

**Universal Display
Corporation**

**2018 Corporate
Responsibility Report**





Table of Contents

3	Message from Our CEO
4	Our Company
8	Our Innovation & Products
14	Our People
24	Our Community
27	Our Supply Chain
32	Our Environment, Health and Safety
39	Our Quality Management Systems
42	Our Performance
49	About Our Report



Message from Our CEO

For 25 years, Universal Display Corporation has stood for vision, innovation and reality. Since inception, our strategy has centered on building a robust foundation of best-in-class OLED technologies. We continue to leverage our core competencies to create and commercialize proprietary, highly-efficient and cost-effective phosphorescent material solutions, including new reds, greens, yellows and blues. We are also expanding our portfolio of OLED technologies, including novel device architectures and groundbreaking manufacturing processes. We believe that our R&D initiatives are paving a path to further grow our business, expand our market opportunities, bolster our global intellectual property framework, and increase our value proposition in the OLED ecosystem.

The persistent drive for innovation has transformed Universal Display Corporation from an R&D start-up to a leading international company that is delivering key technologies to the display and lighting industries. Broadly speaking, we believe that our OLED technologies, including our highly efficient UniversalPHOLED®, enables leading manufacturers to dramatically alter the consumer and illumination landscape with differentiated, high-performing, energy-efficient, cutting-edge products. We are excited about the opportunities that lie ahead as the OLED industry continues to gain traction with new products, new capacity, and new adopters.

Our steadfast drive has also created a culture of continuous improvement and operational excellence. In 2018, we announced certification under ISO 14001:2015, an internationally recognized standard that emphasizes the continual improvement of an environmental management system (EMS) leading to improved environmental performance. ISO 14001 provides a framework to protect the environment via minimizing environmental impacts, fulfilling compliance obligations, using a cradle-to-grave approach to product life cycle, and building trust with stakeholders through communication. This certification validates our best practices in managing, monitoring and minimizing our impacts on the environment. It is an important accomplishment and the direct result of the commitment and hard work of the entire UDC team.

Still in the early chapters of OLED adoption, we are enthusiastic for the promising growth that lies ahead of us. At the heart of our success is our people and we will continue to focus on maintaining and exceeding the high standards we have set in key areas of governance, community, environment, health and safety. We hope that you share in our excitement for the broadening role we endeavor to play in this new era of OLED display and lighting technologies.

Steven V. Abramson
President and Chief Executive Officer





Our Company



Universal Display Corporation (UDC)

**Critical
OLED
Innovator
& Enabler**



**OLED Materials
Supplier & IP
Licensor**



**5,000+
Global
Patents***



**Highly
Energy-
Efficient
PHOLED**



*Pending and Issued Patents Worldwide as of February 10, 2019



About Our Company

Headquartered in Ewing NJ, with offices around the world, [Universal Display Corporation \(UDC\)](#) is lighting up the OLED (organic light emitting diode) revolution with its proprietary OLED technology and highly-efficient state-of-the-art phosphorescent materials. Founded in 1994, UDC is a key enabler in the OLED ecosystem. The Company is a leading IP innovator, technology developer, materials supplier and patent licensor for the rapidly growing OLED display and lighting markets. UDC's OLED technology can be found in virtually every full-color commercial OLED product in the marketplace from smartphones and IT to wearables and TVs to VR/AR, automotive, signage and solid-state lighting fixtures.

Universal Display's Mission

UDC's mission is to be a key enabler in the OLED ecosystem and help grow the OLED industry with its broad and deep experience and know-how, proprietary OLED technologies, and energy-efficient UniversalPHOLED® (phosphorescent OLED) emissive material systems, while maintaining our high standards in governance, community, environment, health and safety.

FAST FACTS

Corporate Headquarters: Ewing, NJ, U.S.

Subsidiaries: UDC, Inc.; UDC Ireland Limited; Adesis, Inc.; UDC Ventures LLC, Universal Display Corporation China, Ltd.; Universal Display Corporation Hong Kong, Limited; Universal Display Corporation Japan GK; Universal Display Corporation Korea, Y.H.; and we have a representative office in Taiwan.

Founded: 1994

Revenue: ~\$247 million (CY 2018)

Employees: ~267 (CY 2018)

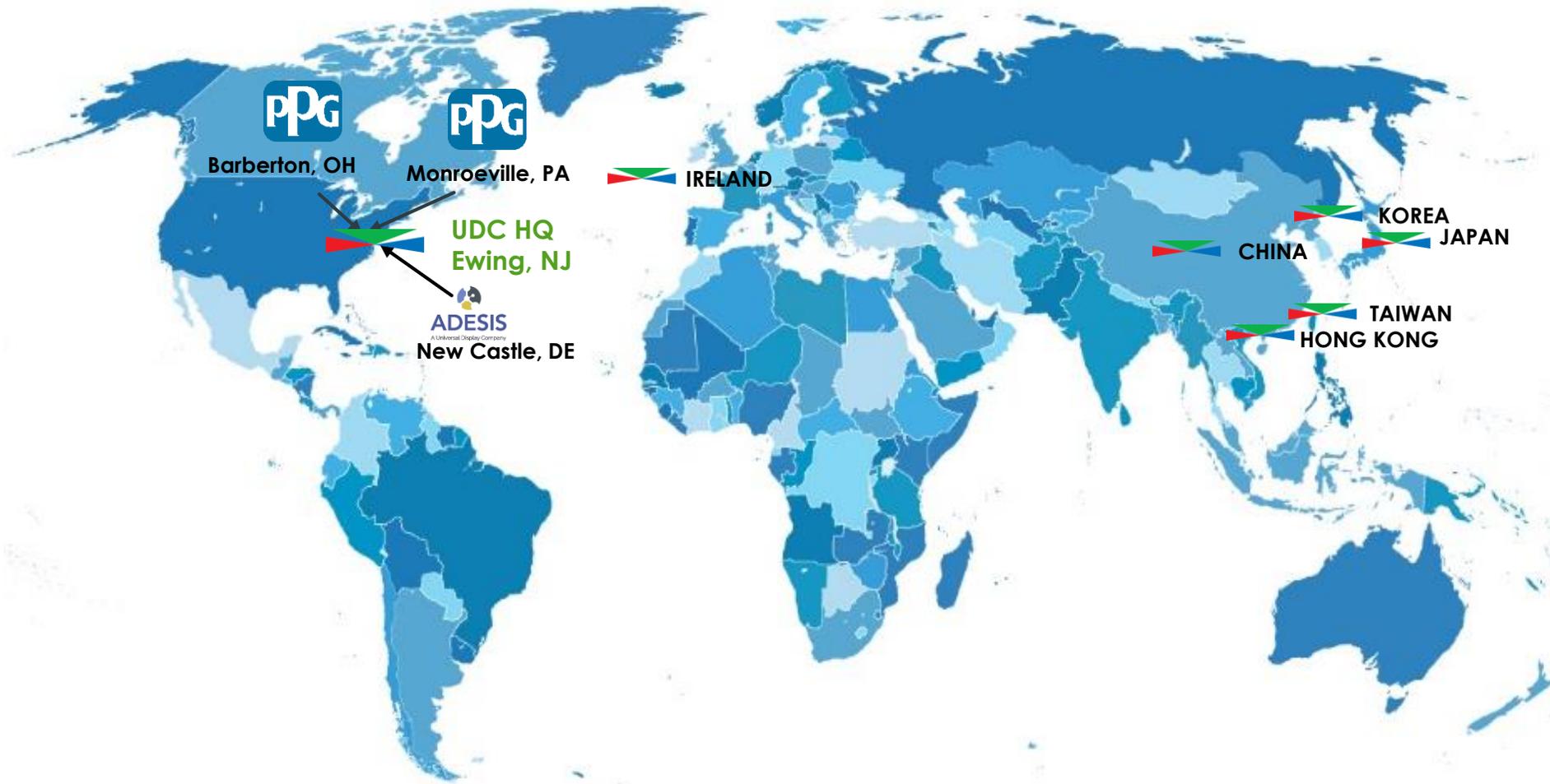
Nasdaq Symbol: OLED

Patents: ~5,000+ (issued & pending patents worldwide, as of February 10, 2019)



Our Global Presence

UDC is headquartered in Ewing, New Jersey, with international offices in China, Hong Kong, Ireland, Japan, South Korea, and Taiwan, and our wholly-owned subsidiary Adesis, Inc. is based in New Castle, Delaware. Our proprietary UniversalPHOLED® materials are made at our manufacturing partner PPG's Monroeville, PA and Barberton, OH facilities.





