APPROACH TO SUSTAINABLE VALUE

OCI creates sustainable value based on trust with its stakeholders. Through double materiality assessment, OCI identifies key issues and develops ESG strategies and action plans accordingly to deliver both financial performance and long-term sustainability.

ESG Highlights
ESG Governance
Double Materiality Assessment
Double Materiality Results
Stakeholder Engagement

ESG Highlights

Maintained an overall ESG rating of
Grade A from KCGS

Maintained
the EcoVadis Gold Medal,
ranking in the top 5% globally

Retained inclusion in the
S&P Global DJBIC* Korea Index

* Dow Jones Best-in-Class Indices: a sustainability index calculated by S&P Global

Obtained **ZWTL*** certification

* Zero Waste to Landfill certification.
This certification is awarded to companies that divert waste generated at their operations from landfills and maintain a resource circulation rate above a certain level through reuse, recycling, and energy recovery.

Obtained
ISCC PLUS* certification for carbon black

* International Sustainability and Carbon Certification PLUS: an international certification system that verifies sustainability and traceability throughout the value chain, from raw material procurement to production and distribution

Achieved a
Leadership A- rating
in the CDP* Climate Change assessment

* Carbon Disclosure Project

Established a
mid- to long-term safety and health roadmap

Obtained
Information Security Management System certification (ISO 27001)
in 2025 and maintained in 2026

Established
fully independent
Compensation and Independent Director Nomination Committees
(now Director Nomination Committees)
(March 2025)

Maintained certifications for the
Compliance Management System (ISO 37301) and the **Anti-Bribery Management System** (ISO 37001)

Conducted
ESG risk assessments of supply chains

Strengthened
company-wide risk
management oversight

ESG Governance

ESG Execution Framework

OCI has established an integrated governance system comprising the ESG Committee, its supporting organization (Corporate Planning Team), and the ESG TF to systematically advance ESG management. The ESG Committee serves as the highest decision-making body for ESG matters, deliberating on and approving ESG strategies and key policies and setting the direction for company-wide ESG initiatives. The Corporate Planning Team translates the Committee's decisions into company-wide action plans and manages their implementation. Established in 2024, the ESG TF consists of working groups covering key areas such as greenhouse gas management, environment, safety and health, procurement, and human resources. It shares updates on sustainability initiatives, identifies priority areas for improvement, and implements related measures. The ESG TF also reports major progress and improvement plans to the OCI ESG Leadership Council, thereby strengthening the company's ESG execution capabilities.

Key Roles by Organization

Category	Key Roles
ESG Committee	• Review and deliberation of key ESG-related issues
Corporate Planning Team	• Development of actionable company-wide ESG plans and integrated management of ESG-related tasks across departments
ESG TF	• Implementation of ESG initiatives • Collection and monitoring of ESG-related data

ESG Committee Composition and Operating Rules

Category	Key Roles
Responsibilities and Authority	① Review all matters related to the company's environmental, social, and governance activities ② Report deliberation results to the Board of Directors, where necessary, and allow the Board to re-examine such results
Agenda Items for Review	① Review environmental policy initiatives, including the reduction of greenhouse gas emissions and hazardous substances, and deliberate on related policy objectives ② Review activities to improve the working environment, including personal data protection, workplace safety management, and ensuring gender equality, and deliberate on internal human rights protection policies ③ Review improvement activities and deliberate on policies regarding the protection and promotion of human rights for stakeholders, including executives and employees ④ Review policy initiatives and deliberate on policy objectives for fulfilling social responsibilities, including fair competition and cooperation for mutual growth ⑤ Review the results of shareholder opinion-gathering activities to enhance shareholder value and deliberate on shareholder return policies ⑥ Review ESG-related evaluation results and identify areas for improvement

Company-wide ESG Management Goals and Performance Management I OCI has incorporated ESG priorities into its company-wide management goals for 2026 and is working to achieve them. As part of these efforts, top management, including C-level executives, and employees under their leadership establish performance indicators aligned with the CEO's ESG management goals across environmental, social, and governance areas and manage performance accordingly.

