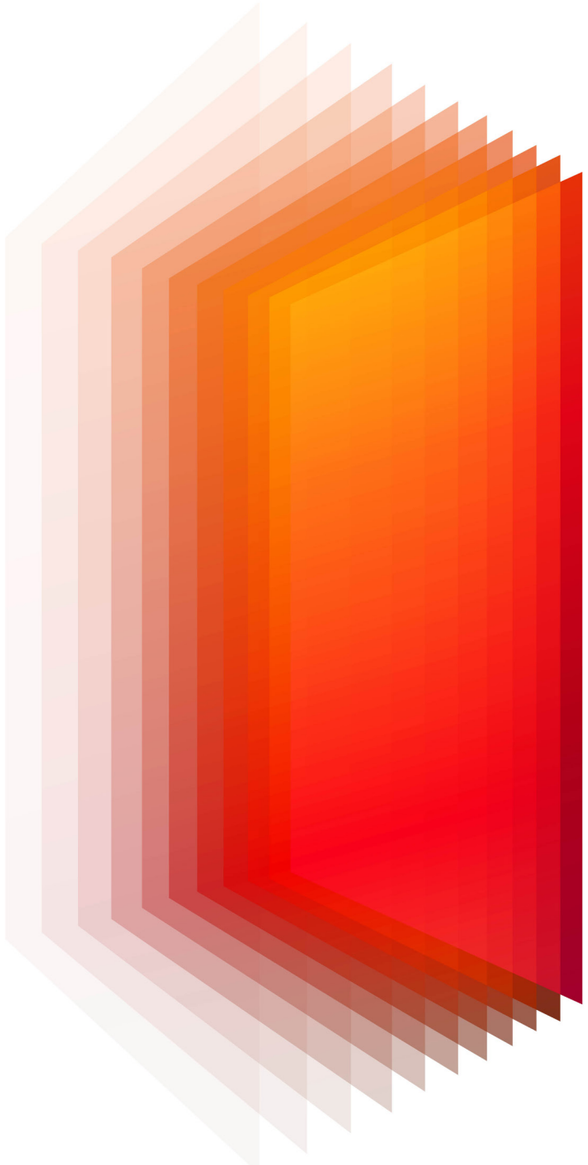
BEYOND

INTEGRATED REPORT 2021



TRANSFORMATION

Global Leading
Green Energy and
Chemical Company

CONTENTS

Interactive PDF User Guide
This report has been published as an interactive PDF, allowing readers to move quickly and easily to pages in the report with shortcuts to the related web pages and media.

Contents Search Print Back
Video Clip Related Link
OCI Website Link

INTRODUCTION

03 CEO Message / 2021 Highlights
05 About OCI
05 Key Figures
06 2021 in Figures

BUSINESS REVIEW

08 Basic Chemicals
09 Petrochemicals & Carbon Materials
10 Energy Solutions
11 Biopharmaceuticals / Research & Development / Urban Development

SUSTAINABLE IMPACT

13 Sustainable Value Chain
14 Materiality Assessment
15 Stakeholder Engagement

SUSTAINABLE FOCUS

17 Issue 1: Value Innovation
18 Issue 2: Workplace Safety
19 Issue 3: Sustainable Environment

SUSTAINABILITY ISSUES

21 ENVIRONMENT
22 Response to Climate Change
24 Environmental Management
26 SOCIAL
27 Talent Management
28 Mutual Growth
29 Social Contribution
31 GOVERNANCE
32 Governance
34 Risk Management
37 Ethical Management
38 Human Rights Management

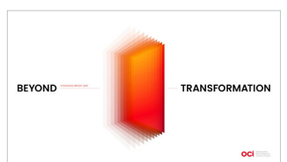
2022 FOCUS

40 Focus 1: Beyond Innovation
42 Focus 2: Beyond Collaboration
44 Focus 3: Beyond Sustainability

APPENDIX

47 Consolidated Financial Statements
51 Independent Auditor's Report
52 ESG Data
56 GRI Standards Index
57 SASB Index
58 Independent Assurance Statement
59 Product List
61 Global Network
62 Key Memberships

Gold Prize in ARC Awards for 2nd consecutive years
The FY2021 integrated report was selected as the gold winner in the PDF Version of Annual Report category for 2nd consecutive years at the ARC Awards, one of the world's three major awards in communications, established by Mercomm, Inc., the world's only independent awards organization.



Designed by Mecayours

COVER DESIGN
Once again taking inspiration from the "Door to Tomorrow" imagery of the "I" in our corporate identity, the cover design symbolizes our transition from a period of transformation where we have become increasingly agile, focused, and efficient to a new era where we will write the next chapter in our journey to become a global leading green energy and chemical company.

About This Report

Reporting Principles and Standards

The 2021 OCI Integrated Report was prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) standards and referred to the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). This is the thirteenth edition of our annual report, focusing on our sustainability performance in relation to economic, social, and environmental perspectives.

Reporting Period

This report is based on our financial and non-financial performance from January to December 2021. For some major business activities, we are fully responding to major issues that may affect our stakeholders' decision-making by listing activities through the first half of 2022. Certain quantitative data are presented along with data from 2019 and 2020 to aid in identifying 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 on a consolidated basis according to Korean International Financial Reporting Standards (K-IFRS). Non-financial information such as energy use, GHG emissions and safety and health status were prepared on a non-consolidated basis. The changes have been noted in each applicable item where substantial boundary changes have occurred.

Independent Assurance

This report has been officially assured by an independent external body for its reliability and quality. The assurance results are detailed on page 58. Accounting information is the data audited by an independent auditor, while GHG emissions and energy consumption have been verified in accordance with the principles of the Verification Guidelines for the Emissions Trading Scheme.

CEO Message

As the global economy seeks to find its footing in the post-pandemic era, we are confident that our remarkable turnaround over the past two years has equipped us with a solid foundation for growth that will keep us profitable and growing in 2022.



How did OCI perform in 2021?

The robust recovery of the global economy was the key driver in our return to profitability in 2021. That said, I cannot overstate the crucial contribution the successful transformation of our business portfolio and organization undertaken over the past two years has made to these results. Driven by a laser focus on improving agility and fundamental competitiveness, this transformation has laid a solid foundation for growth in the coming years.

Overall, we recorded a 62% increase in consolidated sales to KRW 3,244 billion as we returned to solid profitability with a consolidated operating income of KRW 626 billion for the year.

Our Basic Chemicals segment recorded sales of KRW 1,333.6 billion and an operating profit of KRW 486.4 billion. Our flagship polysilicon business benefitted from several major developments during the year, including sharply rising solar-grade polysilicon selling prices. We signed our first long-term supply contract with China-based LONGi Solar, the world's No. 1 module producer. Our electronic-grade polysilicon business also continued to build its customer base, expanding a long-term contract with semiconductor wafer industry leader SK Siltron.

Our Petrochemicals and Carbon Materials segment recorded sales of KRW 1,374.5 billion and operating income of KRW 1,322 billion. The segment saw both sales and operating income strongly rebound, driven by robust demand for carbon black, pitch, and BTX as manufacturers rapidly ramped up production to meet recovering global demand.

Our Energy Solutions segment recorded sales of KRW 444.8 billion and operating income of KRW 25.7 billion. In the United States, our solar PV development subsidiary OCI Solar Power completed the sale of two 270 MWdc projects to Buckeye Partners and Arava Power, while solar module manufacturing subsidiary Mission Solar Energy saw robust sales as the solar PV installation industry returned to growth. In Korea, our cogeneration power subsidiary OCI SE saw sales and profitability recover due to rising prices in the wholesale electricity and renewable energy certificate markets.

Our Urban Development subsidiary DCRE recorded sales of KRW 214.4 billion during its first year of apartment pre-sales. Approximately 3,780 residential units in the City Ociel residential and commercial development located on the site of our former Incheon plant were successfully sold.

What were OCI's primary operating accomplishments in 2021?

Our Basic Chemicals segment maintained full production capacity at the Sarawak solar-grade polysilicon plant in Malaysia throughout 2021 despite stringent COVID-19 related health measures. We also completed the relocation of certain mothballed production facilities from our decommissioned Gunsan plant in Korea to Malaysia as part of an ongoing debottlenecking initiative that will boost production capacity from 30,000 to 35,000 metric tons in the second half of 2022.

We pushed forward with a number of new investments focusing on value-added products in 2021. We broke ground for a second phosphoric acid plant in Gunsan, Korea scheduled to begin production of 22,000 metric tons of semiconductor-grade product in 2022. Our P&O Chemical joint venture with Posco Chemical continued work on 50,000 metric ton hydrogen peroxide plant in Gwangyang, Korea, which is also on schedule for commissioning in the second half of 2022. Then in December, we announced the formation of a 50:50 joint venture with Kumho P&B Chemicals to produce epichlorohydrin (ECH) in Malaysia.

In 2022, we expect the efforts made over the past few years to expand our value-added chemicals portfolio and production capabilities to meet growing global demand will begin to bear fruit.

Our Petrochemicals and Carbon Materials segment also launched a joint-venture project in 2021 that focused on new value-added product categories. In August, we announced plans to enter the high softening point pitch (HSPP) business through our existing P&O Chemical joint venture with Posco Chemical with the goal of commissioning a 15,000 metric ton plant in 2024.

Our Energy Solutions segment continued to advance its solar PV development business as well as the development of supporting equipment and technologies. Subsidiary OCI Power's ongoing collaboration with Hyundai Motor Group resulted in the commissioning of the first of two planned pilot projects designed to validate the performance of recycled electric vehicle batteries in our energy storage systems.

Our Biopharmaceuticals business continued to expand its cancer diagnostic and therapeutic portfolio with a KRW 5 billion investment in Korea-based Panolos Bioscience, the developer of novel biological therapeutics using its in-house multi-specific drug platform, aART™.

What is your outlook for OCI's businesses in 2022?

As the global economy seeks to find its footing in the post-pandemic era, global markets are now grappling with rising inflation, logistics issues, higher energy prices, and the uncertain impact of unfolding events in Ukraine. We are confident that our remarkable turnaround over the past two years has equipped us with a solid foundation for growth that will keep us profitable and growing in 2022.

Our Basic Chemicals segment enters 2022 well positioned to meet growing global demand. In addition to completing the previously mentioned 5,000 metric ton increase in solar-grade polysilicon capacity at our Sarawak plant in Malaysia, we will be commissioning a new 22,000 metric ton phosphoric acid plant in Gunsan and a new 50,000 metric ton hydrogen peroxide plant owned by joint venture P&O Chemical during the year as we continue to expand sales of value-added products.

Our Petrochemicals and Carbon Materials segment has a very competitive product portfolio that is backed by a diversified production network with world-class economies of scale. These strengths will create additional opportunities for growth as manufacturers continue to ramp up production to meet recovering global demand.

Our Energy Solutions segment continues to actively develop utility-scale solar PV plant projects as well as high-performance solar PV equipment, including inverters and energy storage systems. We also continue to improve the profitability of our OCI SE cogeneration plant by optimizing the wood pellet component of our fuel mix.

Our Biopharmaceuticals business will continue to pursue new investments in promising technologies as it partners to bring a growing pipeline of innovative diagnostics and therapeutics to market in the coming years. Our urban development subsidiary DCRE plans to continue apartment pre-sales in 2022.

What are your key areas of focus going forward?

We are currently in the middle of a multi-year investment cycle focused on significantly boosting production of value-added feedstocks and intermediate materials. We expect to see several of these investments commissioned in 2022, including a 5,000 metric ton increase in solar-grade polysilicon production in Malaysia through subsidiary OCIMSB, a 22,000 metric ton semiconductor-grade phosphoric acid plant in Korea, and a 50,000 metric ton hydrogen peroxide plant in Korea through joint venture P&O Chemical.

Over the next few years, we will also be expanding the scope of our operations in Malaysia. Our joint venture to produce epichlorohydrin (ECH) with Kumho P&B Chemicals as well as a related 100,000 metric ton expansion of our on-site chlor alkali plant are just the first step in expanding our global production network.

Last but not least, we are redoubling our commitment to upholding the highest standards in environmental, social, and corporate governance (ESG). Building on a solid foundation for sustainability that has earned us inclusion on the Dow Jones Sustainability Korea Index for 13 consecutive years and an integrated "A" score on ESG assessments conducted by Korea Corporate Governance Service (KCGS) for the past 5 years, we have established an ESG committee under the oversight of the board of directors to guide us in the next phase of our efforts to build an organization that sets the standard for responsibility and sustainability.

Thank you 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
President & CEO
OCI Company

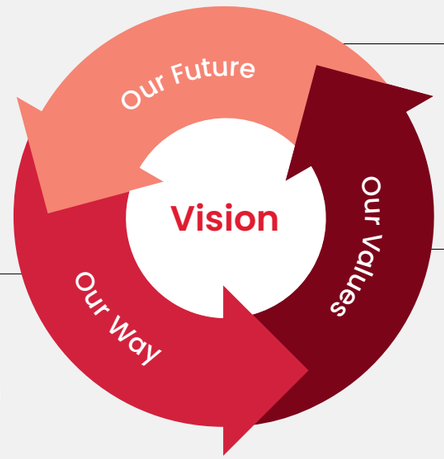


About OCI

OCI Introduction Video

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 and 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.

Global Leading Green Energy and Chemical Company



Constantly innovate to produce green energy and chemical products with the highest level of satisfaction for our employees, customers, shareholders, and stakeholders.

Seize the CHANCE with thorough preparation and with the spirit to CHALLENGE for continuous CHANGE for a greater future.

Achieve core technology leadership through innovation, operational excellence, and resource optimization based on an open and diversity-respectful corporate culture.

CHANCE

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.

CHALLENGE

A greater future is achieved when we are brave enough to face a challenge with progressive and entrepreneurial minds and spirits to overcome difficulties.

CHANGE

Innovation through change is essential for growth. We embrace continuous change to reach the same goal and attain success together.

Key Figures

	2019		2020		2021	
	KRW	USD	KRW	USD	KRW	USD
Economic performance						
Sales [1]	2,605	2,235	2,003	1,697	3,244	2,835
Operating income [1]	-180	-155	-86	-73	626	547
Net income [1]	-807	-693	-251	-213	652	570
EBITDA [1]	130	112	52	44	762	666
Capital expenditures [1]	157	135	63	53	114	100
Total assets [2]	4,811	4,168	4,437	4,078	5,704	4,811
Total liabilities [2]	2,125	1,841	2,052	1,886	2,580	2,176
Total shareholders' equity [2]	2,686	2,327	2,386	2,193	3,124	2,635
ROA		-15.4%		-5.4%		12.8%
ROE		-26.1%		-9.9%		23.5%
Net debt-to-equity ratio		31.5%		42.7%		22.6%
Leverage ratio		79%		86%		83%
Safety responsibility*						
Injury frequency rate		0.39		0.24		1.06
Environmental responsibility*						
CO_2 emissions (tCO_2-eq)		2,116,291		1,223,537		1,190,213
Waste recycling		48%		52%		52%
Water consumption (in tons)		12,084,985		8,556,021		9,294,068
Social responsibility*						
Total social contribution (in KRW bn)		0.7		0.4		0.4
Total volunteer hours		2,620		333		300

* non-consolidated basis

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

1 In KRW bn and USD mn. USD figures are based on the average 2021 KRW-USD exchange rate of 1,144.

2 In KRW bn and USD mn. USD figures are based on the KRW-USD exchange rate of 1,186 as of December 31, 2021.

2021 in Figures

2021 Performance

* consolidated basis

Sales
In KRW bn
* Including Urban Development business
3,244*

EBITDA
In KRW bn
762

Operating income
In KRW bn
626

Operations

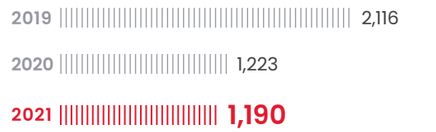
Business sites
29

Employees
3,167
(OCI company: 1,571)

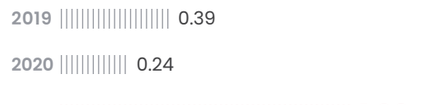
Safety & environmental responsibility

* non-consolidated basis

CO_2 emissions
Total emissions (in $ktCO_2$-eq)



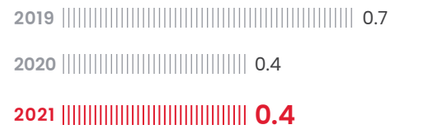
Injury frequency rate



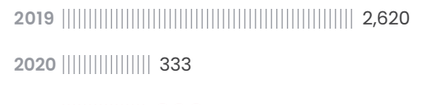
Social contribution

* non-consolidated basis

Social contribution
In KRW bn



Volunteer hours



Our businesses

* Excluding Urban Development business

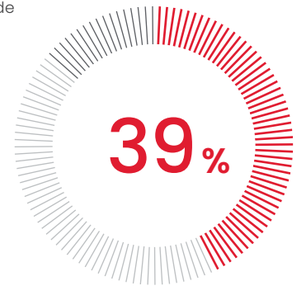
Basic Chemicals

Sales
In KRW bn
1,334

Operating income
In KRW bn
486

Segment contribution to sales
(before adjustment)

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



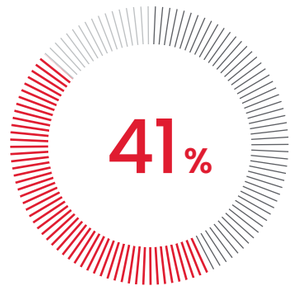
Petrochemicals & Carbon Materials

Sales
In KRW bn
1,375

Operating income
In KRW bn
132

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
445

Operating income
In KRW bn
26

Segment contribution to sales
(before adjustment)

Major businesses
- Solar PV energy development
- Cogeneration power plant



Operating highlights

Capital expenditures
114
In KRW bn

Local credit rating
* Evaluated by NICE Investors Service, Korea Ratings and Korea Investors Service
A* (Stable)

R&D portfolio

* non-consolidated basis

Short-term projects
Cost innovation
16%

Mid-term projects
Diversification & differentiation
37%

Long-term projects
New products & processes
47%

BUSINESS REVIEW

At OCI, our vision of becoming a global leading green energy and chemical company is guiding us as we focus on laying a solid foundation for growth. Built on organizational innovation and business portfolio expansion, this foundation will enable us to survive and thrive in the fast-changing global business environment.

08
Basic Chemicals

09
Petrochemicals & Carbon Materials

10
Energy Solutions

11
Biopharmaceuticals
Research & Development
Urban Development

Basic Chemicals

Capacities

In metric tons

Hydrogen peroxide*

2019	85,000
2020	85,000
2021	**85,000**
2022 (Planned)	**135,000**

* OCI (Iksan), P&O Chemical (under construction)

Polysilicon*

2019	79,000
2020	30,000
2021	**30,000**
2022 (Planned)	**35,000**

* OCIMSB

Fumed silica*

2019	15,000
2020	15,000
2021	**15,000**
2022 (Planned)	**10,000***

* OCI (Gunsan) / Including hydrophobic fumed silica

Polysilicon

We have produced polysilicon since 2008. Our Gunsan plant in Korea exclusively produces electronic-grade polysilicon with a capacity of 4,000 metric tons. Our Sarawak plant in Malaysia produces solar-grade polysilicon with a capacity of 30,000 metric tons.

In 2021, we signed two major long-term supply contracts. In the electronic-grade field, we signed an extended contract with SK Siltron, a leading Korean semiconductor wafer producer. The follow-on order more than doubles the original deal and extends it through 2028.

We also signed a long-term solar-grade supply contract with LONGi Solar of China, the world's leading monocrystalline solar wafer and module supplier. Anticipating rising global demand, we also completed the transfer of certain mothballed solar-grade production facilities at our Gunsan plant to our Sarawak plant as we accelerated plans to increase capacity to 35,000 metric tons in 2022.

Phosphoric acid

We have produced H_3PO_4 since 2003 at our Gunsan plant in Korea. Our 30,000 metric ton plant produces 10,000 metric tons of commodity-grade and 20,000 metric tons of semiconductor-grade product for major customers across Korea.

In 2021, we broke ground for a second plant in Gunsan dedicated to semiconductor-grade production. When completed in mid-2022, the 22,000 metric ton capacity plant will enable us to meet growing demand for high-purity phosphoric acid from the Korean semiconductor industry.

Hydrogen peroxide

We have produced H_2O_2 since 1979 at our Iksan plant in Korea. We are a major supplier to Korean industries with a total production capacity of 85,000 metric tons, including 50,000 metric tons of electronic-grade product.

In 2021, construction of a new 50,000 metric ton plant in Gwangyang, Korea by our P&O Chemical joint venture with Posco Chemical proceeded on schedule. The new plant will enable us to meet growing demand from Korea's semiconductor and display industries when it comes online in the second half of 2022.

Fumed silica

We have produced fumed silica since 2006 at our Gunsan plant in Korea. Today we are Korea's leading producer with a production capacity of 10,000 metric tons of fumed silica including hydrophobic fumed silica for high value applications.

In 2021, we sold our 6,000 metric ton plant in China to refocus on our Korea operations. We plan to steadily increase hydrophobic fumed silica production capacity to meet growing market demand from high value-added industries.

Chlor alkali

We have produced chlor alkali since 1990. Today we produce 127,000 metric tons of various grades for captive use and sale at our Gunsan plant in Korea and Sarawak plant in Malaysia.

In 2021, we began work to expand an existing 10,000 metric ton plant colocated with our polysilicon plant in Sarawak, Malaysia. Operated by subsidiary OCIMSB, the plant will be expanded to 110,000 metric tons to supply a new joint-venture epichlorohydrin (ECH) plant located in the same industrial complex starting in 2024.



Petrochemicals & Carbon Materials

Capacities

In metric tons

Pitch*

2019	531,000
2020	531,000
2021	**531,000**

* OCI (Pohang, Gwangyang), Shandong OCI, Ma Steel OCI

Carbon black*

2019	500,000
2020	500,000
2021	**500,000**

* OCI (Pohang, Gwangyang), Shandong OCI-Jianyang Carbon Black

BTX*

2019	260,000
2020	260,000
2021	**260,000**

* OCI (Gwangyang)



Carbon black

We have produced carbon black since 1981 in Korea. Today we are the No. 1 producer in our home market, operating two plants domestically and one in China. Our global sales capacity of 500,000 metric tons includes 150,000 metric tons from our Hyundai OCI joint venture in Seosan, Korea.

In 2021, we continued development of new grades to expand our carbon black lineup. Looking ahead, we continue to focus on increasing value-added opportunities in new businesses.

Toluene di-isocyanate (TDI)

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

In 2021, we continued to invest in the development of new production processes to better leverage our ability to self-source key feedstocks such as chlorine and hydrogen to enhance our competitiveness in this often volatile market.

Pitch

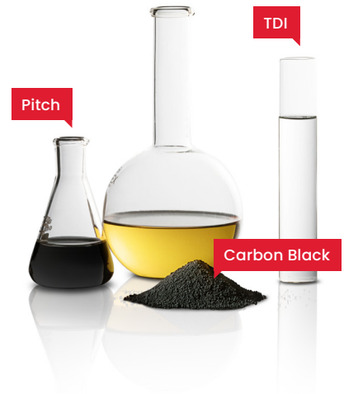
We have produced coal tar pitch since 1978. Today we are a global top-3 producer with a global distillation capacity of 1,180,000 metric tons, including 450,000 metric tons at two plants in Korea and 730,000 metric tons at two plants in China. Our total pitch production capacity is 531,000 metric tons, including 202,500 metric tons in Korea and 328,500 metric tons in China.

In 2021, we began an expansion into the high softening point pitch (HSPP) market through our P&O Chemical joint venture with Posco Chemical. HSPP is used to coat graphite-based anode materials to increase battery life, charging and discharging efficiency, and energy density. A 15,000 metric ton plant is currently under construction in Gongju, Korea and on schedule for commercial production by 2024.

BTX

We have produced BTX products since 1995 at our Gwangyang plant in Korea. Today we are Korea's sole manufacturer to produce BTX from a by-product of the steelmaking process with a capacity of 260,000 metric tons.

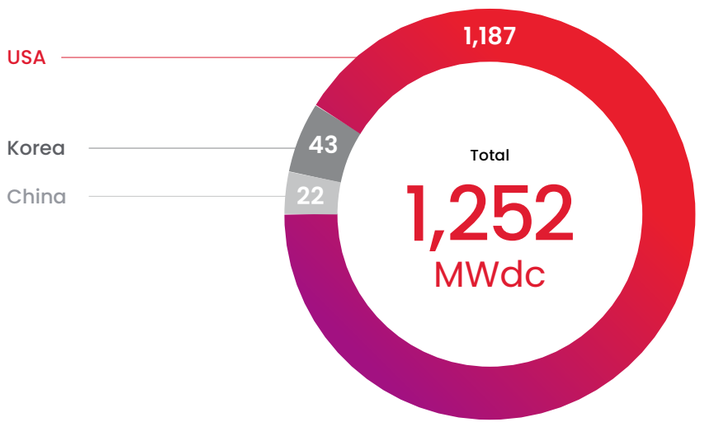
Unlike conventional oil-based BTX production, we extract BTX from coke-oven light oil, a by-product of steel production. This gives us an important competitive edge, particularly when global oil prices are high, as they were in 2021.