Our Innovation & Products

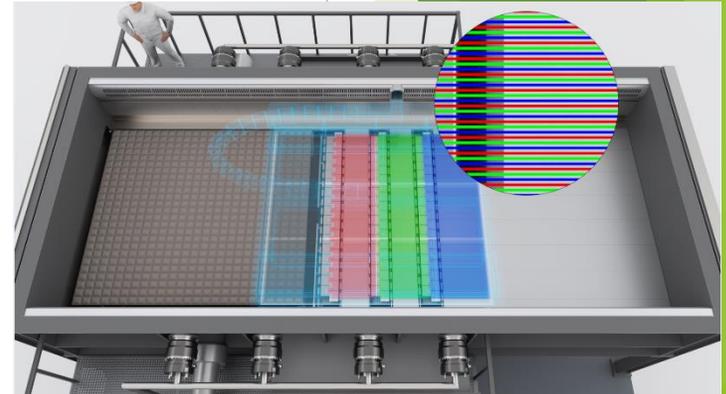


Investing in Continuous Innovation

Universal Display Corporation is on a committed path of continuous innovation and next-generation solutions. Across the Company, we are continually building and expanding our core competencies to accelerate our material and technology initiatives. This includes:

- Growing our R&D pipeline
- Further expanding our global partnerships
- Increasing our local technical field capabilities and research areas
- Fortifying our new product development engine
- Continuing to make great strides in broadening the breadth and depth of our proprietary energy-efficient phosphorescent technology and materials portfolios, including state-of-the-art red, green, yellow and blue PHOLED emitters and host materials
- Advancing our next-generation manufacturing technologies, such as organic vapor jet printing (OVJP)
- Developing novel OLED device designs and system architectures

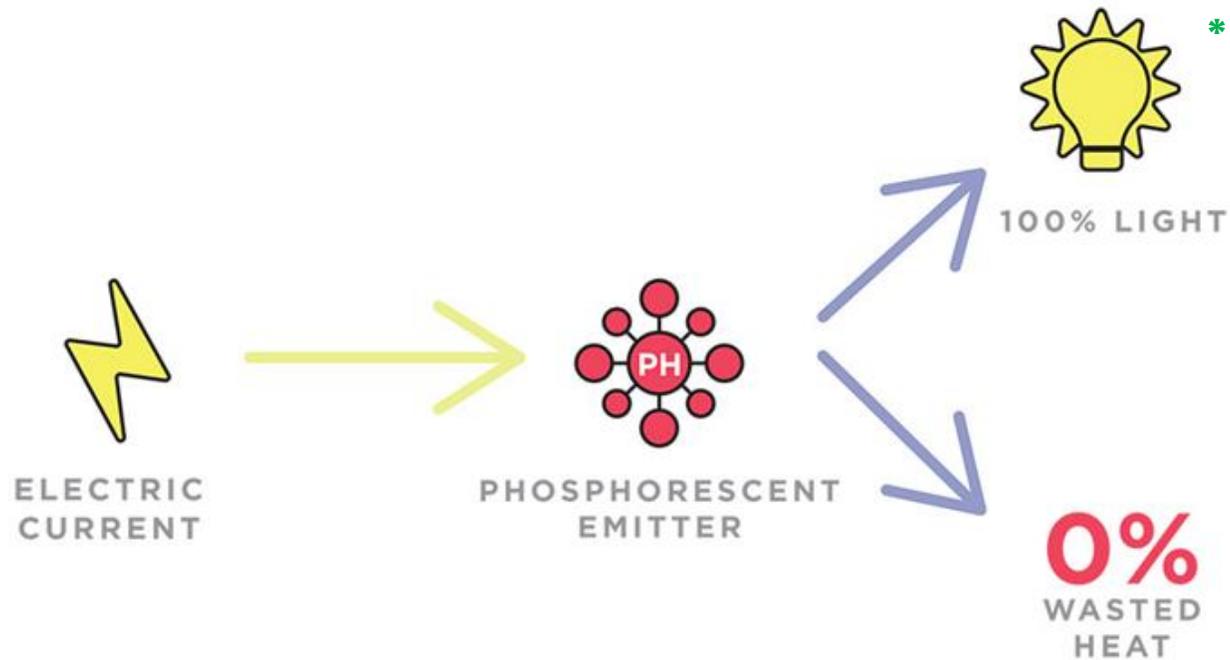
We believe that these and our other strategic initiatives will strengthen and support our focus to enable our customers' successes, and in turn, our long-term success.





UniversalPHOLED® = Energy Efficiency

The discovery of UDC's proprietary phosphorescent technology was a major breakthrough in the OLED industry. With efficiencies that are **up to four times higher** than with conventional fluorescent OLED materials, UDC's patented and award-winning phosphorescent OLED technology and UniversalPHOLED materials are proven, and integral to enabling **low power consumption** in OLED displays and lighting.



Phosphorescence:

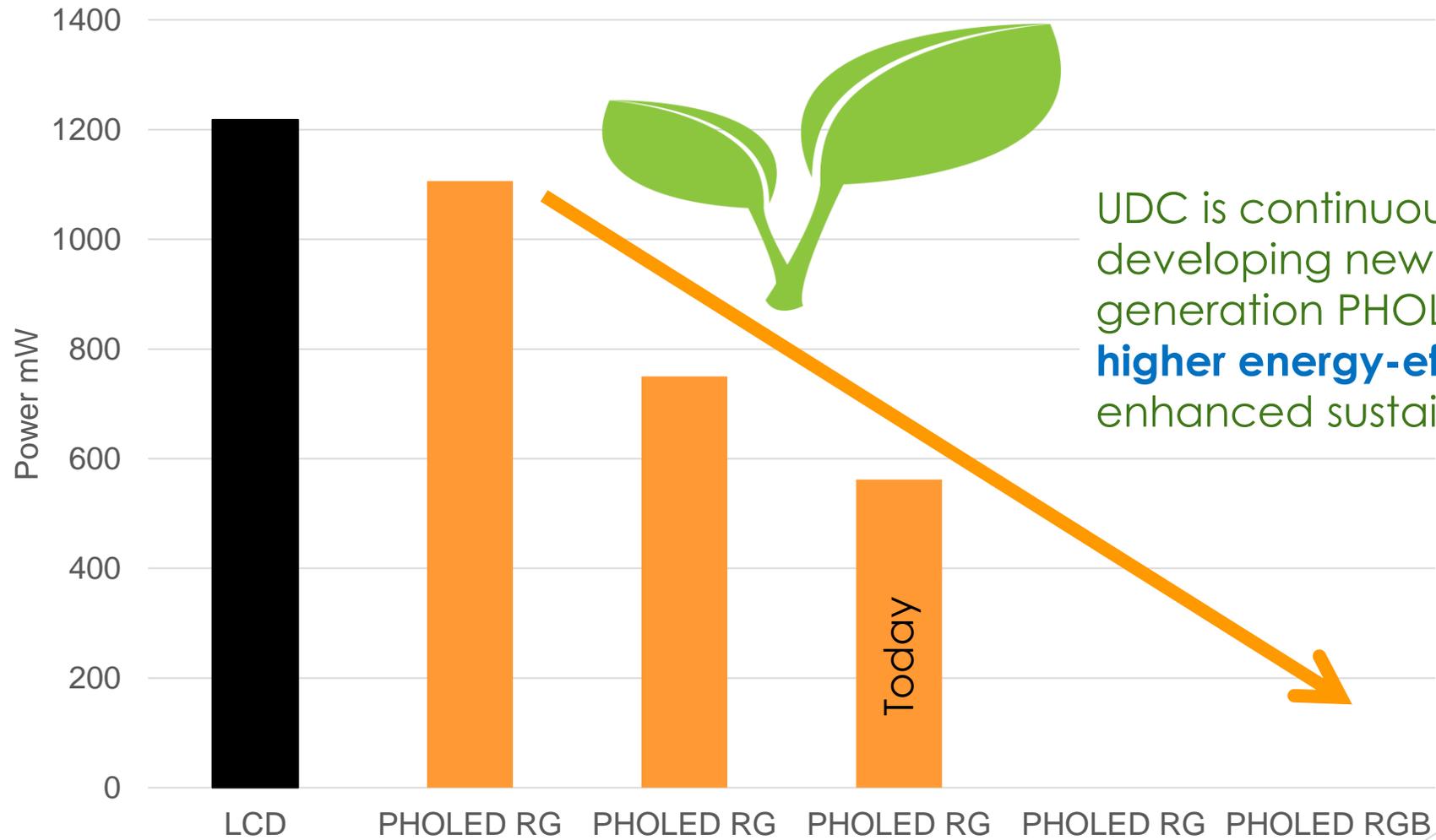
- Enables energy efficiency
- Reduces requirements for heat dissipation components
- Increases lifetime
- Lowers product cost

