

You Dream, We Display

2016-2017

LG Display Sustainability Report



About This Report

This report is the sixth edition of LG Display sustainability report. LG Display issues this report to share our achievement toward 'Global No.1 Sustainable Company' with our stakeholders. We have organized this report around our corporate vision 'You Dream, We Display' with the accomplishments related to sustainable management issues. LG Display plans to continue to publish our annual sustainability report as a communication channel to our stakeholders.

Reporting Scope and Period

Reporting regions include LG Display Korea (Seoul head quarter, Gumi, Paju) and LG Display China (CA, Nanjing, Guangzhou, Yantai). This report shows our sustainable management activities from January 1, 2016 to December 31, 2016 with the quantitative performance based on data gathering over three years in order to present the trends more clearly. This report also includes a partial qualitative performance of early 2017.

Reporting Principles and Assurance

In writing this report, we have faithfully reflected the four reporting principles of the Global Reporting Initiative (GRI) Standards, which are the international standard for sustainability management reports: 'Sustainability Context', 'Materiality', 'Stakeholder Participation' and 'Completeness'. Also, this report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines at the Core Level and part of the International Integrated Reporting Council (IIRC) framework. Additionally, the credibility of the contents and the integrity of the data used in this report were verified by an independent and objective assurance group to ensure the reliability of the report. The detail information of the assurance group is provided on page 88-89 of this report.

Further Information

LG Display sustainability report can be downloaded on our website at www.lgdisplay.com in Korean, English, and Chinese. Please reach out to the following contact for more information or inquiries.

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Cover Story

LG Display is blossoming the flowers of future displays through our advanced technology development. From the OLED, which displays unlimited contrasts and colors by controlling every single pixel, to the transparent display and flexible display, which will lead the display market in the future, the new display world that we will show is expressed with the characteristics of display.

You Dream, We Display

2016-2017

LG Display Sustainability Report

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Message from CEO

2016 was expected to be a tough year due to over-supply in the panel market with intensified global competition. However, LG Display has overcome the crisis based on our differentiated products with innovative technologies and maintained profitability for the 19 consecutive quarters. This was possible with our stakeholders' supports, passionate employees, partner companies who are our strongest companions, and customers who have expressed great interest and feedback.

LG Display is creating not only economic values but also leading social and environmental values to grow with local communities.

We believe that the competitiveness of our partner companies is our competitiveness, and we are operating various win-win activities. We are also striving to build a safe culture so that all employees can work safely. In addition, we are expanding social contribution activities such as employee volunteer activities and collaboration with public organizations to contribute to IT Power Plant and local community that reflect LG Display's business characteristics. We have significantly reduced greenhouse gas emissions and expanded our investment to build eco-friendly workplaces.

Based on these efforts, we have been listed as one of the most sustainable companies (World Index) in the 2016 Dow Jones Sustainability Index and selected as the best company in Carbon Disclosure Projects.

2017 is a time when crisis and opportunity coexist as we approach to the Industry 4.0 era while protectionism spreads worldwide with elevating uncertainty in politics and economy. We see this as the golden time that will determine the next two decades of LG Display, and we are persevering to change and to develop as a sustainable company under any circumstances.

As for the preparation of the future, we will reinforce our position as a global leader with innovative business structure and differentiated technologies. Furthermore, through timely investment and continuous research and development, we will endeavor to deliver superior customer values so that more people can lead abundant lives with advanced displays.

We will comply with the business principles and actively communicate with all of our stakeholders to create shared values. As the global leading company, we will continuously seek for self-improvement. We will faithfully practice responsible management that stands on the foundation of social compliance in order to make our corporate management activities contribute to the development of society as a whole.

This sustainability report is our sixth edition, reflecting the process and results of communication with various stakeholders including customers, employees, partner companies and local communities in a transparent way. In the future, LG Display will do its best as a responsible company that meets your expectations. We would like to thank you for your continuous attention and support.

한상범

CEO and Vice Chairman of LG Display **Sang-Beom Han**

“
Greetings to respectful stakeholders!
Sincere thanks to your interest and
encouragement to LG Display
”



Message from Executives

“Companywide Marketing for Customer Value Enhancement”

LG Display has established and performed an integrated marketing strategy focusing on enhancing customer values as our top priority. For production and quality improvements, we are continuously expanding our production capacity based on our unique production technology and superior quality.

We are leading the high-end market worldwide while expanding the OLED ecosystem in cooperation with customers in China, Europe and Japan to secure a larger market share and increasing sales.

In the future, OLED will evolve as the device to change customers' lifestyle based on distinctive traits, such as freedom in design, excellent display quality, and vivid sound quality. We hope to inform more customers regarding the values of OLED and to experience OLED through expansive marketing and promotion activities. We are trying to become a global sustainability role model by providing better values to customers through companywide marketing.



CMO **Sang-Deok Yeo** President

“Establishing the World's Safest Workplace”

LG Display is committed to establish the safest workplace in the world by prioritizing safety and health issues that can take place during work. Recently, we have installed an advanced industrial health system by expanding disease prevention program for our employees as well as in-house partners' employees along with re-inspecting working environment of all plants. In addition, we are improving production process efficiency in order to gain competitiveness in the global display market as well as managing eco-friendly aspects, such as lowering greenhouse gas emissions and maximizing water recycling rate to minimize the impact created during production. Moreover, we consider partners' competitiveness as important as our own so we are promoting shared growth activities to help them to enhance productivity and improve quality. We will do our best to become the global leader in sustainability management.



CPO **Sang-Mun Shin** Executive Vice President

“Settling with Trust based on Stable Finance Structure”

LG Display is putting effort to constantly create performance through efficient investments and strict cash flow management and profit oriented management, and develop transparency in management information disclosure and comply with related regulations are our highest priorities as a global company. Based on these activities, we have generated a stable financial structure, achieved our goal of KRW 1 trillion operating profit for the four consecutive years in 2016. In addition, we are actively communicating with shareholders and investors in regards to financial information and non-financial information. We are managing to gain the market's trust and a good reputation through consistent tax policies and proactive communication.

In the future, LG Display will continue to fulfill our responsibilities as a global company.



CFO **Sang-Don Kim** Senior Vice President

“Establishing a Sustainable Company through Technology Innovation”

Establishing a Sustainable Company through Technology Innovation For LG Display to become a sustainable company that lasts more than 100 years, innovative technology is needed to lead the future display industry. Until now, we have led the market with differentiated LCD technologies and products, such as IPS, M+, 8K and Nanocell TV. In the future, we will maintain our position as the global no. 1 company, by leading the changes with OLED.

LG Display is presenting paradigm-changing products in the display industry through OLED innovations, such as Wallpaper OLED and Crystal Sound OLED, which are difficult to implement in conventional LCD. Moreover, as a response to the fourth industrial revolution, we will gain global competitiveness by expanding our business scope through convergence with other industries. Based on these efforts, we are building stepping stones to become a "company that lasts beyond 100 years".



CTO **In-Byeong Kang** Senior Vice President

“Provide Differentiated Value through Communication with Shareholders”

LG Display is constantly seeking ways to communicate with internal and external shareholders, such as customers, investors, employees, partner companies and local communities. We are engaging and operating participatory social contribution activities, such as building relationship between employees and local residents, developing a vision health program to minimize work-related risks, and creating representative social contribution programs such as IT Power Plant. In addition, to minimize social and environmental impacts that are generated due to business activities, we are constantly putting our effort to fulfill social responsibilities as well as communicating with local community. Moreover, to recognize employees' effort and to care for their physical and mental health, we are operating various benefits programs and stress reduction activities and lifecycle support programs as a part of joyful workplace program. In the future, we will do our best to deliver differentiated value to our shareholders and maintain a positive organizational culture for the sustainable management.

“Create a Happy Company Culture through Active Communication”

It is important for companies to make profit as well as earn trust from customers and to communicate with society. In this perspective, companies may need to invest on recruiting and fostering talented employees. In order to achieve sustainable growth, LG Display is pursuing ideal talents based on passion, professionalism, and teamwork and we are updating organization structure based on these virtues. To create an active communication culture and to encourage employees to come to work happily, we have established a HR vision of 'Warm, Communicating and Future-leading Human Resource Group' to encourage employee happiness with friendly and communication culture. LG Display Human Resources Group is playing the leading role to realize the HR vision.

LG Display and its employees will grow together as a people-oriented sustainable company.



Head of Business Support Group **Bang-Soo Lee** Executive Vice President



Head of HR Group **Sung-Min Kim** Senior Vice President

Business Model

As of 2016 Performances

Value input

Assets

KRW 24.8843 trillion

R&D investment

KRW 1.4232 trillion

Average production capabilities by plant

Gumi	Paju	Guangzhou	Ochang
98.1%	99.7%	100%	86.9%



Economic value

Sales

KRW 26.5041 trillion

Gross profit on sales

KRW 3.7498 trillion

Operating profit

KRW 1.3114 trillion

Global market share of larger than 9-inch displays

29.4%

Number of patent (accumulated)

31,329

Environmental investment

KRW 4.2 billion

Amount of energy consumption in domestic and overseas workplaces

70,320^{TJ}

Amount of water use

73,047,602^{ton}

Environmental value

Certified eco-friendly products

7

GHG reduction amount

1,450,656^{tCO₂eq}

Water recycling rate

146%

Waste recycling rate

95%

Labor cost

KRW 3.226 trillion

Welfare and benefit

KRW 89.7 billion

Number of employees participated in social contribution

32,181 persons



Social value

Number of IT Plant, the representative social contribution program (accumulated)

43

Number of social contribution activities

Volunteering

2,871^{cases}

Donation

41^{cases}

Conflict-free Smelter use rate (CFS + Active)

100%

Number of resolved employee grievances

82^{cases}

Occupational incident rate

0.009%

Value creation

LG Display Overview

Company Status

LG Display is a global display panel manufacturing company that produces and sells display related products such as LCD, OLED, and etc. Started from developing TFT-LCD in 1987, the company is currently operating LCD and OLED panel manufacturing lines and assembly plants in Gumi (Gyeongsangbuk-do), Paju (Gyeonggi-do), China (Guangzhou, Nanjing, Yantai) and Poland (Wroclaw).


Vision

LG Display's vision is 'You Dream, We Display'. The word 'You' refers to all of our stakeholders, while 'Display' means LG Display's commitment that realizes the dreams of our stakeholders.



Milestones

1985~1995

**Establishment**

1985 • Established Goldstar Software Co., Ltd.

1987 • Began TFT-LCD R&D at Goldstar R&D Center


1990 • Established Anyang R&D Center

1993 • Launched LCD business division within Goldstar

1995 • Changed the corporate name to LG Software Co., Ltd.

- Began mass production of TFT-LCD at P1, the first fabrication plant, in Gumi, Korea
- First unveiled 9.5-inch LCD panel

1997~2003

**Growth and Development**

1997 • Changed corporate name to LG Soft Co., Ltd.

- Began mass production at P2 in Gumi, Korea

1998 • Changed the corporate name to LG LCD Co., Ltd

1999 • Launched LG/Philips LCD Co., Ltd., a joint venture with Royal Philips Electronics

2000 • Began mass production at P3 in Gumi, Korea

2001 • Developed the world's first 20.1-inch LCD panel for TVs


- Developed the world's first 12.1-inch transreflective LCD panel

2002 • Began mass production at P4 in Gumi, Korea

2003 • Began mass production at P5 in Gumi, Korea

- Began mass production at assembly plant in Nanjing, China
- Developed the world's first 42 and 55-inch LCD panel for HD TVs

2004~2007

**Extreme Challenge**

2004 • Staged ground-breaking ceremony for Display Cluster and P7 in Paju, Korea

2005 • Became the first Korean company concurrently listed on both the Korea Exchange (KRX) and New York Stock Exchange (NYSE)

- Began mass production at P6 in Gumi, Korea
- First time passed the sales milestone of 10 million LCD TV panels

2006 • Developed the world's first and largest 100-inch Full HD LCD panel

- Staged opening ceremony for Display Cluster and P7 in Paju, Korea

2007 • Began mass production at assembly plant in Wroclaw, Poland

- Developed the world's first 14.1-inch color flexible E-Paper
- Staged opening ceremony for the 8.5th Generation LCD panel plant in Guangzhou, China

2008~Present

**Advancement**

2008 • Changed the corporate name to LG Display Co., Ltd.

2009 • Began mass production at P8 in Paju, Korea

2010 • Acquired Yantai Assembly Plant from LG Innotek

2011 • Developed the world's first 55-inch OLED TV panel

2012 • Began mass production at assembly plant in Reynosa, Mexico

- Staged ground-breaking ceremony for the 8.5th Generation LCD panel plant in Guangzhou, China
- Began mass production at P9, an LCD fabrication plant, in Paju, Korea
- First in the world passed the production milestone of 1 billion large-size LCD panels
- Began mass production of the world's first 84-inch Ultra HD LCD panel for Interactive whiteboards

2013 • Began mass production of the world's first 55-inch OLED TV panel

- Developed the world's narrowest 3.5mm bezel video walls
- Began mass production of the world's first 6-inch flexible OLED panel for mobile devices
- Developed the world's first 10.5-inch curved Ultra HD TV LCD

2014 • Staged opening ceremony for the 8.5th Generation LCD panel plant in Guangzhou, China

- Began mass production of the world's first 1.3-inch circular plastic OLED panel
- Developed the world's narrowest 0.7mm bezel FHD LCD panel for smartphones
- Began mass production at E4, an OLED production line, in Paju, Korea

2015 • Began mass production of 5.5-inch QHD LCD panel with AIT technology

- Achieved accumulated production of 1.5 billion units of large panels for the first time in the industry
- Acquired OLED Lighting business from LG Chem

2016 • Started construction of module assembly plant in Hai Phong, Vietnam

- Achieved DJSI (Dow Jones Sustainability Indices) World Index 2016

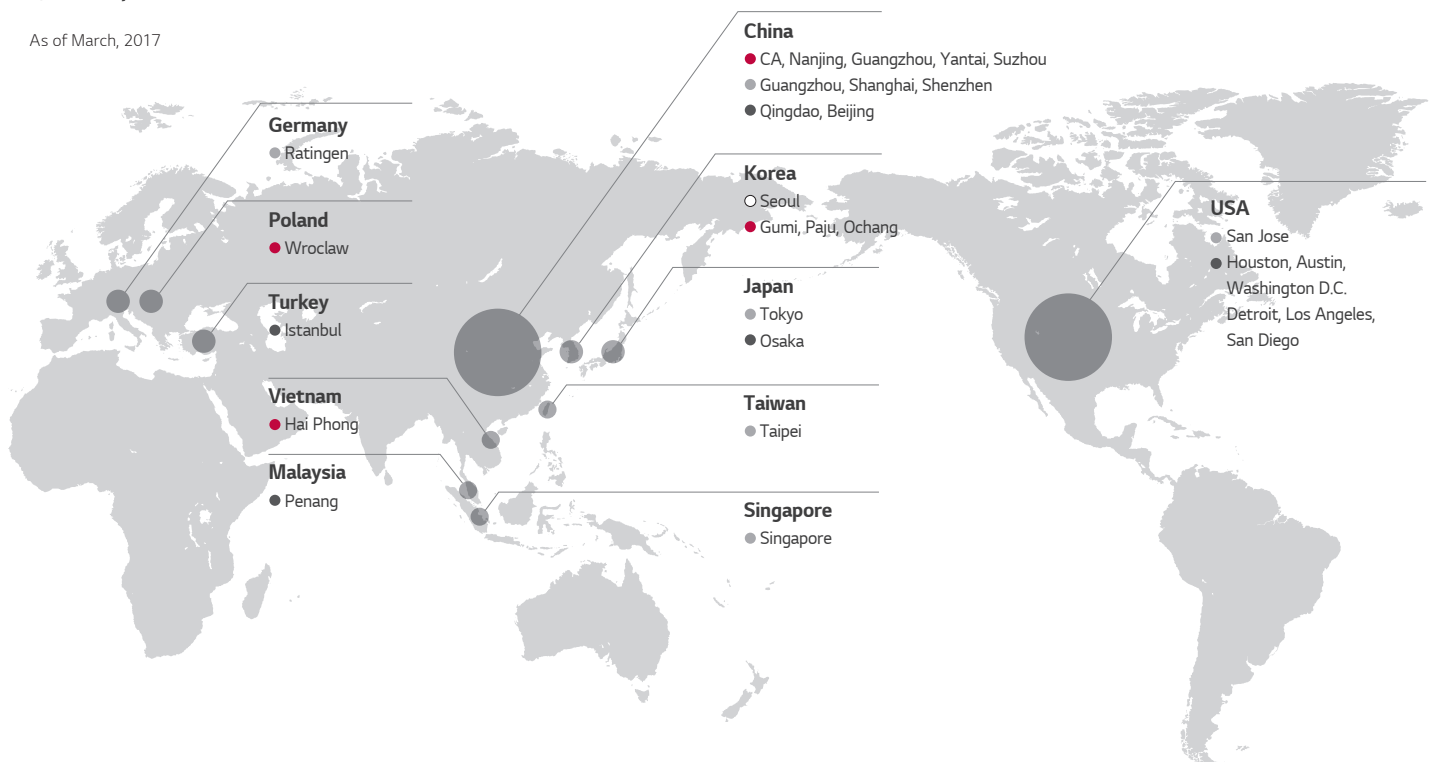
Leading Global Markets

Market Share LG Display shipped approximately 38.91 million units of large-sized LCD panel during the fourth quarter of 2016. This is equivalent to the market share of 22%, and LG Display has maintained the number 1 market share in the large-sized display market for the seven consecutive years from the fourth quarter of 2009. Together with our high production competitiveness and technological capabilities, LG Display will continue to become the leading global company in the world display market.

Global Network Headquartered in Korea, LG Display operates 10 manufacturing bases around the world mainly in China and Poland, including assembly plant under construction in Vietnam. In addition, a total of 29 global networks have been established around the world, including eight sales subsidiaries and 11 sales offices. Through this global network, we are responding promptly to the global display market demands and customer needs.

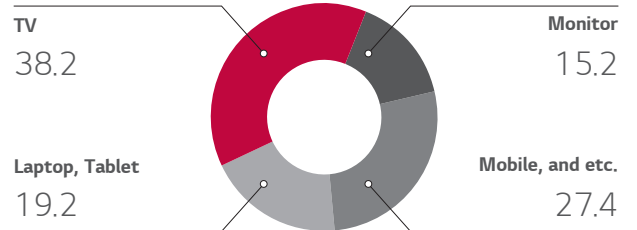
- **Manufacturing Base** 10 Regions
- **Sales Subsidiary** 8 Regions
- **Sales Office** 11 Regions
- **Headquarters**

As of March, 2017



Sales Share by Product

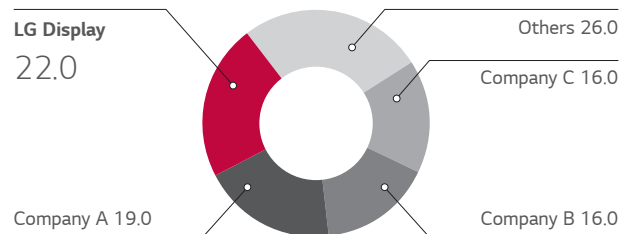
unit: %



source: LG Display Business Report, page 222-223

Large-sized LCD Panel Market Share in 2016

unit: %



source: Display Search, Quarterly Large-Area TFT Panel Shipment Report (2016 IHS Quarterly Large-Area TFT Panel Shipment Report)

Highlights



Listed on the DJSI World Index

LG Display, the global leading company, was listed on the Dow Jones Sustainability Index (DJSI) 2016 for the four consecutive years. In addition, we were listed on the DJSI World Index, which is granted to the top 10% of all companies and the highest level in the DJSI Asia Pacific. The evaluation for the Index includes economy, environmental and social fields and we are highly recognized with our environmental strategy and climate policy. We will continue our sustainability management activities to enhance environmental and social values as the global leading company.



The World No. 1 Shipment of Large-size Displays for the Seven Consecutive Years

LG Display is leading the display market with outstanding technologies, such as Ultra HD and IPS, to the position as the 'Global No.1 Company'. In particular, we have been the No.1 in the world for LCD shipments for the seven consecutive years since 4Q 2009 and are elevating our market competitiveness by developing new products. We will continue to create profits based on differentiated products, such as ultra-large size products and OLED.



Launching Full-scale Investment in Plastic OLED

LG Display announced the investment in plastic OLED (POLED) in Paju and Gumi plants, to take the lead in the era of the plastic OLED smartphone with the proactive stance. LG Display made the MOU in the sixth-generation plastic OLED production line in the Gumi plant in April 2016 and an additional KRW 2 trillion in the sixth-generation plastic OLED production line in the Paju plant in July 2016. Based on the accumulated technological know-hows in smartphone and wearable production, our strategy is to lead the flexible OLED market by providing differentiated values to the customers at the foldable and automotive display markets.



CDP Water, Only Company in Korea to Acquire Grade A

LG Display won 'Leadership A', the highest level of water management in '2016 CDP Water Best Awards' selected by the Carbon Disclosure Project (CDP) Committee. Only 24 companies in the world received 'Leadership A' among 1,252 companies around the world based on their water management level, such as water risk management and water usage status. LG Display acquired the 'Honors' level in the carbon management sector, recognized as the leading company to respond to climate change.



Acquired the Highest Level in Shared Growth Index for the Two Consecutive Years

LG Display acquired the highest level in the Shared Growth Index evaluation by the 41st Shared Growth Committee. Based on the philosophy 'competitiveness of partner companies is our competitiveness', LG Display has developed and operated various shared growth-related programs such as creating shared growth funds, providing educational opportunities for employees in partner companies, and installing a shared growth portal website, from three perspectives including funding, strengthening management capacity, and open communications. In the future, we will further expand the scope and scale of supports for small and medium-sized business partners to solidify our foundation for win-win growth.



New Investment on OLED Lighting Business

LG Display is preparing to lead the emerging OLED lighting market. LG Display has recently invested on an OLED line for the fifth generation lighting at the Gumi plant in Gyeongbuk province for the first time in the world. The OLED lighting production line scheduled to be mass-produced in the second half of 2017 with the world's largest production capacity of 15,000 sheets per month. LG Display plans to secure a leading market position in the OLED market by creating synergy with OLED lighting based on our know-how and production capacity accumulated from OLED display production.



Module Factory Groundbreaking Ceremony in Vietnam

LG Display and the city of Haiphong in Vietnam signed a MOU to invest in a module assembly plant and established a corporation in the first half of 2017 with a capital of USD 100 million. The module plant is expected to be the best landmark in Haiphong through synergy with LG Display's excellent technology and superior environment and talents of Haiphong, Vietnam.



Healing Center for Employees' Mental and Physical Health

LG Display opened a Healing Center in Mungyeong, Gyeongbuk province in April 2017. The Healing Center is specialized for mental and physical healthcare to support employees healthy and smooth communication within the organization. LG Display rented a closed school located in Mungyeong to create the Healing Center such as meditation room and tea ceremony room. Through these wellness programs, we are building a healthy organization that promotes healthy communication and mental and physical health of the employees.

Product Introduction



Message from the Business Manager

Leading the Global TV Market with Differentiated Display Technologies

Chinese companies with huge capitals in the TV displays market are increasing the market share. LG Display is securing our competitiveness through OLED display, which is a dream display. In particular, we have presented more values than TV with future-oriented products, such as 3.5mm thin and light wallpaper TV and crystal sound OLED. In addition, LCD products using M+ and IPS nano-color technologies have realized eco-friendly displays with low power and high image quality display as well as reduction of raw material usage and eco-friendly product development. In the future, LG Display will lead the large display market, providing differentiated values through expanding OLED market, advancing LCD technology, creating new display market, and improving productivity.

Head of TV Business Unit

Yong-Kee Hwang Executive Vice President



Strengthening IT Business Competitiveness through Enhanced Business Structure



LG Display is pursuing a strategy to enhance the business structure for strengthening our IT business competitiveness. In 2016, together with our IT market-leading customers, we were focusing all our efforts on bringing differentiated products to the display market while improving our profit structure by withdrawing from TN business due to the low-price competitiveness and for expanding our IPS business. In particular, we expanded the proportion of high-resolution and low-power premium monitors and laptops based on IPS, Oxide technologies, as well as providing differentiated values for our customers through advanced development such as the world's first touch screen 15.6-inch laptops. In the future, we will pursue advanced business strategies considering profitability and expanding the proportion of products using high-resolution and in-TOUCH technology.

Head of IT Business Unit

Kyong-Deuk Jeong Executive Vice President

Securing Future Growth Engine Based on Plastic OLED

We have entered into an era where information can be exchanged, based on the Industry 4.0, technological development such as artificial intelligence and the Internet of things. In particular, with this technological revolution, the display industry has the potential to grow not only with transparent displays, but also with next-generation display technology for bendable or foldable display. LG Display invests on plastic OLEDs with our differentiated technologies such as Narrow Bezel, M+, and in-TOUCH derived from existing LTPS, and preparing for the new era of mass-production. In addition, we will expand our display market not only watches and smartphones, but also vehicle display and VR/AR as to foster future growth drivers. We will lead our Mobile Business Unit into the world top level through continuous technological innovation that meets customer needs in the transition to the next generation technology.