Energy Solutions

Solar PV projects

In MWdc



Solar PV energy

We are a global solar PV project developer with a presence in key markets including the United States, China, and Korea. As of the end of 2021, we had developed independent power producer (IPP) and engineering, procurement, and construction (EPC) projects totaling 1,252 MWdc worldwide. We currently operate IPP and EPC projects totaling 108 MWdc.

The hub of our US solar PV development and module manufacturing operations is in San Antonio, Texas. On the development side, OCI Solar Power continues to develop new projects in Texas and other US regional markets. The company sold 100% of its equity interest in two 270 MWdc shovel-ready projects during the year. Project Parker was acquired by Buckeye Partners in July and Project SunRay by Arava Power in December. Going forward, OCI Solar Power and Arava Power have plans to collaborate on a further 405 MWdc of solar projects in Texas. On the manufacturing side, Mission Solar Energy experienced a robust sales recovery during the year as the US residential and commercial PV system installation market returned to growth.

In Korea, our solar PV development efforts focus on providing solutions that maximize reliability and availability. Subsidiary OCI Power and US subsidiary OCI Solar Power are collaborating with Hyundai Motor Group, overseeing two pilot projects focused on validating the performance and feasibility of using recycled electric vehicle batteries in energy storage system (ESS) applications. The first pilot facility was commissioned in January 2021 at subsidiary OCI Specialty in Gongju, Korea, and pairs an existing 727 kW solar PV installation with a containerized 300 kWh ESS platform. The second pilot facility is scheduled for commissioning at a site in Texas in the second half of 2022.


Alamo solar PV plant, Texas, USA


OCI SE

Cogeneration power plant

Our OCI SE subsidiary operates a 303 MW cogeneration power plant in the Saemangeum Industrial Complex in Gunsan. We consistently achieve world-class efficiency and emissions performance backed on five decades of operational know-how gained from operating cogeneration power plants at our Incheon, Gwangyang, and Pohang plants.

Increases in system marginal price (SMP) in the second half of 2021 returned us to profitability despite rising fuel costs and record-low prices in the renewable energy certificate (REC) market. We earn RECs by operating our plant with a fuel mix that includes wood pellets. We have received approval to operate with a wood pellet ratio of up to 50% and continue to evaluate the feasibility of operating exclusively on wood pellets in the future.

Going forward, we expect REC prices and sales to rise based on new renewable energy portfolio standard (RPS) targets announced in 2021. Korean power utilities with a generating capacity of more than 500 MW will see their RPS target rise from 10% to 12.5% in 2022 as part of a phased increase to 25% in 2026.

Biopharmaceuticals

We launched our biopharmaceuticals business in 2018 with the mission of bringing new and effective treatments to market through global partnerships with leading biotech innovators and investors.

Over the past three years, we have invested in a number of innovators. Our partners continued to steadily advance their diagnostic and therapeutic products through the development pipeline in 2021. SN BioScience (Korea) launched a phase 1 clinical trial for its SNB-101 pancreatic cancer drug in the US and Korea. Nucleix (Israel) continued to pursue US approval for Bladder EpiCheck, a novel urine test to detect bladder cancer, as well as develop Lung EpiCheck, a novel blood test to detect lung cancer. Adicet Bio (USA) began a phase 1 clinical trial of its novel chimeric antigen receptor engineered T cell (CAR-T) therapy targeting lymphoma in February 2021 and announced positive interim clinical data of its dose escalation Phase 1 study in December 2021.

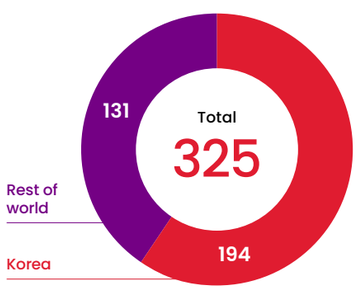
We also expanded our portfolio in 2021 with a KRW 5 billion investment in Korea-based Panolos Bioscience. Founded in 2019, Panolos is the developer of αART™, a multi-specific drug generation platform designed to counter side-effects commonly associated with single-target protein therapeutics. The company's pipeline includes the PB101 candidate, which targets all vascular endothelial growth factors (VEGF), including placental growth factor (PlGF).

Looking ahead, we expect our February 2022 acquisition of an 11% controlling stake in Korea-based Bukwang Pharmaceutical to accelerate and expand our business development efforts into new fields such as drug commercialization and contract development and manufacturing as we continue to build innovative new drug portfolios that will open the way for better outcomes for patients everywhere.

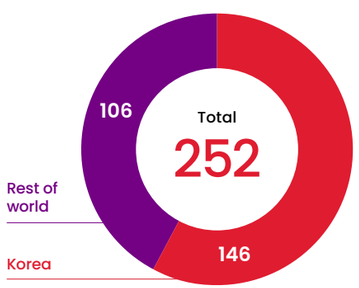
Research & Development

The OCI R&D Center oversees a broad range of R&D initiatives spanning our entire business portfolio, enabling us to consistently deliver new products and technologies that create real, sustainable value for all our stakeholders. In 2021, we took a lead role in overseeing the execution of at least five new plant or capacity expansion projects underway in Korea and Malaysia. In our process innovation role, we continued to find new ways to boost quality, yields, and productivity of multiple products, including phosphoric acid, carbon black, and electronic-grade polysilicon. In our business development role, we made significant progress in qualifying new products such as high softening point pitch and temperature-controlled packaging solutions based on our ENERVAC vacuum insulation panel technology. Looking ahead, we continue to accelerate development of high-performance chemicals and materials in the energy, semiconductor, battery, and other growth fields as we work to create value-added products with outstanding performance and quality to meet the needs of tomorrow's industries.

Patents Granted



Patent Applications



Urban Development

CITY OCIEL

Subsidiary DCRE is managing the redevelopment of the site of our former Incheon plant. Officially named City Ociel, the project consists of 10 residential complexes located in Incheon's Yonghyeon-Hagik district. Scheduled for phased completion through 2027, the large-scale development consists of approximately 13,000 residential units as well as commercial, retail, and cultural facilities.

In the first year of pre-sales in 2021, we completed sales of approximately 3,780 residential units, including 2,540 apartments and 1,240 studio apartments, as well as 338 commercial units.


CITY O CIEL

SUSTAINABLE IMPACT

At OCI, our approach to sustainable management encompasses every aspect of the sustainable value chain from the development of innovative next-generation value-added technologies to efficient business management. We are committed to the transparent disclosure of our sustainable management activities and results across the full spectrum of our corporate activities as we work with our stakeholders to make sustainable growth a reality.

13
Sustainable Value Chain

14
Materiality Assessment

15
Stakeholder Engagement

Sustainable Value Chain

Business Activities

R&D

We are continuously conducting R&D in areas related to the company's business strategy to develop differentiated high value-added future technologies.

- Advancing R&D projects
- Identifying new business items

Procurement

We strive to strengthen the monitoring of purchases by establishing an optimized purchasing process and building win-win cooperation with our suppliers.

- Monitoring purchase process
- Strengthening relationships of win-win cooperation

Manufacturing

In addition to securing cost competitiveness, we operate environmental and safety management systems that meet international standards.

- Securing cost competitiveness
- Securing manufacturing efficiency
- Obtaining environment/safety management system certification

Logistics & Transportation

We operate the Transportation Management System (TMS) to efficiently manage the logistics process and review and prevent logistics and transportation risks in advance.

- Developing and operating the Transportation Management System (TMS)
- Reviewing and managing logistics/ transportation risks

Service

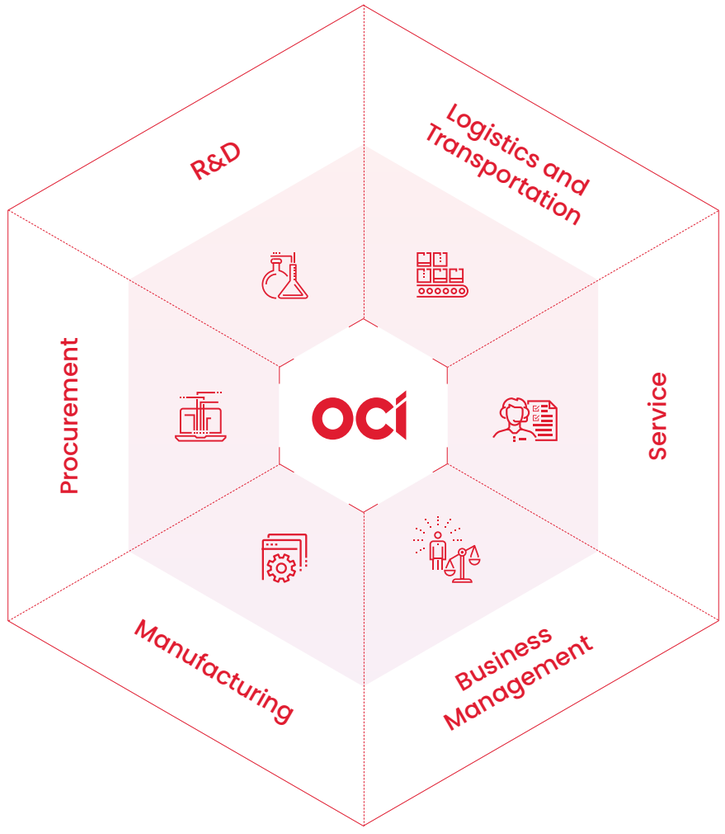
We are maximizing customer satisfaction by preventing inconveniences after product sale.

- Operating a customer center
- Conducting stakeholder surveys

Business Management

We effectively utilize human and material resources to practice sustainable management, focus on organizational culture, safe environmental practices, human rights management, etc.

- Effectively utilizing internal resources
- Establishing a human rights policy



Inputs

FINANCIAL

Assets	KRW 5,704.1 B
Liabilities	KRW 2,580.3 B
Shareholders' equity	KRW 3,123.8 B
No. of shares issued*	23,849,371 Shares

MANUFACTURED

No. of suppliers*	892
Purchases from suppliers*	KRW 1,171.2 B
Tangible assets	KRW 1,618.0 B

INTELLECTUAL

Intangible assets	KRW 38.3 B
R&D investment (as a % of sales)	KRW 24.0 B (0.81%)
No. of R&D personnel* (% of total employees)	93 Persons (5.9%)

NATURAL*

Energy consumption	18,132 TJ
Raw material use	1,296 KT
Water consumption	9,294 KT
Environmental investment	KRW 19.8 B

HUMAN RESOURCES*

No. of employees	1,571 Persons
Total annual wages	KRW 139.1 B
Total training hours	68,758 Hours
No. of new employees	173 Persons

SOCIAL & RELATIONSHIP*

Volunteer hours	300 Hours
No. of volunteers	75 Persons
Total social contribution	KRW 0.396 B

* non-consolidated basis

Outputs

FINANCIAL

Sales	KRW 3,244.0 B
Operating income	KRW 626.0 B
Net profit	KRW 652.1 B

MANUFACTURED*

Key production	1,191 KT
Operating hours (percentage)	5,386 Hours (68%)
Quality certifications	ISO 9001, IATF 16949, KS M 1112

INTELLECTUAL*

No. of intellectual property rights	623
No. of government R&D projects	2

NATURAL*

GHG emissions	1,190,213 tCO_2-eq
Waste water treatment	2,544,982 m^3
Water recycling rate	5.2%

HUMAN RESOURCES*

Employment ratio of socially vulnerable persons**	4.4%
Female employees (% of total)	105 Persons (6.7%)
Average employee tenure	15.0 Years
Injury frequency rate	1.06%

SOCIAL & RELATIONSHIP

Corporate tax profit	KRW 40.2 B
Engagement with local communities and social contribution activities, including scholarships, support for elementary school lunches, etc.	
2021 no. of employees at standard workplaces for the disabled***	22 Persons

* non-consolidated basis /
** Disabled, patriots and war veterans / *** OCI Dream

Materiality Assessment

Materiality Assessment Overview

We have conducted a materiality assessment in accordance with the reporting principles of the Global Reporting Initiative (GRI) to identify the core issues of the company in terms of sustainable management. This materiality assessment enabled us to identify the interests of internal and external stakeholders as well as understand core issues for the sustainable management of OCI. We will reflect the selected core issues on business management activities to establish our future sustainable management strategies and goals. The materiality assessment procedure is as follows:

Materiality Assessment Process

STEP 1.

Issue pool composition

Global standards/ industrial indices analysis

GRI, ISO 26000, SDGs, TCFD, MSCI, DJSI, SASB, RBA

Benchmarking competitors/ customers

Six foreign companies, four domestic companies (10 companies in total)

Internal status/industrial issue analysis

Mid- to long-term KPI, business report, management performance data, etc

Media research analysis

328 valid items (1,063 items in total)

※ Select and review a pool of issue topics by eliminating overlapping issues and consolidating similar issues

A pool of 34 issue topics

STEP 2.

Materiality and relevance analysis

※ Assess the social interest and impacts on the business of the 34 finally selected issues

Social Interest

- Analyze the effects of global standards and their evaluation criteria
- Media research analysis
- Review the impact of issues* on each stakeholder group

Impact on Business

- Benchmarking the industry
- Review from internal issue perspectives such as CEO messages and OCI strategic tasks
- Review of economic, social, and environmental materiality through employee surveys in January 2022

*** Issue impact**
Costs: impact on short-term, direct or indirect financial profits and losses
Profit: impact on business operation, activities and process
Risk: impact on reputation and the trust placed in us by stakeholders such as communities and customers

Derive six core issues for reporting

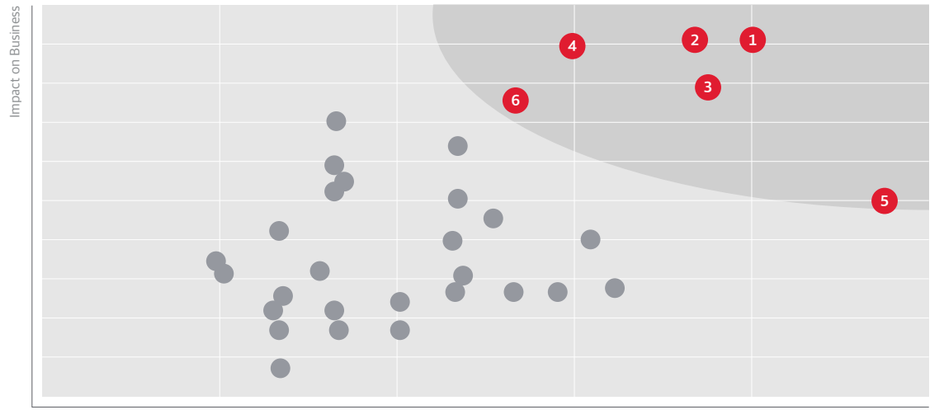
STEP 3.

Core issue derivation

1. Derive core issues and sub-issues of sustainable management
2. Analyze the actual and potential impact of each issue and reflect them in developing the integrated report
3. Set three major report issues from six core issues, reflect them in the detailed plan, and prepare the report based on them

Prepare a report page plan for core issues of E/S/G

Materiality Assessment Matrix



Selection of core issues

	Core Issues	Material Topic	Stakeholder	GRI Index	Issue Impact	Report Page
G	1. Global market expansion	Creation of future innovative values	Customers, shareholders	Economic performance (201)	Profits, Risk	17
	2. Increasing economic profits		Customers, shareholders, employees		Profits	
S	3. Spreading safety culture in workplaces	Workplace safety	Employees, suppliers	Occupational health and safety (403)	Costs, Risk	18
E	4. Enhancing energy consumption efficiency	Sustainable environment	Customers, shareholders, government	Energy (302) Emissions (305)	Costs	19
	5. Climate change risk management and response		Customers, shareholders, government		Costs, Risk	
	6. GHG emission management and reduction		Customers, shareholders, government		Costs	

General issues

Integrated risk management, stringent control of sustainability management issues by the Board of Directors, securing soundness in governance, preventing unfair and corrupt practices, active responses to global initiatives, communication with stakeholders, raw materials management and recycling, developing eco-friendly products and services, controlling water use and minimizing wastewater discharge, biodiversity protection, reducing pollutant emissions, waste management and the circular economy, stricter control of hazardous chemical substance treatment, compliance with environmental laws and response to regulations, securing talents through job creation, fostering a balance between work and life, employee healthcare, employee competence development, promoting communication between labor and management, promoting mutual growth policies and activities, supply chain sustainability management, information security, customer satisfaction and service quality improvement, developing products to secure customer safety and health, establishing a human rights policy, prohibition of discrimination and respect for diversity, ban on child labor and forced labor, and strengthening social contribution activities

Stakeholder Engagement

Selection and Classification of Stakeholders

In our pursuit of sustainable management, we have identified shareholders and investors, customers, local communities, suppliers, the government, and employees as our six core stakeholder groups and are operating various communication channels to cover the major interests of each group. We will provide transparent, correct information about our company by enhancing communication with each core group. Furthermore we will strive to reflect their various opinions in our policies on sustainable management.



Engagement and Communication with Stakeholders

We have established communication channels for stakeholders to participate in management activities and have been disclosing the information to the public. In addition, we continue striving to provide reliable and transparent information to our core stakeholders (shareholders and investors, customers, communities, suppliers, the government, and employees). One of the ways we are achieving this is through operating communication channels through which stakeholders can freely engage anytime, anywhere, regardless of any change in corporate management or the occurrence of a major event. We guarantee our stakeholders' right to know by providing timely information on the circumstances surrounding, key details of, and countermeasures for any change in corporate management or the occurrence of any major event that affects the company.

	Stakeholder communication channels	2021 major issues, interests	OCI approaches
Customers	• Customer satisfaction survey • Operation of the on-line/off-line customer consultation center • Sales/marketing activities	• Securing product quality competitiveness • Sales of safe products	We gather the opinions of customers, reflect their feedback and develop products and services that take into account the health and safety of our customers.
Shareholders	• General meeting of shareholders • Management disclosure and IR • Integrated report	• Business portfolio diversification • Strengthening financial solvency	We strive to improve value for shareholders and investors by expanding our business portfolio and generating greater profits, and have disclosed our corporate management information transparently through various channels.
Employees	• Labor-Management Council • Meetings by job seniority • CEO's Presentations on the current state of management	• Improvement of working environment and organizational culture • Fair performance evaluations • Guarantee of employment stability	We have taken steps to help our employees perform their jobs in a comfortable environment by implementing a variety of educational programs aimed at improving competencies, establishing a system of fair performance evaluations, and guaranteeing job security.
Local Community	• Social contribution activities • Council for local community • Scholarship / OCI Art Center	• Zero safety and environmental accidents in local communities • Regional economic vitalization and social contribution	We contribute to the development of local communities by operating customized social contribution programs and strengthening safety management at business sites to prevent safety accidents affecting local communities.
Suppliers	• Supplier workshops • Meetings with suppliers • E-procurement system	• Mutual growth and improved cooperation • CSR risk management of suppliers	We make various efforts for sustainable development through mutual growth with our suppliers and monitor to identify unfair practices and corruption among them.
Government	• Participation in meetings with government agencies • Participation in government policymaking and investments	• Compliance with laws and regulations • Enhanced transparency in tax payment	We comply with all applicable laws and regulations of the government, have paid taxes faithfully through transparent accounting procedures, and strive to prevent unfair practices and corruption within the company.

SUSTAINABILITY FOCUS

At OCI, we chose value innovation, workplace safety, and environmental sustainability as the core areas of focus for our sustainability efforts in 2021. Going forward, we will also be actively working to implement stakeholder feedback in our policies and operations.

17
ISSUE 1
Value Innovation

18
ISSUE 2
Workplace Safety

19
ISSUE 3
Sustainable Environment

ISSUE 1

Value Innovation

Background for core issue selection

Amidst growing demand to solve global environmental challenges, businesses worldwide are expanding investment in the renewable energy and biotech sectors. Therefore, we should diversify our business portfolio into renewable energy, biotech, urban development, etc., rather than investing in existing chemical business sectors and securing competitiveness in new projects.

Business management methods

To identify sustainable core businesses in the future, we must discover and expand new businesses and secure competitiveness through ceaseless R&D efforts. While concentrating on developing technology-intensive high value-added products and core projects, we have expanded profits by diversifying overseas businesses based on our competitiveness at home and abroad. In addition, we have secured business competitiveness through continuous R&D investment in promising industrial technologies and process innovation for existing plants.

Assessment of impacts on stakeholders

Core issues	Impact assessment		
	Costs	Profits	Risk
Global market expansion		●	●
Increasing economic profits		●	

Opinions of key stakeholders

"A creative technology development is required to support the drastic development of sustainable management."

"We believe that we should enhance technology through continuous M&A."

"It is necessary to develop future-oriented new technology and cultivate a global business mindset."

"It is time to discover items for future growth and high value-added business sectors that do not involve price competition."

Major achievements in 2021

Expansion of green energy projects
The signing of a joint venture contract to produce ECH*

* Epichlorohydrin: used as a lightweight epoxy material for electric vehicles and wind power plants

Expansion of high value-added businesses
High softening point pitch, electronic-grade polysilicon, etc.

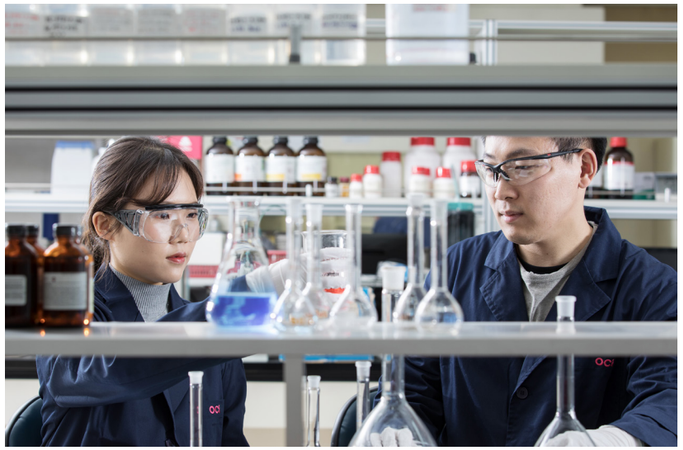
Expansion of biotech business
Investment of USD 770,000 in Adicet Bio

OCI commitment

Management items	Plans and implementation goals
Implementation of new projects	Expansion of electronic-grade polysilicon
R&D investment	Securing core research personnel and technology
Productivity improvement	Strengthening global business competitiveness

Polysilicon business diversification

We are promoting business diversification through a two-track strategy of the polysilicon business. OCIM Sdn. Bhd., an OCI subsidiary in Malaysia, has concentrated on producing solar-grade polysilicon, and our Gunsan plant has focused on producing electronic-grade polysilicon to compete against China's low-cost, solar-grade polysilicon and expand our portfolio of high value-added businesses. Each business site strives to increase production and secure stable buyers while meeting market demand and enhancing cost competitiveness. In addition, OCI R&D Center is developing technology and implementing advanced R&D tasks to produce products closely related to daily life, ranging from basic chemical products to renewable energy projects. We will continue to increase R&D investment in eco-friendly products and high-value-added sectors to find new future sales momentum to grow as a customer-centric, eco-friendly company specializing in renewable energy, satisfying all stakeholders.



Production of core material for anodes

In August 2021, we established a plan to produce high softening point pitch, a key anode material for rechargeable batteries, through P&O Chemical, a joint venture with Posco Chemical. 'High-softening-point pitch' is used for coating anode graphite to improve the charging and discharging efficiency and density of rechargeable batteries and increase battery life. The market for anodes based on high softening point pitch is expected to expand amid the growing markets for electric vehicles and energy storage systems (ESS). P&O Chemical aims to begin production of 15,000 tons a year in 2024 and increase sales to manufacturers of rechargeable battery anodes, attaining 10% of the global market. We will take advantage of the changing market environment as an opportunity and lead the market in high-value materials with high-quality product supply.

New business development

Biopharmaceuticals business

We are entering the biotechnology business sector by continuously investing in biotech ventures and acquiring stakes in pharmaceutical companies to cultivate our new business areas. Since 2018, we have reinforced our bio business capabilities through strategic investments in promising bio ventures such as SN Bioscience, Nucleix, Adicet Bio, and Panolos. Based on this, we have also been establishing various business models such as R&D collaboration and strategic partnerships. Among them, Adicet Bio is attracting a lot of attention as its first positive clinical results have been released since its listing in 2021. In addition, we acquired about 7.73 million shares (11%) of Bukwang Pharmaceutical Co., Ltd., a traditional drug manufacturer, in February 2022 and became the largest shareholder. Through joint management with Bukwang Pharmaceutical Co., Ltd., we plan to enter the biotech industry with significant growth potential while lowering barriers in new drug development and securing expertise through R&D.

