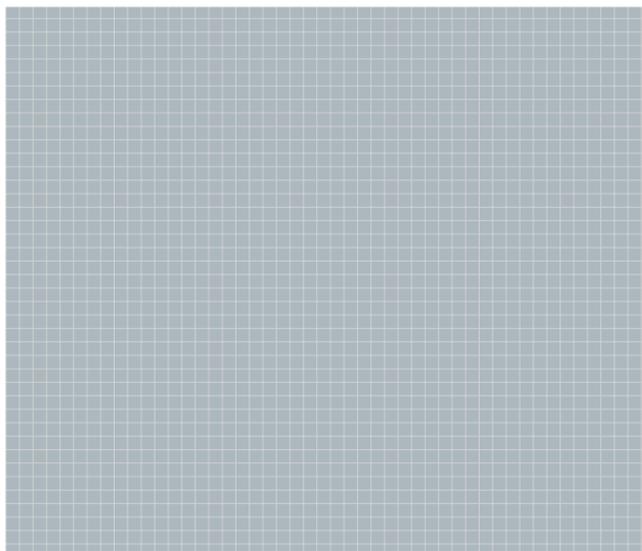# MATERIAL TOPIC

As a global corporate citizen, OCI fulfills its social responsibilities and strives for sustainable growth.
We identify the expectations our stakeholders set for our company and report our response in a transparent manner while creating sustainable values.

Stakeholder Engagement

Issues and Communication Channels by Stakeholder

We define our stakeholders into six groups – shareholders & investors, customers, local community, suppliers, government and employees, and establish communication channels for each group. We understand that communication is the key to achieving sustainable growth, responding to change and improving our business practice. We will continue to listen to our stakeholders, identify material issues and incorporate their input into our business management.

Stakeholder Engagement Policies

- OCI defines stakeholder engagement as minimum requirements in providing management information to stakeholders, ensuring mutual communication and engaging in joint activities.
- OCI makes utmost efforts to provide reliable and transparent information to six groups of stakeholders: shareholders & investors, customers, community, suppliers, government and employees.
- OCI operates communication channels where stakeholders can be freely engaged anytime and anywhere regardless of changes in management or occurrence of any major events.
- OCI guarantees stakeholders' right to know by providing timely information on changes in management or occurrence of major events which impact OCI, key details and response measures.

	Shareholders & Investors	Customers	Local Community	Suppliers	Government	Employees
Areas of Interest	• Financial stability • New growth engines • Return on investment	• Technological innovation • Product safety • Disclose the products' hazard to human bodies and environmental impact	• Environmental impact and safety accident • Revitalize local economy • Volunteer activities	• Technological cooperation, financial and management support and mutual growth • Program operation • CSR to suppliers: Risk management	• Legal and regulatory compliance • Public-private partnership (e.g. policy research) • Transparent tax payment	• Job and industrial expertise • Work environment and organizational culture • Job security
Material Issues	• Create economic values through business operation • Expand overseas markets	• Identify and implement technological innovation • Develop reliable and safe products and services	• Prevent safety accidents through safety management in business sites • Social contribution programs based on community needs	• Promote financial and non-financial mutual growth • Prevent unfair and corrupt practices	• Comply with environmental laws and regulations • Prevent unfair and corrupt practices	• Job training programs • Employee healthcare • Create jobs and ensure job security
OCI's Response	We disclose publicly our business and financial performance on a regular basis. We increase our production capacity and invest renewable energy projects to generate profit, and meet the demands of our shareholders and investors.	We provide our own differentiated products through continuous technological innovation. We keep track of customers' satisfaction levels and input, and disclose information about hazard and environmental impact to build up customers' confidence in OCI.	We identify the requirements for improvement based on the input we collected through our communication channels. We also raise awareness in mutual growth and sharing through social contribution activities in line with the community's needs.	We promote mutual growth through technological and financial support. In addition, in order to establish a sustainable supply chain, we analyze suppliers' risks and provide support for their improvements.	We maintain close communication with the government and agencies in response to the change in social and environmental laws and regulations. We actively cooperate with government projects to contribute to the national economy and fulfill social responsibility.	We listen to employees through various communication channels in terms of business status briefing sessions, training, performance evaluation and compensation, welfare and benefits and organizational culture to keep them satisfied with their jobs and work environment.
Communication Channels	• General meeting of shareholders • Public announcement • IR activities	• Customer satisfaction survey • Consultation channels • Sales/marketing activities	• Social contribution activities • Business Site Development Committee • Community councils	• Training and workshops • Meetings with partners • On-site guidance for partners	• Engagement in government policies and investments • Meetings with government agencies	• Labor-management Council • Townhall meetings • Meetings by job seniority

Materiality Assessment

Materiality Assessment Process

We have selected topics for this report and created content in accordance with the reporting principles of the Global Reporting Initiative (GRI): "sustainability context," "materiality," "stakeholder engagement" and "completeness". To identify material issues, a materiality assessment was conducted in three steps including creating an issue pool, prioritizing it through interviews with relevant teams and stakeholder survey, and finally, identifying material topics based on the issues to create a detailed report.

