

# **Universal** Display Corporation

2022 Corporate Social Responsibility Report

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At Universal Display Corporation, a pioneer and leader in the OLED ecosystem, we believe that cultivating and fostering a corporate culture of inventiveness, integrity, inclusion and collaboration drives our innovation engine and the company's growth. Imagination and innovation thrive in environments where people from diverse backgrounds come together to create solutions. With a workforce from more than 25 countries that spans 5 continents, we believe that we have brought together a brilliant team with myriad skills and experiences that add to the richness of UDC's culture.

The global UDC team is at the heart of UDC's continued strength and success. We offer comprehensive and competitive benefits to attract and retain our talent. A new benefit that was added in late July 2022 was the opening of an on-site complimentary cafeteria (that serves breakfast and lunch) and barista bar for our employees and visitors at our Collaboration Center in Ewing, NJ. To minimize waste, each employee is given a reusable tumbler, all beverages are from dispensers (no cans or bottles are used), and we implemented a composting program for food waste and compostable materials in the cafeteria. We are pleased to report that employee feedback has been tremendously positive for our new Collaboration Center.

We encourage our employees to openly share ideas and input, and the company has an open-door policy that provides employees a channel for questions, concerns and suggestions. After our 2021 employee engagement survey, we established a Continuous Improvement focus group of UDC employees to reinforce the message to our employees that we are listening and value dialogue and feedback. Our next engagement survey is planned for the second quarter of 2023.

UDC supports a range of educational initiatives designed to inspire and encourage future generations. In addition to our established Ewing High School scholarship, Smith Family Foundation grant, and IMID organic electronics awards, in 2022, we sponsored

scholarships for MARM (Middle Atlantic Regional Meeting) of the American Chemical Society and Rutgers University's Global Entrepreneurship Experience Teen Camp and sponsored an event for Mercer County Community College's student-athletic scholarships.

Energy-efficiency and sustainability are key foundational elements in UDC's core competencies. Our patented and award-winning phosphorescent OLED (PHOLED) technology and UniversalPHOLED® materials can enhance the performance of displays and lighting products – providing real power savings advantages – for longer battery operation in portable electronics and less energy consumption in larger display and lighting products. We estimate that our phosphorescent technology and materials in OLED smartphones saves more than 860,000 metric tons of carbon dioxide equivalent per year. Using an EPA calculator, this is comparable to carbon sequestered by more than 14 million tree seedlings grown for 10 years. In addition to the continuous generation-to-generation improvements in our red and green phosphorescent materials, the introduction of our phosphorescent blue emissive system into the commercial market is expected to further increase energy efficiency and translate into added power savings, longer battery life, brighter displays, and lowered panel temperature. We believe that phosphorescent blue will enable new product designs and applications and support our customers' sustainability initiatives, driving growth for UDC and the OLED industry.

As OLED momentum continues to build, we are incredibly excited about our leadership position in this ecosystem. As an integral part of the OLED market, UDC's mission is to continue enabling an energy-efficient and eco-friendly consumer world and making positive contributions to the industry, the communities around us and the planet that we share.

# Message from our CEO



Steven V Abram

Steven V. Abramson
President and Chief Executive Officer



# **Universal Display Corporation**

Critical OLED Innovator & Enabler



Highly Energy-Efficient PHOLED







OLED
Materials
Supplier & IP
Licensor



6,000+ Global Patents\*



\* Issued and Pending Patents Worldwide reported as of August 3, 2023.



**UDC's Energy-Efficient Phosphorescent Materials**: 100% UniversalPHOLED® emitters save energy and are produced responsibly by PPG with stringent manufacturing and supply chain practices



**Diverse & Inclusive Workplace**: Diverse geographically and culturally (employees from more than 25 countries) and gender-wise (22% female and 78% male)



**Board of Directors**: 38% Female, 62% Male

Named a 2022 Champion of Board Diversity by The Forum of Executive Women





Community Outreach: UDC supports a range of global educational initiatives, community service organizations and an employee charity matching program



Solid Y/Y Growth

(2022/2021):

\$617M (2022)

Revenue: 111%

Dividend: 1 50% \$1.20 (2022)

Diluted EPS: 14%

Headcount\*: ↑8%

\$4.40 (2022)

443 employees (2022)



Forbes' America's Best Mid-Size Companies 2022

**EcoVadis** Silver Sustainability Rating 2022

Newsweek's America's Most Responsible Companies 2023

Bloomberg's 50 Companies to Watch in 2023

<sup>\*</sup>Full-time employee headcount as of December 31, 2022.

# **About Our Company**

<u>Universal Display Corporation</u> is lighting up the OLED (organic light emitting diode) revolution with its proprietary OLED technology and highly-efficient, state-of-the-art UniversalPHOLED phosphorescent OLED materials. Founded in 1994, UDC 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, gaming, signage and solid-state lighting fixtures.

#### **Universal Display's Mission:**

UDC's mission, as a key enabler in the OLED ecosystem, is to support the growth of the OLED industry with its broad and deep experience and know-how, proprietary OLED technologies, and energy-efficient UniversalPHOLED emissive material systems, while maintaining high standards in governance, community, quality, environment, health and safety.

#### **FAST FACTS:**

Corporate Headquarters: Ewing, NJ, U.S.

**Subsidiaries:** UDC, Inc.; UDC Ireland Limited; Adesis, Inc.; OVJP Corporation; 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.; OLED Material Manufacturing Limited, and a representative office in Taiwan.

Founded: 1994

Revenue: \$617 million (CY 2022)

Employees: 443\*

Nasdaq Symbol: OLED

Patents: 6,000+ (issued & pending patents worldwide, reported as of August 3, 2023) ISO Certifications: ISO 9001 (since 2009), ISO 14001 (since 2018), ISO 45001 (since 2021)

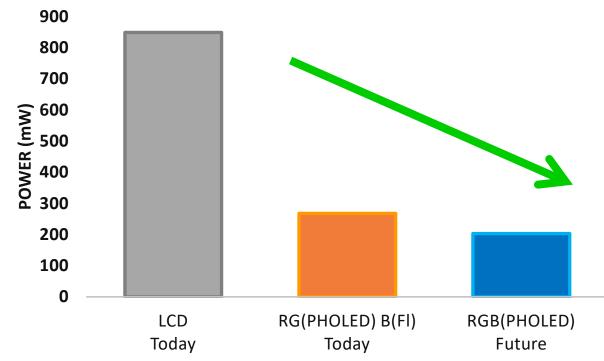
<sup>\*</sup>Full-time employee headcount as of December 31, 2022.