ECH joint venture

We signed a contract to establish a joint venture with Kumho P&B Chemicals to produce epichlorohydrin (ECH), a key material used to produce lightweight epoxy for electric vehicles and wind turbine blades, to increase our competitiveness in the steadily growing materials sector. For this project, it was agreed that the joint venture would invest KRW 200 billion, and from 2024, we will make an additional investment of KRW 180 billion to produce 100,000 tons of chlor alkali (CA), a raw material for ECH. With this project, we will lead the material market, which is expected to grow continuously in the future, with electronic materials and green chemicals as our core pillars.

Non-flammable vacuum insulation panels help prevent workplace accidents

Growing interest in a low-carbon society has also drawn attention to our non-flammable vacuum insulation panel technology that we have continued to develop since 2006. Our vacuum insulation panel was the first thermal insulation material to obtain the green technology certification from the Korean government. The material features low air, gas, and moisture permeability, making it ideal for refrigeration equipment as well as energy-efficient construction and industrial insulation applications. The core is made of high-purity fumed silica, a material with outstanding thermal performance, making it more durable than typical vacuum insulation panels as well as offering reliable fire protection.
This combination of safety and thermal efficiency makes our non-flammable vacuum insulation panel material a major ESG win and a testimony to our commitment to innovation.



Non-flammable vacuum insulation panels

ISSUE 2

Workplace Safety

Background for core issue selection

Considering the tightening domestic regulations on safety and health, such as the planned enforcement of the Act on the Punishment of Serious Accidents, measures to ensure employee safety and secure stakeholder trust are necessary. Building and managing a safe working environment at business sites is considered one of our core factors. Furthermore, enhancing the overall safety culture level of a company and addressing safety and health issues in the production processes can increase the productivity of its members and create a good reputation for the company.

Business management methods

We strive to fulfill our social responsibilities by continuing to strengthen the occupational health and safety management system for the workplace and our employees. We have fostered a safety culture through various efforts such as safety education for employees and suppliers, and support for improving the safety management capabilities of suppliers. Each business site has installed an industrial safety and health committee. These committees constantly conduct accident prevention activities to minimize damage to the company and community from emergencies, including earthquakes, fires, explosions, and leaks.

Opinions of key stakeholders

"We need a variety of best practice benchmarks to establish a safety culture at our business sites."

"We need management that places a priority on safety."

"All business sites should pay special attention to safety to not violate the Act on the Punishment of Serious Disasters to be enforced in 2022."

"Local plants should cooperate closely with residents, local governments, related organizations, the media, etc., to address accident risks."

Assessment of impacts on stakeholders

Core issues	Impact assessment		
	Costs	Profits	Risk
Disseminating safety culture at business sites	●		●

Safety and health certifications by business site

Site	Certification	Validity period
Gunsan	ISO 45001	2021.11.08~2024.11.07
Pohang	KOSHA 18001 → ISO 45001	2021.11.08~2024.11.07
Gwangyang	ISO 45001	2021.11.08~2024.11.07
Iksan	KOSHA 18001 → ISO 45001	2021.11.08~2024.11.07

OCI commitment

Management items	Plans and implementation goals
Response to laws and regulations on safety and health	Operation of the Serious Accident Prevention Committee
On-site safety management	Strengthening and supporting the safety management of suppliers
Establishment of a safety management system	Building and managing IT systems for safety and health
Response to Covid-19	Reinforcing company-wide health management

Strengthening safety and health systems

We have established an occupational safety and health management system with operational safety objectives and business policies to make our business sites safe. The policies implemented aim to remedy deficiencies based on both in-house and third-party safety inspections. The effectiveness of these plans are then reviewed and improved upon.

Operation of Serious Accident Prevention Committee

As part of efforts to strengthen safety management at business sites, we launched the Serious Accident Prevention Committee in 2021 to implement special measures to improve systems, facilities and manpower. By forming a committee attended by the CEO, we have created an IT system for safety and health management for business efficiency, and we will strengthen the safety management of processes directly related to accidents. Starting with our activities to prevent supplier workplace accidents, we have continued efforts to prevent serious accidents such as falls, getting caught in or between gears, collisions, electrocution and knocking down (tripping). Furthermore, we have actively drawn up and executed a new budget regarding safety equipment for loading trucks and forklifts, sensors and alarm devices at the entrances of warehouses, and precision noise measurement devices. In addition, we have conducted job safety analysis (JSA) training for supervisors at all business sites to help them identify and assess risk factors by work stage.

Reinforcing on-site safety management

We have established the "OCI Safety Golden Rules," our fundamental safety principles for accident prevention. Employees must jointly recite the Safety Golden Rules before work and meetings to remind them that it is our top priority. In addition, we have been selecting the appropriate personal protective equipment (PPE) for each type of work/material that meets the characteristics of each business site, providing the equipment to workers, and monitoring whether it is used properly. We have reinforced our safety training to ensure that all supplier employees comply with the OCI Safety Golden Rules and aim to strengthen our safety management by only selecting suppliers who are able to demonstrate competency in industrial accident prevention.

OCI Safety Golden Rules

1. Wear proper PPE in areas where there is possible leakage upon opening facility.
2. No work allowed without required work permit.
3. 'Lock out tag out' required when performing equipment maintenance.
4. Environmental sensors must be checked before entering confined areas.
5. Safety harnesses required when working at heights.
6. Keep hands free and no use of mobile phones while walking.
7. Be alert to violations of safety regulations and work procedures.

Strengthening health management at business sites

We have increased the number of business sites with on-site health management personnel (nurses) to four sites, making health management more systematic and professional. Activities are also underway to improve the working environment in process areas where noise is generated to prevent noise-induced hearing loss. We have conducted in-depth surveys of each business site to identify the location and source of noise in each process. This data will guide us as we take a phased approach to eliminating sources of noise and make additional investments in noise control.

CEO inspection of safety and health at sites

"CEO Safety and Health On-site Inspection Day" is an event where the CEO visits each business site, reviews safety management activities and discusses outstanding SH&E* issues. The heads of business sites and team leaders participate in the event, review accident case studies relevant to each site, evaluate the possibility of similar accidents happening, and identify areas for improvement. We will use these events as an opportunity for internal benchmarking and apply the best practices of each business site to other sites, thereby contributing to company-wide accident prevention.

* Safety, Health & Environment

Board approval of safety and health plan

We implement an annual "Safety and Health Plan" with the approval of the board of directors in accordance with Article 10 (1) of the Board of Directors Regulations and Article 14 of the Occupational Safety and Health Act. The board is briefed on plan results and costs from the previous year and approves the safety and health management goals and investment plans for the coming year. In 2022, the board approved a roughly 29% increase in investment aimed at achieving our goal of a zero-accident workplace.

Safety and health declaration

The safety and health of our employees, suppliers, and visitors are our top priority. This committment is outlined in our "Occupational Safety and Health Declaration" posted at all business sites.



Occupational Safety and Health Declaration

OCI prioritizes the occupational safety and health of employees, partners and visitors in all management activities and considers occupational safety and health management activities the most important value guiding all of its decisions and actions.

Management Policy

OCI declares that occupational safety, health, and environmental management is the key management solution for the company to grow as a leader in the global green energy and chemical industry and is an essential requirement for fulfilling corporate social responsibility. All employees of OCI will do their best to maintain accident-free, eco-friendly workplaces by observing the following principles regarding occupational safety, health and environment in their work, thereby reducing occupational safety, health, and environmental risks.

- **Occupational safety, health and environmental management principles (3P)**
- **Priority**: OCI prioritizes safety, health, and environmental management in all activities and observes laws, regulations, and other requirements to prevent work-related injuries and health failures and minimize pollutants.
- **Positive**: OCI constantly improves its occupational safety, health, and environmental management system with a positive and proactive attitude.
- **Partnership**: OCI secures the confidence of the society, keeps communicating with stakeholders to maintain true partnerships, and implements occupational safety, health and environmental management activities through consultation and participation with all employees.

Management Goals

- **OCI will attain a zero incidence of serious disasters by providing the necessary resources to reduce occupational safety and health hazards, fulfilling its responsibilities and safely managing all dangerous and hazardous factors.**
- **OCI will observe laws and regulations on occupational safety and health and audit compliance with occupational safety and health laws and regulations at least once semiannually.**
- **OCI will implement the occupational safety and health management system and constantly improve the system by conducting an internal audit each year for efficient operation.**
- **OCI will provide education on prevention and control of occupational safety and health hazards to its staff and partners and promote safety consciousness with the participation of all members.**

All employees of OCI, partners and visitors will make efforts together to promote occupational safety and health and contribute to its sustainable development by achieving results that gain trust from all stakeholders and society.

Kwan Hu, Vice President, CSEO

TaeJoung Kim, President & CEO

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ISSUE 3

Sustainable Environment

Background for core issue selection

As stakeholder interest in the environment increases, laws on chemicals and air and water pollutants have been continuously revised and strengthened over the past few years. In particular, environmental issues are not confined to business but require consideration from regional, national and global perspectives. All environmental elements should be thoroughly reviewed to maintain the continuity of existing projects and ensure sustained growth through new project exploration.

Business management methods

We carry out eco-friendly policies, make proactive investments in the environment, and comply with environmental laws based on a strong commitment to a sustainable environment and green management. We operate an SH&E management system to minimize the impact of pollutant discharges on the environment, aim to make eco-friendly products through the ceaseless improvement of processes and environmental facilities, and implement various eco-friendly projects.

Opinions of key stakeholders

"Efforts to increase energy efficiency are needed."

"It is imperative to find eco-friendly businesses conducive to carbon neutrality in line with global trends."

"As a leader of the global green energy and chemical industries, in addition to economic activities, it is important that we engage in environmental protection, safety management, and social contribution."

Assessment of impacts on stakeholders

Core issues	Impact assessment		
	Costs	Profits	Risk
Enhancement of energy consumption efficiency	•		
Climate change risk management and response	•		•
GHG emissions management and reduction	•		

SH&E management system certification

Site	EMS certification	Validity period
Gunsan	ISO 14001	2020.11.01~2023.10.31
Pohang	ISO 14001	2020.11.01~2023.10.31
Gwangyang	ISO 14001	2020.11.01~2023.10.31
Iksan	ISO 14001	2020.11.01~2023.10.31

OCI commitment

Management items	Plans and implementation goals
Reduce GHG emissions	Foster an eco-friendly business environment
Air pollution management	Conduct activities to reduce particulate matter
Control harmful chemical substances	Improve hazardous chemical substances facilities

Fostering eco-friendliness on-site

We aim to foster an eco-friendly corporate culture by helping eco-friendly management take root and raising awareness of its importance throughout the company. Toward this end, we have made our sites more eco-friendly through environmental impact management and improvements in energy efficiency. In addition, we have continued our efforts to minimize our environmental impact on areas surrounding our plants by setting stricter environmental objectives than legal standards and tightening our control over the discharge of pollutants.

Self-criteria stricter than related law

In order to minimize air and water pollutants arising from the production process, we have set and maintain our own standards that are stricter than the law. Accordingly, if we are in compliance with all legal standards but fall short of our own internal standards, we will put in place policies to rectify the issue as we work to minimize our impact on the environment. Since signing a voluntary agreement to reduce particulate matter emissions with Korea's Ministry of Environment in December 2019, we have continued to expand the scope of our proactive efforts.

Business site energy conservation

1 Reduced energy loss

- **Gunsan plant**
  We have maximized energy efficiency by optimizing the operating parameters of PI chemical vapor deposition (CVD) reactors to minimize power consumption.
- **Pohang plant**
  We have reduced energy consumption by improving process operation methods such as the optimal reflux ratio for PA distillation and the combustion efficiency of boiler fuels.

2 Installation of waste heat boilers

- **Gwangyang plant**
  We plan to increase steam production by installing a waste heat boiler in the exhaust gas pipes of the carbon black plant, achieving increased energy utilization through additional power generation.

3 Use of high-efficiency equipment

- **Iksan plant**
  We replaced the existing low-efficiency freezers with high-efficiency ones, resulting in improved freezing capacity and power savings.

4 Use of eco-friendly raw materials

- **ECH joint venture**
  We will use natural raw materials such as salt and glycerin, generating almost no wastewater or by-product hydrochloric acid. In addition, the site will operate exclusively on hydroelectric power.

Establishing an electronic document system

We have built a paperless system that saves resources by eliminating paper receipts, automating accounting information processing, and electronically reporting and preserving payment documents. This system was recognized by the Korea Electronic Document Innovation Awards, which identifies institutions and companies that have contributed to the wider use of electronic documents and acknowledges the hard work of the people involved. We will continue to support the development of the electronic document industry as we leverage innovative technologies to drive digital transformation across our organization.



Korea Electronic Document Innovation Awards Ceremony

Meeting with residents near the Pohang plant

Our Pohang plant holds bi-annual environmental meetings with local residents to share its environmental improvement results and plans. In the second half of 2021, the plant replaced old facility walls to ensure structural soundness, installed additional electronic hammers on pipes coated with carbon black to remove noise, and used a tank truck to improve leakage detection facilities at raw materials and products loading sites. Multiple regular inspections and repair work are scheduled in the first half of 2022 to continuously improve the plant environment. The Pohang plant will make steady efforts to improve the living environment of residents and collect resident views and opinions at these meetings.

SUSTAINABILITY ISSUES

At OCI, we are leading the way in ESG management in Korea as we work to create sustainable value. In addition to creating a new board committee to handle ESG issues in 2021, we were named to the DJSI Korea Index for the 13th consecutive year and received the Primer Minister's award for our contributions to sustainable management.

* All information presented in this section is on a non-consolidated basis (OCI stand-alone basis) unless otherwise noted

21
Environment
Response to Climate Change
Environmental Management

26
Social
Talent Management
Mutual Growth
Social Contribution

31
Governance
Governance
Risk Management
Ethical Management
Human Rights Management

Environment

At OCI, we aim to be a global leader in green energy as we do our part to create a healthier, more sustainable future. These ongoing efforts include formulating a long-term climate strategy, reducing greenhouse gas emissions, and achieving carbon neutrality as well as systemically managing the environmental impact of chemicals and waste materials.

Energy Use

↓9.5%

Decrease from the previous year
(Fuel, steam, electricity, etc)

GHG Emissions Intensity

↓40%

Decrease from the previous year
(Intensity=Emissions/Sales)

Environmental Management System Certified

ISO 14001

Percentage of sites with ISO 14001 certification: 80%



Response to Climate Change

Efforts of OCI

Long-term road map for response to climate change: GHG Master Plan

We have established and administered the GHG (greenhouse gas) Master Plan to respond to climate change amid the development of carbon neutrality policies worldwide. We have developed internal standards and made efforts to discover external projects for GHG reduction to adapt to the emissions trading scheme, which has been in force since 2015. In addition, we have sought additional methods for applying GHG reduction technologies to our production processes.

STEP	Emissions trading scheme First planning period	Emissions trading scheme Second planning period	Emissions trading scheme Third planning period
Reduction Goals	• Achieving the goals allocated by the government • Discovering offset credits in Korea • Devising internal standards for emissions trading	• Achieving the goals allocated by the government • Discovering offset credits at home and abroad	• Exceeding government allocation targets • Reducing emission unit by product
Reduction Strategies	• Establishing strategies to prepare for emissions trading scheme • Discovering GHG reduction factors • Implementing reduction targets by site • Studying methods to apply reduction technology • Establishing a GHG monitoring system	• Project to acquire emissions offsets • Discovering processes of new technology application • Implementing reduction targets by business site • Applying and developing new technologies • Devising standards for calculating GHG emissions	• Discovering technologies and facilities that can reduce greenhouse gas emissions • Analyzing the GHG impact of new projects • Achieving additional reduction by participating in domestic and foreign reduction projects

Contributing to GHG emissions reduction at business sites

We are voluntarily assessing our corporate activities with Internal Carbon Pricing, which puts a value on GHG emissions to internalize the economic costs of GHG emissions. Based on the pricing, we estimate the financial value of emissions from the corporate activities and add carbon emission-related costs to our business operating costs. We intend to build a climate change response portfolio to take measures for GHG emissions reduction and participate in the emissions trading market by providing price signals for GHG emissions within the company.

Diversifying projects to respond to climate change

To take advantage of global greenhouse gas reduction needs as a new business opportunity, we have developed an ESS business model that combines electric vehicle battery reuse and solar PV since 2008 and stepped-up penetration of distributed power supply markets at home and in North America. OCI Power started an ESS validation project that connects electric vehicle battery reuse and solar PV in January 2021 after it signed an MOU with Hyundai Motor Group in 2019 to reuse electric vehicle batteries. In August 2021, the company signed a contract with Hanyang Corporation to supply solar PV inverters for an offshore solar power plant with a capacity of 97.5 MW in an area of 792,000㎡ in the Haechangman Bay area in Jeollanam-do, and is planning to supply the inverters during the first half of 2022. In September 2021, OCI Solar Power LLC signed an MOU with Hyundai Motor Group and CPS Energy in the United States to build an ESS using recycled electric vehicle batteries and validate the power system connection to the grid. We will install ESS Cubes in Texas until September 2022. We will closely keep analyzing the impact of climate change on our business, create synergy with existing projects and actively explore opportunities to launch new projects.



OCI-Hyundai Motor ESS Cube



MOU to test ESS construction and connection to the grid

Efforts to implement TCFD recommendations

We are preemptively responding to climate change and joining efforts to reduce global GHG emissions with systematic risk management that reflects the recommendations of the Task-force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB).

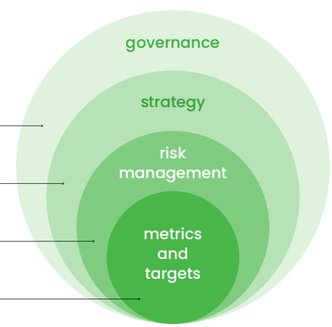
▶ Systematic response to climate change reflecting TCFD framework

Disclose the organization's governance regarding climate-related risks and opportunities.

Disclose the impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

Disclose how the organization identifies, assesses, and manages climate-related risks.

Disclose the metrics and goals used to assess and manage relevant climate-related risks and opportunities.



Gwangyang Plant, selected as a recipient of carbon neutrality facility support program

Our Gwangyang Plant was selected as the recipient of the 2021 carbon neutrality facility support program administered by the Korea Environment Corporation. The program aims to support companies participating in emissions trading schemes to attain the nation's carbon neutrality goals, and selected facilities receive state subsidies to install carbon neutrality facilities. The Gwangyang plant was selected in recognition of its excellence in the carbon black production process improvement, and it received the largest subsidy among domestic firms.

In 2022, the Gwangyang Plant will collect additional waste heat from furnaces to maximize steam production with an improved carbon black production process to reduce GHG emissions from cogeneration boilers by increasing the heat of waste gas and thus decreasing additional energy costs. This process improvement is expected to generate an economic effect of more than KRW 5 billion a year and stabilize process operation.


OCI Gwangyang Plant

Response to Climate Change

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

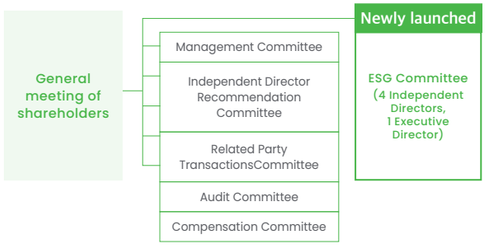
Implementation of TCFD Recommendations

Governance

Governance of an organization regarding climate change risks and opportunities

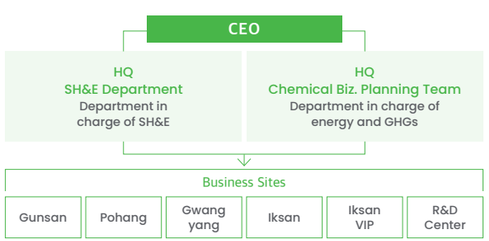
Supervision by the Board of Directors

In July 2021, we created the ESG Committee and a dedicated organization under the Board of Directors to officially proclaim sustainability management. ESG Committee is held more than once in every 3 months and oversees matters related to the environment, health/safety, social contribution, governance, etc. We plan to review the status of the long-term climate change response strategy every 3 months, approve major tasks, and manage and supervise implementation in the future.



The role of executives

We strive to respond to climate change by forming an organization dedicated to safety, health, and environment (SH&E) management under the CEO and holding SH&E meetings regularly. Our measures to climate change are directly linked to GHG reduction, energy-saving, and new energy projects. Major issues related to climate change are reported to the executives, who make decisions on the issues.



Strategies

Climate change response strategies

We have established a GHG Master Plan and conducted GHG reduction activities to respond to climate change. In 2015, we were designated as an eligible participant in the emissions trading scheme in Korea. Since then, we have carried out various activities to reduce GHG emissions, such as using byproduct gas, reducing incinerator operating loads, and optimizing operating conditions. In addition, we are monitoring GHG emissions and energy consumption at each business site.

Analyzing climate-related risks and opportunities

Items	Risks/opportunities	Potential financial impact	OCI responses
Physical risks	Rising frequency and intensity of natural disasters such as typhoons, floods and long-term changes in climate patterns	Damage to business sites and assets, disaster-related production delays, costs of business site recovery, compensation to employees (personal/physical/financial damages), etc.	Mitigating risks of property damage due to natural disasters, fire, etc., by purchasing property insurance at head office and business sites
Policy/ regulations	More stringent regulations on carbon such as GHG emissions trading scheme and increasing environmental lawsuits	The increased cost of purchasing emission credits due to rising emissions credit prices, increased costs of responding to legal and litigation risks, and increased investment in emissions reduction technology and renewable energy	Continuing efforts to maintain GHG emissions below the allowance credits assigned by the government, and when necessary, considering securing offset credits with external projects abroad
Technology	Transition to eco-friendly, low-carbon technology, improvement in energy efficiency, increased investment in emissions reduction technology	Expansion of business demand, securing the budget for introducing new technology and renewable energy	Continue reduction activities by replacing high-efficiency facilities and process developments. If CCUS technology is commercialized, opportunities will be sought for commercialization through technology introduction and self technology development
Market	Changes in demand and supply regarding solar PV materials and eco-friendly technology products	Increase in demand for solar PV materials, fierce technological competition, expansion of EV and ESS markets	Actively pursuing business opportunities as a result of increased demand and market expansion, such as ESS demonstration projects and ECH new business projects.

Risk Management

Implementing risk management

We categorize risks related to climate change as one of our major risks and have established countermeasures by analyzing their impact on our business management. In addition, with establishing our SH&E management system, we regularly monitor environmental indicators and environmental impacts. Our SH&E management organization has set and implemented detailed strategic tasks to set and achieve GHG reduction objectives.

Risk and opportunity identification process

1. Monitoring environmental impacts
2. Selecting risks that require management
3. Establishing response strategies and measures
4. Reflecting our environmental objectives

Integrating climate-related risks management process within the risk management system of an organization

In line with global and national policy changes amid global warming, we established a long-term road map for carbon neutrality in 2022 and created the ESG Committee and a department dedicated to the environment for systematic implementation. We regularly monitor GHG emission factors at all business sites, report results to the management, and share them with the company. In addition, we assign carbon emission unit targets by product, support carbon reduction activities, and check their performance every month. Furthermore, through communication with external experts, we review domestic and international trends of external projects for carbon reduction and seek opportunities to participate in external projects directly or indirectly. When we launch new business sites or develop new products, we prioritize eco-friendly sites and products from the design phase. In case carbon neutrality cannot be established internally, we are also considering alternatives such as third-party PPAs*, REC** purchases, and participation in domestic RE100*** projects.

* Power Purchase Agreement
** Renewable Energy Certificate
*** Renewable Energy 100

GHG Metrics and Reduction Goals

GHG reduction goals

We have established company-wide GHG reduction goals, such as reduced incinerator loads, the use of byproduct gas, and reduced consumption of fuel and raw materials with waste heat recovery, and devised strategies for each target.