Step 1. Creation of an Issue Pool

OCI's sustainability issue pool is created through the sustainability trend analysis based on global economic, social and environmental issues, international standards, benchmarking from leading companies, media research and an internal status review. The pool includes 50 issues that have a material impact on our stakeholders.

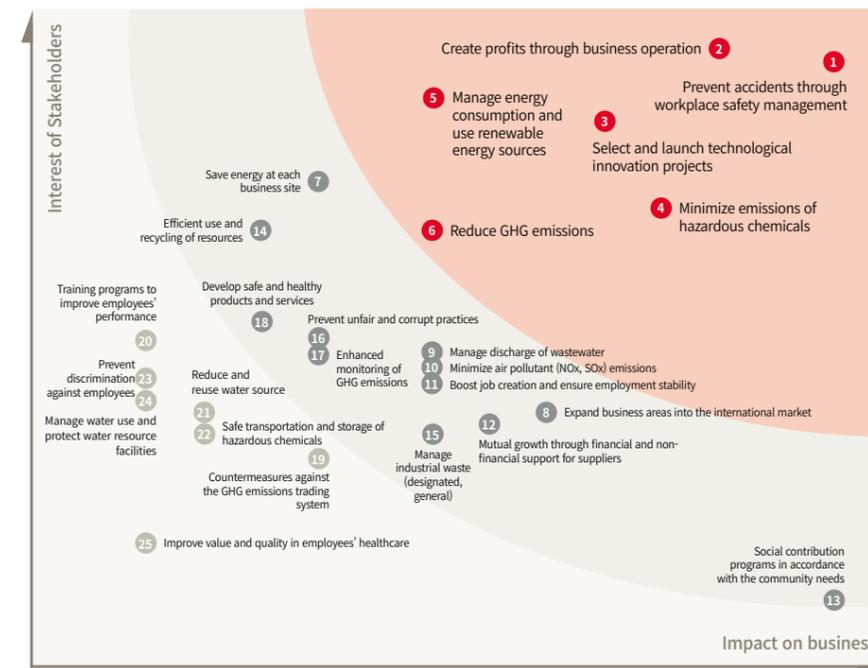| Analysis of International Standards	Internal Status Analysis	Benchmarking from Leading Companies	Media Research
We formed a potential issue pool based on the analysis of global initiatives for sustainability including the GRI Standards, DJSI, ISO 26000, SASB and SDGs.	We identified the current business status and mid- to long-term business strategies through in-depth interviews with employees and internal reviews such as the Annual Report and the Business Report.	We identified material issues based on the topics and priorities included in the sustainability reports of 10 companies in the chemical industry.	We analyzed the stakeholders' areas of interest in the economy, the environment and society by referring to 4,171 OCI-related articles.

Step 2. Prioritizing Sustainability Issues

In order to prioritize issues, we quantified the result of each analysis and assessed the impact on four major aspects: 1) Strategy, 2) Finance, 3) Management, 4) Reputation from both external and internal perspectives.

Stakeholder Survey Overview	
Period	February 8 – March 2, 2018
Method	Online Survey
Respondents	642 respondents from shareholders, investors, customers, local community, suppliers, government and employees
Topics	• Selection of material issues in terms of economic, environmental and social responsibility • Assessment of impact on finance, strategy, operation and reputation

Step 3. Results of Materiality Assessment

This report covered the key activities and progress we made in the 25 material issues identified through materiality assessment. Six material issues are selected as material topics and their selection background, level of impact on stakeholders, key performance and goals are defined. This is our commitment to social responsibility through sustainability management activities.

Definition of Material Topics

NO.	Material Issue	Material Topic	GRI Topic	Sustainable Development Goals	Page
1	Prevent accidents through workplace safety management	Material Topic 1. Safety & Health at Our Business Sites	Industrial Safety & Health (403)		p.22~29
4	Minimize emissions of hazardous chemicals				
2	Create profits through business operation	Material Topic 2. Strengthen Business Competitiveness	Economic Performance (201)		p.30~37
3	Select and launch technological innovation projects				
5	Manage energy consumption and use renewable energy sources	Material Topic 3. Response to Climate Change	Energy (302) Emission (305)		p.38~41
6	Reduce GHG emissions				

NO.	Issue
1	Prevent accidents through workplace safety management
2	Create profits through business operation
3	Select and launch technological innovation projects
4	Minimize emissions of hazardous chemicals
5	Manage energy consumption and use renewable energy sources
6	Reduce GHG emissions
7	Save energy at each business site
8	Expand business areas into the international market
9	Manage discharge of wastewater
10	Minimize air pollutant (NOx, SOx) emissions
11	Boost job creation and ensure employment stability
12	Mutual growth through financial and non-financial support for suppliers
13	Social contribution programs in accordance with the community needs
14	Efficient use and recycling of resources
15	Manage industrial waste (designated, general)
16	Prevent unfair and corrupt practices
17	Enhanced monitoring of GHG emissions
18	Develop safe and healthy products and services
19	Countermeasures against the GHG emissions trading system
20	Training programs to improve employees' performance
21	Reduce and reuse water source
22	Safe transportation and storage of hazardous chemicals
23	Prevent discrimination against employees
24	Manage water use and protect water resource facilities
25	Improve value and quality in employees' healthcare