Head of Mobile Business Unit

Hyung-Seok Choi Executive Vice President



Product Introduction

Transparent Display

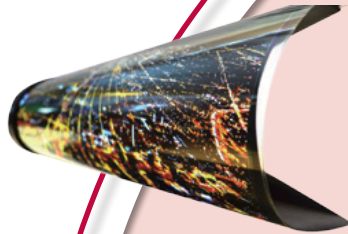
Transparent display increases internal visibility by realizing rich and natural colors with high transmittance. Also, it roles as an eye-catching for customers with maximized advertising effect by simultaneously displaying advertising products and images on the screen.



NEW

Flexible Display

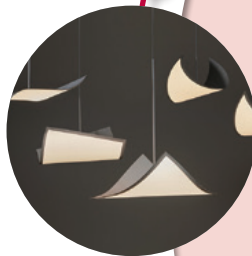
Flexible display offers differentiated design values such as Bendable, Foldable, and Rollable. It is portable as it is 60% lighter than glass and resistant to external shocks such as not being broken easily when dropped.



Light

OLED Lighting

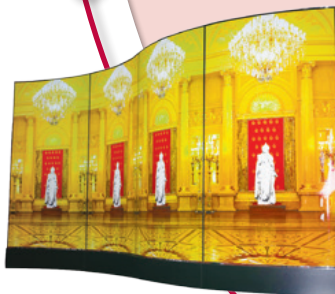
OLED lighting, the next-generation light source, provides light close to natural light based on its high uniformity and color rendering. In addition, the unique form factor enables differentiated design values such as Slim and Flexible.



Commercial

Commercial Display

Commercial display offers large-size display with a sophisticated design that minimizes inter-screen break and distortion by realizing the world's smallest bezel and slim body. It can be freely expanded the size depending on the space, where a large screen will be displayed, such as airports, restaurants, and control rooms.



Auto

Automotive Display

Automotive display provides more versatile and realistic infotainment experiences for drivers and passengers by applying a large-screen, high-resolution AH-IPS and a free curved plastic OLED with perfect picture quality that enables new interior design options.



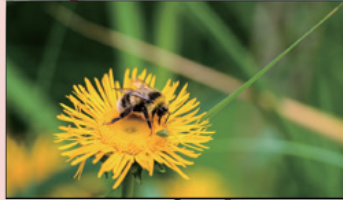
You Dream,

TV



OLED

OLED TV controls each pixel to exhibit perfect black, to achieve infinite contrast ratio and vivid color regardless of viewing angle, and provides the best display quality that is different from conventional TV.



LCD

LCD TVs are based on IPS technology to ensure excellent viewing angle and low power consumption through combining M+ technology. In addition, our thinner and lighter Art Slim design provides differentiated values to our customers.

Mobile



Mobile Display

Mobile display delivers differentiated mobile devices with very thin plastic OLED offering design flexibility, and high-resolution and Narrow bezel LCDs based on AH-IPS.

IT



Monitor Display

We are leading high-end display market with various advanced products feature with the world's first In-Touch technology, 8K high resolution based on AH-IPS technology, Narrow bezel design, and 21:9 aspect ratio large-size displays.



Laptop Display

Laptop display is based on clear AH-IPS technology without any change in color from all angles, providing low power consumption and high-resolution products. In addition, through featuring In-TOUCH technology that incorporates touch function, we are producing the thinnest, lightest, and the most compact design in order to create differentiated customer values.



Tablet Display

Tablet display provides thinner and lighter design and superior touch sense to customers by eliminating separate space for the bezel through a proprietary technology that inserts a touch sensor inside a panel, and in-Touch technology that reduces thickness.

We Display.



Sustainability Issues

LG OI



LED TV_{4K}

EXIT

10

Materiality Assessment

We selected sustainable management issues that LG Display should focus on, and we conducted materiality assessment to reflect the issues in this report. Opinions are gathered through international standard analysis, benchmarking of advanced companies, media research, and internal/external stakeholder survey to identify major sustainable management issues related to internal and external stakeholders in their perspectives. Through prioritization and final review process for the materiality assessment, the reporting issues were selected.

Step1. Developing Issue Pool

Through international standards analysis, benchmarking of advanced companies, media research, and internal/external stakeholder survey, we have generated an issue pool with 26 sustainable management issues in economic, social, and environmental aspects.

Analysis of International Standards

We have analyzed global standards and initiatives, such as GRI Standards, DJSI, ISO 26000, UN SDGs and EICC Code of Conduct.

Media Research and Benchmarking

From January 1 to December 31, 2016, we analyzed 896 media articles related to sustainability management of LG Display, excluding press releases, and benchmarked the sustainability reports of the same industry and advanced companies.

Stakeholder Survey

We conducted stakeholder survey to actively collect opinions from internal and external stakeholders who have the major impact on LG Display's business. Through the survey, LG Display identified issues that should be managed and responded immediately.

Survey Respondents Distribution unit: persons

Category		No. of Respondents
Total		6,066
Internal	Employees domestic	5,404
	Employees China	618
External	Shareholders and Investors	12
	Customers	3
	Government and related organizations	1
	Partner companies	18
	Academic, Research Institutes, Media, NGOs	10

Survey Contents



Step2. Assessing Material Issues

We evaluated material issues based on social concern and business impact through the reviews by sustainability experts and our management.

Social Concern

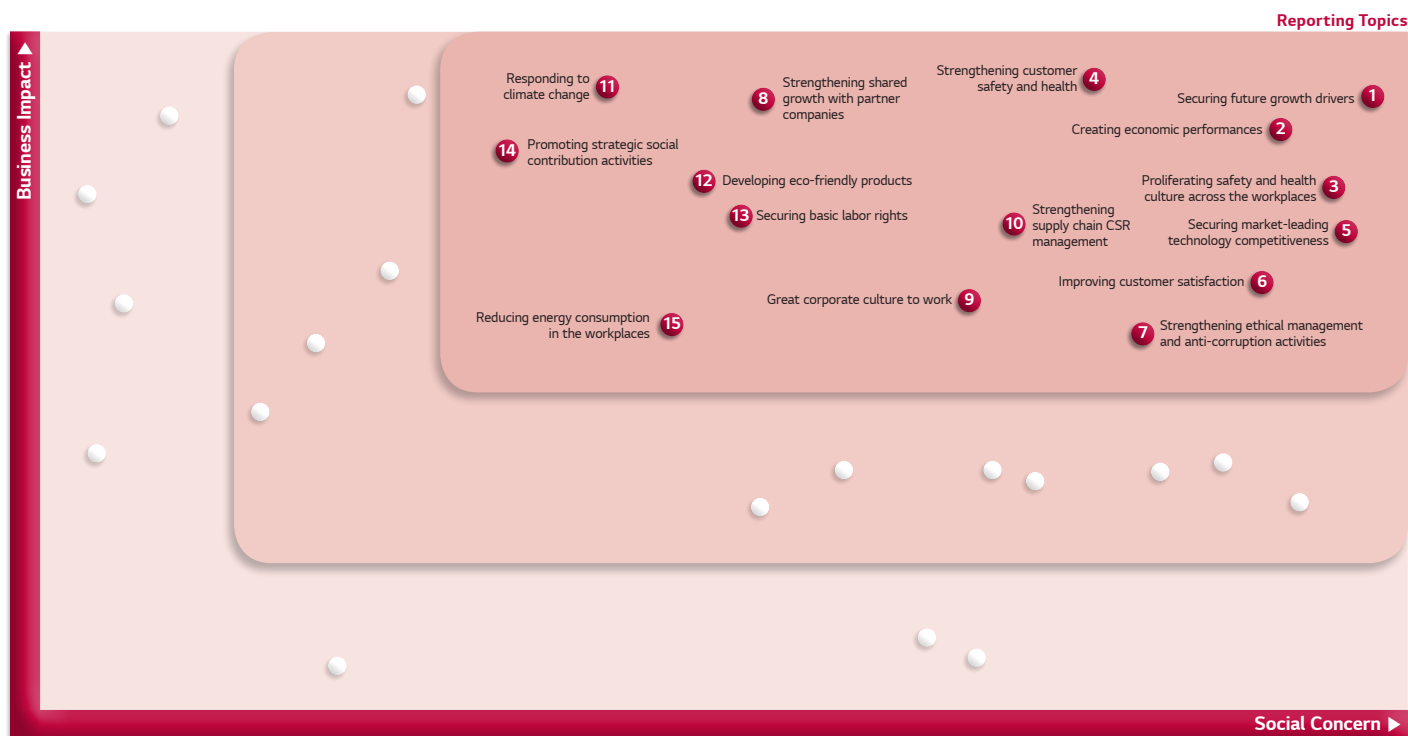
Social Concern
Impact on the activities and decisions and the level of interest on the issue of external stakeholders

Business Impact

Business Impact
Relationship between management strategy and CSR issues and CSR strategy, media analysis to identify the impact, Priority based on industry issues

Step3. Selecting Material Issues (Materiality Assessment Matrix)

Based on social concerns and business impact, we set up report boundaries and selected 15 core issues to focus on in this report.



No.	GRI Topics	Core issues	Reporting boundaries					Reporting contents in 2015	Reporting contents in 2016
			Internal	Customers	Partner companies	Local community	Shareholders/Investors		
1	Economic performance	Securing future growth drivers	●	●			●	• Diversifying business portfolio	• Strengthening future growth drivers
2	Economic performance	Creating economic		●			●	• CSV value creation in business model	• Business model
3	Workplace safety and health	Proliferating safety and health culture across the workplaces	●					• Strengthening workplace safety and health management system • Enhancing the trust level through safe hardware facilitation • Strengthening risk management through proliferating safety and health culture across the workplaces	• Strengthening health and safety structure • Securing fundamental safety and health • Realizing LG Display's original safety culture
4	Customer safety and health	Strengthening customer safety and health		●			●	-	• Realizing differentiated customer values
5	Added Topics	Securing market-leading technology competitiveness		●			●	• Strengthening R&D system • Developing market-leading new technology	• Strengthening technological competitiveness
6	Added Topics	Increasing customer satisfaction	●	●			●	-	• Realizing differentiated customer values
7	Anti-corruption	Strengthening ethical management and anti-corruption activities	●	●	●			• Jeong-Do management	• Jeong-Do management
8	Supply culture	Strengthening shared growth with partner companies		●	●			• Strengthening shared growth with partner companies	• Establishing shared growth culture with partner companies
9	Employment	Great corporate culture to work	●	●				• Realizing sustainable organization culture	• Realizing a joyful corporate culture
10	Supply chain evaluation	Strengthening CSR management for the supply chains	●	●	●			• Fair and sound supply chain management	• Establishing shared growth culture with partner companies
11	Gas emissions	Responding to climate change		●		●		• Responding to climate change	• Realizing eco-friendly green workplaces
12	Energy	Developing eco-friendly products		●			●	-	• Developing eco-friendly products
13	Freedom of association	Guaranteed basic labor rights	●	●	●			• Establishing innovative organizational culture • Building sound labor-management relations	• Establishing sound labor-management relations
14	Local community	Promoting strategic social contribution activities in the community				●		• Establishing LG Display's social contribution system • Employee participation activity with social contribution quality	• Sharing love with local communities • Children and youth hope sharing • LG Display sharing values
15	Energy	Reducing energy consumption in the workplaces	●	●				• Responding to climate change	• Realizing eco-friendly green workplaces



Display the Better Future

Better Business Performance by Innovative Technology

Industrial Status

The global display market is facing oversupply due to stagnant growth of the IT industry, such as smart phone, TV, and PC. Also, the TFT-LCD market is facing oversupply from growing market dominance of Chinese display companies. In order for LG Display to maintain its continuous growth and superior market position, it is essential for LG Display to strengthen our technological competitiveness. In addition, bold investments in R&D and facilities and enhanced patent competitiveness for future growth drivers, such as OLED, which is emerging as next generation display.

Our Approach

LG Display is striving to develop differentiated technologies centering on R&D organizations under the CTO and each division in order to maintain our market-leading technological competitiveness. We are paving our way to develop future new businesses and continue to maintain the market share by researching and developing LCD and OLED product technologies separately.

Major Achievements by Strategic Approach

OLED

- 77-inch UHD OLED TV Panel mass production (SID 2016 Best in Show Award)
- 65-inch Signature OLED W Panel mass production (CES Innovation Award 2017 Best Innovation)

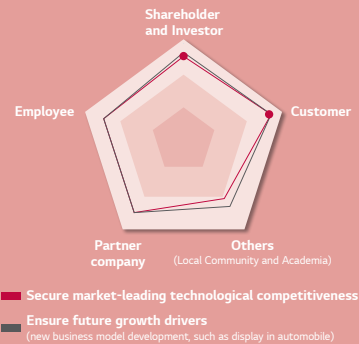
LCD

- 65-inch High-resolution 8K LCD TV Panel mass production (R&D Korea 2016 President's Award)

Future Plan

- Business diversification by expanding OLED applicable areas
- Maintain predominant market share through continued development of distinguished LCD technologies

Stakeholder Impact



2016 Key Performance

R&D Investment

KRW 1.42trillion

Total Number of Accumulated Patents

31,329

CES Innovation Award 2017 Best Innovation

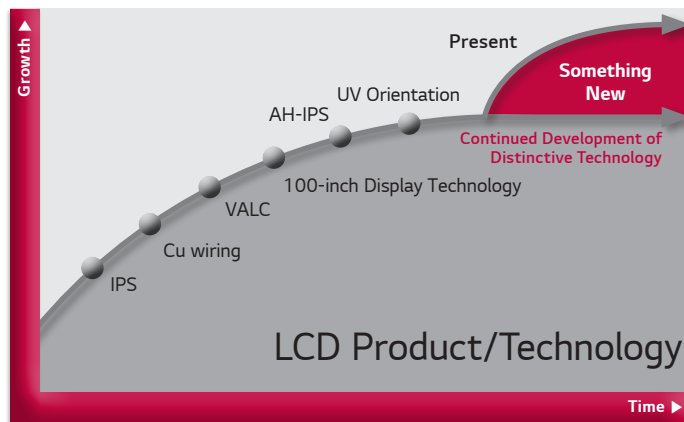
65-inch Signature OLED TV W

Strengthening Technological Competitiveness

Establishing Distinctive R&D System

R&D Promotional Strategy► To secure future growth drivers, LG Display is developing distinctive products based on our technological competitiveness. R&D Strategy has two main approaches, which are LCD product and technology, and OLED-centered product and technology. While LG Display has been the market leader up to recent years with the LCD product and technology, application of OLED will play an important role to maintain our number one market position globally in the future.

R&D Roadmap



Large-sized OLED

- Characteristics - High-Definition, High Luminance, High Color Accuracy, and etc.
- Added value - Wall Paper, Crystal Sound OLED Double-Sided, Transparent, Flexible, and etc.

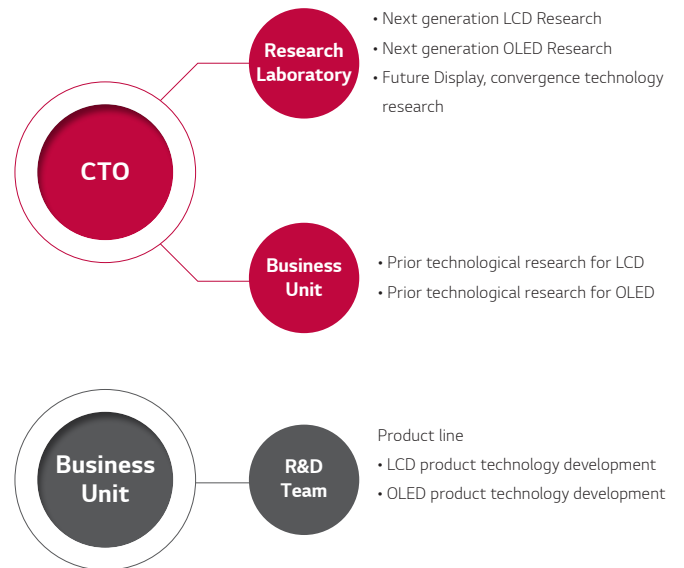
Plastic OLED

- Characteristics - High-Definition, Foldable/Flexible, embed Sensor Technology, and etc.
- Added Value: Wearable (Low Power, Different Shape, embed Sensor Technology, VR/AR UHD Technology, and etc.)

OLED Lighting

- Characteristics: High-Efficiency, Distinctive Design
- Added Value: Expansion of Applications to Automotive, and etc.

R&D Organization► R&D organization of LG Display is divided into CTO and Business Unit. Under CTO, there are research laboratory and CTO direct business unit. Research laboratory conducts next generation LCD/OLED technology and future display convergence research. Respective business unit directly report to CTO strengthens current business competitiveness by researching prior technologies for product development and prepares for the future market. Business Development Unit develops product technology of LCD, OLED TV, and IT/Mobile. Each R&D unit focuses on developing technology that envisions innovative values by identifying customers' needs.



Information sessions held for Chinese and USA Patent and Trademark Office

Office► In order to increase the competitiveness of overseas patents, LG Display has held information sessions for patent examiners in the Patent and Trademark Office of China and USA in regards to our key innovative technologies such as in-TOUCH. The sessions have built a friendly environment for application, registration, and protection of our key patents.



Information sessions held for Chinese and Patent and Trademark Office



Transparent OLED TV

Research and Development Performances LG Display's steady investment on Large-sized OLED, Plastic OLED, IPS based LCD, in-TOUCH, M+ is creating high performances in R&D as well as securing distinctive and original technological competitiveness.

Total number of accumulated patents

Region/ Year	2014	2015	2016
Domestic	13,164	13,909	14,828
Overseas	13,354	14,902	16,501
Total	26,518	28,811	31,329

Interview

LG Display is playing a leading role in the world display industry through top quality LCD and large-sized OLED mass production. Especially, stable mass production technology of large-sized OLED and small-sized flexible OLED display production technology strengthened the competitiveness of the company. To obtain sustainable competitiveness, technological competitiveness on small-sized flexible OLED and competitive price on the large-sized OLED are required. Moreover, preemptive response to secure future technologies not only on automotive and commercial displays, but also next generation display technologies that can be connected to human and electronics interface display and virtual reality under the industry 4.0 trend are needed. In order to realize these goals, it is crucial LG Display to look for ways to secure creative talents.

Oh-Kyung Kwon | Professor, Hanyang University Integrated Electronics Laboratory



► Better Business Performance by Innovative Technology

Realizing Safe and Healthy Workplace for Employees
Better Environmental Management for the Future

Innovative Products through New Technologies

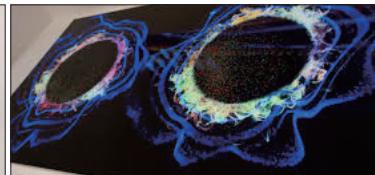
LG Display continues to develop differentiated technologies, such as IPS, in-TOUCH, and M + in order to maintain our competitive edge in the LCD market. In particular, LG Display won the 2016 Best Technology Award (Presidential Award) at the R&D Korea 2016 with the 65-inch 8K LCD TV and successfully developed in-TOUCH-enabled monitor products for the first in the world.

In addition, to prevail in OLED market, which is known as the next generation display technology, we are constantly developing an array of products such as UHD OLED TV, transparent OLED, plastic OLED, and so on. LG Display has been recognized with our world's leading technologies, in particular, 65-inch signature OLED W TV won the Best Innovation Award at CES 2017.

OLED

Signature OLED TV W

- CES Innovation Award 2017 Best Innovation
- Japan Institute of Design Promotion 'Good Design Award'
- President's Award at the '2016 Good Design Product'

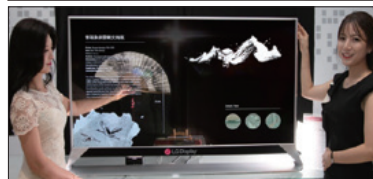


65-inch Crystal Sound OLED

- Exhibited at CES 2017

55-inch Transparent OLED

- Exhibited at CES 2017



77-inch UHD OLED TV

- Exhibited at SID 2016

65-inch UHD OLED TV W

- China Information Technology Expo 2016 Innovative
- US Display Experts' reviewed as the best definition



Center Information Display Plastic OLED Application

- Exhibited at SID 2016

LCD

65-inch 8K LCD TV

- R&D Korea 2016 President's Award



65-inch Nano-cell Application LCD TV

- Exhibited at CES 2017

5.7-inch QHD+ LCD G6

- Exhibited at MWC 2017

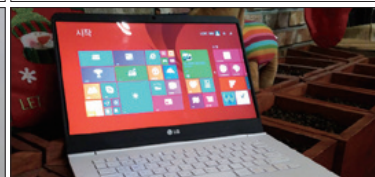


in-TOUCH Application 23-inch Monitor

- Exhibited at SID 2016

31.5-inch 8K4K Monitor

- Exhibited at SID 2016



14-inch UHD Laptop PC Panel

- Exhibited at SID 2016



LG Watch Style

Strengthening Future Growth Drivers

Investing in OLED Production Facility

To preemptively respond to the global demands of OLED, LG Display established a subsidiary with capital of USD 100 million in Haiphong, Vietnam and started building a module assembly factory in 2016. Also, P10, the world largest display manufacturing facility will be completed in Paju, in 2018. Upon the completion, we will build OLED-oriented production lines. LG Display is paving the way to lead the next generation display market.

Securing OLED Competitiveness

LG Display has been expanding our investment in distinctive technologies such as plastic OLED, OLED lighting, and OLED TV to dominate the OLED market in the future.

Plastic OLED Plastic OLED combines advantages of conventional OLED and flexibility of plastic panels. It is more resistant from external shocks to compare with LCD or Glass OLED. In addition, its attractive qualities as a future display enable innovative design features, such as Bendable, Foldable, Rollable, and others. In 2016, we developed the curved display for automotive and introduced it to CES 2016. In 2017, we developed and exhibited the circular type wearable display and LG Watch Sport & Style products in MWC 2017.

OLED lighting OLED lighting provides the most similar light to natural light. In particular, OLED flexible lighting panel allows to design new style of lightings. LG Display participated in global events, such as the 'Light and Building' in Frankfurt, Germany in 2016 and was awarded the Design Award by participating at the Milan Design Week held in Milan, Italy.



Vietnam Module Assembly Factory Investment MOU



LG Watch Sport



EuroLuce 2017 in Milan



Digital Signage in Incheon Airport

Crystal Sound OLED Crystal Sound OLED is a technology that enables OLED panel to function as a diaphragm, so that the OLED large screen itself becomes a speaker. It provides a better immersive viewing experience as the sound comes directly from the screen and not from separate off-center speakers. The cutting-edge technology of Crystal Sound OLED was presented in CES 2017 and it was well-received by the media and visitors.

Developing Commercial Display Optimized to User Environment

Commercial Display is a display to provide information or show advertisement in public area. LG Display is providing a wide range of size, ratio and durable display with all-weather, high-performs quality, such as OLED Signage, electronic chalkboard, video wall, and transparent display. In 2016, we developed double-sided display, VTO (Vertical Tiling OLED) technology and launched 86-inch 58:9 ratio Ultra Stretch LCD TV.

Providing Smart Automotive Display

Automotive display refers to a display mounted for vehicle navigation, instrument panel, and rear seat entertainment. LG Display provides Smart Infotainment to the driver and passengers with high resolution, high brightness, and wide viewing angle based on AH-IPS.

In particular, in 2016, we have developed a flame retardant certification program that can be used to verify the flame retardancy of interior materials for major automotive markets, such as the US and Europe. As the result, we became the first in the industry to meet vehicle safety standards in addition to information and communication safety standards. We could not only the enhancement of product competitiveness, but also cost and time savings from the certification procedures and improved customer trust.



Crystal Sound OLED



Seoul N Tower Digital Signage



Automotive Display

Realizing Differentiated Customer Values

Realizing Best Product Quality

LG Display defines innovation not only technological development but also consistent quality control which directly relates to the company's competitiveness. LG Display strives to provide the best quality and service at reasonable prices to the customers through world-class quality control.



Strategy for Quality Assurance LG Display has reestablished the development-quality assurance system and installed signature inspection system for quality enhancement. Since 2013, under our vision 'value Creation, Quality Enhancement' we have strategically improved product quality. In 2015, beyond improving visible issues, we put efforts to find 'Hidden Loss', the costs that are not visible, and conducted improvement activities. As a result, Hidden Loss was improved 3.6 times in 2016 compared to 2015. In addition, we are promoting quality improvement activities by establishing a distinguished quality assurance system for OLED TV, OLED/LCD Mobile, and Auto Display.