GHG reduction performance

(unit: tCO_2-eq)

Category	2019	2020	2021
Scope 1	3,410	1,297	1,682
Scope 2	439,506	78,373	55,030
Total	442,916	79,670	56,712

GHG emissions

(unit: tCO_2-eq)

Category	2019	2020*	2021 goals	2021 performance
Scope 1	636,911	584,137	578,296	658,934
Scope 2	1,479,380	639,400	620,218	531,279
Total	2,116,291	1,223,537	1,198,514	1,190,213

* Indirect GHG emissions have been reduced due to the suspension of operation of polysilicon P2 and 3 plants

GHG intensity

(unit: tCO_2-eq/KRW billions)

Category	2019	2020	2021
Scope 1	244.6	291.6	203.1
Scope 2	567.8	319.2	163.8
Total	812.4	610.8	366.9

Environmental Management

Environmental Management Strategy System

Global environmental management

Strategy Orientation	Response to climate change / Controlling hazardous chemical substances / Waste management	SH&E management	Operating eco-friendly business sites
Strategic Goals	Global standard	Climate change	Pollution prevention	Waste reduction
Strategic Tasks	• Maintain eco-friendly certifications (ISO 14001, etc.)	• 2025 GHG Master Plan • Implement reduction of energy consumption and GHG emissions by the business sites	• Minimize soil, water, and air pollutants • Carry out pollutant reduction activities by business site	• Conduct activities for waste reduction and recycling

Environmental safety education

In order to comply with environmental laws and prevent environmental accidents, we require environmental personnel to complete the following environmental education below.

Training title	Candidate	Training cycle	Training content
Training for professional environmental technicians (air, water quality)	Environmental Engineers	Once every 3 years	Activities related to air/water quality, operation management of prevention facilities, learning the latest technology, etc
Safety education for hazardous chemical workers	All employees of the business site	Once a year	Status of chemical substances management at workplaces, emergency response plans, application methods of safety protective equipment, etc
Safety training for hazardous chemical managers and person in charge	Hazardous chemical managers and person in charge	Once every 2 years	Laws related to hazardous chemicals, measures for safe handling of hazardous chemicals, methods for wearing safety protective gear, etc

Smart environmental compliance process

We monitor environmental regulations according to the environmental management system and internal regulations, and list and manage environmental regulations related to our business. Regarding the enactment and revision of related laws, we monitor them weekly through external advisors, and share the contents from time to time through our smart environmental safety and health management system, "SH&E Portal," and person in charge education. In addition, compliance assessments are conducted at least once a year to self-check compliance with laws and other requirements, and the system is continuously improved through corrective action procedures if nonconformities are found.

SH&E management

We intend to preemptively respond to key environmental risks by implementing eco-friendly management following the SH&E principles Priority, Positive, and Partnership. In addition, we manage environmental performance by continuously implementing activities to reduce GHG emissions, pollutants, and waste materials. Furthermore, we monitor factors affecting the environment through environmental impact assessment and establish and implement plans to address deficiencies, thereby continuously upgrading SH&E management.

Internalizing eco-friendly activities

We recognize the value of biodiversity and the importance of ecosystem conservation. We are aware of the necessity for preserving biodiversity to support sustainable development with the prevention of natural habitat loss and forest administration and are promoting various activities for this purpose. Specifically, since 2018, we have participated in the “making 100 forests campaign” (tree planting) organized by Noeul Park Citizens’ Solidarity, which is currently discontinued due to COVID-19. In addition, our Gwangyang business site is constantly putting efforts to restore the ecosystem and clean up streams maintaining blossom trails along rivers and streams and providing equipment for collecting trash.



Eco-friendly tree planting

Compliance with the integrated environmental permit system

Under the Act on the Integrated Control of Pollutant-discharging Facilities, our business sites are undergoing a shift from “permit by pollution medium*” to “integrated environmental permit.” For this, we organized a task force on integrated environmental permission in 2020 and reviewed existing permits and licenses for each business site. In addition, we are making preparations to timely acquire integrated environmental permits by drawing up an integrated environmental control plan and applying the best available techniques** (BAT). We expect to acquire integrated environmental permits by 2022 after consultation with the Ministry of Environment. We will establish an environmental management system that minimizes pollutant emissions at business sites through the BAT method applied to integrated environmental permits.

* Meet 7 environmental media regulations and 11 licensing requirements
** Environment management technology with economic feasibility which reduces energy consumption while effectively cutting pollution emissions

Environmental Management

Environmental Impact Management

Controlling hazardous chemical substances

To respond to strengthened laws related to chemical substances treatment, we provide regular updates on revised regulations on chemical substances and legal requirements to employees responsible for selling or purchasing chemical substances. In the case of a new hazardous substance selection, our CMS checks for any changes/updates in the substance. Customers, suppliers and our relevant departments are informed in advance of legal requirements regarding the designation to ensure that there is no difficulty in product distribution and raw material procurement.

Management of hazardous chemicals

Warehousing	Storage	Shipment
• Preliminary safety evaluation of hazardous materials • Select appropriate storage locations • Train employees who handle hazardous materials	• Inspect hazardous chemical storage facilities regularly • Install leak detectors and safeguards • Organize and train emergency response teams for fires, explosions, leaks, etc.	• Develop and operate a transportation management system (TMS) • Conduct daily inspections and driver training • Practice emergency drills with accident simulations (with logistics companies)

Registering chemicals and obtaining approval for biocides under the Act on Registration and Evaluation of Chemical Substances

Under the Act on Registration and Evaluation of Chemical Substances, we have completed the registration of 59 chemicals and plan to register about 60 additional chemicals by 2030. In addition, we applied for the approval of two substances and three product types under the Consumer Chemical Products and Biocides Safety Control Act.

Preventing accidents in chemical transport

To prevent chemical transport accidents, we are conducting training on the transport and shipment of chemicals regularly according to the manual. Signs on safety regulations were installed at shipment work sites so that workers are aware of, and comply with the safety rules. Furthermore, safety inspections are made according to inspection procedures for transport vehicles during loading and unloading.





Safety management in facilities that use chemicals

We operate a facility inspection team to monitor facilities that use hazardous chemicals. In addition, we are making efforts to prevent chemical accidents by regularly inspecting facilities at all business sites and providing safety training programs to employees handling hazardous chemicals. All chemicals used at business sites are controlled by legal standards for using, storing, and disposing of chemicals.

Water management

We strive to practice environmental management by reducing water usage and wastewater generation and promoting wastewater reuse. In 2021, we used 9,294,068 tons of water, of which 484,449 tons were reused. In addition, to minimize the impact of wastewater on the environment, we treat wastewater in our wastewater disposal facilities or with entrusted companies that have legitimate licenses for wastewater treatment.

Controlling air pollutant emissions

We manage the emission status by measuring NOx, SOx, and TSP* emissions at our business sites with Tele-Monitoring System(TMS). In addition, we have installed and operated new air pollution reduction facilities and have replaced fuels at heating facilities with eco-friendly fuel and replaced catalysts to reduce NOx emissions, a component of particulate matter.

* Total Suspended Particles: Total dust less than 50㎛

Waste management

We are striving to increase the rate of waste reuse by reusing organic and inorganic sludge from discharged waste as a raw material from cement factories and recycling sludge from cleaning the inside of raw material storage tanks as a product. In addition, we are conducting a company-wide campaign for the reduced use of disposable items and plastic by joining Go-Go Challenge, a governmental drive to reduce plastic use. Employees who practiced the best for the campaign are compensated to encourage employee participation, thereby fostering an eco-friendly business environment.



Go-Go Challenge campaign

Social

At OCI, we are fostering a world-class workforce by transforming our organizational culture and cultivating a culture of open communication as we continue to pursue mutual growth and win-win relationships with our partners. We are also giving back to our local communities through community service activities and initiatives connected with our businesses as we strive to build a better future for all our stakeholders.

Employee Training

43 Hours

Average training hours per person

No. of Suppliers in 2021

892

Domestic: 90%
Overseas: 10%

Employee Volunteer Hours

300 Hours

Growing together with local communities



Talent Management

Securing And Cultivating Talents

Hiring talents

We have adopted contactless hiring amid the spread of COVID-19. Contactless interviews in the metaverse* help overcome the limitations of a video interview and provide candidates with new experience. At the same time, we quickly recruit manpower for new projects to attain management goals. We also contribute to the employment of vulnerable groups by hiring veterans and specialized high school graduates.

* Metaverse: A three-dimensional virtual world which social·economic·cultural activities like the real world take place

New employees in 2021

Category		Unit	Persons
No. of new employees			173
By employment type	Regular	Persons	127
	Non-regular		46
By age	Under 30		88
	Between 30 and 50		73
	50+		12
By gender	Male		150
	Female		23

Shift to a continuous performance management scheme

We introduced a continuous feedback system in 2021 to exchange feedback on business plans and progress with online comments anytime throughout the year. To successfully implement the new performance management system, we held four sessions of "workshop on continuous feedback" aided by external professional instructors for all team managers and project leaders at domestic business sites. In addition, when building performance management plans, team leaders and above are required to establish an execution plan for risk management.

Percentage of employees whose performance is evaluated regularly

Category	Unit	Share
Percentage of employees whose performance is evaluated regularly	%	98.6

Cultivating talents

Our competitiveness is proportional to the level of knowledge and cooperation among employees. We operate various talent cultivation programs so that employees can develop competence and share their knowledge, processes, and ideas.

Employee training status*

Category	Unit	2019	2020	2021
Training hours per employee	Hours	42	46	43
Training cost per employee	Million KRW	0.29	0.24	0.28

* Environmental safety education per business site is included in the total number of hours of employee training.

Talent cultivation programs

▶ New employees on boarding

We have introduced an onboarding process to help new employees understand the organization and concentrate on tasks. In addition to education on products and tasks, communication with the management and exchanges between new employees are encouraged to foster a collaborative culture and employee experience. Amid COVID-19, we operate contactless training sessions to quickly help new employees achieve results. We operate a separate education program for new employees who are university graduates to help them settle in the company and develop competence.

▶ Cultivation of professional talents

We provide training courses to cultivate competitive talents to carry out future projects. Job competence training is offered to help execute major management strategies, and leadership training is provided to help performance in each position. In addition, an organizational unit or business site may provide job competence development programs or send employees to external programs to meet their own needs. We provide compulsory courses to help employees lead megatrends such as ESG.

▶ Cultivation of global talents

In addition to foreign language courses for employees, we help employees dispatched overseas to adapt to local conditions with intensive online video calls, English courses, local culture diagnosis and learning programs.

* **The overseas dispatch system** - provides employees with an opportunity to experience business at affiliates overseas
* **Foreign language courses** - offer business conversation courses for all employees at all business sites to help them improve foreign language proficiency

Innovating Organizational Culture

Introducing a virtual office in the metaverse

As part of system innovation in the new normal era, we introduced a virtual office in the metaverse to build a work environment without time and space constraints. Employees can set their avatars to attend meetings using whiteboard features, share business status in real-time during remote work and collaborate with team members in the virtual office. We will continue to introduce the metaverse platform to various events and tasks such as New Years' meetings and ceremonies marking the company's foundation so that employees can build solidarity and collaborate more efficiently.



Virtual office in the metaverse

Strategic human resources management

To respond to the enforcement of the Serious Accidents Punishment Act enacted in 2021, we organized a task force to determine the future orientation, necessary capacity, and manpower structure of a certain organization with the current status and prepared an SH&E organization/staffing plan. In line with the plan, we are undergoing organizational restructuring, hiring external, and relocating internal staff. In addition, the capabilities of technical engineers are reviewed to assign them to proper positions for projects. In cases where a department lacks the capabilities necessary for prospective projects, staff members are first relocated internally, and then the external staff is quickly hired to ensure that projects are implemented without delays.

Promotion of a flexible working system

We have adopted various flexible work schedules, such as selective working hours, discretionary working hours, flexible working hours, and flex-time working hours, to help employees improve work productivity. In particular, we have adopted telecommuting and distributed work in response to COVID-19, thereby helping to prevent the spread of COVID-19, protect the health of employees and their families, and enhance work efficiency and concentration in the changing work environment.

Leadership assessment

We believe that leadership is the key to organizational culture, so we are continuously carrying out activities to improve leadership capability. In 2021, a leadership assessment was conducted for all team leaders to self-evaluate their leadership capabilities. In addition, an organizational climate assessment was conducted to let team leaders know how their team members felt about their teams. Organizational climate assessment is done to compare the ideal level of a team pursued by team members with the actual level of the team. Assessment results are shared to executive members as well as team leaders to help team leaders know their strengths and weaknesses and are applied on various occasions such as leadership coaching and team building activities.

Using the metaverse for hiring

For interviews for occasional hiring in the second half of 2021, we have used Gather Town in the OCI metaverse. Candidates were guided to have presentation interviews in virtual reality, similar to an actual interview environment. The new remote hiring tool allowed us to increase the efficiency of the interview process to recruit competent talents.



Interview site in Gather Town

Talent Management

Employee Communication

Strengthening communication culture

We have established and implemented plans to improve organizational culture in various areas. In 2021, Vice Chairman Woo Hyun Lee and employees hired in the first half of 2021 attended the "Dialogue with New Employees" for a free and open discussion on various topics such as what they want OCI to be, the company overview and their career development. Furthermore, in the first half of 2021, the CMO* held a session to explain to executives, team leaders and managers the goals of projects with the title "OCI Vision Roadmap" and had a live discussion where managers asked the CMO questions, utilizing a non-face-to-face method. In addition, we hold video business presentations in the first half and second half of each year where the CEO introduces business outcomes, assets, market trends, and strategies.

* CMO(Chief Marketing Officer)

Labor-management relations that pursue harmony and mutual prosperity

We hold labor-management council meetings on a regular basis to share business results and status and agree on major agendas such as business competitiveness and employee welfare. Moreover, we conduct labor-management workshops to foster harmony between labor and the management and strengthen mutual understanding and trust. Amid COVID-19, we hold virtual workshops using a video conferencing system to build a mutually beneficial labor-management relationship.

Respecting employee diversity

We respect the diversity of our employees and do not discriminate on the grounds of age, gender, race, country of origin, etc., when it comes to employment, job performance, and promotion. In addition, every year we have hired socially vulnerable persons, such as the disabled, patriots, and veterans.

The maternal/parental protection system

We grant up to one year of parental leave to employees with children under the age of 8, regardless of parents, and allow employees to apply for shorter working hours for childcare and family care (disease, accident, old age, etc.). In addition, if a female employee with an infant less than one year old requests it, we give them a refueling time. Meanwhile, we operate an OCI workplace daycare center in Gunsan. It is entrusted to the "Puruni Child Care Support Foundation," the largest in Korea, and provide the best childcare services in the region to employees and their families.

Preventing discrimination and harassment in the workplace

We operate a channel to report workplace bullying, sexual harassment, and discrimination to protect employees and foster a healthy working environment. When reports are received, we gather objective facts through external entities, obtain witnesses, and document damages and evidence to ensure the rigorous investigation of cases. If needed, we provide psychological counseling and treatment to victims. The personnel committee handles cases fairly and bans secondary damage to victims, such as disadvantages in personnel management.

Operating an employee assistance program

We operate an employee counseling program in partnership with an external entity so that employees can lead a healthy working life. Employees can get counseling from specialists on various matters including workplace bullying, conflicts with seniors and colleagues, infant care, divorce, personal stress, etc. In particular, counseling records are held in strict confidentiality. We will expand psychological counseling to ensure that employees feel secure and happy at work.



Promotional poster for employee assistance program

Mutual Growth

Mutual Cooperation With Suppliers

Direction for promoting mutual growth

We promote mutual cooperation relations with suppliers based on our supply chain management (SCM) strategy of 'Visibility', 'Speed', 'Flexibiltiy'. Based on the trust of suppliers, we observe fair trade and conduct activities to strengthen their capabilities and foster mutual growth to achieve win-win cooperation. We believe that the growth of our suppliers is directly related to our prosperity and will make efforts to strengthen our supply value chain based on support and cooperation.

SCM strategy direction		
VISIBILITY	**SPEED**	**FLEXIBILITY**
Improve supply chain visibility	Maximize decision making and execution speed	Reinforce responsiveness to market changes

Fostering a culture of mutual growth

We strive to strengthen partnerships and build a base for mutual growth with our suppliers by promoting mutual understanding. We operate a communication channel with suppliers and subcontractors listed in the electronic purchase system to collect the opinions of suppliers, listen to their on-site issues, and address potential problems. In addition to continuing safety education to reduce the industrial accident rate of suppliers, we shared our safety management activities with them in April 2021 to get ready to comply with the Serious Accidents Punishment Acts. Furthermore, we listened to suppliers' safety-related concerns and held a session to exchange opinions on safety management.



Meeting for safety MOU with suppliers

Observing fair trade with suppliers

We understand the importance of mutual cooperation with suppliers to ensure company's sustainable growth and make efforts to establish fair trade with them. We promote fair trade by complying with the Fair Trade Commission's four action agendas and prevent unfair practices by supervising transactions with subcontractors following the fair trade policy. In addition, we conduct employee education on key provisions of the Fair Transactions in Subcontracting Act, fair trade methods with subcontractors, and punishment of violators to reinforce a fair trade order with suppliers.

Purchases from suppliers in 2021

Number of suppliers	Total purchases
892 suppliers	KRW **1,171.2** billion
Domestic: 90% / Overseas: 10%	Domestic: 67% / Overseas: 33%

Implementing activities for mutual growth

We pursue mutual growth through win-win cooperation with suppliers based on fairness. We have operated and managed various programs for mutual growth, such as technical cooperation, financial support, and management support, and have laid the groundwork for mutual growth with suppliers. We will strive to facilitate win-win cooperation with suppliers by continuously discovering and implementing mutual growth programs.

2021 Mutual growth programs

Technological cooperation	Support for HR development and exchange of suppliers	• Providing a mobile education platform and supporting job fairs for job competency and language proficiency improvement
Financial support	Activities to reduce the pay gap	• Support for commuting of employees of suppliers
Management support	Support for domestic sales	• Participation in procurement consulting meetings • Generating sales revenue for SMEs through new transactionswith OCI's in-house projects
	Operation of a transparent settlement system	• Operation of a mutual growth settlement system
	Support for welfare benefits	• Providing gifts for various occasions (company foundation day, May Day)
National disaster support	Support for overcoming COVID-19	• Support for suppliers with quarantine supplies • Donating to local communities to help overcome COVID-19

Mutual Growth

ESG Management For Supply Chain

Strengthening risk management for supply chain

We are managing supply chain risks by applying the principles of ESG management to supplier selection and assessment. We have established a fair management process for existing and new suppliers and conducted comprehensive analyses, regular evaluations, and on-site due diligence. In addition, we identify and monitor problems and improvements with our supplier evaluations. We prevent potential risks in our supply chain and conduct customized management activities for suppliers based on this approach. Going forward, we will identify ESG risks in our supply chain through active monitoring and due diligence to build a sustainable supply chain.

Integrated supply chain management process

STEP 1	Strengthen supplier visibility	• Efficient decision making • Faster implementation
STEP 2	Integrated management of suppliers	• Process integration and standardization (e.g., selection, evaluation, management, etc.) • Consistent monitoring and management
STEP 3	Strengthen supplier response systems	• Information sharing on the changing market environment • Support for the establishment of risk response systems

Supply chain risk assessment

We have comprehensively assessed and identified supply chain risks from various perspectives while considering the impact on raw and subsidiary materials, performance, quality control, and costs during on-site due diligence and assessment. After risk assessments, we identified suppliers with high-risk potential and conducted on-site due diligence of their overall management activities. In addition, we are coping with contingencies associated with COVID-19 by monitoring the status at our suppliers.

Supply chain risk assessment and due diligence

We carry out regular on-site due diligence of suppliers. Before on-site due diligence, suppliers perform their own evaluations for indicators of management activities such as management, technology, quality, environment, safety, and society. Then we conduct on-site due diligence based on the evaluation results.

Key indicators for on-site inspections

Management	• Financial stability • Product profitability • Growth potential
Technology	• R&D investment • Cost savings • Employee training
Quality	• Self-directed quality review • Establishment of assessment standards • Material and process assessment
Environment and safety	• Environment and safety organization • Safety inspections and training • Hazardous material control
Human resource	• Employment stability • Expertise and capacity building • Compliance with employment laws
Society	• Disclosure of major changes in management • Social contributions • Awards and recognitions

Supply chain risk improvement

Based on due diligence, we have identified common risks with significant potential of recurrence, categorized the risk factors as improvement targets, and requested suppliers to establish and implement plans to take corrective actions. Especially when improvement targets are related to the safety of employees, we strongly demand that suppliers prepare responses. If the result of the supply chain risk assessment of the supplier's company turns out insufficient, management measures for the supplier's risk is increased by making recommendations to suppliers or providing opinions on additional measures.

Monitoring supply chain risk

We have monitored and managed various factors that can affect the financial conditions of suppliers, such as supplier defaults, administrative litigation, and changes in credit rating, with the help of our supplier credit rating mailing service. This eventually minimizes the potential risks of the mailing service by identifying risk factors behind suppliers' management activities.

Social Contribution

Strategic Framework for Social Contribution

Under the four principles of sincerity, fairness, continuity and employee engagement, we are continuously practicing social contribution activities based on the belief that "shared burdens grow smaller, shared love grows bigger." Believing that social contribution and corporate management contribute as cogwheels for sustainable growth, all employees are actively engaged in fulfilling corporate social responsibility.

Vision	Sharing and cooperating with society			
Theme	Shared burdens grow smaller, shared love grows bigger			
Principle	Sincerity	Fairness	Continuity	Employee engagement
Section	**Solar** Provide opportunities to learn the principles of renewable energy by using OCI's solar PV capabilities	**Culture** Increase access to cultural experiences for local communities lacking these opportunities	**OCI Family** Promote sharing by engaging in volunteering activities of OCI employees and families	**Community** Provide financial and non-financial support to disadvantaged people for mutual growth of communities

Social contribution performance in 2021

Donation amount	Hours of employee volunteer service	No. of employees engaged in volunteer activities
KRW **400** million	**300** hours	**75** people

Social Contribution

OCI Dream

OCI Dream is a standardized workplace for disabled people. It started in 2019 as one of OCI's subsidiaries to provide stable jobs, promote the economic self-reliance of disabled people, and contribute to creating healthy social values, with the vision of "a company prospering with happy employees." We do not intend to operate OCI Dream as part of social contribution but aim to have each employee with disabilities accepted as a member of society. Instead of helping disabled people with funds, our goal is to create an environment where they can achieve self-reliance. There were 13 employees in total at the time of the launch of OCI Dream, and there are currently 22 employees, including 14 people with severe disabilities.

장애인표준사업장 with+

Healthy food cafe and dining restaurant

Sun The Bud, a healthy food café and dining service and Suyuri Solo-Diner King, a food-delivery service with shared kitchens, are healthy cafe restaurants, OCI Dream's B2C business. They help improve customers' perception of disabled employees in service jobs and provide disabled people with an opportunity to be engaged in society.



Ensemble of disabled people

Dream Ensemble is OCI Dream's string orchestra of disabled people. It is a professional classical music performance group of disabled people with musical talents to help them realize social and artistic values. Recently, the Dream Ensemble performed online with a warm message for OCI employees having tough times due to COVID-19 and plans to conduct social contribution activities such as in-house concerts and external events in the future.



OCI's 1004 Campaign of Love

Ramyeon(noodle)/Rice/Kimchi sharing

Our business sites have donated foods such as Ramyeon, rice and Kimchi every year to local neighbors in need and have supported senior citizen centers and local daycare centers to practice neighborly love and care. The Gunsan Plant and labor union donated 100 boxes of Ramyeon to 100 households in need, and 1,700 heads of Kimchi to welfare centers and the elderly living alone. The Pohang Plant delivered 150 bags of rice (10kg per bag) to neighbors on Chuseok(Korean Thanksgiving Day).



Supporting sisterhood villages

On Parents' Day, the Gunsan Plant delivered donations to five villages with sisterhood ties (Haei, Jangjeon, Gaewon, Michang, and Seoheung) and donated a TV set to celebrate the opening of the new community hall. The Gunsan Plant has maintained sisterhood with the five villages in its neighborhood for 10 years and has been putting on deliberate efforts to conduct social contribution activities for village residents. Additionally, Gwangyang Plant has donated 50 walkers for seniors and 100 rain coats (worth KRW 3 million) to local residents.





Social Contribution Activities in Connection with Business

Solar lantern making

We have made social contribution activities related to our solar PV projects. We have conducted volunteer activities such as solar lantern making each year, and in 2021, 75 employees made and provided solar lanterns to children in the Republic of Malawi, which lacks electricity. In 2022, we plan on continuing our company-wide social contribution activities, related to our business with the theme of "building a warm community with the light of love."



Support for Prevention of COVID-19

Hope Dream Box sharing

The Pohang Plant donated "Hope Dream Boxes" (KRW 50,000 per box) filled with hygiene items, facial masks, and food to residents going through difficulties due to the protracted COVID-19 crisis. Following last year, the Pohang Plant, Cheongrimdong Village Council, and Korea Red Cross delivered funds collected through the voluntary participation of employees of the Pohang Plant to 150 households in Cheongrim-dong for the second time.



Rice donation

The Iksan Plant visited and donated rice to the Iksan Happiness Sharing Market and Bank for needy neighbors due to COVID-19. The Iksan Plant has donated KRW 8.4 million for school food fund, KRW 2.4 million as scholarships to help children from low-income households, and KRW 1.8 million to facilities for disabled people every year, practicing sharing and volunteering in communities as part of OCI's social contribution efforts.