2026 Company-wide ESG Management Goals

Goal: Strengthen ESG management and organizational capabilities
Key Tasks: ① Achieve zero serious accidents by strengthening safety management
② Enhance corporate value by establishing a management system aligned with global ESG standards

2025 ESG KPIs for Top Management

Position	Area	Key Responsibilities
CEO	Overall Management	<Embedding an ESG-oriented Organizational Culture> • Strengthen transparent and compliance-based management and foster a safety culture through strict adherence to laws, regulations, and work procedures • Promote a mutually beneficial and cooperative labor-management culture for sustainable growth • Develop a fair evaluation and compensation system that reflects both performance outcomes and the processes used to achieve them
Head of Corporate Management Division (formerly CSO, CFO)	Management strategy, governance, finance, and tax	• Identify measures to continuously improve ESG management • Ensure compliance in finance, tax, internal accounting, and related areas
Head of Materials Business Department (formerly CMO)	Overall business operations	• Expand ESG-related business opportunities, including the development of eco-friendly carbon black products • Apply carbon emission reduction materials to production processes
Head of Technology & Safety Division (formerly CTO, CSEO)	Environment, safety and health, production and technology	• Maintain "zero" serious accidents and embed a safety culture • Strengthen compliance management in environment, safety and health • Expand support for affiliates in strengthening their safety and health management systems
Chief Research & Development Officer (formerly CRDO)	Research and development	• Identify business opportunities aligned with ESG trends

ESG Committee Meeting Details for 2025 - Key Reports Submitted to the ESG Committee

Meeting Date	Agenda Item	Status
February 7, 2025	• Materiality assessment for sustainability management (2024 Integrated Report)	Reported
June 17, 2025	• Report on the publication status of the 2024 OCI Integrated Report	Reported
October 28, 2025	• Report on EcoVadis assessment results • Enactment and amendment of ESG-related regulations	Reported
December 10, 2025	• 2025 assessment results of the Korea Institute of Corporate Governance and Sustainability • 2025 ESG performance and 2026 plans	Reported

Double Materiality Assessment

Overview of the Double Materiality Assessment

OCI conducts a double materiality assessment each year to identify sustainability matters that are material to enterprise-wide risk management and to disclose relevant information based on the assessment result in a transparent manner.
Double materiality is an assessment approach that considers both how a company's business activities affect the environment and society, known as impact materiality, and how external sustainability factors affect the company's financial performance, known as financial materiality. OCI carries out its double materiality assessment in line with the European Sustainability Reporting Standards (ESRS). As part of the assessment, OCI reviewed sustainability topics set out in the ESRS along with a range of internal and external data to identify the issues most relevant to its business.

STEP 01

Issue Pool Development and Selection

Selection of issues

- Development of an issue pool based on ESRS sub-topics
  - Selection of topics commonly used across the environmental, social, and governance domains
- Incorporation of amendments to major domestic laws, including the Commercial Act
  - Review of amendments related to directors' fiduciary duties and the strengthened independent role of independent directors

STEP 02

Materiality Assessment

Identification of material issues

- Review of disclosure standards
  - GRI and SASB
- Review of evaluation standards
  - S&P CSA, EcoVadis and KCGS
- Media research analysis
- Peer industry analysis

Identification and assessment of IROs

- Social and environmental impact assessment
  - Identification of positive and negative social and environmental impacts arising from the company's activities
  - Internal and external stakeholder survey
- Identification of financial impacts
  - Identification of financial opportunities and risks arising from external social and environmental factors
  - Interviews with relevant departments