Developing Product with Customer Safety in Mind

In the future, the automotive display market is expected to expand further, which is why the verification of the flammability of the safety evaluation standards has become an essential factor. Flame retardancy delays the spread of fire when a fire occurs and it is classified in numbers and defined in the main safety standards. There were difficulties to unify the standards of worldwide display regulations depending on nations, transportation environment, driving environment, and price. However, LG Display has overcome these differences by inventing a new certification program with TÜV SÜD, a global testing and certification body, that combined Information Technology Equipment (ITE) with the flame-retardant standard. Through the introduction of the flame retardant certification program, automakers and consumers are able to easily check the safety of display products, which is considered to enhance product competitiveness as well as customer safety.



Flame Retardant Certified Product

Interview

"Delivering Customer Values through Differentiated Products and Price Competitiveness"

As a customer company of LG Display, I had the impression that LG Display put efforts to reflect customers' need on product development. In order for LG Display to build better impressions to customers and become a sustainable company, it needs to differentiate its products and secure competitiveness to truly satisfy its customers' demands. I hope to maintain a long-term relationship with LG Display and to continue to cooperate with each other.

Jin Chang | Manager, A Customer Company in China



Major Award Performances in Technology

China Information Technology Expo 2016 'Innovative Technology Award'

On the fourth China Information Technology Expo (CITE) 2016, hosted by the Chinese Ministry of Industry and Information Technology and the Shenzhen Municipal government, LG Display's OLED panel won the Innovative Technology Gold Award. The award is to acknowledge the most innovative technology among the products participated in the largest information/electronic expo in Asia. OLED panel was rated high with its nearest natural colors by applying high dynamic range (HDR) technology to achieve luminance up to 800 nits*.

*nit: brightness unit of light seen by human eyes. 1 nit is the brightness that one candle light can shed in an area of 1 m²



'R&D Korea 2016 President's Award'

The R&D Korea 2016, hosted by the Ministry of Trade, Industry and Energy, awards products and technologies that have been successfully commercialized and that have a large ripple effect on the industry. LG Display's 65-inch 8K LCD Panel won the President's Award, the highest honor, for its world-first display technology with the world's first large-screen and ultra-high resolution display and maximum transmittance technology.

SID 'Best in Show 2016'

The 'Best in Show' of the 53rd SID (Society for Information Display) 2016 is the world's most prestigious international conference and exhibition to present and exchange high-tech research papers on world-wide display related academia and corporations. SID selected the most noteworthy new products and technologies as the Best in Show winners based on the onsite evaluation of display experts, media, and visitors, and LG Display's 77-inch UHD OLED TV won the honor.



CES 2017 Engadget 'Best of the Best'

LG Signature OLED TV W won 'Best of the Best' by Engadget, the official award partner of CES, at CES 2017, the world's largest consumer electronics exhibition held in Las Vegas every year. It is a significant award because only one product was chosen from all the products presented in the show. During this exhibition, LG OLED 4K Tunnel and Crystal Sound OLED attracted a lot of interests and attentions from the visitors.



Display the Better Future

Realizing Safe and Healthy Workplace for Employees

Industrial Status

As public concern about safety accidents and product safety has increased, there is a growing demand for information disclosure related to corporate safety management. In particular, the role of companies in safety management is becoming more important as sustainability evaluation agencies are known to use safety management information as a key measure of corporate values. Therefore, if a company conducts safety management thoroughly, it will not only secure the transparency and accountability of the company but also provide an opportunity to strengthen its business activities.

Our Approach

LG Display is operating an integrated safety management system to realize the highest level of workplace safety. We are realizing LG Display's original safety culture by promoting employees' safety awareness and behavior change based on proactive safety leadership.

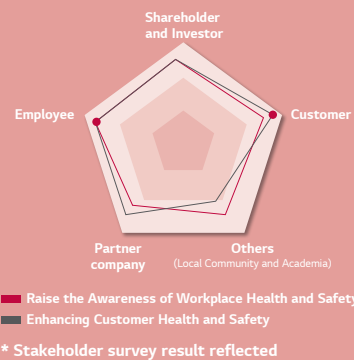
Major Achievements by Strategic Approach

- Strengthening health and safety structure: establish an integrated safety system, acquire third party health and safety certification
- Building fundamental health and safety: strengthen emergency drills, increase specialized safety training, enhance employees' health improvement activities
- Implementing an original safety culture for LG Display: operate annual LGD Safety Day and Safety Week, foster safety experts, operate safety awareness programs, operate Safety Talk and establish training courses and R&R for safety leadership

Future Plan

- Minimize safety accident through eliminating any risk factors and prevention of workplace accidents
- Establish Global Integrated Safety System and improvement of chemical substance management system (improvement and development of Integrated Safety System)
- Foster the best health and safety experts and internalize original LG Display safety culture

Stakeholder Impact



2016 Key Performance

ISM (Integrated Safety Management)

Building Integrated Safety System

Enhancing LG Display Safety Culture Level

Establishing the Foundation for LG Display's Original Safety Culture

Strengthening Health and Safety Structure

Establishing LG Display's Original Health and Safety Structure

LG Display is working relentlessly to realize the world's best health and safety management with 'Safe and Healthy Workplace'. At our workplaces, our fundamental approach to secure health and safety factors will allow us to reach our goal of accident-free workplace and to minimize the occurrence of serious incidents as we improve our safety and health performances by establishing a globally integrated safety management system. These efforts are being realized as LG Display's original health and safety culture through voluntary participation of employees across the company.




Health and Safety Organization In order to strengthen safety and health at workplaces, LG Display has a Safety and Health Team, a specialized safety and health organization. The Safety and Health Team focuses on safety and health management at workplaces, external health and safety affairs, and strives to secure the fundamental safety of the production process. In addition, we are implementing initiatives to reform employee safety awareness and build LG Display's original safety culture.

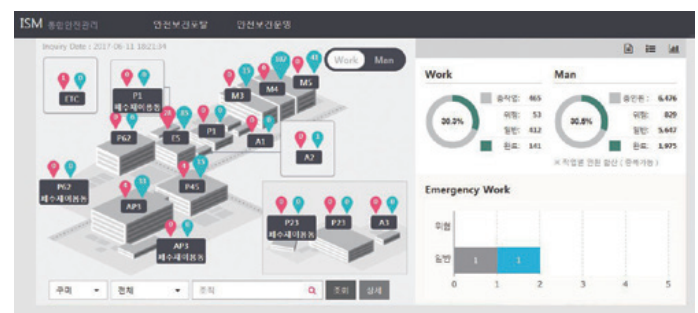
Safety and Health Certification Management LG Display operates OHSAS 18001 and KOSHA 18001 safety and health management systems in Gumi and Paju plants to create a safe work environment. We also have obtained Safety Zone Certificate by evaluating the company's design, construction, and safety management. In addition, we are strengthening our social responsibility for safety and health through the symbiosis safety certification program, an industrial incident prevention project, with the aim to establish mutually beneficial relationships with our partner companies.

Establishing Systematic Health and Safety System

Integrated Safety Management System LG Display has established an Integrated Safety Management (ISM) to continuously maintain an accident-free and fatality-free workplace. The system not only adds data analysis and risk assessment functions but also enhances the level of safety management by including an automated alert function when unsafe condition is discovered. LG Display is also continually improving our system for a better safety and health management. In the long run, we will secure the necessary capabilities to become a Smart Factory that systematically manages risk factors and physical factors.

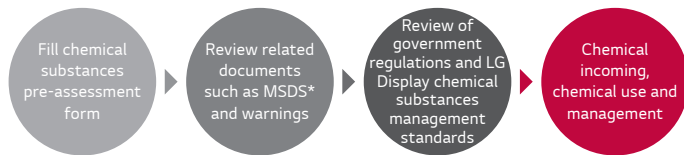
Realizing Integrated Safety Management System

Function	
Chemical substances 	Strengthening chemical substances management <ul style="list-style-type: none"> Chemical incoming and use management Providing chemical information and strengthening monitoring
Personal protective equipment 	Standardized management of safety protective equipment <ul style="list-style-type: none"> Simplify procedures for request and receive safety protective equipment
Training management 	Efficient safety training management <ul style="list-style-type: none"> Allow easier to understand safety education plan and education progress status Provides various contents such as safety videos and safety training materials
Accident database management 	Integrated DB management and analysis <ul style="list-style-type: none"> Accident report registration and analysis functions can be systemized for integrated history management and accident analysis



Integrated Safety Management System Portal

Chemical Substance Management System We are strictly managing chemical substances from stocking to usage in order to secure workplace safety and minimize environmental impact. In particular, LG Display is building safe workplaces by identifying hazardous risks of chemical substances from conducting chemical substance pre-assessment and compliance with the government regulations, and suitability of LG Display's chemical substance management system to the regulations.



*MSDS: Material Safety Data Sheet

Equipment Safety Certification In order to prevent accidents caused by human error, we have implemented an equipment safety certification system that evaluates the equipment safety standards to comply with domestic and international standards for all incoming new equipment. We also continue to improve the reliability of our safety equipment and strengthen our safety specifications to reduce the underlying risk factors.



High-risk Work Management

To prevent serious incidents, LG Display identifies the level of safety management and eliminates potential risks. We conducted detailed analysis on high-risk jobs chemical handling, confined spaces, and working at height through onsite inspections and improved unsafe conditions.

Enhancing Employee Health Improvement Activities

LG Display provides various health promotion activities to prevent and manage diseases that may occur frequently. In the first place, we run an in-house clinic and a health management office to carry out customized annual medical health checkups. We also provide nursing rooms for mothers and various classes for expected parents. Onsite programs such as musculoskeletal injury prevention and various events including dental and eye check-up were held for health management of our employees. Based on these efforts, we were recognized as an Excellent Business Operation for Health Improvement Activity by the Korea Occupational Safety and Health Agency (KOSHA).

Establishing Advanced Industrial Health System

LG Display has built a forward-looking advanced industrial health system that re-checks the work environment and extends disease support system to improve our social responsibility.

From May 2016, we commissioned the Korean Occupational Health Society to provide a detailed analysis of the Paju and Gumi representative sites for about a year. As a result, the work environment is evaluated at a management level that meets legal standards. The welfare system such as health checkup, medical expense support, and group insurance was rated as superior to other companies.

LG Display will not rest until it builds a comprehensive industrial health system that minimizes the potential health risks of employees, fulfills corporate social responsibilities and promotes preventive health policies through regular health assessment. This ensures a safe working environment at the highest level in the manufacturing industry and will provide comprehensive support for all employees and partner employees who work at our workplaces, regardless of their business relevance, if there are cases of cancer or specific diseases. Support For the independent operation of the Compensation Committee, the 'LG Display Industrial Health Support and Compensation Committee', a third-party operating format, will be established to make decisions on the scope and size of support.



Advanced Industrial Health System Briefing Session

Securing Fundamental Health and Safety

Expanding Employee Inclusive Safety Culture Activities

"Safety starts with You"

LG Display strives to create a safety culture in which all members participate, under the principle of "We only work when it is safe." We focus on raising the safety awareness for all employees. The new slogan, "Safety starts with You", encourages proactive safety awareness for each team member. Our plan is to expand a practical safety awareness program to promote employees' safety consciousness in the workplace and make efforts to spread LGD's original safety culture.



Strengthening Work-site Based Safety Competency

Work-Site Based Safety Training In order to prevent possible accidents at the workplace and to raise safety awareness, we operate various types of safety training facilities, such as Safety School and Safety Experience Center. The Safety School provides basic safety knowledge to prevent accidents and the Safety Experience Center allows the participant to improve their emergency response competency through practical training. While the hands-on training is focused on experiencing work-related risks, it helps to efficiently acquire work-site based safety competency. In 2016, 1,047 employees completed Safety Guardians program and 3,007 employees participated in work-site based training to improve their emergency response competency.

Securing Emergency Response Competency Emergency drills are regularly conducted in accordance with various emergency response scenarios, and drills are conducted even during unforeseen times to strengthen the ability to cope with situations in the event of a disaster. In 2016, more than 130 emergency response and evacuation drills were exercised for all employees of Gumi and Paju plants (including the employees of their partner companies). Particularly, emergency drills led by the workers from departments other than health and safety team called more voluntary participation from the employees.

Conducted Joint 'Safety Korea Training' LG Display carried out joint training for safety and security in Korea to cope with national disasters. 'Safety Korea Training' is a joint training conducted jointly by the company, local governments, and military to minimize any loss in the event of a disaster. In 2016, we trained for emergency evacuation, fire suppression and facility restoration under a fire scenario. We will endeavor to improve emergency response capabilities with the community through continuous training.



Fire suppression



Transfer patient

Realizing LG Display's Original Safety Culture

LG Display built the foundation of LG Display's original safety culture based on 'securing core safety competencies' and 'operating safety awareness and culture change programs' throughout 2016. In 2017, LG Display has not only developed own safety and health assessment tool that further developed from 'establishing a foundation' for safety culture but also has strived to build participatory safety culture, including expanding BBS (Behavior Based Safety), that all employees are engaged in under the four goals that are 'Soft Leadership', 'Safety Awareness', 'Safety in Action', and 'Enforced Monitoring System'.

Secure Core Safety Competence



Secure Safety Leadership> From the CEO to each and every employee of LG Display, we are setting roles and responsibilities to establish an efficient health and safety structure. To form a consensus on the systematic understanding of safety and roles and responsibilities, we conducted leadership education for each level.

Strengthening professional competence> We have elevated the competencies of safety and health professionals through advanced health and safety training, accident assessment expert training, and benchmarking other companies.

Communication> We initiated Safety Talk in order to convey the leader's safety awareness in casual atmosphere to employees and to encourage safety communication within the organization.

Safety Talk

It is a pre-session five-minute talk in regards to the health and safety issues to remind participants of the importance of safety and health and the safety related communication activity to show the leader's interest in safety.

Who	meeting host Leader
When	before a meeting/event
How	free format within 2-5 minutes
Topic	free of choice depending on the organizational characteristic (experience, common sense, health and safety information)

Deploying Safety Awareness Programs



Progressing Safety Awareness Programs> LG Display offers various programs in order to raise our employees' safety and health awareness. Weekly safety awareness letter is sent to the employees to share safety-related knowledge. Safety leaders are selected, praised and rewarded in public to encourage safety awareness. In addition, we have established 'Safety Praise' bulletin board for positive changes in safety. Safety banners are installed in various places to encourage safety behavior, thereby raising safety awareness among employees.

Risk Management Engagement Activities> In 2016, we held an event for the employees to identify near miss cases, perform risk assessment and find gaps for improvement. In addition, we have identified best practices through pilot operations to expand BBS at the enterprise level.

Safety Promotion> To raise the awareness on safety, the spontaneous promotional event was held for members to experience the importance of safety in person.



Management safety training



Safety discussion



Safety Quiz



Campaign to ban cell phone use while walking

Held The 2nd Safety Day

In order to raise awareness of the accident in January 2015 and to firmly establish safety management, we set January 12 as safety day every year and encourage all members to participate in safety activities during the week. On January, 12th 2017, the second Safety Day ceremony was held to raise the safety awareness and, during the Safety Week, we build safety consensus among the employees by conducting safety awareness activities.

Safety Consensus

Safety week promotion

- Posted banners, bulletin board promotion, and etc.

Safety consensus exhibition

- Posted banners of common accidents

Employees participation event

- Banner and character competition, experience safety in VR

Sharing best practices in safety culture

- Presentation of safety culture best practices, award and safety pledge

Operation of safety consensus campaign booth by organization

- Built customized organizational safety awareness and consensus

Suppliers' safety consensus committee

- Suppliers' best practice presentation, award and safety pledge

Empathy Leadership

Publication of Safety Message

- Published safety messages include company leadership's, such as CEO, CPQ, CTO, and etc, safety commitments

Inclusion of safety agenda in first weekly meeting and morning assembly

- Shared 2016 safety activities and 2017 safety plans

Leadership pledge on safety commitment (framed and displayed)

- Leadership in each organization demonstrated their safety commitment

'I am on my way to encourage Safety'

- Leadership's safety encouragement through onsite visit

Safety in Action

Campaign to ban cell phone use while walking

- Improving employee safety awareness and behavior to prevent safety accidents from using mobile phone while walking

Organizational Promotion

- Improved organizational safety awareness through promotion

Emergency Response Drills

- Unplanned emergency drill by the Emergency Response Headquarters to secure emergency response capabilities

Creating an employee's accident card

- Clear understanding of accident and identification of risk factors

Employee's safety pledge

- Raising safety awareness of all members by writing safety pledge



Conference to share best safety practice



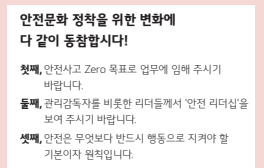
Experience safety in VR



Event of safety master



make the accident card



CEO safety message

Interview

It is a known fact that LG Display is the leading company in the industry equipped with advanced technology of automated and integrated mass production systems. However, as Ulrich Beck mentioned in 'Risk Society', an advanced system can be a double-edged sword, exposing the company to new types of risk that other companies have not experienced before. To effectively manage this type of risk, LG Display has been involved in safety culture improvement program which all employees have participated since 2015. For the last 2 years, LG Display has shown visible changes and the evaluation results also suggest progress. Safety culture is how the members of the organization think and act regarding safety. To consistently increase the awareness on safety, it is crucial for the leaders to demonstrate commitments to safety and health, along with an active support and participation of all employees. I strongly believe that a well-established safety culture will be the stepping stone for LG Display to become a sustainable world-class company.

Hun Hee Lee | Division Manager, DNV





Display the Better Future

Better Environmental Management for the Future

Industrial Status

Recently, the Paris Climate Change Agreement (COP21) has been adopted in response to climate change, and European regulations on the use of hazardous substances in electrical and electronic products have been strengthened. For the companies operating plants internationally, the environmental issues can be both a risk and an opportunity. When a company fails to fulfill its environmental responsibility, it may face declining reputation or/and legal action. However, if it is well prepared to respond to preemptive measures such as the development of eco-friendly products and strict pollutant management, it can serve as an opportunity for a company. LG Display is committed to actively responding to environmental regulations in each country and to becoming a company that fulfills its environmental responsibilities.

Our Approach

LG Display is acquiring environmental and energy management system certifications (ISO14001, ISO50001) for domestic and overseas business sites and is pursuing systematic environmental management activities in accordance with our environment strategies. In particular, under the CPO's leadership, Environment Management Team at each workplace is operating five separate parts which are green strategy, planning, air quality, water quality, and recycling.

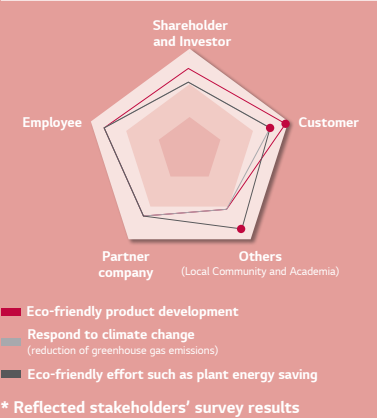
Major Achievements by Strategic Approach

- Respond to climate change: establish and implement the reduction target of 2020 greenhouse gas (GHG) emissions
- Environmental activity: Maintain and manage pollutants at less than 50% of pollutant legal standards
- Resource circular management: waste recycle and water use reduction.

Future Plan

- Establish smart energy management structure and develop new energy saving technologies
- Ensure energy competitiveness through company-wide energy saving TDR activities
- Increase resource circular rate such as expanding water reuse
- Develop alternative fuel technologies

Stakeholder Impact



2016 Key Performance

Amount of Reduced Greenhouse Gas Emissions
1.5 million tons
(20% reduction compared to 2015)

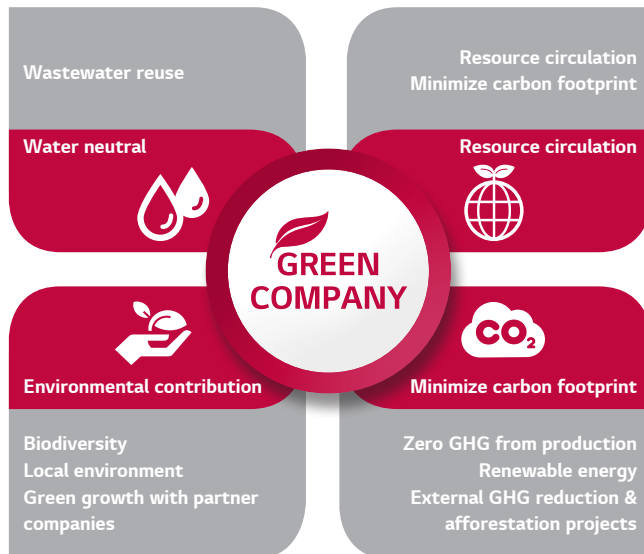
Water Reuse Rate
146.3%

Realizing Eco-Friendly Green Workplaces

Building Environment Management System

LG Display seeks to fulfill our corporate social responsibilities through environmentally friendly management at a global level. Firstly, we are preemptively responding to climate problems through activities, such as resource recycling and GHG reduction, to solve the problem of resource depletion and abnormal weather patterns. In addition to these efforts, we operate environmental contribution activities, such as biodiversity preservation movement and 1 plant 1 river. These management activities are practiced company-wide and beyond the government regulations or standards and we continue to promote environmental contribution activities that provide in-depth understanding of environmental issues.

Green Company Strategy



Operating Environment Management System LG Display plants in Paju, Gumi, and Ochang acquired the Environment Management System (ISO14001) and Energy Management System (ISO 50001)*. In 2016, we have accomplished 11 out of 18 environmental management and operational goals. For the unaccomplished goals, we are conducting root cause analysis and taking measures to complete them in 2017. We accomplished 1,991 out of 2,042 (98%) department targets. In order to operate the environmental management system in a more systematic and efficient manner, LG Display will reestablish the goal setting standards and will strengthen the operational execution power of the energy management system by establishing PEMS** with departmental performance indicators and production departments.

*As the result to ISO 14001 follow-up audit (Gumi and Paju plant, yearly) and acquisition audit (Ochang, initial audit) and ISO 50001 renewal audit (Gumi and Paju plant, every 3 years), all plants have renewed, acquired or maintained its certifications.

**PEMS : Plant Energy & Environment Management System

Responding to Climate Change

In the adoption of the Paris Agreement (COP21), a post-climate change system, the Korean government has finalized its 2030 target to reduce GHG emissions by 37% from BAU (Business as Usual). To take part in the reduction efforts, LG Display has set our own goals to reduced GHG emissions with feasible plans in place.

GHG Management and Response In accordance with the GHG and Energy management system, LG Display reports GHG emissions and action plan to the Ministry of Environment every year. Since 2015, LG Display was designated as a GHG trading company and is a part of the GHG emission trading scheme. In order to reduce GHG emissions, we set a mid-to-long term target (54.6%) by 2040 based on 2014 emissions. In 2016, we have successfully reduced 20% from last year's emission which was about 5.85 million tons, over-achieving our targeted reduction amount.

GHG Reduction Target

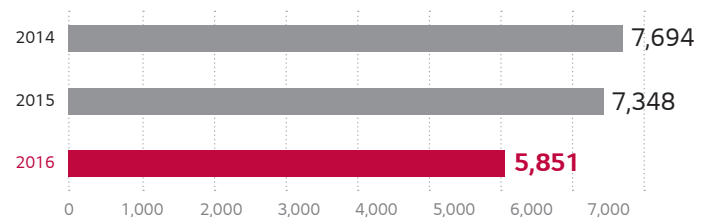


*The target is based on domestic plants only, since 90% of the GHG emissions are from domestic sources

GHG Emission Reduction Efforts LG Display has made major environmental investments to replace SF6 gas, which is the main source of GHG emissions, with NF3 gas, thereby drastically reducing GHG emissions. Furthermore, we have achieved reductions in GHG emissions through various energy-saving activities such as reduction of CDA supply load, improvement of freezers' energy efficiency, and improvement of heat pumps in heating and hot water supply.