*100% Internal Quantum Efficiency

[M. A. Baldo et. al., Nature, 395, 151 \(1998\)](#)



Our PHOLED Power Roadmap Supports Sustainability



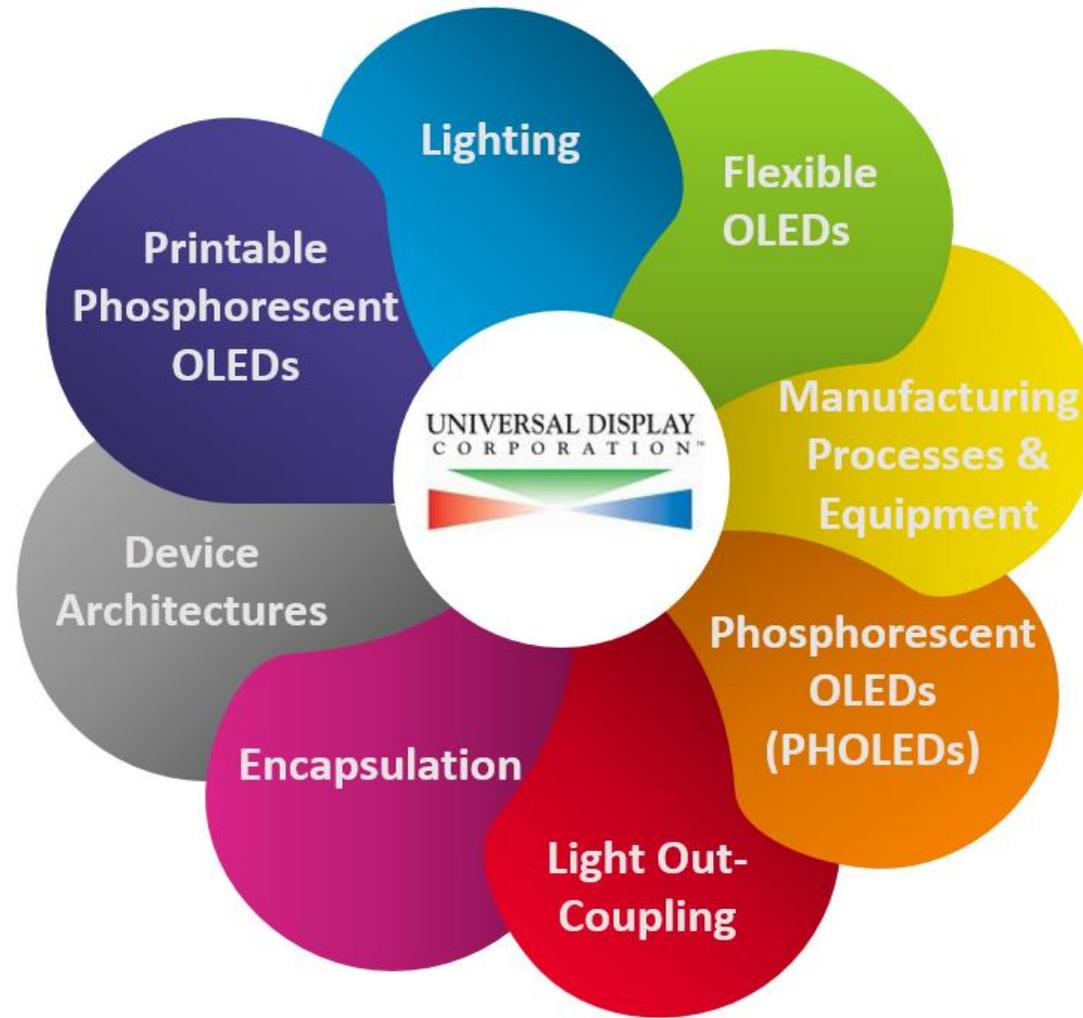
UDC is continuously inventing and developing new and next-generation PHOLED materials with **higher energy-efficiencies** for enhanced sustainability

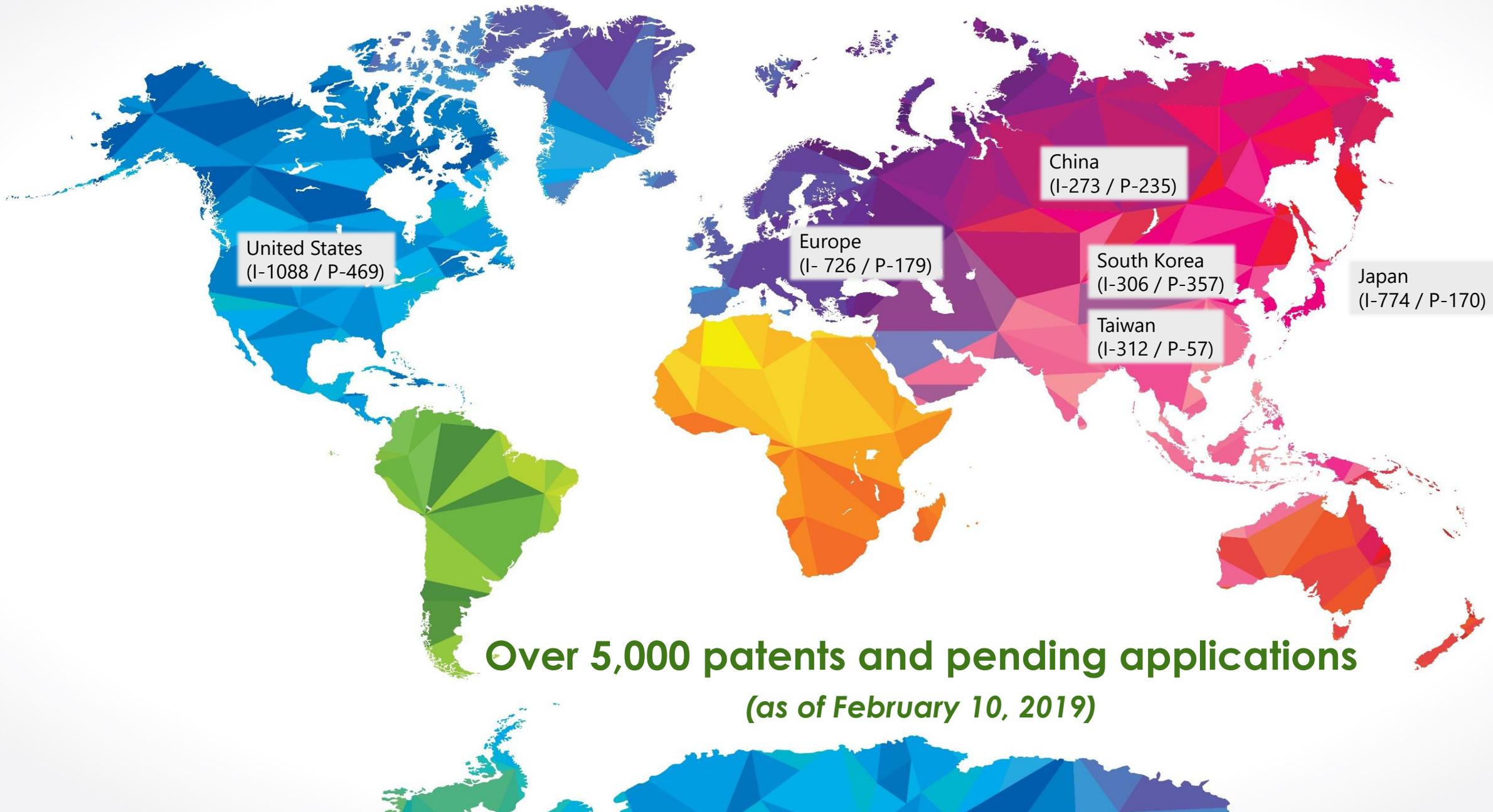
Note: Based on a 5.0" OLED display and comparable contrast LCD operating at 600 cd/m² with video (50% pixels on)
LCD data source: DisplayMate - iPhone 7 AMLCD (August 2017). PHOLED data is based on UDC estimates.