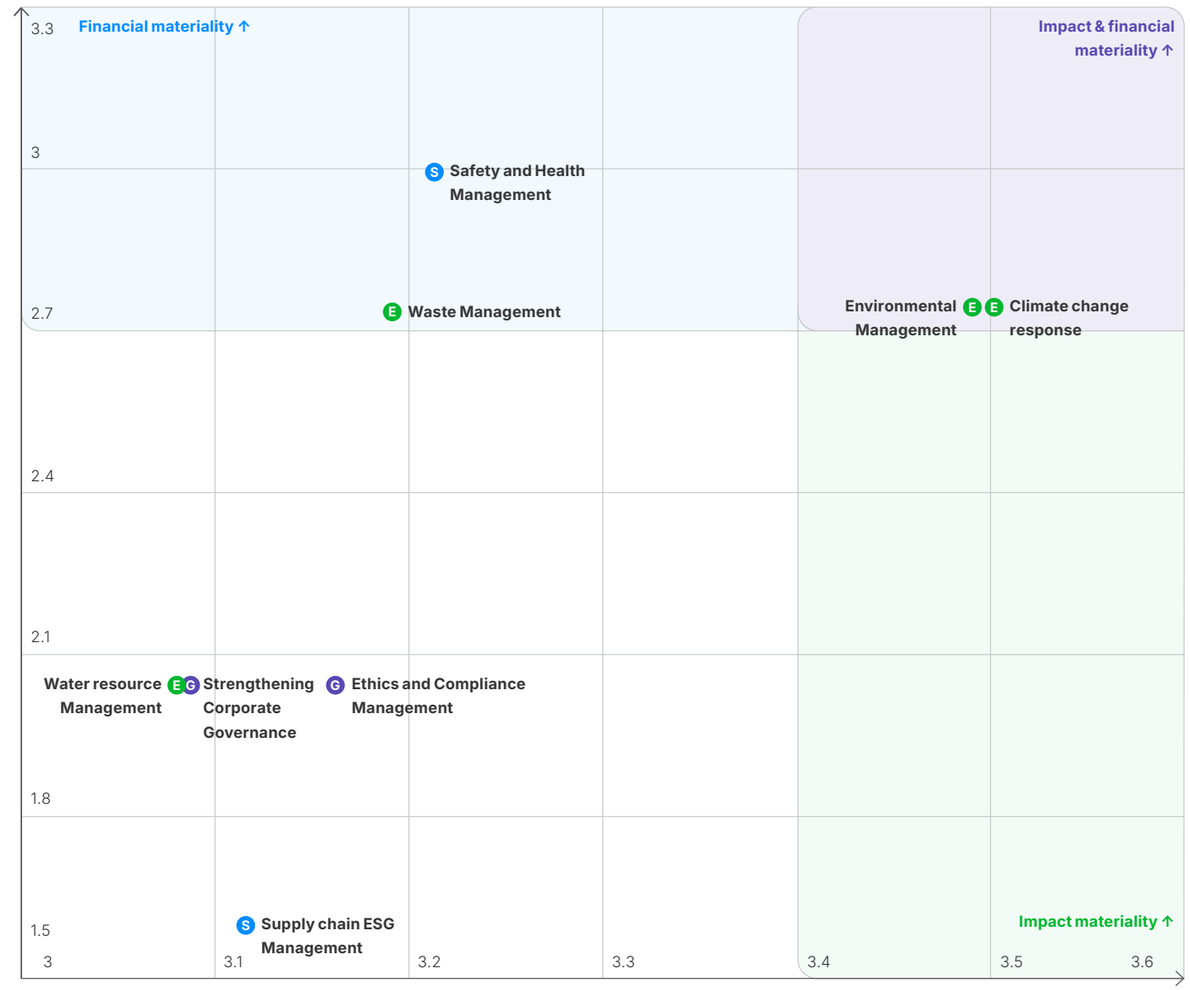
STEP 03

Materiality Assessment Results

Finalization of material issues

- Executive roundtable on the results of internal and external stakeholder assessments
  - Determination of key issue rankings based on executive evaluations
- Finalization of key issues by reflecting the results of internal and external stakeholder assessments and the executive roundtable discussions

Results of the Double Materiality Assessment



Double Materiality Results

Material ESG Issues

Through the double materiality assessment process, OCI comprehensively reviewed the environmental, social, and financial impacts of major issues and identified five material issues. In this assessment, “safety and health management” was selected as a material issue, reflecting growing expectations for industrial accident prevention and worker protection. The assessment also confirmed the importance of “environmental management” in reducing the environmental burden across business operations, as well as “climate change response” in addressing changes in global regulations. “waste management” was also identified as a material issue amid the growing need to promote resource recycling and reduce waste. “ethics and compliance management” was identified as another material issue to strengthen OCI’s responsible management system. OCI will continue to monitor these material issues and their impacts and respond systematically through a company-wide management framework.

