

The background of the cover features a stylized illustration. In the center, a pair of hands is shown holding a glowing globe of the Earth. The globe is depicted with realistic colors of blue oceans and brown/green landmasses, but it has a bright, fiery orange and yellow glow emanating from it. Above the globe, there is a complex network of white lines and dots, resembling a molecular structure or a digital network, set against a dark blue background. The overall color palette is dominated by blues, oranges, and yellows, with geometric shapes and light effects creating a sense of depth and technology.

Universal Display Corporation

2019 Corporate Responsibility Report

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ISSUED ON APRIL 23, 2020, REVISED OCTOBER 2, 2020 WHERE NOTED

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Message from Our CEO



At the issuance of this report, the world is grappling with the challenges and concerns of a global health crisis. Universal Display's priority continues to be the safety and well-being of our employees, customers, partners and community, and the continued service and support to the OLED ecosystem. We are adhering to the recommendations from local and global health authorities to maintain a healthy and safe work environment. Additionally, we have activated business continuity plans to ensure our ability to continue R&D initiatives and ship customers our energy-efficient, high-performing UniversalPHOLED® materials. While these are difficult days, the human spirit is resilient. I believe that as we forge ahead, we will rise and emerge stronger.

Innovation remains at the fulcrum of UDC's DNA and we are continuing to build on our core competencies and pioneering work in phosphorescent materials and OLED technologies. We are investing in a number of strategic initiatives for emissive material solutions, including new and next-generation reds, greens, yellows, blues and hosts. We have made significant progress with our organic vapor jet printing (OVJP) technology for the efficient manufacturing of large-area RGB (red, green, blue) OLED TVs. In 2019, we were honored to be recognized by Forbes Magazine as they ranked Universal Display Corporation 62nd on its list of America's 100 Most Innovative Leaders.

We understand that the success of our company is due to the hardworking and brilliant global team at UDC. For the past two-and-a-half decades, Universal Display has fostered a corporate culture of integrity, collaboration and diversity. We actively encourage cross-company communication and knowledge sharing. Emblematic of this is our weekly company-wide hosted lunch. It is an open dialogue, which includes highlighting corporate and

industry updates, patents issued that week, and celebrating employee milestones, including birthdays, 10-year and 20-year UDC work anniversaries, as well as weddings and births. These weekly lunches are recorded and shared on the company's intranet. Additionally, all of our international teams return to HQ twice a year for a week of hands-on meetings and corporate outings, including a local baseball game and group lunches and dinners. Continuing to highly value our employees and further cultivating a culture of inclusion, critical thinking and teamwork are fundamental to our future.

Our 2019 Corporate Responsibility Report provides an overview of the ways that Universal Display is focused on maintaining and exceeding the high standards we have set in key areas of governance, community, quality, environment, health and safety. We extend UDC's corporate values into our supply chain. With our long-standing partner, PPG, we continue to bolster our working relationships with suppliers around the world to ensure that they operate in accordance with our high standards. In early 2018, UDC became certified to the ISO 14001:2015 standard and I am pleased to share that we are now striving to achieve ISO 45001:2018 by 2021.

We are committed to advancing our efforts around sustainability through innovation and continuous improvement. As an integral part of the OLED market revolution, we will endeavor to continue to make positive contributions to the industry and the communities around us.

Steven V. Abramson
President and Chief Executive Officer



Our Company



Universal Display Corporation (UDC)

**Critical OLED
Innovator &
Enabler**



**Highly
Energy-
Efficient
PHOLED**



**OLED
Materials
Supplier & IP
Licensor**



**5,000+
Global
Patents***



UDC Highlights



2019/2018
(Y/Y) Growth

Revenue: ↑ 64%

EPS: ↑ 135%

Headcount: ↑ 17%

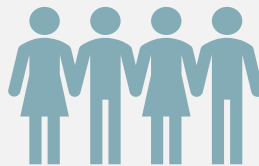


100% UniversalPHOLED® emitters do
not use conflict minerals



Strong Balance
Sheet

\$646M in cash*
No debt



Board of
Directors**

1/3 Female
2/3 Male

* cash, cash equivalents and short-term investments as of December 31, 2019

** announced December 12, 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 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, as a key enabler in the OLED ecosystem, is to 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 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.; 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 a representative office in Taiwan.

Founded: 1994

Revenue: ~\$405 million (CY 2019)

Employees: ~311 (CY 2019)