Our Proprietary OLED Technologies

We develop and license enabling technologies that are at the heart of consumer OLED products worldwide, from AR/VR, smartwatches, smartphones, IT, automotive and TVs to lighting products. We believe that our extensive portfolio of patents, trade secrets and non-patented know-how enable our leadership position in the OLED ecosystem. Our R&D innovations allow us to continuously bolster the depth and breadth of our global OLED intellectual property framework, which currently stands at over 5,000 issued and pending patents worldwide (as of February 10, 2019).





Over 5,000 patents and pending applications
(as of February 10, 2019)



Our People

Universal Display's Global Team





ADESIS

A Universal Display Company

Adesis' Team

15



Acquired by UDC in 2016, Adesis, Inc. is a contract research organization (CRO) supporting the pharmaceutical, biopharmaceutical, biomaterials, and catalysts industries



A Great Place to Work

At Universal Display Corporation (UDC), we know that our team of brilliant employees and their commitment to excellence are critical to the Company's continued success. With a team of approximately 265 scientists, engineers, technicians and business professionals from over 25 different countries, spanning 5 different continents, UDC has a global workforce that is truly diverse, both geographically and culturally.

UDC's leadership is committed to:

- ▶ Diversity and Inclusion
- ▶ Ethical conduct, integrity and legal compliance
- ▶ Competitive compensation and benefits
- ▶ Employee development and training

UDC's Executive Management Team



Steven V. Abramson
President, Chief Executive Officer and Director



Sidney D. Rosenblatt
Executive Vice President, Chief Financial Officer, Treasurer, Secretary and Director



Julia J. Brown
Senior Vice President and Chief Technical Officer



Janice K. Mahon
Vice President of Technology Commercialization and General Manager, PHOLED Material Sales Business



Mauro Premutico
Vice President, Legal and General Manager, Patents and Licensing



Our Commitment to Diversity and Inclusion

The Company's commitment to diversity and inclusion is instilled in our employees from their first day on the job. Employees receive on-going training designed to provide knowledge, insight and skills to work in a diverse environment and create an inclusive culture.

Equal Opportunity Employer

WE ARE AN EQUAL OPPORTUNITY EMPLOYER. We consider applicants for all positions without regard to race, gender, age, color, religion, creed, disability, national origin, ancestry, citizenship, military status, veteran status, atypical heredity cellular or blood trait, genetic information, sexual orientation, gender identity, marital status, family status, domestic partner or civil union status or membership in any other protected group.

Diversity and Inclusion

As shown on the next page, we are committed to creating a workplace that encourages and embraces diversity and inclusion. We have employees from over 25 countries around the world, and our workforce is gender diverse with 22% female and 78% male. Our culture of diversity and inclusion means that we value and respect one another for our differences at all levels. We believe that a diverse workforce made up of people with different ideas, strengths, interests and cultural backgrounds drives employee and business success.





About Our Workforce

Universal Display Corporation Employees (as of December 31, 2018)

Employees	TOTAL	UDC, Inc.*	Adesis
Global Employees (Full-Time)	265	167	98
Employees in the U.S.	243	145	98
% Employees in U.S.	92%	87%	100%
% Employees outside the U.S.	8%	13%	0%
% Female Employees (U.S.)	22%	22%	24%
% Male Employees (U.S.)	78%	78%	76%
% US Female Leaders (Director +)	27%	28%	27%
% US Male Leaders (Director +)	73%	72%	73%
% Female Employees in Tech Roles (U.S.)	17%	15%	20%
% Male Employees in Tech Roles (U.S.)	83%	85%	80%
# Countries of Origin	>25		

Growing Headcount in a Growing Company

Universal Display is a dynamic and growing global company. In the last two years, our headcount has increased by 31%. As this table highlights, our high employee retention indicates that our employee-centric policies and practices are working.

	2016	2017	2018
Global Employees (Full-Time)	202	222	265
Turnover Rate	10.6%	8.8%	8.1%
Growth Rate	32.0%	9.9%	19.4%

*includes employees of all Universal Display Corporation subsidiaries other than those employed by Adesis, Inc.



Commitment to Ethics and Compliance

- **Business Ethics:** We maintain the highest standards of corporate governance and ethics, and operate in compliance with the law wherever we work.
- **Human Rights:** We conduct all our activities in accordance with accepted standards in the protection and promotion of human rights.
- **Employee Safety:** Our priority is the safety of every employee.
- **Employee Livelihood:** We provide a rewarding and meaningful livelihood to our employees.
- **Workplace Environment:** We are committed to providing a workplace where everyone is treated with respect and dignity. Our [Code of Ethics and Business Conduct](#) is our employee ethics policy. The Code outlines our commitment to maintain a culture of ethical conduct, integrity, and legal compliance. We provide the Code to our employees at the start of employment, on our employee intranet site, on our external website, and in an annual distribution to all employees.
- **Employee Reporting (Whistleblower) Program:** Employees can report concerns and complaints without the fear of retaliation or dismissal. Our employee reporting policy is clearly set forth in the [Code of Ethics and Business Conduct](#), as well as emailed to employees on an annual basis. Employees can report complaints through a web-based outside service (anonymously, if desired) or by email to an internal address.



Rewarding Our People

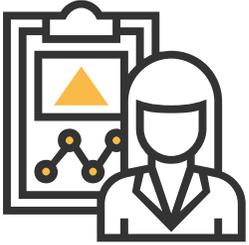
Competitive Compensation and Benefits

- UDC's compensation philosophy is to provide market-competitive pay and benefits by rewarding employees for strong individual and business performance. In addition to base salary, the Company's total compensation package may also include incentive pay, such as cash bonuses and stock-based compensation.
- Our comprehensive benefits program, which varies by country, helps employees meet their healthcare, financial, time-off, and retirement needs.
- Our financial benefits include flexible spending accounts, Company-provided short and long-term disability, group life term insurance, and a 401(k) plan with an automatic 3% non-elective Company contribution for all eligible employees. Domestic employees can share in the Company's growth through the Employee Stock Purchase Plan (ESPP). The ESPP allows employees to purchase common stock of Universal Display Corporation at a 15% discount through convenient payroll deductions.
- We offer generous paid time-off programs, including holidays, vacation, sick time and leave.
- We offer our international employees comparable benefits, though there are some variances by country based on Company policies, applicable laws and local practices.



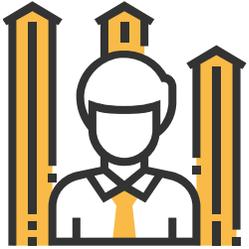


Investing In Our Team



Our Company supports initiatives to train our employees and support their professional and leadership development; to make the workplace a safe, healthy and fun environment in which to work; and to encourage ideation from our team for continual improvement.

Performance Management

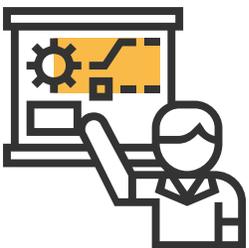


The Company is committed to all employees fulfilling their potential, while contributing to the success of the Company. All employees are encouraged to manage their career and professional development through continuous performance management, including annual performance reviews. During these reviews, managers and employees are encouraged to discuss the employee's strengths, career aspirations and development focus areas.

Employee Development



Given the highly technical nature of our business, approximately 68% of our employees work in technical roles. Our success is contingent on our ability to not only attract talented employees, but to grow, stimulate and develop this talent. We encourage all individuals to work on their personal development by using a blend of formal training, reflection, feedback, experience and on-the-job training. The Company reimburses employees for business-related certifications and membership dues, ongoing certification credits, and relevant industry conferences and seminars.