GHG Emissions

unit: 1,000 tCO₂eq

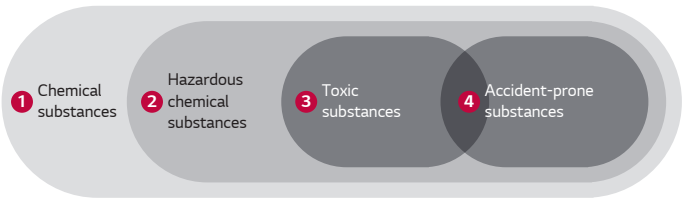


Reduced 1.5 million tons compared to 2015

Expanding Environmental Preservation Activities

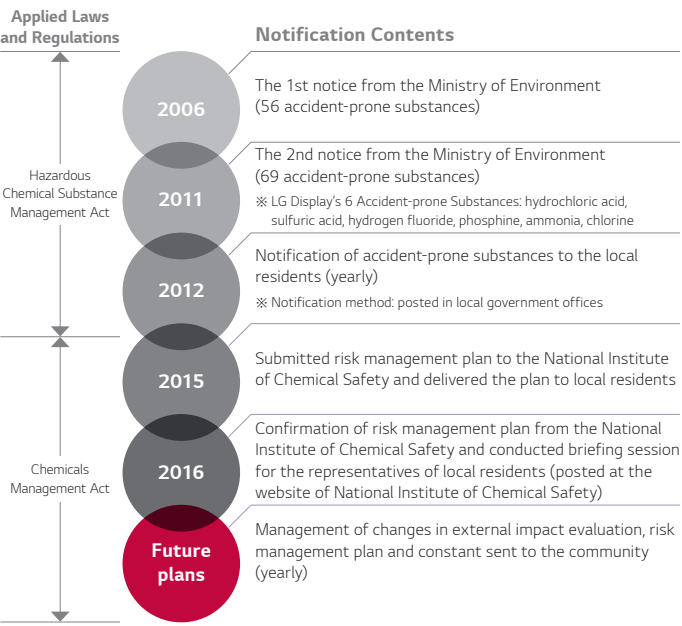
Strengthening Hazardous Chemical Substance Management We are proactively managing chemical substances before they are listed on our Hazardous Chemical Substance Management System. We have established GHS MSDS (Globally Harmonized System Material Safety Data Sheet) with our suppliers for consistent management. We operate under strictly controlled system from receiving to disposal in order to minimize risks arising from strengthening domestic laws and handling trade secrets of suppliers. In particular, new chemical substances are thoroughly reviewed for risks and legal regulations through the Imported Chemical Management System, Preliminary Environmental Safety Inspection, and PSM. According to the Chemical Substance Management Act, the chemical accident impact assessment and risk management plan were submitted and approved in advance and provided information to local residents who are expected to suffer damage in the event of a chemical accident.

Classification of Chemical Substances



Material classification	Definition
1 Chemical substances	Chemical modification or refinement of elements/ compounds, anthropogenic reactants and naturally occurring substances
2 Hazardous chemicals	Hazardous chemicals, Toxic substances, Accident-prone substances, Permits · Restrictions · Prohibited substances
3 Toxic substances	Hazardous chemicals that are notified by the Ministry of Environment
4 Accident-prone substances	Substances having high possibility of chemical accidents and high damage from the accidents

Disclosure History of Hazardous Chemicals



Air and Water Pollutant Management In order to effectively comply with the environmental laws and regulations, we employ environment experts. Also, we have installed and operated anti-pollution facilities to meet all regulatory mandates. We have optimized air and water filtration systems for individual production lines depending on the materials and substances used in different processes. We are also equipped with the 24-hour monitoring system to comply with environmental laws and regulations. To limit the impact on the water source in case of chemical leakage, we have minimized the pollutant inflow to rainwater drainage by installing rainwater separation system. LG Display sets 50% of our legal standard concentration as our own standards and continues to apply new technologies to minimize pollutant release.

Interview

Since the Paris Agreement, the importance of responding to global warming has been more emphasized, with low energy product development, GHG emission, and water resources management. LG Display has actively responded to the global trend, which has made it possible to receive the 'level A' company in the CDP Climate Change and CDP Water 2016. In particular, it is outstanding to see LG Display's effort of managing GHG emissions (Scope 3 Standard). Recently, global initiative activities to solve climate change and water resource issues are increasing. I suggest LG Display to join these global initiative activities to play a leading role in climate change and water resource issues.

Tae-han Kim | Researcher, Korea Sustainability Investing Forum



Promoting Biodiversity Conservation Activities LG Display is continuing our environmental contribution activities to conserve biodiversity. Since 2013, in partnership with Friend of the Earth, Paju branch, we have campaigned to support conservation of biodiversity, setting 'Golden Frog' as the representative species. In 2015, 'Suwon Frog Symposium' and 'Amphibian Conservation Research Symposium' were jointly hosted to emphasize the significance of biodiversity conservation. In 2016, we partnered with schools and local children centers to promote biodiversity in habitats near our plants. We are engaged in the preservation of 'Golden Frogs and Narrow-mouthed Toads' habitats in Paju, Unjung residential development site, furthermore, we held campaigns to encourage people in the city to participate in understanding the significance of biodiversity.



Biodiversity Conservation Promotional Badges



Biodiversity Conservation Activities

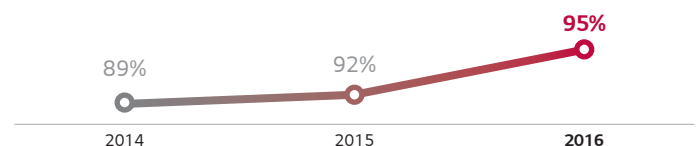
Maximize Resource Circulation

To preemptively respond to depletion of natural resources, we are reducing resource usage at our domestic and overseas workplaces. In addition, we are taking the lead to minimize waste generated during the production process as a part of our environmental conservation initiatives.

Expanding Waste Recycling In order to efficiently manage waste from generation to final treatment, we operate the Resource Recycling Center and the management status is monitored in real time through the system. In addition, as part of our leading resource recycling activities, an MOU was signed with the Ministry of Environment and the Korea Environment Corporation in the "Resource Circulation Performance Management Pilot Project," to improve the waste discharge method, storage, and transportation process to maximize waste recycling. Meanwhile, we are promoting resource circulation by developing new recycling technologies. In recent years, we have developed a glass film waste separation technology to achieve 100% recycling rate of waste glass. We also maximized the reuse of recycled pulp materials through pulp regenerator and new technology development. In addition, we have constructed a copper sludge recovery system and discovered technology for the protective film (PET) fiber raw materials. By doing so, we have achieved cost reduction and resource recycling.



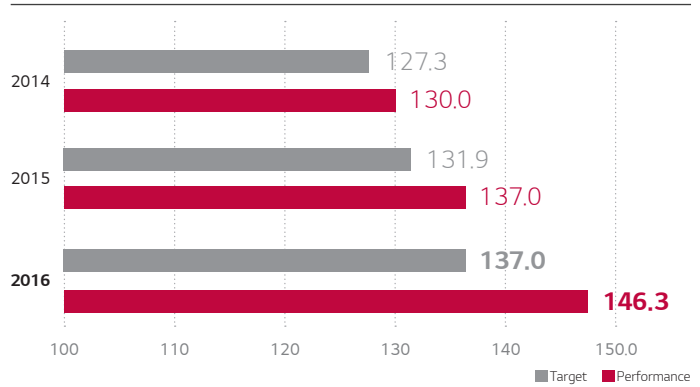
Waste recycling rate (Domestic Worksites)



Reducing Water Usage▶ To ensure the stable supply of water resources, we are evaluating water risks through usage analysis and consistency review. In response to serious risks, response measures are being developed to mitigate risk factors. We have set a medium and long-term goal of achieving a recycling rate of 145% of water withdrawal volume by 2020. We are implementing various water resource saving activities at each worksite. In particular, we are reviewing the industrial water infrastructure, establishing a capacity expansion plan, and reducing water usage through equipment and process improvements. for expanding the reuse rate of wastewater. We set the water reuse rate as internal KPI to prepare for external risk factors. In 2016, we achieved a water reuse rate of 146.3%.

Water Reuse Rate (accumulative)

unit: %



Water saving in 2016

unit: tons(m³)



106,882,416

Maximizing Water Reuse

We are investing heavily in order to increase the water reuse rate. We treat more than 60% of total wastewater and reuse it in production process and utility manufacturing process. In particular, we have increased the recovery rate of DI wastewater through rigorous DI quality control and supply stabilization. We are also striving to minimize water risk through stable water supply through investment in wastewater reuse facilities and optimization of operations.

In recent years, the wastewater is not discharged to the outside but is directed to reuse facility to utilize it as an internal water. It can increase the reuse rate by reusing the wastewater generated during the utility manufacturing process and replacing the reusing facility with low efficiency. We are reducing waste water treatment costs. Recognized for our water management efforts, LG Display won the 'CDP Water Korea Best Awards' as the best company in Korea in the 'CDP Water of 2016' organized by the UK CDP Committee.



Awarded CDP Water Best Company



View of Wastewater Treatment Plant

Developing Eco-Friendly Products

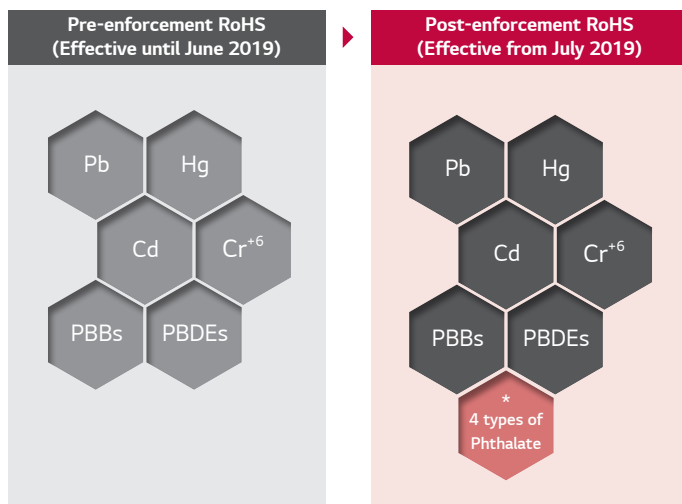
Responding to Restriction of Hazardous Substances

LG Display is establishing a hazardous substance management process to actively respond to the regulations of the EU's Restriction of Hazardous Substances* and other domestic and foreign regulations that restrict the use of certain hazardous substances in electrical and electronic products.

*RoHS, Directive (2011/65/EU) restricts Pb, Hg, Cr+6, Cd, PBBs, and PBDEs usage.

Establishing Preemptive Responding Process against Additional RoHS

Since 2016, the European Union has decided to add four new regulated substances (4 types of Phthalate*) to six of the RoHS regulated substances, and this measure will officially become effective on July 22, 2019. Phthalate is a plasticizer that softens plastics. It is an endocrine disrupting substance that acts as an environmental hormone in the human body and has been designated as a prohibited substance in USA CPSIA**. LG Display has established a preemptive response process in order to identify a potential risk factor for the four phthalates to be regulated and to establish a more secure management system. In addition, we not only established RoHS response measures by identifying regulatory trends through collaboration with external organizations, but also developed and applied more effective response solutions through partnerships with departments, such as development, purchasing, and quality.



*4 types of Phthalate
 - DEHP : Bis (2-ethylhexyl) phthalate
 - BBP : Butyl benzyl phthalate
 - DBP : Dibutyl phthalate
 - DIBP : Diisobutyl phthalate

**CPSIA : Consumer Product Safety Improvement Act, USA

Voluntary Expansion of Customers' Request on Restriction of Harmful Substances

Beryllium (Be), designated as a group 1 carcinogen by the WHO for its high toxicity to humans, is not internationally designated as a regulated substance but is subject to steady regulation. Beginning in 2016, some customers have designated beryllium as a prohibited substance and have begun requesting prohibition of inclusion in the product. As a result, we have verified the parts of the customers who requested the prohibition of beryllium content and verified the parts that are expected to be regulated. Through this process, LG Display has established a voluntary hazardous substance response that can be extended to not only the customers who requested to meet the regulation but also for all customers' products.

Developing Energy Saving Products

Recently, there is a growing preference for low-power and low-carbon products that can minimize energy consumption during consumers' use phase. To this end, LG Display is striving to develop energy-efficient and low-power consumption products by linking eco-friendly features with our business strategy.

Launched Nanocell, the Core Technology for the Third-Generation Super Ultra HD TV

Nanocell is an eco-friendly technology that uses dyes extracted from natural resources, such as flowers, trees, and fruits. It is an eco-friendly high-color technology that does not apply any harmful substances such as cadmium. The third-generation Super Ultra HD TV absorbs unnecessary lights due to the nature of light absorbing nanomaterials and improves TV image quality. Power consumption is also very low with the local dimming technology that reduces power consumption in dark areas.

Acquired M+ Energy Efficiency Certificate Differentiated technology that realizes ultra-high quality M+ has obtained 'QPM (Quality & Performance Mask)' certification from Intertek for quality and performance. M+ technology is a differentiated technology that adds white element to conventional RGB method and improves image quality algorithms to enhance luminance by 50% or lower power consumption by 35%.



65-inch UHD TV Applied with M+ Technology



Dream with Our Stakeholders

Mutual Growth with Local Communities through Strategic Social Contribution

Industrial Status

The importance of social contribution is increasing across corporate management areas with the aim of bolstering corporate reputation and marketing. The perception on social contribution has also changed from philanthropic donations to activities for strategic investment and value creation. As a result, companies must seek social contribution strategies that can generate economic and social values simultaneously by accepting the needs of society and solving social needs.

Our Approach

As a global company, LG Display promotes educational opportunities for vulnerable children and youth and our employees volunteering to support local communities. In addition, we operate separate enterprise-wide and local Corporate Social Responsibility Committees to promote transparency in the implementation of social contribution budgets and to plan and execute social contribution activities in line with local needs and environment.

Major Achievements by Strategic Approach

- Supporting the growth of vulnerable children and youth: sponsoring, operation of mentoring program
- LGD's original strategic social contribution: Building IT Power Plants
- Employee volunteering: LGD Relay Volunteering, USR Social Contribution, Global Volunteering, Social Enterprise Pro bono Project

Future Plan

- Expanding strategic social contribution including IT Plant and vision care of local residents neighboring LGD workplace
- Internalizing Employee Inclusive Activities

Stakeholder Impact



2016 Key Performance

Investment of Social Contribution

KRW 24,560 million

Number of Employees Participated in Volunteering

32,181 persons
(accumulated)




Performance of 2016 LGDream Fund

Fund KRW 135.7 million
Donator 6,519 persons

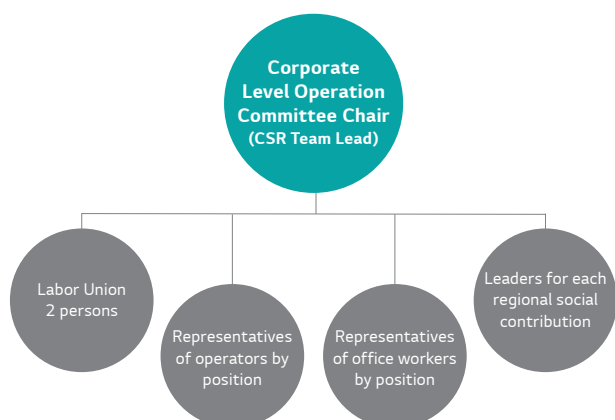
Strengthening Social Contribution Activities

Promoting Systematic Social Contribution

Promotional Direction of Social contribution Under the mission 'Love Young Dream', LG Display has engaged with marginalized groups in the regions where we are located by providing opportunities for healthy growth of children and youth with potentials, and employees actively participate in volunteer activities with the underprivileged groups in local communities. With LGD's original strategic social contribution activities, we strive to fulfill our responsibilities as a corporate citizen.

Mission	Love Young Dream		
Goal	Opportunities for healthy growth of children and youth in underprivileged groups	Establish a corporate image of fulfilling social responsibilities and invigorating organizational culture through employee involvement	
Principle	Employee Inclusive Type	Creating Shared Values	Resolving Social Issues
Strategy	Obtaining invigorating value from employee involvement	Continuous progress between business and communities	Improving independence foundations for children and youth through supporting
Strategy	 Goal1. No Poverty Goal2. Zero Hunger Goal3. Good Health and Well-being	 Goal1. No Poverty Goal3. Good Health and Well-being Goal10. Reduced Inequalities	 Goal1. No Poverty Goal4. Quality Education Goal10. Reduced Inequalities

Promotional Organization of Social Contribution To promote social contribution activities effectively, we operate two separate Social Contribution Steering Committees at the corporate and regional level. The Corporate Social Contribution Steering Committee reviews and approves operational policy and plans of social contribution fund, and audits the fund management. The Regional Social Contribution Steering Committees regularly review regional project plans by region and contributes to the spread of corporate social contribution culture.



Internalizing Inclusive Culture of Social contribution

Attracting Employees' Participation in Social Contribution In order to encourage employees to participate in social contribution activities, we have selected and awarded excellent social contribution participants with gifts and invited donors and volunteers to the 'LG Display Honor's Club' to give a variety of social contribution events. We also provide an intranet system to manage volunteer service, donation requests, and personal performance check to enable accurate performance management and measurement of social contribution activities.

Expanding Social Contribution Participatory Programs We are raising awareness and voluntary participation in social contribution by recruiting employees to LG Do Dream Voluntary Group and conducting volunteering idea competitions. Moreover, we conduct satisfaction surveys on our social contribution participants and collect ideas on improvements and enhancements. We are also strengthening enterprise-wide sharing of employees' social contribution activities through volunteering pictures posts, thanks letters, and distribution of social contribution newsletters.

Operating Employee Inclusive Type Programs Although we wanted to participate in volunteer activities by conducting Relay Volunteering activities that continue group service activities as an organizational unit, we provide individual members who have been unable to participate in volunteer work with rewarding and organizing communication opportunities. In 2016, 5,754 employees participated in Relay Volunteering to carry out various activities tailored to the characteristics of their organization, including making DIY furniture for children from low-income families and drawing murals in underdeveloped areas.



Mural painting volunteering

Sharing Love with Local Communities

Regional Specialized Sharing Activities

As a member of the local community, LG Display is contributing to solve local issues and holding sharing activities that are suited to the local community.

Paju Plant Sharing Activities> The Paju Plant has been organizing an annual event called 'Paju City Sports Day for Disabilities' since 2013. The event is to encourage local people with disabilities to expand social contact through sports activities and provides opportunities for mental and physical training. In addition, we visit a local nursing care facility every month and help the elderly to prevent dementia and promote physical and mental health through gardening therapies and volunteer activities such as having picnics in botanical gardens. During 2016, a total of 48 organizations and 3,206 employees participated in various sharing activities, such as mural painting and kimchi making.

Gumi Plant Sharing Activities> The Gumi Plant conducts monthly volunteer activities to verbally describe movie for blind persons who are paired with employee volunteers and watch commentary films. The volunteers also visit community disabled and child welfare facilities to conduct volunteer service activities and cultural experience activities. In addition, in conjunction with local public departments, we are making efforts to develop local communities by communicating with underprivileged communities through 'Let's Make a Safe Village' activities that provide fire extinguishers and fire detectors.



Cultural Event with Underprivileged Children

Social Contribution Activities in Global Scale

LG Display as a global company is taking social responsibility and putting our full effort to live in harmony with local communities of overseas plants. We consistently find a way to support under privileged outside Korea

CSR Overseas Volunteers> In 2016, 44 volunteers among the employees made a two week visit to Vinh Bao Province Hai Phong, Vietnam twice to improve education environment and hygiene situation. Volunteers helped building restroom, school fences, and library in Tran Duong middle school in order to improve education environments for over 400 students. Through cultural exchanges, picnics, and village tour with students from low-income families, the volunteers had a precious time and a great memory with the local students.

USR* Overseas Volunteers> As part of USR's social contribution activities, labor union has been participated in volunteering in Vietnam, Cambodia, and Mongolia since 2013. In 2016, 300 labor union members made 10 relay visits to Siem Reap, Cambodia for 40 days to improve education and hygiene environments in Broleut Elementary School and Khbon Elementary School.

*USR: Union Social Responsibility

USR Social Contribution Activities

The LG Display Labor Union is committed to expanding their role to motivate the members and to fully realize social responsibility through various volunteer activities. Union volunteers in Paju and Gumi conducted a 'Love House' project to improve the living condition of low-income families with children and elderly. In addition, among the volunteers, production technicians, safety, material related members and researchers made visits to their homes to replace outdated lightings, fire extinguishers, window screens and insulation. The volunteers held photo sessions for elderly with makeup and dress-up clothes wishing their healthy lives. In addition, labor-management committee members including CEO and union leader visited 'Gyonam Uhyooji Dongsan', a rehabilitation vocational center for disabled persons, every year to help harvesting and packaging peppers during their busy season.

► Mutual Growth with Local Communities through Strategic Social contribution

Cooperation with Partner Companies through Mutually Growing Culture

Creating Employee Values through Joyful Corporate Culture

Children and Youth Hope Sharing

Donation and Sponsoring Program

Sharing Campaign 'Miracle in Christmas'> 'Miracle in Christmas' is an annual event delivering Christmas presents to children from low-income families near Seoul, Paju, and Gumi plants upon their requests. One of our employees dresses up as Santa to deliver the present as well as inviting them to the Christmas party. The event was held every year since 2010 with growing number of beneficiary. We have delivered a miracle to 202 children at the 2016 events and to a total of 1,003 children since 2010.



'Miracle in Christmas' volunteering

LG Display Hope Wing Club> Since 2012 in partnership with World Vision, company executives support teenagers with outstanding talents in art, sports, science and engineering fields, their tuition and related costs through the 'Hope Wing Talent Nuture Program'. In past 5 years, a total of 74 students were given support with approximate KRW 500 million grants. Among the beneficiaries, there are students who were accepted to the Korea National University of Arts, national sports team players, and winners of various contests, getting close to fulfilling their dreams. In 2016, 16 teenagers benefited from this program and held an event to present their achievements in the past year through their work exhibitions and performances.



Hope Wing Club Dream Presentation

LGDream Fund> LGDream Fund is a matching donation program which company match children in need in and outside the country with employees through direct donations. The system updates the changes that donors have made transparently, which encourage donors to make additional donations. In 2016, 6,519 employees participated to donate a total of KRW 136 million.



Case of LGDream Fund Donation

Mentoring and Job Experience Program

The Paju and Gumi plants are operating mentoring and job experience programs to inspire local youth to have hopes and dreams for their future. In 2016, the Paju plant organized the mentoring program called 'LG Dream School' for freshmen in local high schools. Over a seven-month period, 32 mentees and 32 mentors consisted of LG Display employees teamed up for 1 on 1 mentoring for various events, such as plant tour, university visits, concerts and aptitude test. 'Supporting Dream' program provides middle school students in Paju and Gumi plant an opportunity to have job experience. The program consists of special lectures from executives, company tour, and safety school training. In addition, in 2016 over a nine months' period, the afterschool mentoring program called 'Fantastic Partners' was provided for 59 students chosen from a local school to encourage academic achievements and to prevent child neglect.



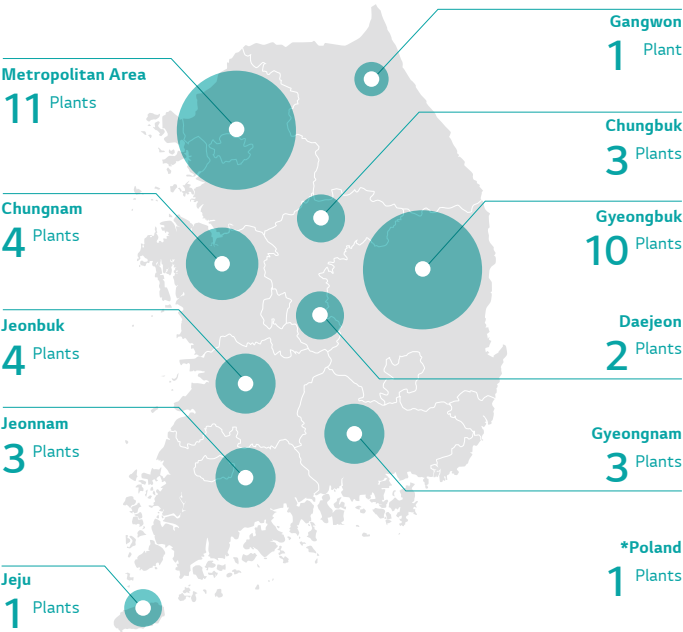
Job Experience Program 'Supporting Dream'

LG Display Sharing Values

IT Power Plants Projects

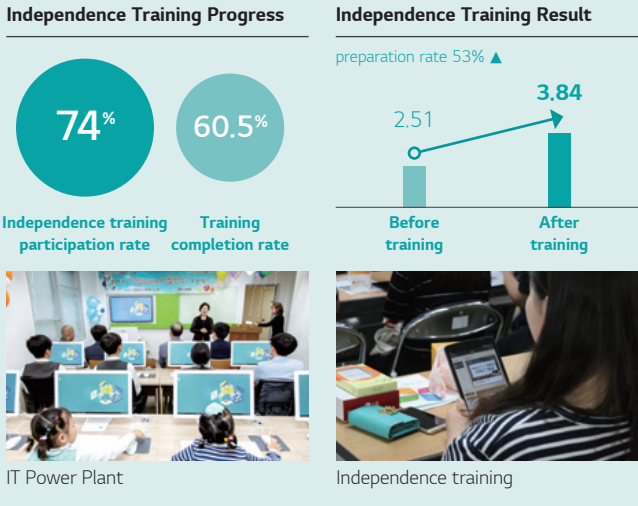
LG Display is conducting IT Power Plants Projects supporting multimedia classrooms including devices, facilities, and interior of the classroom to benefit underprivileged children to minimize digital gap they might experience. In partnership with Korea Children Welfare Committee, first IT Power Plant was built in 2008 and a total of 43 was built as of 2016 benefiting 2,510 children with updated education infrastructure. Moreover, we also provided support for the teenagers in preparation to be independent of foster homes and care facilities. In 2016, through G Pad, 600 teenagers took part in training in regards to financial planning, communication and problem solving through real-life case studies to improve training effectiveness.