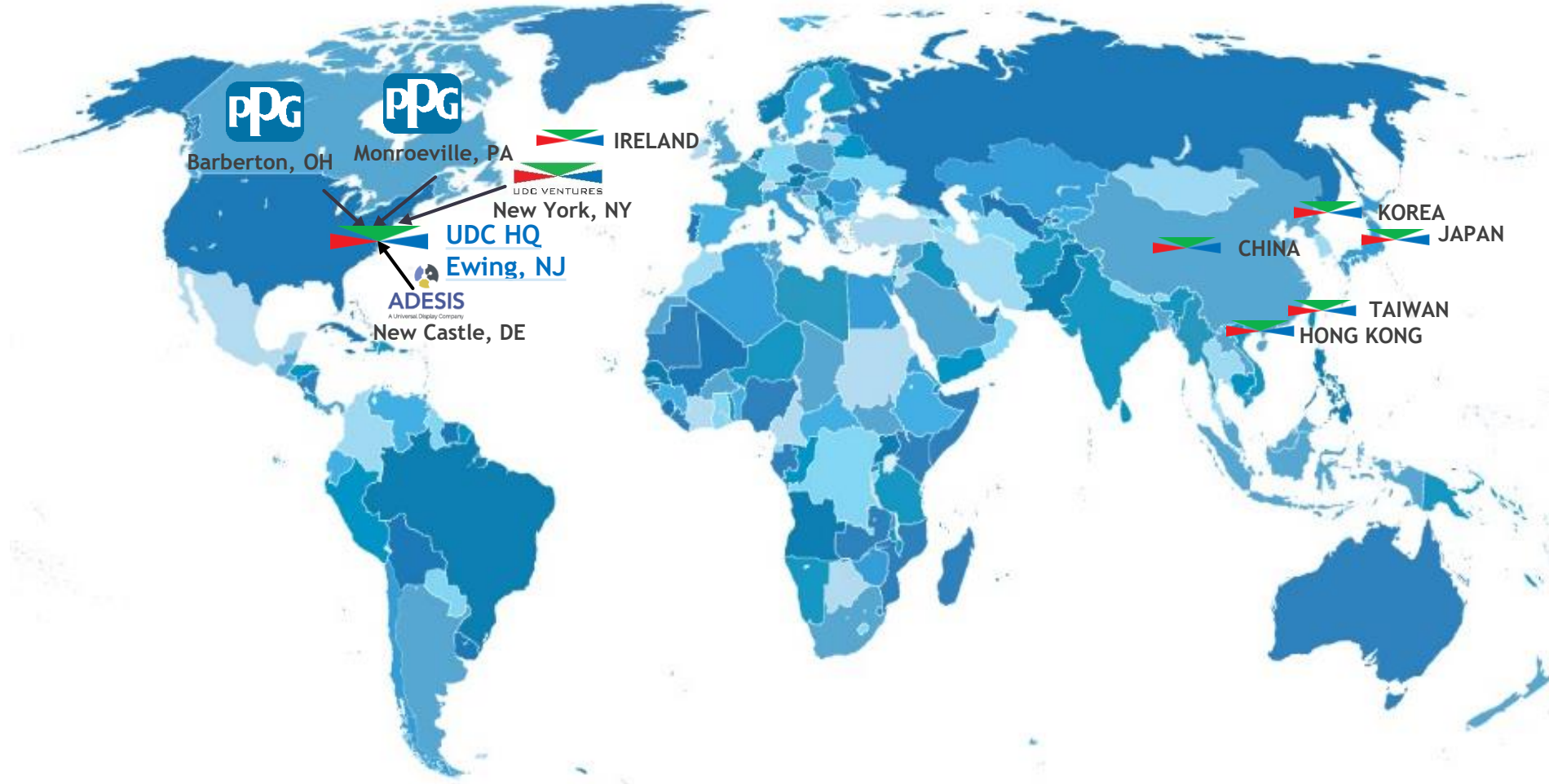
Nasdaq Symbol: OLED

Patents: ~5,000+ (issued & pending patents worldwide, as of February 17, 2020)



Our Global Presence

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





Our Innovation & Products



Our Energy-Efficient Products

Our proprietary UniversalPHOLED emitter products are:

- Used in smartphones, OLED TVs, IT, wearables and a variety of other display and solid-state lighting products.
- Responsible for improving the **energy efficiency** and **reducing the power consumption** of OLED displays and lighting products.

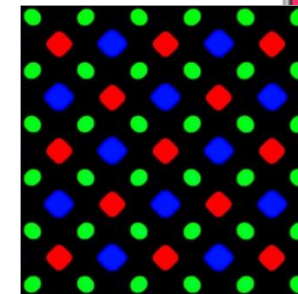
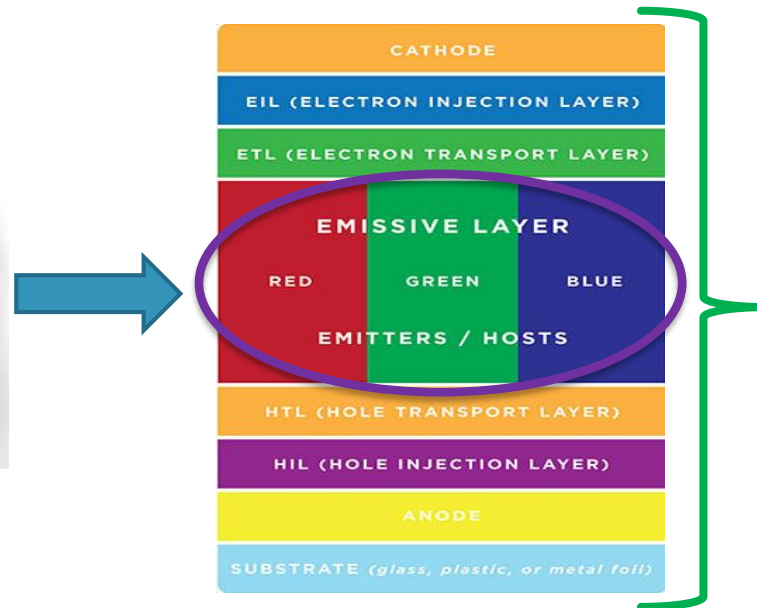


Image source:
DisplayMate



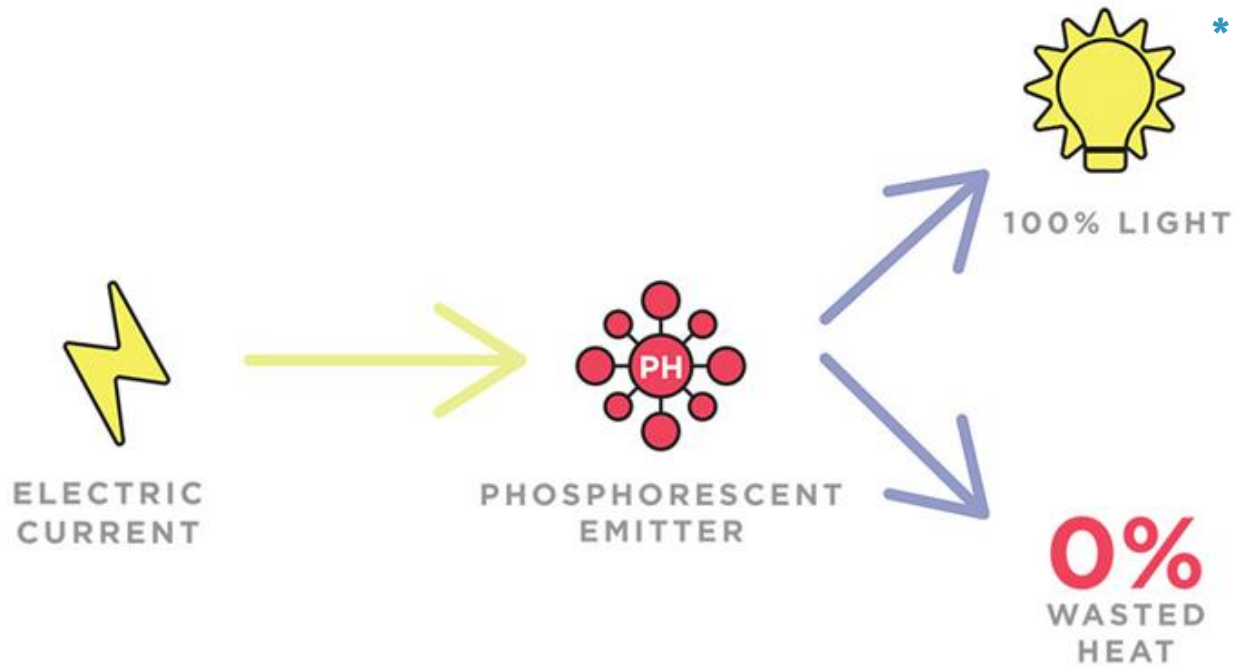
Image source:
Samsung

Note: For illustrative purposes only.