Engaging Our Workforce



As UDC continues to grow, we invest heavily to train, develop and grow our team. We listen too, so that we can improve and continue to build and sustain a productive and thriving workforce.

Communication is Critical



At UDC, we believe communication is critical. We encourage cross-company communication and knowledge sharing. Our open-door policy provides employees a channel to address questions and concerns and to provide feedback. Additionally, every week, an executive management team member engages in an open dialogue with gathered employees, including company and industry updates at HQ (which is shared globally via our intranet). We advocate a company culture of open and honest communication at all levels of the organization.



Employee Engagement

In April 2017, we conducted our first employee engagement survey to gather feedback on a range of topics. More than 80% of UDC's employees* worldwide completed the survey. While employees responded favorably to the survey, we found areas of opportunity for improvement. We are working to improve levels of employee engagement, focusing on the engagement areas identified by the survey. We conducted a pulse survey in December 2017 to measure our progress and reinforce our commitment to our employees.



**did not include Adesis, Inc. (acquired in 3Q16).*



Our Community



Community: Inspiring the Next Generation

As a leader in the OLED ecosystem, we support a range of educational initiatives designed to inspire and encourage future generations interested in Science, Technology, Engineering and Math (STEM) fields:

- We host on-site tours and talks with students from local schools.
- During our annual *Take Your Child to Work Day*, our scientists, engineers and technicians create a program of experiments (for various age groups) to provide a hands-on and interactive “science in action” experience.
- In 2017, Universal Display instituted the *UDC Innovative Research Award in Organic Electronics* and the *UDC Pioneering Technology Award in Organic Electronics* in South Korea. These annual UDC award grants recognize outstanding individuals or teams that have demonstrated innovative ideas or research initiatives impacting the organic electronics industry. The winners are selected by IMID (International Meeting on Information Display) and KIDS (Korean Information Display Society).
- We participate in the Research Experience for Undergraduates (REU) program, sponsored by the Princeton Institute for the Science and Technology of Materials (PRISM) and the Princeton Center for Complex Materials (PCCM).





Fostering Community Outreach



Community Participation

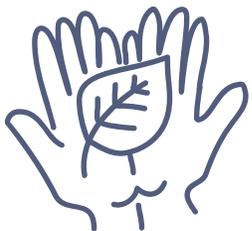
UDC fosters a culture of giving that makes a positive difference to our local community. Company-sponsored activities throughout the year include:

- Clothing and food collection drives
- Weekly meal donations to a local soup kitchen, and
- Onsite blood drives



Employee Charitable Match Program

Our Charitable Match Program encourages and supports the causes and organizations that are important to UDC, Inc.'s employees. Through the program, UDC, Inc. matches monetary donations dollar-for-dollar to eligible nonprofit organizations, up to a total of \$1,000 per year for each full-time employee at our New Jersey headquarters. Participating nonprofits must be tax exempt charitable organizations under Internal Rev. Code 501(c)(3).





Our Supply Chain



Partnering with our Supply Chain

Our proprietary phosphorescent OLED materials (UniversalPHOLED emitters) are exclusively made for us by [PPG Industries](#).

We regularly visit and audit PPG's manufacturing sites (Monroeville, PA and Barberton, OH) to review the quality, environmental, safety, and working conditions of PPG's production and procurement processes.



Image source: Samsung.

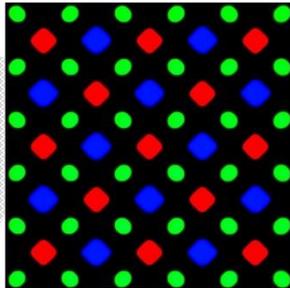
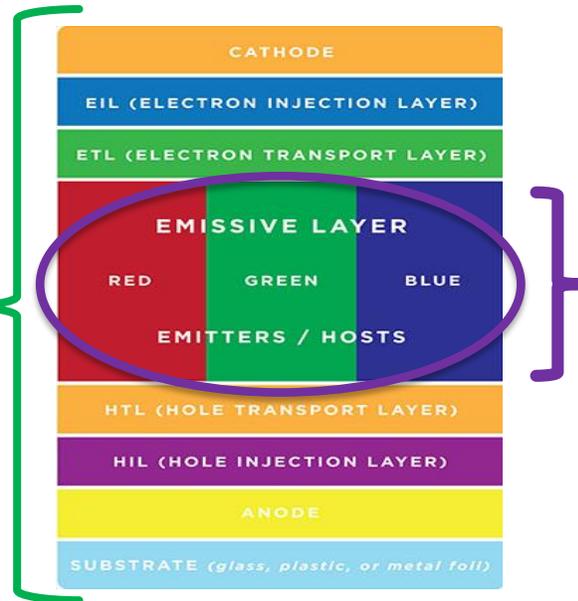


Image source: DisplayMate.



Note: For illustrative purposes only.



UDC-PPG Shared Business Values

UDC and PPG share the following values, which are to:

- Operate safe, healthful workplaces that value diversity, promote teamwork and reward performance.
- Conduct business and operations in an ethical and compliant manner.
- Minimize the impact of our operations on the environment.
- Deliver inventive products and solutions that help our customers maximize the performance of their assets, minimize environmental impact and preserve and protect the environment.
- Partner with suppliers and customers to create value.
- Deliver positive change in the communities where we operate.

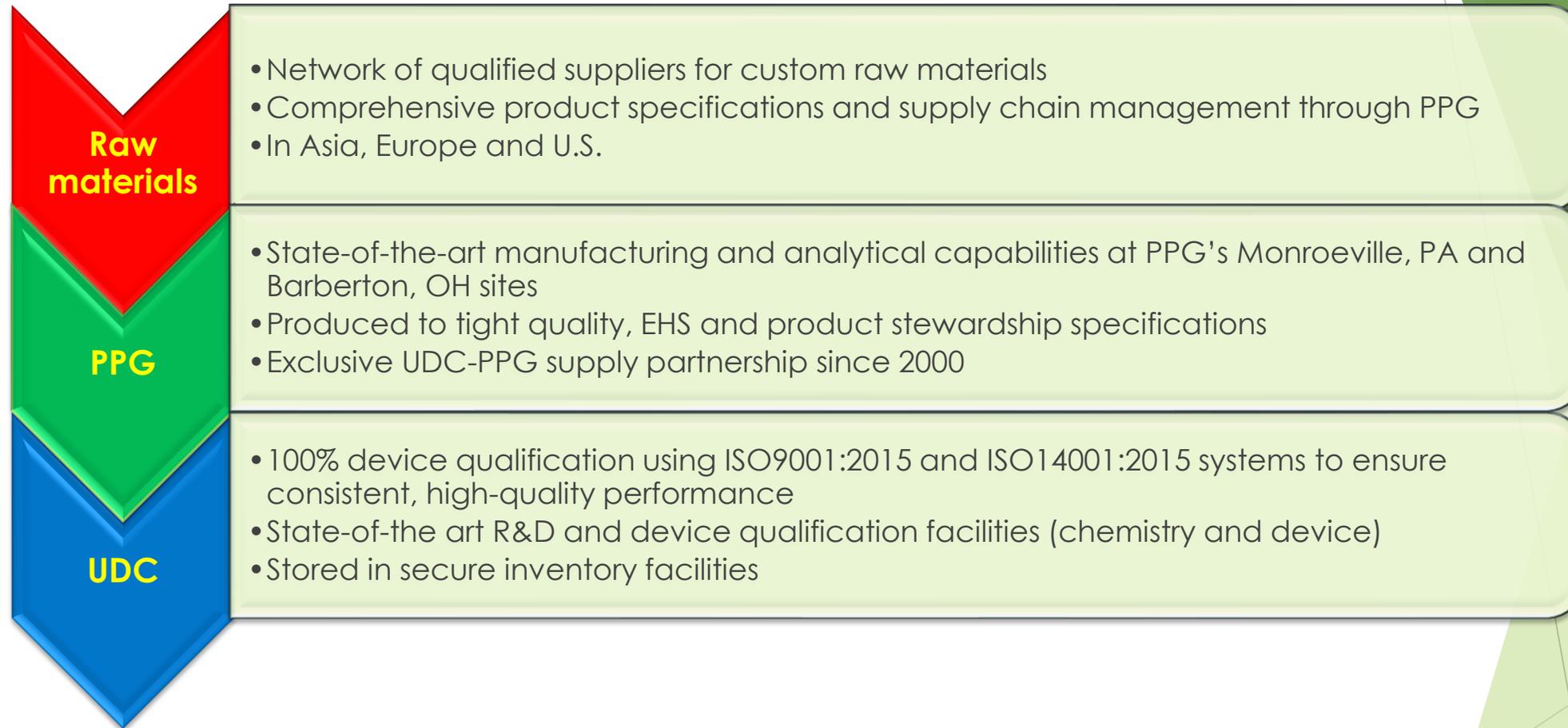
More information can be found on PPG's website:

<http://www.sustainability.ppg.com/sustainability/vision-values.aspx>





Extending our Values into our Supply Chain



We believe that, in addition to quality excellence, environmental, social and ethical performance of our suppliers is critical to long-term success and sustainability. Please refer to UDC's Supplier Code of Conduct (next page). We are proud to work with PPG, our strong partner for almost 20 years, who also has a very strong value system. Please refer to [PPG's Supplier Code of Conduct](#). UDC and PPG work closely together to enhance evaluation and monitoring of PPG's suppliers of their raw materials.



UDC's Global Supplier Code of Conduct

UDC expects its suppliers as well as those who supply its subsidiaries to conduct their business operations in a manner consistent with the following:

- Comply with all applicable laws, rules, and regulations of their countries of operation, including, but not limited to, all applicable trade agreements, antitrust and fair competition, anti-corruption, employment, health and safety, and environmental laws, regulations and practices.
- Provide a safe and healthy working environment free from discrimination, harassment, or abuse.
- Prohibit forced or compulsory labor.
- Prohibit use of child labor by adhering to minimum employment age requirements.
- Pay applicable legal wages and benefits to all employees at levels required in the industry.
- Protect the environment by endeavoring to reduce the use of hazardous materials, the generation and discharge of waste streams, and the use of energy and other non-renewable resources. Encourage conservation, reuse, and recycling.
- Respect and protect confidential and intellectual property including information, processes and technology. Comply with all UDC requirements for maintaining passwords, security and privacy.
- Avoid improper reciprocal agreements, including anything that could have the appearance of a conflict of interest.
- Avoid insider trading by not buying or selling UDC or any other company's securities when in possession of information that is not available to the investing public.
- Maintain accurate and honest financial, employment and other relevant business records.

UDC also expects its suppliers to provide any reasonably requested information with regard to compliance with its [Global Supplier Code of Conduct](#).



Our Environment, Health & Safety



Environmental Health and Safety (EHS)

As a leading OLED material supplier to the electronic industry and a conscientious member of our local communities, UDC is acting to reduce our impacts and strengthen our environmental performance. Our EHS policy highlights key elements of this commitment.

EHS Policy

Protect our employees, community, and the environment by committing to pollution prevention and creating an incident- and injury-free workplace

Analyze and investigate incidents and data trends for continual improvement

Notify management and affected parties of potential hazards immediately, to drive prompt and effective actions

Exceed or meet all statutory and regulatory requirements, as well as the needs and expectations of all interested parties

Leverage risk management systems to establish meaningful, measurable objectives.

To demonstrate our commitment to environmental management, UDC became certified under the ISO 14001:2015 standard in early 2018.



Policy as of April 1, 2019



Maintaining a Safe Work Environment

Universal Display Corporation strives for an injury-free workplace. We know that our employees are our most valuable assets, and their safety and health are our top priorities. Our excellent safety record is attributable to our employees' diligence, our training programs and safety policy management.

Universal Display	2016	2017	2018
Fatalities (Employees & Contractors)	0	0	0
Lost Time Incident Rate (LTIR)	0.0	0.0	0.0
Total Recordable Incident Rate (TRIR)	0.0	0.7	0.6
OSHA Citations	0	0	0

Adesis	2016	2017	2018*
Fatalities (Employees & Contractors)	0	0	0
Lost Time Incident Rate (LTIR)	0.0	1.3	0.0
Total Recordable Incident Rate (TRIR)	0.0	2.6	0.9
OSHA Citations	0	0	0

Note: *Data for 2018 includes Wilmington, DE labs (opened in January 2018).

- **Lost Time Incident Rate (LTIR)** – the number of recordable injuries and illness per 100 full-time employees that resulted in lost work days
- **Total Recordable Incident Rate (TRIR)** - the total number of recordable injuries and illnesses per 100 full-time employees



Achieving our EHS Objectives and Continually Improving

2018 EHS Performance

In our first year of ISO certification, we met or exceeded our 2018 core objectives.

- Achieved ISO14001:2015 Certification
- Conformed to all applicable regulatory requirements with no Notice of Violations (NOVs)
- Reduced Hazardous Waste in 2018 compared to 2017
- Implemented an upgraded chemical inventory system
- Established energy and water consumption baselines to benchmark future improvements
- Improved processes, thereby eliminating the need for certain equipment that required an emissions air permit while also reducing volatile organic compound (VOC) emissions

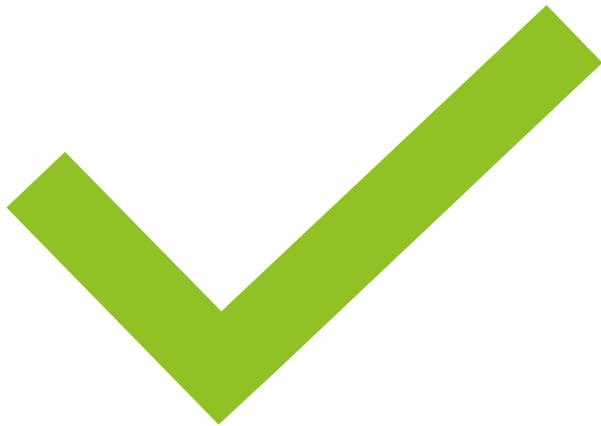
2019 EHS Objectives

In accordance with our ISO certification, we set specific annual performance-based objectives to support these overarching core objectives:

- Conform to all requirements of applicable regulatory agencies
- Reduce waste generation and enhance recycling efforts
- Evaluate more energy-efficient HVAC options for headquarters buildings
- Implement at least one natural resource conservation initiative in 2019
- Continuously innovate and deliver energy-efficient PHOLED products through responsible product design, development, and manufacture
- Educate and communicate with our customers and other interested parties about the safe use of our products and the measures we take to protect our employees, our communities, and other key stakeholders



Supporting Sustainability



Strong Environmental Health and Safety Standards

- **Performance** - Our UniversalPHOLED products offer a more energy-efficient solution for display and lighting applications than existing options.
- **Production** - We produce our UniversalPHOLED products in a environmentally-responsible and safe manner, under PPG's American Chemical Council's Responsible Care certification and a comprehensive Staged Gatekeeper Process.
- **Compliance** – We design and deliver our UniversalPHOLED products that are compliant with all applicable environmental product regulations and requirements. These include:
 - Conflict Minerals Policy (see page 37)
 - ROHS compliance (see page 38)



Universal Display's Conflict Mineral Policy

UDC is committed to responsible and ethical business practices, as expressed in our [Code of Ethics & Business Conduct](#).

This commitment includes working to ensure that our products do not contain, and are not made using, "Conflict Minerals" as defined by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").

UDC is also committed to responsible sourcing of materials for use in the manufacture of its products, as expressed in the [UDC Global Supplier Code of Conduct](#). As part of this, UDC expects its suppliers to exercise due diligence in their sourcing and supply chains, by excluding the use of sources and supply chains that use Conflict Minerals for the suppliers' materials that are for the manufacture of UDC products. Should the supplier become aware of the use of Conflict Minerals in the supply chain for UDC materials, the supplier shall report this to UDC through the General Manager, UDC Ireland Limited along with a mitigation plan. UDC also expects its suppliers to provide any reasonably requested information with regard to Conflict Minerals to support UDC's compliance with the Dodd-Frank Act.



