able to offer more attractive and efficient one-stop solutions for distributed solar PV installations.

We will also be partnering with Hyundai Motor Group to explore new opportunities for synergy in the global energy solution market through battery recycling. The initial collaboration includes two pilot projects at solar plants we operate in Korea and the United States to jointly test Hyundai's recycled electric vehicle batteries and our energy storage systems technology.

Our Biopharmaceuticals business will continue to pursue strategic investments to build an oncology portfolio focused on innovative new drugs. In a very short period, we have begun to build a global network and reputation by investing in biotechnology companies with market-disruptive technologies that have also attracted major life science investment firms. Going forward, we aim to partner with the companies we invest in rather than simply being a financial investor, working together to accelerate the development of breakthrough life-saving cancer treatments.

Last but not least, after a decade delay due to tax and approval issues, our DCRE real estate subsidiary will finally be breaking ground for the Yonghyeon-Hagik district urban development project at our former Incheon plant site. We have signed a KRW 2.8 trillion agreement with the HDC Hyundai Development Company consortium to develop this major project which will encompass the construction of approximately 13,000 residential units as well as commercial, retail, and cultural facilities through 2025.

What are your key areas of focus going forward?

While the United States and China have made progress in resolving their trade issues, the hardest negotiations are still to come. This continued uncertainty between the world's two largest economies combined with ongoing volatility in global markets as the global COVID-19 pandemic continues to disrupt all aspects of economic and social life presents an extremely challenging business environment.

Our primary mission now is to cut costs across the board to consolidate our financial position. Everything regarding plant operations will be on the table as we comprehensively review and evaluate every aspect of our organization and work processes to eliminate inefficiencies and maximize productivity.

Beyond this necessary retrenchment, we must also leverage our world-class technology and quality to return to profitable growth. Here, we will redouble efforts to develop and deliver high-value-added products and solutions across our entire business portfolio. Synergistic partnerships will also play an important role in helping us deliver superior value. We must also get closer to our customers to ensure we have the insights essential to delivering what our customers need exactly when they need it.

Safety will also continue to be a key focus for us in the year ahead. Our Safety 2020 program launched in 2019 has been instrumental in the remarkable improvement in our safety performance over the

past year, helping us regain the trust and confidence of our local communities. We are committed to building on this concrete progress as we foster a proactive, systematic culture of safety across our operations.

OCI has proven its resilience countless times over the past 60 years. Today as we enter our seventh decade as a world-class player in the global chemical and materials fields, I am confident that we have the vision and agility to identify and harness the profitable new opportunities that will drive growth in the coming decade and beyond.

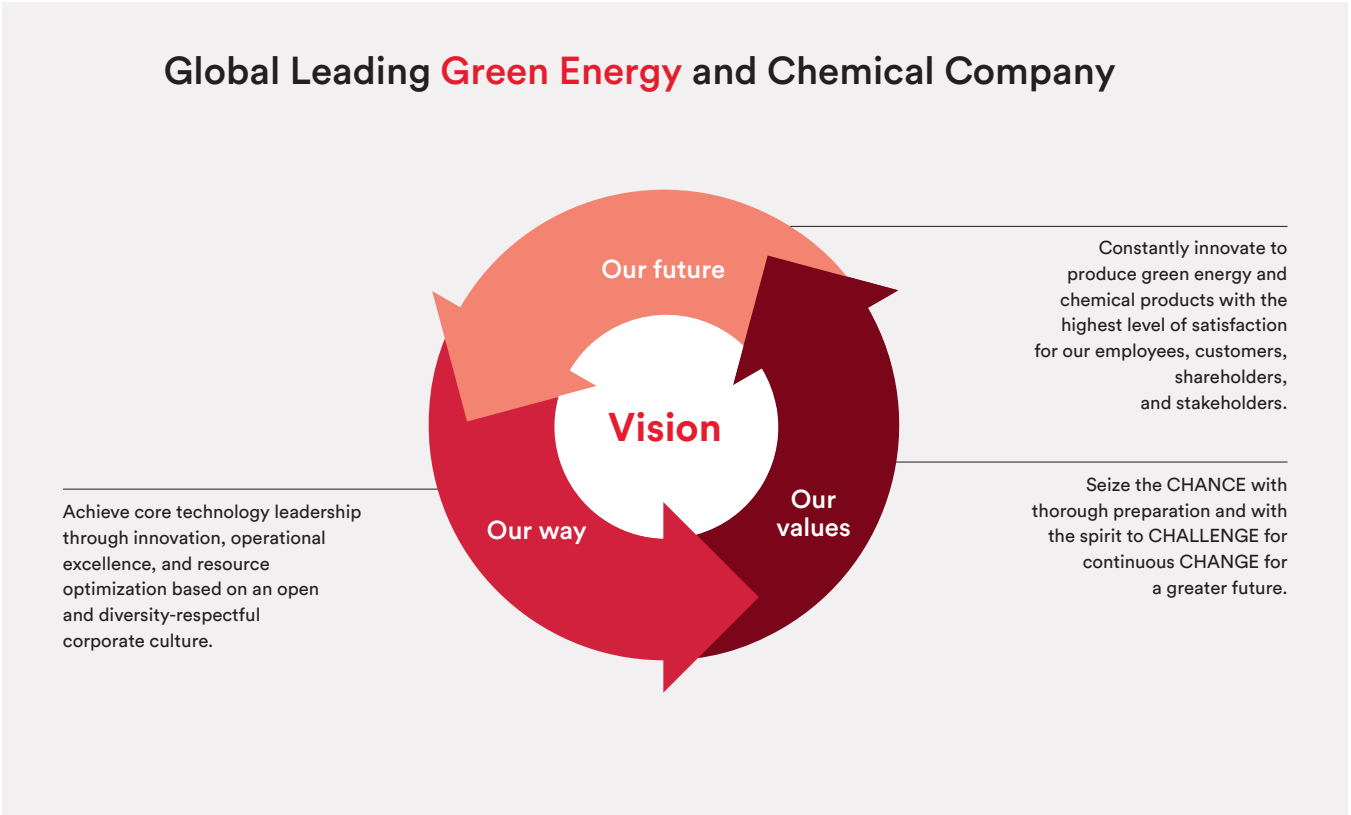
Thank you once again for your interest in OCI. We look forward to sharing our progress as we write the next chapter in our transformation as a global leading green energy and chemical company with you in the coming year.



Teak-Joung Kim
CEO
OCI Company

About OCI

OCI is a global producer of value-added chemicals and materials for a broad range of industries. Since our founding in 1959, we have leveraged our technical expertise, process know-how, and highly efficient manufacturing capabilities to develop a diversified portfolio of world-class products and solutions. We are now meeting the needs of customers around the globe with a portfolio that spans the fields of basic chemicals, petrochemicals & carbon materials, energy solutions, and biopharmaceuticals. Looking ahead, we continue to strategically invest in tomorrow’s technologies to make the future a better place as we fulfill our vision of being a global leading green energy and chemical company.



Chance	Challenge	Change
The future is for those who find and seize the chance. We should take the chance when we are prepared to embrace future opportunities by swiftly responding to changing market, customer, and business circumstances.	A greater future is achieved when we are brave enough to face a challenge with progressive and entrepreneurial minds and spirits to overcome difficulties.	Innovation through change is essential for growth. We embrace continuous change to reach the same goal and attain success together.

Key Figures

	2017		2018		2019	
	KRW	USD	KRW	USD	KRW	USD
Economic performance						
Sales ¹	3,632	3,214	3,112	2,828	2,605	2,235
Operating income ¹	285	252	159	144	-180	-155
Net income ¹	233	206	104	94	-807	-693
EBITDA ¹	587	519	460	418	130	112
Capital expenditures ¹	113	100	277	252	157	135
Total assets ²	6,078	5,675	6,078	5,062	4,811	4,168
Total liabilities ²	2,662	2,485	2,662	1,938	2,125	1,841
Total shareholders' equity ²	3,416	3,189	3,416	3,124	2,686	2,327
ROA		3.8%		1.8%		-15.4%
ROE		7.0%		3.0%		-26.1%
Net debt-to-equity ratio		26%		16%		31.5%
Leverage ratio		78%		62%		79.0%
Safety responsibility						
Frequency rate of injury		1.20		0.55		0.39
Environmental responsibility						
CO ₂ emissions (tCO ₂ -eq)		2,355,931		2,262,324		2,116,274
Waste recycling		39%		59%		48%
Water consumption (in tons)		13,030,474		13,118,402		12,084,985
Social responsibility						
Total social contribution (in KRW bn)		1.6		0.5		0.7
Total volunteer hours		3,930		3,684		2,620

*OCI maintains all financial records in KRW. USD figures are estimated and presented as a convenience to the reader.

¹ In USD mn and KRW bn. USD figures are based on the average 2019 KRW-USD exchange rate of 1,166

² In USD mn and KRW bn. USD figures are based on the KRW-USD exchange rate of 1,154 as of December 31, 2019.

2019 in Figures

2019 performance		Operations	
Sales In KRW bn	2,605	Cities	30
EBITDA In KRW bn	130	Employees	3,288
Operating income In KRW bn	-180		

Our businesses

Basic Chemicals

Sales In KRW bn	1,211
Operating income In KRW bn	(229)

Segment contribution to sales
(before adjustment)



Major products

- Polysilicon
- Hydrogen peroxide
- Fumed silica
- Phosphoric acid
- Chlor alkali
- Calcium chloride

Petrochemicals & Carbon Materials

Sales In KRW bn	1,133
Operating income In KRW bn	53

Segment contribution to sales
(before adjustment)



Major products

- Carbon black
- TDI (Toluene di-isocyanate)
- Pitch
- BTX (Benzene, Toluene, Xylene)
- Phthalic anhydride
- Plasticizer

Energy Solutions

Sales In KRW bn	389
Operating income In KRW bn	28

Segment contribution to sales
(before adjustment)



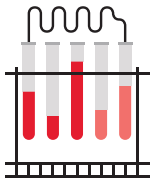
Major products

- Solar PV energy
- Cogeneration power plant

Safety & environmental responsibility		Social responsibility	
CO ₂ emissions	Total emissions (in ktCO ₂ -eq)	Social contribution	In KRW bn
2017	2,356	2018	0.5
2018	2,262	2019	0.7
2019	2,116		
Frequency rate of injury		Volunteer hours	
2017	1.20	2018	3,684
2018	0.55	2019	2,620
2019	0.39		

Operating highlights

Polysilicon cost reduction



5 %



A+
(Negative)

R&D portfolio

Short-term projects
Cost innovation



60 %

Mid-term projects
Diversification & differentiation



30 %

Long-term projects
New products & processes



10 %

BUSINESS REVIEW

12	Basic Chemicals
13	Petrochemicals & Carbon Materials
14	Energy Solutions
15	Biopharmaceuticals
	Research & Development
16	Sustainable Value Chain

OCI operations span three major business segments. In addition to our core operations in the fields of basic chemicals, petrochemicals and carbon materials, and energy solutions, we are now in the process of establishing ourselves in the field of biopharmaceuticals as we enter our seventh decade in business.



Basic Chemicals



Sales fell 14% to KRW 1,211 billion in 2019 as structural worldwide oversupply pushed polysilicon market prices down to new historical lows. EBITDA was negative due to ongoing challenges in that flagship business.

Polysilicon

We have produced polysilicon since 2008 at our Gunsan plant in Korea. In 2019, we reached a peak nameplate production capacity of 79,000 metric tons with the ramp-up to full nameplate capacity of 27,000 metric tons at our Sarawak plant in Malaysia.

Going forward, our Korea operations will focus on producing electronic-grade polysilicon exclusively at our Gunsan P1 plant starting in May 2020 as part of our business restructuring initiative. Our Malaysia operations will continue to produce the industry’s highest quality solar-grade polysilicon in Sarawak.

Phosphoric acid

We have produced H₃PO₄ since 2003 at our Gunsan plant in Korea. Today our 30,000 metric ton plant supplies major customers in Korea.

In 2019, we increased semiconductor-grade capacity to 20,000 metric tons to meet growing demand for high-purity products from domestic semiconductor makers. Looking ahead, we expect to flexibly increase capacity for this value-added market segment as demand increases.

Hydrogen peroxide

We have produced H₂O₂ since 1979 at our Iksan plant in Korea. Today as a major domestic supplier, we are capable of producing 85,000 metric tons, including 50,000 metric tons of electronic-grade annually.

Looking forward, we expect to complete a new 50,000 metric ton plant in Gwangyang, Korea by the end of 2022 with joint-venture

partner Posco Chemical to supply the increased volume of value-added high-purity product grades for the electronic and display industries.

Fumed silica

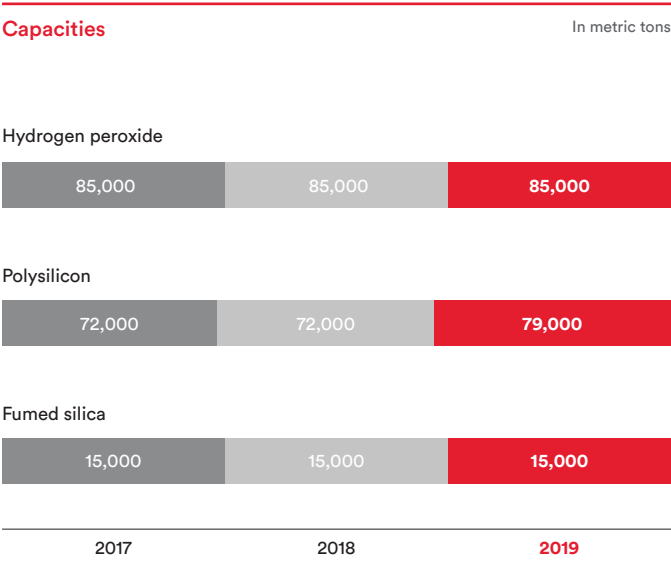
We have produced fumed silica since 2006 at our Gunsan plant in Korea. Today, we are a top-5 global producer with a total production capacity of 15,000 metric tons with 9,000 metric tons in Korea and 6,000 metric tons in China.

In 2019, we increased our hydrophobic fumed silica capacity from 500 to 1,000 metric tons at our Gunsan plant to meet growing demand from that value-added market segment. We expect our current capacity to be sufficient to meet near-term market demand.

Chlor alkali

We have produced chlor alkali since 1990 at our Gunsan plant in Korea. Today we produce 117,000 metric tons of various grades for captive use and the domestic market.

In 2019, our OCIMSB polysilicon plant in Malaysia built a chlor alkali plant for captive use. We expect to flexibly expand capacity to meet increasing demand from customers as well as our own operations.



Petrochemicals & Carbon Materials



Sales fell 21% to KRW 1,133 billion in 2019 as the ongoing US-China trade war and slowing Chinese economy continued to significantly impact our operations in China and beyond. EBITDA dropped 60% to KRW 89.6 billion due to declining demand and market prices for key products such as carbon black, pitch, and TDI.

Carbon black

We have produced carbon black at our plants in Korea and China. Today we are Korea’s No. 1 producer with a global sales capacity of 500,000 metric tons, including 150,000 tons from our Hyundai OCI joint venture.

Toluene di-isocyanate (TDI)

We have produced TDI since 1990 at our Gunsan plant in Korea. Today we have a production capacity of 50,000 metric tons in Korea.

In 2019, growing global oversupply continued to put downward pressure on TDI prices. Our ability to self-source key feedstocks such as chlorine and hydrogen as well as our competitive manufacturing cost will position us for growth when global demand rebounds.

Pitch

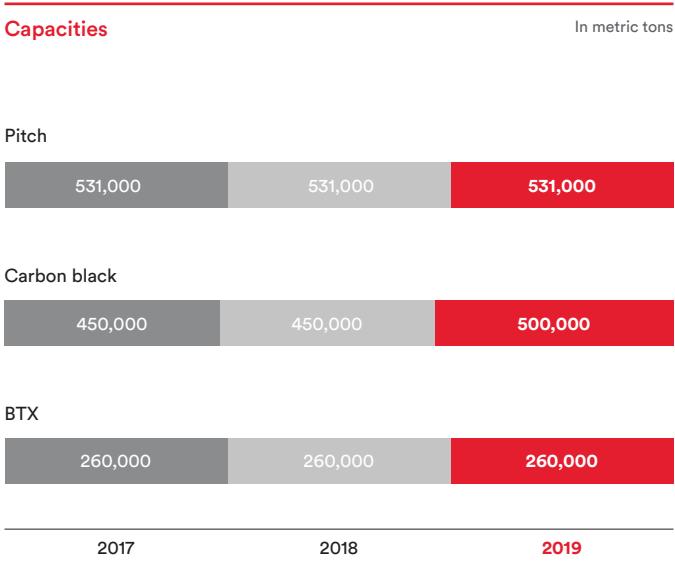
We have produced coal tar pitch since 1976 in Korea and 2009 in China. Today we are a global top-3 coal tar pitch maker operating four plants with a total capacity of 531,000 metric tons, including 202,500 metric tons in Korea and 328,500 metric tons in China.

In 2019, demand for pitch declined throughout the year as aluminum smelters in China reduced operations in response to slowing demand from downstream industries. Our diversified East Asia production network continues to give us essential production flexibility to meet current market challenges.

BTX

We have produced BTX products since 1995 at our Gwangyang plant in Korea. Today we are Korea’s sole manufacturer of coal-based BTX products with a capacity of 260,000 metric tons.

In 2019, benzene prices rose steadily throughout the year as global supply tightened despite a decline in overall demand. Our strong relationships with key feedstock suppliers will provide new opportunities for growth when global manufacturing recovers.



Energy Solutions



Sales declined 20% to KRW 388.6 billion and EBITDA declined nearly 30% to KRW 68.1 billion in 2019 due to declines in the system marginal price and the price of renewable energy certificates (REC) in Korea.

Solar PV Energy

We are a global solar PV project developer with a presence in key markets around the world including the United States, China, and Korea. As of the end of 2019, we had completed independent power producer (IPP) and engineering, procurement, and construction (EPC) projects totaling 710 MWdc worldwide. We currently operate IPP and EPC projects totaling 108 MWdc.

Although we did not add any significant utility-scale or distributed generation projects to our portfolio in 2019, we continued to strategically expand our presence in the solar PV market. In the United States, Mission Solar Energy, our solar PV module manufacturing subsidiary in San Antonio, Texas, continued to build on its success in the distributed generation market. The plant continues to operate at full capacity to meet strong demand for its best-in-class solar modules.

In Korea, we significantly upgraded our one-stop solution capabilities with the acquisition of the Korean operations of Kaco New Energy, a leading German-based manufacturer of inverters for the global solar PV industry. The acquisition gives us key technical and manufacturing technologies for central inverters and power conditioning systems, both essential components in today's high-performance solar PV systems. The acquisition also gives us exclusive rights to market Kaco's advanced string inverters in Korea and Japan, substantially contributing to sales in 2019.

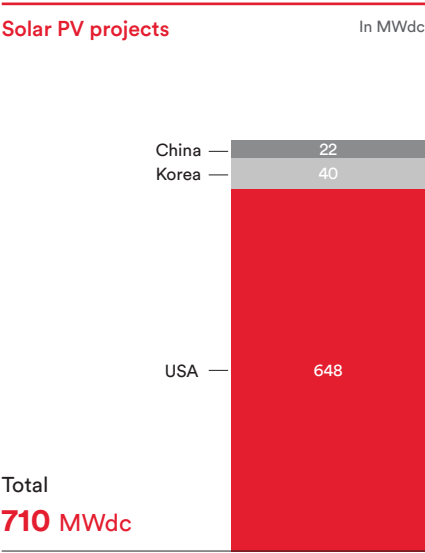
Another key development in 2019 was our signing of a memorandum of understanding with Hyundai Motor Group to collaborate on two pilot projects aimed at evaluating the performance and marketability of ESS

systems built with recycled electric vehicle batteries. The ESS systems are being tested at two solar PV plant sites that we operate and maintain in Gongju, Korea and San Antonio, Texas in the United States, giving us valuable data and insights that we will use to improve the performance and reliability of our solar PV and ESS projects going forward.

Cogeneration Power Plant

Our OCI SE subsidiary operates a 303 MW coal-fired cogeneration power plant in the Saemangeum Industrial Complex near our Gunsan plant. We have extensive operational know-how gained through the operation of cogeneration power plants at our Incheon, Gwangyang, and Pohang plants over the past five decades, enabling us to consistently achieve world-class emissions performance.

In 2019, sales were down due to maintenance in the second quarter as well as an inventory valuation loss related to ongoing volatility in Korea's REC marketplace. We earn RECs by operating our plant with a fuel mix that includes wood pellets.



Biopharmaceuticals



We entered the field of biopharmaceuticals in 2018 with the goal of leveraging our world-class nanotechnology, global network, and extensive expertise in investment to strategically partner with biotech innovators and investors around the globe to bring effective new cancer therapeutics to market.

In our first full year of operations in 2019, we began laying the foundation for this new business with a number of investments in promising biotechnology companies that have innovative drug development capabilities in the field of oncology therapeutics. These included a KRW 5 billion investment in Korea-based SN BioScience for the development of a pancreatic cancer drug using its nanoparticle drug delivery technology, a KRW 3 billion investment in the Synergy Bio Healthcare Venture Fund to gain access to new technologies in the early stage of development, a USD 4 million investment in Israel-based Nucleix for the development of liquid biopsy diagnostics for the early detection of bladder and lung cancers, and a USD 7 million investment in

US-based Adicet Bio for the development of next generation allogeneic chimeric antigen receptor-engineered T cell (CAR-T) therapy.

Going forward, we will continue to make strategic investments as we focus on building our own innovative new drug oncology portfolios through research and development partnerships and collaborations with promising biotechnology companies and research organizations.

Research & Development

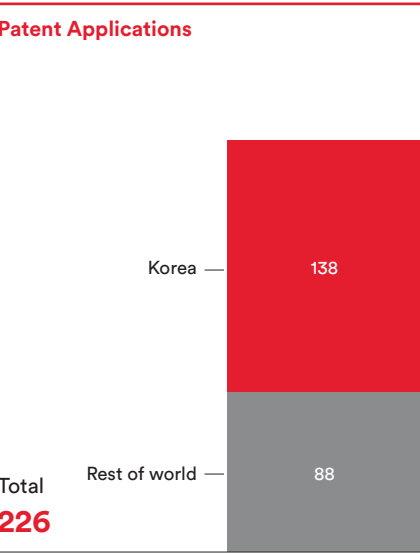
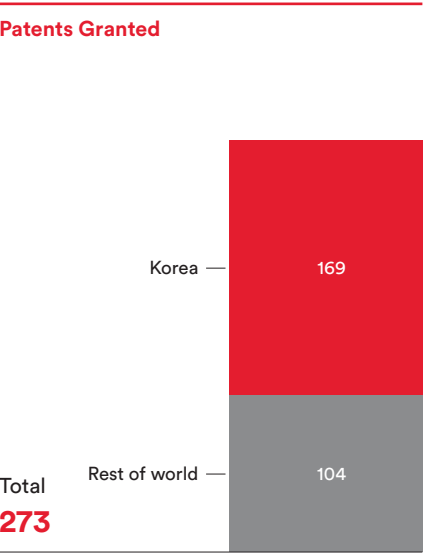


Our long-term competitiveness depends on our ability to consistently develop products and technologies that create real,

sustainable value for industry and society. The OCI R&D Center oversees a broad range of synergistic R&D initiatives spanning the entire portfolio of OCI businesses with the objective of delivering superior products and maximizing long-term value.