Rank	Category	Impact Materiality		Financial Materiality		Year-Over-Year Ranking Change	Report Page
		Definition		Definition			
1	Safety and health management	• Contributes to worker safety and health by establishing a safety and health management system	Positive	• Results in government sanctions, including administrative penalties, in the event of serious accidents	Risk	3rd → 1st	p46
		• Adversely affects employee safety and health if safety and health management systems are inadequate	Negative	• Helps prevent costs related to industrial accident compensation, recovery, and business suspension through systematic management	Opportunity		
2	Environmental management	• Minimizes impacts on local communities by introducing facilities and establishing management systems to reduce pollutant emissions	Positive	• Increases restoration costs due to ecosystem damage near plants, as well as environmental fines and compensation costs, in the event of a chemical exposure accident.	Risk	4th → 2nd	p26
		• Adversely affects ecosystems near plants in the event of chemical leaks	Negative	• Reduces regulatory violation costs by introducing equipment and establishing a management system to reduce pollutant emissions.	Opportunity		
3	Climate change response	• Reduces greenhouse gas emissions through process efficiency improvements and the transition to eco-friendly fuels	Positive	• Increases recovery costs due to business suspension caused by heatwaves, torrential rains, and other climate-related events	Risk	2nd → 3rd	p20
		• Accelerates climate change through the use of fossil fuel-based energy	Negative	• Reduces greenhouse gas emissions through enhanced process and energy efficiency	Opportunity		
4	Waste management	• Minimizes waste leakage through proper waste storage and treatment, supported by strengthened management	Positive	• Results in fines and increased remediation costs if inadequate waste management leads to soil or water pollution	Risk	1st → 4th	p31
		• Exacerbates pollution near plants due to indiscriminate waste disposal	Negative	• Helps reduce treatment costs by minimizing waste generation and improving management efficiency	Opportunity		
5	Ethics and Compliance management	• Prevents risks in advance and enhances corporate trust by operating an ethics and compliance management system	Positive	• Damages corporate reputation due to fair trade violations and unethical conduct	Risk	7th → 5th	p70
		• Damages stakeholder trust due to corruption, bribery, and unfair trade practices	Negative	• Helps prevent costs related to legal sanctions by proactively managing compliance risks	Opportunity		

Double Materiality Results

Material ESG Issues

Under the leadership of the ESG Committee, OCI develops ESG strategy implementation plans based on material issues identified through the double materiality assessment. OCI regularly monitors the implementation status and performance of each business. For selected priority issues, OCI manages financial and non-financial risks in an integrated manner at the company-wide level. When an issue is material to external stakeholders, OCI assesses its impact, manages it through relevant indicators, and transparently discloses the results.

Material ESG Issues From a Business Perspective

Category	Business Impact	Business Strategy	Business Impact Type	Targets and Metrics	Progress and Performance
Environmental management	Risk of environmental pollution, production disruption, and operating losses caused by chemical spills or leaks during operations	• Establishment of the EMIS system • Setting of management targets for air and water pollutants • Chemical management risk assessment	Cost	Reduce sulfur oxides by 70% and nitrogen oxides by 50% by 2030	• Reduced sulfur oxides by approximately 29 tons and nitrogen oxides by 62 tons compared to 2023~2024
Climate change response	Growing demand from global customers for greenhouse gas reductions across the supply chain	• Quantifying of the financial impact of climate change • Investment decisions incorporating internal carbon pricing • Improvement of aging facilities to enhance energy efficiency	Cost	Establish a net-zero target for Scope 1 and 2 emissions by 2050	• Implemented four investments reflecting internal carbon pricing • Reduced a total of 24,670 tCO_2-eq through improvements to aging facilities
Waste management	Legal risks arising from improper disposal of waste generated during processes	• Management of records on waste generation and treatment history • Monitoring actual measurements against permissible emission standards and immediate action in the event of abnormalities • Implementation of reduction activities based on reuse and recycling	Cost	Achieve an 80% waste recycling rate by 2030	• Achieved a waste recycling and reuse rate of 80.16%