UniversalPHOLED® = Energy Efficiency

With energy 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.



Phosphorescent Emitters:

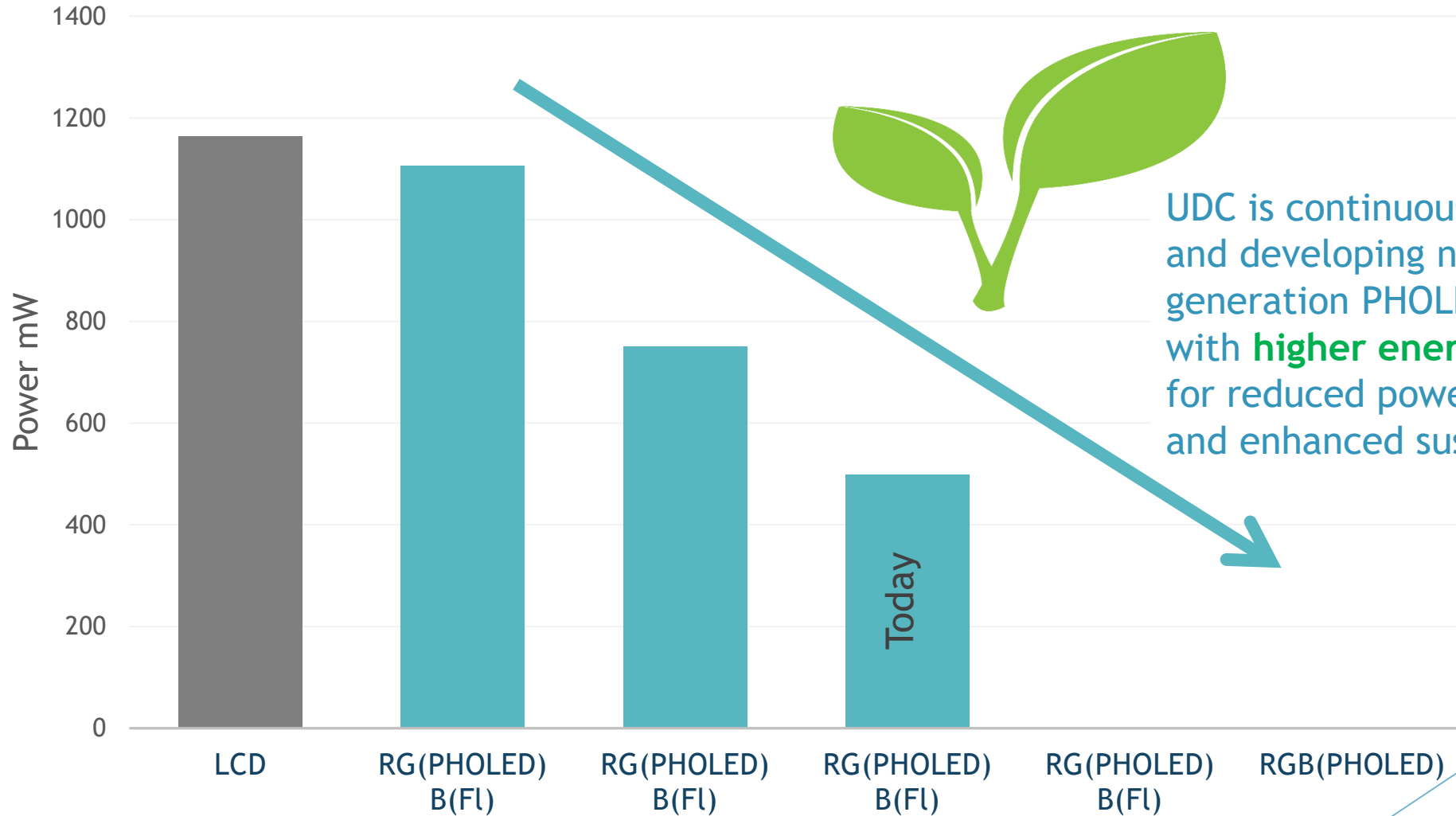
- Enables energy efficiency
- Reduces requirements for heat dissipation components
- Increases lifetime
- Lowers product cost

*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 reduced power consumption and enhanced sustainability