A Total of 43 of IT Power Plants in Operation As of the end of 2016



Independence Training Efficiency Measurement

Survey was conducted among the participants of the independency training. The result shows that the preparation rate has increased to 53%.



Pro Bono Activities for Social Enterprises

After launching the Pro Bono Volunteer Team in 2015, LG Display has supported social enterprises to improve their self-sufficiency by utilizing our resources and capabilities

Supporting Areas



Interview

LG Display has installed IT Power Plants in children welfare centers since 2008, providing children and teenagers various information and preparation for independence through multimedia equipment. Through such projects, LG Display is actively communicating with local communities and recognized as a role model. Sponsored IT facilities are constantly updated to maintain an effective support. We believe providing support for underprivileged children in our society is the optimum way to reach constant growth and we are hoping for LG Display to continue their social contribution activities.

Hei-Kyung Lee | Head of department, Korea Children Welfare Association





Dream with Our Stakeholders

Cooperation with Partner Companies through Mutually Growing Culture

Industrial Status

In the process of business operation, a company gains synergy when stakeholders such as partner companies and customers actively communicate and work closely together. In particular, when we maximize win-win partnership with our partners and operate our business efficiently, we can create shared value which benefits society as well as creates company profit. In addition, constant communication with customers to find out their needs enables the company to produce products that customers' values are reflected. As for this LG Display is putting constant effort, expanding win-win partnership with partner companies in order to maximize the shared growth competency.

Our Approach

To establish a company culture building win-win relationship with partner companies, we have set three major directions; basic compliance, open communication and substantial competitiveness for shared growth. These are applied to second and third-tier partner companies for a fair and transparent trade culture.

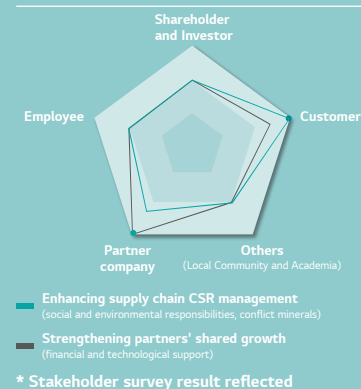
Major Achievements per Strategic Approach

- Establishing mutual relationship with partner companies: strengthening communication with partner companies, building fair trade culture with partner companies, enhancing partner companies' capabilities (technical, financial and management support)
- Realizing differentiated customer values: realizing top quality, strengthening customer communication, producing customer-oriented products

Future Plan

- Building global corporate culture complies with the Fair-Trade Act
- Managing preemptive CSR risk management of partner companies
- Strengthening customer value creation

Stakeholder Impact



2016 Key Performance

Partner Companies Financial Support

KRW 158.4 billion
(Approx. 0.7% of the total revenue)

Shared Growth Rate

Achieved 'Best Level'
on shared growth
rate for the two
consecutive years

Refinery

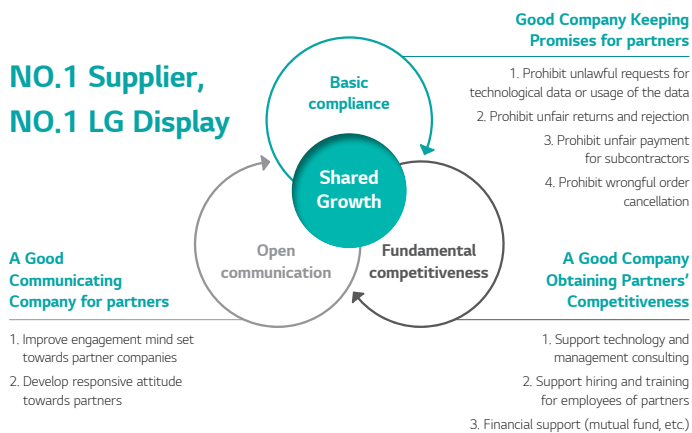
Secured 100% refinery
free from conflict minerals

Establishing Shared Growth Culture with Partner Companies

Promoting Sustainable Shared Growth

Under the philosophy of shared growth, 'Competitiveness of partner companies is LG Display's own', LG Display has been promoting various shared growth activities. Especially, open communication and mutual financial support were selected as the core promotional tasks to enhance the partners' sustainable competitiveness and fair-trade compliance program has been introduced to create fair and transparent trading culture.

Strategy for Shared Growth



Core Values for Shared Growth

Core Values	Open communication	Proactive cooperation	Changes and take-off
Shared Growth Guidelines	Humble Respectful mind to the partner companies	Trust Mutual Respect, Fair profit sharing	Creativity Discover new ideas consistently
	Listen and Care Think deep, execute fast	Ownership Voluntary participation of partner companies	Challenge Challenging goal setting, persistent challenge
	Open Mind One Team Mind	Synergy Maximize synergy between partner companies and LG Display	Value Creation Secure highest profit

Enhancing Communication with Partner Companies

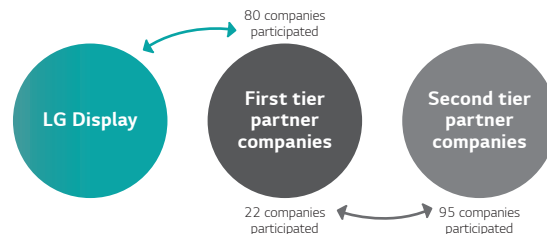
LG Display is operating various communication channels to listen to voices of our partner companies. A typical channel for the communication is Shared Growth Portal (winwin.lgdisplay.com). The portal reveals diverse channels such as Shared Growth Board, e-Vos and Shared Growth Story in order to receive and to respond to as many opinions as possible. Especially, we hold New Year's meeting to share the year's plans and in the year end, we host Shared Growth sharing meeting to present the year's major achievements and seek the ways to lead the display industry.

Creating Fair-Trading Culture with Partner Companies

Operation of Fair-Trade Compliance Program LG Display has adopted the Fair-Trade Compliance Program to raise the awareness of fair and transparent trading culture with partner companies since 2008. Through this program, we voluntarily comply with fair trade related regulations in all business activities including sales & marketing, production, purchasing and legal activities without abusing market dominance status. In addition, based on our commitment to Fair-Trade Compliance, various types of activities are taking place, such as hiring fair trade manager, publication, and distribution of Fair Trade Compliance Handbook, fair trade training, etc.

Signing Shared Growth Agreement with Partner Companies LG Display has signed Shared Growth Agreement with 80 first tier partner companies to be actively involved in raising awareness of shared growth. In harmony, we actively encourage shared growth culture to have the agreement signed between the first and second tier partner companies. As a result, 22 first tier partner companies among the ones who signed with LG Display has signed shared growth contracts with 95 second tier partner companies as part of our effort to improve the shared growth culture.

Shared Growth Agreement Progress in 2016



Win-win Payment System We have implemented a win-win payment system to help our partner companies maintain a stable and smooth cash flow. Unlike cash settlements, in which the deposit date is fixed, the win-win payment system is operated in the form of a bond, which frees up cash, helping our partners to manage their funds. In 2016, we held information sessions on the win-win payment system for our partner companies to attract their proactive utilization of the system.

Industrial Revolution Movement Industrial Revolution Movement is a supporting system provided by LG Display and first tier partner companies for second and third-tier partner companies to improve working environments and manufacturing process. LG Display has provided consulting service to the manufacturing process, management and technology considering the companies' character in order to support optimized production and identifying innovative tasks. Since 2013, LG Display has donated KRW 1 billion every year, a total of KRW 4 billion as of 2016. From 2015 to 2016, 35 tasks given under Industrial Revolution Movement were successfully carried out by partner companies to accomplish their aim to strengthen their competency as well as creating KRW 7.8 billion financial benefits.

Strengthening Competency for Partner Companies

Management and Training Support For partner companies lacking educational training infrastructure, LG Display provides training sessions in free of charge to strengthen the competency of partner companies' employees. We provide training for practical help such as Six Sigma and expanding target employees from the first-tier partners to the second and third tiers. We also provide management related educational training and support such as green consulting, AEO/FTA import and export related consulting and safety and health improvement consulting to strengthen the competencies for partner companies.

Nurturing Technological Competency LG Display, as the world market display leader, has chosen 'innovation lead by partner companies' as the core technological strategy beyond technological cooperation. To fulfill the core strategy, diverse technology support programs, such as joint research and development, mutual activities and new technical equipment contest are being executed.

Technology Support Amount in 2016

Content	Number of Funding	Amount
Newly selected technology	1	KRW 15.9 billion
Joint research and development	25	KRW 6.1 billion
Mutual activities, new technical equipment contest	18	KRW 40 million

Financial Soundness LG Display is supporting partner companies financially in various ways. First of all, for smooth fund management for the companies, we support them directly through mutually beneficial cooperative loans and pre-holiday advance payments. Shared growth fund in operation providing loans with the low-interest rate as well as indirect support, such as innovative company funds and shared growth investment funds and low-interest loans through agreements with financial institutes, are part of the method to strengthen financial support for our partner companies.

Financial support in 2016



KRW **158.4** billion

Strengthening Safety Competency LG Display is committed to enhancing safety management level and competency of partner companies. First of all, LG Display and the partner companies are participating the partner company safety and health symbiotic cooperation program for industrial accident prevention, hosted by the Ministry of Employment and Labor. Partner companies' safety and health system certifications are also being supported as well as proactively responding to safety risks through periodic inspection. Technical support for risk management certification, safety training, chemical substance management training, and medical service support are provided to preemptively secure the safety in partner companies.



Safety related communication

- Industrial safety and health month event (once a year)
- Meetings (twice a year), periodic committee (once a month)
- Safety Talk, safety compliment bulletin board



Safety certification and assessments

- Partner company safety and health activity level assessment (twice a year)
- Risk assessment certification support



Education and training

- Forklift safety education, emergency respond training
- Partner company tailored safety training, experience-based training, and professional training



Safety and health activity support

- Publication of regular safety related newsletter
- Safety campaign and seminar participation
- Working environment and health care activity support

Interview

DMS has reached to the state where our staff constantly communicate to work together smoothly with LG Display. Also, LG Display is actively involved in the difficult areas (test and measurements) for DMS item development. Moreover, for item sharing and constructional discussion, 'technology conference' is held periodically. The technologies that were developed through these processes (HDC* and others) are recognized as a differentiated technology in the global market. Currently, the workflow starts from shared growth partner companies suggesting new tasks and LG Display chooses the task. In the future, we hope LG Display will process collaborative work more efficiently through sharing its technological development directions with partner companies.

*HDC: High Density Cleaner

Gyoo-Won Seo | Director of Research, DMS



Strengthening Environmental Competency In order to enhance the competency for climate change response and realize green shared growth, we are operating a green SCM consulting and carbon partnership certification program. In 2016, through green SMC consulting, 5 partner companies (cumulatively 72 companies as of 2016) received consulting services and 57 companies have signed carbon partnerships for constant support.

Green SCM consulting

Target | LG Display Partner companies

Period | Jan. 2012 and onward

Content | GHG inventory installation and energy saving idea consulting

Participating companies | 72

Carbon Partnership

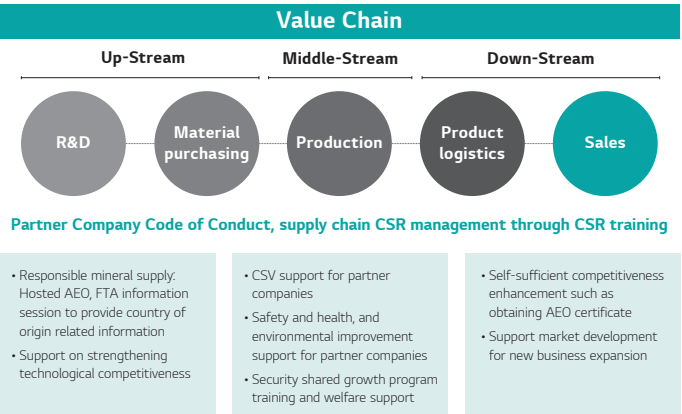
Target | Volunteered LG Display Partner companies

Period | 2013 and onward

Content | GHG/Energy management and employee training, support on environmental issues and IBM supply

Participating companies | 57

Supply chain CSR Management From R&D to manufacturing, transportation, and sales, we manage supply chain risks throughout our business operations. Especially, through applying international CSR norms such as EICC, ISO26000, and others, we share and regulate compliance on CSR management in terms of human rights, labor, safety and health, environment, ethics and responsible minerals. For major CSR fields - human rights, safety, and environment, LG Display performs separate assessments on partner companies in order to strategically manage supply chain risks.

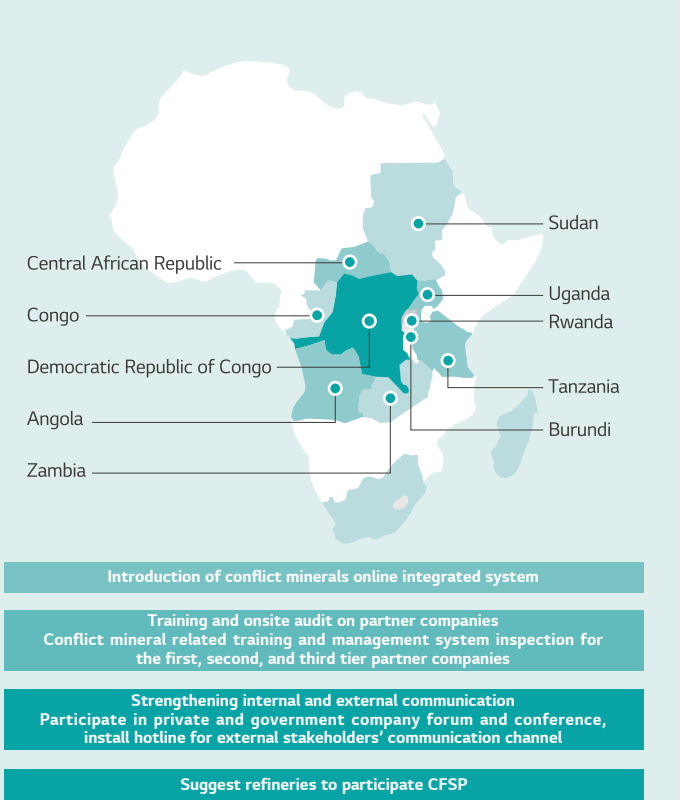


Respond to Conflict Minerals

Conflict Mineral Usage Status LG Display has researched the usage of conflict minerals in our supply chain and found out that a total of 243 refineries are using conflict minerals. With effort made with partner smelters, four metals, tantalum, tin, tungsten, and gold are supplied through the refineries that have been certified as ‘not provide benefit to armed groups’ or in the process of obtaining certification.

Major Activities for Conflict Minerals LG Display is taking a wide range of response measures to supply minerals through conflict-free smelters in the supply chain. First of all, we have set management policy for the conflict minerals to establish detail guidelines to clarify each department’s roles and responsibilities to prevent manufacturing with minerals that relate to the armed groups in dispute areas. Also, we comply with international standard and guidelines to investigate usage status of partner companies, have been actively carried out activities to identify the origin and aggressively managing to prevent uncertified smelters from being included in the supply chain.

*Conflict Minerals refer to minerals that cause minerals such as tantalum, tin, tungsten, and gold minerals that are mined in conflict zones in Africa, which provide benefits to armed groups and cause social problems such as human rights abuse and child labor exploitation.





Dream with Our Stakeholders

Creating Employee Values through Joyful Corporate Culture

Industrial Status

In order to maintain its leading position in the global display market, which is experiencing fierce competition due to the rapid surge in Chinese display makers, it is becoming more and more necessary to invest more time and resources in securing talented human resources and improving their professional capabilities. In addition, there is increasing needs for self-realization through work-life balance and work, and a wide range of opportunities for self-development, family-friendly corporate culture, and open communication atmosphere all of which have become crucial factors to be an admired company that talents want to work for.

Our Approach

LG Display is working hard to build a family-friendly and healthy organizational culture to create a great workplace where employees want to work for. In addition, the workers and management are striving for sustainable development by establishing sound labor-management relations based on open communication and active collaboration. At the same time, we are implementing systematic strategies and activities to attract and cultivate talents with the belief that the competitiveness of our employees is our competitiveness.

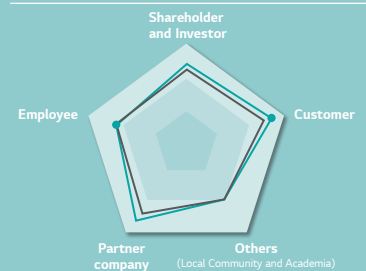
Major Achievements by Strategic Approach

- Creating healthy workplace: Opening Healing Center in Mungyeong, Communication Camp held by Organizational Group
- Communicative labor-management relationship: 714 times of labor-management onsite communication activities
- Securing excellent R&D talents: Selected LGenius, held Technical Talk

Future Plan

- Advancing educational efficiency through individually tailored competency development in utilization of IDP (Individual Development Plan)
- Activating regular communication activities such as discussion sessions lead by each organizational FB (Fresh Board)
- Strengthening operation of Joyful Member to activate Joyful Workplace by organization

Stakeholder Impact



■ **Guarantee basic labor rights**
(prohibition of child and forced labor, freedom of association)

■ **Admirable corporate culture**
(work-life balance, maternity support and etc.)

* Stakeholder survey result reflected

2016 Key Performance

Creating a family-friendly corporate culture and a healthy workplace, operation cost for the organization activation programs

KRW 37 billion

Best Workplace in Korea

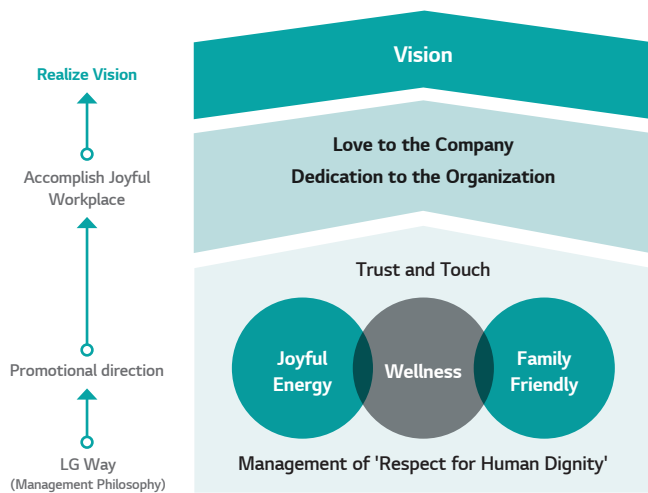
Top 10 Company Award

(AON Hewitt, the world largest HR consulting group)

Realizing a Joyful Corporate Culture

Strategy for Organizational Culture for Joyful Workplace

LG Display is promoting Joyful Corporate Culture activities in order to achieve employee-friendly environments based on 'Respect for Human Dignity' management philosophy. Through various activities derived from Wellness, Family-friendly, and Joyful Energy, we are helping to accomplish our vision by encouraging our employees to dedicate themselves to the company.



Wellness > A company's sustainable growth and management achievements are possible when its employees' physical, mental, and social health are in sound state. To achieve the positive atmosphere, LG Display provides various support to our employees to improve their physical, mental, and social wellness. In April 2017, we opened a 'Healing Center' in a renovated old school building in Mungyeong of North Gyeongsang Province to support mental wellness of our employees.

Category	Main Programs
Physical Wellness	massage service, power training, yoga classes, and etc.
Mental Wellness	counselling service (individual or group counselling), Healing Center operation (Mungyeong city)
Social Wellness	communication camp by organization, Happy Talk (compliment system)

Joyful Energy > For a health and enjoyable organization culture, a healthy and vigorous organizational atmosphere should be created as well as personal health. LG Display is holding a variety of events, such as Dream Tree, to support and encourage the employees' dream, year-end party to share appreciation with co-workers, and CEO's Encouragement Program to establish an organizational culture that encourages employees to work with camaraderie and high morale.

In particular, 'Joyful Members' are selected from each organization to lead Joyful Workplace activities. In 2016, 128 Joyful Members conducted regular meetings to share various ideas to build joyful and energetic workplace atmosphere. Voluntary employee clubs, ex. IG (Informal Group), supported from the company to improve the employees' health and friendship through healthy hobbies.

Region	Number of Informal Group (IG)	Number of persons
Seoul	12	294
Paju	69	3,258
Gumi	81	3,165
Total	162	6,717

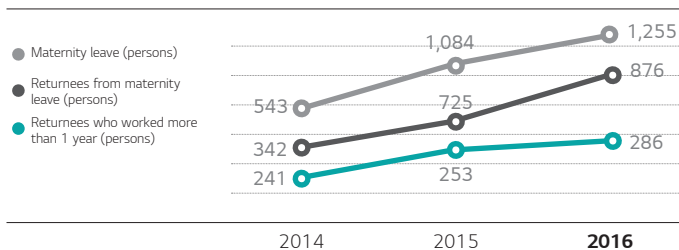
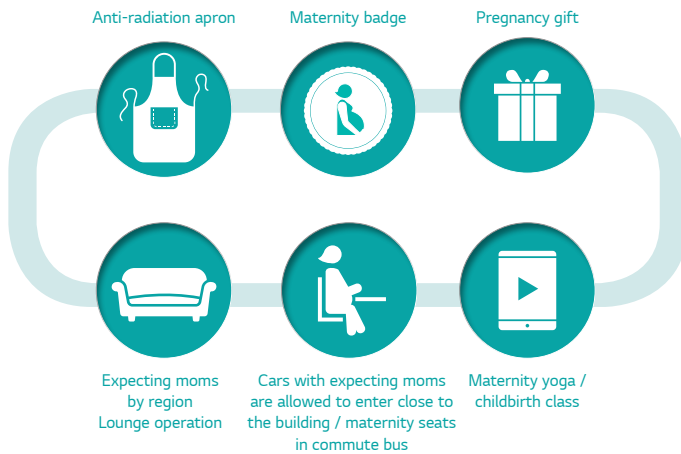


Joyful Member Workshop

Family-friendly > LG Display is operating a number of programs to promote the philosophy, 'Family happiness brings good luck'. We have divided employees' life cycle into five stages from entering the company to retirement. We also design and operate a lifecycle program that provides customized support for employees by collecting their opinions.

Stages	Main Programs
Single and Pre-marriage	matching events for singles
Marriage and Pregnancy	wedding car support for in-company couples, maternity gift, anti-radiation apron and maternity badge for expecting moms
Infant and Baby Care	family month event, take children to work day
Children and Youth Parenting	first day of school gift for the children of the employees starting elementary school, university exam information session
Empty-nest and Retirement Preparation	preparation programs for 100 years' life
For All Stages	camping festival, legal counselling, inviting parents

Particularly, for maternity support, we provide various programs and services to new parents and expected parents. Through registration system for expecting mothers, we closely manage and support pregnant employees. Maternity leave is given before and after giving birth, maternity allowance and parenting leave are provided. Workplace daycare center is available to provide stable childcare support so that employees can focus on work during business hours.



In addition, every year we hold Family Camping Festival and children's day event that host employees' family members to provide precious time with family. In 2016, 200 family members for the Family Camping Festival and 2,673 family members for the children's day event attended and spent enjoyable time through participating in various events. In addition, we are striving to build family-friendly workplace atmosphere through various events, such as inviting parents and children of the employees to visit the company.

Assessment and Improvement of Organizational Culture LG Display has conducted surveys in the organization culture for in-depth analysis on the working culture. We have identified key issues and actions to solve problems have been developed, thereby contributing to improve organizational performance. The survey consisted of 35 questions that was conducted upon the request of department manager through internal survey system. We provide analyzed report based on the survey in addition to 1:1 feedback to executives and department managers. Activities such as Leading Change Workshops and FGI (Focused Group Interview) are available as follow up measures to identify current issues and draw up implementation tasks.

Best Employer Known for Being Family-friendly, LG Display

LG Display has been recognized as one of the best workplaces in Korea and has been acknowledged for excellence in organizational culture. Aon Hewitt, the world's largest human resource consulting firm, selected LG Display for the 'Top 10 Korea's Best Employer (Main Award)' in 2016.

We also received Grand Prize for 2016 GSMA Family-friendly Management hosted by Korea Management Registration. LG Display will endeavor to establish a joyful workplace culture and people-centered management.

Interview

As part of 'Let's Make Joyful Workplace', LG Display is supporting a variety of Care Program for physical and mental health (Mungyeong Healing Center, Meditation and Counseling programs) and are operating support programs that fit to employees' life cycle (marriage, childbirth, parenting and retirement). The event 'Spring, Spring, Spring,' was held in 2017 to bring everyone out from the worksite to enjoy spring breeze and refresh themselves from the daily routine. Just as the competitiveness of organizational members is directly related to a company's competitiveness, the future of LG Display will rely on its employees. I hope that LG Display's sustainable competitiveness will continue to solidify in an 'organization culture that grows together' with, such as traits positive thinking, listening, collaboration, complimenting, and encouraging to each other.