In 2019, the deteriorating global business environment spurred us to redouble efforts to achieve cost savings across all facets of our operations through rapid technical and manufacturing innovation. We will accelerate this process in the coming year

as we continue to fundamentally bolster the competitiveness and profitability of our product lineup with value-added product grades that lead the industry in performance and quality. We will also continue to deepen collaborative ties with customers, major universities, and research organizations wherever we do business to gain essential insights on the emerging trends and technologies that will define the future of the chemical and materials industries.



Sustainable Value Chain

INPUT

FINANCIAL			
Assets	Liabilities		
KRW 4,811.2B	KRW 2,125.5B		
Shareholders' equity	Capital		
KRW 2,685.7B	(No. of stocks issued: 23,849,371) KRW 127.2B		

MANUFACTURED		
No. of suppliers	Purchases from suppliers	Tangible assets
918	KRW 1,161B	KRW 2,419B

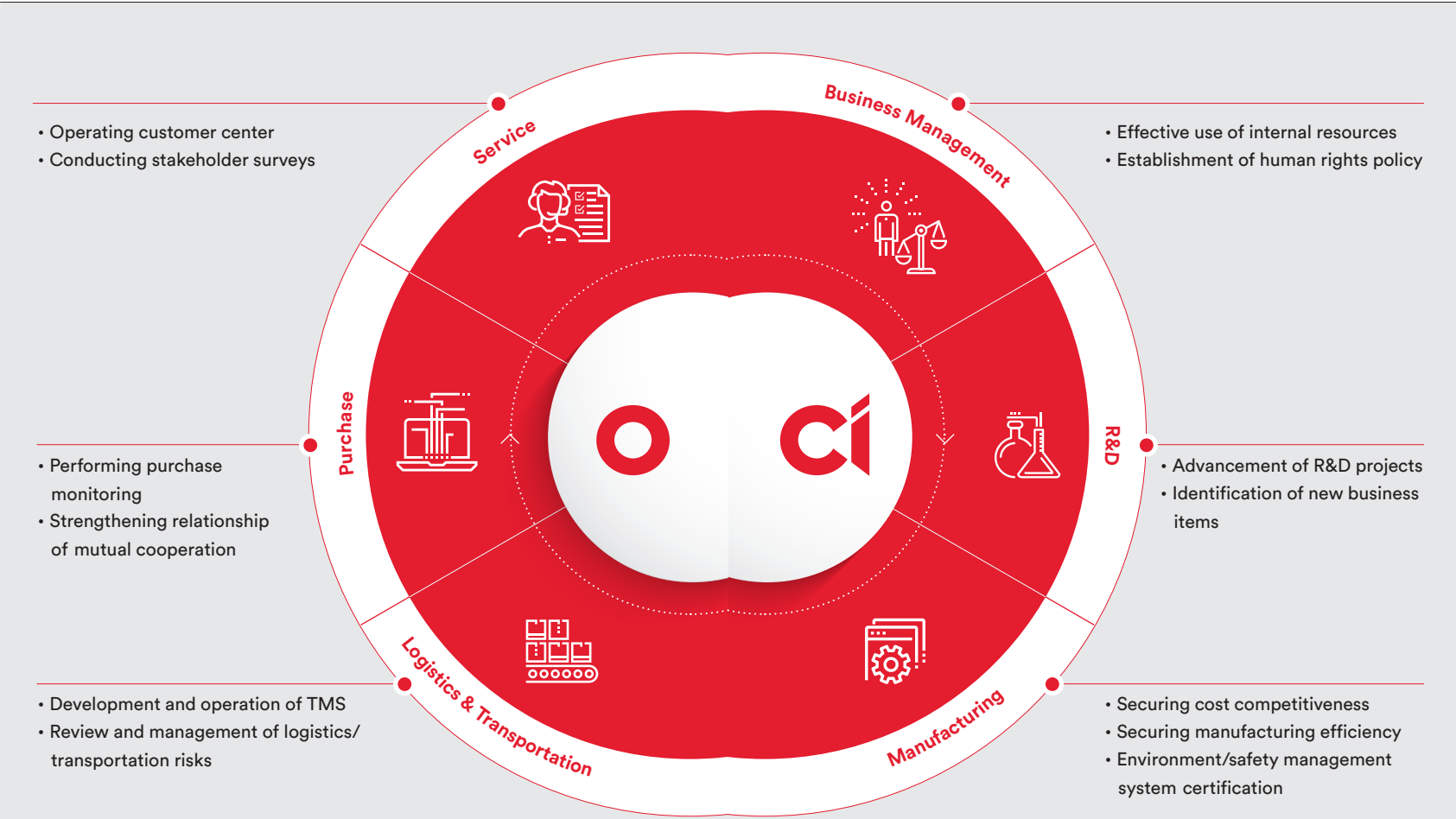
INTELLECTUAL		
Intangible assets	R&D investment (percentage to sales)	No. of R&D personnel (percentage of total employees)
KRW 46.1B	KRW 23.9B(1.0%)	135(6.3%)

NATURAL	
Energy consumption	Raw material use
37,676TJ	1,348KT
Water consumption	Environmental investment
12,084KT	KRW 25.8B

HUMAN RESOURCES	
No. of employees	Total annual wages
2,145Persons	KRW 148.4B
Training hours	No. of new employees
40,315Hours	100Persons

SOCIAL&RELATIONSHIP		
Hours of volunteer in 2019	No. of volunteers in 2019	Social contribution in 2019
2,620Hours	782	KRW 651M

BUSINESS ACTIVITIES



KEY AREAS OF BUSINESS

- Basic Chemicals**

We have produced inorganic chemicals for a wide range of industries, including the key materials, polysilicon and hydrogen peroxide, in the solar PV industry.
- Energy Solutions**

We have generated our profits by developing the solar PV projects, installing and operating the solar PV facilities and energy storage systems (ESS). In addition, we have produced and supplied the power converters (inverters), which are key equipments of solar PV.

- Petrochemicals & Carbon Materials**

We have produced chemical products from the byproducts of coal treatment process. Through business diversification and vertical integration, we have produced BTX, Carbon Black and other products.
- Biopharmaceuticals**

We are investing in advanced technology platforms and pipelines for the field of anti-cancer in order to grow into a global biopharmaceuticals. We are also planning to securing a pipeline for new drugs and building a development ability of new drugs via open innovation.

OUTPUT

FINANCIAL		
Sales	Operating loss	Net loss
KRW 2,605.1B	KRW 180.6B	KRW 807.4B

MANUFACTURED	
Major amount of production	Operating hours(ratio)
1,157KT	5,227 Hours(66%)
Quality certification	
ISO 9001, IATF 16949, KS M 1112	

INTELLECTUAL	
No. of intellectual property rights	No. of government R&D projects
543	2

NATURAL		
GHG emissions	Waste water treatment	Water recycling rate
2,116,274tCO ₂ eq	2,394,288m ³	6.1%

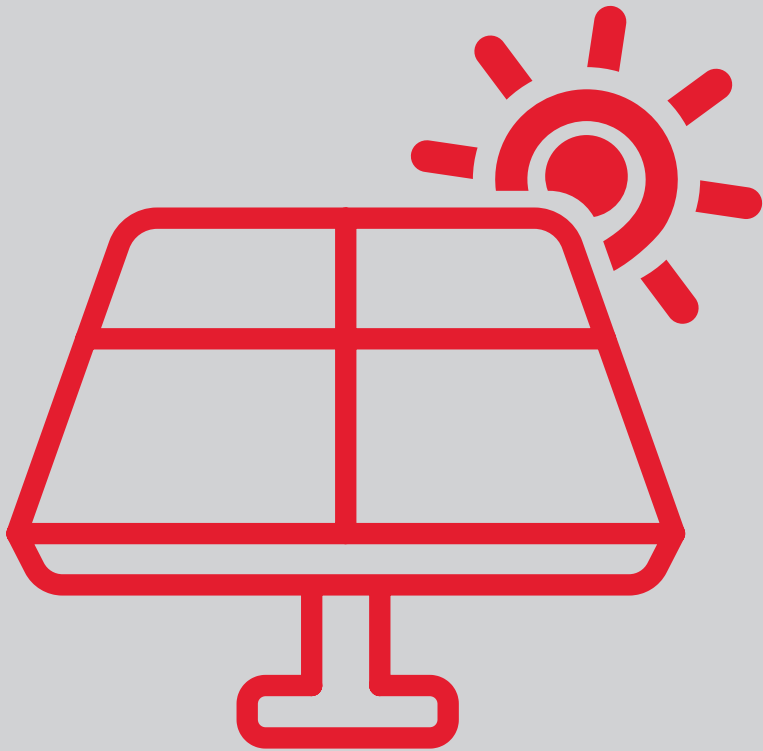
HUMAN RESOURCES	
Employment ratio of socially vulnerable persons	Female employees (ratio)
4.6%	120 Persons(5.6%)
Average employee tenure	Employee injury/severity rates
14.4 Years	0.4% / 0.01%

SOCIAL&RELATIONSHIP	
Engagement with local communities and social contribution activities including scholarships, elementary school lunch support, etc.	
Establishment of a workplace standardized for the disabled (OCI Dream)	
Solar School Project, accumulated amount of solar PV facilities / accumulated no. of installed solar PV facilities	KRW 5.83B / 269 Installed

MATERIAL TOPICS

20	Materiality Assessment
22	Main Issue 1 - Safety and Health Management
24	Main Issue 2 - Strengthening Core Competencies
26	Main Issue 3 - Integrated Environmental Management

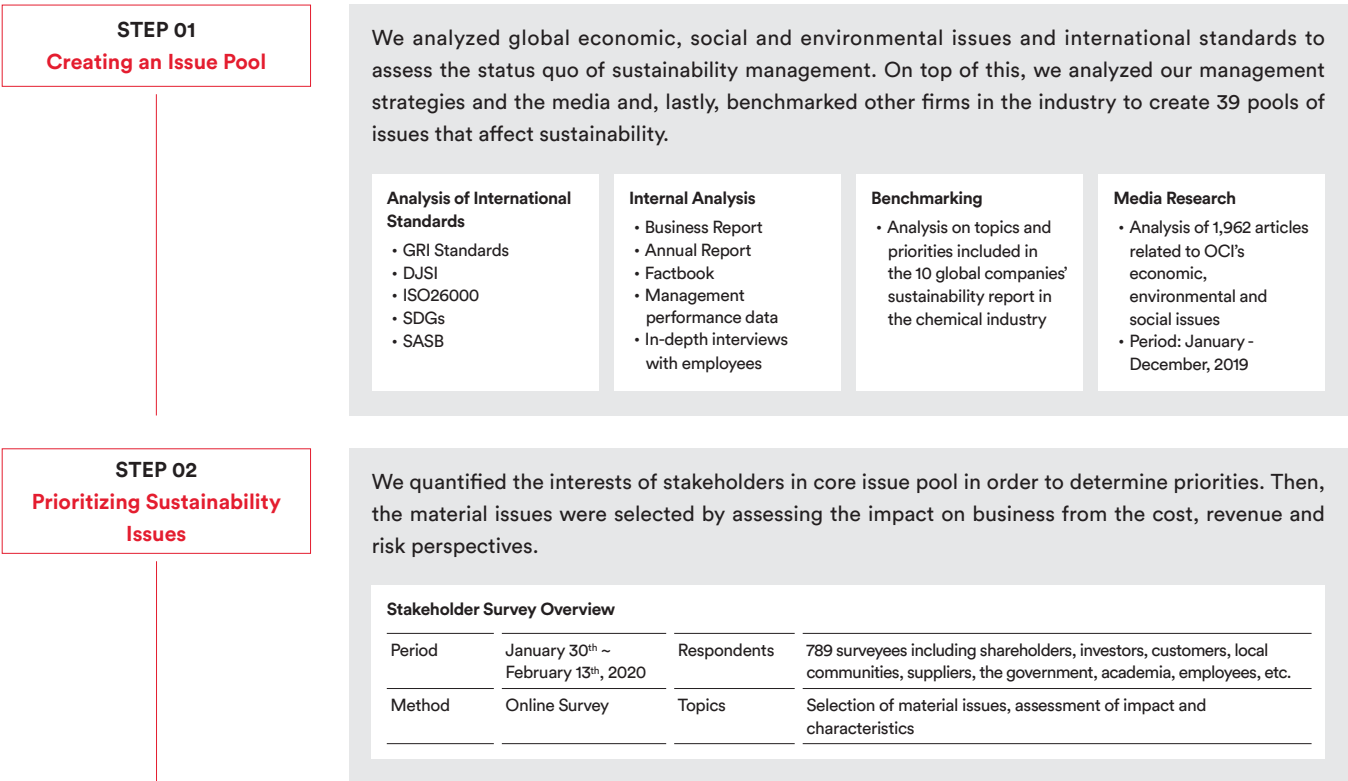
We lead a better future with a change of the times, a strong will to challenge and an innovative thinking. In addition, we will continue sustainable growth by improving the safety culture among employees, making strategic investments to strengthen competitiveness, and systematically managing environmental issues.



Materiality Assessment

Materiality Assessment Process

We have selected topics for this report and created content in accordance with the reporting principles of the Global Reporting Initiative (GRI): sustainability context, materiality, stakeholder engagement and completeness. By analyzing international standards, as well as the company's vision and strategies, benchmarking of advanced companies, media research, and surveys of stakeholders, we have created an issue pool related to the activities of sustainability management of OCI. In this report, we have identified the key material topics from the selected core issues and provided related information.



6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Definition of Material Topics

NO.	Key Issues	Material Topic	GRI Topic	Sustainable Development Goals	Page
1	Operational safety management	Material Topics 01. Safety and Health Management	Industrial safety & health (403) Local community (413)	 	22-23p
3	Health and safety of local communities				
2	Increase of economic profits and competitive edges	Material Topics 02. Strengthening Core Competency	Economic performance (201)	 	24-25p
5	Business portfolio diversification				
4	Accident prevention through chemical management	Material Topics 03. Integrated Environmental Management	Emissions (305) Environmental compliance (307)	 	26-27p
6	Compliance with environmental laws and regulations				

Stakeholder Activity	Stakeholder Groups	Expectations and demands	Responses from OCI	Communication channels
In pursuit of sustainable management, we have operated communication channels for each of our six core stakeholder groups: shareholders, investors, customers, local communities, suppliers, employees and the government. We actively communicate with the stakeholders and reflect their expectations on the policies for sustainability management. Stakeholder Engagement Policy - OCI has minimum requirements for stakeholders to participate in management activities and disclose them transparently to the public. - OCI strives to provide reliable and transparent information to six groups of stakeholders: shareholders, investors, customers, community, suppliers, government and employees. - OCI operates communication channels through which stakeholders can freely engage anytime, anywhere regardless of changes in management or the occurrence of major events. - OCI guarantees the stakeholder's right to know by providing timely information on changes in management or the occurrence of major events that impact OCI, along with key details and response measures.	Shareholders & Investors	• Business portfolio diversification • Enhancement of financial stability	• Invested in new projects to expand market area • Enhanced economic profits through business activities	• General meeting of shareholders • Management disclosure and IR
	Customers	• Product quality and competitiveness • Sales of safe products	• Applied client opinions and feedback • Provided safe and healthy products and services to customers	• Customer satisfaction survey • Face-to-face, non face-to-face consultation channels • Sales/marketing activities
	Local community	• Reduction of safety accidents in local communities • Promotion of local economy and social contributions	• Operational safety management • Tailored social contribution programs to local communities	• Social contribution activities • Business Site Development Committee • Community councils
	Suppliers	• Mutual growth and cooperation enhancement • CSR management for suppliers	• Pursued mutual growth with suppliers • Enhanced monitoring of unfair practices and anti-corruption	• Supplier workshops • Meetings with suppliers
	Government	• Compliance with laws and regulations • Transparency enhancement in tax payment	• Compliance with environmental laws and regulations • Prevention of unfair practices and anti-corruption	• Participation in meetings with government agencies • Engagement in government policies and investments
	Employees	• Improvement of working environment • Fair performance evaluations • Guarantee of employment stability	• Expanded employment and employment stability • Employee development and fair evaluation	• Labor-Management Council • Meetings by job seniority

Main Issue 1

Safety and Health Management



Material Topic Selection Background

With the strengthening of safety and health regulations at home and abroad, it is ever more important to ensure protection of our employees and manage to build trust with stakeholders. Against this backdrop, creating and managing a safe working environment at business sites serves as a critical factor in such effort. In addition, striving to deal with safety and health issues during the production process as well as improve corporate safety culture in general, the company can certainly increase the productivity of the employees and improve its reputation.

Business Management Method

We have established a safety and health management system to continue to reinforce the capabilities and enhance the health and safety management of business site while implementing the SAFETY 2020 program to further improve level of safety management. The Occupational Health and Safety Committee established at each business site, makes sure that the company constantly make an effort for prevention of safety accidents. Moreover, the emergency response system that activates upon accident allows prompt response contributing to our efforts to minimize any negative impacts.

Stakeholder Impact Assessment

Key Issues	Relevance to Business Aspects			
	Finance	Operation	Strategy	Reputation
Operational safety management			●	●
Health and safety of local communities			●	●

Stakeholder opinions

“We should train our employees and hold team meetings constantly to prevent safety accidents and leakage accidents.”	“We would like to see a company-wide manual in place to ensure systematic safe working rules and efficient work methods.”
“Efforts to secure safety at work for R&D personnel, technical staff and production managers are required.”	“The company should establish a management principle that considers safety and health as much important as production, quality, cost, employee morale and ethics.”

2019 Key Performance Indicators

Establishment of OCI Safety Golden Rule

Implementation of Safety Week

Re-conducting of HAZOP

OCI Commitment

Item	Goals	Term
Strengthening Safety Golden Rule	• Carry out promotion, training, compliance monitoring, and provide feedbacks for zero violation of Safety Golden Rule	By 2020
Hazard & Operability Study(HAZOP)	• Complete a HAZOP on CVD/CDI, TDI, CA, BAS processes in Gunsan • Complete a HAZOP on power supply system in Pohang and Gwangyang • Complete a HAZOP on H&H process in Iksan	By 2021

Safety Culture Improvement Program

We have been striving to achieve higher safety standards through the ‘SAFETY 2020’ program. Improvements are already being made through the selection of eight key tasks for people and the system with the aim of improving safety culture standards from phase 3 to phase 4 by the end of 2020.

Key tasks for SAFETY 2020

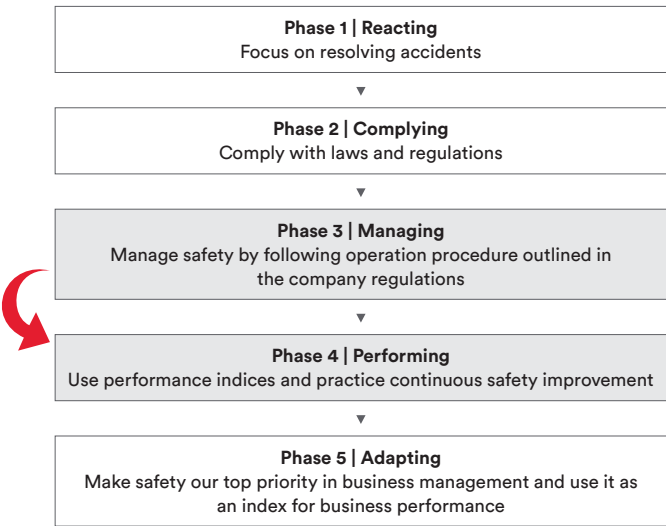
People

- Take leadership
- Raise safety awareness
- Strengthen safety education
- Promote individual health

System

- Comply with safety rules
- Innovate work process management
- Improve safety environment evaluation system
- Reinitiate risk assessment

Safety Culture Standards



OCI Safety Golden Rule

We have declared our ‘OCI Safety Golden Rule,’ which is safety principle that everyone in business sites must keep. OCI Safety Golden Rule was built on suggestions made directly from employees in plants, rather than developed by executives or the SH&E department. This rule applies to all employees at our business sites in Korea, and is planned to further expand its scope to overseas business sites as well to improve the level of safety management of Global OCI.

1

Put on personal protective equipment against any possible leaks before opening or starting work on any facility.

2

Do not commence work without work permit.

3

Do not work on electrical/rotating devices before disconnecting power.

4

Make sure to measure toxic gas/oxygen concentration level before starting work in a confined area.

5

Connect safety hooks before starting work in high place.

6

Do not put your hands in your pockets or use mobile phone while walking.

7

Do not condone the violation of safety rule and work process.

Safety/Environmental Accident Management in Business sites

We are constantly engaging in activities to prevent safety and environmental accidents in and outside of our business sites. We have strengthened our work permit system to assess the risks for every task. In addition, we train workers to prevent transportation accidents.

Implementation of Safety Week

We launched the Safety Week campaign for 5 days from January 21st to 25th, 2019. During the Safety Week, we carry out various activities including preparation of safety declarations subject to all members of OCI and our suppliers, presentation of safety promotion videos, promotion of Safety Golden Rule, emergency response training and conference on safe workplace determination. In addition, executives visited business sites to provide special presentations on safety, and the plant managers renewed their commitment to safety of plant by reciting the safety declaration. We will continue to carry out safety events to enhance the safety awareness of our employees and executives.

Reinforcement of HAZOP

We have conducted risk assessment on our processes and reduced risk factors by re-conducting hazard and operability studies (HAZOP) at all of our business sites. In addition, internal/external experts are invited to carry out HAZOP and contribute to improving the safety of processes at sites. HAZOP was first conducted at our Pohang and Gwangyang plants in 2018 and expanded to include all plants across the country in 2019. Recommendations drawn from the result of HAZOP are reviewed and reflected in our investment decisions.

SH&E Excellence Award

Annual SH&E Excellence Awards have been presented to teams that make outstanding contributions to the enhancement of safety culture. The Awards selected 21 teams from different business sites through a preliminary review followed by three rounds of screening to decide which candidates had the most outstanding safety activities, providing an opportunity for each team to present their ideas. All five teams that made it to the final round were given awards.