Governance

At OCI, we strive for world-class governance. Our board takes the lead in ensuring the independence and transparency of our governance structure, while our integrated risk management system enables us to manage the full spectrum of risk. We also have a strong commitment to ethical management and respect for human rights, upholding the highest standards in both fields.

Female Independent Director Ratio

50%

Two female directors
(As of December 2021)

Attendance Rate of Independent Directors

98%

Board attendance rate in 2021

KCGS ESG Evaluation in 2021

A

ESG integrated rating



Governance

Composition of the Board of Directors

Composition of the Board of Directors

The Board of Directors shall decide on matters provided for by laws and the Articles of Incorporation, matters entrusted by the general meeting of shareholders, and matters related to basic guidelines of business management, task execution, and supervise directors' tasks. As of December 31, 2021, the Board of Directors consist of seven members, including three executive directors and four independent directors. OCI strengthens the independence of the Board of Directors and increases transparency in the operation of the Board by appointing directors who meet all the requirements under Article 382 of the Commercial Act and the Articles of Incorporation.

Independent director appointment procedure

The Independent Director Candidate Recommendation Committee recommends candidates for directors, including independent directors, and the general meeting of shareholders finally decides on the appointment amongst the recommended candidates. To strengthen the control and supervisory function of the Board of Directors, majority of members of the Independent Director Candidate Recommendation Committee are independent directors, and the Committee recommends candidates according to objective and multifaceted procedures.

1	Review qualifications for independent directors	Exclude candidates who lack independence by considering the disqualification of independent directors according to Article 382 and 542-8 of the Commercial Act
2	Formation of a pool of independent director candidates	Compose a pool of candidates who have expertise and experience in chemicals, laws, accounting, finance, etc., to ensure professionalism and diversity in the Board of Directors
3	Nomination by the Independent Director Candidate Recommendation Committee	1. The Board of Directors considers the specialization and gender of candidates 2. Ratio of independent directors in the Board of Directors 3. Possibility of undermining enterprise value or interests of shareholders 4. Qualifications as required under Articles 382 and 542-8 of the Commercial Act,
4	Appointment at the Annual General Meeting	The appointment of independent directors is decided by general meeting of shareholders, Review qualifications periodically after the appointment

Members of the Board of Directors

Position	Name	Gender	Tenure	Area of specialization	Major work experience
Executive directors	Woo-Sug Baik	Male	2021.03.24 ~ 2024.03.23	Experience in chemicals business and managerial expertise	(Current) Executive Vice-Chairman, Korea Enterprises Federation (Current) Vice-Chairman, Korea Listed Companies Association (Current) Chairman & Representative Director, OCI Co., Ltd.
	Woo Hyun Lee	Male	2021.03.24 ~ 2024.03.23	Experience in chemicals business and expertise in finance and management	(Current) Non-standing Vice-Chairman, Korea International Trade Association (Current) Representative Director, Bukwang Pharmaceutical Co., Ltd., (Current) Director, OCIM Sdn.Bhd. (Current) Non-executive Director, BNO BIO Co.,Ltd. (Current) Vice-Chairman & Representative Director, OCI Co., Ltd.
	Teak Joung Kim	Male	2022.03.23 ~ 2025.03.22	Experience in chemicals business and managerial expertise	(Current) Director, Korea Specialty Chemical Industry Association (Current) Auditor, Korea Chlor Alkali Industry Association (Current) Director, OCIM Sdn. Bhd. (Current) President (CEO) & Representative Director, OCI Co., Ltd.
Independent directors	Boo Whan Han	Male	2021.03.24 ~ 2024.03.23	Legal expert (lawyer)	(Current) Lawyer, Gangnam LLC (Current) Independent Director/Member of Audit Committee, OCI Co., Ltd. Independent Director/Member of Audit Committee, Yesco Holdings Co., Ltd. 43rd Vice Minister of Justic
	Kyung Hwan Chang	Male	2021.03.24 ~ 2024.03.23	Expertise in accounting and finance (AICPA)	(Current) Independent Director/Member of Audit Committee, OCI Co., Ltd. Vice President/Strategy Division Head/CFO, Korean Air Co.,Ltd. Representative Director, KPMG Consulting Korea
	Mi Chung Ahn	Female	2022.03.23 ~ 2025.03.22	Expertise in patent and biotechnology industry (patent lawyer)	(Current) Adjunct Professor, Materials Science and Engineering, Yonsei University (Current) CEO, SL BIGEN Co., Ltd. (Current) Independent Director/Member of Audit committee, OCI Co., Ltd.
	Jina Kang	Female	2022.03.23 ~ 2025.03.22	Scholar of business administration (professor)	(Current) Independent Director/Member of Audit Committee, Hyundai Mobis Co., Ltd. (Current) Professor, Technology Management, Economics and Policy Program, Seoul National University (Current) Independent Director/Member of Audit committee, OCI Co., Ltd.

Board of Directors Policy

Fostering independence and transparency

The qualifications of the independent directors are transparently disclosed to the public in compliance with relevant laws, including the Commercial Act, to guarantee their independence. Members with possible conflicts of interest on a specific agenda are not permitted to exercise their voting rights to ensure the independence of directors. In addition, directors are not allowed to enter into transactions with the company they are engaged in or serve as a director of another company in the same industry without prior approval from the Board. Except for the Management Committee, the independent directors shall form the majority of all committees under the Board. As of the end of December 2021, all four members of the Audit Committee are independent directors, thus ensuring the independence of the Board's decision-making.

Board of Directors independence criteria

1. Directors, executive directors and employees who are engaged in the regular business of a relevant company, or directors, auditors, executive directors and employees who have engaged in the regular business of a relevant company within the previous two years;
2. The principal shareholder, his/her spouse, lineal ascendants, and lineal descendants, in cases where the largest shareholder is in 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 a relevant company;
6. Directors, auditors, executive directors and employees of a corporation that has a significant interest in a 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 a relevant company serve as directors and executive directors.

Evaluation of the board and independent directors

We evaluate the activities of our independent directors through comprehensive consideration of their attendance rate at Board and committee meetings, independence, and expertise as well as the activities of the executives based on their performance in business development, expertise in organizational management and technological innovation. We aslo evaluate the performance of the Board based on the increase in shareholder value, faithful performance of duties, and transparency in work procedures, and the roles of directors are based on their achievements in social responsibility, such as improvements in the SH&E management system, health and safety at business sites, mutual growth with suppliers, and performance of social contribution activities.

OCI shares held by the Board of Directors

As of 2021, three executives (executive directors) held OCI shares, and the details are as follows.

Ownership of OCI shares (As of December 2021)

5.09% Board of Diretor's Share **94.91%** The Others

OCI shares held by the Board of Directors (As of December 2021)

Category	Name		
Executives holding shares (Executive directors)	Woo-Sug Baik	Woo Hyun Lee	Teak Joung Kim
	11,052 shares	1,202,459 shares	96 shares

Better professionalism and more diversity

For advanced professionalism of the Board, the Independent Director Candidate Recommendation Committee selects candidates for independent directors by considering the level of understanding of projects and specialization by career field, among others, as well as educational background, industry experience, tenure in the industry, etc. In addition, to ensure more diversity in gender, race, country, nationality, cultural background, etc., are also considered to prevent independent directors from leaning towards specific backgrounds or occupations. In particular, we have appointed two female directors since March 2019, before the notice of the revision of the Financial Investment Services And Capital Markets Act, to promote the diversity of the Boards of Directors.

Governance

Board of Directors Policy

Compensation for the Board of Directors

The compensation cap for directors is determined after approval by the General Meeting of Shareholders to improve transparency in compensation and meet the requirements for the legitimacy of compensation. The directors' compensation shall be determined within the cap approved by the General Meeting of Shareholders and is composed of a base salary, a bonus, and incentives based on responsibilities, job title, and business performances. The independent directors' compensation shall be determined, considering their attendance rate and the number of committees they serve as members. The compensation cap for 2021, as approved by the General Meeting of Shareholders, was set at KRW 6.5 billion, and the compensation paid to directors totaled KRW 3.0 billion.

Average compensation per director

(As of 2021 annual basis, KRW million)

Category	Unit	Executive Directors	Independent Directors	Total
No. of people*	Persons	4	5	9
Total compensation**	Million KRW	2,730	271	3,001
Average compensation per person***	Million KRW	682	54	-

* Including Sang Yeol Kim, a non-executive director who retired in March 2021, and Ki Poong Yoo, non-executive director who resigned in June.
** Total compensation included compensation paid to Sang Yeol Kim, a non-executive director who retired in March 2021, and compensation to Ki Poong Yoo, an independent director who resigned in June 2021
*** An arithmetic average of total remuneration divided by 4 dependent directors and 5 independent directors, respectively

Current status of remuneration payments for CEO and employees

(As of 2021 annual basis)

Total compensation (KRW Thousands)	Median compensation of employees (KRW Thousands)	Multiple
833,992	88,800	9.39

Operation of the Board of Directors

Convening the Board of Directors

In 2021, thirteen sessions of the Board of Directors were held in total, with a 100% attendance rate for executive directors and 97.75% for independent directors. The Board discussed 25 agendas in total, and major decisions made by the Board included the appointment of committee members under the Board, and the creation of the ESG Committee and regulations.

Activities of the Board of Directors

Category	Unit	2019	2020	2021
Convening of the board (ordinary/extraordinary)	Sessions	12	13	13
Number of agenda submitted for consideration	Items	24	18	25
Attendance rate of independent directors	%	100	98	98

Committees under the Board

We have installed an Independent Director Candidate Recommendation Committee and Audit Committee under the Board and are operating it according to subcommittee regulations to assist the Board in making professional and efficient decisions. Committees are entrusted with some functions of the Board as prescribed by laws and the Articles of Incorporation. The majority of members of all committees are independent directors, thereby guaranteeing independence and fairness. The Audit Committee consists exclusively of independent directors to protect fairness and transparency.

Board of Directors

Audit Committee	Four independent directors (Kyung Hwan Chang*, Boo Whan Han, Mi Chung Ahn, Jina Kang)	• Accounting and audit of major business matters • Confirmation of corrective measures based on audit results
Independent Director Candidate Recommendation Committee	One executive director (Woo Hyun Lee) Four independent directors (Mi Chung Ahn*, Boo Whan Han, Kyung Hwan Chang, Jina Kang)	• Consideration, selection, and recommendation of candidates for all directors, including independent directors
Management Committee	Three executive directors (Woo-Sug Baik*, Woo Hyun Lee, Teak Joung Kim)	• Implement matter entrusted by the Board of Directors, including investment in other affiliates
Compensation Committee	One executive director (Woo-Sug Baik*), Four independent directors (Boo Whan Han, Kyung Hwan Chang, Mi Chung Ahn, Jina Kang)	• Deliberation and decision regarding fair compensation for directors and executives
Internal Trading Committee	Four independent directors (Boo Whan Han*, Kyung Hwan Chang, Mi Chung Ahn, Jina Kang)	• Approval of goods and services transactions among large-scale internal trading according to the Monopoly Regulation And Fair Trade Act
ESG Committee	One executive director (Teak Joung Kim*), Four independent directors (Boo Whan Han, Kyung Hwan Chang, Mi Chung Ahn, Jina Kang)	• Deliberation on ESG policy establishment and major issues • Enactment and revision of regulations on ESG activities • Review and assessment of ESG activities

* Chairman

Creation of ESG Committee

We created the ESG Committee in July 2021 to grow as a leading energy and chemicals company that promotes ESG management and fulfills corporate social responsibility. The ESG Committee consists of five members in total, four independent directors and one executive director (CEO). It appoints the CEO as its chairman to ensure a more practical approach and execution and intends to implement more systematic ESG management.

Matters subject to the ESG Committee's deliberation

- Matters subject to the ESG Committee's deliberation
- ESG issues for the establishment and execution of long-term plans: GHG, wastes, etc
- ESG strategy establishment and investment consideration: Carbon neutrality, governance, ESG related investment, etc.

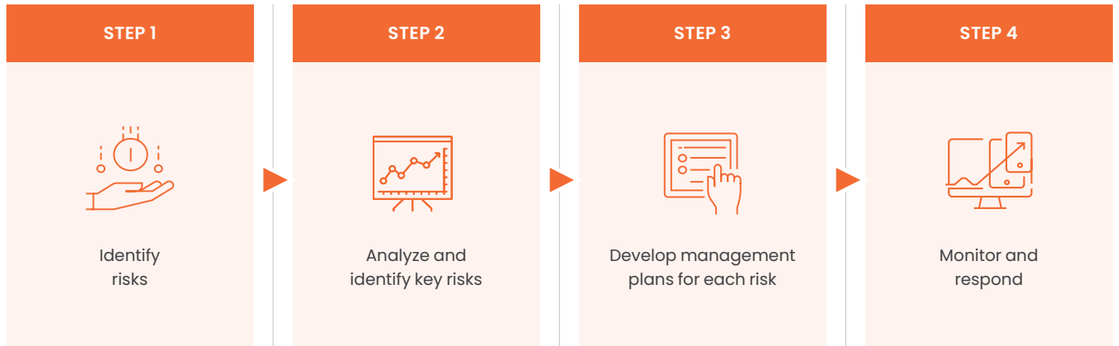
Risk Management

Risk Management System

Integrated risk management

We operate an integrated risk management system to identify and prevent threats such as events and behavior that could adversely affect our corporate management activities and minimize the volatility of our enterprise value due to internal and external uncertainties. Concerning risks that have already occurred, we report, analyze and respond to them immediately when they are detected, and take appropriate measures to prevent similar risks from recurring through continuous monitoring. To prevent risks, we identify all contingencies that could affect the company, measure their impact, and establish strategies to manage risks by type.

Risk Management Process



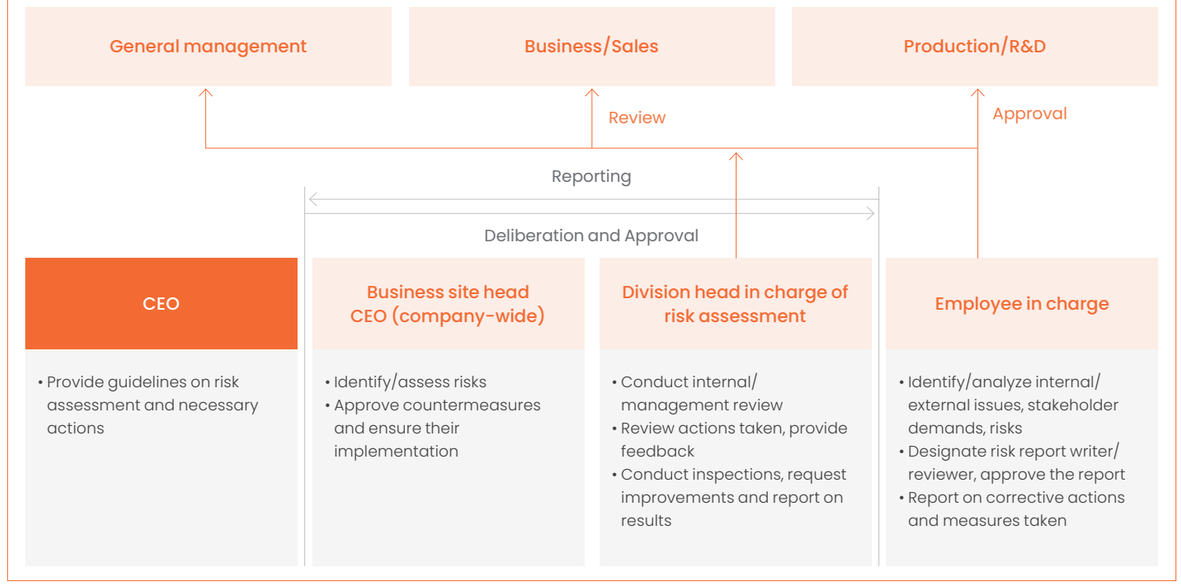
Disclosure-related risk management

To ensure that all information related to disclosure is disclosed accurately and transparently, we developed the Corporate Policies on Public Information Disclosure and Insider Trading. We have also taken steps to monitor risks related to disclosure that may have a negative impact on the accuracy, integrity, fairness, or timeliness of the publicly disclosed information on time and prevent related risks. We check whether our employees use undisclosed major information to prevent unfair transactions by insiders. If employees intend to sell, buy or perform transactions with certain securities, they are required to notify the Disclosure Officer in advance and report on the transaction within two business days from the date when it takes place.

Refining risk management system

We have established our risk management policy and its detailed guidelines with an integrated risk management system, developed methods to review how each organization manages risks, and incorporated the Regulations Governing Risk Management into our company regulations. Under the Regulations, every department should establish its risk management plan at the beginning of each year under the supervision of the Corporate Planning Team. Regarding risk management, each team monitors risks twice a year and each department in charge once a year and the details are submitted to executives in the form of a report. In the event of a serious problem that may affect management, the department in charge reports it to the executives and the related department is instructed to develop countermeasures rapidly. We are making efforts to minimize the impact of all risks through continuous monitoring, while the Audit Committee, consisting exclusively of independent directors, monitors the company-wide risk management status.

Organization for risk management



Risk Management

Responses by Risk Factor

Category			Reasons for risk selection	Impact on OCI	Response of OCI
Financial risk	Risks in the financial sector such as market risk, credit risk and liquidity risk are classified as financial risk, and we operate a risk management policy and programs to mitigate them.	Foreign exchange risk	Due to a high overseas sales revenue ratio of 53% and payments in foreign currencies, gains or losses may occur due to currency fluctuations.	• Asset value variance due to fluctuating foreign exchange rate; Poor export profitability, and price competitiveness	Periodic monitoring and currency forward contracts are implemented to minimize profit fluctuation due to the exchange rate
		Credit risk	As of the end of 2021, the credit rating was A (KIS Rating, NICE Rating, Korea Rating), a decrease compared to the previous year, resulting in uncertainty in securing additional financing.	• Downgrade in credit ratings • Difficulty securing corporate loans due to tightened bank loan screening	Prevention of potential loss from non-compliance with contract obligations based on financial status and credit ratings by using bank deposits, etc.
		Liquidity risk	As of the end of 2021, liquidity borrowings totaled approx. KRW 340.8 billion and the liquidity ratio was 270.0 %, requiring efforts to maintain sound liquidity.	• Disruption in funding • Loss due to the emergency sale of assets at a lower value	Maintain the appropriate liquidity ratio with short-, mid-, and long-term fund planning and strengthen monitoring
		Interest rate risk	As of the end of 2021, borrowings (approx. KRW 237.2 billion) at floating interest rates were exposed to the risk of interest rate fluctuations.	• High interest due to unfavorable fluctuations 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 contracts
		Price risk	Volatility in the price of raw materials directly impacts sales revenue and profit.	• Financial burden of increased raw material prices 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	The capital finance ratio, net borrowings divided by total shareholders' equity, is 35.53% as of the end of 2021, so it is necessary to continuously reduce capital costs and optimize the capital structure.	•Liquidity risk	Manage optimal capital structure based on capital finance ratio (net debt divided by total capital)
Non-financial risk	We classify compliance, environmental safety, and supply chain risks as non-financial risks, other than financial risks associated with business operations, and relevant organizations manage these risks.	Compliance risk	Regulatory violations may put the 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	Preemptive prevention of risks with stronger legal and compliance control and management of legal disputes by analyzing laws and precedents
		Environmental safety risk	Safety/environmental accidents at business sites negatively impact the health and safety of workers and local communities.	• Liability for compensation and damage to corporate reputation following safety accidents • Massive damage to sales activities, including conflicts with local communities	Establish an emergency response system and provide safety training programs regularly at each business site
		External trading risk	Profitability may be affected by external trade, such as the sales of subsidiaries, which aim to improve financial structures or invest in new projects.	• Impact of financial risk, including reduced sales revenue caused by global economic crises	Identify overseas projects and minimize risks with legal counseling for M&As and expansion of strategic support
		Supply chain risk	Uncertainties in the supply chain increase due to constant factors coexisting in the economy, including trade, capital flow, and foreign exchange.	• Price uncertainty due to increasing demand for 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 to initiate new bio, renewable energy projects, etc.	• Decline in R&D capability and product quality	Continue to expand training and education to identify talents
Potential risk	We define risks that are expected to have a material impact on our future projects as potential risks and turn them into opportunities by making strategic responses by analyzing changes in the internal and external environment and society.	Climate change risk	The importance of managing carbon credits has been strengthened for companies under the Plan for National Emission Allocation during the 2nd Plan Phase of the GHG Emissions Trading Scheme.	• Cost of purchasing emissions credits upon failure to reduce carbon emissions • Possible imposition of penalties	Allocate reduction targets for each business site, monitor emissions status, and 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 the information security policy and control plan, and prevent unauthorized data leaks through encryption and reinforced security system
		Biodiversity risk	There is a movement and growing interest of stakeholders to preserve biodiversity and the natural environment as natural capital	• Possibility of trade barrier due to legal requirements and action rules regarding the disclosure of firms' natural capital	Conduct environmental protection activities, manage negative environmental impacts in the supply chain and keep natural capital data
		Carbon tax risk	The EU is expected to introduce the Carbon Border Adjustment Mechanism (CBAM).	• Possibility of the application of the CBAM to the chemical sector as a trade barrier	Secure cost competitiveness, reduce carbon emissions from products and monitor developments in the carbon tax

Risk Management

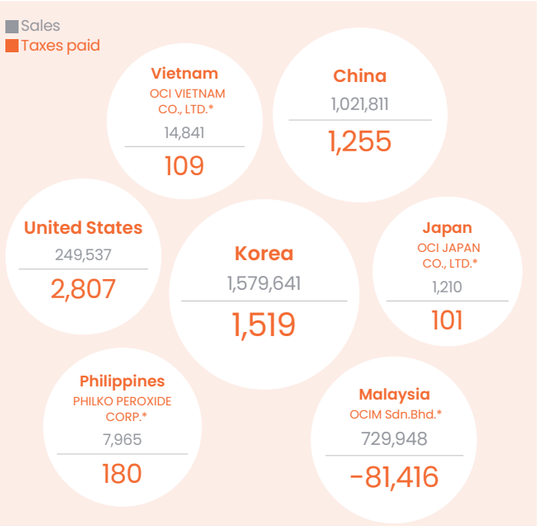
Tax Risk Management

Tax risk

As a global energy and chemicals company, we strictly comply with tax laws and regulations in countries where we operate and transparently disclose our compliance. In 2020, we established the Tax Affairs Team to strengthen taxpayer obligations, and whenever we encounter tax issues while running our business, we discuss and review them with related departments before reaching a final decision.

Status of tax payment by country (consolidated basis)

(As of December 2021, in million KRW)



* Sales and Taxes paid in Malaysia, Philippines, Japan and Vietnam are non-consolidated basis for each affiliates located in the country and taxes paid was written as corporate tax expense.

Disclosure of transfer pricing

The OECD announced the Action Plan on Base Erosion and Profit Shifting (BEPS) containing regulations on corporate taxation strategy to cope with the increase in offshore tax evasion by multinational enterprises. Among 15 actions in the Action Plan on BEPS, Action Plan 13 (transfer pricing and tax payment information documentation) calls for detailed information disclosure by taxpayers (enterprises).

To meet the requirements under Action 13, we have prepared three documents: an integrated company report (master file), individual report (local file), and Country by Country Report (CbCR) and submitted them to the National Tax Service. Our overseas affiliates are preparing and submitting these reports per the requirements of relevant local tax authorities, and we are closely monitoring and responding to changes in tax authorities' policies to minimize tax risk in all business activities.

Master file (Integrated Company report)	• The ownership structure of the group • Business activities of the group (sources of profits, business categories) • Holdings of intangibles • Fund raising of the group • Merger, corporate division, change of transactional structure
Local file (Individual company report)	• Organizational structure and business status • Sales/purchases by product • Intangibles/changes • Related party transactions (functional analysis, base for pricing on arm's length principle, transaction profit)
Country by country report (Country report)	• Tax jurisdictions • Status of sales per source of profit • Income taxes paid on a cash basis and income tax accrued • Shareholder's equity and other capital • Major business activities

Information Security Risk Management

Information protection implementation system

The General Affairs Team and CISO(Chief Information Security Officer), responsible for all matters related to information protection and security, responds to our rapidly changing demands for information protection. Each business site an information security manager to a designated team (the Management Team or General Affairs Team) in accordance with regulations on the organization and job assignment to ensure close coordination with the head office management team.

Strengthening cyber security

We are conducting penetration testing regularly to check for vulnerabilities in our business systems. We check for vulnerabilities in web systems once a year and conduct mock drills for cyber threats (e.g., malware) at least once a year to respond to external cyber-attacks. We have established a plan to take measures to address identified vulnerabilities and verify whether appropriate measures were taken and completed.