Min-Suk Choi | Senior Engineer, LG Display Construction Technology Team, Paju Joyful Member



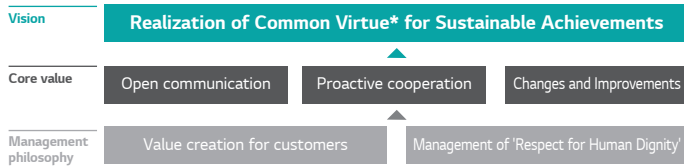
Establishing Sound Labor-Management Relations

Win-win Labor-Management Culture

LG Display uses a terminology, Labor-Management Relation, which describes the growing labor and management relations in horizontal and equal manners. The company and the labor union maintain a mutually beneficial labor-management relationship not only for improving the quality of life of our employees, but also for a communication channel to enhance the company's competitiveness and market leadership.

First Class Labor-Management System > Based on mutual trust and respect, LG Display is maintaining the best Labor-Management relationship to endure any hardship. Under our management philosophy, 'Common Virtue for Sustainable Achievements', and core values, we will improve the quality of life of union members and contribute to the development of society.

Best Labor-Management Vision System



*Achieving the world class corporate competitiveness while contributing for a better society and quality of life for the society members.

USR (Union Social Responsibility) Activities

LG Display Labor Union is promoting USR activities not only to improve the quality of life of union members but also to lead the changing labor movement paradigm and to fulfill social responsibility as a large union labor union. Through active USR activities, we are making efforts to realize inspire of our members and strengthen our competitiveness. We are also enhancing the image of our company and labor union through sharing values with our customers and civil society.

LG Display USR

Reassure internally sound status (Corporate)		
Mission	Promotional tasks	2016 Achievements
Field-centered union activity	<ul style="list-style-type: none"> Improvement of labor union activity satisfaction/ awareness Advancement in union member communication Strengthen union executives' competency 	<ul style="list-style-type: none"> 714 sessions of onsite communication activities held 1,435 consultations with the union members
Prevent unsound practice	<ul style="list-style-type: none"> Major unsound practice improvement Focus on the basics 	<ul style="list-style-type: none"> Energy saving activities 27 times Respect on the basic regulation, safety patrol, campaigns 6 times
Strengthen role as management partner	<ul style="list-style-type: none"> Strengthening communication as a management partner Motivation encouragement for management progress 	<ul style="list-style-type: none"> 101 sessions of management communication 2016 Union Award
External shared value creation (Society)		
Mission	Promotional tasks	2016 Achievements
Diverse social contribution activity	<ul style="list-style-type: none"> Local community shared value creation activities Global social contribution activities Green Union activities 	<ul style="list-style-type: none"> Domestic and overseas USR volunteer activities Future talent fostering, local community sharing activity, CSR related activities

Labor-Management Communication and Ombudsman Progress

LG Display is listening to the members' opinions through various communication channels. The management and union executives hold a labor-management consultation meeting every quarter, and share the company's management status and major improvement tasks through various workshops including working-level workshops and monthly meetings. We also operate a grievance handling system to address the grievances of employees such as sexual harassment, abuse, assault, and corruption in workplace. LGD employees can submit complaints anonymously and their reports are processed anonymously with strict identity protection. The Grievance Committee thoroughly protects grievance submitters and resolves complaints.

Fresh Board, Managerial Employees' Council

The Fresh Board is a working-level managerial employees' organization. The council represents close to half of the managerial employees, hearing their opinion through the Real Voice and plays a critical role in communication with management executives leading organization culture, suggesting new management or management culture related ideas to achieve the corporate vision and goals. Employees with passion and sense of duty are selected among assistant managers and juniors from each organization as Fresh Board communication facilitators and served for two years. As of 2017, 27 in Seoul, 60 in Paju and 27 in Gumi, a total of 114 FB committee members are actively participating. In 2016, through quarterly company-wide FB committees and monthly meetings, discussions and suggestions were made in regards to the appealing system of employee evaluation. The committee also hosted events, such as special lecture from the CEO, We love LG Display activity and mentoring for local youth, bringing fresh energy to the company.



Fresh Board Committee

Strategy for Attracting and Fostering Talents

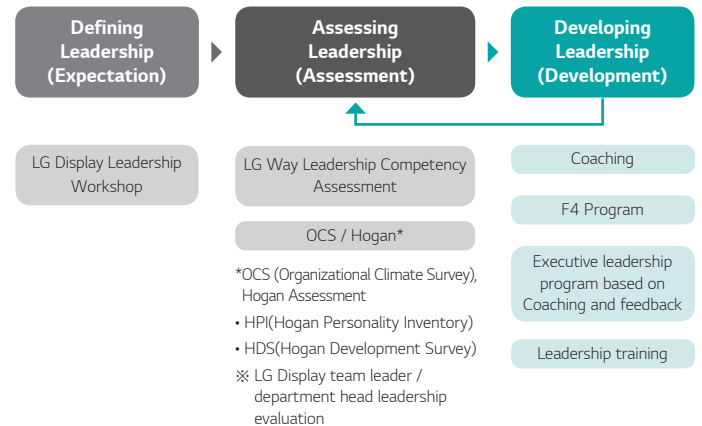
Talent Acquisition Strategy

People LG Display is actively looking for employees with mindset of 'endeavors towards the best based on strong passion, professionalism and teamwork.' LG Display is committed to achieving top-notch talent based on our belief that their competitiveness is the company's competitiveness. Particularly, we are operating various programs to attract outstanding R&D talents who are the future growth drivers.

Talent Attracting Program LGenius Program is to acquire outstanding R&D talents. We provide the opportunity to be a part of our Summer Internship Program and Mentoring Program for those university students in display related majors that show exceptional talents, with financial support such as tuition, stipend and conference admission. In first and last and second half year, we invited 300 students from science and engineering universities to the Technical Talk, which is a student invitation program to the workplace. In particular, we held customized lectures for each major, special lectures of CEO and R&D executives to introduce LG Display's vision and display technology trends.

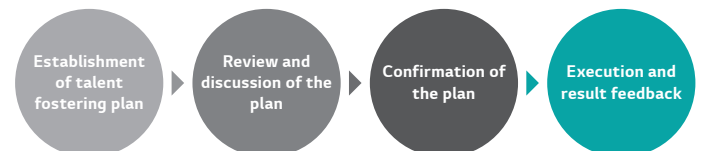
Talent Fostering Program We aim to improve and strengthen our employees' competencies through professional and distinguished Talent Fostering Program. In order to elevate expertise by job function, we provide tailored and differentiated training programs as well as work-site language courses to strengthen the global capabilities of our employees.

Strengthening Leadership Competency ► To maximize the organization competencies of leading by great leaders, we are constantly sharing 'LG Display Leadership'. This is an efficient tool to assess leader's own leadership in an objective way through feedback as well as providing leadership training opportunities, including Coaching and Reflection.

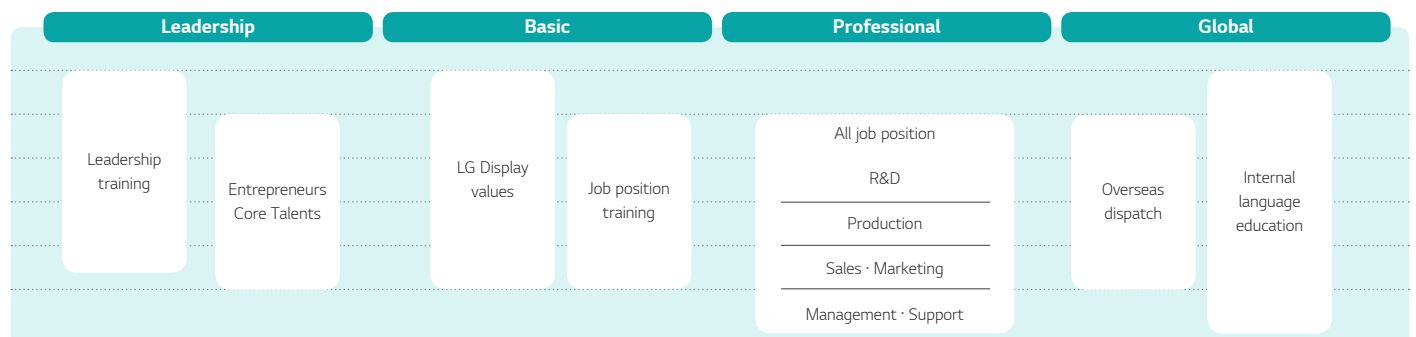


Core Talent Development through IDP The Individual Development Plan (IDP) is a long-term management process where the individual and the organization work together to develop an individual's career path and capacity development. Each year, we develop and execute a self-development plan, and conduct a cycle of interviews with the employee's superiors about the development activities. Through 1:1 meetings, we support tailored individuals' needs for core talents and FSE expatriates through 1:1 meetings under the responsibilities and mentoring from their leaders. With these system, we are fostering our talents who will contribute to achieve LG Display's vision as the future leaders and experts.

IDP Process



Talent Fostering Program



Sustainability Governance





CSR Management

CSR Promotional Strategies

LG Display is the 'Global No. 1 Sustainable Display Company', and we are pursuing sustainability management activities in accordance with our strategic direction.

Goal	Global No.1 Sustainable Display Company			
Strategies	CSR internalization	CSR risk management	Stakeholder communication	Strategic social contribution
Core strategic tasks	<ul style="list-style-type: none"> • CSR committee operation • Conduct CSR training • Raise CSR awareness activities 	<ul style="list-style-type: none"> • Strengthen customer CSR requirements and regulatory responses • Establish CSR risk management system for partner companies • Check and improve CSR risk at workplace • Establish CSR risk management system for partner companies • Check and improve CSR risks in workplace 	<ul style="list-style-type: none"> • Solicit channels such as consulting meetings and sustainability management reports publication • Gather opinions of various stakeholders by region and sector • Respond to external sustainability evaluation 	<ul style="list-style-type: none"> • Develop and operate business related representative program • Operate employee participatory social contribution programs • Conduct global social contribution activities

CSR Internalization

LG Display operates a CSR Committee, which is a decision support system for systematic sustainable management. In 2016, the CSR Committee discussed the issues in regards to advanced industrial health systems and promoting IT Power Plants in China. Through regular meetings exchanging opinions among the working departments, we expanded information disclosure of each area and promoted improvement tasks of sustainable management. In order to raise awareness of CSR, we are conducting CSR training for newly promoted employees and fresh graduates, and we are sharing major CSR trends and implications through newsletters.

CSR Risk Management

In recent years, supply chain management in the industry has become one of the major issues, and major customers are demanding compliance with international standards, such as Electronic Industry Code of Conduct (EICC) as a prerequisite for business. LG Display voluntarily adopted the EICC and conducts risk management activities through EICC Validated Audit Program (VAT) every two years across the entire company. In 2016, we inspected three plants in Paju, Nanjing, and Guangzhou to constantly improving management activities. In addition, to expand the risk management activities in supply chain, we have established the Supplier Code of Conduct (CoC), which is reflected in the suppliers' contract with mandatory compliance of the CoC. LG Display will reflect any updated requirements of EICC and customer requests in our management activities to make efforts to reduce risks in the supply chain by conducting onsite inspections.

Third Party Audit Results

Category	Number of non-conformances	Major Findings	Number of occurrence
Human rights/ Labor	25(31%)	<ul style="list-style-type: none"> • Working hour • Underage worker • Voluntary labor 	9 4 4
Safety/Health	27(33%)	<ul style="list-style-type: none"> • Preparation on emergency situation • Industrial accident and disease • Food, sanitation, accommodation 	11 6 5
Environment	14(17%)	<ul style="list-style-type: none"> • Hazardous substances • Energy consumption and GHG emissions • Environmental permit and reporting 	3 3 3
Ethics/ Management	15(19%)	<ul style="list-style-type: none"> • Improvement target • Prohibit on unfair profit • Management accountability and authority • Risk assessment and management • Worker feedback and engagement 	3 2 2 2 2

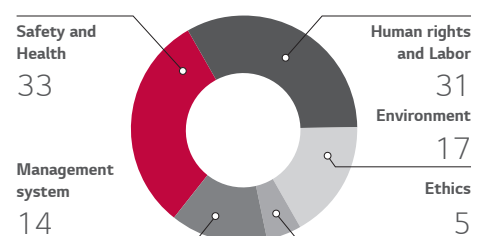
CSR Committee



Process of CSR Risk Management Program






Non-conformance Ratio by Category unit: %



Stakeholder Communication

Through various communication channels, LG Display reflects the needs of our stakeholders in the management activities. We have expanded the scope of reporting by country and region on our annual sustainability report. We also hold stakeholder advisory meetings to collect opinions from experts on sustainable management.

Communication Channel Management				
				
Shareholders and Investors	Local communities	Customers	Partner companies	Employees
Communication Channels <ul style="list-style-type: none"> • Company briefing session • Management disclosure • Shareholders' meeting • Investors' meeting • Domestic and overseas exhibition 	Communication Channels <ul style="list-style-type: none"> • Social contribution website • Gumi Plant Love Center • Paju Community Leaders Committee 	Communication Channels <ul style="list-style-type: none"> • Top Management Meeting • Customer Satisfaction Survey • Sales of Business Departments • CS Service Room 	Communication Channels <ul style="list-style-type: none"> • Partner company meeting • Cyber Sinnungo • Shared growth portal bulletin board • e-VOS (Voice of Supplier) • Shared Growth New Year's meetings / Best Practice sharing meetings 	Communication Channels <ul style="list-style-type: none"> • Fresh Board • Labor-management Committee • Company magazine (GOO: D) • Empathy Plus • Online Grievance Committee • Industrial Safety and Health Committee
Activities <p>Share LGD management information and achievements desired by shareholders and investors by expanding communication such as regular disclosure and meetings</p>	Activities <p>Strengthen communication on the local level to actively reflect opinions on environmental improvement and social contribution activities</p>	Activities <p>Improve customer satisfaction by actively collecting customer opinions on LGD product quality and CSR improvement</p>	Activities <p>Listen to opinions through expanding online communication channels with suppliers, and CSR risk management and competency support based on active communications</p>	Activities <p>Gather opinions and grievances by organization and level, operate various councils, and strengthen online channels</p>

External Evaluation Response Performances

In recent years, companies are increasingly evaluating the sustainability of a company by considering economic, environmental, and social aspects in a comprehensive manner. Mandatory corporate disclosures of ESG information and socially responsible investment have a significant impact on investors' decision-making. Accordingly, LG Display is actively responding to inquiries and requests from customers, domestic and overseas CSR evaluation bodies, to identify stakeholders' expectations and take them as an opportunity for improvement.

LG Display was newly listed on the Dow Jones Sustainability Indices (DJSI) World Index, a recognition given only to the top 10% of the DJSI in 2016, and listed on the Asia Pacific Index for the four consecutive years. In addition, we were newly listed on the FTSE4GOOD (Social Responsibility Index) as a result of recognizing our sustainable management performances, and received ESG Evaluation B + from the Korea Corporate Governance Service and ranked the 8th in Asia CSR Ranking.

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM



FTSE4Good

Stakeholders' Advisory Meeting

LG Display held a stakeholders' advisory meeting in order to share sustainable management activities and achievements with stakeholders and to pursue a higher level of sustainable management. Through the advisory meeting, we have gathered valuable inputs to explore CSR values from various perspectives and seek new directions for CSR development.



Attendees of Advisory Meeting

Jae-Kyu Jeong | Korean Corporate Governance Service, Senior Research Fellow

Se-Yeon Park | Sustainable Finance Center, Senior Analyst

Jeong-Eun Park | The Institute for Industrial Policy Studies, Division Director

Jong-O Lee | Korea Sustainability Investing Forum, Director

Eun-Kyung Lee | UN Global Compact Network Korea, Chief

LG Display

Bang-Soo Lee | Executive Vice President and Head of Business Support Group

Yu-Taek Huh | Head of Paju Environment Technology Division

Ki-Bum Kim | Head of Global Business Support Department

Jung-Hwan Lee | Team Leader of Corporate Social Responsibility Team

What can be improved to advance the level of sustainability reports as a global sustainability management leader?

"Recommending Expanded Reporting on Sustainable Management Operational Aspects"

My recommendation for LG Display is to disclose the internal sustainability performances, which are difficult for external stakeholders to access. First of all, I suggest the report contains details on the topics of CSR Committee discussion, the agenda of the advisory meeting, and expansion of report content to include CSR Team's operational performances and main activities. In addition, it is necessary to demonstrate operational strengths by describing how sustainable management networks are established and managed systematically at domestic and overseas worksites. In the future, the role of social responsibility should be strengthened to enable discussion of sustainable management agenda at the BOD level.

Jae-Kyu Jeong | Korean Corporate Governance Service, Senior Research Fellow



LG Display's Action

In our report, the topics of CSR Committee discussions, CSR Team's major activities and results are provided in a more detailed manner and CSR activities of overseas worksites are provided under integrated risk management. P.56-57



"Public Disclosure of the Responding Efforts to the Negative Issues such as Safety Accidents were Impressive."

It is important for companies to report their accomplishments in the sustainability report, as well as disclose their weaknesses to stakeholders in a transparent manner and report their efforts to resolve said issues. In the last report, it was impressive to find LG Display's follow-up responses to the 2015 gas leak. I recommend the company to continue to disclose any negative issues and response measures in a transparent manner and include sincere efforts to prevent such incidents from reoccurring.

Se-Yeon Park | Sustainable Finance Center, Senior Analyst



LG Display's Action

This report focuses on actions taken after the safety accident and efforts to strengthen safety. P.28-33

Q. What efforts should LG Display prioritize in sustainable management?

"Systematic management of communication channels with stakeholders is necessary"

LG Display needs to listen to stakeholders' opinions and continuously identify what the major issues they perceive through various channels. The issues identified via different channels can be managed and reported with highlight as differentiated issues depending on the material issues of the reporting year. In this regard, LG Display needs to manage its communication channels with its stakeholders more systematically and disclose its communication performances. In particular, it needs to strengthen the disclosure of what channels it uses to reflect the stakeholders' needs, and how it responds to them in the value chain.

Jeong-Eun Park | The Institute for Industrial Policy Studies, Division Director



LG Display's Action

In 2017, we conducted separate researches on various stakeholders of our worksites in China to identify and report actual issues of Chinese subsidiaries. P.70



"Request on Strategic Response to ESG Information Disclosure"

In 2014, an ESG information disclosure bill was passed in the EU. Beginning in 2017, sustainability reporting is required for a company if it meets a certain size or classification requirements. In Korea, a bill has been submitted for listed companies to disclose ESG information, including climate change, in their business reports. As a response, companies need to have the strategic response to ESG information disclosure demands through understanding the domestic and overseas trends of sustainable management. ESG information disclosure reflects the company's commitment to communicating with stakeholders and it is the key of social responsibility. LG Display was evaluated to have excellent performance in climate change and water management during CDP assessment. However, LG Display has room to improve target disclosure, Scope 3 management, and water risk management. In the future, it is recommended for LG Display to continuously manage the areas required to be improved after the overall assessment of ESG information.

Jong-O Lee | Korea Sustainability Investing Forum, Director



LG Display's Action

LG Display is actively responding to the demands on ESG information disclosure. Through this report, we have improved the areas for the climate change and Scope 3 management, and will continuously expand the reporting scope in the future. P.34-39

"Reporting Identified Linkage between SDGs and CSR Activities"

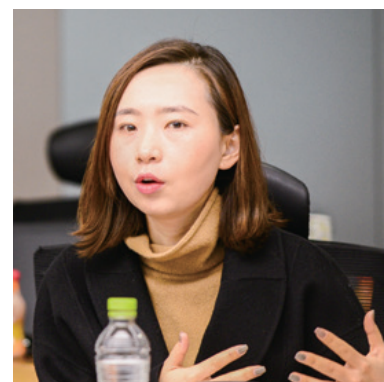
The emphasis on SDGs is based on the company's partnership as a solution to economy, society, and environmental issues that are cross-cutting issues in any society. To this end, global leading companies have reported the SDGs in connection to their sustainability issues. LG Display also needs to identify the linkage between the SDGs and business environments that the company faces such as business characteristics and opportunities/risks. It is necessary to distinguish the scope of positive, negative and potential impacts on the value chain and to prioritize the goals that the company should pursue in line with the SDGs.

Eun-Kyung Lee | UN Global Compact Network Korea, Chief



LG Display's Action

By evaluating our major sustainability achievements, we identify the relevance between our sustainability achievement and SDGs, and report our responses to the key areas of management. P.85



Corporate Governance

Structure of Board of Directors

The board of directors (BOD) of LG Display consists of seven members: two executive directors, one non-standing director and four outside directors. The BOD operates three committees: Audit Committee, Outside Director Nomination Committee, and Management Committee.

As of March 2017

Category	Name	Title
Executive director	Sang-Beom Han	BOD Chair, CEO and Vice Chairman, LG Display
Executive director	Sang-Don Kim	CFO, Senior Vice President, LG Display
Non-standing director	Hyun-Hwoi Ha	CEO and President, LG
Outside director	Sung-Sik Hwang	Audit Committee Chair, Advisor of Samchully Co., Ltd.
Outside director	Joon Park	Professor School of Laws, Seoul National University
Outside director	Kun-Tai Han	Member of Audit Committee, CEO of Hans Consulting
Outside director	Jin Jang	Professor, Department of Information Display, Kyunghee University

Activities of BOD

The BOD acts as the main decision-making body on the company's significant issues and supervises major business matters. During 2016, seven sessions of BOD were held for the board members to receive eight reports including quarterly reports and proposed 26 resolutions regarding to OLED investment extension approval, overseas subsidiary installation approval, plastic OLED investment approval, and others for a total of 34 resolutions.

Sub-committees of BOD Operation▶ To expand the BOD activities and enhance expertise of directors, sub-committees are operated in consideration with each board member's expertise. The Audit Committee performs on internal audit evaluations and audits the accounting and duties of the management. The Outside Director Nomination Committee recommends candidates for outside directors at the general shareholders' meeting. The Management Committee consists of executive directors and delegates routine management and financial matters below a certain level so that the BOD can deliberately and more effectively review the most important issues.

2016 BOD Operation Performances

BOD number of sessions held



7 sessions

BOD Proposed resolution



34 resolutions

Attendance of outside director



100%

Formation of Sub-committees of BOD and Performances

As of March 2017

Category	Formation	Name	Purpose of Committee	Performances in 2016 and major resolution
Audit Committee	3 outside directors	Sung-Sik Hwang Joon Park Kun-Tai Han	Evaluation on the internal audit and audit accounting and work	6 sessions • Audit Committee chair appointment • Internal audit report • Audit report writing and submission • Financial statement approval
Outside Director Nomination Committee	1 non-standing director 2 outside directors	Yoo-sik Kang* Sung-Sik Hwang Joon Park	Recruit candidates for outside directors in shareholders' meeting	1 session • Recommend candidates for outside directors
Management Committee	2 executive directors	Sang-Beom Han Sang-Don Kim	Assist BOD to focus on significant resolutions in efficiently and intensively through making routine management and treasury decisions under certain scale on behalf of BOD	4 sessions • Issuance of unsecured bonds • European corporation office relocation • Guarantees for overseas subsidiaries

*Retired as of March 23rd 2017

Strengthening Independence and Expertise of BOD

LG Display's BOD is appointed in compliance with the national and commercial laws. To keep the independence of the BOD, it is consisted of four outside directors among seven board members. The outside directors are elected at the general shareholders' meeting after strict review by the Outside Director Nomination Committee and approved by the board of directors in accordance with the relevant laws and regulations. We also recommend and appoint candidates with extensive knowledge and experience in various fields as outside directors to ensure efficient and rational decision-making and professionalism of the BOD.

BOD Evaluation and Compensation

The compensation for the BOD and executives is based on the evaluation of LG Display's medium and long-term management targets and achievements. The compensation for the BOD based on the evaluation results is paid within the scope of the amount approved at the general shareholders' meeting.

*The approved amount is the sum of remuneration for executive directors, non-standing directors, and outside directors. The total approved amount for 2016 is KRW 8.5 billion.