Main Issue 2

Strengthening Core Competencies

Material Topic Selection Background

Investment in renewable energy and biotechnology has expanded sharply in recent days as global companies try to respond to the rising environmental demands across the globe. Hence, it is becoming increasingly important to diversify our business portfolio to include renewable energy, biotechnology, urban development projects and secure competitiveness in new projects, rather than making intensive investment in the chemical business.

Business Management Method

We have been driving sustainable growth by developing high value added, technology-intensive products and diversifying business portfolio by entering into anti-cancer drug market. A management team with a wealth of experience and knowledge in each sector takes lead in strategy and operations for responsible management and strives to secure the business competitiveness through continuous R&D investment in promising industrial technologies and process innovation in existing plants.

Stakeholder Impact Assessment

Key Issues	Relevance to Business Aspects			
	Finance	Operation	Strategy	Reputation
Increase of economic profits and competitive edges	●	●		
Business portfolio diversification	●	●		

Stakeholder Opinions

"I would like to see the different businesses of our company run in a complementary way and expand our global presence."	"We must continue to diversify our business related to renewable energy in order to generate profit."
"We should identify new business items and develop technologies to become a global company."	"I believe that it is the time for us to make a bold move to invest in next-generation growth engines."

2019 Key Performance Indicators

 Incheon Yonghyeon-Hagik District Urban Development Project	 MOU for ESS demonstration project with used EV batteries	 OCIMSB polysilicon manufacturing cost reduced by 33% y-o-y
--	---	--

OCI Commitment

Item	Goals	Term
New projects	• Identify and invest in promising biotech companies specializing in oncology and develop anti-cancer drugs • Complete the DCRE urban development project	By 2025
Increasing productivity	• Sell 5,000 tons of eletronic-grade polysilicon	By 2022

OCI Business Strategy

We have been expanding the scope of new businesses as the price of polysilicon continues to fall. We will never stop to ensure the quality of existing businesses and strengthening product competitiveness while unearthing new business items through reasonable investments.

	Rational Investment Focus on finding new businesses while maintaining the competitiveness of our existing businesses
	Active Alliances with Our Partners Strengthen business foundation through strategic alliances and partnerships
	Operation Scale Optimization • Identify demand and market conditions in greater detail • Analyze seasonal factors of manufacturing cost • Optimize the production scale in relation to working capital
	Maintain Solid Financial Stability Ensure financial soundness preemptively by responding to changes in business environments

New Projects

We have been making investments in both the new and existing businesses. In 2019, we have signed an energy storage system (ESS) demonstration project for recycling electric vehicle waste batteries and kicked off the urban development project in high gear. Moreover, we have laid the foundation for a robust bio business portfolio by investing in promising bio companies and introducing the technologies both in Korea and overseas.

Entering into Anti-cancer Drug Market

We have been consistently making investments to Korean and foreign bio companies with advanced technologies. Starting with SN BioScience, a developer of an innovative nano anti-cancer drug, our bio tech investment portfolio includes various companies with global platforms and pipelines for advanced technologies such as Adicet Bio, a US-based company with personalized therapeutic anti-cancer techniques based on immune cells from healthy people, and Nucleix, an Israeli company with technologies allowing early detection of cancer through blood or urine test. Based on aggressive overseas investments, we are building and securing global networks for further investment and development in the future. By using technologies from this network of outstanding global investors and researchers, we will embark on a new challenge to develop novel drugs and establish a solid basis for successful entry into the anti-cancer market, and secure the global competitiveness.

Incheon Yonghyeon-Hagik District Urban Development Project

We have stepped up the urban development project for Incheon Yonghyeon-Hagik District Block One which covers the land of 1,546,747 m² (or approx. 467,000 pyeong), including the site where our old Incheon plant was located and nearby areas. This massive private project follows the master plan of city government. We signed a KRW 2.8 trillion contract with Hyundai Development Company (HDC) to build 13,000 houses by 2025. The project is currently in the preparation stage for site renovation with the aim of beginning the pre-sale of houses during the second half of 2020.

Increase in Plant Productivity

OCIMSB is a polysilicon manufacturing plant located in Samala, Indonesia. After acquiring OCIMSB from Tokuyama, we have made efforts to reduce costs and improve productivity. The plant's daily production capacity has increased from 13,800 to 27,000 tons thanks to improved production processes and capacity expansion during the last 2 years. In an effort to reduce manufacturing costs, OCIMSB invested in the construction of CA (chlor-alkali) facilities, making it possible to self-produce chlorine, sodium hydroxide, and other raw materials for polysilicon production.

QMS Management

All our business sites in Korea have obtained and maintained ISO 9001 (Quality Management System) to provide products based on the global quality management system. We will continue to manage the quality to meet the expectations of stakeholders.

QMS Certification

HQ, Gunsan, Pohang, Gwangyang

ISO 9001,
IATF 16949

Iksan

ISO 9001,
KS M 1112

Iksan VIP

ISO 9001

Main Issue 3

Integrated Environmental Management

Material Topic Selection Background

With increase in the environmental awareness of stakeholders, environmental laws and regulations on chemicals and water pollutants have been tightened over the last few years. In particular the environmental issues of today do not only affect companies, but also have broad implications on communities, countries, and the world as a whole. Due to this reason, it is necessary to consider environmental factors comprehensively to maintain the existing businesses and develop further in a sustainable way through identification of new projects.

Business Management Method

We have adopted and operated chemical management system in order to manage chemical substance systemically, and safe chemical management is assured everywhere in the company through compliance with the contents of off-site risk assessment and risk management plan and improvement facilities that handle hazardous chemical substances. We have been practicing regular safety drills each year in preparation for potential chemical accidents. Engaging in various community-based environmental activities has helped to raise awareness of local residents who have lived harmoniously near our plants.

Stakeholder Impact Assessment

Key Issues	Relevance to Business Aspects			
	Finance	Operation	Strategy	Reputation
Accident prevention through chemicals management			●	●
Compliance with environmental laws and regulations			●	●

Stakeholder Opinions

“We need to strengthen safety and environmental management in response to tightened environmental regulations and worsening external conditions.”	“To respond to a rapidly changing global environment, the company should invest more to find ways towards sustainable development.”
“I think we should put intensive effort on improving environment management.”	“I wish that our company can take the lead in clean energy development in the midst of tightening environmental regulations across the globe.”

2019 Key Performance Indicators



Established Chemical Management System
(registered 15,500 chemicals)



Installed Air Pollution Prevention Facility



No Severe Leaks of Hazardous Chemicals Reported

OCI Commitment

Item	Goals	Term
Registration of chemicals	• Register 33 chemicals to K-REACH	By 2021
GHG reduction	• Implement measures to meet the government's '2030 GHG Emission Target'	By 2030

Establishment of Chemical Management System

We introduced a CMS (Chemical Management System) in June 2019 in an effort to respond to tightening chemicals management regulations. Our CMS is an integrated system that thoroughly manages 15,500 chemicals throughout their entire cycle, including purchase, use and disposal. There have been some difficulties in integrating chemical management due to the division of responsibilities between the purchase and management departments. The introduction of CMS has contributed to improvements in the safety and efficiency of chemical management thanks to concurrent implementation of purchase and management of chemicals. We will continue to proactively respond to chemical management regulations via the CMS.

Hazardous Chemicals Management



Warehousing

- Pre-evaluate the safety of hazardous materials
- Select appropriate spaces for storage
- Train employees handling hazardous materials



Storage

- Inspect hazardous chemical storage facilities on a regular basis
- Install leak detectors and safeguards
- Form and train emergency response teams against fires, explosions, leaks, etc.



Shipment

- Develop and operate a TMS (transportation management system)
- Conduct daily inspection and driver training
- Practice emergency drills through accident simulations (with logistics companies)

Management of Hazardous Chemicals Leak

We have assigned a designated team for facility inspection and have conducted regular monitoring of facilities that use hazardous chemicals. In addition, hazardous material handling personnels participate in regular training programs at all of our business sites. We will strictly follow the Chemicals Control Act, inspect facilities on a regular basis and do our best to prevent accidents.

Investment in Air Pollution Reduction

We have installed new facilities with high operational efficiency and increased the amount of catalyst used in air pollution reduction facilities to minimize air pollution. In particular, to reduce NOx emission, which is known to form particulate matter, we have put out improvement efforts such as catalysts replacement and fuel switches in our heating facilities from normal fuels to eco-friendly fuels. We will continue to commit ourselves to reducing air pollutant emissions.

Emergency Disaster Drill in Preparation for Chemical Leaks

The 2019 Anti-Disaster Safe Korea Drill was held at our Gunsan plant along with related government agencies in preparation for a potential leak of hazardous chemicals. It was jointly organized by the Ministry of Environment, Jeollabuk-do, Gunsan-si, and Gunsan fire station with the participation of more than 350 persons from 27 police stations, military bases, and public agencies as well as local residents and was held based on a series of emergency response manuals upon hazardous chemical leak and various types of disaster. The drill was designed to improve cooperation with related agencies and emergency preparedness, and featured OCI's 'water curtain' equipment(a device used to block and slow down the spread of hazardous steam). The Anti-Disaster Safety Korea Drill gave us an opportunity to improve the disaster response capabilities of workers at the site.



MOU on Voluntary Particulate Matter Reduction

In December 2019, we have signed a voluntary agreement with the Ministry of Environment (MOE) to reduce the particulate matter in high density season with the companies such as petroleum refining and petrochemical industries. Under this agreement, the participating companies will voluntarily carry out the activities to reduce emissions, and the MOE is preparing institutional support measures such as providing monetary incentives for participants. In line with the MOU, we have established and applied allowable standard for emissions to reduce seasonal particulate matter in high-density and strengthened monitoring and management of our business sites to mitigate particulate matter pollutions.

Response to Environmental Laws and Regulations

In 2019, we completed preliminary reporting for the registration of Act on the Registration and Evaluation of Chemical Substances. We are planning to register 33 chemical substances weighing over 1,000 tons by 2021. Substances of which total volume of storage is less than 1,000 tons will be registered within the registration grace period stipulated by the relevant Act. We will continue to comply with environmental laws and regulations preemptively.

GENERAL TOPICS

30	Corporate Governance
33	Integrated Risk Management
36	Ethical Management
38	Environmental Management
40	Talent Management
42	Supply Chain Management
44	Value Creation for Local Communities

We practice strong risk management and fair ethical management based on sound governance, thereby enhancing the corporate value. We also take the lead in global environmental management and promote the social integration through the respect of human rights, mutual cooperation and social contributions.



Corporate Governance

Principles of Corporate Governance

The Board of Directors is responsible for making decisions concerning the laws and Articles of Incorporation, items delegated by general meetings of shareholders, corporate management directions and key management agenda, and oversees the performance of corporate executives' duties. The Board has established five committees to ensure independence and efficiency in decision-making – Independent Director Recommendation Committee, Audit Committee, Management Committee, Compensation Committee and Related Party Transactions Committee.

Composition of the Board of Directors

The Board of Directors is comprised of 9 directors in total including 3 executive directors, 1 other non-standing director and 5 independent directors. All directors are appointed at the Annual General Meeting based on recommendations from the Independent Director Recommendation Committee, and the length of their terms are determined upon appointment within upto 3 years. Lastly, we employ a staggered election system.

Independence of the Board of Directors

The qualifications of directors are transparently disclosed in compliance with the law, including the Commercial Act, to guarantee the independence of directors. To ensure the directors' independence, any member with a possible conflict of interest in a given agenda is not permitted to exercise his or her voting rights. Also, the members are not allowed to make any transactions with the company they are engaged in or to serve as a partner with unlimited liability or as a director in another company in the same industry without prior approval from the Board. With the exception of the Management Committee, the majority of Board Committees are composed of independent directors. As of the end of March 2020, all five members of the Audit Committee are independent directors to ensure the independence of the Board's operations.



Disqualifications for Independent Directors

1. Directors, executive directors and employees who are engaged in the regular business of the relevant company, or directors, auditors, executive directors and employees who have engaged in the regular business of the relevant company within the latest two years;
2. The principal, his/her spouse, lineal ascendants, and lineal descendants, in cases where the largest shareholder is a natural person;
3. Directors, auditors, executive directors and employees of the corporation, in cases where the largest shareholder is a corporation;
4. The spouses, lineal ascendants, and lineal descendants of directors, auditors and executive directors;
5. The directors, auditors, executive directors and employees of a parent company or a subsidiary company of the relevant company;
6. Directors, auditors, executive directors and employees of a corporation which has a significant interest in the relevant company, such as business relations with the company
7. Directors, auditors, executive directors and employees of another company for which directors, executive directors and employees of the relevant company serve as directors and executive directors.

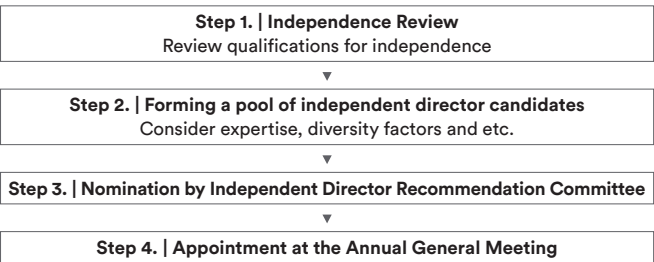
Expertise of the Board of Directors

To strengthen Board expertise, we appoint independent directors to the Board who have in-depth experiences and high levels of knowledge in the fields including chemicals, law, accounting and finance, patent and business management. The Board is comprised of directors with diverse academic backgrounds and industrial experiences to prevent any disproportionate composition of members with certain occupations or backgrounds.

Diversity of the Board of Directors

Independent Director Recommendation Committee considers diversity while making recommendations for the Board members and excludes discrimination of any kind including gender, races, national origins, or nationalities. There are two female directors as of the end of March, 2020.

Independent Director Appointment Procedure



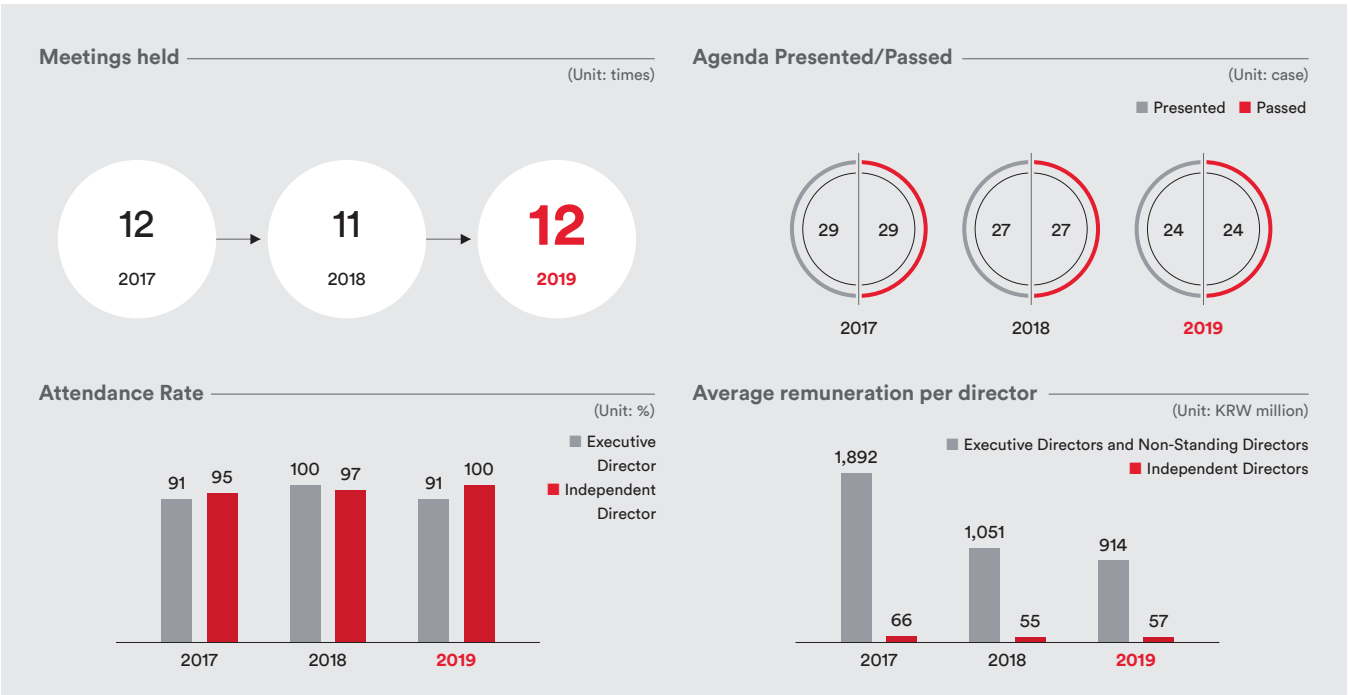
Remuneration for the Board of Directors

The remuneration for the Board directors is determined at the general meeting of shareholders after the Compensation Committee comprehensively reviews their duties, accomplishments and Board meeting attendance rates among others. The remuneration for directors consists of a base salary, bonus and incentives based on their responsibilities, job title and business performances within the remuneration cap determined at the general meeting of shareholders. As for independent directors, factors including their attendance rate and number of committees they serve as a member are also considered in determining their remuneration. The remuneration cap for 2019 was set at KRW 8 billion, and actual payments totaled KRW 3.94 billion, recording an increase of 17% from last year with KRW 3.372 billion (as the total number of directors increased to 9 from 7 in 2018).

2019 Improvements in Corporate Governance

We have been working on improving expertise, diversity, independence, and transparency of the Board under the principle of corporate governance. In a similar effort, we amended the Independent Director Recommendation Committee regulations to include a few additional elements when nominating the candidates for directors. Such elements not only include qualifications stipulated by the Commercial Law and other relevant laws and regulations, but also considerations whether candidates were convicted guilty on embezzlement or malfeasance with the last 5 years and whether they were responsible for corporate defamation and infringement of shareholder interests.

Meetings of the Board of Directors in Detail



Directors

Executive Director			Other Non-Standing Director
Woo Sug Baik	Woo Hyun Lee	Teak Joung Kim	Sang Yeol Kim
• (Current) Chairman and Representative director, OCI Co., Ltd. • (Current) Vice chairman, Korea Listed Companies Association • (Current) Non-standing member, Office of Strategic R&D Planning under the Ministry of Trade, Industry & Energy	• (Current) Vice chairman & Representative director, OCI Co., Ltd. • (Current) Non-standing vice chairman, Korea International Trade Association • (Current) Non-standing vice chairman, Seoul Chamber of Commerce and Industry • (Current) Director, OCIM Sdn. Bhd.	• (Current) President(CEO) & Representative director, OCI Co., Ltd. • (Current) OCIM Sdn. Bhd. Director • (Current) Auditor, Korea Chlor Alkali Industry Association • (Current) Director, Korea Specialty Chemical Industry Association	• (Current) Other non-standing director, OCI Co., Ltd. • Advisor, OCI Company Ltd. • Vice Chairman, Korea Chamber of Commerce and Industry • Executive director, Korea Trade Commission

Independent Director

Ki Pung Yoo	Boo Whan Han	Kyung Hwan Chang	Mi Chung Ahn	Jina Kang
• (Current) Independent director/Audit committee member, OCI Co., Ltd. • (Current) Chair professor, Korea University • (Current) Director of education, KEPCO tech. • Outside director, Fourth-Link Inc.	• (Current) Independent director/Audit committee member, OCI Co., Ltd. • (Current) Lawyer, Gangnam LLP • Outside director/Member of Audit committee, Yesco Holdings Co., Ltd. • 43rd Vice minister of Justice, prosecutor	• (Current) Independent director/Audit committee member, OCI Co., Ltd. • Vice president/strategy managing director/CFO, KOREAN AIR LINES CO., LTD. • Representative Director, KPMG Consulting Korea • KPMG US Audit Partner	• (Current) Independent director/Audit committee member, OCI Co., Ltd. • (Current) Independent director/ audit committee member, Medipost • (Current) Managing Partner, ERUUM & LEEON INTELLECTUAL PROPERTY LAW FIRM	• (Current) Independent director/Audit committee member, OCI Co., Ltd. • (Current) Professor, Seoul National University

Committees of the Board of Directors

The roles and responsibilities of each committee are as follows. Independent Director Recommendation Committee nominates candidates to stand for appointment as directors at the Annual General Meeting. The Audit Committee executes audits on accounting and task performances, and checks whether any corrective actions from audits are followed. The Management Committee handles tasks related to capital expenditures entrusted to it by the Board. The Compensation Committee reviews and approves the rightful amount of compensation for directors and executives under a fair performance evaluation system. The Related Party Transactions Committee approves large-scale transactions of goods and services with affiliates in accordance with the Monopoly Regulation and Fair-Trade Act.

Performance Evaluation of the Board of Directors and Committees

We carry out fair evaluations of our Board and committees in accordance with the internal evaluation procedure. Business development, organizational operation, expertise in technology innovation and Board meeting attendance are subject to evaluation. In addition to financial indicators such as sales revenue and operating income, factors such as leadership, level of achievement of mid- to long-term business goals and other key business management indicators are considered in the assessment of the Board. Besides non-financial indicators such as environment, safety & health management system, health and safety at business sites, support for the mutual growth of suppliers and CSR are also considered in the process of evaluation.

Committees of the Board of Directors

Committee	Executive Director	Independent Director	Other Non-Standing Director
Independent Director Recommendation Committee	Woo Hyun Lee	Ki Pung Yoo*, Boo Whan Han, Kyung Hwan Chang, Mi Chung Ahn, Jina Kang	
Audit Committee		Kyung Hwan Chang*, Ki Pung Yoo, Boo Whan Han, Mi Chung Ahn, Jina Kang	
Management Committee	Woo Sug Baik*, Woo Hyun Lee, Teak Joung Kim		Sang Yeol Kim
Compensation Committee	Woo Sug Baik*	Ki Pung Yoo, Boo Whan Han, Kyung Hwan Chang, Mi Chung Ahn, Jina Kang	
Related Party Transactions Committee		Boo Whan Han*, Ki Pung Yoo, Kyung Hwan Chang, Mi Chung Ahn, Jina Kang	

*Committee Chair

Key Activities of the Board Committees

Committee	Date	Key Agenda	Attendance rate
Independent Director Recommendation Committee	2019.03.06	Recommendation of directors	
Audit Committee	2019.02.11	Approval of operating status report on internal accounting system	100%
	2019.03.06	Approval of the 44th Financial Statements & Consolidated Financial Statements	
	2019.03.26	Appointing the Chair of Audit Committee	
	2019.04.24	Approval of the appointment of internal audit supervisor	
	2019.07.24	No item for discussion, five items reported.	
	2019.10.30	No item for discussion, seven items reported.	
Compensation Committee	2019.12.19	Approval of internal business audit plan for 2020	
	2019.03.06	Approval of increasing remuneration cap of directors for 2019	
	2019.03.26	Approval to adjust remuneration of directors	
Related Party Transactions Committee	2019.03.26	Approval of the Chair of Related Party Transactions Committee	
	2019.07.24	No item for discussion	
	2019.10.30	No item for discussion	
	2019.12.19	Approval of large-scale transactions (goods and services) with affiliates	

* No major activities of Management Committee reported in 2019.