## Our Global Presence

UDC is headquartered in Ewing, NJ, with offices around the world. Our proprietary UniversalPHOLED materials are made at our manufacturing partner PPG's Monroeville, PA and Barberton, OH facilities, as well as at our new Shannon, Ireland manufacturing site, which is also operated by PPG.



## Our PHOLED Power Roadmap Supports Sustainability





UDC is continuously inventing and developing next-generation PHOLED materials with increasing energy-efficiencies for reduced power consumption and enhanced sustainability

#### Notes:

- Based on a 5.0" OLED display and comparable contrast LCD operating at 600 cd/m2 with video (50% pixels on).
- LCD data based on published smartphone display power consumption data. PHOLED data is based on UDC estimates.
- R=Red: G=Green: B=Blue
- PHOLED=Phosphorescent; FI=Fluorescent

# Design for Environment



**Design for Energy Efficiency:** Our UniversalPHOLED emitters **reduce energy consumption by >50%** (compared to LCDs) in smartphones, TVs and other consumer electronics.



#### **Design for Environmental Processing and Manufacturing:**

Our processes are designed to 1) minimize waste, hazardous by-products, emissions and energy use, 2) protect our workers and the environment, and 3) recycle/re-use certain raw materials, process streams and finished products.



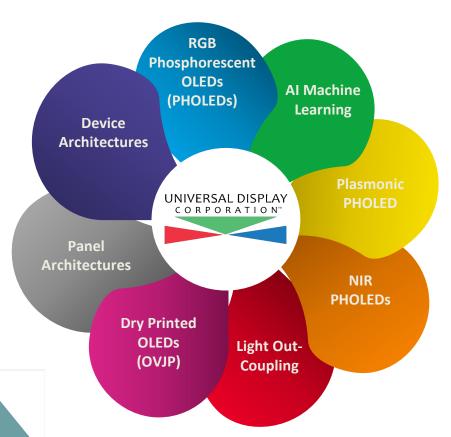
**Design for Environmental Packaging:** UDC strives to use environmentally responsible packaging materials with its key customers. This includes HDPE rather than glass bottles, reduced (or eliminated) fill materials and 100% recyclable cardboard.



**Design for Disposal or Reuse:** Our products' end-of-life is managed responsibly by UDC and our customers.



# Our Proprietary OLED Technology Platforms



- We develop and license enabling technologies that are at the heart of consumer OLED products worldwide, from AR/VR, smartwatches, smartphones, IT, automotive, gaming and TVs, to lighting products.
- We believe that our extensive portfolio of patents, trade secrets and non-patented know-how enable our continued 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 stands at more than 6,000 issued and pending patents worldwide (reported as of August 3, 2023).

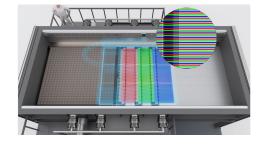
# Investing in Continuous Innovation

Innovation is in Universal Display Corporation's DNA. Across the Company, we are continually building and expanding our core competencies to accelerate and advance our material and technology initiatives, including by:

- 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
- Broadening the breadth and depth of our proprietary energy-efficient phosphorescent technology and materials portfolios, including state-of-theart red, green, yellow and blue PHOLED emitters and hosts
- Advancing our next-generation manufacturing technologies, such as organic vapor jet printing (OVJP)
- Developing paradigm-shifting OLED device designs and system architectures

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











# **About Our Workplace**

At Universal Display Corporation, we know that our hardworking team of brilliant employees with their commitment to excellence is critical to the Company's continued success.

With approximately 443 scientists, engineers, technicians and business professionals from more than 25 countries and 5 continents, UDC has a global team 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



Julia J. Brown
Executive Vice President and Chief
Technical Officer



Janice K. Mahon Senior Vice President, Technology Commercialization and General Manager, Commercial Sales Business



Mauro Premutico Senior Vice President, Planning and General Manager, Licensing, and Secretary



Brian Millard
Vice President, Chief Financial Officer
and Treasurer

## Our Commitment to Diversity and Inclusion

UDC's commitment to diversity and inclusion is instilled in our employees from their first day at UDC. Employees receive regular training to provide knowledge, insight and skills to work in a diverse environment and 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**

We are committed to creating a workplace that encourages and embraces diversity and inclusion. We have employees from more than 25 countries around the world, and our workforce is gender diverse consisting of 22% females and 78% males. UDC's domestic employees identify as 10% Black/African American, 27% Asian and 5% Hispanic or Latino. We foster a culture where all employees feel valued and empowered. We value and respect one another for our differences at all levels.

We believe that a diverse workforce where people have different ideas, strengths, interests and cultural backgrounds drives employee and business success.



## About Our Workforce

Universal Display Corporation Employees (as of December 31, 2022)

	TOTAL	UDC, Inc.*	Adesis, Inc.
Global Employees (Full-Time)	443	277	166
Employees in the U.S.	396	230	166
% Employees in U.S.	89%	83%	100%
% Employees outside the U.S.	11%	17%	0%
% Female Employees (U.S.)	22%	19%	25%
% Male Employees (U.S.)	78%	81%	75%
% US Female Leaders (Director +)	20%	14%	33%
% US Male Leaders (Director +)	80%	86%	67%
% Female Employees in Tech Roles (U.S.)	18%	14%	23%
% Male Employees in Tech Roles (U.S.)	82%	86%	77%
# Countries of Origin	>25		

<sup>\*</sup>Includes employees of all Universal Display Corporation subsidiaries, except those employed by Adesis, Inc., which are noted separately.

Growing Headcount in a Growing Company

	2020	2021	2022
Global Employees (Full-Time)	349	409	443**
Turnover Rate	5.3%	13.5%	12.6%
Y/Y Growth Rate	12.9%	17.2%	8.3%

<sup>\*\*</sup>As of Dec 31, 2022, our headcount included 443 full-time employees and 2 part-time employees.

Our headcount has increased by ~27% in the past two years

# Commitment to Ethics and Compliance

- Business Ethics: We strive to maintain the highest standards of corporate governance and ethics, and to operate in compliance with all applicable laws wherever we work.
- Human Rights: UDC remains committed to fundamental human rights for all. We strive to protect human rights through our practices and policies and by complying with the laws of the countries in which we do business.
- **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.
- **Employee Training\*:** We are committed to maintaining a respectful and inclusive work environment free from any form of harassment. Annual training is a part of our ongoing efforts to uphold this commitment for all employees.
- Our <u>Code of Ethics and Business Conduct Policy</u> outlines our commitment to maintain a culture of ethical conduct, integrity, and legal compliance. We require employees to acknowledge the terms of our Code of Conduct as part of their onboarding and to reaffirm their commitment annually thereafter. Awareness training is available to all employees to build an understanding of ethics, business conduct and human rights issues and the potential associated risks.
- **Employee Reporting (Whistleblower) Program:** Employees can report concerns and complaints without the fear of retaliation or dismissal, and anonymously if desired, through internal company channels or via an online process administered through a third-party. This policy is clearly set forth in our Code of Conduct and distributed to employees on an annual basis.