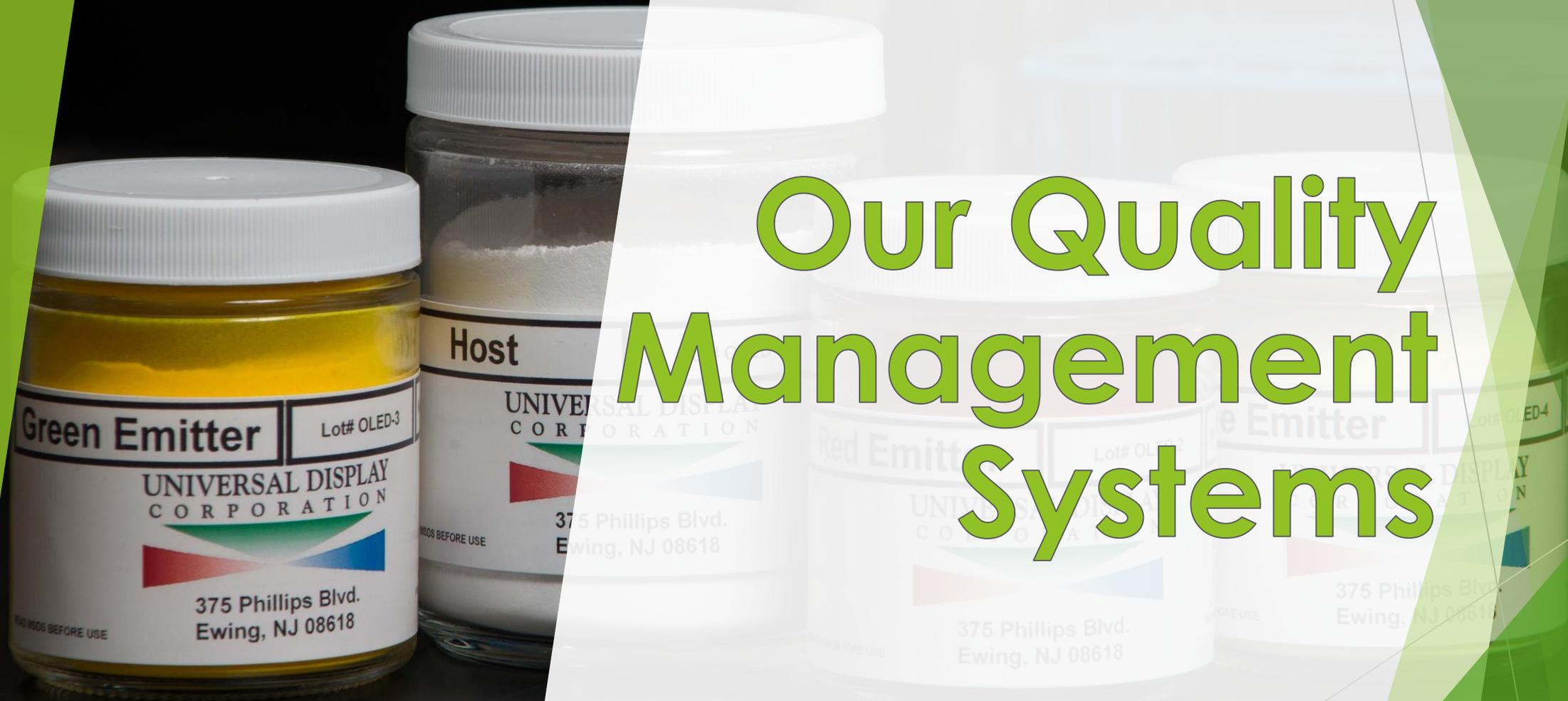
RoHS Compliance

The European Union's (EU) Restriction of Hazardous Substances (RoHS) Directive seeks to reduce the negative impact of electrical and electronic equipment (EEE) upon environmental and human health. The substances targeted by the Directive include those with the potential to compromise the natural environment, pollute landfills and harm manufacturing and personnel through occupational exposure.

Based on our analytical testing and knowledge of our supply chain, **our Products are RoHS compliant**, i.e., they do not contain any of the 10 substances listed in this directive (see below) in quantities above the maximum allowable concentrations (set at 0.1 percent, weight by weight (w/w)):

- Lead (Pb)
- Mercury (Hg)
- Cadmium (Cd)
- Hexavalent chromium (chromium VI, Cr+6)
- Polybrominated biphenyls (PBB)
- Polybrominated diphenyl ethers (PBDE)
- Bis(2-Ethylhexyl) phthalate (DEHP)
- Benzyl butyl phthalate (BBP)
- Dibutyl phthalate (DBP)
- Diisobutyl phthalate (DIBP)

Our Quality Management Systems





Robust Quality Management Systems (QMS)

As a leading technology and material supplier to the OLED industry, UDC is committed to developing, producing and delivering high-quality, energy-efficient Phosphorescent organic light-emitting diodes (PHOLED) products to its customers in the display and lighting industries by abiding by best practices in quality as well as environmental, health and safety (EHS) management. Management leadership and employee engagement in all processes and programs is central to our exemplary performance.

At UDC, quality is designed into our products from ideation through commercialization. With ISO 9001:2015 certification in place for our UniversalPHOLED material business, it is our QMS Policy to:

Provide high-quality products on-time to meet customer expectations

Heighten awareness and compliance with customer, regulatory, and statutory requirements

Operate a secure, safe, healthy, and environmentally responsible workplace for our employees and our community

Listen to feedback from customers and other interested parties in order to better meet their needs

Evolve our processes and systems so they continually improve

Distribute, plan and prioritize resources to manage risks and achieve maximum business benefits





Our Quality Management Systems (QMS)

QMS Objectives

In accordance with our ISO certification, we set specific annual performance-based objectives to support these overarching core objectives:

- Produce and deliver commercial products to our customers cost-effectively, on-time, every time
- Achieve complete customer satisfaction
- Introduce new products to meet customer needs on a timely and cost-effective basis
- Support EHS and product stewardship requirements of our customers and other interested parties
- Manage business and product risks and opportunities effectively

Integrated Management Systems

- Training
- Internal and supply chain audit processes
- Development, product and process risk assessment and mitigation processes
- Continual improvement



Our Performance



Our Organizational Profile*

Name of the organization	Universal Display Corporation
Activities, brands, products, and services	Innovation & Solutions Universal Display Corporation is a world leader in the invention, research, development and commercialization of state-of-the-art OLED technologies and materials.
Location of headquarters	375 Phillips Blvd., Ewing, NJ 08618, USA
Location of operations	Global Presence pg. 7
Total Patents	5,000+ (as of February 10, 2019)
Ownership and legal form	Universal Display Corporation is a Pennsylvania corporation listed on the NASDAQ Stock Market under the ticker symbol OLED. 2018 10-K
Markets served	2018 10-K
Scale of the organization	2018 10-K
Information on employees and other workers	2018 10-K Our People pgs. 14-23
Supply Chain	Our Supply Chain pgs. 27-31
Significant changes to the organization and its supply chain	2018 10-K None.
External initiatives	ISO 9001:2015 ISO 14001:2015
Membership of associations	Next Generation Lighting Industry Alliance (NGLIA), NJ Technology Council (NJTC), OLED Association, OLED Lighting Coalition



Our Governance*

# of Board of Directors	8
% Independent Board Members	63%
Separate CEO and Board Chairman	President and CEO: Steven V. Abramson Chairman of the Board: Sherwin I. Seligsohn
% Female Board Members	25%
Independent Audit Committee	Governance Codes and Guidelines
Nominating & Corporate Governance Committee	Governance Codes and Guidelines
Compensation Committee	Governance Codes and Guidelines
Code of Conduct for Directors	Governance Codes and Guidelines
Investment Committee	Governance Codes and Guidelines
Environmental & Social Responsibility Committee	Governance Codes and Guidelines
Corporate Governance Guidelines	Governance Codes and Guidelines
Values, principles, standards, and norms of behavior	Governance Codes and Guidelines
Mechanisms for advice and concerns about ethics	Governance Codes and Guidelines
External reporting of compensation of board of directors & senior executives	2018 Proxy Statement
Stock Ownership Guidelines (Executives & Directors)	2018 Proxy Statement
Clawback Policy	2018 Proxy Statement
Public Policy	
Political Involvement Policy	UDC Policies and Statements
Total financial contributions to political parties, politicians, and PACs	\$0
Lobbying and Political Expenses	\$0