Integrated Risk Management

Integrated Risk Management

We have been responding to various risks ensued by uncertainties in corporate management environment. In particular, financial and non-financial risks that may have an impact on achieving management goals are preemptively identified and managed systematically by classifying key risks factors, and constantly monitoring them afterwards. We will strive to promptly establish countermeasures against risks for stable business operation.

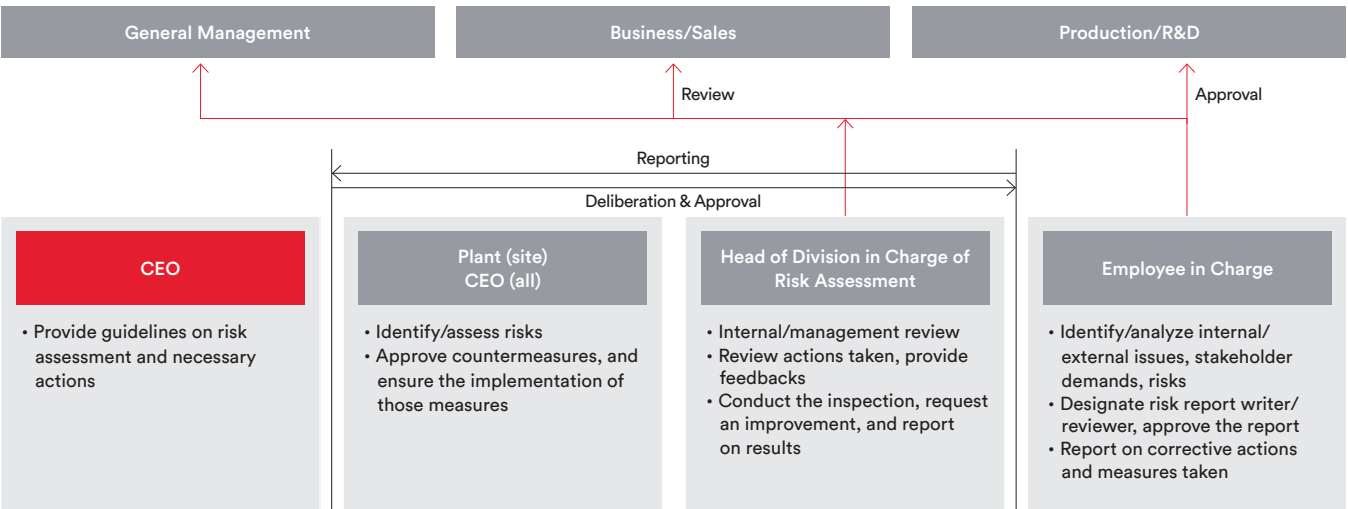
Principles of Risk Management

- Clearly define risks associated with OCI's business performance and organizational management
- Identify potential risk occurrences and impacts based on scenario analysis for each predefined risk
- Establish and periodically review countermeasures against high-impact risks
- Develop enterprise-wide risk management culture and a regular reporting system

Risk Management System

We have established an integrated risk management policy and detailed guidelines to manage the uncertainties that may arise in corporate management. Each functional organization uses a checklist to develop a risk management plan in the beginning of a year followed by a biannual monitoring, and then the details are submitted in a report. Department in charge regularly reviews the general risk management status and reports the result of assessment to management. Likewise, we promptly establish and implement countermeasures to respond to potential risks and minimize their impact.

Organization for Risk Management



Risk Management Process



Disclosure-related Risk Management

We strengthened the corporate policies on public information disclosure and insider trading to ensure precise and transparent disclosure of information in accordance with related laws and regulations, and are constantly monitoring the risks that may have a negative impact on accuracy, integrity, fairness, and appropriateness of the publicly disclosed information. If employees or executives intend to sell/buy or make any transactions of certain securities, they should first notify it to the disclosure officer and file a report within 2 business days of the transaction to prevent unfair transactions by insiders even if they are unsure of using undisclosed information.

Reinforcement of Key Risk Management

We have established an integrated risk management system to respond to both financial risks such as changes in market conditions, operations, exchange rates, credit and volatility and non-financial risks using environmental and social analysis. We consistently monitor each key risk according to its characteristics and develop countermeasures against the impacts.

Integrated Risk Management

Identifying and Responding to Risks

Financial Risk

	Cause	Impact	Measures
Foreign Exchange Risk	Due to a high overseas sales revenue ratio of 53% and payments in foreign currencies, gain/loss may occur due to currency fluctuations.	• Asset value variance due to fluctuating foreign exchange rate • Poor export profitability and price competitiveness	Conduct periodic monitoring and currency forward contracts to minimize profit fluctuation due to exchange rate
Credit Risk	If the current rating of A+ (Korea Credit Rating, NICE Credit Rating, Korea Ratings) as of the end of 2019 is downgraded additional funding may not be guaranteed.	• Downgrade in credit ratings • Difficulty securing corporate loans due to tightened bank loan screening	Prevent potential loss from non-compliance with contract obligations based on financial status and credit ratings, by using bank deposits, etc.
Liquidity Risk	Given the amount of current portion of borrowings (approx. KRW 416.2 billion) as of the end of 2019, cash management is necessary to create funds for debt repayment in preparation for illiquidity.	• Disruption in funding • Loss due to an emergency sale of assets at a lower value	Maintain the appropriate liquidity ratio through short/mid/long-term fund planning and strengthen monitoring
Interest Rate Risk	Borrowings (approx. KRW 507 billion) at floating interest rates as of the end of 2019 is exposed to risks of interest rate fluctuations.	• High interest due to an unfavorable fluctuation of interest rates • Reduced profit and investment, and illiquidity	Balance loans with an appropriate mix of floating and fixed rates Manage interest rates through Swap Contract
Price Risk	Volatility in the price of raw materials has a direct impact on sales revenue and profit.	• Financial burden from increased raw material price and unit costs • Unstable supply and demand of raw materials	Minimize risk by identifying and responding to product price trends, controlling raw material price fluctuations as well as purchase volume and diversifying imports
Capital Risk	As the capital finance ratio is 41% (as of the end of 2019, net borrowings divided by the total shareholders' equity), it is necessary to continuously reduce capital costs and optimize capital structure.	• Liquidity risk	Manage optimal capital structure based on capital finance ratio-net debt divided by total capital

Non-financial Risk

	Cause	Impact	Measures
Compliance Risk	Regulatory violations may put a company's reputation at risk, and have a negative impact on its financial structure and sales activities	• Administrative sanctions and liability for damage resulting from regulatory violations • Cost of legal disputes	Prevent risks preemptively through a stronger legal and compliance control; manage legal disputes by analyzing laws and precedents
Environmental Safety Risk	Safety/environmental accidents at business sites have a negative impact on the health and safety of workers and local communities	• Liability for compensation and damage to corporate reputation following safety accident • Massive damage to sales activities including conflicts with local communities	Establish emergency response system and provide safety training programs on a regular basis by each business site
Climate Change Risk	The importance of managing carbon credits has been strengthened for companies according to the "National Allocation Plan" during the second planning period of the Emission Trading Scheme	• Cost of purchasing emission credits upon failure to reduce carbon emissions • Possible imposition of penalties	Allocate reduction targets for each business site, monitor emission status, encourage reduction activities
Information Security Risk*	There is an increased demand to strengthen information security systems to protect IPR and prevent personal information leakage.	• Goodwill and intellectual property damages due to leakage of critical information • Possibility of dispute due to personal information leakage	Comply with information security policy and control plan, prevent unauthorized data leaks through encryption and reinforced security system
External Trading Risk	Profitability may be affected by external trades such as sales of subsidiaries, which aims to improve financial structures or invest in new project	• Impact of financial risk, including reduced sales revenue caused by global economic crisis	Identify overseas projects and minimize risks through legal counseling for M&As and strategic support expansion
Supply Chain Risk*	Uncertainties in supply chain increases due to constant factors co-existing in the economy including trade, capital flow, and foreign exchange	• Price uncertainty due to increasing demand of raw materials • High fluctuation of customer demand makes predictions impossible	Provide mid/long-term supply chain management and restructuring plan for supply chain
Human Resources Risk	There is a growing need to secure experts in core industries in order to initiate new projects in bio, renewable energy etc.	• Decline in R&D capability and product quality	Continue to expand training and education to identify talents

*Potential risk

Ethical Management

Ethical Management System

We have been aware that ethical management is an integral part of corporate competitiveness. We have established and promulgated the Code of Ethics for Employees to define acceptable behaviors and social norms for all employees to adopt on a day-to-day basis where they perform their tasks in a transparent and impartial manner. We will continue to commit ourselves to a culture of fairness within the organization and practice ethical management.

Code of Ethics for Employees

Code of Ethics for Employees provides detailed guidelines for the responsibilities and obligations to customers and shareholders, fair performance of duties, protection of company assets and information, sound working and social life, and contributions to the nation and society. We strive to maintain ethical management by complying strictly with the code of ethics.



Ethical Management Training

We are running ethics training programs for all members to encourage them to practice ethical management. All new employees are required to take basic ethics training course and sign an ethics agreement.

Ethical Awareness Training

(Unit: Persons)

Diversity & Gender Equality training: All employees			
	2017	2018	2019
	49	47	75

Ombudsman System

For transparent ethical practices, we use the Ombudsman System as a reporting channel through which stakeholders can report any actions that undermines ethics management. Those who make the report are kept strictly confidential under the whistleblower protection system and reports may be received by fax, online channels, mail or written documents.

Ombudsman Reporting Status

(Unit: Cases)

Ombudsman Reporting	2017	2018	2019
	4	1	0

Ethics Audit System

Our audit system is designed to identify and deal with ethical risks at our HQ, business sites and affiliates in a preemptive manner. This audit system includes a two-year periodic audits, irregular planning audits of specific subjects and special audits. Any violation of ethical practices found through the audits are reflected in performance evaluations as well as in promotions and compensation.

Ethics Audit

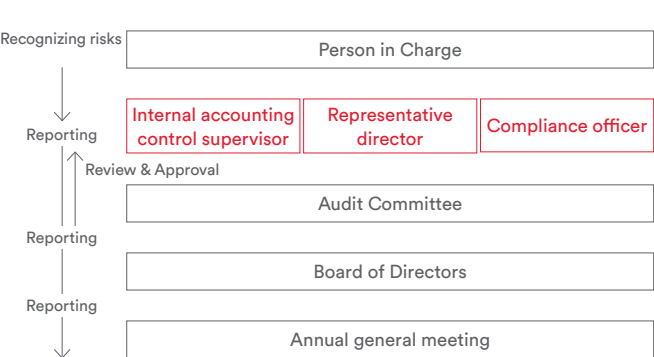
(Unit: No. of Times)

	2017	2018	2019
Periodic Audits	4	5	4
Planning Audits	5	5	3
Special Audits	4	1	0

Strengthening of Internal Control System

We have established and strengthened our internal control system to identify and respond in a timely manner to unethical practices and errors in our accounting reports that could impact our business operation. Our internal control system is subject to an external audit and the results of inspection and assessment on its operating status are reported to the Audit Committee, Board of Directors, and Annual General Meeting.

Internal Control System Process



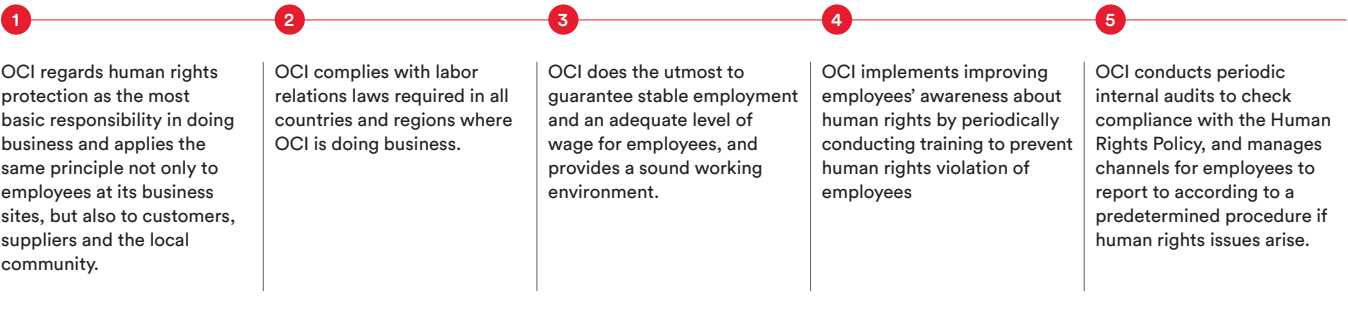
Strengthening Data Security and Information Protection

To protect our tangible/intangible assets, we have established an efficient and well-organized system with regard to information assets. We are operating a security system under our information security management policy to prevent the release of our confidential information and thoroughly managing the system to avoid any breach of employee and customer data. We will continually review the status of information protection training and security compliance to minimize the probability of data breach risks.

OCI Human Rights Policy

Principles on Respect for Human Rights

We officially endorse the global standards and norms outlined by international organizations such as the International Labor Organization (ILO) and the UN Global Compact, as well as the UN Guiding Principles on Business and Human Rights. We recognize that responsibility with regard to respect for human rights is the basic principle to abide by in doing business.

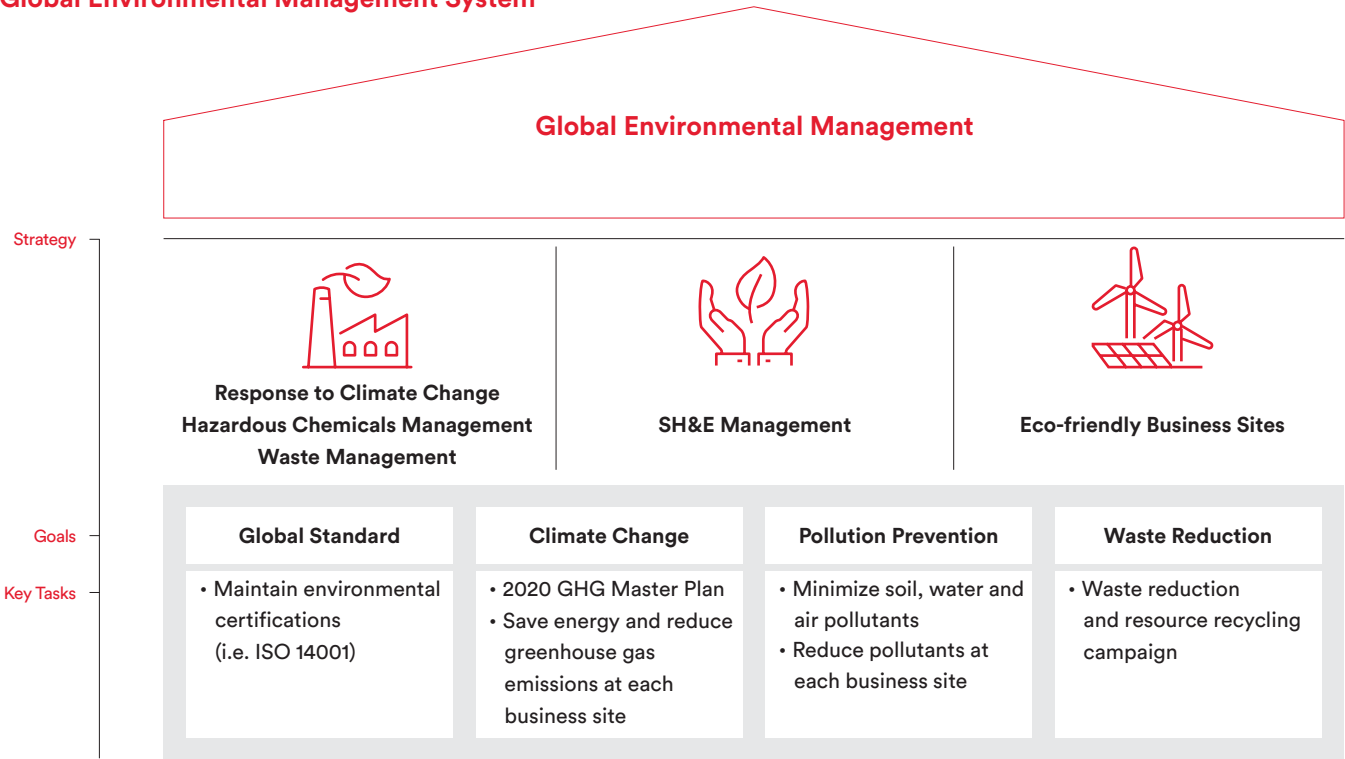


Articles on the Respect for Human Rights

Article 1 (Respect for persons)	Article 2 (Antidiscrimination)	Article 3 (Prohibition of forced labor)	Article 4 (Prohibition of child labor)
OCI shall respect all its stakeholders including employees as humans, and ensure no occurrence of psychological or physical oppression, abuse and unfair treatment.	OCI shall not discriminate any employee for any reasons involving social status including gender, race, religion, political preference, nationality and country of origin, disabilities, marital status or pregnancy in employment, training, evaluation, compensation and promotion.	OCI shall neither compel any employee to work against their free will through violent words and acts, threats or confinement, nor require any commission fees related to the consignment of an ID card, a passport or a labor certification issued by the government on conditions of exercising labor or recruitment.	OCI shall comply with the minimum employment age prescribed in national and local laws. In the event of employing a young-age worker, no high-risk task shall be imposed, and he or she will be exempted from nighttime or overtime work.
Article 5 (Compliance with working hours laws)	Article 6 (Wage and welfare benefits)	Article 7 (Freedom of association)	Article 8 (Protection of individual information and privacy)
OCI shall comply with regular working hours in accordance with labor relations laws of a nation and a region where OCI does business, and shall not violate regulations on overtime work and days off.	OCI shall pay over the minimum wage in accordance with labor relations laws of a nation and a region where OCI does business, and contribute to raising economic stability of all employees and the quality of life by running welfare schemes and in-house funds.	OCI shall guarantee the right to organize, the right to bargain collectively and the right to act collectively in accordance with labor relations laws in order to provide opportunities to communicate to all employees, and shall not unfairly treat employees for such reasons of subscription to the labor union and acting as its member, etc.	OCI shall strictly protect confidentiality of personal information for all stakeholders, and shall not disclose or consign to others such information without prior consent of stakeholders.

Environmental Management

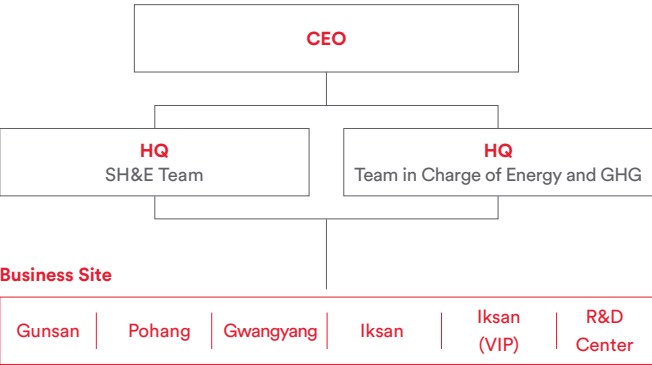
Global Environmental Management System



SH&E Management

We have complied with all relevant regulations and agreements at home and abroad and operate an environmental management system to maintain our leadership position in eco-friendly practices. Through our SH&E (safety, health, and environment) management body, we establish our strategic direction for eco-friendly management and subsequently set appropriate goals and carry out the development and implementation of corresponding strategic tasks in detail.

SH&E Management Organization Chart



SH&E Meeting

We conduct SH&E meetings at each business site on a monthly basis. These are attended by workers, shift team managers, department heads and the safety directors of our suppliers. SH&E meetings are valuable consultative bodies where all members share and communicate important issues related to safety, health, and the environment.

Eco-friendly Business Sites

Our plants in Gunsan, Pohang, Gwangyang, and Iksan have obtained and maintained ISO 14001 certification, which sets out the global criteria for an environmental management system, and are continuously managing their environmental performance by carrying out a wide range of activities to reduce GHG emissions, pollutants and waste and enable us to become a more eco-friendly company.

Eco-friendly System Certification by Business Site

Gunsan, Pohang,
Gwangyang, Iksan

ISO 14001

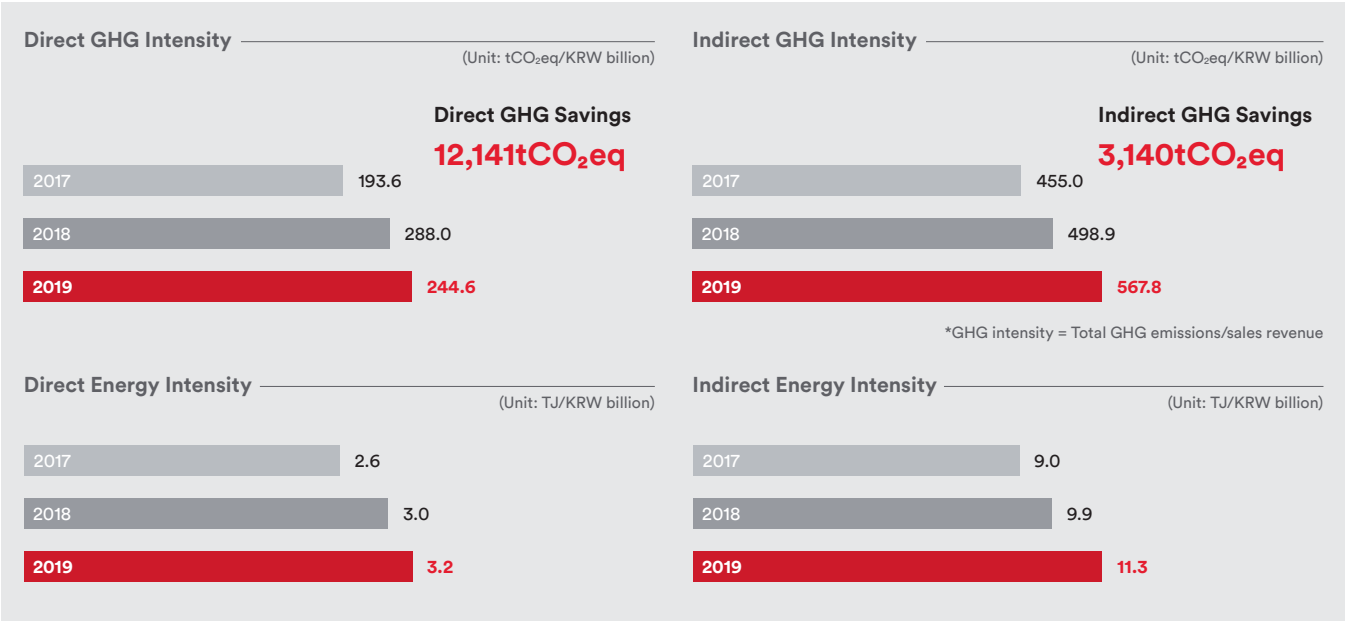
Climate Change Response Strategy

Since 2015, we have been designated as an emission trading company in Korea and have carried out various activities to reduce GHG emissions such as reducing our incinerator load and using by-product gas. Also, we are closely monitoring on GHG emissions and energy consumption by each business site.