<sup>\*</sup>Disclosure added August 3, 2023.

# Rewarding Our People

#### **Competitive Compensation and Benefits**

UDC's success depends on attracting and retaining an engaged workforce. To accomplish this, we offer all our employees a comprehensive benefits package.

UDC's compensation philosophy is to provide market-competitive salaries, bonuses and benefits by rewarding employees based on their strong individual and business performance as well as the Company's mutual success. In 2022, our bonus plan covered all employees. UDC employee bonuses consisted of cash and equity (with equity generally vesting over a three-year period).

- Our comprehensive benefit programs are designed to meet the diverse needs of our global workforce, which varies by country. Our US-based healthcare benefits program extends coverage for domestic partners of employees and their children. Our programs are structured to provide our employees with an opportunity to meet their healthcare, financial, time-off and retirement needs.
- Our financial benefits include flexible spending accounts, UDC-provided short- and long-term disability, group term life insurance and a 401(k) plan with an automatic 3% non-elective Company contribution for all eligible employees. All eligible UDC employees\* can share in the Company's growth through our Employee Stock Purchase Plan (ESPP). The ESPP allows employees to purchase Company common stock at a 15% discount through convenient payroll deductions.







<sup>19</sup> 

# Rewarding Our People

#### **Health and Wellness**

- Health Insurance Medical/Prescription Drug Coverage, Dental, and Vision for employees and family
- Transit, Health and Dependent Care Flexible Spending Accounts (FSAs)
- Health Reimbursement Account (HRA) An employer-paid benefit to reimburse a portion of eligible out-of-pocket medical expenses, such as deductibles, coinsurance, and pharmacy expenses
- Group Term Life insurance, short-term disability and long-term disability benefits for employees
- On-site Café (Ewing, NJ) Our recently opened café serves breakfast and lunch at no charge to employees. Weekly menus include specialty dishes, made-to-order salads, sandwiches and pizzas. This is in addition to our barista bar.
  - To minimize waste, each employee is given a reusable tumbler, all beverages are from dispensers (no cans or bottles are used), and we implemented a composting program for food waste and compostable materials in the cafeteria.

#### Time-Off

We offer generous paid time-off programs, including holidays, vacation, sick time and leave

We offer comparable benefits to our international employees, though some variances by country exist based on UDC policies, applicable laws and local practices.







# Investing In Our Team



UDC 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 for continual improvement.

#### **Performance Management**



UDC 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. During annual performance reviews, managers and employees are encouraged to discuss employee strengths, career aspirations and development focus areas.



#### **Employee Development**

Given the highly technical nature of our business, approximately 70% of our employees work in technical roles. Our success is contingent on our ability to attract talented employees, and also 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. To encourage and support our employees with broadening their on-the-job knowledge, skills, and abilities, we offer each employee \$2,000 per year to invest in their professional development through the UDC Learning and Development Stipend\*. UDC also 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 for questions, concerns and suggestions. Every week, our CEO engages in open dialogue with gathered employees at a company-hosted lunch at our Ewing, NJ HQ to provide company and industry updates and to celebrate employee milestones (e.g., birthdays, work anniversaries, weddings and births). These talks are shared globally via our intranet. Annually, our domestic and international teams unite at HQ for a week of hands-on meetings and corporate activities. We advocate a company culture of open and honest communication at all levels of the organization.



#### **Employee Engagement**

In March 2021, we conducted an Employee Engagement Survey through an expert third-party provider, ensuring employee confidentiality, as well as an opportunity to benchmark our performance against a global database.



- 70% of UDC domestic and international employees (excluding Adesis) participated
- > 9 for overall employee engagement and employee satisfaction, on a scale of 0 10 (highest) and scores were above the global customer scores by over 1 point. Organizational Fit, Reward and the Process for Rewards were areas of strength

We established a Continuous Improvement focus group of UDC employees after this engagement survey to reinforce our commitment to employees that we are listening and value dialogue and employee input. Our next engagement survey is planned for the second half of 2023\*.

<sup>\*</sup>Disclosure updated August 3, 2023.



# 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 the 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 handson and interactive "science in action" experiences\*
- In 2017, Universal Display instituted the following annual grants in South Korea:
  - UDC Innovative Research Award in Organic Electronics
  - UDC Pioneering Technology Award in Organic Electronics

These annual awards (each paper is awarded KRW 15,000,000) 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).

In 2022, Universal Display sponsored MARM (Middle Atlantic Regional Meeting) of the American Chemical Society to support registration scholarships for 10 graduate students to attend and present at MARM 2022.







\*Due to the COVID-19 pandemic, UDC did not host on-site events in 2022. We intend to resume these activities in 2023.

# Community: Inspiring the Next Generation

#### **Local Schools**

UDC renewed its partnership with <u>Ewing High School</u> in Ewing Township, NJ (where UDC HQ is located) to inspire today's students to become tomorrow's innovators. In 2019, UDC instituted an annual *UDC*, *Inc. PHOLED Scholarship* to be awarded to a college-bound student pursing a degree in the STEM field. In 2022, UDC again awarded a \$20,000 scholarship.

#### **Local Communities**

UDC renewed its commitment with a \$25,000 grant to the <u>Smith Family Foundation</u>, whose mission is to promote educational opportunities, cultivate leaders and transform lives by providing funding and leadership development to the Trenton, NJ area.

#### **Local Colleges & Universities**

In 2022, UDC sponsored twenty (20) scholarships to support students in grades 8-12 to attend Rutgers University's <u>Global Entrepreneurship Experience Teen Camp</u> with a donation of \$5,000. During the weeklong camp, students learn about the following: Teamwork + Leadership; STEAM + Sustainability; Communication skills; Design + Innovation; Marketing + Research; Career exploration; Etiquette + Networking; Social Media Branding; and Agility + Resiliency.

In 2022, UDC sponsored MCCC's 31st Annual Golf Classic for Scholarships. This event raises funds for Mercer County Community College's student-athletic scholarships.







# **Fostering Community Outreach**

#### **Community Participation**

Community engagement is an important part of who we are. We are dedicated to making positive and significant impacts in our local community. UDC fosters a culture that encourages making meaningful contributions to organizations in our community.