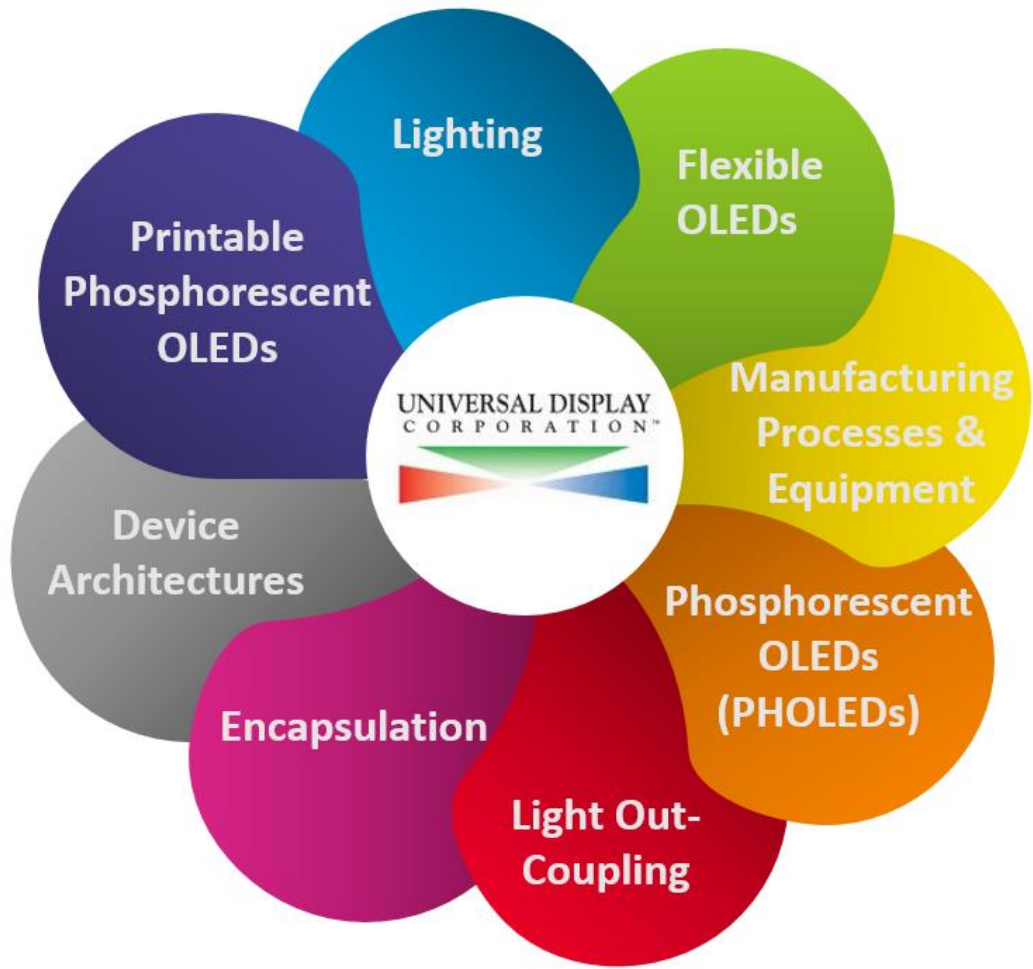
Notes: Based on a 5.0" OLED display and comparable contrast LCD operating at 600 cd/m² with video (50% pixels on)
LCD data based on published 2019 smartphone display power consumption data. PHOLED data is based on UDC estimates.
PHOLED=Phosphorescent, Fl=Fluorescent

Design for Environment



- **Design for Energy Efficiency.** Energy efficiency is a core attribute of UDC's products. Smartphones, TVs and other consumer electronic and lighting products that use our UniversalPHOLED emitters consume less energy than other comparable products.
- **Design for Environmental Processing and Manufacturing.** Our raw materials and product manufacturing are designed to minimize the generation of hazardous by-products, waste, air pollution, and energy use, as well as the risks of harm or danger to workers or the environment. Also, we recycle certain raw materials, process streams and finished products.
- **Design for Environmental Packaging.** Our packaging is environmentally friendly, as described in [UDC's packaging policy](#).
- **Design for Disposal or Reuse.** Our products' end-of-life is managed carefully by UDC and its customers. Waste streams are recycled, where possible, or disposed safely to minimize emissions into the air, ground and water.

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 17, 2020).