Material ESG Issues From an External Stakeholder Perspective

Category	External Stakeholders Affected by the Issue	Relationship Between External Stakeholders and the Material Issue	Output Metrics	Impact Valuation Methodology	Impact Metrics
Environmental management	Local communities, government agencies, and associations	Concerns over potential infringement of environmental rights of local residents near plants and impacts on ecosystems	Air and water pollutant emissions	• Estimated air pollutant emission reduction effects resulting from environmental impact management activities • Formula: Air pollutant emissions × Unit prices under the Air Pollutant Emission Trading Scheme	KRW 7 million[1]
Climate change response	Customers	Impact of supply chain carbon neutrality requirements and national reduction policies	Scope 1 and 2 reduction amount	• Estimated carbon emission reduction effects resulting from climate change response activities • Formula: Reduction amount from greenhouse gas reduction activities × Social cost of carbon	KRW 8,479 million[2]

1) Calculated by applying the average unit price (KRW/kg) of NOx and SOx emission allowances by region under the air pollutant management system for plants
2) Applied a social cost of carbon of USD 236 per ton based on the Greenhouse Gas Emissions Topic Methodology of the International Foundation for Valuing Impacts

Stakeholder Engagement

OCI defines its key stakeholders as groups that are directly or indirectly affected by, or have a direct or indirect influence on, OCI. These stakeholders include customers, shareholders, employees, suppliers, government agencies and associations, media, local communities, and NGOs. OCI promotes continuous communication by identifying key issues and interests for each stakeholder group through various communication channels and transparently disclosing the company's major achievements and response activities related to those issues.

Stakeholder Communication Channels

	Customers	Shareholders	Employees	Suppliers	Government Agencies and Associations	Media	Local Communities and NGOs
Goal	• Improve customer satisfaction and strengthen long-term competitiveness through high-quality products and services	• Enhance shareholder value by strengthening shareholder returns and protecting shareholder rights • Strengthen financial soundness	• Improve employees' quality of life by creating a safe, efficient, and mutually respectful workplace	• Build a sustainable supply chain by fostering trusted and cooperative relationships with suppliers	• Contribute to revitalizing the industrial ecosystem and addressing national and social issues through research, development, and employment	• Build trust with the media and the public through timely, accurate communication and transparent information disclosure	• Support the minimization of environmental impacts on local communities and contribute to economic revitalization
Initiatives	• Improving processes to meet customer quality requirements • Ensuring chemical product safety for customers • Designing and developing eco-friendly products • Improving customer management systems	• Enhancing shareholder value by strengthening shareholder returns based on financial soundness and profit generation • Establishing sound corporate governance to better protect shareholder rights	• Strengthening workplace safety and health • Improving the working environment and organizational culture based on mutual respect • Ensuring fair performance evaluation and compensation • Strengthening employment security and employee competency development	• Providing financial and non-financial support for shared growth • Conducting periodic suppliers evaluations and strengthening suppliers' ESG capabilities • Providing a safe working environment for suppliers' employees	• Conducting joint research and development through industry-academia cooperation and exchange • Ensuring compliance with laws and regulations • Fulfilling tax obligations and enhancing operational transparency	• Establishing a work system that enables the timely provision of accurate information • Communicating with the media and the public through various communication channels	• Establishing a preventive system for environmental and safety accidents • Supporting vulnerable groups and cultural activities in local communities

Communication

Customers		Shareholders		Employees		Suppliers		Government Agencies and Associations		Media		Local Communities and NGOs	
Channel	**Frequency**	**Channel**	**Frequency**	**Channel**	**Frequency**	**Channel**	**Frequency**	**Channel**	**Frequency**	**Channel**	**Frequency**	**Channel**	**Frequency**
Customer satisfaction survey	At least once a year	General Meeting of Shareholders	Annually	Labor-Management Council	Quarterly at each plant	Suppliers workshops and meetings	Once a year	Participation in government agency meetings	As needed	Distribution of press releases	As needed	Social contribution activities	As needed
In-person and remote consultation channels	Ongoing	Disclosures and IR activities	As needed	Meetings and workshops by job level	As needed	Suppliers safety meetings	Semi-annually	Participation in government policies and investment programs	As needed	Response to and support for media coverage	As needed	Community Council	Semi-annually by organization
Disclosure of material safety data sheets (MSDS)	Ongoing	Integrated report	Once a year	Management briefings	Semi-annually	Electronic procurement system	Ongoing	Joint research and development	As needed	Marketing activities	As needed	Scholarship programs / OCI Art Museum / Standard workplaces for the disabled	Ongoing