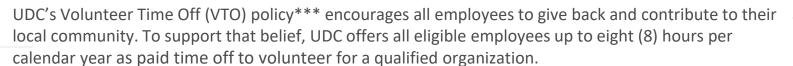


Company-sponsored activities throughout the year include:

- Clothing, food, female health, pet shelter and holiday collection drives\*
- Preparation and donation of care packages for troops stationed abroad
- Sponsorship and volunteer gardening of a vegetable garden for a local school
- Support of community-based organization that helps special needs people thrive

#### **Employee Charitable Match Program & Volunteer Time Off**

UDC's Charitable Match Program encourages and supports causes and organizations that are important to its employees. The Company matches employee donations dollar-for-dollar to eligible nonprofit organizations\*\*, up to \$2,500 per year for each full-time employee.









<sup>\*</sup>Due to the pandemic, UDC was unable to host its regular on-site donation drives. In lieu of those drives, UDC made monetary donations to community organizations in 2022.

<sup>\*\*</sup>Participating nonprofits must be tax-exempt charitable organizations under Internal Revenue Code 501(c)(3) for US-based donations.

<sup>\*\*\*</sup>Disclosure added August 3, 2023.



# UDC's Global Supplier Code of Conduct

- Comply with all applicable laws, rules and regulations of suppliers' countries of operation, including, but not limited to, all applicable trade agreements, antitrust and fair competition, anti-corruption, employment, working time, health and safety, collective bargaining, product 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 appear as 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 expects its suppliers to provide information to UDC as reasonably requested and UDC maintains the right to audit its suppliers for such compliance.

UDC's Supplier Code of Conduct is annually acknowledged by our targeted suppliers, representing the majority of critical raw materials suppliers for the Company's products.\*

# **Our Supply Chain**



- UDC develops and distributes energy-efficient PHOLED products (manufactured exclusively by PPG, our partner of 20+ years)
   in a safe, environmentally- and socially-responsible manner
- UDC expects PPG and its Supply Chain for UDC Products to conduct business in a manner consistent with UDC's <u>Code of Ethics and Business Conduct</u> and <u>Global Supplier Code of Conduct</u> (see prior slide)
- PPG is a leader in Environmental, Social and Governance (ESG) practices (see next slides)
  - PPG holds a Gold Rating (among top 6% evaluated) for the second year from EcoVadis, a leading provider of business sustainability ratings, earning high scores for environmental and ethical practices, after assessing approximately 1,000 key suppliers (including suppliers for UDC's products)

## Our Core Objectives

#### **Our Core Objectives**

- Deliver commercial and development products from PPG to UDC cost-effectively, on-time, every time in an environmentally- and socially-responsible manner
- Assure consistently high-quality product
- Deliver products and support to our customers' satisfaction

#### **Supply Chain Objectives**

- Work closely with PPG to ensure that PPG and its Supply Chain for UDC products conduct business in a manner consistent with our policies
- Comply with all relevant international EHS regulations as well as internal customer requirements
- Improve EcoVadis scores and continually improve the sustainability of our Supply Chain
- Listen to our valued and varied stakeholders who play an important role to help us to continually improve our management systems and achieve our objectives

## **UDC-PPG Shared Business Values**

We are proud to work with PPG, our strong partner of 20+ years. PPG has a very robust value system that aligns closely with UDC's.



#### **UDC** and **PPG** share the following values:

- Operate safe, healthful workplaces that value diversity, promote teamwork and reward performance
- Conduct business and operations ethically and compliantly
- 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 to the communities where we operate

<u>PPG's Supplier Code of Conduct</u> and <u>PPG's Corporate Responsibility Report</u> can be accessed via <u>PPG's</u> website.

# PPG: Leader in Business and Sustainability

PPG has earned the following recognitions and awards, reinforcing and encouraging its commitment to industry-leading business and sustainability practices:

- #4 in the Chemicals Industry on the 2023 *Fortune* World's Most Admired companies list, its 15th consecutive year on the list
- #90 on IndustryWeek's U.S. 500, #218 on the FORTUNE® 500 and #689 on the FORBES® Global 2000
- AA rating by MSCI for environmental, social and governance practices for the third consecutive year
- 100% score from the Human Rights Campaign's 2022 Corporate Equality Index
- #16 in the Materials and Chemicals category of Newsweek's America's Most Responsible Companies 2023, and #114 on the overall list
- Forbes' America's Best Large Employers 2022 and 2023
- Gallup Exceptional Workplace Award 2022
- EcoVadis Gold Rating for the second consecutive year, earning high scores for its environmental, ethics and sustainable procurement practices; scoring higher than 92% of evaluated companies
- FTSE4Good Index Series for the fourth consecutive year

Read PPG's full sustainability report at <u>sustainability.ppg.com</u>







# Universal Display's Conflict Mineral Policy

UDC is committed to responsible and ethical business practices, as expressed in our <u>Code of Ethics & Business Conduct</u>.

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 also is committed to responsible sourcing of materials for use in the manufacture of its products, as expressed in its <a href="UDC Global Supplier">UDC Global Supplier</a>
<a href="Code of Conduct">Code of Conduct</a>. As part of this commitment, 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 a supplier become aware of the use of Conflict Minerals in the supply chain for UDC materials, the supplier must report this 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 this Directive include those with the potential to compromise the natural environment, pollute landfills and harm manufacturing and personnel through occupational exposure.

Based on UDC's analytical testing and knowledge of our supply chain, **UDC products are RoHS compliant**, i.e., they do not contain any of the 10 substances listed below and in this Directive in quantities above the maximum allowable concentrations (set at 0.1%, weight by weight):

- 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)



### **ISO** Certifications







UDC UniversalPHOLED Materials Business and Adesis, Inc.

**UDC Ewing** 

**UDC Ewing** 



# Integrated Management Policy

Our Integrated Management Policy states UDC's commitment to our varied stakeholders to provide quality products and services, reduce our environmental impacts and strengthen our environmental, health and safety performance:

**P**rovide high-quality, energy-efficient and environmentally-minded OLED products and technologies to satisfy our customers

**H**eighten awareness and engagement of our stakeholders, including all employees, suppliers and contractors, to foster our core values of quality, health, safety, sustainability and social responsibility

Operate in compliance with all customer, regulatory, statutory and corporate governance requirements

Listen to feedback from customers, employees and other interested parties to better meet their needs and