BOD Remuneration Status

unit: KRW 1 million, as of the end of 2016

Category	Number of directors	Total remuneration paid	Average remuneration paid per director
Registered directors	3	2,717	906
Outside directors	1	65	65
Audit members	3	234	78

BOD Remuneration Status per Director

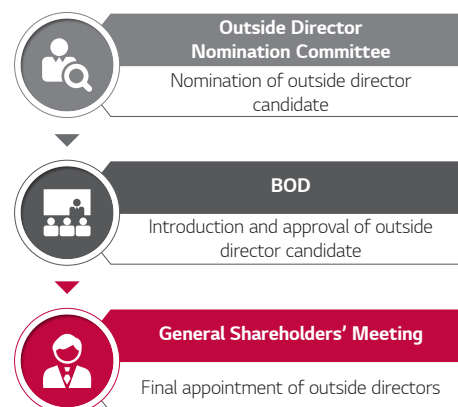
unit: KRW 1 million, as of the end of 2016

Name	Position	Total remuneration paid	산정기준
Sang-Beom Han	Vice Chairman	Salary	1,397
		Bonus	769
			Calculation based on the executive remuneration regulations approved by the BOD
Sang-Don Kim	Senior Vice President	Salary	388
		Bonus	163
			Calculation based on the executive remuneration regulations approved by the BOD

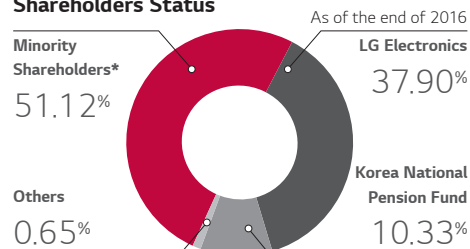
Disclosure of Shareholders Status

LG Display discloses quarterly, semi-yearly, and yearly performance reports on the company homepage and the Data Analysis, Retrieval, and Transfer System (DART) of the Financial Supervisory Service to disclose information on the company's management status and reports to the shareholders during annual shareholders' meeting. Going forward, we will continue to communicate with our shareholders through various channels and actively reflect their expectations and requirements in our management activities.

Outside Director Appointment Process



Shareholders Status



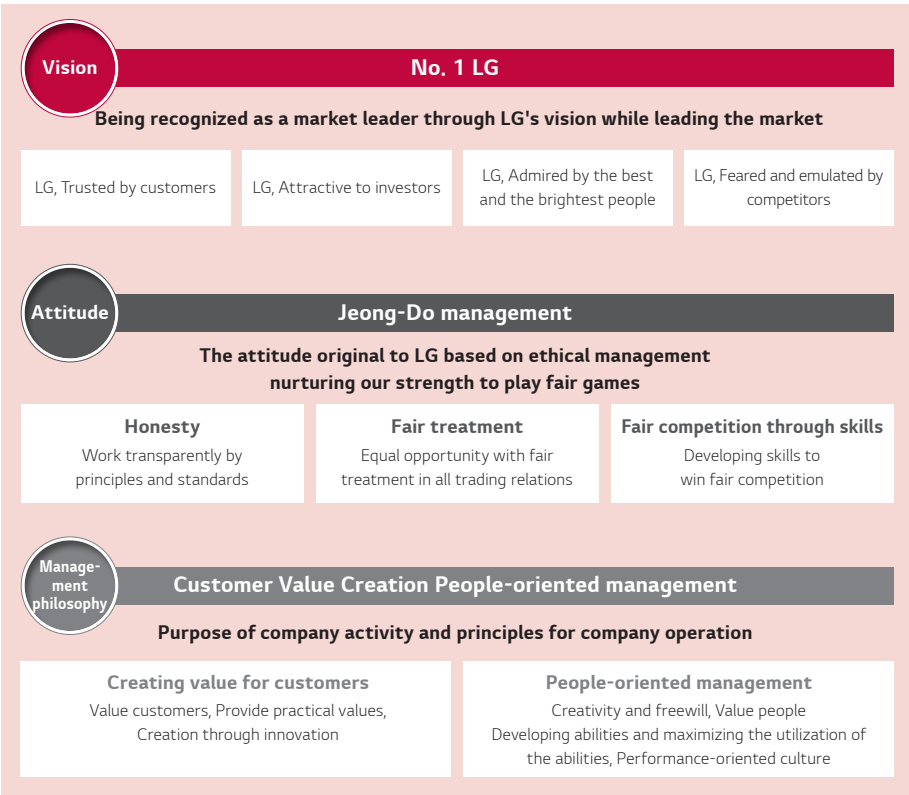
*Shareholders holding 1/100 or less of the total issued stocks
 ※ For further information on share ownership, please refer to the 'Report on the Filing of Changes in Ownership of Block Shares' in the Korea Financial Supervisory Service's DART System (<http://dart.fss.or.kr>).

Jeong-Do Management

Practice of LG Way

The LG Way refers to the attitude original to LG, based on ethical management, steadily cultivating skills, winning fairly and creating substantial results. It is LG's Jeong-Do management, to be honest and fair in the management of the company and to fulfill our responsibilities to our customers, employees, partners, shareholders and local communities.

LG Way



Organizational operation for Jeong-Do Management

To lead systematic Jeong-Do management activities, LG Display is operating the Ethics Bureau as a promotional organization with separate management diagnosis teams for periodic diagnosis and risk management. We operate the Chinese diagnosis team to raise awareness and cultivate Jeong-Do management in employees in China. The Ethics Bureau investigates the corruption and fraud revealed through reports or diagnosis to promote and educate Jeong-Do management in order to prevent corruption. Management Diagnosis Team 1 and 2 conduct regular and on-the-spot inspections and provide consultation to ensure that executives and employees comply with Jeong-Do management. The Chinese Diagnosis Team offers training, public relations, process diagnosis and receives reports from local employees in order to practice Jeong-Do Management in China.



Strengthening Internalization of Jeong-Do Management

Jeong-Do Management Education LG Display is performing company-wide education to raise the awareness and internalize Jeong-Do Management. In 2016, we conducted online training for office workers and additional training for new and experienced employees, and newly promoted employees. In addition, we provided collective training for overseas employees and local hires. Moreover, practical Jeong-do management internalization activities tailored to each business function, such as purchasing, development, research, and production, are taking in place.

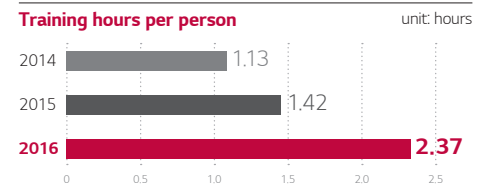
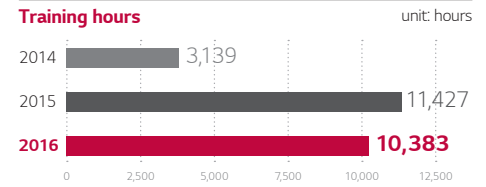
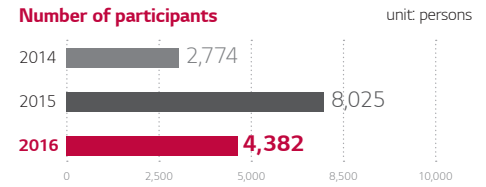
Pledge to Practice Jeong-Do Management LG Display employees write a pledge of honesty management once a year to recognize and observe the importance of Jeong-Do Management at all times while working with customers, business partners, and competitors. Jeong-Do Management pledge contains content that urges LG Display to comply with LG Display's ethical standards and to practice Jeong-Do management. As of May 2017, a total of 31,608 executives and employees took part in the pledge of Jeong-Do management. For a partner company, the company representative is required to write Jeong-Do management pledge when he/she signs the contract in order to confirm his/her commitment on Jeong-Do management.

Jeong-Do Management Survey We conduct a Jeong-Do management survey every year at group companies to check the level of employees' LG Way practice, awareness level of Jeong-Do management and to prevent repetition and improve the unfair practices through analyzing the survey results. In addition, LG Display is raising the awareness of Jeong-Do management, with added questionnaires related to Jeong-Do management in the survey.

Jeong-Do Management Ombudsman We are running the Jeong-Do Management Cyber Ombudsman in order to prevent violations of the Code of Ethics and implement practical management practices such as corruption prevention. The informant details and reporting content are protected in secured system. In addition to the strict measures to prevent reprisal to an informant, protection measures are provided in cases the informant receives disadvantage from his/her reporting. In addition, we opened an 'LGD Ombudsman' account in KakaoTalk to simplify the process for employees to report fraudulent behaviors. In addition, in order to encourage fraud reporting, we have been awarding employees reported fraudulent behaviors to employees and external public to contribute preventing fraudulent acts.

Promotional Activities for Jeong-Do Management In order for the employees to understand Jeong-Do management is a must not an option, we are constantly promoting in various mediums such as corporate newsletters, blogs, conducting quizzes and events. Since 2015, we have distributed the Jeong-Do management newsletter published in local language in China to share our management values and promote ethical awareness among local employees. In addition, we have developed a Jeong-Do management application so that employees can easily check LG's Code of Ethics and practical guidelines.

Jeong-Do Management Education Performance



*Including domestic and overseas ISE, FSE employees

※ In 2016, a 4-hour workshop format training was conducted to educate employees so they can actively engage in the training themselves instead of 1 or 2-hour training designed to pass down regulations and standards in previous years. Due to the practical training format, training hours have increased.

Issues to be Reported

- 01 Kickbacks from stakeholders
- 02 Participation in holding unfair stocks of partner companies
- 03 Lack of transparency in supplier selection
- 04 Illegal and unlawful use of company assets
- 05 Documentation • calculation manipulation and false reports
- 06 Violations of the Code of Ethics



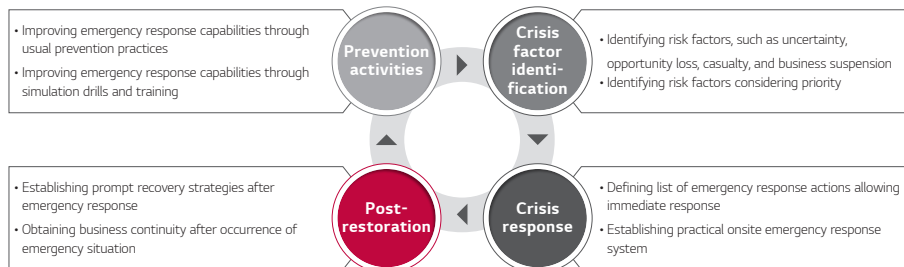
Jeong-Do Management Newsletter

Establishing Risk Management System

Company-wide Risk Management

LG Display is making company-wide efforts to identify and respond quickly to risks inside and outside of the company. Through company-wide risk analysis, we select key risks based on the likelihood of occurrence and impacts, and establish a preventive and management system.

Risk Management Process



Risk Responding Areas

Crisis Respond Area	Core risk	Identification Risks and Impacts
Production interruption	<ul style="list-style-type: none"> Utility supply interruption (electric) Logistical interruption 	Due to increased production forecast in the display industry or a dependency on parts and raw material supply from a limited number of suppliers can result in shortages. A large part of equipment is purchased from a few certified domestic and foreign suppliers.
Information security	<ul style="list-style-type: none"> Business secret leakage Personal information leakage 	To maintain a competitive leader in the display industry, we rely on proprietary know-how that is not protected by trade secrets and other patents. In case of loss of the right or information to be disclosed unauthorized, it could have a negative impact on our business. Due to the nature, we sign confidentiality agreement in addition to employment or consulting contract.
Information system failure	<ul style="list-style-type: none"> Information system shut-down Hacking/Virus 	Business transactions, IT processes and information required for operations can occur due to hardware or network failures, lack of change management processes, and etc., which can result in cancellation of transactions, loss of sales opportunities, and a loss of trust to the customers and partners.
Disaster with casualty	<ul style="list-style-type: none"> Large-scale accidents with casualty Industrial accident Contagious disease 	Industrial or natural disasters may cause our suppliers to under-supply or delay supply of raw materials, parts, or manufacturing equipment. In case of the disaster occurs where our customer is located, the customer can stop working and this can negatively affect product demand.
Production facilities accident	<ul style="list-style-type: none"> Fire/Explosion 	The fire and explosion of production infrastructures will cause enormous damage not only to the workplace but also to the surrounding communities. Therefore, countries around the world emphasize thorough preventive measures against the risks of large-size fire/explosion accidents and conduct strict supervision.
Environment and Health	<ul style="list-style-type: none"> Gas/chemical leak in factory Environmental pollution 	The manufacturing process involves dangerous substances and chemical wastes, wastewater and other wastes are produced at various process stages. Employees who handle such hazardous substances are provided with safety training and the chemical waste disposal is managed in compliance with applicable laws and regulations.
Conflict	<ul style="list-style-type: none"> Internal conflict (strikes/sabotage/walkout) External conflict (mass claims) 	LG Display has a collective bargaining agreement with the labor union, and makes collective bargaining once a year. If a labor Conflict arises that worsens relations with workers and leads to sabotage or strike, it can have a very negative impact on financial condition and business performance.

Compliance

Auditing and Supporting Domestic and Overseas Compliance Practices

LG Display regularly audits and supports domestic and overseas workplaces their legal compliance practices based on our compliance risk management system. In 2016, we have conducted compliance audits against over 70 departments in Korea with the compliance checklist consisting of 11 areas, including fair trade, personnel and labor affairs, finance, and safety. Through the audits, we identify compliance risks and monitor improvement progress of previous non-compliance issues. In addition, we support compliance activities in overseas subsidiaries by visiting them to provide training based on checklists that reflect local laws and distributing compliance guidelines to Korean expatriates.

Responding to the Anti-Graft Act

Prior to the enforcement of the Anti-Graft Act started from September 28, 2016, LG Display had continuously conducted legal education and awareness raising activities to prevent any employee violation. We have organized 10 times of collective education for team managers from across the all workplaces, management team leads from overseas subsidiaries, and in-house partner company managers, and then deployed the compliance points of the new law to all employees by the trained managers. In addition, guidelines and newsletters were published and distributed to all employees to help their understanding of the new laws and regulations, and the management messages on behalf of CEO and CFO were sent to all employees to enhance the employee's awareness on the Anti-Graft Act.

Compliance Education and Proliferation Activities

LG Display has reduced the possibility of legal violation by raising compliance awareness among the employees and enhancing legal knowledge through various compliance training and campaigns. In 2016, 466 fresh graduates and 61 experienced new employees were trained in compliance management philosophy, system, and related activities. In particular, 2016 was the meaningful year in which LGD reaffirmed our basic compliance guidelines, which must be recognized and practiced for all LG Personnel. The guidelines contain 'Organizational Culture, Employee Ethics, and Legal Compliance' as same as previous our compliance guidelines but updated 17 topics which are any changes made due to the internal and external environment changes, including LGD's own compliance policies, related laws, and amendments, and strengthened regulations, updated in 17 topics. In order to proliferate the guidelines and internalize the basic compliance, we organized collective training for managers and online training for office staff and encouraged to continue monthly compliance sharing activities in each organization.

Compliance Risks Management System



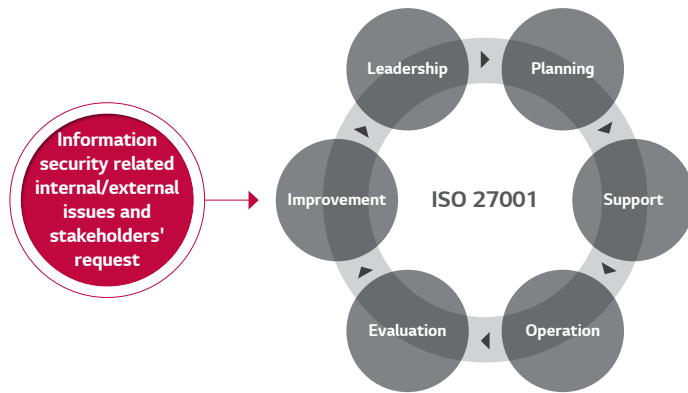
Employee Guidelines for Basic Compliance

Information Security

Operating Information Security Management System

LG Display is striving to protect not only our own trade secrets but also important information of various stakeholders, such as national core technologies, personal information, and customer information. In particular, in 2016, we have established an information security management system in accordance with the international standards ISO 27001, and have attained certification and objectively proved the reliability and management capability of the information security system. In addition, we operate 24/7 real-time security control system to protect the company from cyber-attack, such as malware and hacking, and regularly check and improve security vulnerabilities throughout the IT system.

ISO 27001 Information Security Management Process



Acquired Information Security Management System Certification

Enhancing Security Awareness

We are reinforcing our employees' IT security capabilities and awareness through continuous education and IT security campaign. In 2016, we announced our information security management policy and expressed internally and externally the leadership commitment on the IT security. We also conducted customized security training by position and function for all employees. We also promoted various forms of security promotion activities such as posting IT security cartoons, promoting security policies through in-house regular newsletters, hosting IT security idea contests and promoting a sound IT security culture.

Information Security Management Policy



Every personnel dealing with the company information has responsibilities to comply with the security policies and standards and actively protect the information.



The company promotes a sound security culture through IT security training, inspection, and communication.



The company makes appropriate investment in IT system and maintains IT security control at a reasonable level.



All employees implement faithfully the IT security requirements in accordance with the related laws and the contracts.



The company cooperates with its partner companies continuously to improve IT security system in order to achieve equal security level for the entire supply chain.

Tax Policy

Tax Management Activities

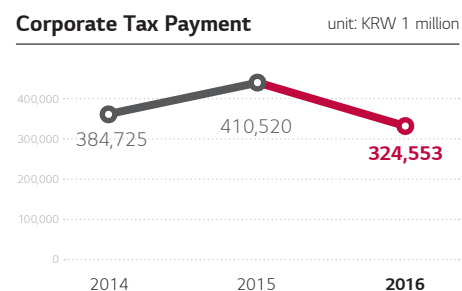
LG Display is establishing a process to report tax issues to the Audit Committee of the BOD and the management depending on the types and amounts of tax. We are striving to clearly define roles and responsibilities through operating specialized department related to tax reporting and payment and to maintain a high level of tax compliance by constantly investing in IT based tax management system and training persons in charge of tax issues. In addition, important tax reporting is prepared through internal review and the tax payment is made faithfully after an external accounting audit firm confirms finally. Also, for individual cases where the interpretation of tax law remains unclear or where high risks are identified, we control the risks in advance by hiring tax experts to respond to tax authorities.

Overseas Tax Obligations> Overseas subsidiaries of LG Display operate the same level of processes as in Korea and fulfill their tax obligations in accordance with local tax policies that reflect the tax laws of the countries where they operate. The transfer price* in accordance with OECD Guidelines and the applicable tax laws of each country is operated.

*Transfer price: price applied when supplying raw materials • products and services among related companies.

Tax Credit System> In Korea, a national tax credit system is operated to promote investment and research and development at the national level. As the business nature of LG Display is required a large-scale facility investment and continuous research and development, the benefit of such system can be considerable. The tax credit is mainly paid within a certain amount of taxable income, and the future potential taxable income and the size of the taxable income impact directly on the actual tax credit.

Disclosure of Tax Information> LG Display regularly discloses the details of corporate tax payments through our business reports. In addition, we disclose our financial information such as sales, net profit, and corporate tax through annotations on the Consolidated Audit Report, which is attached to the business report, disclosed on the Financial Supervisory Service's Electronic Disclosure System (DART).





China Performances




LG SIGNATURE
OLED TV


LG SIGNATURE
OLED TV


5大理由


为什么选择 LG OLED TV ?

 晶幕幻影 1
仅有2.57mm OLED面板薄屏吸附

 OLED HDR 2
支持杜比视界，可呈现更多亮度层级
真实呈现每一处明暗细节

 卓越对比度 3
深邃的黑色映衬对比
画面色彩呈现更加生动逼真

 炫真色彩 4
更精准调整色彩变化，还原世界本色

 折叠式音响底座 5
内置超重低音扬声器
轻松折叠站立，享受更丰富澎湃音效

Strengthening Sustainable Management

Business Performances

LG Display is gaining competitiveness through implementing domestic integrated production system from module and panel manufacturing to sales. For production localization in China, we have built a module factory in Nanjing and a panel factory in Guangzhou to improve competitiveness along with closer customer support to boost customer satisfaction. Based on these efforts, LG Display sales in 2016 in China totaled KRW 18.3678 trillion.

Jeong-Do Management

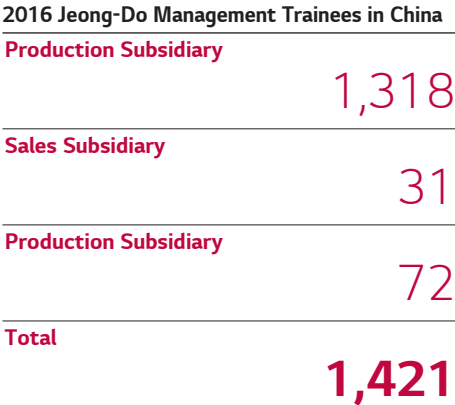
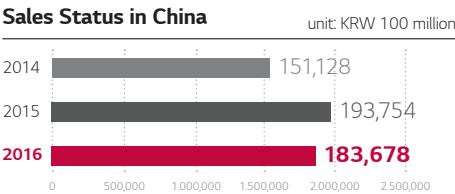
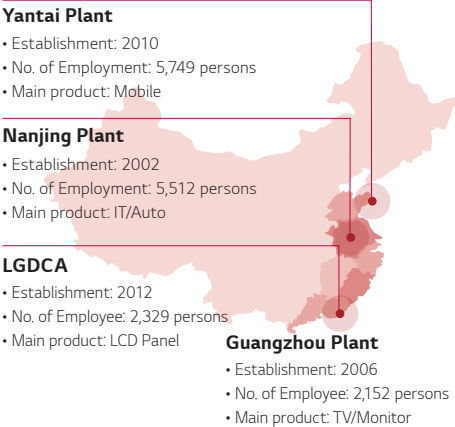
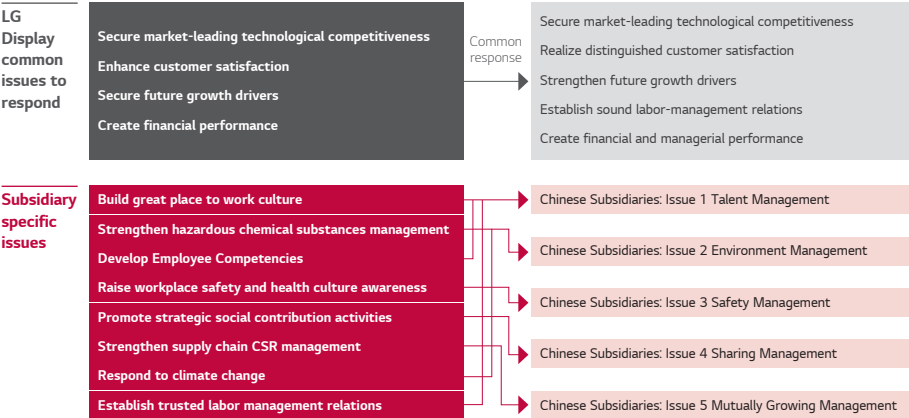
LG Display is implementing to raise Jeong-Do Management awareness and encouragement movement through China Management Diagnostic Team and monitoring Jeong-Do Management related issues through Jeong-Do Management regional designated staff in each subsidiary. In addition, we have distributed Jeong-Do Management guidebook specifically developed for the Chinese business environment and provided Jeong-Do Management education to all employees in Chinese subsidiaries as well as partner companies. We are responding to reported corruption related issues by investigating the facts in a timely manner and operating Jeong-Do Management notice board with distribution of case-study book 'Jeong-Do Management Empathy Plus' and newsletters in Chinese to enhance the awareness of Jeong-Do Management among Chinese employees.

Compliance Management

LG Display is managing the compliance risks through constant monitoring on the legal compliance requirements in China and providing legal service for all subsidiaries in China. In order to minimize any legal risk during contract signing, we review standard contract contents and provide compliance consulting from the headquarters as well as support from local attorneys, if needed. In 2016, we conducted training sessions for contract related labor management officials and labor managers in each subsidiary to improve their capabilities in regards to contract management, legal system use and labor management law.

Major Issues in Chinese Subsidiaries

In order to identify issues that are specific to Chinese Subsidiaries, LG Display has conducted research towards internal and external shareholders. As a result, we have selected issues for Chinese Subsidiaries under the categories of Talent, Environment, Safety, Sharing, and Mutually Growing Management.



Message from Head of subsidiary

“Seeking to Secure 'Cost' Competitiveness Based on Differentiated Technological Strength”

Local management risk factors, such as Chinese government strengthening the significance of environmental and safety and tariff benefit items in China. In contrast, the proximity to the massive scale of Chinese domestic market is a great opportunity in terms of profit and maintaining close relationships with local communities and local governments is working as a high competitiveness. In 2016, we faced a risk of lower profit due to oversupplies in the market. However, with cost saving efforts, such as consistent growth in productivity material purchased from local suppliers and strategy to broaden customer base, we were able to generate profit. In order for LG Display to reinvent ourselves as a sustainable company under the constantly changing risky business environments, it is important to minimize the potential risks by establishing a systematic response manual and share the CSR know-hows with partner companies to actively support them to strengthen their competitiveness. In the long run, we need to secure a 'Cost' Competitiveness based on differentiated technologies to lay the foundation for sustainable management

Yu-Seong In | Executive Vice President, Head of China Operation Group



“Creating Employees' Value through Establishing Positive Company Culture”

Yantai Plant has hosted activities, such as Sports Day and other continuous communication/exchange events, in order to improve relationship with the local community. We are also implementing active volunteer activities for employees, operating employees' volunteering groups and hosting charity events. In addition, we are aiming to be 'a company where talents grow', 'positive participants' and 'one family culture', organizing various events, such as home visits of excellent employees and LG Cluster marathon competition. In recognition of these efforts, Yantai Plant was chosen as a role model for labor-management and an excellent labor council in Shandong province. In the future, we will continue to create employees' value by becoming an employee management role model based on our company culture.