	Gunsan	Pohang	Gwangyang	Iksan
GHG Reduction Efforts at Business Sites	Saving of each power source thanks to product recipe improvement 105,799tCO₂eq Reduced	Fuel savings by reducing response time and improving operation methods 1,912tCO₂eq Reduced	Reduced electricity cost by increasing power generation through steam volume adjustment 772tCO₂eq Reduced	Energy savings by replacing with high-efficiency turbo freezers 582tCO₂eq Reduced
Energy Saving Activities	Increased energy efficiency We optimized the operation recipe of CVD (Chemical Vapor Deposition) reactors to minimize power consumption and maximized energy efficiency.	Increased energy efficiency We improved the efficiency of energy use by improving the operating conditions of the product's distillation process and reducing the reaction time of plasticizers.	Increased steam generation by installing waste heat boilers We installed waste heat boilers into the exhaust piping system to emit gas generated from carbon factories in Gwangyang, which led to increased power generation by steam volume adjustment and enhanced energy efficiency.	Reduced power consumption by using high-efficiency equipment We replaced the existing low-efficiency freezers with high-efficiency ones, resulting in improved freezing capacity and power savings.

GHG Reduction Strategies

We have established our GHG reduction targets applied to the entire company, including reducing incinerator loads, using by-product gas and reducing the consumption of both fuel and raw material consumption through waste heat recovery, and developed corresponding detailed strategies by target to carry out GHG reduction activities.



Talent Management

Employee Competency Development

We aim to foster talent management where the employees can become competitive talents anywhere in the world. With this goal in mind, we maintain a training environment suited to the nurturing of global competence in our employees.

New Hire Development

New hires go through a core-focused orientation program and take part in task-related improvement projects to help them adapt to their jobs as quickly as possible. In their first year after being assigned a position, new hires also take part in a workshop which supports their successful adaptation to the workplace and encourages personal development.

Position-required and Job-specific Competency Development

Through a compulsory process at each level of the company, every employee has an opportunity to enhance the job-specific competency. In 2019, we reorganized the position-required compulsory course according to the 40-hour work week system so that employees can easily take the course at each site.

Leadership Competency Development

We are also providing various training programs to enhance leadership competencies. In 2019, we held a seminar under the topic of 'leadership for a new era' to further communicate with our young employees and organized leadership development workshops by business site. In addition, we conducted leadership diagnosis on managers and directors to remind them of their readership roles.

Global Competency Development

We have provided a range of programs aimed at nurturing global talent, such as language courses and overseas assignment programs. In particular, we have focused on providing support to employees assigned abroad to help them promptly adapt to their new environment and achieve their performance goals through intensive language courses, online English classes via webcam, cross-cultural assessments and training. In 2019, a total of 105 employees completed language courses which each business site operates. We have also worked to ensure that employees have sufficient opportunities to improve their competencies by creating an environment where they can learn anytime and anywhere via mobile device. We will continue to make efforts to foster global talents.



OCI Talent Development System

	Associate Associate Researcher	Senior Associate Researcher	Manager Senior Researcher	Team Manager Principal Researcher	Executive
Fundamental Course	Onboarding Program for Experienced Professionals			New Team Manager Orientation course	New Executive Orientation Course
	Orientation Program & OJT	Senior Associate Advanced Course	Manager Advanced Course	Team Manager Workshop	Executive Workshop
	Workshop for First Years		Manager Essential Course		
	Junior Leader Essential Course I & II				
Functional Course	Accounting through Games	Foundation of Financial Statements	Cost and Management Accounting (Intro)	Cost and Management Accounting (Practicum)	Decision Making through Management Analysis
			OCI MBA		Executive Program (Domestic/Overseas)
	Engineer Job Training				
	Job Training (External & Mobile course)				
Global Course	Overseas Assignment Program				
	Business Chinese & English				
	Foreign Language Intensive Course				
	Mobile-Learning Program				

OCI People

Chance	Challenge	Change
• Seize Emerging Opportunities Strive to grasp emerging opportunity, and rapidly secure new source of competitiveness once new opportunity arises. • Faster Than Market Change Understand and respond to the rapid changes of the market and react accordingly.	• Innovative Solution Not be afraid of challenges and failures, prefer new methods to conventional ways and respond proactively. • Entrepreneurial Thinking Pursue sustainable values and provide effective alternatives that best fulfill the interests of the clients as well as the company.	• Global Outlook Pay close attention to the international affairs and take the lead in global market change. • Flexible Open Mind Understand and respect the global culture and ways of thinking.

Human Resource Management System

We have developed various policies regarding human resource management and labor-management cooperation to ensure that our employees can unleash their full potential and receive fair compensation based on their performance. We are building a culture of efficiency to improve the satisfaction of employees while also helping them strengthen their capabilities through various training programs.

Hiring Talent

To ensure fairness in hiring, we have integrated blind recruitment practices to find the right people for our company. In 2019, we adopted an AI interview system to provide more opportunities to applicants along with the evaluation for job-oriented tasks such as presentations and essays. After all the company strives to make sure every hiring process enables fair and transparent selection of talented personnel.

Performance Evaluations and Compensation

Systematic MBO (Management by Objective) has been implemented by organizing and operating the evaluation process including setting goals at the beginning of each year, mid-year audits and year-end evaluations. Through this process, employees are fairly evaluated on what they have achieved throughout the year. From the goal-setting stage, we provide a detailed guide for each performance area to strengthen the connection between personal goals and company policies. Along with concrete feedback from evaluators, there is a system in place enabling employees who wish to dispute their results to do so.

Retired Pension System

Since 2009, we have provided a retirement pension system contributing to reducing the financial burdens of our retirees. As of December 31, 2019, the value of DB (Defined Benefit) liabilities was KRW 190.5 billion, while expenditures for the DC (Defined Contribution) plan totaled KRW 2.4 billion on a consolidated basis.

Organizational Culture

Enhancing Communication

In an effort to improve organizational culture, we conducted Focus Group Interviews (FGIs) to ensure our employees at all business sites had the opportunity to share their opinions and subsequently prioritized issues and made efforts to resolve them with related departments. We also provided a workplace bullying prevention program for those in managerial positions so that they could take the lead in creating a healthy organizational culture. In addition, we hold regular 'Townhall Meetings' to provide a communication channel between CEOs and employees. These give CEOs an opportunity to explain management philosophy and business direction and allow employees to share their opinions directly to executives. Likewise, we are developing and implementing plans to improve various other aspects of our corporate culture.

Employee Assistance Program

We have adopted the Employee Assistance Program to create a healthy workplace environment for our employees. Through the program, we support our employees to consult with external experts on stress and grievance at work or in their daily lives to help resolve issues they may be facing.

Positive Work Environment

We comply with the Labor Standards Act which was revised to a 52-hour workweek and further apply a flexible working hour system by role, tailored to employees to ensure their greater work-life balance and to efficiently complete their tasks.

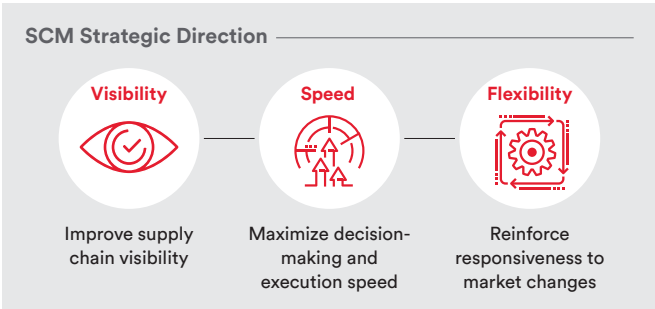
Cooperative Labor-Management Culture

We regularly organize labor-management councils to share our business performance and to discuss major agenda items such as employee welfare and the work environment improvement. Any important management-related changes are promptly communicated to employees, according to labor-management council rules. We also hold regular "Labor-Management Workshops" to encourage harmony, and build mutual understanding and trust.

Supply Chain Management

Mutual Growth with Suppliers

Our SCM (supply chain management) strategy is based on ‘Visibility,’ ‘Speed’ and ‘Flexibility,’ and through it, we seek to grow along with our suppliers. We are achieving mutual growth by ensuring fair practices and providing capacity support for them. In 2019, we did business with 918 suppliers amounting to total purchases of KRW 1.1601 trillion.



Supplier Network

We are constantly strengthening our partnerships on the basis of open communication with our suppliers. Every year, we hold mutual growth workshops where we share our practices and exploring ways to grow together with our suppliers in every aspect. We collect complaints through our e-procurement system as a means of addressing supplier grievances.

Mutual Growth Activities

We remain dedicated to building a stronger foundation for mutual growth by offering a range of programs such as management support, financial support and technological cooperation. We will continue to explore programs of shared growth in order to spread this culture of win-win cooperation.

2019 Mutual Growth Program

Area		Details
Technological cooperation	Support for HRD development and exchanges	- Conducted lecture on 'personnel management system in the 52-work week era and innovation of organizational culture' - Provided mobile training platform for job competency and language proficiency improvement – mobile learning platform - Supported job fairs
	Financial support	Supported commuting expenses for employees of suppliers
Management support	Support the domestic sales	- Participated in procurement consulting meetings - Generated sales revenue of SMS for new transactions through OCI's own projects
	Operation of transparent settlement system	Operated of mutual growth settlement system
	Support for welfare benefits	- Supported the use of in-house training centers - Provided support for various occasions (foundation day, May day)

Major Achievements of Business Partnership in 2019

MOU for ESS Demonstration Project

On September 9, we concluded an MOU with Hyundai Motor Group on the ‘energy storage system (ESS) demonstration and distributed generation for used EV batteries’ project. Based on the agreement, we will explore business models for ESS recycling used batteries from electric vehicles connecting PV generation and establish a comprehensive cooperative network to develop the distributed power market in North America.

MOU for Advancement into the Chemical Industry

We signed an MOU with POSCO Chemical for strategic cooperation and the establishment of a joint venture in the chemical industry. We are planning to engage in various joint projects, including the production of industrial hydrogen peroxide, to secure stable access to high quality resources and strengthen our competitiveness.

MOU for Health Promotion Projects

Our Pohang plant concluded an MOU with POSCO C&C on August 14th to carry out a health promotion project for workers in the workplace. With the signing of this MOU, we are striving to create healthy worksite environments by providing a range of health promotion programs for our employees that are tailored to each site.

Purchases from Suppliers in 2019

Suppliers in 2019	Total Purchases in 2019
918 suppliers	KRW 1.1601 trillion
Domestic: 88% Overseas: 12%	Domestic: 53% Overseas: 47%

Strengthening of Fair-Trade Practices

We are complying with the four key action items of Fair Trade Commission including implementing subcontractor transaction management, complying with fair trade policies to prevent unfair practices and fulfilling mutual growth with our suppliers. We provide regular training on the main points of subcontractor law, fairness in doing business with subcontractors and the consequences of violating related laws.

Integrated Management Process

We have established a fair and transparent supplier management process. We conduct a comprehensive risk analysis, periodic evaluations and inspections on new and existing suppliers alike. Through efforts like these, we constantly monitor items that require improvement to prevent related risks in advance and carry out management activities tailored to each supplier.

Integrated Supply Chain Management Process

STEP 01	Strengthen Supplier Visibility - Efficient decision-making - Faster implementation
STEP 02	Integrated Management of Suppliers - Process integration and standardization, e.g. selection, evaluation, management, etc. - Consistent monitoring and management
STEP 03	Strengthen Supplier Response Systems - Information-sharing on the changing market environment - Support for establishing risk response systems

Risk Assessment

We take a comprehensive approach to assessing supplier risks in consideration of various factors such as impact on raw material supply, reliability, performance, quality control and the costs of due diligence and analysis. Through these assessments, we are able to identify potentially risky suppliers and conduct on-site due diligence on their general business management.



On-site Inspections

We conduct regular on-site inspections on new and existing suppliers. The suppliers carry out a self-assessment on key indicators encompassing the entire areas of business management such as management, technology, quality, environment, safety and social concerns and we conduct on-site inspections based on the result of these self-assessments.

Key Indicators of On-site Inspections

Category	Item	Category	Item
Management	- Financial Stability - Product Profitability - Growth Potential	Environment & Safety	- Environment & Safety Organization - Safety Inspection & Training - Hazardous Material Control
Technology	- R&D Investment - Cost Saving - Employee Training	Human Resources	- Employment Stability - Expertise and Capacity Building - Compliance with Employment Laws
Quality	- Self-directed Quality Review - Establishment of Assessment Standards - Material and Process Assessment	Society	- Disclosure of major changes in management - Social Contribution - Awards and Recognitions

Improvement Activities

On the basis of our due diligence, we set out improvement plans and request responses from our suppliers for items with a high probability of occurrence. In particular, we strongly request responses to risks related to worker safety. In addition, we support our suppliers by providing consulting services according to their particular areas requiring help and in turn request progress reports to verify that subsequent improvement plans are in fact carried out. To suppliers who have been insufficient to meet common standards of social responsibility, we present recommendations and supplementary opinions to expand our risk management measures on our suppliers.

Environment, Safety and Health Management

We provide on-going training to reduce the rate of industrial accidents. We will continue to strive for accident-free workplaces by establishing safe work environments.



Value Creation for Local Communities

Strategic Social Contribution

Based on our company-wide management strategy for sustainable development, we are providing various social contribution programs to improve the quality of life of local residents and putting the value of sharing into practice.

Social Contributions in 2019

(Unit: KRW million)

Donations	2017		2018		2019	
	Cash	In-kind	Cash	In-kind	Cash	In-kind
	1,136	341	414	56	394	163

Volunteer Hours	2017	2018	2019
	3,930 hours	3,684 hours	2,620 hours
			

Number of Volunteers	2017	2018	2019
	847 persons	1,070 persons	782 persons
			

Social Contributions for the 60th Anniversary of OCI Foundation

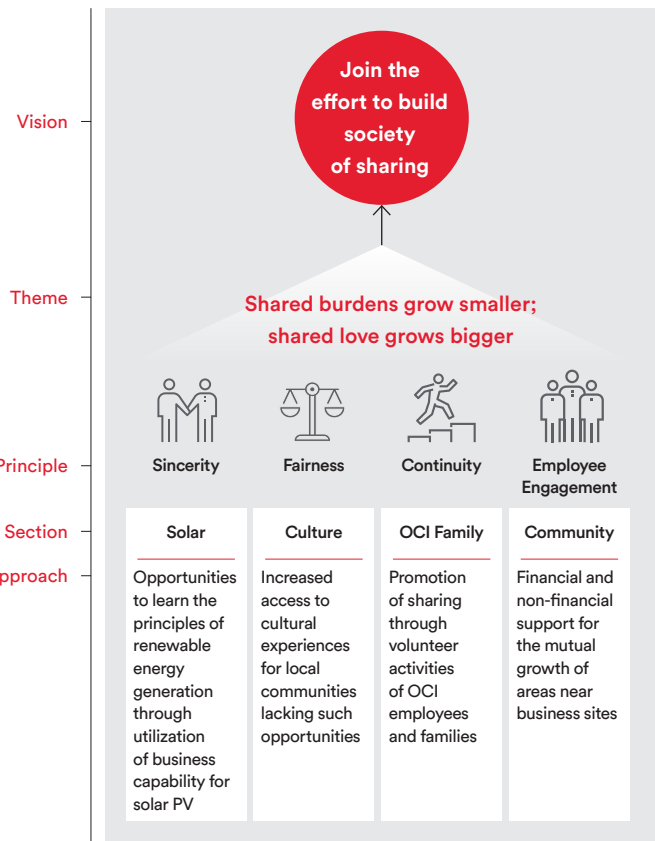
In 2019, which marked 60 years since OCI was founded, we carried out a wide array of volunteer activities under the slogan of ‘Making a Brighter World Through the Light of Love’ and with the participation of all employees. With this campaign, we embraced our motivation to spread joy and took a step toward becoming a sustainable company, reflecting notion of ‘sharing’ through employee volunteering. Under the annual theme of ‘accompanying the disabled,’ we prepared various volunteer activities to help our employees contribute to society. These included ‘Marathon for the visually impaired,’ ‘Bread sharing,’ ‘Warm winter project,’ and ‘Eoullim concert,’ where those with and without disabilities could enjoy themselves together.

Major Activities

Sharing/donations	Volunteer activities
 • Donations of charcoal briquettes & heating oil • Donations of fire safety devices for housing • Help with heating bills for low income groups • Support for lunch for elementary students • Scholarships for students in Gunsan • Donations of PV systems	 • Distributing free food • Improving residential environments for seniors living alone • Sharing rice with neighbors • Hosting a kimchi making event for neighbors • Partnering with visually impaired people at marathon events • Planting trees • Painting walls

2019 Hosting Community Art Exhibition for New Artists

We hosted ‘2019 Byeol-Byeol Dong-Heng Exhibition’, which is an art exhibition for promising new artists, to support the development of contemporary arts in Korea. This exhibition has been held biennially since 2010 with the aim of providing extensive opportunities for local residents to enjoy culture and for up-and-coming artists to introduce their works, contributing to the development of culture and the arts. This year event marked the exhibition’s 5th event. It was held over two months, first at the Gunsan Art Center, then moving to the Gwangyang Culture & Art Center and finally the Pohang Culture and Art Center. We exhibited 35 works of art by carefully chosen 18 young artists, supported by OCI Museum, including paintings, installations, and media art projects.



CSR Activities Tailored to OCI Business

We have selected corporate shared value as our top priority and made efforts to create social value tailored to our business. To this end, we launched the Solar School Project and established SWDs (Standard Workplaces for The Disabled) to provide stable jobs to marginalized members of local communities, thus contributing to social value creation.

Solar School Project

The aim of the Solar School Project is to donate 5 kW solar PV facilities to 300 elementary schools across the country as a part of CSR (Corporate Social Responsibility). Between 2011 and 2018, we installed solar PV facilities at 269 schools. In 2019, we installed additional facilities in ten elementary schools in Seogwipo, Jeju. The Solar School Project has helped elementary school students recognize the importance of green energy and understand the principles of solar PV through experience-based learning. The schools can save on their electric bills and contribute to reducing CO₂ emissions by an equivalent amount to that produced by 400 cars per year as using the electricity generated through the solar PV facilities.

2019 Installation of Solar PV Facilities in Jeju

No.	School Name	No.	School Name
1	Dosun Elementary School	6	Gama Elementary School
2	Hawon Elementary School	7	Tosan Elementary School
3	Beophwan Elementary School	8	Pungcheon Elementary School
4	Bomok Elementary School	9	Changcheon Elementary School
5	Seoho Elementary School	10	Wimi Elementary School



OCI Dream, Standard Workplace for the Disabled (SWD)

In August 2019, we established OCI Dream, an SWD. At OCI Dream, we hire people with severe/mild disabilities to work in four areas, our restaurant business, business support, corporate building management, and cultural projects. We provide them with stable jobs and economic independence, thereby creating social value. All employees of OCI dream are made of mild or severe disabled and non-disabled, and they work together. In addition, we have offered cultural programs for social contributions along with ‘Dream Ensemble,’ a music group composed of OCI Dream employees with disabilities. Dream Ensemble showed off their talents in a small concert held on December 10th, 2019.

SWD Business Operations Strategy

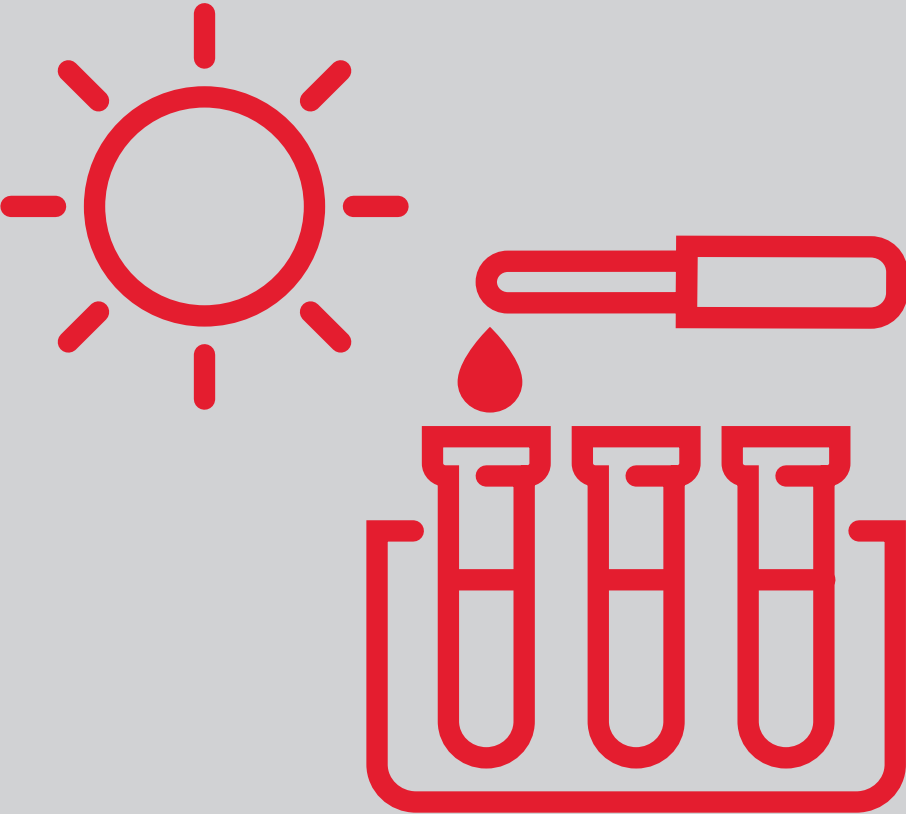
Type	Operation Strategy
Business support	Provision of business support for parent company
Building management	Management of building rentals and outsourcing of commercial cleaning services
Restaurant business	Operation of a restaurant franchise - Simple meals with the minimal cooking - Sales increase via delivery service
Culture project	Professional musical band composed of people with developmental disabilities - Joint social contribution activities with OCI - In-house concert/ external cultural event & activities



2020 FOCUS

48	Transforming Value
50	Bringing More Value to Solar Power
52	Bringing More Value to Industry
54	Bringing More Value to Life

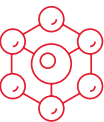
We are committed to generating sustainable growth through strategic planning, continuous investment, and active R&D. These efforts will strengthen our core businesses such as energy solutions, carbon black production, and biopharmaceuticals, laying the foundation for profitability in the years ahead.