2021 cyber security activities

Category	Tasks	Date
Mock cybersecurity drills by business site	The Gwangyang Plant conducted a cybersecurity drill.	July 30, 2021
	The Gunsan Plant conducted a drill to respond to cybersecurity threats to its IT system	December 16, 2021
Penetration testing for information leaks	Consulted on penetration testing for major web systems	December 6-17, 2021
	Measures to address identified vulnerabilities were taken and verified.	First half of 2022

Responding to information security accidents

We have established a system to take prompt measures according to the manual in the event of information security incidents. If our head office and business sites identifies an information security incident, they immediately report it to the information security department of the head office, which mobilizes relevant organizations, responds to the incident, and takes necessary steps. In addition, we have employee punishment standards for violating information protection regulations. In 2021, we had no information security incidents.

Cyber/information security violations and accidents in 2021	ZERO

Promoting employee awareness of information security

All members, including new employees, are required to receive education on personal information protection to promote an information protection culture and practices. Employees perform information security activities according to instructions on the group's bulletin board, where a summary of information protection regulations and notes on practices are posted. Going forward, we will strive to minimize information security incidents by increasing employee awareness of information protection.

Information security education in 2021

Type	No. of participants	Completion rate
Information security course	1,586	100%
Training for data processors	86	100%

Ethical Management

Ethical Management Implementation System

Ethical management system

We practice ethical corporate management to fulfill our economic and legal responsibilities to stakeholders, such as shareholders, investors, customers, employees, suppliers, and local communities. Accordingly, we strive to make a culture of ethical management take root by developing the Code of Ethics for Employees and informing our employees of the proper code of conduct.

Code of conduct

We enacted and proclaimed a Code of Conduct to encourage all employees to perform tasks transparently, fair, and rationally. By establishing the Code of Conduct for Employees, we have presented our detailed code of conduct regarding responsibilities and obligations to customers and shareholders, the fair performance of duties, protection of company assets and information, sound work life and social life, and contributions to the nation and society. All employees practice ethical management to their full extent by strictly observing the Code of Conduct, and we plan to expand our ethical management to our affiliates and suppliers.

Ethical management activities for employees

New employees must attend ethical management education and write a pledge to comply with the Code of Ethics. We operate ethical management education for all employees to spread ethical culture in the company.

Ethics audit system

OCI's audit system is designed to preemptively identify and deal with ethical risks at the headquarters, business sites, and affiliates. This system includes biannual audits, irregular planning audits of specific subjects, and special audits. All violations of ethical practices discovered through the audits are reflected in performance evaluations.

Ethical awareness training for employees (Unit: persons)

Course	2019	2020*	2021**
Diversity and Gender Equality Training	2,183	1,692	1,702
*** Training in Business Ethics	75	1,638	42

* Non-contact online training was provided instead due to COVID-19.
** Non-contact online training and in-person lectures
*** In 2020, all employees were trained through video lectures, and in 2021, the number was reduced due to reinforcement of training contents and face-to-face conversion.

Ethics audit (Unit: times)

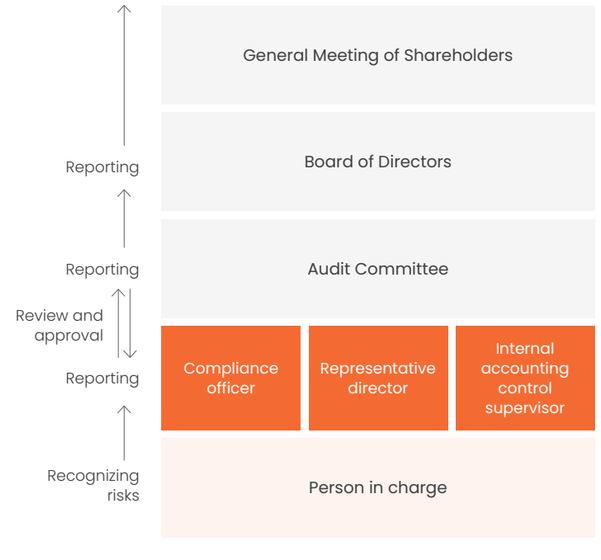
Category	2019	2020	2021
Periodic audits	4	5	4
Planning audits	3	4	4
Special audits	0	5	4

Ethical assessment/reporting

▶ Internal Control System

We have established and are operating an internal control system to promptly identify and respond to unethical practices and errors in our accounting reports that may occur during business operations. Our internal control system is subject to an external audit, and we also inspect and assess the operating status of our Internal Accounting Control System (IACS) once a year. The results of inspection and assessment are reported to the Audit Committee, the Board of Directors, and the General Meeting of Shareholders.

Internal control system process



▶ Opening a Reporting Channel

We operate an ombudsman system, a channel where all stakeholders can report acts that undermine ethical management. Reports can be sent by fax, online ombudsman channel, and other channels. The identities of reporters are kept extremely confidential under the whistleblower protection system, and blacklisting reporters or disadvantaging their careers is strictly forbidden. In addition, the Audit Office is committed to making every effort to reflect requests from the reporting channels.

Cases of ombudsman reporting (Unit: cases)

Course	2019	2020	2021
Ombudsman reporting	0	3	3

▶ Audit Proposal System

We operate a system to help employees propose audits. When an employee proposes an audit for improvement measures or cases of fraud, injustice, or violation of laws or company regulations, including the Code of Ethics and the Internal Accounting Control Regulations, our Audit Office reviews whether the audit is necessary, and if deemed necessary, conducts a special audit for improvement. It is impossible to identify a whistleblower who proposes a special audit anonymously. Even the identity of a whistleblower who proposes a special audit under their real name can be made strictly confidential if they desire, or it is considered necessary.

Human Rights Management

Human Rights Protection and Promotion

Human rights management policy

We respect the human rights of employees of our customers and suppliers, and members of local communities and make efforts to observe laws on labor and human rights in all countries and regions where we operate. We prohibit discrimination of all types, including sex, race, and age. To this end we have established a human rights policy respecting the human rights of all our employees and stakeholders, as well as continuously implementing other activities related to human rights protection.

A culture of respect for human rights

To foster a culture of respect for human rights, we have developed preventive measures against various problems, such as sexual and other harassment in the workplace and discrimination against women and the disabled. Furthermore we have made efforts to produce a culture of mutual respect through organizational culture activities. According to our human rights policy, we have provided every employee with training on preventing sexual harassment and are raising awareness of the disabled every year. Going forward, we will examine the possibility of human rights risks in our management activities and disclose improvements.

Human rights policy

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 also take responsibility for respecting human rights as the fundamental principle of business.

Principles of respect for human rights

1. We regard the protection of human rights as our most basic responsibility in doing business and apply the same principle to our employees at business sites and our customers, suppliers, and local communities.
2. We comply with labor-related laws and regulations required in all countries and regions where we do business.
3. We do our utmost to guarantee stable employment and adequate wages for our employees and provide them with a sound work environment.
4. We implement measures to improve the human rights awareness of our employees by conducting regular training to prevent human rights violations by our employees.
5. We conduct periodic internal audits to check compliance with our Human Rights Policy and operate channels by which an employee can report a human rights issue according to predetermined procedures whenever such an issue arises.

Articles on respect for human rights

Article 1 (Respect for people)

We respect all of our stakeholders, including our employees, as human beings and ensure that there is no psychological or physical oppression, abuse, or unfair treatment.

Article 2 (Anti-discrimination)

We do not discriminate against any employee for reasons related to social status, including gender, race, religion, political preference, nationality or country of origin, disabilities, marital status or pregnancy in employment, training, evaluation, compensation, or promotion.

Article 3 (Prohibition of forced labor)

We neither compel an employee to work against his or her free will through verbal abuse, violence, threats or confinement nor require any commission fees related to the consignment of an ID card, a passport or a labor certificate issued by the government required for labor or recruitment.

Article 4 (Prohibition of child labor)

We comply with the minimum employment age prescribed in national and local laws. In the event that we employ a young worker, no high-risk task will be imposed, and he or she will be exempted from nighttime or overtime work.

Article 5 (Compliance with laws on working hours)

We maintain regular working hours under the labor relations laws of the nation or region where we do business and shall not violate regulations on overtime work or days off.

Article 6 (Wages and welfare benefits)

We pay above the minimum wage set in the labor relations laws of the nation or region where we do business and contribute to improving all employees' economic stability and quality of life by operating welfare schemes and in-house funds.

Article 7 (Freedom of association)

To provide opportunities to communicate with all employees, we guarantee the rights to organize, bargain collectively, and act collectively under labor relations laws and do not treat employees unfairly for reasons such as labor union membership or activities.

Article 8 (Protection of individual information and privacy)

We strictly protect the confidentiality of personal information for all stakeholders and shall not disclose or consign to others such information without the prior consent of stakeholders.

2022 FOCUS

BEYOND TRANSFORMATION

As COVID-19 shows signs of becoming an endemic as we enter 2022, we are now reaping the rewards of the discipline and hard work of the past two years that have enabled our transformation into a more agile and focused organization ready to write the next chapter of growth.

40
FOCUS 1
BEYOND INNOVATION

42
FOCUS 2
BEYOND COLLABORATION

44
FOCUS 3
BEYOND SUSTAINABILITY

FOCUS 1

BEYOND INNOVATION

Innovation is the growth engine of business. At OCI, our continual pursuit of excellence in our core chemical businesses where we have had a long and successful track record as well as new businesses where we aim to make our mark is opening new doors of opportunity.

HIGHLIGHTED FACT

35,000MT

Malaysia polysilicon capacity in 2022



Thinking bigger

In just over four years, our OCIMSB subsidiary in Sarawak, Malaysia has ramped up solar-grade polysilicon production to its full 30,000 metric ton capacity while simultaneously achieving world-class cost competitiveness in this hyper-competitive market.

In 2021, OCIMSB signed a long-term polysilicon supply contract worth KRW 930 billion with China-based LONGi Solar. This deal with the world's No. 1 producer of solar PV wafers and modules confirms that our Malaysia polysilicon operations are now fully capable of supplying the same industry-leading quality as our former Korea operations.

Looking ahead, we have accelerated plans to boost capacity at OCIMSB from 30,000 to 35,000 metric tons by the second half of 2022 to meet increased demand and prepare for future growth opportunities. Toward this end, we have also completed the relocation of key mothballed production facilities from our Gunsan plant in Korea to Malaysia. Our Gunsan plant now exclusively produces electronic-grade polysilicon for the semiconductor industry. This business continues to grow, driven by major long-term supply contracts with semiconductor wafer industry leaders such as SK Siltron, which doubled the size of its 2020 supply contract in 2021 to meet projected demand through 2028.

Sign long-term polysilicon supply contract with LONGi Solar

We have accelerated plans to boost capacity at our OCIMSB solar-grade polysilicon subsidiary from 30,000 to 35,000 metric tons by the second half of 2022 to meet increased demand and prepare for future growth opportunities.



Investing in life

We entered the biopharmaceuticals business in 2018 with a focus on investing in companies with promising therapies and technologies to improve treatments and outcomes for some of the most common forms of cancer.

In 2021, we expanded our portfolio with a KRW 5 billion investment in Korea-based Panolos Bioscience. Founded in 2019, Panolos is the developer of αART™, a multi-specific drug creation platform designed to counter side effects commonly associated with single-target protein therapeutics. The company's pipeline includes the PB101 candidate, which targets all vascular endothelial growth factors, including placental growth factor.

Looking ahead, we are accelerating our investment strategy in 2022 with the acquisition of a KRW 146 billion controlling stake in Korea-based Bukwang Pharmaceutical. This investment will open the door to even closer collaboration with this well-known R&D-focused pharmaceutical leader that we have partnered with since 2018 through our BNO BIO joint venture.

Beyond our biopharmaceutical investments, we are working on innovative solutions for healthcare cold-chain logistics based on our Enervac vacuum insulation panel technology. This fumed silica-based product offers over eight times the thermal performance of typical insulation materials, enabling the creation of thinner, lighter temperature-controlled packaging solutions for the healthcare sector.

Strategic investment in next-generation anti-cancer therapy
Investment in Bukwang Pharmaceutical
Innovative solutions for healthcare cold-chain logistics

Building the future



City Ociel is a large-scale urban development project with approximately 13,000 residential units now underway on the site of our former Incheon plant. In addition to providing quality housing in a desirable neighborhood, the project will provide us with a valuable source of capital to fund future investment opportunities in new and existing businesses.

In 2021, we successfully completed pre-sales for three of nine complexes in the project totaling approximately 3,780 residential units. Looking ahead, the remaining six complexes will be offered for sale by 2024 and move-ins are expected to run through 2027.

FOCUS 2

BEYOND COLLABORATION

Over the past decade, we have steadily expanded our business portfolio through strategic partnerships in Asia and beyond. Our focus on creating collaborations that are synergistic, not merely opportunistic, is enabling us to build profitable partnerships with an emphasis on value-added businesses in the fields of chemicals, materials, and energy.



HIGHLIGHTED FACT

100,000MT

Malaysia ECH capacity in 2024

Advancing performance

The year 2021 was a busy one for P&O Chemical, our 49:51 joint venture with Posco Chemical launched in 2020. In January, we broke ground for a 50,000 metric ton high-purity hydrogen peroxide plant in Gwangyang, Korea. Then in August, we announced our entrance into the high softening point pitch (HSPP) field and related plans to build a 15,000 metric ton HSPP plant in Korea.

Looking ahead, both of these businesses target industries with solid long-term growth prospects. Demand for high-purity hydrogen peroxide is on the rise thanks to robust growth in the electronics and medical industries. Similarly, demand for HSPP, a key performance-enhancing anode material used in rechargeable batteries, is being driven by steady growth in the electric vehicle industry. We expect to begin commercial production of high-purity hydrogen peroxide in the second half of 2022, followed by HSPP in 2024.

P&O Chemical starts hydrogen peroxide plant construction

P&O Chemical enters the high-softening-point pitch production business

Strengthening industries

In December 2021, we announced the establishment of a 50:50 joint-venture with Kumho P&B Chemicals to produce epichlorohydrin (ECH). This intermediate material is commonly used in lightweight epoxy resins that are being increasingly adopted in the electric vehicle, wind power, and other manufacturing industries.

Unlike other recent ventures with Korea-based partners, this is the first to be sited outside of Korea. The planned 100,000 metric ton ECH plant will be built in Malaysia on a site adjacent to the Sarawak polysilicon plant operated by subsidiary OCIMSB. OCIMSB will also play a key role in the venture, supplying chlor alkali to the new ECH plant. Toward this end, that subsidiary will increase the capacity of its existing on-site chlor alkali plant from 10,000 metric tons to 110,000 metric tons.

Looking ahead, the joint venture aims to begin commercial production in 2024. We are working to make ECH production as green as possible using eco-friendly processes to produce key feedstocks. For example, the chlor alkali process will use natural salt. The plant will also be designed to achieve 100% wastewater recycling and run on clean hydro power.

OCI enters the ECH production business with Kumho P&B Chemical



OCI-Kumho P&B MOU Signing Ceremony

Bringing synergy to energy

Battery-based energy storage systems (ESS) can play a key role in mitigating the inherent availability and reliability limitations of solar PV power plants. While systems with new batteries are readily available, we believe that systems built with recycled electric vehicle batteries have the potential to give a second life to those batteries. This has led to an ongoing collaboration with Hyundai Motor Group to explore the performance and cost benefits of redeploying EV batteries for ESS installations.

In January 2021, we began validation testing of a containerized recycled battery-based ESS system supplied by Hyundai combined with our own power conditioning system (PCS) and connected to a 727 kW solar PV installation at subsidiary OCI Specialty in Gongju, Korea. We expanded this collaboration to the state of Texas in the United States with a memorandum of understanding between subsidiary OCI Solar Power, Hyundai Motor Group, and San Antonio-based municipal power utility CPS Energy in September 2021. Once again, Hyundai will provide the battery ESS system and we will provide the PCS system and supervise installation, while CPS Energy will provide the solar PV site and operate the system. All parties will share operational data from the project, which is targeting a September 2022 commissioning date.

Launching ESS validation project with Hyundai Motor Group

Collaboration with the Hyundai Motor Group and US CPS Energy to validate ESS

We are collaborating with Hyundai Motor Group to explore the performance and cost benefits of redeploying recycled EV batteries in ESS installations as we target new growth opportunities in the distributed energy generation market.

Installation of ESS Cube at OCI Specialty



FOCUS 3

BEYOND SUSTAINABILITY

In recent years, environmental, social, and governance (ESG) criteria have become increasingly important to help both investors and businesses gain insights on corporate sustainability.
We are now in the process of formulating and implementing an ESG-oriented management strategy that will guide us as we pursue sustainable value for all our stakeholders.

HIGHLIGHTED FACT

5th straight A score

KCGS ESG assessment
(2017~2021)



Launching 'ESG Committee' under the Board of Directors

Taking the lead

The chemical and materials industries have a crucial role to play in creating a truly sustainable future. At OCI, our focus on being a green chemical company began back in 2008 when we began producing solar-grade polysilicon. In the years since, we have expanded that commitment as a solar PV project developer and energy solutions provider as we have redoubled our focus on delivering the eco-friendly high-performance chemicals and materials that the sustainable future will be built of.

In July 2021, we announced the launch of an ESG committee under the oversight of the board of directors tasked with ensuring the company generates sustainable value over the long term. Chaired by the CEO and joined by four outside directors, the five-member committee is now in the process of an enterprise-wide ESG review that will serve as the foundation for the adaption of ESG principles to every aspect of our business operations in 2022 and beyond.

Looking ahead, we expect the committee to identify areas requiring improvement related to ESG factors such as corporate governance reporting, regulations related to governance structure, environment and safety, and tax transparency, and long-term strategic planning related to greenhouse gas emissions reduction and carbon neutrality to ensure that we are well prepared for an increasingly stringent regulatory environment.

We have emerged as a specialist in the field of solar PV energy with extensive experience in solar PV project development and energy solutions since our entry into the solar-grade polysilicon market back in 2008.



OCI listed on DJSI Korea index for 13th consecutive year

Setting the standard

The Dow Jones Sustainability Index (DJSI) is one of the world's leading indexes tracking ESG performance. In December 2021, we were named a component of the 2021 DJSI Korea index, marking our 13th consecutive year on this index representing Korea's leaders in sustainability. We also received an integrated "A" score on an ESG assessment conducted by Korea Corporate Governance Service (KCGS) for a fifth consecutive year.

The year also brought prominent recognition of our long-term commitment to sustainability from the South Korean government. In October, CEO Teak Joung Kim received the Silver Tower Order of Industrial Service Merit from the Ministry of Trade, Industry and Energy in recognition of his contributions to reducing greenhouse gas emissions as well as the development of high-performance vacuum insulation solutions and energy storage systems built with recycled EV batteries. We also received the Prime Minister's Award at the 2021 Sustainable Management Awards hosted by the Ministry of Trade, Industry and Energy and the Ministry of SMEs and Startups in December in recognition of our leadership in promoting sustainable management and strengthening industrial competitiveness through its practice.

Rising as the leading ESG Company with a series of favorable assessments



CEO Teak Joung Kim won the Silver Tower Order of Industrial Service Merit during the 13th Chemical Industry Day ceremony

APPENDIX

47
Consolidated Financial Statements

51
Independent Auditor's Report

52
ESG Data

56
GRI Standards Index

57
SASB Index

58
Independent Assurance Statement

59
Product List

61
Global Network

62
Key Memberships

Consolidated Financial Statements
- Consolidated Statements of Financial Position
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Shareholders' Equity
- Consolidated Statements of Cash Flows

Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Consolidated Statements of Financial Position

The 48th period as of December 31, 2021
The 47th period as of December 31, 2020
OCI Company Ltd. and Subsidiaries

(KRW in thousands)

Description	End of the 48th period		End of the 47th period	
Assets				
I. Current assets		3,338,987,117		2,036,042,076
Cash and cash equivalents	698,696,135		443,551,390	
Short-term financial assets	403,346,125		194,669,158	
Trade and other accounts receivable	553,037,117		329,259,301	
Derivative assets	75,798		301,483	
Assets held for sale	3,989,486		7,800,000	
Inventories	1,604,699,967		813,556,519	
Current tax assets	7,099,545		15,548,186	
Other current assets	68,042,944		231,356,039	
II. Non-current assets		2,365,073,996		2,401,193,974
Long-term financial assets	62,492,864		68,371,435	
Long-term trade and other accounts receivable	2,856,945		27,741,630	
Deferred tax assets	473,769,709		427,190,167	
Investments in joint ventures and associates	133,630,976		90,936,803	
Investment property	31,657,069		32,302,510	
Property, plant and equipment	1,617,993,157		1,710,192,003	
Intangible assets	38,332,094		40,307,889	
Other non-current assets	4,341,182		4,151,537	
Total assets		5,704,061,113		4,437,236,050

(KRW in thousands)

Description	End of the 48th period		End of the 47th period	
Liabilities				
I. Current liabilities		1,236,490,174		859,670,483
Short-term financial liabilities	574,171,441		539,415,156	
Trade and other accounts payable	425,793,868		270,892,465	
Derivative liabilities	2,021,285		710,654	
Current tax payables	2,968,583		2,588,329	
Liabilities from assets held for sale	517,962		780,000	
Provisions	24,975,020		10,032,877	
Other current liabilities	206,042,015		35,251,002	
II. Non-current liabilities		1,343,778,528		1,191,836,924
Long-term financial liabilities	1,233,217,539		1,118,677,529	
Long-term trade and other accounts payable	21,744,171		24,327,977	
Non-current provisions	38,423,656		10,006,401	
Retirement benefit obligation	5,980,427		15,758,295	
Deferred tax liabilities	5,556,801		4,144,739	
Other non-current liabilities	38,855,934		18,921,983	
Total liabilities		2,580,268,702		2,051,507,407
Shareholders' equity				
I. Shareholders' equity		3,071,403,978		2,341,041,573
Capital	127,246,855		127,246,855	
Additional paid-in capital	734,532,524		734,532,524	
Other capital surplus	59,451,245		50,920,120	
Other components of capital	57,512,682		(26,501,378)	
Retained earnings	2,092,660,672		1,454,843,452	
II. Non-controlling interests		52,388,433		44,687,070
Total shareholders' equity		3,123,792,411		2,385,728,643
Total liabilities and shareholders' equity		5,704,061,113		4,437,236,050

Consolidated Financial Statements
- Consolidated Statements of Financial Position
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Shareholders' Equity
- Consolidated Statements of Cash Flows

Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Consolidated Statements of Income

The 48th period from January 1, 2021 to December 31, 2021
The 47th period from January 1, 2020 to December 31, 2020
OCI Company Ltd. and Subsidiaries

(KRW in thousands)

Description	The 48th period	The 47th period
I. Sales	3,243,996,752	2,002,516,778
II. Cost of sales	(2,337,855,679)	(1,873,995,419)
III. Gross profit	906,141,073	128,521,359
IV. Selling and administrative expenses	(280,156,138)	(214,666,434)
V. Operating income (loss)	625,984,935	(86,145,075)
1.Financial income	49,701,255	89,338,258
2. Financial expense	(82,887,491)	(94,990,655)
3. Share of profits of joint ventures and associates	16,967,022	7,362,520
4. Other non-operating income	17,464,943	32,178,866
5. Other non-operating expense	(15,277,954)	(297,865,191)
VI. Income (loss) before tax from continuing operations	611,952,710	(350,121,277)
VII. Income tax benefit from continuing operations	40,174,703	98,989,688
VIII. Income (loss) from continuing operations	652,127,413	(251,131,589)
IX. Loss from discontinued operations	(51,580)	(32,458)
X. Net income (loss)	652,075,833	(251,164,047)
XI. Net income (loss) attributable to		
1.Owners of the Company	647,647,565	(246,150,678)
2. Non-controlling interests	4,428,268	(5,013,369)
XII. Net income per share (in Korean won)		
Basic and diluted income (loss) per share from continuing operations and discontinued operations	27,387	(10,381)
Basic and diluted income (loss) per share from continuing operations	27,389	(10,380)

Consolidated Statements of Comprehensive Income

The 48th period from January 1, 2021 to December 31, 2021
The 47th period from January 1, 2020 to December 31, 2020
OCI Company Ltd. and Subsidiaries

(KRW in thousands)

Description	The 48th period	The 47th period
I. Net income (loss)	652,075,833	(251,164,047)
II. Other comprehensive income (loss)	70,261,351	(41,139,482)
(1) Items that will not be reclassified subsequently to income (loss)	(12,175,805)	(2,913,774)
1. Remeasurement factor on defined benefit plans	(9,886,338)	(2,913,774)
2. Loss on financial assets measured at FVTOCI	(2,289,467)	-
(2) Items that may be reclassified subsequently to income (loss)	82,437,156	(38,225,708)
1. Share of other comprehensive income (loss) of joint ventures and associates	75,580	(93,154)
2. Gain (loss) on overseas operations translation	82,361,576	(38,132,554)
III. Comprehensive income (loss)	722,337,184	(292,303,529)
IV. Comprehensive income (loss) attributable to:		
1. Owners of the company	714,635,755	(287,656,470)
2. Non-controlling interests	7,701,429	(4,647,059)