Our Workplace*

Global Employees (Full-Time)	265
% Employees in U.S.	92%
% Employees outside U.S.	8%
% Female Employees	22%
% Male Employees	78%
% Female Leaders (Director +)	27%
% Male Leaders (Director +)	73%
% Females in Tech Roles	17%
% Males in Tech Roles	83%
% U.S. Veterans	5%
<hr/>	
Employee turnover rate (year-end 2018/year-end 2017)	8.1%
Average service years	6.5 years
Employee headcount growth (year-end 2018/year-end 2017)	19.2%
Employee Benefits	Careers Compensation and Benefits, pg. 21
Annual Code of Conduct Training	All employees are responsible for complying with our Code of Ethics and Business Conduct. Upon commencing employment, new employees are required to confirm in writing that they have read and understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.
Employee Reporting (Whistleblower)	Commitment to Ethics and Compliance, pg. 20
Employee Performance Reviews	Annually
<hr/>	
Race and Ethnicity Statistics (U.S. only):	
% White	68%
% Asian or Pacific Islander	24%
% Hispanic	2%
% Black/African American	6%
% Two or More Races	0%



Water Consumption and Waste

As part of our continuous improvement initiatives on natural resource conservation, UDC looks for every opportunity to conserve water and prevent waste. UDC's efforts have paid off, showing a reduction of 8% per-capita water usage when comparing rates from 2016 to 2018. While we are proud of our accomplishment, we strive to further improve and have plans to implement operational enhancements in 2019 for continued reduction of water usage. Currently, UDC is planning the installation of a more efficient filtration system for our DI (deionized) water system, which is expected to reduce water waste. In conjunction with ISO 14001, we have kicked off waste management initiatives and expect to see increased benefits in the future. Adesis (acquired by UDC in 3Q 2016) shares our vision for corporate responsibility. Adesis has taken steps to reduce its environmental impacts by establishing baselines to use for reduction goals; however, Adesis is in an expansion mode and its raw numbers will be affected by ongoing growth.

	Adesis (New Castle, DE)			Universal Display (Ewing, NJ)		
	2016	2017	2018	2016	2017	2018
Water Consumption						
Total Water consumption, gallons (in millions)	0.9	1.8	2.0	1.1	1.0	1.1
Waste Management						
Hazardous Waste, tons (estimated)	85	159	192*	43	44**	38
Trash, tons (estimated)	23	29	33	53	53	53
Non-hazardous Waste, tons (estimated)	0	0	0	0	4	9
Single stream recycling, tons (estimated)	6	18	25	93	120	140
Environmental fines, penalties & settlements (\$)	None	None	None	None	None	None
Total Space (k sf)	25	28	50	55	55	55
No. employees	47	68	72	137	138	145
Per Capita						
Water consumption, gallons per capita (in millions)	0.020	0.027	0.028	0.008	0.008	0.007
HazWaste, tons per capita	1.8	2.3	2.0*	0.3	0.3	0.3

*Includes New Castle, DE and Wilmington, DE locations (72 and 26 employees, respectively)

**Corrected estimated value



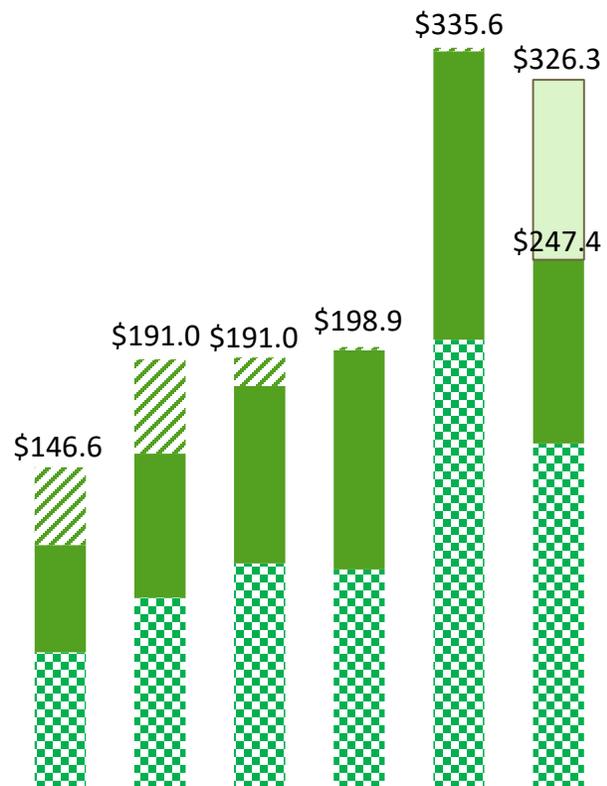
Energy Consumption

At UDC, we understand the importance of reducing our energy usage, which reduces costs and our carbon footprint. In an effort to reduce energy, UDC has invested both in its Facilities Department and infrastructure. To offset the increase in operational footprint (including installation of new OLED equipment), we have made improvements in other areas including the implementation of a comprehensive preventative maintenance program, replacement and upgrade of HVAC systems, boilers, chillers, and other older equipment to energy efficient models, and installing energy-efficient lighting. We are continuing our reduction efforts with additional improvements, including upgrading to energy-efficient equipment where possible during building renovations. Adesis (acquired by UDC in 3Q 2016) shares our vision for corporate responsibility. Adesis has taken steps to reduce its environmental impacts by establishing baselines to use for reduction goals; however, Adesis is in an expansion mode and its raw numbers will be affected by ongoing growth.

	Adesis (New Castle, DE)			Universal Display (Ewing, NJ)		
	2016	2017	2018	2016	2017	2018
Total Energy Consumption, kWh (in millions)	2.5	2.7	4.9	7.0	7.2	7.5
Electricity consumption, kWh (in millions)	0.9	1.0	1.8	5.2	5.3	5.6
Natural Gas consumption, kWh (in millions)	1.6	1.7	3.2	1.9	1.9	2.0
Total Space (k sf)	25	28	50	55	55	55
No. employees	47	68	72	137	138	145
Per Capita						
Electricity, kWh per capita (in millions)	0.02	0.01	0.02	0.04	0.04	0.04



Our Revenues* (in \$millions)



	2013	2014	2015	2016	2017	2018
ASC 605 Adjustment	\$-	\$-	\$-	\$-	\$-	\$78.9
Hosts	\$34.2	\$41.3	\$12.5	\$1.4	\$1.6	\$-
Royalty & License	\$47.0	\$63.2	\$77.8	\$96.1	\$126.5	\$80.6
Emitters	\$61.6	\$85.6	\$100.6	\$97.9	\$198.7	\$153.2

As discussed in the 2018 10-K, the Company changed its method for accounting for revenue from contracts with customers due to the adoption of ASC Topic 606 (adopted January 1, 2018).

2018 Financial Profile*

Total Revenue \$247.4M

% of Total Revenue

South Korea 69%

China 21%

Japan 3%

Other non-U.S. locations 1%

United States 6%

Operating Income \$56.7M

Net Income \$58.8M

Diluted Earnings Per Share \$1.24

Cash Dividend Per Share \$0.24

Unless noted, all information is based on 2018 data

*See [2018 10-K](#) for more detailed information



About Our Report

Safe Harbor Statement

All statements in this document that are not historical, such as those relating to Universal Display Corporation's technologies and potential applications of those technologies, the Company's expected results as well as the growth of the OLED market and the Company's opportunities in that market, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements in this document, as they reflect Universal Display Corporation's current views with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties are discussed in greater detail in Universal Display Corporation's periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, including, in particular, the section entitled "Risk Factors" in Universal Display Corporation's annual report on Form 10-K for the year ended December 31, 2018. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

Boundary and Scope

Unless noted, this report covers our 2018 fiscal year (ending December 31, 2018). Financial data is reported in U.S. dollars. The information and data in this report includes Universal Display Corporation and its subsidiaries, unless otherwise stated. The policies and programs described in this report were in effect at the time this report was prepared, unless otherwise stated, and Universal Display Corporation disclaims any obligation to update this report to reflect future changes that may be made to such policies or programs. Additional information about our operations and financial statements is available in our [2018 10-K](#).