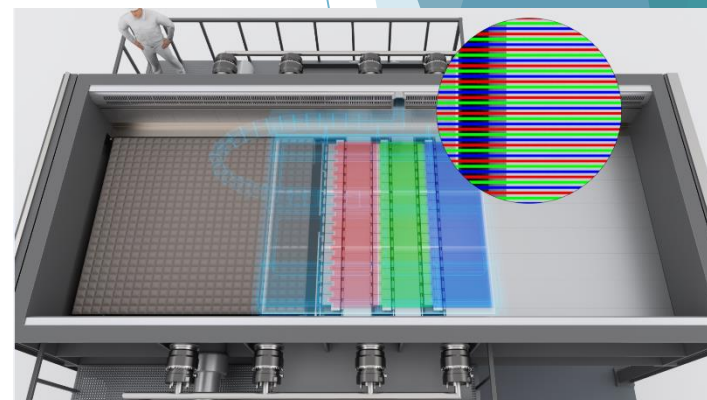


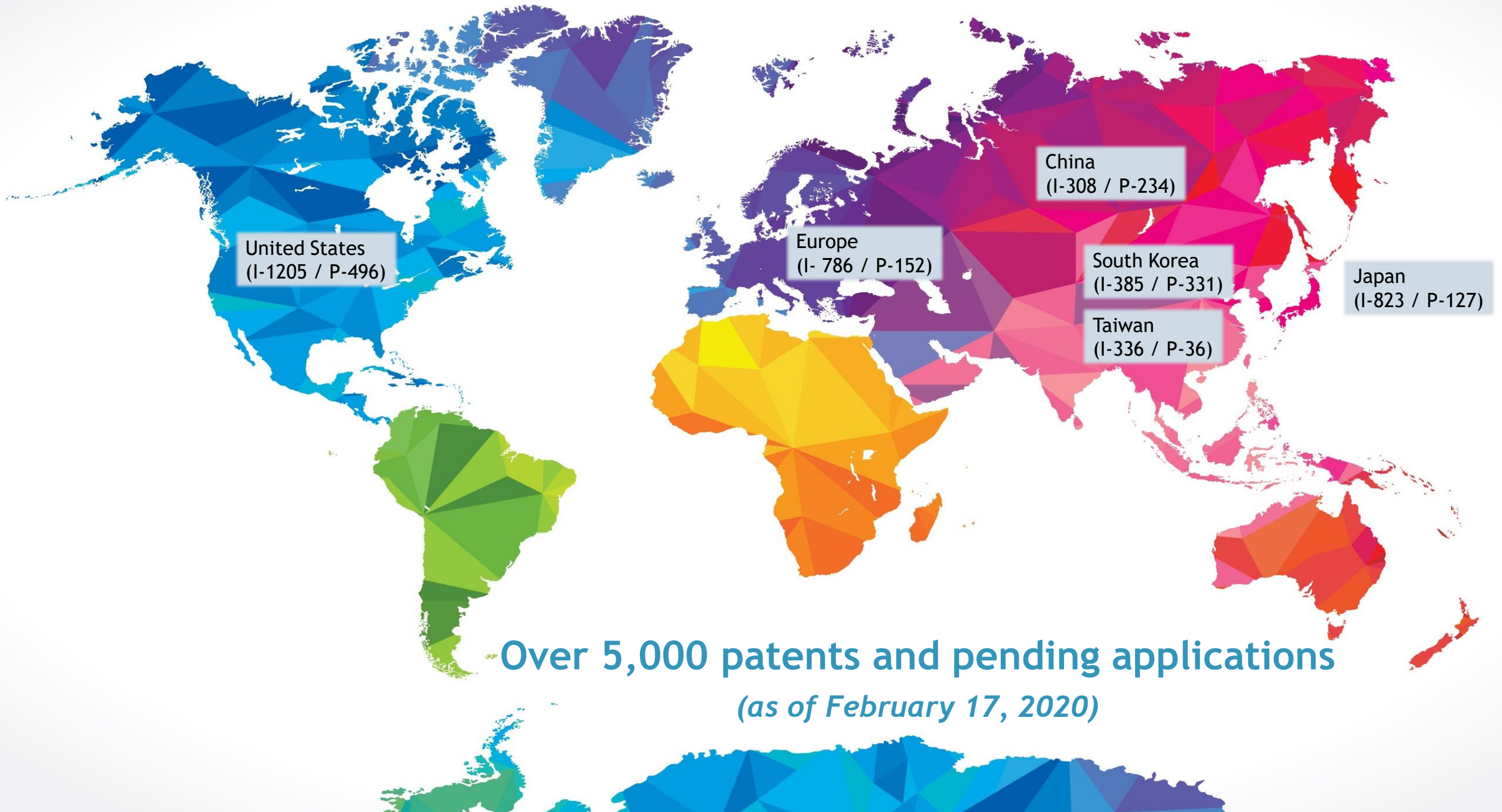
Investing in Continuous Innovation

Innovation is at the fulcrum of 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. These include:

- 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 emitter 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 customers' successes, and in turn, our long-term success.





Over 5,000 patents and pending applications
(as of February 17, 2020)



Our People

UNIVERSAL DISPLAY CORPORATION™



UDC's global workforce is truly diverse, both geographically and culturally.



ADESIS

A Universal Display Company



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



About Our Workplace

At Universal Display Corporation (UDC), we know that our hardworking team of brilliant employees and their commitment to excellence are critical to the Company's continued success.

With a team of approximately 311 scientists, engineers, technicians and business professionals from over 25 countries, spanning 5 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 & Inclusion

UDC'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 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 (see next page). We have employees from over 25 countries around the world, and our workforce is gender diverse with 21% female and 79% male. 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 made up of people with different ideas, strengths, interests and cultural backgrounds drives employee and business success.





About of Our Workforce

Universal Display Corporation Employees (as of December 31, 2019)

	TOTAL	UDC, Inc.*	Adesis, Inc.
Global Employees (Full-Time)	309	194	115
Employees in the U.S.	283	168	115
% Employees in U.S.	92%	87%	100%
% Employees outside the U.S.	8%	13%	0%
% Female Employees (U.S.)	21%	20%	22%
% Male Employees (U.S.)	79%	80%	78%
% 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		

*Includes employees of all Universal Display Corporation subsidiaries, including UDC, Inc., except those employed by Adesis, Inc.

Growing Headcount in a Growing Company

- Our headcount has increased by 39% in the past two years
- Our employee-centric policies and practices are working, as indicated by our high employee retention

	2017	2018	2019
Global Employees (Full-Time)	222	265	309
Turnover Rate	8.8%	8.1%	7.3%
Y/Y Growth Rate	9.9%	19.4%	16.7%

Notes: As of Dec 31, 2019, our headcount included 309 full-time employees and 2 part-time employees.



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:** 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](#) outlines our commitment to maintain a culture of ethical conduct, integrity, and legal compliance. We provide the Code to all employees, and require them to acknowledge its terms at the start of employment and annually thereafter. The Code is posted on our employee intranet site and on our external website.
- **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 postal mail (anonymously, if desired) or by email to an internal address.



Rewarding Our People

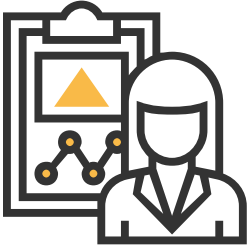
Competitive Compensation and Benefits



- UDC's compensation philosophy is to provide market-competitive salaries, bonuses and benefits by rewarding employees based on strong individual and business performance as well as sharing in the Company's mutual success. In 2019, our bonus plan covered all UDC and Adesis employees. UDC employee bonuses consisted of cash and equity (equity is vested over a 3-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 life term insurance, and a 401(k) plan with an automatic 3% non-elective Company contribution for all eligible employees. US-based employees can share in the Company's growth through the Employee Stock Purchase Plan (ESPP). The ESPP allows employees to purchase its common stock 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 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

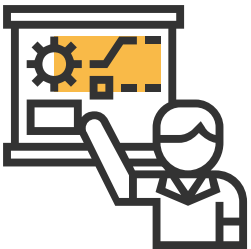


UDC is committed to all employees fulfilling their potential, while contributing to the success of the Company. All employees are encouraged to manage their career and professional development through continuous performance management. During annual performance reviews, managers and employees are encouraged 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, but also 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. UDC 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. Every week, during a company-hosted lunch, our CEO engages in an open dialogue with gathered employees at our Ewing 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. Biannually, all of our international teams unite at HQ for a week of hands-on meetings and corporate outings. 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 opportunities for improvement. We are working to improve levels of employee engagement, focusing on the areas identified by the survey. We conducted a pulse survey in December 2017 to measure our progress and to reinforce our commitment to our employees. By year-end 2020, we will conduct our next employee engagement survey focusing on the relevant issues in the business.

*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 hands-on and interactive “science in action” experiences
- In 2017, Universal Display instituted the following grants in South Korea:
 - *UDC Innovative Research Award in Organic Electronics*
 - *UDC Pioneering Technology Award in Organic Electronics*

These annual 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).