Transforming Value

As we enter our seventh decade in business in 2020, we are well into a major multi-year restructuring of our operations and business portfolio focused on laying the groundwork for our return to sustainable profitability.

At its core, this ongoing process is about transforming the way we create value across all facets of our operations. As we innovate our business processes, take a larger role in value chains, foster synergistic partnerships, and optimize manufacturing resources in existing businesses, we are also strategically leveraging our core capabilities in entirely new ones as we work to create and unlock new value for our customers, partners, and shareholders in the coming decade.



Bringing More Value to Solar Power



Bringing More Value to Industry



Bringing More Value to Life



Bringing more value to solar power

In little over a decade, we have strategically expanded our presence and partnerships across the global solar PV value chain. Starting out with shipments of solar-grade polysilicon in 2008, we reached the industry's top ranks with a capacity of 79,000 metric tons in 2019. We entered the solar development field in 2011 with the establishment of OCI Solar Power in the United States, going on to complete projects totaling 710 MWdc worldwide to date. Although the major restructuring of our polysilicon business launched in 2020 significantly reduces our solar-grade capacity going forward, we are more focused than ever on making solar power more reliable, efficient, and competitive for the world as we enter the new decade.



710 MWdc

Solar PV capacity installed

Over the past decade, we have become a world-class solar PV developer in both the utility-scale and distributed generation fields with projects completed in the United States, China, and Korea.



OCIM Sdn. Bhd.

Samalaju, Sarawak, Malaysia

Since establishing subsidiary OCIMSB in 2017 following the acquisition of an existing polysilicon plant in the state of Sarawak, Malaysia, we have steadily ramped up production over the past two years to reach the full nameplate production capacity of 27,000 metric tons. These improved economies of scale combined with significant reductions in both fixed and variable costs enabled us to reduce manufacturing costs by 33% in 2019 alone.

With our Gunsan plant in Korea focused exclusively on the production of electronic-grade polysilicon as of May 2020, OCIMSB is now tasked with taking the competitiveness of our solar-grade polysilicon business to a new level. We aim to reduce costs by an additional 16% in 2020 with a focus on variable costs and production optimization to meet the volume and quality needs of our global customer base.



Mission Solar Energy

San Antonio, Texas, USA

Subsidiary Mission Solar Energy began producing solar PV modules at a 200 MW plant in 2014 for the 573 MWdc Alamo project we executed between 2012 and 2017 for CPS Energy, the municipal utility for the city of San Antonio. In the years since, Mission Solar Energy has established itself as a highly-regarded supplier in the US market with modules that deliver state-of-the-art performance and reliability.

After a temporarily downsizing following the completion of the Alamo project in 2017, Mission Solar Energy has returning to full operations and profitability by delivering superior products and service. Together with San Antonio-based solar developer OCI Solar Power, Mission Solar Energy continues to play a key role in delivering fully integrated solutions for distributed generation projects in the North American market.



OCI Power

Seoul, Korea

Founded in 2012, subsidiary OCI Power and its US-based counterpart OCI Solar Power have established us as a world-class solar PV project developer with 710 MWdc in projects completed in the United States, China, and Korea to date.

In 2019, OCI Power added central inverter and power conditioning systems as well as the related technical and manufacturing capabilities to our solar business portfolio with the acquisition of the Korea operations of German-based Kaco New Energy. The acquisition also significantly upgraded our energy storage system (ESS) development capabilities, enhancing our ability to deliver top-quality, one-stop solar power solutions to customers worldwide.



Solar Partnerships

Worldwide

Partnerships across the solar PV value chain have been key to our growth as a global solar project developer over the years. Today we continue to forge strategic partnerships to enhance the quality and reliability of solar power for our customers. Toward this end, we are partnering with Hyundai Motor Group to conduct two pilot projects in 2020 to evaluate the performance and feasibility of ESS systems built with recycled electric vehicle batteries at two solar plant sites we operate in the United States and Korea.

Bringing more value to industry

Since our inception back in 1959, we have consistently strived to achieve the highest degree of operational synergy across our businesses. Today we are taking this strategy to the next level as we pursue strategic long-term partnerships with key upstream feedstock and raw material providers to secure competitiveness at the most fundamental level possible.



50,000 mt

Carbon black production capacity increase

In 2019, we increased our global carbon black sales capacity by 50,000 metric tons with the completion of a plant expansion project at joint-venture carbon black producer Hyundai OCI.



Joint venture with Posco Chemical Gwangyang, Korea

In February 2020, we signed an agreement to establish this 49:51 joint venture with Korean coal chemical and carbon material producer Posco Chemical to produce high-purity hydrogen peroxide to meet growing demand from Korea's electronic and medical industries. By 2022, we expect to begin commercial production at a new 50,000 metric ton plant utilizing by-products from Posco's Gwangyang steelworks.

The venture is the first collaboration to come out of a memorandum of understanding signed in April 2019 aimed at exploring strategic business opportunities in a number of areas that utilize the coal chemical by-products of the steelmaking process. In addition to the production of high-purity hydrogen peroxide for electronic manufacturing and medical sterilization applications covered in this venture, we continue to evaluate additional collaborations in other fields.



Hyundai OCI Daesan, Korea

This 49:51 joint venture with Korean oil refiner Hyundai Oilbank launched commercial production of carbon black in 2018. In addition to boosting our global sales capacity by 43% from 350,000 to 500,000 metric tons, the venture has played a key role in diversifying our regional production network.

Hyundai OCI's launch came at a time when the US-China trade war was escalating, hampering the ramp-up of our 80,000 metric ton Shandong OCI-Jiayang Carbon Black joint venture in China. In the year since, China's economic environment and trade relations have continued to deteriorate, further increasing the importance of our production network in Korea.

Bringing more value to life

Throughout our 60-year history, we have taken great pride in delivering the high-quality chemical and petrochemical products essential to manufacturers and industries around the globe. Today our expanded focus on the field of biopharmaceuticals and a meaningful urban development project are laying a new foundation for growth as they bring us closer to consumers in ways that will improve quality of life for all.



USD **17.5** mn

Biopharmaceuticals investment

In 2019, we made four major biotechnology investments as we laid the groundwork to accelerate development of a number of promising oncology drug pipelines.



Biopharmaceuticals
Worldwide

In July 2018, we launched our most ambitious business endeavor to date with our entrance into the field of biopharmaceuticals. Building on our world-class background in nanotechnology, global network, and extensive expertise in investments, we are now scouring the globe for promising new oncology drug pipelines with the potential to improve treatments and outcomes for some of the most common forms of cancer.

In 2019, we moved forward with our first round of investment in biotechnology companies, buying into three companies and one fund. We invested KRW 5 billion in Korea-based SN BioScience, developer of a nanoparticle drug delivery technology targeting pancreatic cancer. We invested KRW 3 billion in the Synergy Bio Healthcare Venture Fund to gain early access to new drug technologies. We invested USD 4 million in Israel-based Nucleix, developer of new cancer diagnostics targeting bladder and lung cancer. Finally, we invested USD 7 million in US-based Adicet Bio, developer of a chimeric antigen receptor-engineered T cell (CAR-T) immune cell therapy.

Looking ahead, we will continue to pursue an acquisition and development business model, partnering with the companies we invest in to accelerate development of breakthrough treatments. The above initial investments in biotechs with market-disruptive technologies are a solid first step toward building the global network and reputation essential to long-term success in the biopharmaceutical industry.



Urban Development Project
Incheon, Korea

Between 1965 and 1968, we reclaimed 2.64 million square meters of land in Incheon to build a 65,000 metric ton plant for our fledgling soda ash business. We operated that plant from 1968 until we shut down our domestic soda ash operations in 2004 and rubber chemicals operations in 2006.

Following final plant closure in 2006, we moved forward with site cleanup and remediation in anticipation of bringing new residential and commercial space to this growing urban region. We set up subsidiary DCRE in May 2008 to acquire and oversee redevelopment of the former plant site in Incheon's Yonghyeon-Hagik district. Unfortunately, the project ran into tax litigation and approval issues after the spin-off, delaying progress for a decade.

In October 2017, we received final project approval, paving the way for us to select the HDC Hyundai Development Company consortium to undertake the KRW 2.8 trillion project in October 2019. We expect to break ground in 2020 for this project that will include the construction of approximately 13,000 residential units as well as commercial, retail, and cultural facilities through 2025.

This project is particularly meaningful to us in that it is an opportunity to contribute affordable, high-quality middle-class housing to the city that welcomed and supported us during the formative years of our history. At the same time, the project will also provide essential capital that will enable us to make the investments in both existing and new businesses that are key to future growth.

APPENDIX

58	Consolidated Statements of Financial Position
59	Consolidated Statements of Income Consolidated Statements of Comprehensive Income
60	Consolidated Statements of Shareholders' Equity
61	Consolidated Statements of Cash Flows
62	Independent Auditor's Report
64	Sustainability Performance Data
68	Taxation Management
69	GRI Standards Index
72	Third Party Assurance Statement
74	Global Network
76	Product List
78	Key Memberships



Consolidated Statements of Financial Position

As of December 31, 2019 and 2018

(Unit: Korean won in thousands)

OCI Company Ltd. And Subsidiaries

Description	December 31, 2019		December 31, 2018	
Assets				
I. Current assets		2,160,672,177		2,018,703,322
Cash and cash equivalents	487,552,585		744,271,382	
Short-term financial assets	247,413,125		222,415,399	
Trade and other accounts receivable	409,759,028		434,239,609	
Derivative assets	1,222,920		88,873	
Inventories	906,322,522		544,617,696	
Current tax assets	4,919,775		2,985,762	
Other current assets	103,482,222		70,084,601	
II. Non-current assets		2,650,539,535		3,640,887,124
Long-term financial assets	57,674,566		53,965,257	
Long-term trade and other accounts receivable	26,442,836		22,072,200	
Deferred tax assets	339,803,608		114,847,158	
Investments in joint ventures and associates	68,931,631		69,666,526	
Investment property	65,082,207		73,666,795	
Tangible assets	2,041,856,747		3,257,068,413	
Intangible assets	46,120,870		41,795,245	
Other non-current assets	4,627,070		7,805,530	
Total assets		4,811,211,712		5,659,590,446
Liabilities				
I. Current liabilities		845,845,775		1,092,898,742
Short-term financial liabilities	415,973,163		705,771,074	
Trade and other accounts payable	343,605,076		357,448,294	
Derivative liabilities	411,308		-	
Current tax liabilities	15,675,638		12,168,321	
Provisions	26,268,083		2,473,295	
Other current liabilities	43,912,507		15,037,758	
II. Non-current liabilities		1,279,642,465		1,074,126,739
Long-term financial liabilities	1,166,034,191		802,993,019	
Long-term trade and other accounts payable	28,972,866		26,877,230	
Non-current provisions	11,525,039		9,181,137	
Retirement benefit obligation	19,253,295		23,754,686	
Deferred tax liabilities	556,787		3,713,013	
Other non-current liabilities	53,300,287		207,607,654	
Total liabilities		2,125,488,240		2,167,025,481
Shareholders' equity				
I. Shareholders' equity		2,635,705,839		3,429,443,940
Capital	127,246,855		127,246,855	
Share premium	734,532,524		734,532,524	
Other capital surplus	50,909,572		51,023,382	
Other components of capital	18,930,929		(12,116,579)	
Retained earnings	1,704,085,959		2,528,757,758	
II. Non-controlling interests		50,017,633		63,121,025
Total shareholders' equity		2,685,723,472		3,492,564,965
Total liabilities and shareholders' equity		4,811,211,712		5,659,590,446

Consolidated Statements of Income

For the years ended December 31, 2019 and 2018

(Unit: Korean won in thousands)

OCI Company Ltd. And Subsidiaries

Description	December 31, 2019		December 31, 2018	
I. Sales		2,605,142,204		3,112,143,978
II. Cost of sales		2,565,109,883		2,746,371,833
III. Gross profit		40,032,321		365,772,145
IV. Selling and administrative expenses		220,637,329		207,102,066
V. Operating income (loss)		(180,605,008)		158,670,079
1. Financial income	68,661,109		83,026,411	
2. Financial expense	120,159,651		133,458,149	
3. Share of profits of joint ventures and associates	(2,202,143)		4,199,073	
4. Other non-operating income	18,266,861		53,168,581	
5. Other non-operating expense	796,194,096		35,132,117	
VI. Profit (loss) before tax from continuing operations		(1,012,232,928)		130,473,878
VII. Income tax expense from continuing operations (gains)		(206,101,602)		25,607,425
VIII. Profit (loss) from continuing operations		(806,131,326)		104,866,453
IX. Profit (loss) from discontinued operations		(1,255,151)		(1,047,639)
X. Profit (loss)		(807,386,477)		103,818,814
XI. Profit (loss), attributable to				
1. Owners of the Company		(794,376,479)		103,786,692
2. Non-controlling interests		(13,009,998)		32,122
XII. Net income per share (in Korean won)				
Basic and diluted income (loss) per share from continuing operations and discontinued operation		(33,308)		4,352
Basic and diluted income (loss) per share from continuing operations		(33,267)		4,386

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(Unit: Korean won in thousands)

OCI Company Ltd. And Subsidiaries

Description	December 31, 2019		December 31, 2018	
I. Net income (loss)		(807,386,477)		103,818,814
II. Other comprehensive		20,749,807		19,590,696
(1) Items that will not be reclassified subsequently to income	(9,628,521)		(5,946,518)	
1. Remeasurement factor on defined benefit plans	(9,628,521)		(5,946,518)	
(2) Items that may be reclassified subsequently to income	30,378,328		25,537,214	
1. Share of other comprehensive income of joint ventures and associates	(274,257)		283,613	
2. Gain on overseas operations translation	30,652,585		25,253,601	
III. Comprehensive income		(786,636,670)		123,409,510
IV. Comprehensive income attributable to:				
1. Owners of parent		(773,568,248)		123,645,266
2. Non-controlling interests		(13,068,422)		(235,756)

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2019 and 2018

(Unit: Korean won in thousands)

OCI Company Ltd. And Subsidiaries

Description	Shareholders' equity						Non-controlling interests	Total shareholders' equity
	Capital	Other contributed capital	Other components of capital	Retained earnings	Equity directly associated with assets held for sale	Total		
January 1, 2018	127,246,855	734,532,524	51,054,037	(37,876,067)	2,477,378,253	3,352,335,602	63,356,877	3,415,692,479
Effect of changes in accounting policy	-	-	-	(79,364)	79,364	-	-	-
Dividends	-	-	-	-	(46,506,273)	(46,506,273)	(96)	(46,506,369)
Net income (loss)	-	-	-	-	103,786,692	103,786,692	32,122	103,818,814
Paid-in capital increase of subsidiaries	-	-	(30,655)	-	-	(30,655)	-	(30,655)
Share of other comprehensive income of joint ventures and associates	-	-	-	301,912	(18,299)	283,613	-	283,613
Gain on overseas operations translation	-	-	-	25,536,940	-	25,536,940	(283,339)	25,253,601
Remeasurement factor on defined benefit plan	-	-	-	-	(5,961,979)	(5,961,979)	15,461	(5,946,518)
December 31, 2018	127,246,855	734,532,524	51,023,382	(12,116,579)	2,528,757,758	3,429,443,940	63,121,025	3,492,564,965
January 1, 2019	127,246,855	734,532,524	51,023,382	(12,116,579)	2,528,757,758	3,429,443,940	63,121,025	3,492,564,965
Dividends	-	-	-	-	(20,271,965)	(20,271,965)	(34,970)	(20,306,935)
Net income (loss)	-	-	-	-	(794,376,479)	(794,376,479)	(13,009,998)	(807,386,477)
Paid-in capital increase of subsidiaries	-	-	(57,175)	-	-	(57,175)	-	(57,175)
Business under common control	-	-	(56,635)	566,697	(350,775)	159,287	-	159,287
Share of other comprehensive income of joint ventures and associates	-	-	-	(274,257)	-	(274,257)	-	(274,257)
Gain on overseas operations translation	-	-	-	30,755,068	-	30,755,068	(102,483)	30,652,585
Remeasurement factor on defined benefit plan	-	-	-	-	(9,672,580)	(9,672,580)	44,059	(9,628,521)
December 31, 2019	127,246,855	734,532,524	50,909,572	18,930,929	1,704,085,959	2,635,705,839	50,017,633	2,685,723,472

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Unit: Korean won in thousands)

OCI Company Ltd. And Subsidiaries

Description	December 31, 2019		December 31, 2018	
I. Cash flows from operating activities		(39,870,245)		676,513,158
1. Cash generated from operating activities	10,147,738		393,671,229	
2. Interest received	17,818,922		23,969,619	
3. Interest paid	(55,851,218)		(69,319,578)	
4. Dividends received	498,760		511,706	
5. Income taxes refund (paid)	(12,484,447)		327,680,182	
II. Cash flows from (used in) investing activities		(271,529,111)		(398,877,413)
1. Decrease in short-term financial instruments	238,938,071		459,826,278	
2. Increase in short-term financial instruments	(264,758,346)		(555,037,010)	
3. Decrease in short-term loans	74,925		1,072,378	
4. Decrease in financial assets measured at amortized cost	827,325		125,055	
5. Increase in financial assets measured at amortized cost	(5,535)		(85,220)	
6. Increase in financial assets measured at FVTPL	(901,887)		(42,642,970)	
7. Decrease in long-term financial instruments	1,000		-	
8. Increase in long-term financial instruments	(12,035,383)		(5,002,860)	
9. Decrease in long-term loans	20,500		20,376	
10. Increase in long-term loans	(45,000)		(60,000)	
11. Proceeds from sales of investment property	6,439,000		-	
12. Purchase of investment property	(19,000)		-	
13. Proceeds from sales of property, plant and equipment	1,787,310		2,143,510	
14. Purchase of property, plant and equipment	(230,634,889)		(276,651,656)	
15. Proceeds from sales of intangible assets	1,048,909		329,805	
16. Purchase of intangible assets	(6,182,680)		(4,964,893)	
17. Acquisition of joint ventures	(620,000)		(250,000)	
18. Acquisition of investment in associates	(4,999,956)		-	
19. Proceeds from investment in associates	4,045,448		-	
20. Adjustments for decrease in other non-current financial assets	2,242,500		48,015	
21. Proceeds from assets held for sale	-		22,251,779	
22. Cash outflows arising from business combinations	(6,751,423)		-	
III. Cash flows from financing activities		42,657,062		(460,156,390)
1. Proceeds from short term borrowings	550,046,275		510,277,226	
2. Decrease in short term borrowings	(598,919,008)		(514,562,723)	
3. Decrease in current portions of long-term financial liabilities	(479,665,592)		(520,909,814)	
4. Proceeds from long term borrowings	447,407,353		11,725,580	
5. Issuance of debenture	149,436,860		99,706,500	
6. Repayments of lease liabilities	(5,570,185)		-	
7. Increase in government subsidies	314,410		84,600	
8. Payment of dividends	(20,304,346)		(46,501,275)	
9. Cash receipts (outflows) from other financing activities	(88,705)		23,516	
IV. Changes in cash and cash equivalents due to foreign currency translation		12,023,497		12,819,152
V. Increase (decrease) in cash and cash equivalents (I+II+III+IV)		(256,718,797)		(169,701,493)
VI. Cash and cash equivalents at beginning of period		744,271,382		913,972,875
VII. Cash and cash equivalents at end of period		487,552,585		744,271,382

Independent Auditor’s Report

To the Shareholders and the Board of Directors of OCI Company Ltd.:

Report on the Audited Consolidated Financial Statements

Our Opinion

We have audited the accompanying consolidated financial statements of OCI Company Ltd. and subsidiaries (the “Company”), which comprise the consolidated statements of financial position as of December 31, 2019, and 2018, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and 2018, and its financial performance and its cash flows for the years then ended in accordance with Korean International Financial Reporting Standards (“K-IFRSs”).

Basis for Audit Opinion

We conducted our audits in accordance with the Korean Standards on Auditing (“KSAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audits of the consolidated financial statements in the Republic of Korea as required by prevailing audit regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment testing on property, plant and equipment for the polysilicon production

1.1. Disclosures associated with the Key Audit Matters

With respect to impairment on construction in progress, the relevant matters are disclosed in the Notes 2 (‘SIGNIFICANT ACCOUNTING POLICIES’), 3 (‘CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY’) and 10 (‘PROPERTY, PLANT AND EQUIPMENT’), the suspension of production of polysilicon at the Company’s Gunsan plant is disclosed in the Note 36 (‘SUBSEQUENT EVENTS’) to the consolidated financial statements.

1.2. The principal considerations that led us to determine that the matter is a Key Audit Matter.

As disclosed in the Note 10 to financial statements, at December 31, 2019 the property, plant and equipment for production of polysilicon and the construction in progress at the Company’s Gunsan plant totaled ₩ 822,974 million (land ₩ 33,072 million, machinery and equipment ₩ 487,152 million and buildings and structures ₩ 302,750,612 million) and ₩ 307,711 million (machinery and equipment ₩ 283,873 million, buildings and structures ₩ 23,838 million), respectively, which are material to the Company’s total assets as of December 31, 2019. As the construction continue to be halted and the business environment has been deteriorated, indications of impairment of such assets are deemed to exist. The recoverable amount is measured based on a cost approach, using the third-party assessment institution, and an income approach is considered for the additional verification. Measurement of such recoverable amounts of property, plant and equipment for production of polysilicon is dependent on the management’s estimates and judgements to determine valuation methodology and model, data references and impairment rates, etc. Considering its significant influence on the Company’s assets, we determined impairment testing on property, plant and equipment for the polysilicon production as a Key Audit Matter.

1.3. How the Key Audit Matter was addressed in the Audit

Our major audit procedures related to the impairment testing of property, plant and equipment for the production of polysilicon include the following, among others:

- Identification of indication of impairment in accordance with K-IFRSs.
- Performing test on the effectiveness of the Company’s controls over the impairment of property, plant and equipment.
- Verification on the accuracy and completeness of the identified property, plant and equipment for production of polysilicon.
- Recalculation of the impairment loss for accuracy.
- Observation of physical inspection to examine existence and physical condition of the assets.
- Assessment of the appropriateness of the valuation model used for estimating the recoverable amount.
- Identification of key assumptions used for estimating the recoverable amounts.
- Verification of whether there is any change in the methodology or assumptions used in the prior year or assessment of whether it is necessary to change the methodology or assumptions used in the prior year.
- Verification of whether the assumptions and data used for the impairment testing of property, plant and equipment are consistent with those used for estimation of the Company’s other financial information.
- Verification of the appropriateness of the data used for the impairment testing of property, plant and equipment by inspecting the supporting documents.
- Performing sensitivity analysis on the data used for the impairment testing of property, plant and equipment.
- Assessment of reasonableness of future business plan by inquiring of the Company’s person in charge of that business.