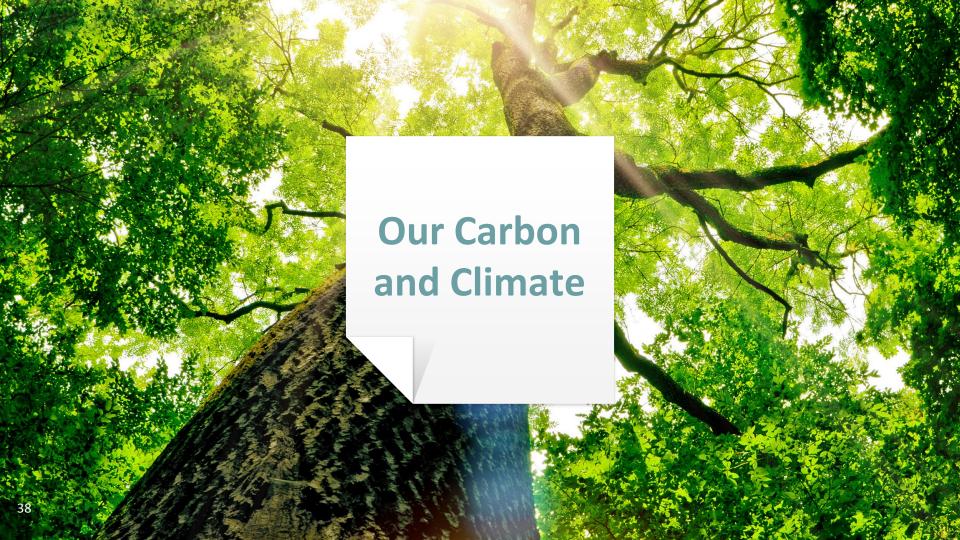
expectations

**E**volve our processes and systems, via measurement and analysis, to drive continual improvement

**D**emonstrate commitment to minimizing EHS impacts, by preventing pollution, reducing waste, and mitigating workplace hazards that may lead to injury and/or illness

**S**afeguard UDC's assets, including sensitive information, by managing risks and opportunities effectively

As part of our commitment to environmental, health and safety management, UDC's Ewing facilities are certified to ISO 14001:2015 and ISO 45001:2018 standards, and Adesis is ISO 9001:2015 certified.



# **Phosphorescent OLED Carbon Savings**

Calculated assumptions: There are at least 1.8 billion active OLED smartphones using our PHOLED materials and technology in the world today and

Average use is 4 hours per day

Average luminance at 600 nits with 50% pixels on

Power savings is 30% over LCD

Power saving per display is 0.46W; Total savings per year is an estimated 1,216 GW-h per year

= 861,758 Metric tons of Carbon Dioxide (CO<sub>2</sub>) equivalent avoided per year\*

Equivalent to carbon sequestered by 14,249,241 tree seedlings grown for 10 years\*

\*https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

# Climate Change Policy

Universal Display Corporation acknowledges the potentially harmful impact of climate change, and we are mindful of the ways that our company could contribute to that change. We understand that our employees, suppliers, customers and the communities in which we live and serve may continue to be impacted by the effects of climate change, and we are committed to looking into ways through which we can minimize UDC's greenhouse gas (GHG) footprint as we produce materials that enable what we believe are more energy-efficient consumer devices.

In order to fulfill our commitment, we are devoting internal resources, under the direction of the Environmental & Social Responsibility Committee of UDC's Board of Directors, to focus our efforts in the following areas:

- Quantifying our GHG emissions
- Establishing time-bound reduction goals and action plans to minimize, whenever commercially practicable, our GHG emissions
- Seeking ways to increase energy and water efficiency in our operations and in our supply chain
- Investing in opportunities, where economically feasible, to minimize our carbon footprint, particularly through the use of more energy-efficient equipment and mechanical systems, and our continued development of more energy-efficient products that help reduce the GHG impact of devices during their life cycle.

UDC has most recently reviewed its Climate Change policy in April 2023. We have undertaken and plan to continue to provide periodic updates on the progress it is making on certain of its efforts described above and to publish these results on our public website at <a href="https://www.oled.com">www.oled.com</a>.

#### **Greenhouse Gas Emissions**

In accordance with our Climate Change Policy and 2022 goals, we have begun the process of quantifying our greenhouse gas (GHG) emissions. This is the first step toward better understanding and managing our GHG footprint. As our Company grows through the addition of various facilities, we will continue to measure and baseline our emissions in order to establish time-bound reduction goals and action plans. We aim to minimize the impacts of our growth through thoughtful design that incorporates energy efficiency where practical.

Universal Display (Ewing, NJ)*	2021	2022
Scope 1 Emissions (metric tons CO <sub>2</sub> e)	550	646
Scope 2 Emissions (metric tons CO <sub>2</sub> e)	<u>2,602</u>	<u>2,439</u>
Total Scope 1 & Scope 2 Emissions (metric tons CO <sub>2</sub> e)	3,152	3,085

<sup>\*</sup>The organizational boundaries for Scope 1 and Scope 2 emissions calculations included the 250 and 375 Phillips Boulevard facilities for 2021 and 2022. Scope 1 and Scope 2 were calculated using guidance and tools from the United States Environmental Protection Agency (EPA), including the <u>EPA Center for Corporate Climate Leadership's "Simplified Guide to Greenhouse Gas Management for Organizations"</u> and the EPA's <u>"Simplified GHG Emissions Calculator"</u>.

## Investing in GHG Reduction

In 2022, UDC made several investments to minimize our carbon footprint at our Ewing, NJ HQ facilities. Our facility renovations included upgrades to energy-efficient equipment, installation of building monitoring systems, including occupancy-based controls for heating, ventilation, and lighting to reduce energy, and installation of systems using chemicals with no or low ozone depletion potential and global warming potential. Also, in support of our employees' purchase of electric vehicles (EVs), UDC provides 10 EV charging stations, as well as free vehicle charging. EVs reduce greenhouse gases and other pollutants and improve air quality.





#### Commitment to EHS Excellence

Leadership commitment and engagement at all levels of our UDC team in all processes and programs is central to our success. This corporate commitment drives awareness and a culture throughout our Company and supply chain that quality, EHS, sustainability and social responsibility are all critical to UDC, our communities and our stakeholders.

**Board Level Engagement:** The Environmental & Social Responsibility Committee of UDC's Board of Directors is actively engaged in the direction and oversight of our EHS Management System. This Board Committee receives and reviews EHS Management System reports on a periodic basis and annually reviews and approves Company EHS and Corporate Social Responsibility policies.

Executive Level Engagement: Our executives and members of senior management participate in quarterly EHS Steering Committee meetings to review the risks, opportunities and performance of our EHS Management System. This Steering Committee serves to guide the development of our EHS Management System and to drive continuous improvement. Our Director of Global Facilities & EHS reports directly to UDC's CFO to ensure appropriate attention and resources are provided to EHS management and issues.

**Employee Level Engagement:** Our employees and managers are engaged in EHS at all levels and in all departments through participation in various Company EHS committees, including UDC's Safety Committee, Chemical Hygiene Committee and Environmental Sustainability Committee. Additionally, our employees participate in monthly EHS meetings to ensure engagement and awareness.