Local Schools

- Universal Display has partnered with Ewing Township High School (where UDC HQ is located) to inspire today's students to become tomorrow's innovators. UDC instituted an annual *UDC, Inc. PHOLED Scholarship* to be awarded to a college-bound student pursuing a degree in the STEM field. In 2020, UDC will provide a \$20,000 scholarship to the winner of this scholarship.
- We are also supporting Ewing High School's science labs as part of our ongoing effort to advance science education.



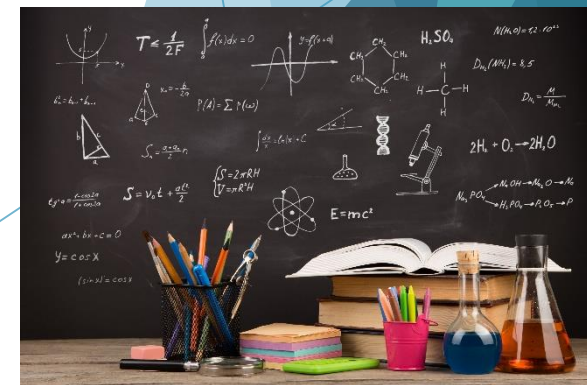
Local Communities

- Universal Display has partnered with the Smith Family Foundation to promote educational excellence in the Trenton, NJ area. We have donated \$25,000 towards the *I Am the Change Scholarship Program*, which provides grants to high school graduates in the Trenton school district transitioning to a two or four-year college.



Local Universities

- Universal Display participates annually in the Research Experience for Undergraduates (REU) and Princeton University Materials Academy (PUMA) programs, 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

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 to encourage making meaningful contributions to local organizations in our community.

Company-sponsored activities throughout the year include:

- Clothing, food, female health, pet shelter and holiday collection drives
- Weekly meal donations to a local soup kitchen
- On-site blood drive
- Supporting a community-based organization that helps special needs people thrive

Employee Charitable Match Program

UDC's Charitable Match Program encourages and supports the causes and organizations that are important to its employees. The Company matches monetary employee donations dollar-for-dollar to eligible nonprofit organizations, up to a total of \$1,000 per year for each full-time employee. Participating nonprofits must be tax-exempt charitable organizations under Internal Revenue Code 501(c)(3) for US-based donations.



The background is a composite image. At the top, a city skyline with several skyscrapers is visible. In the center, a large globe with a white grid pattern is superimposed over the city. At the bottom, a network diagram shows stylized human figures connected by curved lines, suggesting a global supply chain or communication network. The overall color scheme is blue and white.

Our Supply Chain



Partnering with our Supply Chain

UDC aims to develop, manufacture and distribute its energy-efficient PHOLED products in a safe, environmentally- and socially-responsible manner. In furtherance of this, UDC is committed to responsible sourcing and ethical business practices throughout our supply chain.



We work closely with PPG (our exclusive supplier for UniversalPHOLED products), their first-tier (raw material) suppliers and UDC's other vendors and subcontractors to fully comply with all applicable laws and to adhere to internationally-recognized environmental, social responsibility and governance standards. UDC and PPG also have strong Product Stewardship organizations to identify, manage and adapt as regulatory landscapes evolve in our manufacturing and customer locations.

Our [Global Supplier Code of Ethics](#) outlines our expectations.



UDC-PPG Shared Business Values

We believe that our suppliers' environmental, social and ethical performance, in addition to their quality excellence, is critical to long-term success and sustainability. We are proud to work with PPG, our strong partner of 20 years, who also has a very robust value system. We collaborate closely together to enhance evaluation and monitoring of PPG's suppliers of their raw materials.



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

[PPG's Supplier Code of Conduct](#) and [PPG's 2019 Corporate Responsibility Report](#) can be accessed via [PPG's website](#).



UDC's Global Supplier Code of Conduct

UDC expects its suppliers as well as those who supply UDC's subsidiaries to conduct business operations in a manner consistent with UDC's business ethics policies and supplier code of conduct, as follows:

- 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, 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 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](#). UDC regularly audits key suppliers and reserves the right to audit its suppliers for conformance to the above criteria.



Our Environment, Health & Safety



Environmental Health and Safety (EHS)

As a leading OLED materials supplier to the consumer electronic industry and a conscientious member of our local communities, UDC is acting to reduce our impacts and strengthen our environmental performance, as stated in our corporate policy:

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

Heighten 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, all employees, and other interested parties to better meet their needs and expectations

Evolve our processes and systems, via measurement and analysis, to drive continual improvement

Demonstrate UDC's commitment to all our employees, our community and the environment by preventing pollution, reducing waste and mitigating hazards

Safeguard UDC's assets, including sensitive information, by managing risks and opportunities effectively

To demonstrate our commitment to environmental, health, and safety management, UDC became certified to the ISO 14001:2015 standard in early 2018 and is striving to achieve ISO 45001:2018 by 2021.





Achieving our EHS Objectives and Continually Improving

2019 EHS Performance

In 2019, we met or exceeded our core objectives:

- Conform to all material requirements of applicable regulatory agencies
- Minimize waste generation and enhance recycling efforts
- Evaluate more energy-efficient HVAC options for headquarter 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



Achieving our EHS Objectives and Continually Improving

2020 EHS Objectives

We have set specific annual performance-based objectives to support UDC's overarching core objectives:

- Zero Notices of Violation (NOVs)
- Total Injury Rate (TRI) = 0
- Lost Time Incident Rate (LTIR) = 0
- Achieve ISO 45001 Certification by 2021
- Reduce Hazardous Waste by 2% over 2019
- Minimize the increase in per-capita energy and water consumption

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



Management 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 community and our stakeholders.

Board Level Engagement: Our Environmental & Social Responsibility Board Committee 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 quarterly basis and annually reviews and approves EHS and CSR 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 the EHS Management System. This Steering Committee serves to guide the development of the EHS Management System and drive continuous improvement. Our EHS Manager 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 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.



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 excellent safety record is attributable to our employees' diligence, our training programs and safety policy management.