- Assessment of whether the specific activities that Company’s management intends to perform in the future are consistent with management’s intentions and abilities.
- Assessment of the appropriateness of the management’s estimates and judgements to measure fair value by using the auditor’s expert, an appraisal and assessment institution.
- Assessment of the qualification and independence of the auditor’s and the management’s experts used for the impairment testing.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the accompanying consolidated financial statements in accordance with K-IFRSs, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management of the Company is responsible for assessing the Company’s ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going-concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrep resentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management’s use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine that matters that was of most significance in the audits of the consolidated financial statements of the current year and are therefore the key audit matters. We describe that matters in our auditors’ report, unless law or regulation precludes public disclosure about the matter.

The engagement partner on the audit resulting in this independent auditors’ report is Park, Sung Ho.

Deloitte 안진 UC

Sustainability Performance Data

Environmental Investments

Business Site	Unit	2017	2018	2019
Gunsan	KRW million	2,965	4,117	4,223
Pohang	KRW million	2,532	2,735	6,333
Gwangyang	KRW million	143	1,981	14,109
Iksan	KRW million	240	1,130	470
Iksan VIP	KRW million	10	396	644
R&D Center	KRW million	47	66	77
Total	KRW million	5,928	10,425	25,826

Raw Material Use

Business Site	Type	Unit	2017	2018	2019
Gunsan	Naphtha, DNT, industrial salt	MT	283,400	286,287	276,443
Pohang	Coal tar, FCC, Naphthalene	MT	567,266	561,560	525,494
Gwangyang	Coal tar, Light oil, FCC	MT	563,771	548,960	531,977
Iksan	Naphtha	MT	14,773	13,684	12,654
Iksan VIP	FS, Fiber, Opacifier	MT	445	414	950
Total		MT	1,429,655	1,410,904	1,347,518

Water Use

Business Site	Source	Unit	2017	2018	2019
Gunsan	Industrial water	MT	9,052,014	9,095,480	8,181,361
Pohang	Industrial water	MT	2,106,639	2,232,719	2,219,562
Gwangyang	Sueocheon Dam	MT	1,183,737	1,154,066	1,048,706
Iksan	Industrial water	MT	672,329	620,914	620,249
Iksan VIP	Industrial water	MT	1,955	1,423	1,307
R&D Center	Industrial water	MT	13,800	13,800	13,800
Total	-	MT	13,030,474	13,118,402	12,084,985

Water Recycled and Reused

Business Site	Unit	2017	2018	2019
Total water used	MT	13,030,474	13,118,402	12,084,985
Gunsan	MT	237,373	303,606	318,285
Pohang	MT	234,696	228,769	237,913
Gwangyang	MT	78,786	88,171	99,662
Iksan	MT	62,416	59,009	76,484
Total	MT	689,221	733,956	732,344
Recycling rate	%	5.3	5.6	6.1

Recycling Packaging Materials

Business Site	Type	Unit	2017	2018	2019
Gunsan	Drum	%	6.4	5.5	9.5
	PVC Bag	%	0	0	0
Pohang	Baffle Bag	%	0	0	0
Gwangyang	PVC Bag(C/B)	%	100.0	100.0	100.0
	Bulk Bag	%	2.9	-	-
Iksan	Can	%	15.3	12.3	14.0
	FS ton bag	%	19.5	12.5	8.7
Iksan VIP	Pallet	%	4.7	2.3	1.7
	Box	%	0	0	0

Water Discharge

Business Site	Unit	2017	2018	2019
Gunsan	MT	36,487	31,762	32,973
Pohang	MT	4,960	5,506	5,113
Gwangyang	MT	1,154	2,017	1,216
Iksan	MT	965	748	748
Iksan VIP	MT	16	14	2,012
R&D Center	MT	36	112	34
Total	MT	43,618	40,159	42,096

Waste Recycling Rate

Business Site	Unit	2017	2018	2019
Gunsan	%	42.3	66.7	52.1
Pohang	%	24.5	19.0	38.4
Gwangyang	%	11.6	42.7	27.8
Iksan	%	51.1	81.1	80.3

Wastewater Discharge

Business Site	Unit	2017	2018	2019
Gunsan	m³	1,676,930	1,796,580	1,601,578
Pohang	m³	327,262	412,117	426,555
Gwangyang	m³	277,976	245,526	232,543
Iksan	m³	147,919	162,945	128,812
R&D Center	m³	4,200	3,900	4,800
Total wastewater discharged	m³	2,434,287	2,621,068	2,394,288

*Physical/Chemical/Biological treatments are applied to each business site.

Concentration of Discharged Water Pollutants

Type	Business Site	Unit	2017	2018	2019
BOD	Gwangyang	mg/L	17.8	5.4	2.7
	Iksan	mg/L	76.5	42.7	24.8
	R&D Center	mg/L	1.0	2.4	0.8
	Gunsan(KT)	mg/L	234.3	277.4	211.3
COD	Gunsan(RE)	mg/L	13.7	20.3	22.9
	Pohang	mg/L	39.0	36.6	20
	Gwangyang	mg/L	47.5	33.4	14.5
	Iksan	mg/L	57.0	88.3	38.7
	R&D Center	mg/L	0.8	0.8	2.0
	Gunsan(KT)	mg/L	24.3	33.4	41.3
SS	Gunsan(RE)	mg/L	8.9	14.1	31.2
	Pohang	mg/L	31.4	39.1	35.5
	Gwangyang	mg/L	25.9	19.0	10.0
	Iksan	mg/L	12.6	30.1	16.3
	R&D Center	mg/L	0.4	0.5	0.3

*Based on legal records for each business site

**No violations of waste water emissions laws

Energy Used

Type		Unit	2017	2018	2019
Direct	Fuel	TJ	9,361	9,447	8,233
	Steam	TJ	3,711	3,447	3,422
Indirect	Electricity	TJ	29,083	27,446	26,021

Violation of Environmental Laws and Regulations, Penalty, Punishment

Type	Unit	2017	2018	2019
Penalty	KRW thousand	35,000	29,276	24,000
Disciplinary actions	Cases	0	0	0
Lawsuits	Cases	0	0	0

Concentration of Discharged Air Pollutants

Type	Business Site	Unit	2017	2018	2019
NOx	Gunsan(KT)	ppm	51	51	41
	Gunsan(BAS)	ppm	31	32	21
	Pohang	ppm	192	177	172
	Gwangyang	ppm	301	187	177
	R&D Center	ppm	41	44	49
SOx	Pohang	ppm	54	32	161
	Gwangyang	ppm	65	66	63
	Gunsan(KT)	mg/m³	1	6	9
Dust	Gunsan(BAS)	mg/m³	4	3	3
	Pohang	mg/m³	7	5	2
	Gwangyang	mg/m³	3	5	6
	Iksan	mg/m³	4	4	3
	Iksan(VIP)	mg/m³	9	9	3
	R&D Center	mg/m³	0	4	2

Greenhouse Gas Emissions

Business Site	Type	Unit	2017	2018	2019
Gunsan	Scope1	tCO ₂ eq	39,371	37,444	36,437
	Scope2	tCO ₂ eq	1,582,985	1,481,644	1,401,930
Gunsan2	Scope1	tCO ₂ eq	0	0	0
	Scope2	tCO ₂ eq	607	395	470
Pohang	Scope1	tCO ₂ eq	380,838	383,934	355,220
	Scope2	tCO ₂ eq	8,623	10,528	11,609
Gwangyang	Scope1	tCO ₂ eq	232,470	234,082	196,934
	Scope2	tCO ₂ eq	14,002	12,439	16,583
Iksan	Scope1	tCO ₂ eq	49,312	52,747	47,280
	Scope2	tCO ₂ eq	42,146	43,004	42,642
Iksan VIP	Scope1	tCO ₂ eq	51	46	62
	Scope2	tCO ₂ eq	1,521	1,521	2,041
Headquarter	Scope1	tCO ₂ eq	638	677	704
	Scope2	tCO ₂ eq	1,296	1,311	1,342
R&D Center	Scope1	tCO ₂ eq	492	520	391
	Scope2	tCO ₂ eq	1,414	1,452	1,927
Training Center	Scope1	tCO ₂ eq	66	62	59
	Scope2	tCO ₂ eq	88	85	84
Jeonju CG	Scope1	tCO ₂ eq	0	0	0
	Scope2	tCO ₂ eq	13	12	1
Jungbu plant	Scope1	tCO ₂ eq	0	51	104
	Scope2	tCO ₂ eq	0	174	454
Total	Scope1	tCO ₂ eq	703,237	709,560	637,191
	Scope2	tCO ₂ eq	1,652,694	1,552,565	1,479,083

*Calculated according to reporting and certification guidelines of the Emission Trading Scheme

**May have some discrepancy between greenhouse gas emissions from the results of government assessment

Senior Executives

(As of the end of 2019)

Type		Unit	2017	2018	2019
Age	Under 30	Person	-	-	-
	30~50 years	Person	16	17	12
	Over 50	Person	42	37	37
	Full-time (male)	Person	51	44	43
Full-time	Full-time (female)	Person	2	3	3
	Part-time (male)	Person	5	7	3
	Part-time (female)	Person	-	-	-
Registered	Registered (male)	Person	7	7	7
	Registered (female)	Person	-	2	2
	Unregistered(male)	Person	37	31	28
	Unregistered(female)	Person	1	2	2

Employees*

(As of the end of 2019)

Type		Unit	2017	2018	2019
Employment type	Full-time (male)	Person	2,196	2,051	2,038
	Full-time (female)	Person	120	112	110
	Part-time (male)	Person	26	29	25
	Part-time (female)	Person	6	5	8
Position	Team Manager	Person	89	94	97
	Manager	Person	300	293	290
	Associate	Person	202	160	158
	Researcher	Person	84	79	81
	Clerk	Person	70	74	76
	Technical worker	Person	1,603	1,497	1,479
Age	Under 30	Person	180	150	146
	30~50 years	Person	1,734	1,649	1,589
	Over 50	Person	434	398	446

*Discrepancy compared to figures in 2019 business report: 36 persons (business report does not include some employees dispatched overseas)

Overseas Dispatch

Type	Unit	2017	2018	2019
Number of employees	Person	111	88	72

Employing Socially Vulnerable Persons

Type	Unit	2017	2018	2019
Disabled	Person	28	25	29
Patriots and war veterans	Person	84	72	72

Attrition rate

Type	Unit	2017	2018	2019
Attrition rate	%	6.1	10.9	5.6

Employee Development

Type		Unit	2017	2018	2019
Male	Training hours per employee	Hour	15	17	18
Female	Training hours per employee	Hour	43	35	31

Sustainability Performance Data

Retirement Pension

Type		Unit	2017	2018	2019
Defined benefit(DB)	Present value of defined benefit obligation	KRW million	169,442	166,946	190,538
	Fair value of plan assets	KRW million	152,594	143,191	171,285
	Reserve ratio	%	90.1	85.8	89.9
Defined contribution (DC)	Post-employment benefit expense	KRW million	2,088	3,919	2,353

Childcare and Maternity Leave

Type		Unit	2017	2018	2019
Male	Employees who have taken childcare and parental leave	Person	119	75	7
	Rate of employees returning to work after the leave	%	100	99	86
	Rate of employees who have worked for more than a year after returning	%	98	92	86
Female	Employees who have taken childcare and parental leave	Person	14	23	17
	Rate of employees returning to work after the leave	%	94	93	94
	Rate of employees who have worked for more than a year after returning	%	88	91	94

Occupational Injuries

Type	Unit	2017	2018	2019
Injured employees	Person	7	3	2
Occupational injury rate	%	0.3	0.1	0.1
Frequent rate of injury	%	1.2	0.6	0.4

*Gender figures combined

**Occupational injuries of contractors are not included

Safety and Health Training Hours

Business Site	Unit	2017	2018	2019
Gunsan	Hour/person	40	40	40
Pohang	Hour/person	44	44	44
Gwangyang	Hour/person	40	40	40
Iksan	Hour/person	24	24	24
Iksan VIP	Hour/person	24	24	24
R&D Center	Hour/person	24	24	24

Support for Employee Medical Check-up

Business Site	Unit	2017	2018	2019
Gunsan	Person	1,269	1,233	1,121
Pohang	Person	278	273	277
Gwangyang	Person	235	229	231
Iksan	Person	88	92	102
Iksan VIP	Person	16	16	16
R&D Center	Person	116	106	105

Counseling of Those Who Received Warning Signs during Medical Checkup

Business Site	Unit	2017	2018	2019
Gunsan	Person	304	328	250
Pohang	Person	38	62	53
Gwangyang	Person	58	73	69
Iksan	Person	59	69	71
Iksan VIP	Person	1	1	3
R&D Center	Person	82	78	62

Performance Evaluation

Type	Unit	2017	2018	2019
Number of employees eligible for performance evaluation	Person	2,398	2,352	2,200
Number of employees who have received performance evaluation	Person	2,361	2,312	2,182
Ratio of employees who have received performance evaluation	%	98.5	98.3	99.2

Rate of Labor Union Membership

Type	Unit	2017	2018	2019
Labor Union Membership	%	99.7	99.7	99.7

Social Contribution in 2019

Type	Unit	2017	2018	2019
Total hours of social contribution	Time	3,930	3,684	2,620
Total number of participants	Persons	847	1,070	782

Social Contribution Status

For 2019, OCI's total social contribution was KRW 651 million. Of that, Charitable Donations, i.e. short-term and one-time contributions made at the request of local communities and charitable organizations, were worth KRW 394 million. Community Investments, which help raise both corporate reputation and long-term profitability, were KRW 226 million. Commercial Initiatives, which simultaneously promote our brand and contribute to the public interest, totaled KRW 31 million.

Information/Cyber Security Breaches and Violations

Item	Unit	2017	2018	2019
Information/cyber security incidents* and violations	Cases	14	1	1
Information security violations including customer data	Cases	0	0	0
No. of customers affected by OCI data breach	Persons	0	0	0
Total amount of penalties related to information/cyber incidents	KRW	0	0	0

*Security incidents: All related to ransomware attacks

**No violation of customer data protection related laws and regulations

Contribution to Associations by Year

Item	Unit	2016	2017	2018	2019
Associations and related organizations	KRW million	354	447	510	463

Contribution to Major Associations

Item	Unit	2016	2017	2018	2019
Korea Petrochemical Industry Association	KRW thousand	65,436	65,712	65,124	69,879
Korea Chlor Alkali Industry Association	KRW thousand	28,600	28,800	28,800	31,500
International Tar Association	KRW thousand	7,468	7,292	6,997	7,682
International Isocyanate Institute	KRW thousand	-	-	133,838	48,802
Korea Chemicals Management Association	KRW thousand	1,500	1,800	1,800	1,800

*No political contributions are made in accordance with Article 31 (Restrictions on Contributions) of the Political Funds Act (Restrictions on Contributions).

Management Stock Ownership

Position	Shareholder name	Unit	Share
CEO (chairman)	Woo Sug Baik	%	0.03
CEO (vice chairman)	Woo Hyun Lee	%	5.04

Major Shareholders

Item	Name	No. of stocks	Share
Shareholders with 5% or more	National Pension Service	2,070,812	8.68%
	Hwa Young Lee	1,295,198	5.43%
	Bok Young Lee	1,198,237	5.02%
	Woo Hyun Lee	1,202,459	5.04%
Employee stockholders association		799	0.00%

Type and Number of Issued Stocks

Type	No. of stocks	Voting Right
Common stock	23,849,371	O
Preferred stock	-	X

CEO-Employee Remuneration Ratio

Item	Unit	2019
CEO remuneration*	KRW thousand	590,955
Average employee remuneration**	KRW thousand	69,176
Ratio***	%	11.7

*CEO remuneration refers to that of Teak Joung Kim, the President and representative director.

**Average employee remuneration is the average amount of remuneration per employee disclosed on Business Report

***The ratio was calculated by dividing the average employee remuneration by the CEO remuneration

Major Sanctions

Due to an accidental leakage of Silicon Chloride from the second factory of the Gunsan Polysilicon plant in June of 2015, OCI paid a fine of KRW 24 million and a penalty of KRW 24.8 million, which is equivalent to 1 day of business suspension. In 2017, OCI and executive in charge paid a fine of KRW 2 million each in violation of the Chemicals Control Act due to the same accidental leakage taken place in 2015. On Nov. 14, 2018, we paid about KRW 8.3 million in fines adhering to the Occupational Safety and Health Act for the Nitrogen leakage accident at the Gunsan plant. On November 21, OCI paid about KRW 4 million in fines and KRW 25 million in penalties for the violation of the Chemical Substance Control Act and the Occupational Safety and Health Act due to the accidental leakage of Silicon Tetrachloride at the Gunsan Polysilicon Plant. In October, 2019, we paid KRW 4 million in violation of the Environmental Impact Assessment Act during the implementation of urban development project at Incheon Yonghyeon-Hagik District 1.

Taxation Management

The OECD has announced a new set of taxation regulations for multinational corporations. The BEPS (Base Erosion and Profit Shifting) are an effort to fight against increasing offshore tax evasion by these companies. Action Plan 13 (Transfer Pricing and Tax Information Document) demands extensive disclosure of (corporate) taxpayer information.

Disclosure Policy on Transfer Pricing and Tax Payment

To respond to disclosure regulations on BEPS Action Plan 13, we prepare 1) Master File, 2) Local File, and 3) Country by Country Report (CbCR) and submit them to National Tax Service. As for our overseas subsidiaries, we provide documents and reports as requested by the tax authority of each country. In order to minimize tax risks, we ensure that we practice business in accordance with local tax policies and closely monitor any policy changes.



Disclosure of Transfer Pricing and Tax Payment

OCI responds to tax risk in accordance with the BEPS Action Plan. For the fiscal year 2019, we prepared a Master File, Local File, and CbCR in accordance with the transfer price and tax information policy guidelines and submitted them to the taxation authorities. In addition, OCI provides information related to transfer pricing and taxation in the financial statements and notes.

Tax Payments of Subsidiaries by Country

(As of 2019, Unit: KRW million)

US	Vietnam	China	Korea	Japan
				
Sales Revenue 161,871	Sales Revenue 288,866	Sales Revenue 707,869	Sales Revenue 1,290,132	Sales Revenue 1,225
Amount of Tax Paid 13,464	Amount of Tax Paid 241	Amount of Tax Paid 864	Amount of Tax Paid 3,501	Amount of Tax Paid 81

GRI Standards Index

Universal Standards (GRI 100)

Classification	Disclosure	Indicators	Page	Note
Organizational profile	102-1	Name of the organization	6	
	102-2	Activities, brands, products, and services	8-9, 12-15	
	102-3	Location of headquarters	79	
	102-4	Location of operation	74-75	
	102-5	Ownership and legal form	16-17, 67	
	102-6	Markets served	8-9, 16-17	
	102-7	Scale of the organization	16-17	
	102-8	Information on employees and other workers	16-17	
	102-9	Supply chain	42-43	
	102-10	Significant changes to the organization and its supply chain	0	
	102-11	Precautionary Principle or approach	33-35	
Strategy	102-12	External initiatives	78	
	102-13	Membership of associations	78	
	102-14	Statement from senior decision-maker	2-5	
Ethics and Integrity	102-15	Key impacts, risks, and opportunities	8-9, 48-55	
	102-16	Values, principles, standards, and norms of behavior	36-37	
Governance	102-17	Mechanisms for advice and concerns about ethics	36	
	102-18	Governance structure	30-32	
	102-19	Delegating authority	-	
	102-20	Executive-level responsibility for economic, environmental, and social topics	-	
	102-21	Consulting stakeholders on economic, environmental, and social topics	-	
	102-22	Composition of the highest governance body and its committees	30-32	
	102-30	Effectiveness of risk management processes	33	
	102-31	Review of economic, environmental, and social topics	20-21	
	102-34	Nature and total number of critical concerns	20-21	
	102-40	List of stakeholder groups	20-21	
Stakeholder Engagement	102-41	Collective bargaining agreements	20	
	102-42	Identifying and selecting stakeholders	20-21	
	102-43	Approach to stakeholder engagement	20-21	
	102-44	Key topics and concerns raised	20-21	
Reporting Practice	102-45	Entities included in the consolidated financial statements	74-75	
	102-46	Defining report content and topic Boundaries	20-21	
	102-47	List of material topic	20-21	
	102-48	Restatements of information	0	
	102-49	Changes in reporting	0	
	102-50	Reporting period	0	
	102-51	Date of most recent report	0	
	102-52	Reporting cycle	0	
	102-53	Contact point for questions regarding the report	79	
	102-54	Claims of reporting in accordance with the GRI Standards	0	
	102-55	GRI content index	69-71	
	102-56	External assurance	72-73	

GRI Standards Index

Topic specific Standards

Economic Performance (GRI 200)

Classification	Disclosure	Indicators	Page	Note
Economic Performance	103-1~3	Management Approach	24	
	201-1	Direct economic value generated and distributed	7-9	
	201-2	Financial implications and other risks and opportunities due to climate change	38-39	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	44-45	
	203-2	Significant indirect economic impacts	42-45	
Anti-corruption	205-1	Operations assessed for risks related to corruption	36	
	205-2	Communication and training about anti-corruption policies and procedures	36	
	205-3	Conformed incidents of corruption and actions taken	36	

Environmental Performance (GRI 300)

Classification	Disclosure	Indicators	Page	Note
Material	301-1	Materials used by weight or volume	64	
	301-2	Recycled input materials used	-	
	301-3	Reclaimed products and their packaging materials	-	
Energy	302-1	Energy consumption within the organization	64	No renewable fuel consumption
	302-2	Energy consumption outside of the organization	-	
	302-3	Energy intensity	64	
	302-4	Reduction of energy consumption	64	
	302-5	Reductions in energy requirements of products and services	64	
Water	303-2	Management of water discharge-related impacts	64	
	303-3	Water withdrawal	64	
	303-4	Water discharge	64	
	303-5	Water consumption	64	
Emissions	305-1	Direct (Scope 1) GHG emissions	39, 65	
	305-2	Energy indirect (Scope 2) GHG emissions	39, 65	
	305-3	Other (Scope 3) GHG emissions	-	
	305-4	GHG emissions intensity	39, 65	
	305-5	Reduction of GHG emissions	39, 65	
	305-6	Emissions of ozone-depleting substances (ODS)	-	
Effluents and Waste	305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	65	
	306-1	Water discharge by quality and destination	64	
	306-2	Waste by type and disposal method	64	
	306-3	Significant spills	67	
	306-4	Transport of hazardous waste	27	
Environmental Compliance	306-5	Water bodies affected by water discharges and/or runoff	64	
	307-1	Non-compliance with environmental laws and regulations	65	
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	-	
	308-2	Negative environmental impacts in the supply chain and actions taken	43	

Social Performance (GRI 400)

Classification	Disclosure	Indicators	Page	Note
Employment	401-1	New employee hires and employee turnover	16, 40, 65	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	40-41	
	401-3	Parental leave	66	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	41	
	403-1	Occupational health and safety management system	22-23	
Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	66	
	403-3	Occupational health services	66	
	403-4	Worker participation, consultation, and communication on occupational health and safety	66	
Training and Education	404-1	Average hours of training per year per employee	65	
	404-2	Programs for upgrading employee skills and transition assistance programs	40	
	404-3	Percentage of employees receiving regular performance and career development reviews	41, 66	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	30, 65	
	405-2	Ratio of basic salary and remuneration of women to men	-	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	-	No discrimination cases
Freedom of association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Not applicable
Child Labor	408-1	Operations and suppliers at significant risk for incident of child labor	-	
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	43	
Security Practices	410-1	Security personnel trained in human rights policies or procedures	-	
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	-	
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	37	
	412-2	Employee training on human rights policies or procedures	-	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	44-45	
	413-2	Operations with significant actual and potential negative impacts on local communities	44-45	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	-	
	414-2	Negative social impacts in the supply chain and actions taken	42-43	
Public Policy	415-1	Political contributions	67	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	23	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	23	
Marketing and Labeling	417-1	Requirements for product and service information and labeling	23	
	417-2	Incidents of non-compliance concerning product and service information and labeling	23	
	417-3	Incidents of non-compliance concerning marketing communications	-	Not applicable
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	No complaints
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	67	

Third Party Assurance Statement

To the Readers of OCI Integrated Report 2019 :

Foreword

Korea Management Registrar Inc. (hereinafter “KMR”) has been requested by of OCI to verify the contents of its Integrated Report 2019 (Hereby referred to as “the Report”). OCI is responsible for the collection and presentation of information included in the Report. KMR’s responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Scope and standard

OCI describes its efforts and achievements of the corporate social responsibility activities in the Report. KMR performed a type2, moderate level of assurance using AA1000AS (2008) and SRV1000 from KMR Global Sustainability Committee as assurance standards. KMR’s assurance team(hereinafter “the team”) evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI Standards indices as below, where professional judgment of the team was exercised as materiality criteria.