Consolidated Financial Statements
- Consolidated Statements of Financial Position
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Shareholders' Equity
- Consolidated Statements of Cash Flows

Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Consolidated Statements of Shareholders' Equity

The 48th period from January 1, 2021 to December 31, 2021
The 47th period from January 1, 2020 to December 31, 2020
OCI Company Ltd. and Subsidiaries

(KRW in thousands)

Description	Description						Non-controlling interests	Total shareholders' equity
	Capital	Additional paid-in capital	Other capital surplus	Other components of capital	Retained earnings	Owners of the company		
January 1, 2020	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
Dividends	-	-	-	-	-	-	(683,504)	(683,504)
Net income (loss)	-	-	-	-	(246,150,678)	(246,150,678)	(5,013,369)	(251,164,047)
Acquisition of treasury stocks	-	-	-	(7,007,798)	-	(7,007,798)	-	(7,007,798)
Changes in equity of investments in joint ventures and associates	-	-	10,548	44,914	(148,616)	(93,154)	-	(93,154)
Gain (loss) on overseas operations translation	-	-	-	(38,469,423)	-	(38,469,423)	336,871	(38,132,552)
Remeasurement factor on defined benefit plan	-	-	-	-	(2,943,213)	(2,943,213)	29,439	(2,913,774)
December 31, 2020	127,246,855	734,532,524	50,920,120	(26,501,378)	1,454,843,452	2,341,041,573	44,687,070	2,385,728,643
January 1, 2021	127,246,855	734,532,524	50,920,120	(26,501,378)	1,454,843,452	2,341,041,573	44,687,070	2,385,728,643
Dividends	-	-	-	-	-	-	(66)	(66)
Net income (loss)	-	-	-	-	647,647,565	647,647,565	4,428,268	652,075,833
Acquisition of treasury stock	-	-	-	(12,985,839)	-	(12,985,839)	-	(12,985,839)
Disposal of treasury stock	-	-	8,718,852	19,993,637	-	28,712,489	-	28,712,489
Changes in equity of investments in joint ventures and associates	-	-	(187,727)	201,960	61,347	75,580	-	75,580
Gain on overseas operations translation	-	-	-	79,093,769	-	79,093,769	3,267,807	82,361,576
Remeasurement factor on defined benefit plan	-	-	-	-	(9,891,692)	(9,891,692)	5,354	(9,886,338)
Loss on financial assets measured at fair value through other comprehensive loss	-	-	-	(2,289,467)	-	(2,289,467)	-	(2,289,467)
December 31, 2021	127,246,855	734,532,524	59,451,245	57,512,682	2,092,660,672	3,071,403,978	52,388,433	3,123,792,411

Consolidated Financial Statements
- Consolidated Statements of Financial Position
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Shareholders' Equity
- Consolidated Statements of Cash Flows

Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Consolidated Statements of Cash Flows

The 48th period from January 1, 2021 to December 31, 2021
The 47th period from January 1, 2020 to December 31, 2020
OCI Company Ltd. and Subsidiaries

(KRW in thousands)

Account title	The 48th period		The 47th period	
I. Cash flows from operating activities		377,690,582		(118,507,430)
1. Cash generated from operating activities	401,983,829		(74,643,266)	
2. Interest income received	10,319,997		10,191,406	
3. Interest expense paid	(42,626,358)		(46,384,829)	
4. Dividends income received	279,449		928,843	
5. Income taxes refund (paid)	7,733,665		(8,599,584)	
II. Cash flows from investing activities		(283,562,829)		6,211,274
1. Decrease in short-term financial instruments	308,509,879		389,364,398	
2. Increase in short-term financial instruments	(478,128,239)		(337,122,226)	
3. Decrease in short-term loans	20,000		1,153,128	
4. Increase in short-term loans	(179,231)		-	
5. Decrease in financial assets measured at amortized cost	140,405		98,807	
6. Decrease in financial assets measured at FVTPL	1,188,169		50,347,526	
7. Increase in financial assets measured at FVTPL	(8,035,309)		(1,958,605)	
8. Decrease in long-term financial instruments	105,991		6,303,794	
9. Increase in long-term financial instruments	(150,320)		(40,000,000)	
10. Decrease in long-term loans	-		17,000	
11. Increase in long-term loans	(30,000)		-	
12. Disposal of investment in property	-		16,018,349	
13. Acquisition of investment in property	-		(17,605)	
14. Disposal of property, plant and equipment, etc.	746,357		12,231,831	
15. Acquisition of property, plant and equipment	(94,475,544)		(73,296,198)	
16. Disposal of intangible assets	206,968		497,988	
17. Acquisition of intangible assets	(2,653,348)		(2,726,913)	
18. Acquisition of investment in associates	(25,921,000)		(14,700,000)	
19. Disposal of subsidiary company	8,072,393		-	
20. Disposal of asset held for sale	7,020,000		-	

(KRW in thousands)

Account title	The 48th period		The 47th period	
III. Cash flows from financing activities		136,702,380		76,904,681
1. Increase in short-term borrowings	406,642,547		303,575,285	
2. Decrease in short-term borrowings	(218,387,293)		(325,613,711)	
3. Decrease in current portions of long-term financial liabilities	(443,961,366)		(255,264,615)	
4. Increase in long-term borrowings	311,069,837		288,958,821	
5. Decrease in long-term borrowings	-		(1,878,220)	
6. Issuance of debenture	96,642,540		79,604,180	
7. Decrease in lease liabilities	(4,616,170)		(4,886,257)	
8. Increase in government subsidies	2,298,190		100,500	
9. Acquisition of treasury stock	(12,985,839)		(7,007,798)	
10. Payment of dividends	(66)		(683,504)	
IV. Changes in cash and cash equivalents due to foreign currency translation		24,314,612		(8,609,720)
V. Net increase (decrease) in cash and cash equivalents (I+II+III+IV)		255,144,745		(44,001,195)
VI. Cash and cash equivalents beginning of year		443,551,390		487,552,585
VII. Cash and cash equivalents end of year		698,696,135		443,551,390

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

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 fmancial position as of December 31, 2021, and 2020, and the related consolidated statements of income, consolidated statements of comprehensive income, consolidated statements ofchanges in shareholders' equity and consolidated statements ofcash flows, all expressed in Korean won, for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated fmancial statements present fairly, in all material respects, the fmancial position of the Company as of December 31, 2021, and 2020, and its fmancial performance and its cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

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 Audits ofthe 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 fmancial statements in the Republic ofKorea 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 fmancial statements of the current year. These matters were addressed in the context of our audit of the consolidated fmancial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

1. Assessing the probability of realizing related to deferred tax assets

1.1. Disclosures associated with the Key Audit Matter

With respect to assessing the probability ofrealizing related to deferred tax assets, the relevant matters are disclosed in the Note 2 ('SIGNIFICANT ACCOUNTING POLICIES' (24) 'Income tax') ', Note 3 ('CRITICAL ACCOUNTING WDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY' (2)-7) 'Key sources ofestimation uncertainty'-'Deferred tax') and Note 27 ('INCOME TAX EXPENSE AND DEFERRED TAX ASSETS (LIABILITIES)').

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

As disclosed in Note 2 to the separate fmancial statements, as of December 31, 2021, the Company has reviewed the carrying amount of deferred tax assets at the end of each reporting period and reduced the carrying amount of deferred tax assets to the extent it is probable that taxable profits would be available against which those deductible temporary differences could be utilized. The assessing the probability of deferred tax assets implies complexity because it requires management' s judgement to estimate expected taxable profit. The Company recognizes deferred tax assets of W473 ,770 million, which are material to the Company's total assets as of December 31, 2021. We determined assessing the probability ofrealization of deferred tax assets as a Key Audit Matter considering its significant influence on the Company's financial position and performance and inherent uncertainty ofmajor variables such as sales and operating costs used and the significant judgment of the Company's management made to estimate expected taxable profits.

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

Our major audit procedures related to recoverability testing on deferred tax assets include the following, among others:

- Test on design and operating effectiveness ofthe Company's relevant controls over assessing the probability of deferred tax assets.
- A retrospective review of the estimated taxable profit for the current year provided by the management in the prior period.
- Evaluation ofmajor input variables, such as sales and operating profit ratio in the recent business plan approved by the management used to estimate expected taxable profit.
- Assessing the expected taxable profit of subsidiaries subject to the consolidated tax return and of subsidiaries in foreign countries.
- Assessing the timing of the utilization of the deductible temporary differences and the tax losses carryforwards provided by the Company.

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

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

In preparing the consolidated fmancial 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 fmancial reporting process.

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated fmancial 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 ofusers taken on the basis ofthese consolidated fmancial statements.

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

- Identify and assess the risks ofmaterial misstatement ofthe 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, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audits 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. Ifwe conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated fmancial 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 fmancial statements, including the disclosures, and whether the consolidated fmancial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the fmancial information of the entities or business activities within the Company to express an opinion on the consolidated fmancial statements. We are responsible for the direction, supervision and performance ofthe Company's audits. 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 fmdings, 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 were of most significance in the audits of the consolidated fmancial statements of the current year and, are therefore, the key audit matters. We describe the matter in our auditors' report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

March 3 , 2022

This report is effective as ofMarch 3, 2022, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the consolidated financial statements and may result in modifications to the auditors' report.

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

ESG Data*

* All ESG data is presented on a non-consolidated basis.

Environmental Performance

Environmental Investment

Business Site	Unit	2019	2020	2021
Gunsan	KRW millions	8,899	8,598	8,257
Pohang	KRW millions	8,397	5,676	5,923
Gwangyang	KRW millions	14,109	1,509	4,159
Iksan	KRW millions	470	2,037	1,339
Iksan VIP	KRW millions	644	31	68
R&D Center	KRW millions	77	72	73
Total	KRW millions	**32,596**	**17,923**	**19,819**

Greenhouse Gas Emissions

Category		Unit	2019	2020	2021
Gunsan	Scope 1	tCO_2-eq	36,154	24,892	31,601
	Scope 2	tCO_2-eq	1,401,930	556,880	448,666
Gunsan 2	Scope 1	tCO_2-eq	-	-	-
	Scope 2	tCO_2-eq	470	258	241
Pohang	Scope 1	tCO_2-eq	355,220	315,097	354,721
	Scope 2	tCO_2-eq	11,672	14,963	11,082
Gwangyang	Scope 1	tCO_2-eq	196,938	193,290	215,460
	Scope 2	tCO_2-eq	16,583	17,550	15,716
Iksan	Scope 1	tCO_2-eq	47,280	49,618	55,840
	Scope 2	tCO_2-eq	42,878	45,070	49,789
Iksan VIP	Scope 1	tCO_2-eq	62	49	59
	Scope 2	tCO_2-eq	2,041	1,541	2,837
Headquarters	Scope 1	tCO_2-eq	704	674	696
	Scope 2	tCO_2-eq	1,342	1,218	1,103
R&D Center	Scope 1	tCO_2-eq	391	352	401
	Scope 2	tCO_2-eq	1,927	1,533	1,475
Training Center	Scope 1	tCO_2-eq	59	63	51
	Scope 2	tCO_2-eq	84	77	75
Jungbu Plant	Scope 1	tCO_2-eq	103	102	105
	Scope 2	tCO_2-eq	454	310	295
Total	Scope 1	tCO_2-eq	**636,911**	**584,137**	**658,934**
	Scope 2	tCO_2-eq	**1,479,380**	**639,400**	**531,279**

* Calculated according to the reporting and certification guidelines of the Emission Trading Scheme.
** Some figures may be different from greenhouse gas emissions based on the results of government assessment.

Energy Use

Category	Type	Unit	2019	2020	2021
Direct	Fuel	TJ	8,233	7,461	7,649
Indirect	Steam	TJ	3,422	1,926	1,880
	Electricity	TJ	26,021	10,655	8,603
Total		TJ	**37,676**	**20,042**	**18,132**

Volume of Water Intake

Business Site	Source	Unit	2019	2020	2021	Note
Gunsan	Industrial water	Ton	8,181,361	4,599,506	5,008,438	Dam
Pohang		Ton	2,219,562	2,113,500	2,255,456	Dam
Gwangyang		Ton	1,048,706	1,123,497	1,317,632	Dam
Iksan		Ton	620,249	702,677	687,724	Reservoir
Iksan VIP		Ton	1,307	2,480	8,273	Channel
R&D Center		Ton	13,800	14,361	16,545	Tap water
Total		Ton	**12,084,985**	**8,556,021**	**9,294,068**	

Water Recycled and Reused

Business Site	Unit	2019	2020	2021
Total water used	Ton	**12,084,985**	**8,556,021**	**9,294,068**
Gunsan	Ton	318,285	194,281	188,457
Pohang	Ton	237,913	150,546	168,011
Gwangyang	Ton	7,922	11,948	9,566
Iksan	Ton	76,484	90,218	118,416
Total recycled and reused	Ton	640,604	446,993	484,449
Recycling and reuse rate	%	**5.3**	**5.2**	**5.2**

Raw Material Used

Business Site	Category	Unit	2019	2020	2021
Gunsan	Naphtha, DNT, industrial salt	Ton	276,443	231,468	235,038
Pohang	Coal tar, FCC, naphthalene	Ton	525,494	461,842	492,850
Gwangyang	Coal tar, light oil, FCC	Ton	531,977	511,535	547,398
Iksan	Naphtha	Ton	12,654	17,131	19,669
Iksan VIP	FS, fiber, opacifier	Ton	950	438	946
Total		Ton	**1,347,518**	**1,222,414**	**1,295,901**

Packaging Material Recycling

Business Site	Category	Unit	2019	2020	2021
Gunsan	Drum	%	9.5	1.7	4.1
Pohang	PVC bag	%	0	0	0
	Baffle bag	%	0	0	0
Gwangyang	PVC bag (C/B)	%	100.0	100.0	0*
Iksan	Bulk bag	%	0	0	0
	Can	%	10.1	11.9	16.5
Iksan VIP	Pallet	%	1.7	2.1	0.1
	Box	%	0	0	0

* Recycling performance decreased as PVC bag packaging was banned for carbon black (C/B).

Waste Discharge

Business Site	Unit	2019	2020	2021
Gunsan	Ton	32,973	19,922	21,744
Pohang	Ton	5,113	3,604	4,319
Gwangyang	Ton	1,216	1,528	1,220
Iksan	Ton	750	935	1,073
Iksan VIP	Ton	2,012	23	57
R&D Center	Ton	34	30	26
Total	Ton	**42,098**	**26,042**	**28,439**

Waste Recycling Rate and Disposal

Category		Unit	2019	2020	2021
Waste recycled		Ton	20,098	13,437	14,740
Recycling rate		%	47.7	51.6	51.8
Disposal	Landfill	Ton	16,016	8,170	7,735
	Incineration	Ton	4,971	3,655	4,272
	Others	Ton	1,012	779	1,692
Total			**42,098**	**26,042**	**28,439**

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Environmental Performance

Wastewater Discharge

Business Site	Unit	2019	2020	2021
Gunsan	m^3	1,601,578	1,359,373	1,588,886
Pohang	m^3	426,555	459,952	427,560
Gwangyang	m^3	232,543	206,869	318,043
Iksan	m^3	128,812	182,160	206,623
R&D Center	m^3	4,800	3,880	3,870
Total wastewater discharged	m^3	**2,394,288**	**2,212,234**	**2,544,982**

* Physical/chemical/biological treatments are selectively used at each business site.

Concentration of Discharged Water Pollutants

Category	Business Site	Unit	2019	2020	2021
BOD	Pohang	mg/L	3.2	8.9	2.9
	Gwangyang	mg/L	2.7	7.1	4.4
	Iksan	mg/L	24.8	24.0	20.0
	R&D Center	mg/L	0.8	0.7	0.2
COD	Gunsan (TDI)	mg/L	211.3	154.3	230.9
	Gunsan (RE)	mg/L	21.9	21.2	62.3
	Pohang	mg/L	20.4**	20.0	15.9
	Gwangyang	mg/L	14.5	45.8	42.7
	Iksan	mg/L	38.7	34.5	85.0
	R&D Center	mg/L	2.0	1.6	1.8
SS	Gunsan (TDI)	mg/L	41.3	41.1	49.4
	Gunsan (RE)	mg/L	31.2	22.3	19.0
	Pohang	mg/L	35.5	25.5	44.5
	Gwangyang	mg/L	10.0	42.0	7.6
	Iksan	mg/L	16.3	36.1	27.0
	R&D Center	mg/L	0.3	0.8	0.7

* Based on statutory daily logs kept at each site.
** Updated to correct an error in the previous year's report.

Air Pollutant Discharge

Category	Business Site	Unit	2019	2020	2021
NO_x	Gunsan	kg	8,920	7,524	18,354
	Pohang	kg	620,586	416,656	450,382
	Gwangyang	kg	490,261	375,643	309,646
	R&D Center	kg	1,098	301	322
SO_x	Pohang	kg	730,562	140,086	260,503
	Gwangyang	kg	402,453	110,085	226,570
Dust	Gunsan	kg	4,544	4,354	6,871
	Pohang	kg	3,601	2,193	2,936
	Gwangyang	kg	9,946	7,722	17,818
	Iksan	kg	1,162	332	432
	Iksan (VIP)	kg	-	-	3.4
	R&D Center*	kg	-	-	6

* Site began monitoring in 2021.

Social Performance

Senior Executives

Category		Unit	2019	2020	2021
Age	Under 30	Persons	-	-	-
	30~50 years	Persons	12	5	6
	50+	Persons	41	30	26
Full-time	Full-time (male)	Persons	44	23	26
	Full-time (female)	Persons	3	3	2
	Part-time (male)	Persons	4	7	2
	Part-time (female)	Persons	2	2	2
Registered	Registered (male)	Persons	7	7	5
	Registered (female)	Persons	2	2	2
	Unregistered (male)	Persons	41	23	23
	Unregistered (female)	Persons	3	3	2

Employees*

Category		Unit	2019	2020	2021
Employment type	Full-time (male)	Persons	2,038	1,397	1,377
	Full-time (female)	Persons	110	84	96
	Part-time (male)	Persons	25	27	61
	Part-time (female)	Persons	8	8	5
Position	Team manager	Persons	97	74	68
	Manager	Persons	290	233	257
	Associate	Persons	158	108	116
	Researcher	Persons	81	65	66
	Clerk	Persons	76	42	79
	Technical worker	Persons	1,479	994	953
Age	Under 30	Persons	146	99	122
	30~50 years	Persons	1,589	1,090	1,042
	50+	Persons	446	327	375

* Excludes executives.

Workforce Diversity

Category		Unit	2019	2020	2021
Total number of employees		Persons	2,234	1,551	1,571
Female employees	No. of female employees	Persons	123	97	105
	Ratio of female employees to the total	%	5.5	6.2	6.7
	Junior management positions	Persons	112	88	97
	Top management positions**	Persons	1	1	0
	Management positions in revenue-generating functions	Persons	21	20	24
	STEM-related positions	Persons	55	48	44
Age	Under 30	%	6.5	6.4	7.8
	30~50 years	%	71.7	70.6	66.7
	50+	%	21.8	23	25.5
Social minority	Disabled persons	%	1.3	1.1	1.2
	Patriots and veterans	%	3.2	3.4	3.2

* Non-executive officers are included in the total number of employees.
** Maximum two levels away from the CEO

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Social Performance

2021 Gender Pay Gap Analysis

Category	Unit	Male-female difference	Note
Mean gender pay gap	%	66	Differences in industry, service, duty, etc.
Median gender pay gap	%	53	
Mean bonus gap	%	91	
Median bonus gap	%	85	

Retirement Pension

	Category	Unit	2019	2020	2021
Defined benefit (DB)	Present value of defined benefit obligations	KRW millions	190,538	158,749	176,846
	Fair value of plan assets	KRW millions	171,285	142,991	170,866
	Reserve ratio	%	89.9	90.1	96.6
Defined contribution (DC)	Post-employment benefit expense	KRW millions	2,353	2,036	2,176

Parental Leave

	Category	Unit	2019	2020	2021
Male	Employees who have taken parental leave	Persons	7	7	5
	Rate of employees returning to work after parental leave	%	86	29	100
	Rate of employees who have worked for more than a year after returning from parental leave	%	86	64	50
Female	Employees who have taken parental leave	Persons	17	13	13
	Rate of employees returning to work after parental leave	%	94	77	100
	Rate of employees who have worked for more than a year after returning from parental leave	%	94	87	100

Performance Evaluation

Category	Unit	2019	2020	2021
Number of employees eligible for performance evaluation	Persons	2,200	1,556	1,586
Number of employees who have received a performance evaluation	Persons	2,182	1,540	1,564
Ratio of employees who have received a performance evaluation	%	99.2	99.0	98.6

Rate of Labor Union Membership*

Category	Unit	2019	2020	2021
Labor union membership	%	99.7	99.7	99.7

* Based on unionized business sites.

Occupational Injuries

Category	Unit	2019	2020	2021
Injured employees	Persons	2	1	4
Occupational injury rate	%	0.09	0.06	0.26
Injury frequency rate	-	0.39	0.24	1.06

* Gender figures are combined.
** Occupational injuries of contractors are not included.

Safety and Health Training Hours

Business Site	Unit	2019	2020	2021
Gunsan	Hours/person	40	40	40
Pohang	Hours/person	36	36	39
Gwangyang	Hours/person	40	36	40
Iksan	Hours/person	24	24	24
Iksan VIP	Hours/person	24	24	24
R&D Center	Hours/person	24	24	24
Total	Hours/person	**188**	**184**	**191**

Employee Medical Check-ups

Business Site	Unit	2019	2020	2021
Gunsan	Persons	1,121	550	617
Pohang	Persons	442	443	474
Gwangyang	Persons	403	451	424
Iksan	Persons	107	132	102
Iksan VIP	Persons	16	16	19
R&D Center	Persons	105	88	91
Total	Persons	**2,194**	**1,680**	**1,727**

Employee Medical Follow-up Consultations

Business Site	Unit	2019	2020*	2021**
Gunsan	Persons	250	91	128
Pohang	Persons	78	116	123
Gwangyang	Persons	69	90	77
Iksan	Persons	71	-	-
Iksan VIP	Persons	3	-	8
R&D Center	Persons	62	72	-
Total	Persons	**533**	**369**	**336**

* No consultations conducted at Iksan and Iksan VIP in 2020 due to COVID-19.
** No consultations conducted at Iksan and R&D Center in 2021 due to COVID-19.

Social Contributions

Category	Unit	2019	2020	2021
Total hours of volunteer service	Hours	2,620	333	300
Total number of participants	Persons	782	72	75
Cash contributions	KRW millions	394	280	288
In-kind giving	KRW millions	163	0	0
Total investment	KRW millions	651	393	396

Social Minority Employment Status

Category	Unit	2019	2020	2021
Disabled persons*	Persons	29	18	19
National veterans	Persons	72	53	50

* Excludes employees of subsidiary OCI Dream, a standard workplace for disabled persons.

Turnover Rate

	Category		Unit	2019	2020**	2021
Turnover rate	Turnover rate		%	5.01	29.60	8.72
	Age	Under 30	Persons	25	35	36
		30~50 years	Persons	70	446	80
		50+	Persons	27	193	31
Voluntary turnover rate			%	59.02	10.83	64.63

* Reflects corrections for duplicate counting errors in 2019 and 2020.
** A voluntary retirement program was implemented in 2020.

Social Contribution Overview

In 2021, OCI invested a total of KRW 396 million in local communities. Charitable donations, i.e., short-term and one-time contributions made at the request of local communities and charitable organizations, accounted for KRW 286 million of the total. Community investments, which helped raise corporate reputation and long-term profitability, totalled KRW 110 million.