### Achieving our EHS Objectives and Continually Improving

#### **2022 EHS Performance**

UDC strives to reach our EHS objectives and continually improve our performance. Below is the EHS performance of UDC's HQ Ewing, NJ campus as compared to 2022 objectives:

Objectives/Target	2022 Performance
0 Notice of Violations (NOVs)	0
Total Injury Rate (TIR) of 0	0.5
Lost Time Case Rate (LTCR) of 0	0
Improve employee engagement through participation in Job Safety Assessments and safety meeting attendance	Achieved
Establish new baselines for hazardous waste, energy and water consumption	Achieved
Establish baselines for Scope 1 and 2 emissions	Achieved

#### Corporate EHS Principles

These principles are cascaded to each UDC location with specific, performance-based objectives:

- Maintain regulatory compliance with all known requirements of applicable regulatory agencies and foster relationships in our community
- Provide a safe and healthy workplace for our employees and mitigate workplace hazards that may lead to injury or illness
- Increase employee engagement and EHS awareness to foster EHS leadership at all levels
- Maintain a safe and healthy environment by preventing pollution and minimizing waste
- Minimize environmental impacts by identifying material environmental risks, including climate-related risks and developing action plans to reduce impacts and/or manage material risks
- Increase global EHS management and governance to improve performance across all locations and subsidiaries

Our goals and objectives are achieved through monitoring and measurement, regular management reviews, and risk and opportunity assessments.

## Maintaining a Safe Work Environment

UDC 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 employees' diligence, our risk management and hazard control programs and our safety culture are critical to our success. UDC's Health and Safety Management system is certified to the ISO 45001:2018 standard for its Ewing, NJ HQ location.

Universal Display (Ewing, NJ)	2020	2021	2022
Fatalities (Employees & Contractors)	0	0	0
Lost Time Incident Rate (LTIR)*	0.0	0.0	0.0
Total Recordable Incident Rate (TRIR)**	2.3	0.0	0.5
OSHA Citations	0	0	0

Adesis (New Castle, DE)	2020	2021	2022***
Fatalities (Employees & Contractors)	0	0	0
Lost Time Incident Rate (LTIR)*	0.7	1.0	2.8
Total Recordable Incident Rate (TRIR)**	1.4	4.8	2.8
OSHA Citations	0	0	0

<sup>\*</sup> The number of recordable injuries and illnesses per 100 full-time employees that resulted in lost workdays

<sup>\*\*</sup> The total number of recordable injuries and illnesses per 100 full-time employees

<sup>\*\*\*</sup>Adesis data for 2022 includes its New Castle, DE and Wilmington, DE sites

## Water Consumption and Wastewater

Water is essential to all life on the planet and the global economy. As human populations continue to increase, water scarcity has become an increasingly serious societal and environmental issue. Although we do not have a water-intensive operation, UDC looks for opportunities to conserve water and prevent waste. We are continuing our reduction efforts with further improvements, including considerations for water usage reductions where possible during building renovations.

Adesis shares UDC's vision for conservation and has taken steps to reduce its environmental impact by establishing baselines to help set reduction goals.

	Adesis (New Castle, DE)		Universal Display (Ewing, I		ing, NJ)	
	2020	<u>2021</u>	2022	2020	<u>2021</u>	2022
Water Consumption						
Water consumption, gallons (in millions)	3.1	2.7	3.2	1.1	1.3	1.3*
Wastewater discharge, gallons (in millions)	NA	NA	NA	1.1	1.2	1.3
Per Capita						
Water consumption, gallons per capita (in millions)	0.025	0.018	0.022	0.006	0.007	0.007
No. of employees	124	146	144	181	192	204
Total Space (k sf)	50	50	50	55	105	105

<sup>\*</sup>Estimated figure due to a water meter issue.

NA = Not Available

## Waste and Toxicity

UDC's Waste Management and Minimization Program is designed to reduce waste generation, toxicity and the environmental impacts of disposal of non-hazardous and hazardous wastes. UDC carefully manages chemicals and other hazardous materials to reduce the quantity and toxicity of related wastes through maintaining appropriate chemical inventories and using less harmful chemical alternatives, where practicable. Hazardous, universal and non-hazardous wastes are minimized, reused, and recycled, where possible.

	Adesis (New Castle, DE)			Universal Display (Ewing, NJ)		
	2020	<u>2021</u>	2022	2020	<u>2021</u>	2022
Waste Management						
Hazardous Waste, tons	211	261	289	24	26	22
Trash, tons (estimated)	25	25	97*	59	99	86
Non-hazardous Waste, tons	1	1	3	4	6	13
Non-hazardous soil recycling, tons	NA	NA	NA	317**	NA	NA
Single stream recycling, tons (estimated)	20	24	66*	140	182	200
Environmental fines, penalties & settlements (\$)	0	0	0	0	0	0
Per Capita						
HazWaste, tons per capita	1.7	1.8	2.0	0.1	0.1	0.1
No. of employees	124	146	144	181	192	204
Total Space (k sf)	50	50	50	55	105	105

<sup>\*</sup>A change in Adesis' third-party waste management supplier for 2022 resulted in data that is not comparable to historical data due to variation in the new supplier's estimation method.

<sup>\*\*</sup>Soil generation from one-off construction project at new UDC facility. All soil was reused/recycled.

# **Energy Consumption**

UDC understands the importance of reducing our energy usage, which reduces costs and our carbon footprint. To reduce energy use, we have invested in our facilities and infrastructure. We have made improvements with energy conservation in mind to offset the growth in our operational footprint (including new OLED equipment), including replacing and upgrading HVAC systems, boilers, chillers and other older equipment to energy-efficient models, and installing energy-efficient lighting and occupancy-based controls to reduce unnecessary usage. We are currently evaluating renewable energy options for our Ewing, NJ HQ campus.

In addition to facilities improvements, Adesis offset 100% of the electricity used by its New Castle, DE HQ in 2022 in the form of Renewable Energy Credits (RECs) that help fund the production of renewable energy in the United States.