The team checked whether the Report has been prepared in accordance with the ‘Core Option’ of GRI Standards which covers the followings.

- **GRI Standards Reporting Principles**
- **Universal Standards**
- **Topic Specific Standards**
 - Management approach of Topic Specific Standards
 - Economic Performance : 201-1, 201-2
 - Indirect Economic Impacts : 203-1, 203-2
 - Anti-Corruption : 205-1, 205-2, 205-3
 - Materials : 301-1, 301-2, 301-3
 - Energy : 302-1, 302-2, 302-3, 302-4, 302-5
 - Water and Wastewater : 303-2, 303-3, 303-4, 303-5
 - Emissions : 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
 - Effluents and Waste : 306-1, 306-2, 306-3, 306-4, 306-5
 - Environmental Grievance Handling System : 307-1
 - Supplier Environmental Assessment : 308-1, 308-2
 - Employment : 401-1, 401-2, 401-3
 - Labor/Management Relations : 402-1
 - Occupational Health and Safety : 403-1, 403-2, 403-3, 403-4
 - Training and Education : 404-1, 404-2, 404-3
 - Diversity and Equal Opportunity : 405-1, 405-2
 - Non-Discrimination : 406-1
 - Freedom of Association and Collective Bargaining : 407-1
 - Child Labor : 408-1
 - Forced or Compulsory Labor : 409-1
 - Security Practices : 410-1
 - Rights of Indigenous Peoples : 411-1
 - Human Rights Assessment : 412-1, 412-2, 412-3
 - Local Communities : 413-1, 413-2
 - Supply Chain Management : 414-1, 414-2
 - Public Policy : 415-1
 - Customer Health and Safety : 416-1, 416-2
 - Marketing and Labeling : 417-1, 417-2, 417-3
 - Customer Privacy : 418-1
 - Compliance : 419-1

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. OCI, among report boundaries.

Our approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with OCI on the revision of the Report. We reviewed the Report’s final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

- **Inclusivity**

Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability

 - OCI is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder OCI left out during this procedure.

- **Materiality**

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.

 - OCI is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.

- **Responsiveness**

Responsiveness is an organization’s response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

 - The assurance team could not find any evidence that OCI’s counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the ‘Core Option’ of GRI standards.

Recommendation for improvement
We hope the Report is actively used as a communication tool with stakeholders and we recommend the following for continuous improvements.

- **OCI presented a detailed description of the sustainable value chain in the beginning of the report for understandability and addressed both positive and negative issues in a balanced way, improving reliability. In order to enhance the sustainable management system, the organization is advised to reinforce the report on economic performance (growth, stability, etc.) in terms of the usefulness of the information and manage KPIs and the results of risk response using timely, quantitative data.**

Our independence
With the exception of providing third party assurance services, KMR is not involved in any other OCI’s business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

May, 26th, 2020



E. J. Hwang
Korea Management Registrar Inc.
CEO

Global Network

Subsidiaries

1. OCI SPECIALTY CO., LTD.

- Address: 110, Tancheonsaneopdanji-gil Tacheon-myeon, Gongju, Chungcheongnam-do, 32611, Korea
- Tel: +82-41-851-7120
- Products: Slim rod (filament)
- OCI ownership: 78.08%

2. OCI POWER CO., LTD.

- Address: OCI Bldg., 94 Sogong-ro, Jung-gu, Seoul, 04532, Korea
- Tel: +82-2-3016-1100
- Services: Solar PV energy development and operation

3. OCI INFORMATION & COMMUNICATION CO., LTD.

- Address: OCI Bldg., 94 Sogong-ro, Jung-gu, Seoul, 04532, Korea
- Tel: +82-2-6288-1000
- Products: Information system consulting, Development, Management, and Operations

4. OCI SE

- Address: 213, Saemangeum sandan 3-ro, Gunsan-si, Jeollabuk-do, 54002, Korea
- Tel: +82-63-440-9211
- Service: Cogeneration power plant operation

5. OCI CHINA CO., LTD.

- Address: Room 603A, Tower 8, Hongqiao Vanke Center, No. 988 Shengchang Road, Minhang District, Shanghai, China, 201106
- Tel: +86-21-3372-2600
- Products: Polysilicon and chemical sales, Business development

6. TANGSHAN OCI CHEMICAL CO., LTD.

- Address: Tangshan Silicone Industries, Nanpu, Development Zone, Tangshan, Hebei Province, China
- Tel: +86-315-733-2203
- Products: Fumed silica

7. OCI SOLAR (CHINA) CO., LTD.

- Address: 18F, Jiaxing PV Science&Technological Innovation Park, No. 1288 Kanghe Road, Xiuzhou District, Jiaxing City, Zhejiang Province, 314031, China
- Tel: +86-573-8398-0000
- Services: Solar PV energy development and operation

8. OCI SOLAR POWER LLC

- Address: 8000 IH-10 West, Suite 1201 San Antonio, TX 78230, USA
- Tel: +1-210-453-3100
- Services: Solar PV energy development and operation

9. OCI ALABAMA LLC

- Address: 1455 Red Hat Road Decatur, AL 35601, USA
- Tel: +1-256-301-5200
- Products: Sodium percarbonate

10. OCI JAPAN CO., LTD.

- Address: 3F, Mita Kokusai Building, 1-4-28 Mita, Minato-ku, Tokyo, 108-0073, Japan
- Tel: +81-3-6400-5800
- Products: Polysilicon and chemical sales, Business development
- OCI ownership: 99.99%

11. OCI VIETNAM CO., LTD.

- Address: 3KM 24, DT 743 Street Binh An Village, Di An Town, Binh Duong Province, Vietnam
- Tel: +84-650-375-0461
- Products: Insecticides, Fungicides, Herbicides, Surfactants

12. MISSION SOLAR ENERGY LLC

- Address: 8303 S. New Braunfels Avenue, San Antonio, TX 78235, USA
- Tel: +1-210-531-8600
- Products: Solar modules

13. DCRE

- Address: 230, Dokbae-ro, Michuhol-gu, Incheon, 22205, Korea
- Tel: +82-32-830-2531
- Service: Real estate development

14. OCIM Sdn. Bhd.

- Address: Lot 600, 6th Floor, Wisma Bukit Mata Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak, Malaysia
- Tel: +60-82-422-705
- Fax: +60-82-427-708
- Products: Polysilicon

Joint ventures

15. SHANDONG OCI CO., LTD.

- Address: No. 1 Kunlunshan Road, Chemical Park of Xuecheng, Zaozhuang City, Shandong Province, China
- Tel: +86-184-832-67444
- Products: Pitch, CBO, Naphthalene and others
- OCI ownership: 80%

16. OCI-FERRO CO., LTD.

- Address: 253-21, Wonsi-ro, Danwon-gu, Ansan, Gyeonggi-do, 15429, Korea
- Tel: +82-31-489-8800
- Products: Ceramic frits, Zircon silicates
- OCI ownership: 50%

17. SHANDONG OCI-JIANYANG CARBON BLACK CO., LTD.

- Address: Xuecheng Economic Development Zone (east side of Shugang Road, west side of Zhuqiao Road(II), north side of ChangZhuang Road(III)), Zaozhuang, Shandong, China, 277000
- Tel: +86-632-768-0763
- Products: Carbon black
- OCI ownership: 51%

18. MA STEEL OCI CHEMICAL CO., LTD.

- Address: West Side, Liqingchi Road, Chemical Industry Area, Yushan Economic Developement Zone, Maanshan, Anhui, China
- Tel: +86-555-822-8997
- Products: Pitch, CBO, Naphthalene and others
- OCI ownership: 60%

19. PHILKO PEROXIDE CORP.

- Address: Unit 8-1, 8th floor, Citibank Center 8741 Paseo de Roxas, Makati City, Philippines
- Tel: +63-2-889-6120
- Products: Hydrogen peroxide, Other chemicals
- OCI ownership: 40%

20. SUN ACTION TRACKERS LLC

- Address: 15143 Tradesman Drive San Antonio, TX 78249, USA
- Tel: +1-210-585-8224
- Products: Solar Trackers
- OCI ownership: 41%

21. HYUNDAI OCI CO., LTD.

- Address: 182, Pyeongsin 2-ro, Daejuk-ri, Daesaneup, Seosan-si, Chungcheongnam-do, 31902, Korea
- Tel: +82-2-2004-3600
- Products: Carbon black
- OCI ownership: 49%

22. BNO BIO CO., LTD.

- Address: Sangdo-ro 7, Dongjak-gu, Seoul, 06955, Korea
- Tel: +82-2-828-8223
- Services: Biomedical drug research and development
- OCI ownership: 50%



Product List

Category	Product name	Molecular formula	Cas no.	Characteristics
Basic Chemicals	Polysilicon	Si	7440-21-3	Dark-grey chips or chunks, 10-nine and 11-nine purity
	Hydrogen peroxide	H ₂ O ₂	7722-84-1	Colorless liquid
	Sodium percarbonate (Sodium carbonate peroxyhydrate)	2Na ₂ CO ₃ ·3H ₂ O ₂	15630-89-4	White powder
	Phosphoric acid	H ₃ PO ₄	7664-38-2	Colorless liquid, 75% and 85% purity
	Fumed silica	SiO ₂	7631-86-9 / 112945-52-5	White powder, >99.8% purity
	High purity silicon tetrachloride	SiCl ₄	10026-04-7	Colorless liquid
	Caustic soda, Sodium hydroxide	NaOH	1310-73-2	Colorless liquid, >50%, 32.8%~33.2%, >25% purity
	Hydrochloric acid	HCl	7647-01-0	Colorless or light-yellow liquid, 35%~36% purity
	Sodium hypochlorite	NaOCl	7681-52-9	Greenish-yellow liquid, ≤12.6% purity
	Chlorine	Cl ₂	7782-50-5	Compressed liquefied gas
	Calcium chloride	CaCl ₂	10043-52-4	White solid crystalline powder, 74%
	Silica sand	SiO ₂	7631-86-9	Colorless or white solid
	Sodium sulphate anhydrous	Na ₂ SO ₄	7757-82-6	Ordorless white hygroscopic powder
	Acetic acid	CH ₃ COOH	64-19-7	Colorless liquid
	Soda ash, Sodium carbonate	Na ₂ CO ₃	497-19-8	Odorless white powder
	Sodium chlorite	NaClO ₂	7758-19-2	Light-yellow liquid
	Ammonium chloride	NH ₄ Cl	12125-02-9	Odorless white powder
	Urea	CO(NH ₂) ₂	57-13-6	Colorless or white solid (or liquid)
	Refined salt	NaCl	7647-14-5	Ordorless solid
	Sodium hydrosulfite	Na ₂ S ₂ O ₄	7775-14-6	White powder
	PVA (Polyvinyl alcohol)	(C ₃ H ₄ O) _n	9002-89-5 / 25213-24-5	Odorless white powder
	Sodium bicarbonate	NaHCO ₃	144-55-8	Odorless white powder
	Slim rod	Si	7440-21-3	Ingot of 8.3 mm diameter and 2,400 mm length, >99% purity
	Ingot	Si	7440-21-3	Ingot of 190 mm diameter and 2,700 mm length, >99% purity
	Wafer	Si	7440-21-3	Thin slabs of silicon sliced from silicon ingots, >99% purity
	BPMP (2-sec Butyl phenyl methyl carbamate, Fenobucarb)	C ₂₀ H ₁₇ NO ₂	3766-81-2	Light-yellow liquid, >96% purity
	Frit, Composition, Printing powder		7783-82-6	Granules and powder
	Stain		7631-86-9	Powder
	Medium	Si	3766-81-2	Viscous liquid
Petrochemicals & Carbon Materials	Carbon black	C	1333-86-4	Fine carbon powder
	TDI (Toluene di-isocyanate)	C ₉ H ₆ N ₂ O ₂	26471-62-5 / 584-84-9	Colorless liquid
	o-TDA	C ₇ H ₁₀ N ₂	26966-75-6	Colorless liquid
	Naphthalene	C ₁₀ H ₈	91-20-3	Colorless solid, 95% purity
	Isoquinoline	C ₉ H ₇ N	119-65-3	Colorless or light-yellow oil, 98% purity
	Indene oil	-	65996-79-4	Light-tan oil, 50% purity
	Xylenol	C ₈ H ₁₀ O	1300-71-6	Colorless or light-tan oil, 80% purity
	Quinoline	C ₉ H ₇ N	91-22-5	Colorless or light-yellow oil, 98% purity
	Cresol	C ₇ H ₈ O	1319-77-3	Colorless or light-pink oil, 70% purity
	Phenol	C ₆ H ₆ O	108-95-2	Colorless or light-pink oil, 95% purity
	Pitch	-	65996-93-2	Black solid
	Wash oil	-	90640-84-9	Yellowish-brown oil, 30% methylnaphthalene
	Plasticizer (DINP)	-	68515-48-0	Colorless liquid
	Plasticizer (DIDP)	-	68515-49-1	Colorless liquid
	Plasticizer (DOTP)	C ₂₄ H ₃₈ O ₄	6422-86-2	Colorless liquid
	Phthalic anhydride	C ₈ H ₄ O ₃	85-44-9	Colorless solid
	Benzene	C ₆ H ₆	71-43-2	Colorless or light-yellow aromatic compound
	Aromatic polyester polyol	-	32472-85-8	Light-brown liquid
	Mixed xylene	C ₈ H ₁₀	1330-20-7	Colorless or light-yellow aromatic compound
	Toluene	C ₇ H ₈	108-88-3	Colorless or light-yellow aromatic compound
	C9	-	64742-95-6	Colorless or light-yellow aromatic compound
	Sodium hydrosulfide	NaSH	16721-80-5	Colorless or light-yellow aromatic compound
	Non-Aromatics	-	64741-46-4	Colorless or light-yellow aromatic compound
	Carbon black oil		8001-58-9	Yellowish-brown oil
	Creosote		8001-58-9	Yellowish-brown oil
	Decant oil	C ₆ H ₅ CH ₃	71-43-2	Highly volatile colorless liquid, 60% benzene/ 40% toluene
	Fumed silica vacuum insulation panels			Ultra-high-efficiency insulation material
Energy Solutions & Others	Solar PV energy development and operation			
	Solar PV energy development and operation			
	Solar modules			
	Solar trackers			
	Electricity, Steam			

Product List

Key applications	Company	Plants
Key material for solar cells and semiconductor wafers	OCI / OCI Malaysia	Gunsan, Korea / Sarawak, Malaysia
Bleach, disinfectants	OCI / Philko Peroxide	Iksan, Korea / Makati City, Philippines
Bleach, disinfectants	OCI / OCI Alabama	Iksan, Korea / Alabama, USA
Semiconductor metal-surface finishing, additives	OCI	Gunsan, Korea
Filling and reinforcing agent for sealants, rubber goods, and paints; slurry, insulation	OCI / Tangshan OCI Chemical	Gunsan, Korea / Tangshan, China
Fumed silica, optical fiber, quartz	OCI	Gunsan, Korea
Fiber cleaners, food seasonings, pharmaceutical	OCI	Gunsan, Korea
Wastewater treatments, catalysts, solvents	OCI	Gunsan, Korea
Bleach, dyes, pigments	OCI	Gunsan, Korea
Inorganic chlorine compound manufacturing	OCI	Gunsan, Korea
Deicing agent, desiccant, accelerator, road surfacing, food additives	OCI	Incheon, Korea / Trading business
Glass, casting material	OCI	Trading business
Glass, detergents, dyes, pulp, pigments, pharmaceuticals	OCI	Trading business
Vinyl acetate, VAM, PTA	OCI	Trading business
Glass, soap, detergents, food processing, textiles, paper, chemicals	OCI	Trading business
Bleach, disinfectant, oxidant, chemical reagent	OCI	Trading business
Spent catalyst, solvent, food additives	OCI	Trading business
Coagulant, accelerator, solvent, dyes, desiccant	OCI	Trading business
Food additives, fabric dyes	OCI	Trading business
Oxidizer, reducer, bleach	OCI	Trading business
Adhesive, emulsion stabilizer, binder, thickening agent	OCI	Trading business
Food additives, feed, leather, pharmaceuticals, baking powder, soap	OCI	Trading business
Seed material for polysilicon manufacturing	OCI Specialty	Gongju, Korea
Basic material for silicon wafers	OCI Specialty	Gongju, Korea
	OCI Specialty	Gongju, Korea
Carbamate insecticide for rice and cotton crops	OCI Vietnam	Binh Duong, Vietnam
Glaze for tile and ceramics	OCI Ferro	Ansan, Korea
Pigment for tile and ceramics	OCI Ferro	Ansan, Korea
Printing powder	OCI Ferro	Ansan, Korea
Pigment and reinforcing agent for rubbers, inks, and electrical insulation	OCI / Shandong OCI / OCI-Jianyang Carbon Black	Pohang, Gwangyang, Korea /Shandong, China
Polyurethane products	OCI	Gunsan, Korea
Polyurethane products	OCI	Gunsan, Korea
Dye chemicals	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
Polyimide film	OCI	Gwangyang, Korea
Cumarone resin	OCI	Pohang, Gwangyang, Korea
Synthetic resins, solvents	OCI	Pohang, Korea
Disinfectants, herbicide	OCI	Gwangyang, Korea
Insecticides, synthetic resins, solvents	OCI	Pohang, Korea
Solvents, phenolic resin	OCI	Pohang, Korea
Binder for aluminum smelting	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
Synthetic resins, solvent	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
PVC Compound, Wiring, Deco sheet, Flooring, Wallpaper, Tarpaulin, Leather, etc.	OCI	Pohang, Korea
PVC Compound, Wiring, Deco sheet, Flooring, Wallpaper, Leather, etc.	OCI	Traiding business
PVC Compound, Wiring, Deco sheet, Flooring, Wallpaper, Tarpaulin, Leather, etc.	OCI	Pohang, Korea
Petrochemical feedstock	OCI	Pohang, Korea
Petrochemical feedstock	OCI	Gwangyang, Korea
Petrochemical feedstock	OCI	Goedong, Korea
Petrochemical feedstock	OCI	Gwangyang, Korea
Petrochemical feedstock	OCI	Gwangyang, Korea
Petrochemical feedstock	OCI	Gwangyang, Korea
Heavy metal remover in the chemical industry	OCI	Gwangyang, Korea
Petrochemical feedstock	OCI	Gwangyang, Korea
Carbon black	Shandong OCI / Ma Steel OCI Chemical	Shandong, Anhui, China
Carbon black, wood preservatives	Shandong OCI / Ma Steel OCI Chemical	Shandong, Anhui, China
Synthetic resins	Shandong OCI / Ma Steel OCI Chemical	Shandong, Anhui, China
Insulation for refrigerators, buildings, and industrial applications	OCI	Iksan, Korea
Utility-scale solar PV plant construction, operation and electricity sales	OCI Solar Power	Texas, USA
Distributed solar PV plant construction, operation and electricity sales	OCI Solar (China)	Jiaxing, Hongze, Wuxi, Yantai, China
Solar module manufacturing	Mission Solar Energy	Texas, USA
Dual-axis solar tracker manufacturing	Sun Action Trackers	Texas, USA
Electricity	OCI SE	Gunsan, Korea

Key Memberships

Headquarters	
• Korea Petrochemical Industry Association • Korea Specialty Chemical Industry Association • Korea Chlor Alkali Industry Association • Korea Research Association of Silicone Industry • Triple I (International Isocyanate Institute) • Korea Vinyl Environmental Council • International Tar Association • Korea Feed Ingredients Association • Korea International Trade Association • Korea Semiconductor Industry Association • Japan Hygienic Olefin and Styrene Plastics Association • Korea Biomedicine Industry Association • Korea Listed Companies Association (Auditor Association) • The Rubber Society of Korea • Korea Rubber Industry Association	• Korea Photovoltaic Society • Korea Industrial Technology Association (Chief Technology Officer Club) • Korea Investor Relations Service • Seoul Chamber of Commerce and Industry • Korea Listed Companies Association • The Association of Energy Future Forum • Korea Investor Relations Service • Korea Association for CFO • Consortium of Joint Registration of Petrochemicals • Korea Chemicals Management Association • Korea M&A Association

For More Information

For additional information or inquiries about this report, please contact us.

Published Date	July 2020
Publisher	Woo Sug Baik, Woo Hyun Lee, Teak Joung Kim
Address	Corporate Planning Team, OCI Bldg., 94, Sogong-ro, Jung-gu, Seoul, Korea, 04532
TEL	+82-2-727-9376
Email	oci_csr@oci.co.kr
Website	www.oci.co.kr

* This report is available to download in PDF format on the OCI website.