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Economic Performance

Management Stock Ownership

(As of December 31, 2021)

Name	Position	No. of shares	Stake (%)	Note
Teak Joung Kim	CEO (President)	96	0.00	
Woo Sug Baik	Representative Director (Chairman)	11,052	0.05	
Woo Hyun Lee	Representative Director (Vice-Chairman)	1,202,459	5.04	

Shareholders with Stakes Exceeding 5%

(As of December 31, 2021)

Category	Name	No. of shares	Stake (%)	Note
Shareholders with 5% or more	National Pension Service	2,325,074	9.75	
	Hwa Young Lee	1,295,198	5.43	
	Bok Young Lee	1,288,237	5.40	
	Woo Hyun Lee	1,202,459	5.04	

Stakes of Largest Shareholder and Related Parties (As of December 31, 2021)

Name	Relationship	No. of shares	Stake (%)	Note
Hwa Young Lee	Largest shareholder	1,295,198	5.43	
Bok Young Lee	Relative	1,288,237	5.40	
Woo Hyun Lee	Relative	1,202,459	5.04	

Type and Number of Issued Voting Shares

(As of December 31, 2021)

Item	Type	No. of shares	Note
Number of shares eligible for voting rights	Common stock	23,849,371	Excludes treasury shares
	Preferred stock	-	

OCI Stock Ownership Overview

(As of December 31, 2021)

Category	No. of shares	Stake (%)	Note
Largest shareholder and related parties	5,303,780	22.24	
Institutions	3,392,814	24.76	
Foreigners	5,906,083	14.23	
Individuals	9,246,694	38.77	

CEO Compensation

(As of December 31, 2021)

Category	Unit	2021	Note
CEO compensation	KRW thousands	833,992	
Average employee compensation	KRW thousands	88,800	
CEO and employee remuneration gap	Multiple	9.39	

* CEO compensation refers to that of Teak Joung Kim, the president and representative director.
** Average employee compensation is the average amount of compensation per employee disclosed in the business report.

Information/Cyber Security Breaches and Violations

Category	Unit	2019	2020	2021
Information/cyber security incidents* and violations	Cases	1	0	0
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 were all related to ransomware attacks.

Contributions to Associations

Type	Unit	2018	2019	2020	2021
Associations and related organizations	KRW	509,935,380	463,134,399	419,528,321	403,999,341
Donations	KRW	304,190,000	386,623,500	124,771,350	145,576,400

* Article 31 (Restrictions on Contributions) of the Political Funds Act provides that every foreigner, corporation or organization both at home and abroad shall be prohibited from contributing any political funds, and no one shall contribute any political funds from any corporation or any organization both at home and abroad. OCI strictly observes this Act and does not provide political funds, political campaign contributions, or funds for lobbying to political organizations. However, we support associations for the public interest that guarantee political neutrality.

Major Recipients of Association Contributions

Item	Unit	2018	2019	2020	2021
Korea Petrochemical Industry Association	KRW thousands	65,124	69,879	68,280	65,292
Korea Chlor Alkali Industry Association	KRW thousands	28,800	31,500	32,400	32,400
International Tar Association	KRW thousands	6,997	7,682	8,044	5,364
International Isocyanate Institute	KRW thousands	133,838	48,802	41,009	28,660
Korea Chemicals Management Association	KRW thousands	1,800	1,800	2,380	3,380

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

Domestic and Foreign Partner Company Transactions

Item	Unit	2019	2020	2021
Number of domestic and foreign partner companies	Number	918	861	892
Total purchase amount	KRW billions	1,160.1	752.3	1,171.2

Major Sanctions

No significant sanctions, defined as penalties exceeding USD 10,000, have been imposed for violations of environmental laws and regulations.

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

GRI Standards Index

GRI is an international organization that presents guidelines for preparing an ESG report and recommends businesses write the report. OCI prepares ESG reports according to the core option of GRI Standards for ESG reporting, and discloses the report transparently.

Classification		Disclosure, Indicators	Page	SDGs	Note
Organizational Profile	102-1	Name of organization	5	-	
	102-2	Activities, brands, products, and services	7-11, 40-41, 59-60	-	
	102-3	Location of headquarters	62	-	
	102-4	Location of operations	61	-	
	102-5	Ownership and legal form	13, 55	-	
	102-6	Markets served	6, 13	-	
	102-7	Scale of the organization	13	-	
	102-8	Information on employees and other workers	13, 58-59	SDG 8, 10	
	102-9	Supply chain	28-29	-	
	102-10	Significant changes to the organization and its supply chain	2	-	
	102-11	Precautionary principles and approaches	34-36	-	
	102-12	External initiatives	62	-	
	102-13	Association memberships	62	-	
Strategy	102-14	Statement from the senior decision-maker	3-4	-	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	37-38	SDG 16	
	102-18	Governance structure	32-33	-	
Stakeholder Engagement	102-40	List of stakeholder groups	15	-	
	102-41	Collective bargaining agreements	15	SDG 8	
	102-42	Identifying and selecting stakeholders	15	-	
	102-43	Approach to stakeholder engagement	15	-	
	102-44	Key topics and concerns raised	15	-	
Reporting Practice	102-45	Entities included in the consolidated financial statements (subsidiaries and joint companies)	61	-	
	102-46	Defining report content and topic boundaries	14	-	
	102-47	List of material topics	14	-	
	102-48	Restatements of information	2	-	
	102-49	Changes in reporting	2	-	
	102-50	Reporting period	2	-	
	102-51	Date of the most recent report	2	-	
	102-52	Reporting cycle	2	-	
	102-53	Contact point for questions regarding the report	62	-	
	102-54	Claims of reporting following the GRI Standards	2	-	
	102-55	GRI content index	56-57	-	
	102-56	Independent assurance	58	-	

Classification		Disclosure, Indicators	Page	SDGs	Note
Management Approach	103-1	Explanation of the material topic and its boundary	14	-	
	103-2	The management approach and its components	17-19	-	
Economic Performance	201-1	Direct economic value generated and distributed	5-6	SDG 8, 9	
	201-2	Financial implications and other risks and opportunities due to climate change	22-23	SDG 13	
Indirect Economic Impacts	203-2	Significant indirect economic impacts	28-30	SDG 1, 3, 8	
Anti-corruption	205-1	Operations assessed for risks related to corruption	37	SDG 16	
	205-2	Communication and training on anti-corruption policies and procedures		SDG 16	
Tax	207-1	Approach to tax	36	SDG 1, 10, 17	
	207-3	Stakeholder engagement and management of concerns related to tax	36	SDG 1, 10, 17	
	207-4	Country-by-country reporting	36	SDG 1, 10, 17	
Materials	301-1	Materials used by weight or volume	52	SDG 8, 12	
	301-3	Reclaimed products and their packaging materials	52	SDG 8, 12	
Energy	302-1	Energy consumption within the organization	52	SDG 7, 8, 12, 13	
	302-3	Energy intensity		SDG 7, 8, 12, 13	
	302-4	Reduction of energy consumption		SDG 7, 8, 12, 13	
	302-5	Reductions in energy requirements of products and services		SDG 7, 8, 12, 13	
Water and Effluents	303-4	Water discharge	52	SDG 6	
	303-5	Water consumption	52	SDG 6	
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	-	SDG 6, 14, 15	Not applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	-	SDG 6, 14, 15	
	304-3	Habitats protected or restored	-	SDG 6, 14, 15	
Emissions	305-1	Direct (Scope 1) GHG emissions	52	SDG 3, 12, 13, 14, 15	
	305-2	Indirect (Scope 2) GHG emissions		SDG 3, 12, 13, 14, 15	
	305-4	GHG emissions intensity		SDG 13, 14, 15	
	305-5	Reduction of GHG emissions		SDG 13 ,14, 15	
	305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	53	SDG 3, 12, 14, 15	
Waste	306-2	Management of significant waste-related impacts	25, 52	SDG 3, 6, 11, 12	
	306-3	Waste generated		SDG 3, 11, 12	
	306-4	Waste diverted from disposal		SDG 3, 11, 12	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	55	SDG 16	No violation cases

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Classification		Disclosure, Indicators	Page	SDGs	Note
Employment	401-1	New employee hires and employee turnover	27, 54	SDG 5,8,10	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	27-28	SDG 3,5,8	
	401-3	Parental leave	54	SDG 5,8	
Occupational Health and Safety	403-1	Occupational health and safety management system	18	SDG 8	
	403-2	Hazard identification, risk assessment, and incident investigation	18, 54	SDG 8	
	403-4	Worker participation, consultation, and communication on occupational health and safety	18, 54	SDG 8,16	
	403-5	Worker training on occupational health and safety		SDG 8	
	403-9	Work-related injuries	54	SDG 3,8,16	
	403-10	Work-related ill-health	54	SDG 3,8,16	
Training and Education	404-1	Average hours of training per year per employee	26-27, 54	SDG 4,5,8,10	
	404-2	Programs for upgrading employee skills and transition assistance programs	27	SDG 8	
	404-3	Percentage of employees receiving regular performance and career development reviews	54	SDG 5,8,10	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	38	SDG 5,8	
	405-2	Ratio of basic salary and compensation of women to men		SDG 5,8,10	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		SDG 5,8	No discrimination cases
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments		-	
	412-2	Employee training on human rights policies and procedures		-	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	29-30	-	
Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	29	SDG 5,8,16	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	18	-	
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	-	SDG 16	Not applicable
	417-3	Incidents of non-compliance concerning marketing communications	55	SDG 16	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		SDG 16	No complaints
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area		SDG 16	No violation cases

SASB Index

The Sustainability Accounting Standards Board (SASB) is an organization that created standards by industry to report a firms' non-financial elements in conjunction with financial performance. We disclose major sustainability information regarding the chemicals material industry using the SASB Index.

Topic	Accounting Metric	Code	Page
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	23, 52
	Discussion of long-term and short-term strategies or plans to manage Scope 1 emissions, emissions reduction targets, and performance analysis compared to those targets	RT-CH-110a.2	22-24
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	25, 53
Energy Management	(1) Total energy consumed, (2) grid electricity ratio, (3) renewable ratio, (4) total self-generated energy	RT-CH-130a.1	22-23, 52
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	RT-CH-140a.1	Not applicable
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	No violation cases
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	-
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	25, 52
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	29-30
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	54
	Description of efforts to assess, monitor, and reduce the exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	18
Safety and Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	25
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	25
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Not applicable
Management of the Legal and Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	23
Operational Safety, Emergency Preparedness and Response	Process safety incidents count (PSIC), process safety total incident rate (PSTIR), and process safety incident severity rate (PSISR)	RT-CH-540a.1	54
	Number of transport incidents	RT-CH-540a.2	Not applicable

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Independent Assurance Statement

To readers of OCI Integrated Report 2021

Introduction

Korea Management Registrar (KMR) was commissioned by OCI to conduct an independent assurance of its OCI Integrated Report 2021 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of OCI. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with OCI and issue an assurance statement.

Scope and Standards

OCI described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 1, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
  - Management approach of Topic Specific Standards
  - GRI 201: Economic Performance
  - GRI 302: Energy
  - GRI 305: Emissions
  - GRI 403: Occupational Health and Safety

As for the reporting boundary, the engagement excludes the data and information of OCI's partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by OCI to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document 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 make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

OCI has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

OCI has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

OCI prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of OCI's actions.

Impact

OCI identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021-2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with OCI and did not provide any services to OCI that could compromise the independence of our work.

April 2022 Seoul, Korea
CEO E.J. Hwang

E. J Hwang

KMR SRV1000 Sustainability Committee Assurance AA1000 Licensed Report 000-129/V3-K4TNR

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Product List

Category	Product Name	Molecular Formula	Cas No.	Characteristics	Key Applications	Company	Plants
Basic Chemicals	Polysilicon	Si	7440-21-3	Dark-grey chips or chunks, 10-nine and 11-nine purity	Key material for solar cells and semiconductor wafers	OCI / OCI Malaysia	Gunsan, Korea / Sarawak, Malaysia
	Hydrogen peroxide	H_2O_2	7722-84-1	Colorless liquid	Bleach, disinfectants	OCI / Philko Peroxide	Iksan, Korea / Makati City, Philippines
	Sodium percarbonate (Sodium carbonate peroxyhydrate)	$2Na_2CO_3:3H_2O_2$	15630-89-4	White powder	Bleach, disinfectants	OCI / OCI Alabama	Iksan, Korea / Alabama, USA
	Phosphoric acid	H_3PO_4	7664-38-2	Colorless liquid, 75% and 85% purity	Semiconductor wet etchant, additives	OCI	Gunsan, Korea
	Fumed silica	SiO_2	112945-52-5	White powder, >99.8% purity	Sealants, silicone rubber, slurry, insulation	OCI	Gunsan, Korea
	High purity silicon tetrachloride	$SiCl_4$	10026-04-7	Colorless liquid	Fumed silica, optical fiber, quartz	OCI	Gunsan, Korea
	Caustic soda, Sodium hydroxide	NaOH	1310-73-2	Colorless liquid, >50%, 32.8%~33.2%, >25% purity	Fiber cleaners, food seasonings, pharmaceutical	OCI	Gunsan, Korea
	Hydrochloric acid	HCl	7647-01-0	Colorless or light-yellow liquid, 35%~36% purity	Wastewater treatments, catalysts, solvents	OCI	Gunsan, Korea
	Sodium hypochlorite	NaOCl	7681-52-9	Greenish-yellow liquid, ≤12.6% purity	Bleach, dyes, pigments	OCI	Gunsan, Korea
	Chlorine	Cl_2	7782-50-5	Compressed liquefied gas	Inorganic chlorine compound manufacturing	OCI	Gunsan, Korea
	Calcium chloride	$CaCl_2$	10043-52-4	White solid crystalline powder, 74%	Deicing agent, desiccant, accelerator, road surfacing, food additives	OCI	Trading business
	Silica sand	SiO_2	7631-86-9	Colorless or white solid	Glass, casting material	OCI	Trading business
	Sodium sulphate anhydrous	Na_2SO_4	7757-82-6	Ordorless white hygroscopic powder	Glass, detergents, dyes, pulp, pigments, pharmaceuticals	OCI	Trading business
	Acetic acid	CH_3COOH	64-19-7	Colorless liquid	Vinyl acetate, VAM, PTA	OCI	Trading business
	Soda ash, Sodium carbonate	Na_2CO_3	497-19-8	Odorless white powder	Glass, soap, detergents, food processing, textiles, paper, chemicals	OCI	Trading business
	Sodium chlorite	$NaClO_2$	7758-19-2	Light-yellow liquid	Bleach, disinfectant, oxidant, chemical reagent	OCI	Trading business
	Ammonium chloride	NH_4Cl	12125-02-9	Odorless white powder	Spent catalyst, solvent, food additives	OCI	Trading business
	Urea	$CO(NH_2)_2$	57-13-6	Colorless or white solid (or liquid)	Coagulant, accelerator, solvent, dyes, desiccant	OCI	Trading business
	Refined salt	NaCl	7647-14-5	Ordorless solid	Food additives, fabric dyes	OCI	Trading business
	Sodium hydrosulfite	$Na_2S_2O_4$	7775-14-6	White powder	Oxidizer, reducer, bleach	OCI	Trading business
	PVA (Polyvinyl alcohol)	$(C_2H_4O)n$	9002-89-5/ 25213-24-5	Odorless white powder	Adhesive, emulsion stabilizer, binder, thickening agent	OCI	Trading business
	Sodium bicarbonate	$NaHCO_3$	144-55-8	Odorless white powder	Food additives, feed, leather, pharmaceuticals, baking powder, soap	OCI	Trading business
	Slim rod	Si	7440-21-3	Ingot of 8.3 mm diameter and 2,400 mm length, >99% purity	Seed material for polysilicon manufacturing	OCI Specialty	Gongju, Korea
	Ingot	Si	7440-21-3	Ingot of 190 mm diameter and 2,700 mm length, >99% purity	Basic material for silicon wafers	OCI Specialty	Gongju, Korea
	Wafer	Si	7440-21-3	Thin slabs of silicon sliced from silicon ingots, >99% purity		OCI Specialty	Gongju, Korea
	BPMC (2-sec Butyl phenyl methyl carbamate, Fenobucarb)	$C_{12}H_{17}NO_2$	3766-81-2	Light-yellow liquid, >96% purity	Carbamate insecticide for rice and cotton crops	OCI Vietnam	Binh Duong, Vietnam
	Frit, Composition, Printing powder		7783-82-6	Granules and powder	Glaze for tile and ceramics	OCI Ferro	Ansan, Korea
	Stain		7631-86-9	Powder	Pigmant for tile and ceramics	OCI Ferro	Ansan, Korea
	Medium	Si	3766-81-2	Viscous liquid	Printing powder	OCI Ferro	Ansan, Korea

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Product List

Category	Product Name	Molecular Formula	Cas No.	Characteristics	Key Applications	Company	Plants
Petrochemicals & Carbon Materials	Carbon black	C	1333-86-4	Black bead form	Reinforcing and pigment agent for rubbers, plastics, inks, and electrical insulation	OCI / OCI-Jianyang Carbon Black	Pohang, Gwangyang, Korea /Shandong, China
	TDI (Toluene di-isocyanate)	$C_9H_6N_2O_2$	26471-62-5/ 584-84-9	Colorless liquid	Polyurethane products	OCI	Gunsan, Korea
	o-TDA	$C_7H_{10}N_2$	26966-75-6	Colorless liquid	Polyurethane products	OCI	Gunsan, Korea
	Naphthalene	$C_{10}H_8$	91-20-3	Colorless solid, 95% purity	Dye chemicals	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
	Isoquinoline	C_9H_7N	119-65-3	Colorless or light-yellow oil, 98% purity	Polyimide film	OCI	Gwangyang, Korea
	Indene oil	-	65996-79-4	Light-tan oil, 50% purity	Cumarone resin	OCI	Pohang, Gwangyang, Korea
	Xylenol	$C_8H_{10}O$	1300-71-6	Colorless or light-tan oil, 80% purity	Synthetic resins, solvents	OCI	Pohang, Korea
	Quinoline	C_9H_7N	91-22-5	Colorless or light-yellow oil, 98% purity	Disinfectants, herbicide	OCI	Gwangyang, Korea
	Cresol	C_7H_8O	1319-77-3	Colorless or light-pink oil, 70% purity	Insecticides, synthetic resins, solvents	OCI	Pohang, Korea
	Phenol	C_6H_6O	108-95-2	Colorless or light-pink oil, 95% purity	Solvents, phenolic resin	OCI	Pohang, Korea
	Pitch	-	65996-93-2	Dark-brown liquid	Binder for aluminum smelting	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
	Wash oil	-	90640-84-9	Yellowish-brown oil, 30% methylnaphthalene	Synthetic resins, solvent	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
	Plasticizer (DINP)	-	68515-48-0	Colorless liquid	PVC compound, wiring, deco sheet, flooring, wallpaper, tarpaulin, leather, etc.	OCI	Pohang, Korea
	Plasticizer (DIDP)	-	68515-49-1	Colorless liquid	PVC compound, wiring, deco sheet, flooring, wallpaper, tarpaulin, leather, etc.	OCI	Trading business
	Plasticizer (DOTP)	$C_{24}H_{38}O_4$	6422-86-2	Colorless liquid	PVC compound, wiring, deco sheet, flooring, wallpaper, tarpaulin, leather, etc.	OCI	Pohang, Korea
	Phthalic anhydride	$C_8H_4O_3$	85-44-9	Colorless solid	Petrochemical feedstock	OCI	Pohang, Korea
	Benzene	C_6H_6	71-43-2	Colorless or light-yellow aromatic compound	Petrochemical feedstock	OCI	Gwangyang, Korea
	Aromatic polyester polyol	-	32472-85-8	Light-brown liquid	Petrochemical feedstock	OCI	Goedong, Korea
	Mixed xylene	C_8H_{10}	1330-20-7	Colorless or light-yellow aromatic compound	Petrochemical feedstock	OCI	Gwangyang, Korea
	Toluene	C_7H_8	108-88-3	Colorless or light-yellow aromatic compound	Petrochemical feedstock	OCI	Gwangyang, Korea
	C9	-	64742-95-6	Colorless or light-yellow aromatic compound	Petrochemical feedstock	OCI	Gwangyang, Korea
	Sodium hydrosulfide	NaSH	16721-80-5	Colorless or light-yellow aromatic compound	Heavy metal remover in the chemical industry	OCI	Gwangyang, Korea
	Non-aromatics	-	64741-46-4	Colorless or light-yellow aromatic compound	Petrochemical feedstock	OCI	Gwangyang, Korea
	Carbon black oil		8001-58-9	Yellowish-brown oil	Carbon black	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
	Creosote		8001-58-9	Yellowish-brown oil	Carbon black, wood preservatives	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
	Decant oil	$C_6H_5CH_3$	71-43-2	Highly volatile colorless liquid, 60% benzene/ 40% toluene	Synthetic resins	OCI / Shandong OCI / Ma Steel OCI Chemical	Pohang, Gwangyang, Korea / Shandong, Anhui, China
	Fumed silica vacuum insulation panels			Ultra-high-efficiency insulation material	Insulation for refrigerators, buildings, and industrial applications	OCI	Iksan, Korea
Energy Solutions & Others	Solar PV energy development and operation				Utility-scale solar PV plant construction, operation and electricity sales	OCI Solar Power	Texas, USA
	Solar PV energy development and operation				Distributed solar PV plant construction, operation and electricity sales	OCI Solar (China)	Jiaxing, Hongze, Wuxi, Yantai, China
	Solar modules				Solar module manufacturing	Mission Solar Energy	Texas, USA
	Solar trackers				Dual-axis solar tracker manufacturing	Sun Action Trackers	Texas, USA
	Electricity, Steam				Electricity	OCI SE	Gunsan, Korea

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Global Network



Subsidiaries

1. OCI SPECIALTY CO., LTD.
- Address: 110, Tancheonsaneopdanji-gil, Tancheon-myeon, Gongju, Chungcheongnam-do, 32611, Korea
- Tel: +82-41-851-7000
- Products: Slim rod (filament)
- OCI ownership: 78.08%

2. OCI POWER CO., LTD.
- Address: 4F, OCI Bldg., 94 Sogong-ro, Jung-gu, Seoul, 04532, Korea
- Tel: +82-2-3016-1100
- Products: Inverter production, solar PV energy development and operation

3. OCI INFORMATION & COMMUNICATION CO., LTD.
- Address: 8F, 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: +82-63-440-9100
- Service: Cogeneration power plant operation

5. OCI DREAM
- Address: 2F, OCI Bldg., 94, Sogong-ro, Jung-gu, Seoul, 04532, Korea
- Tel: +82-2-776-7511
- Service: Dining business (Sun the Bud), culture project

6. OCI CHINA CO., LTD.
- Address: Room 302, Building 9, No. 696, Weihai Road, Jingan District, Shanghai, China
- Tel: +86-21-3372-2600
- Products: Polysilicon and chemical sales, business development

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
- Service: 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
- Service: Solar PV energy development and operation

9. OCI ALABAMA LLC
- Address: 1455 Red Hat Road, Decatur, AL 35601, USA
- Tel: +1-256-301-5236
- 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: Carbon black and chemical sales, business development
- OCI ownership: 99.99%

11. OCI VIETNAM CO., LTD.
- Address: KM24, DT743 Street, Binh Thang 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: +82-32-830-2500
- 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 Hengshan Road, chemical industrial complex Xuecheng District, Zaozhuang City, Shandong Province, 277000, China
- Tel: +86-632-805-7103
- 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(II)), Zaozhuang, Shandong, China, 277000
- Tel: +86-632-768-0763
- Products: Carbon black
- OCI ownership: 51%

18. MA STEEL OCI CHEMICAL CO., LTD.
- Address: No.51, Ligingchi Road, Chemical Industry Concentration Area, Yushan Economic Development Zone, Maanshan, Anhui, China. 243000
- Tel: +86-555-3500-375
- 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: 1F, Sangdo-ro 7, Dongjak-gu, Seoul, 06955, Korea
- Tel: +82-2-828-8035
- Service: Biomedical drug research and development
- OCI ownership: 50%

23. P&O CHEMICAL CO., LTD.
- Address: 29, Taein 1-gil, Gwangyang-si, Jeollanam-do, Korea
- Tel: +82-61-793-2764
- Products: Hydrogen peroxide
- OCI ownership: 49%

Consolidated Financial Statements
Independent Auditor's Report
ESG Data
GRI Standards Index
SASB Index
Independent Assurance Statement
Product List
Global Network
Key Memberships

Key Memberships

Headquarters

- Consortium of Joint Registration of Petrochemicals
- Korea Chemicals Management Association
- Korea Responsible Care Council
- Korea Listed Companies Association (Auditor Association)
- Korea Enterprises Federation
- Seoul Chamber of Commerce and Industry
- Korea Listed Companies Association
- Korea Association for Chief Financial Officers
- Korea Investor Relations Service
- Korea Petrochemical Industry Association
- Korea Specialty Chemical Industry Association
- Korea Chlor Alkali Industry Association
- International Isocyanate Institute
- Korea Vinyl Environmental Council
- International Tar Association
- Japan Chemical Innovation and Inspection Institute
- The Rubber Society of Korea
- Korea Rubber Industry Association
- Korea Carbon and Nano Industry Association
- Korea Research Association of Silicone Industry
- Korea Semiconductor Industry Association
- Korea Photovoltaic Society
- Korea Industrial Technology Association (Chief Technology Officer Club)
- Korea Feed Ingredients Association
- Korea International Trade Association
- Korea Biomedicine Industry Association
- Korea Biotechnology Industry Organization

Inquiries

For additional information or inquiries regarding this report, please contact us through one of the methods below.

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