Universal Display Corporation (Ewing, NJ)	2017	2018	2019
Fatalities (Employees & Contractors)	0	0	0
Lost Time Incident Rate (LTIR)	0.0	0.0	0.0
Total Recordable Incident Rate (TRIR)	0.7	0.6	0.0
OSHA Citations	0	0	0

Adesis	2017*	2018	2019
Fatalities (Employees & Contractors)	0	0	0
Lost Time Incident Rate (LTIR)	1.3	0.0	0.0
Total Recordable Incident Rate (TRIR)	2.6	0.9	0.0
OSHA Citations	0	0	0

Note: *Data for 2017 does not include Adesis' Wilmington, DE labs (opened in January 2018)

- **Lost Time Incident Rate (LTIR)** - The number of recordable injuries and illnesses 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



Water Consumption and Wastewater

UDC looks for opportunities to conserve water and prevent waste:

- UDC invested in operational enhancements in 2019. For example, we reduced our water usage through the installation of a more efficient deionized water filtration system.
- Our conservation efforts have paid off at Universal Display, as demonstrated by a per-capita water usage reduction of approximately 12.5% when comparing rates from 2017 to 2019.
- Adesis (acquired by UDC in 3Q16) shares UDC's vision for conservation. Adesis has taken steps to reduce its environmental impacts by establishing baselines to help set reduction goals; however, Adesis is growing (as is UDC) and its raw data will be affected by headcount and facilities expansion.

	Adesis (New Castle, DE)			Universal Display (Ewing, NJ)		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Water Consumption</u>						
Water consumption, gallons (in millions)	1.8	2.0	2.7	1.0	1.1	1.1
Wastewater discharge, gallons (in millions)	NA	NA	NA	1.1	1.1	NA*
<u>Per Capita</u>						
Water consumption, gallons per capita (in millions)	0.027	0.028	0.030	0.008	0.007	0.007
No. of employees	68	72	89	138	145	168
Total Space (k sf)	28	50	50	55	55	55

Notes: NA = Not Available
 *2019 data has not yet been released, but will be reported in 2020 report



Waste and Toxicity

UDC manages non-hazardous and hazardous waste through a Waste Management and Minimization Program, that is designed to reduce waste generation, toxicity, and the environmental impacts of waste disposal. Non-hazardous wastes is minimized and recycled, where possible. UDC has recently enhanced UDC's recycling program with an investment in standardized, color-coded waste collection centers and additional employee education.

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. Over 50% of the hazardous waste that UDC and Adesis generated in 2019 was recycled for energy recovery. UDC also manages Universal Waste through recycling of hazardous lamps, batteries, mercury-containing items, oil-based finishes and consumer electronics. In 2019, UDC surpassed its hazardous waste reduction goal with a 16% reduction compared to 2018.

	Adesis (Delaware)			Universal Display (Ewing, NJ)		
	2017*	2018	2019	2017	2018	2019
<u>Waste Management</u>						
Hazardous Waste, tons	159	192	192	44	38	32
Trash, tons (estimated)	29	33	10	53	53	64
Non-hazardous Waste, tons	0	0	1	4	9	8
Single stream recycling, tons (estimated)	18	25	17	120	140	140
Environmental fines, penalties & settlements (\$)	None	None	None	None	None	None
<u>Per Capita</u>						
HazWaste, tons per capita	2.3	2.0	1.7	0.3	0.3	0.2
No. of employees	68	98	116	138	145	168
Total Space (k sf)	28	50	50	55	55	55

*Does not include Adesis' Wilmington, DE location (opened in January 2018)



Energy Consumption

UDC understands 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 growth in operational footprint (including new OLED equipment), we have made improvements in other areas including a new 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 further improvements, including upgrading energy-efficient equipment where possible during building renovations, including electric vehicle charging stations.

Adesis (acquired by UDC in 3Q16) shares UDC's vision for corporate responsibility. Adesis has taken steps to reduce its environmental impacts by establishing baselines to help set reduction goals; however, Adesis is growing (as is UDC) and its raw data will be affected by headcount and facilities expansion.

	Adesis (New Castle, DE)			Universal Display (Ewing, NJ)		
	2017	2018	2019	2017	2018	2019
Total Energy Consumption, kWh (in millions)	2.7	4.9	5.3	7.2	7.5	8.1
Electricity consumption, kWh (in millions)	1.0	1.8	2.5	5.3	5.6	6.1
Natural Gas consumption, kWh (in millions)	1.7	3.2	2.9	1.9	2.0	2.0
<u>Per Capita</u>						
Electricity, kWh per capita (in millions)	0.01	0.02	0.03	0.04	0.04	0.04
No. employees	68	72	89	138	145	168
Total Space (k sf)	28	50	50	55	55	55





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 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 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)



Our Quality
Management Systems



Robust Quality Management Systems (QMS)

At UDC, quality is designed into our products from ideation through commercialization. With ISO 9001:2015 certified quality management systems, we strive to:

Provide great OLED products

Heighten awareness of core values

Operate compliantly

Listen broadly

Evolve and improve continuously

Demonstrate EHS commitment

Safeguard our assets



Our full integrated policy can be found on page 36 of this Report.

Policy as of
2/13/2020



Our Quality Management System (QMS) Objectives

We set specific annual performance-based QMS objectives to support these overarching core objectives:

- Deliver PPG-produced commercial products to UDC cost-effectively, on-time, every time
- Satisfy customers by delivering product and support that meets their needs
- Deliver consistently high product quality
- Introduce and scale up new products on a timely and cost-effective basis
- Manage business risk management systems effectively

UDC's valued and varied stakeholders play an important role in helping us to continually improve our management systems and achieve our objectives.

In 2020, UDC will continue to make enhancements in these systems.

We welcome feedback from stakeholders to help us better address their needs and improve the world.