	Adesis (New Castle, DE)			Universal Display (Ewing, NJ)		
	2020	<u>2021</u>	2022	2020	<u>2021</u>	2022
Total Energy Consumption, kWh (in millions)	5.0	5.1	5.2	8.1	10.4	11.3
Electricity consumption, kWh (in millions)	2.6	2.7	3.0	6.2	8.2	8.2
Natural Gas consumption, kWh (in millions)	2.4	2.4	2.2	1.9	2.2	3.1
Per Capita						
Electricity, kWh per capita (in millions)	0.02	0.02	0.02	0.03	0.04	0.04
No. employees	124	146	144	181	192	204
Total Space (k sf)	50	50	50	55	105	105



## Information Security

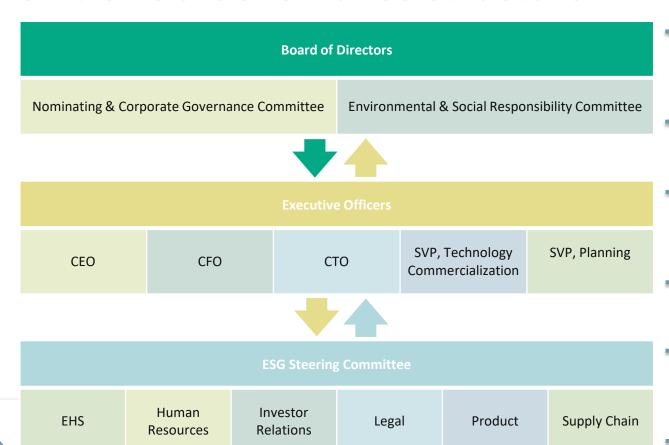
UDC is committed to protecting confidential and personal information, including that of UDC, UDC's customers and third parties. To this end, UDC maintains information security protocols and policies, on which the company is externally audited on an annual basis. UDC also has in place an information security training program, with periodic employee awareness trainings and phishing exercises conducted throughout the year. All employees must re-certify to this program annually for them to keep up-to-date on proper protocols and procedures on the safeguarding of confidential and personal information. The Audit Committee of UDC's Board of Directors, who all are independent members of the Board, oversees and is updated on the ever-changing information security landscape, UDC's program and internal controls to mitigate associated risks. The company, which has suffered no known breaches to its critical information technology systems in the past three years, supplements its information security program with a cyber insurance policy.



## UDC's Stakeholder Engagement

- **Employees** Customers **Suppliers Investors Memberships** 53
- Open-Door Policy
- Weekly CEO Talks Every Wednesday, during Company lunch, President & CEO Steve Abramson provides an update on UDC, the OLED industry and UDC employee milestones (e.g., weddings, births, birthdays). This is recorded and made available on the Company's intranet for all employees.
- All-Hands, Department, Small Group and One-on-One Meetings
- Employee Surveys (upcoming: 2Q 2023) and Annual Performance Reviews
- Training
- Annual In-Person All-Hands Meetings and Activities for Global UDC Team at Ewing, NJ HQ
- Regular In-person and Virtual Meetings
- Responsive Customer Support Team
- Customer Satisfaction Survey
- Support Customer ESR Programs
- Supplier Screening and Questionnaire
- Global Supplier Code of Conduct
- Supplier Visits and Audits
- Quarterly Earnings Conference calls
- Investor Conferences and Non-deal Roadshows
- Governance Engagement Outreach with Head of Human Capital Committee Director
- Annual Meeting of Shareholders
- Regular Engagement with Investors
- Next Generation Lighting Industry Alliance (NGLIA), OLED Association, Organic Electronics Association (OE-A), Society for Information Display (SID)

## UDC's ESG Governance Structure



#### **OVERSIGHT**

Our Board of Directors oversees and monitors our ESG strategy via reviews and periodic reports.

#### **MANAGEMENT**

Executive team defines our ESG strategy and leads the Company's sustainability performance.

#### **IMPLEMENTATION**

This interdisciplinary committee implements our day-to-day ESG initiatives and programs; responsible for CSR report.

Organizational Profile (as of Dec 31, 2022, unless otherwise noted)			
Organization Name	Universal Display Corporation (UDC)		
	Innovation & Solutions		
Activities, brands, products, and services	UDC is a world leader in the invention, research, development and commercialization of state-of-the-art OLED technologies and materials.		
Location of headquarters	250 Phillips Blvd., Ewing, NJ 08618, USA		
Location of operations	Our Global Presence pg. 8		
Total patents (issued and pending worldwide)	6,000+ (reported as of August 3, 2023)		
Ownership and legal form	Universal Display Corporation is a Pennsylvania corporation listed on the Nasdaq Stock Market under the ticker symbol OLED.		
	<u>2022 10-K</u>		
Markets served	<u>2022 10-K</u>		
Scale of the organization	<u>2022 10-K</u>		
Information on employees and other workers	<u>2022 10-K</u>		
information on employees and other workers	Our People pgs. 13-22		
Supply chain	Supply Chain Our Supply Chain pgs. 27-34		
Percentage of UDC OLED products using Conflict Minerals	0%		
Product recalls	None		
Marketing/Labeling/Advertising violations, fines, settlements	None		
Circificant shows at the agreement on and its sounds show	<u>2022 10-K</u>		
Significant changes to the organization and its supply chain	None		

ISO 9001:2015 (Ewing, Adesis), ISO 14001:2015 (Ewing), ISO 45001:2018 (Ewing)

**External initiatives** 

Governance (as of Dec 31, 2022, unless otherwise noted)			
# Board of Directors	8		
% Independent Board Members	75%		
Separate CEO and Board Chair	President and CEO: Steven V. Abramson Chair of the Board: Elizabeth H. Gemmill		
% Female Board Members	38%		
Independent Audit Committee	Governance Codes and Guidelines		
Nominating & Corporate Governance Committee	Governance Codes and Guidelines		
Human Capital 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	2023 Proxy Statement		
Stock Ownership Guidelines (Executives & Directors)	2023 Proxy Statement		
Clawback Policy	2023 Proxy Statement		
Political Involvement Policy	<u>UDC Policies and Statements</u>		
Total financial contributions to political parties, politicians, and PACs	\$0		
Lobbying and Political Expenses	\$0		
Bribery, corruption, or anti-competitive fines, settlements, or employees disciplined	None		
Incidents of Human Rights Violations	None		