Our Performance



Organizational Profile*

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	375 Phillips Blvd., Ewing. NJ 08618, USA
Location of operations	Our Global Presence pg. 8
Total patents	5,000+ (as of February 17, 2020)
Ownership and legal form	Universal Display Corporation is a Pennsylvania corporation listed on the NASDAQ Stock Market under the ticker symbol OLED. 2019 10-K
Markets served	2019 10-K
Scale of the organization	2019 10-K
Information on employees and other workers	2019 10-K Our People pgs. 17-26
Supply chain	Supply Chain Our Supply Chain pgs. 31-34
Percentage of UDC OLED products using conflict minerals	0%
Product recalls	None
Significant changes to the organization and its supply chain	2019 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, Society for Information Display (SID)



Governance*

# Board of Directors	9**
% Independent Board Members	67%**
Separate CEO and Board Chairman	President and CEO: Steven V. Abramson Chairman of the Board: Sherwin I. Seligsohn
% Female Board Members	33%**
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	2020 Proxy Statement
Stock Ownership Guidelines (Executives & Directors)	2020 Proxy Statement
Clawback Policy	2020 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
Incidents of Human Rights Violations***	None

*Unless noted, all information is based on data as of Dec 31, 2019

**2 new Board Directors were announced Dec 12, 2019, became effective Jan 1, 2020

***Disclosure added Oct 2, 2020



Our Workplace*

Global Employees (Full-Time)	309
% Employees in U.S.	92%
% Employees outside U.S.	8%
% Female Employees	21%
% Male Employees	79%
% Female Leaders (Director +)	27%
% Male Leaders (Director +)	73%
% Females in Tech Roles	17%
% Males in Tech Roles	83%
% U.S. Veterans	5%
Employee turnover rate (YE'19/YE'18)	7.3%
Average service years	6.1 years
Employee headcount growth (YE'19/YE'18)	16.7%
Employee Benefits	Careers Rewarding Our People, pg. 24
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. 23
Employee Performance Reviews	Annually
Instances of Labor Standards Non-Compliance**	None
Race and Ethnicity Statistics (U.S. only):	
% White	65%
% Asian or Pacific Islander	26%
% Hispanic	3%
% Black/African American	6%
% Two or More Races	0%

Notes: As of Dec 31, 2019, our headcount included 309 full-time employees and 2 part-time employees.

*Unless noted, all information is based on data as of Dec 31, 2019

**Disclosure added Oct 2, 2020



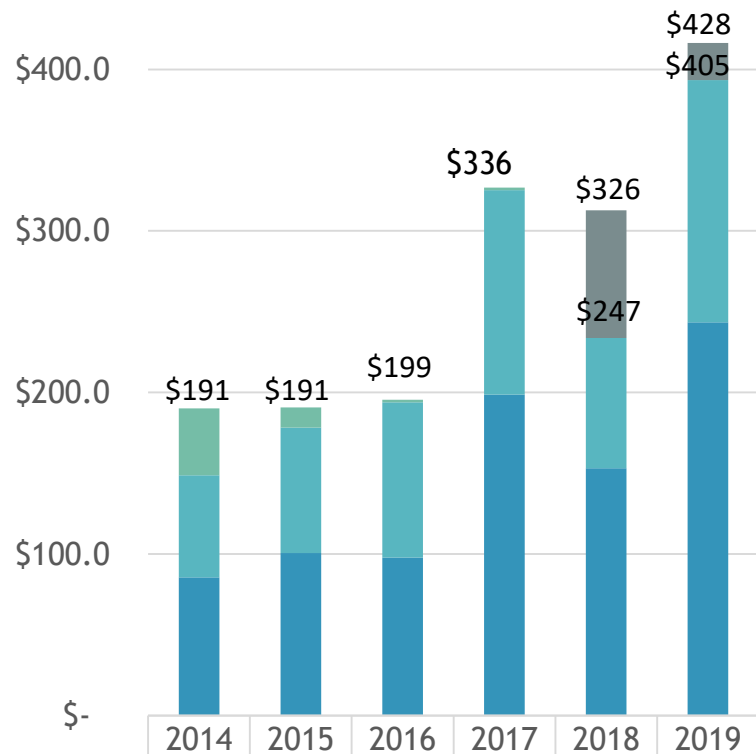
Our Environmental, Health and Safety*

	Universal Display Corporation	Adesis, Inc.
Fatalities (Employees & Contractors)	0	0
Lost Time Incident Rate (LTIR)	0	0
Total Recordable Incident Rate (TRIR)	0	0
Near Miss Incident Rate	6.2	4.3
OSHA Citations	0	0
Water consumption, gallons (in millions)	1.1	2.7
Water consumption, gallons per capita (in millions)	0.007	0.030
Hazardous Waste, tons	32	192
Hazardous Waste, tons per capita	0.2	1.7
Hazardous Waste Recovered/Recycled (%)	54.4%	62.4%
Hazardous Waste Stored/Transferred (%)	44.1%	33.8%
Hazardous Waste Incinerated (%)	1.5%	3.8%
Non-hazardous Waste (Trash, Non-hazardous Waste, Recycling), tons	212	28
Non-hazardous Waste Recovered/Recycled (%)	66.6%	61.4%
Non-hazardous Waste Stored/Transferred (%)	2.5%	2.8%
Non-hazardous Waste Incinerated (%)	0.7%	0.1%
Non-hazardous Waste Landfilled (%)	30.2%	35.7%
Environmental fines, penalties & settlements (\$)	0	0
Electricity consumption, kWh (in millions)	6.1	2.5
Natural Gas consumption, kWh (in millions)	2.0	2.9
Total Energy Consumption, kWh (in millions)	8.1	5.3
Electricity Consumption, kWh per capita (in millions)	0.04	0.03

Notes: Near Miss Incident Rate - The total number of near miss incidents per 100 full-time employees



Our Revenue* (in \$millions)



ASC 605 Adjustment	\$-	\$-	\$-	\$-	\$78.9	\$22.9
Hosts	\$41.3	\$12.5	\$1.4	\$1.6	\$-	\$-
Royalty & License	\$63.2	\$77.8	\$96.1	\$126.5	\$80.6	\$150.0
Emitters	\$85.6	\$100.6	\$97.9	\$198.7	\$153.2	\$243.4

As discussed in the [2019 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).

2019 Financial Profile**

Total Revenue \$405.2M

% of Total Revenue

South Korea 62%

China 33%

Japan 1%

Other non-U.S. locations 1%

United States 3%

Operating Income \$158.3M

Net Income \$138.3M

Diluted Earnings Per Share \$2.92

Cash Dividend Per Share \$0.40

Unless noted, all information is based on 2019 data

**See [2019 10-K](#) for more detailed information



Resources

The following are links to content contained on UDC's public website www.oled.com that provide source and/or supplemental information to that which is contained in this 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
- Freedom of Association
- Human Rights Policy
- Political Involvement Policy
- Supplier Code of Conduct





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, 2019. 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 2019 fiscal year (ending December 31, 2019). 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 [2019 10-K](#).