Our Workplace	e (as of Dec 31, 2022, unless otherwise noted)
Global Employees (Full-Time)	443
% Employees in U.S.	89%
% Employees outside U.S.	11%
% Female Employees	22%
% Male Employees	78%
% Female Leaders (Director +)	20%
% Male Leaders (Director +)	80%
% Females in Tech Roles	18%
% Males in Tech Roles	82%
% U.S. Veterans	5%
Employee turnover rate (YE'22/YE'21)	12.6%
Average service years	5.8 years
Employee headcount growth (YE'22/YE'21)	8.3%
Employee Benefits	<u>Careers</u> ; Rewarding Our People, pgs. 19-20
	All employees are responsible for complying with our <u>Code of Ethics and Business Conduct</u> . Upon
Annual Code of Conduct Training	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.
Annual Code of Conduct Training  Employee Reporting (Whistleblower)	understand the Code and agree to comply with it, and all employees make that same confirmation on an
	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18
Employee Reporting (Whistleblower)	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18
Employee Reporting (Whistleblower)  Number of Whistleblower inquiries, complaints or issues	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None
Employee Reporting (Whistleblower)  Number of Whistleblower inquiries, complaints or issues Employee Performance Reviews	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None  Annually
Employee Reporting (Whistleblower)  Number of Whistleblower inquiries, complaints or issues Employee Performance Reviews	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None  Annually
Employee Reporting (Whistleblower)  Number of Whistleblower inquiries, complaints or issues Employee Performance Reviews Instances of Labor Standards Non-Compliance	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None  Annually
Employee Reporting (Whistleblower) Number of Whistleblower inquiries, complaints or issues Employee Performance Reviews Instances of Labor Standards Non-Compliance  Race and Ethnicity Statistics (U.S. only):	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None  Annually  None
Employee Reporting (Whistleblower) Number of Whistleblower inquiries, complaints or issues Employee Performance Reviews Instances of Labor Standards Non-Compliance  Race and Ethnicity Statistics (U.S. only): % White	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None  Annually  None
Employee Reporting (Whistleblower) Number of Whistleblower inquiries, complaints or issues Employee Performance Reviews Instances of Labor Standards Non-Compliance  Race and Ethnicity Statistics (U.S. only): % White % Asian or Pacific Islander	understand the Code and agree to comply with it, and all employees make that same confirmation on an annual basis.  Commitment to Ethics and Compliance, pg. 18  None  Annually  None  58% 27%

#### Our Environmental, Health and Safety (as of Dec 31, 2022 unless noted)

	Universal Display Corporation (Ewing, NJ)	Adesis, Inc. (New Castle, DE)
Fatalities (Employees & Contractors)	0	0*
Lost Time Incident Rate (LTIR)	0	2.8*
Total Recordable Incident Rate (TRIR)	0.5	2.8*
Near Miss Incident Rate	4.8	NA*
OSHA Citations	0	0*
Water consumption, gallons (in millions)	1.3	3.2
Water consumption, gallons per capita (in millions)	0.007	0.022
Water Withdrawal from Ground or Surface Sources (%)	100%	100%
Hazardous Waste, tons	22	289
Hazardous Waste, tons per capita	0.1	2.0
Hazardous Waste Recovered/Recycled (%)	62%	87%
Hazardous Waste Stored/Transferred (%)	22%	7%
Hazardous Waste Incinerated (%)	16%	6%
Non-hazardous Waste (Trash, Non-hazardous Waste, Recycling), tons	299	166
Non-hazardous Waste Recovered/Recycled (%)	68%	40%
Non-hazardous Waste Stored/Transferred (%)	3%	1%
Non-hazardous Waste Incinerated (%)	0%	0%
Non-hazardous Waste Landfilled (%)	29%	59%
Environmental fines, penalties & settlements (\$)	0	0
Electricity consumption, kWh (in millions)	8.2	3.0
Natural Gas consumption, kWh (in millions)	3.1	2.2
Total Energy Consumption, kWh (in millions)	11.3	5.2
Electricity Consumption, kWh per capita (in millions)	0.04	0.02
Electricity from the Grid (%)	100%	100%
Electricity from Renewable Sources(%)	0%	0%
Electricity Offset from Renewable Energy Credits (RECs)	0%	100%

#### **Our Revenue** (in \$millions)



#### 2022 Financial Profile\* **Total Revenue** \$616.6M % of Total Revenue **South Korea** 58.5% China 37.4% 0.9% Japan Other non-U.S. locations 0.6% **United States** 2.6% **Operating Income** \$267.1M \$210.1M **Net Income Diluted Earnings Per Share** \$4.40 **Cash Dividend Per Share** \$1.20

<sup>\*</sup>Unless noted, all information is based on 2022 data. See 2022 10-K for more detailed information.

In 2021, we began reporting in alignment with the Sustainability Accounting Standards Board (SASB) Standard for the Technology and Communications Sector: Semiconductor Industry.

SASB (Sustainability Accounting Standards Board) Index					
Торіс	Accounting Metric Code F		Report Location/Disclosure		
(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds		TC-SC-110a.1	Slide 41 – Greenhouse Gas Emissions		
Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TC-SC-110a.2	GHG baselines still being established.		
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SC-130a.1	Slide 50 - Energy Consumption		
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SC-140a.1	Slide 48 - Water Consumption and Wastewater		

SASB (Sustainability Accounting Standards Board) Index				
Topic	Accounting Metric	Code	Report Location/Disclosure	
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-SC-150a.1	Slide 49 - Waste and Toxicity	
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	TC-SC-320a.1	Slides 44-47 - Our Environment, Health & Safety	
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	TC-SC-320a.2	\$0	
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SC-330a.1	Slide 17 - About Our Workforce	

SASB (Sustainability Accounting Standards Board) Index				
Торіс	Accounting Metric	Code	Report Location/Disclosure	
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-SC-410a.1	0%	
	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.2	Not Applicable. Universal Display Corporation does not manufacture servers, desktops, or laptops.	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	Slide 33 - Universal Display's Conflict Minerals Policy	
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulation	TC-SC-520a.1	\$0	
Activity Metric	Total production	TC-SC-000.A	Not Applicable. Universal	
	Percentage of production from owned facilities	TC-SC-000.B	Display's manufacturing foundry partner of 20+ years is PPG.	

#### Resources

The following are links to content contained on UDC's public website <a href="www.oled.com">www.oled.com</a> that provide source and/or supplemental information to that which is contained in this CSR report:

- Careers Our Culture and Benefits
- Quality Management & Environmental Health and Safety Systems
- Supply Chain
- UniversalPHOLED® Materials
  - From Design to Manufacturing
  - UniversalPHOLED Product Packaging

#### **Policies and Statements**

- Climate Change Policy
- Conflict Minerals Policy
- Fair Labor Practices Policy
- Freedom of Association Policy
- Human Rights Policy
- Political Involvement Policy
- Global Supplier Code of Conduct
- Code of Ethics & Business Conduct

## **About Our Report**

#### **Safe Harbor Statement**

All statements in this report that are not historical, such as those relating to the projected adoption, development and advancement of the Company's technologies, and the Company's expected results and future declaration of dividends, as well as the growth of the OLED market and the Company's opportunities in that market, are forward-looking financial 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 report, 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, 2022. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this report.

#### **Boundary and Scope**

Unless noted, this report covers our 2022 fiscal year (ending December 31, 2022). 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. For this report, UDC Ewing, NJ HQ consists of 250 Phillips Blvd. and 375 Phillips Blvd. 300 Phillips Blvd. became operational in mid-summer of 2022 and will be included in the Company's 2023 CSR report. 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 2022 10-K.