Min-Su Park | Head of Yantai subsidiary

“Opportunity and Risk coexistence in Chinese Market, Securing Sustainable Competitiveness by Complying with the Basic Principles”

There are various risk factors in the Chinese market, such as intense competition and increasing customer demands. The market dominance will be decided based on product differentiation and competitive pricing. Nanjing Plant had selected panels and semiconductors as the future growth drivers, we are actively supporting the display industry which is an opportunity for LG Display. Only when a company is prepared can it grow bigger when an opportunity arises. Consequently, LG Display is always prepared for the future. With this mindset, we will provide differentiated values to customers as well as responding promptly to the ever-changing IT industrial trend in order to create business performance.



Dong-Chan Lee | Head of Nanjing subsidiary

“Sustainable Management is Mutual Growth between the Company and the Society”

Guangzhou Plant conducts in-house inspections as a response to the regional safety and environmental regulations in China. We are upgrading our working environment through various efforts, such as building a sewage disposal system and waste repository. In addition, we are continuously increasing permanent positions to create quality jobs. In recognition of these efforts, Guangzhou Plant was chosen as an AA level excellent workplace of labor-management relations from the Development Division under the Labor Department. The ultimate goal for LG Display is a balanced growth between company and the society through mutual understanding. As for this, we will strengthen the communication with shareholders and continuously make an effort to reflect their demands in our management decision.



Yoon-Gyu Na | Head of Guangzhou subsidiary

Issue.1

Talent Management

To achieve a common goal, subsidiaries in China are implementing a company culture of continuous competency, communication, and cooperation improvements to enhance employee competitiveness.



Employee Competency Development

In order to improve the competency of Foreign Service Employee (FSE) and In-nation Service Employee (ISE), we are operating basic training, global leadership and professional leadership competency training courses, as well as tailored training for individual subsidiaries, depending on their competency needs. All subsidiaries operate language training - FSE Chinese language training and ISE Korean language training to enhance their global competency and the IDP scheme for systematic management and operation based on personal competencies and goals.

Improving Employees' Rights and Strengthening Communication

Subsidiaries in China have established and operated labor union for full-time employees. Based on labor-management trust, we have implemented various communication channels, such as a labor committee and grievance system, to share employees' opinions. In addition, we designated Joyful Members in each team to participate in monthly meetings and yearly workshops to encourage the network among organizations as well as broaden communication opportunities amongst employees through compliment relays in company magazines. We are actively involved in various issues to improving women's rights through operating a women's committee, welfare improvement, and non-discrimination against women.



LGDCA Labor Committee



Nanjing Plant Women's Committee

2016 Talent Nurturing Progress by Subsidiaries



Interview

"Implementing Working Culture Full of Joy"

LG Display holds various events for a 'Joyful Working Culture'. Especially in 2016, we promoted the 'No Leftover' event to raise the awareness of food waste and reward employees at the same time in order to set a joyful and positive organization atmosphere. Thanks to various events, the sense of responsibility and ownership has been improved. In the future, we wish for LG Display to encourage employees' self-esteem and sense of achievement in order for the company to develop as a sustainability role model and to find a work-life balance.

Ruijie Zhang | Supervisor, Yantai Plant



Building Joyful Workplace Culture

We are implementing a variety of activities in three categories: Joyful Energy, Harmony, and Wellness under the slogan from the headquarters' establishing a 'Joyful Workplace Culture'. New Year's Day Event, ISE excellent employee family invitation event and New Year's sunrise viewing event are for Joyful Energy; and singing contest, Golden Bell, and sports events are for 'Harmony'. For 'Wellness', we host various events for employees' health, such as health information sessions and leisure time programs.

LGDCA We continuously host events to help understand Korean and Chinese cultures, such as Chinese-Korean singing contest and Golden Bell. In addition, events such as New Year's Day talent show and Sports Day are adding vibrant energy to their work life. We also support employees' health through 16 health-related events each month to help plan their leisure time with a focus on health and wellness, such as health info sessions and massage room.



China-Korea Culture Golden Bell



Family Invitation Event (Cake decorating)

Guangzhou Plant As a yearly event, we invite families of excellent employees among ISE with programs like dormitory and plant tours and spend time visiting tourist sites near the plant with families. As a seasonal event, we host photo contests and many other periodic events, such as club activities, birthday parties, and happy lunch events in order to create a Joyful Workplace culture. In 2016, we have achieved higher employee satisfaction by offering wedding cars and car rental for the employees who are getting married and for their guests.

Nanjing Plant In order to improve employees' physical and mental health, we have conducted events, such as parenting counseling, stress relief counseling and supported hobby classes, such as flower arrangement classes and baking classes. In addition, we invited parents on the Children's Day for sports activities and created a family friendly atmosphere.



Children's Day Event



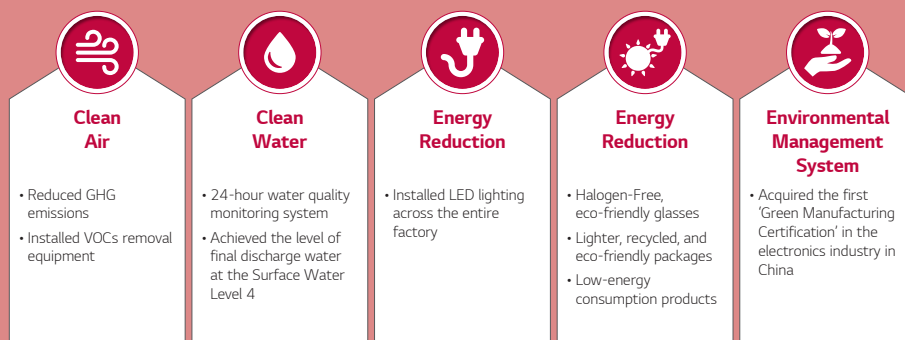
Family invitation event (Sports Day)

Yantai Plant We have put our effort to become One Family beyond working relations to establish a 'Joyful Workplace Culture'. For New Year's Day, we organized photo contests and no leftover food event to entertain employees who could not travel home. We also improved organizational harmony by inviting families for a Walking Tournament. In addition, we encouraged active organization culture through periodic sports events, such as badminton, bowling, and table tennis.

Issue.2

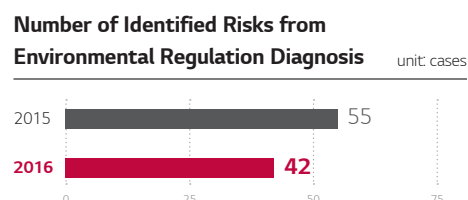
Environmental Management

LG Display strives to minimize environmental impacts from our worksites in China and proactively responds to environmental issues such as climate change and scarcity of resources. To this end, we are trying to build a global environmental leadership by introducing advanced environmental management system and promoting environmental conservation efforts like GHG reduction and pollutant management to realize our goal of Green Manufacturing.



Promoting Systematic Environmental Management Activities

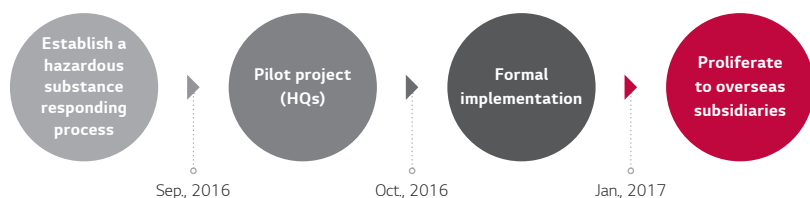
All workplaces in China are promoting systematic environmental improvement activities based on the environmental management system (ISO14001). We too received the regular environmental diagnosis from external environmental consulting firms and responded preemptively to local environmental risks through identifying environmental regulations and compliance with such regulations. LGDCA has continuously strengthened environmental management activities by acquiring integrated certification in regard to compliance with environmental regulations and common management aspects after we received the 'Green Manufacturing Certification' in 2014.



Applying Hazardous Substances Management Process to Overseas Plants

To respond preemptively and voluntarily to various restricted hazardous substances and prohibited substances by customers, since January 2017, all overseas manufacturing subsidiaries have applied hazardous substances management process, which has been implemented to domestic workplaces since 2016.

Establishment of the Process and Application Schedule



Engaging with Local Communities

LG Display has built trust with local communities regarding our business operation by constantly sharing environment and safety information with them. Especially, LGDCA, the largest foreign invested company in Guangzhou Development District, has been proactively communicating with local governments through various channels, such as company roundtable, Guangdong Development Status Meeting, and so forth. LGDCA also regularly invited local communities to work sites to transparently disclose our business operational status and environmental improvements, including facility operation, the list of state-of-art environmental protection investment, and environmental monitoring in order to build mutual trust.



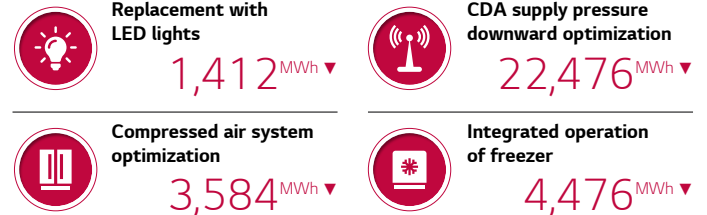
Environmental Information Briefing Sessions for Local Residents

Promoting Eco-friendly Activities

Chinese subsidiaries have deployed various energy saving activities including replacement with LED lightings, improvement of production process, and launch of energy saving campaign, as well as efforts to build eco-friendly workplaces by promoting water reuse, enhanced waste management, and etc.

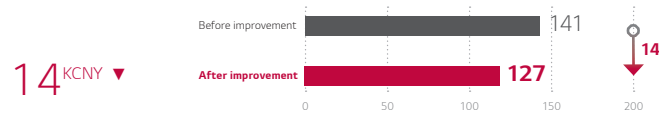
LGDCA As the LGDCA is designated as the energy-intensive company, we regularly submit energy planning report which includes information on energy saving, production efficiency, and etc., and meets both the requirements on energy-intensive company and the legal energy regulations. In 2016, LGDCA reported its reduced energy consumption which was achieved by replacing with LED lights, optimizing CDA supply pressure downward, optimizing compressed air system, and integrated operation of freezer, we established an energy reduction target by 9% per production unit by 2020 with the base year of 2015.

2016 Major Energy Saving Performance

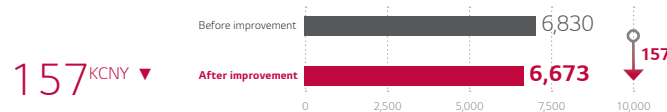


2016 Major Energy Saving Performances

Replacement of old filters

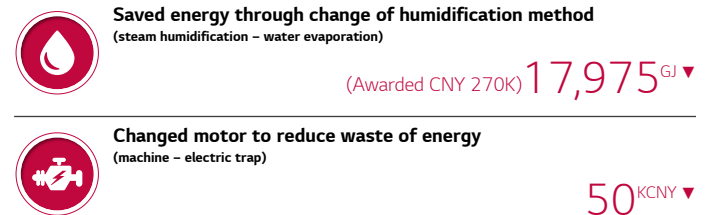


Replacement with high-efficient traps

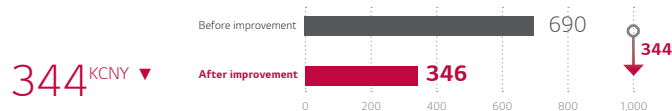


Nanjing Plant We are systematically managing energy under the ISO 50001 energy management system. We are also implementing eco-friendly management through various resource saving and energy saving efforts, and legally managing the pollutants from our workplace. In 2016, energy loss was minimized through improved air-conditioning humidification and replacement of traps, and energy inspections in the daily routine were strengthened through checking lights, doors, windows, and etc. Through these activities, Nanjing Plant saved CNY 320,000.

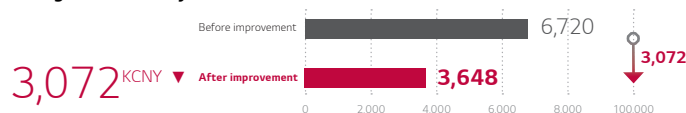
Guangzhou Plant We have built eco-friendly workplaces through various energy saving activities. In 2016, We reduced energy consumption through improving the air-conditioner humidification method and changing old motors, and in terms of operation, We saved approximately CNY 600,000 through improving purchase method of electricity.



Improvement of cooling tower turbine



Change in electricity calculation method



Yantai Plant We have actively promoted energy-saving activities through energy reduction investments, one-person-one-project management, and benchmarking the headquarters and other companies. In particular, we achieved energy savings through various activities such as installation of high-efficiency facilities (dry PV) and optimization of CDA pressure, as well as installation of non-powered fan on cooling tower for the first time in LG Display. Due to the changes in the electricity price in China, we have changed the calculation standard of transformer (capacity → maximum usage amount), thereby saved electricity cost.

Issue.3

Safety Management

The Chinese subsidiaries have reduced legal risks by preemptively managing and responding to safety regulations and management standards. In addition, continuous improvement of the safety management level has been enhanced from inspection of the Group Safety Diagnosis implementation status and diagnosis of overseas suppliers' safety management. Their safety management capabilities have been strengthened as well by introducing and implementing safety management programs preemptively.



Establishment of Safety Management System

The Chinese subsidiaries have obtained safety management certifications such as OHSAS18001 and systematically managed the safety of the workplace. In addition, the Safety Production Committee is held regularly to realize a safe production responsibility system at the workplace. The safety committee is attended by the factory manager, team leader of the related departments, and field staff. The safety committee reports safety improvement activities, and shares safety information on safety regulations and company-specific accident cases.

Safety Information Disclosure

There was a request from the Chinese government to disclose information on possible safety and environmental management issues when operating a business site. LGDCA provided information on chemical management and emergency response measures, and the following contents were confirmed in the form of an official document.

"Dangerous Chemical Substances Hazards (toxic materials, flammability, possible areas, etc.) are well managed by safety and safety management issues. An appropriate response system such as emergency response is established."

Excerpt of Chinese government official letter in 2016

Contributing to the Promotion of Community Safety

LGDCA conducts preemptive safety training activities aiming at zero accidents, and is designated as an emergency relief team in the Guangzhou Development Zone in recognition of its response capacity. A total of eight emergency relief teams are designated as a 'private support' organization that responds urgently to major emergency incidents within the Development Zone. LGDCA's relief team is assigned as 'emergency relief and rescue team for dangerous chemical substances' and has received supports from the Chinese government regarding safety activities such as insurance, education, and equipment purchasing.



Emergency Relief Team

Enhancing Safety and Health

In China, compliance with safety and health regulations and safety management standards are being strengthened. LG Display dispatches our safety and environment FSE to China to do regular inspections and undertake improvement of our safety management system in accordance with the headquarters safety standards.

LGDCA We have achieved OHSAS18001, the safety production standardization certification and systematic safety management. To raise the safety awareness of our employees, we provide safety education programs, safety experience centers, and so forth. We hold quarterly simulated evacuation drills, joint training among departments, and CPR management conventions to strengthen our emergency response capabilities. In addition, we are working on the health management of employees by operating a physical therapy room and psychological treatment room. We also regularly conduct operational satisfaction surveys on these health management programs to raise employee satisfaction.



Safety Experience Hall



CPR Competition

Guangzhou Plant We are providing customized safety training for new employees, shopfloor workers, and special duty workers. We have also strengthened our capabilities to respond to emergencies by holding a CPR contest and increasing employees with first aid qualifications. In addition, we have expanded our on-site inspection activities under the leadership of the Head of subsidiary and team leaders, and have worked to create a safety culture by operating a reward system for safety TPM activities. Through these efforts, we have not encountered any safety accidents higher than grade C (minor injuries) in 2016.

Nanjing Plant We are raising our safety awareness every week for our employees as well as our partner companies. We also regularly conduct fire evacuation drills to enhance safety response capabilities. In addition, we pay premiums when employees report near miss cases, and proliferate the safety culture by promoting safety posts and campaigns. Furthermore, we monitor the work environment on a quarterly basis to strengthen the management of hazardous substances in the workplace and improve the safety and health of employees.



Dormitory Fire Extinguisher Usage Training



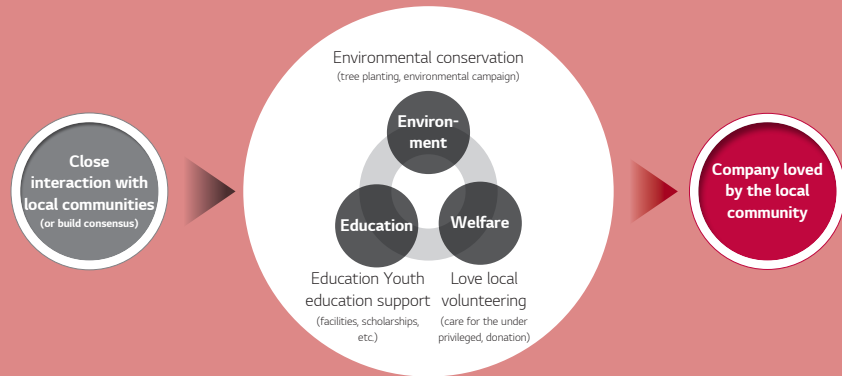
Basic Compliance Awareness Activities

Yantai Plant We encourage employees to participate actively in safety activities for zero accidents. Since July 2016, we have been working on the discovery of near miss cases involving all employees and have reduced the risk of safety accidents by 100% improvement in the identified risk factors. Moreover, we focused on basic compliance activities such as prohibition of using mobile phone while walk and compliance with the work principles and strengthened the safety awareness of our employees through safety campaigns, quizzes, and distribution of safety culture letters.

Issue.4

Sharing Management

Based on the close interaction with the local communities depending on the scope of social contribution of the Chinese subsidiaries, we will promote social contribution activities to be the company loved by the local community.



Activating Interaction with Local Community

LG Display has put in efforts to have a friendly and understanding approach to the local community through various interactive activities such as expanding visit and interaction from local residents, leader's periodic visit, and joint participation in local society cultural experience events.

Love Local Volunteering

As Chinese government has implemented the 'Charity Law' since 2016, we have expanded charity works throughout China and transparently disclosing the activities. The Charity Law was activated as of September 1, 2016. For this we are encouraging employees in China to conduct social contribution activities including donations.

Korean School Relocation Support > Guangzhou Korean School, the only one Korean school in Guangdong Province, has rented a building from a Chinese school. On August, 2016, the lease contract was over and faced relocation. Now the Guangzhou Korean School has own land and building to accommodate more than 1000 people. In the process of purchasing the land and building, the school was supported through various channels including the Ministry of Education of Korean government and local Korean-Chinese community. LG Display has signed 'Guangzhou Korean School Donation Agreement' and donated by forming a fundraising committee.



Local Residents Visiting Event

Interview

"Continuing Various Social Contribution Activities to Foster Future Generation"

Our institute has implemented social contribution activities with LG Display. First of all, we support underprivileged students with goods like school lunches and donate a large screen TV and other goods in need to schools. We also operate periodical onsite job experience sessions for students to provide them opportunities to experience advanced science technology. LG Display also contributed to create over 10,000 jobs through active investment in the Huangpu Guangzhou Development District and improved the living condition of local communities. We hope LG Display will continue various social contribution activities to foster future generation and grow together with local communities as sustainable company.

Jintian Zhong | Vice-president, LuoFeng Primary School



LGDCA An exhibition hall displayed with major technologies and products in LGDCA has been designated as a science experience base. We have actively involved in tours and lecture requests from nearby educational institutes, sharing the space as an educational base with local communities. We have interacted with the local communities through supporting underprivileged elementary school students donating gifts. For the nearby local communities, we have implemented environmental campaigns and cleaning activities under the themes of 'recycling' and 'clean environment'. Moreover, we are actively involved activities for underprivileged through visiting nursing homes and elderly people living alone.



Environment Cleaning Activities with Local Community



School Visit and Stationery Support

Guangzhou Plant We are supporting preschool children through building school facilities, supporting club activity, and providing school supplies. For those children who moved from another region cannot attend elementary schools in Guangzhou, however, in some special schools are open for admission for students with talents such as soccer or hacky sack. As for this, Guangzhou Plant actively supports preschool children to develop their talents by providing track suits, vehicle, and so forth. And we are continuously supporting school supply for underprivileged children.

Nanjing Plant To make a world that visually impaired can live without inconvenience, we are supporting various activities such as building special education center and library for visually impaired children and 1-on-1 employee matching event. With the fund raised by finishing the Walking Tournament with family (CNY 100/person) and from the flea market held with personally donated items, we have implemented various social contribution activities for the underprivileged neighbors.



Fundraising through Walking Event



Special Education School Visit

Yantai Plant We are implementing sharing activities for the neglected elderly people, underprivileged and children in local communities. We are sharing the warmth of love by donating books to the elementary schools, engaging in talent sharing activities and making volunteer visit to the neglected elderly people regularly. In addition to these activities, we support donating learning equipment in special schools while making visits and donating charity goods to underprivileged neighbors, implementing sincere social contribution activities.

Issue.5

Mutually Growing Management

Due to the nature of the display industry, core component companies such as glass semiconductors and film are constructing factories near LCD production plants to save cost and improve efficiency. Therefore, the Chinese subsidiaries have been supporting the partner companies from the initial stage of factory establishment as well as establishing facilities and infrastructure necessary for local production.



Diagnosis and Evaluation of Sustainability Management of Partner Companies

Chinese subsidiaries regularly evaluate partner companies in terms of quality, cost, delivery, and response. Based on the evaluation results, we measure the grade each year and determine the trading volume according to the grade. In particular, we monitor 'leadership commitment', 'environmental safety management', and 'toxic chemical management' in terms of general management. We also inspect legal compliance, environment, safety, and labor from perspectives of sustainable management of partner companies from the EICC perspectives.

HR Management of Partner Companies

LG Display conducts labor inspections once a year in accordance with inspection checklists to preemptively manage the labor-related risks of partner companies. In addition, we are actively supporting our company's own and outsourced assembly companies in China to operate an efficient personnel system. We also conduct regular HR audits to ensure compliance with our customers code of conduct and preemptively respond to compliance risks.

Topic	Major Communication Activities
Outsourced suppliers' labor inspection	<ul style="list-style-type: none"> Target: total 9 suppliers (7 outsourced suppliers, 2 other suppliers) Inspection framework: individual labor management, collective labor management, risk management (total 79 questions)
HR audit in China	<ul style="list-style-type: none"> Target: 4 manufacturing plants, 6 outsourced suppliers Audit framework: general HR, personnel, labor (total 304 questions)

Communication with Partner Companies

LG Display operates periodic meetings with partner companies to share production volume and production plans in advance and encourages improvement through various communication channels in case of issues such as quality and procurement. In addition, for important matters, we call meetings, hosted by our Head of subsidiary, with partner companies to solve problems.

Interview

"Mutual Growth based on Superior Quality and Price Competitiveness"

Since 2006, Yangji Electronics has been providing backlight for automotive displays. We are proud of our customer response to the quality based on accumulated know-how of production and global supply experience. As the Chinese auto parts market has exploded in recent years, LG Display needs to take the lead in the auto display market by focusing on sales expansion and price competitiveness. To this end, LG Display must expand investment in the automotive display and continue to expand its global market share. Yangji Electronics will also join with LG Display with our quality that meets the needs of global customers and excellent price competitiveness.

Geun-Su | Head of subsidiary, Yangji Electronics Corporation

General Management Indicators



Representative's Mindset

- Management/Quality Policy and Goals
- Department Goals and Achievements



Environment and Safety Management

- Environmental safety and health goals, educational history
- Recycling rate target setting and management plan, waste management plan
- Environmental confirmation and permit



Hazardous Substances Management

- Status of Toxic Material Storage/Handling Facilities and Regular Inspection Plan / Performances
- Toxic definition and identification mark management, and disaster prevention equipment status



EICC

- EICC Code of Conduct



Appendix



CSR Quantitative Performances

Economic Performances

R&D Investments

Category	Unit	2014	2015	2016
R&D Expenses	KRW 1 million	1,787,593	1,546,840	1,423,247
R&D-to-Sales Ratio	%	6.8%	5.4%	5.4%

Government-sponsored R&D Project Expenses

Category	Unit	2014	2015	2016
Government-subsidiary	KRW 100 million	163.2	148.8	168.5

Financial Statements

Category	Unit	2014	2015	2016
Assets		22,967	22,577	24,884
Liabilities	KRW 1 billion	11,184	9,872	11,422
Capital		11,783	12,704	13,462

Financial Performances

Category	Unit	2014	2015	2016
Sales		26,456	28,384	26,504
Cost of sales		22,667	24,070	22,754
Gross profit on sales		3,789	4,314	3,750
Operating profits	KRW 1 billion	1,357	1,626	1,311
EBITDA		4,850	5,001	4,333
Net income before income tax		1,242	1,434	1,316
Net profits		917	1,023	932

Environmental Performances

Use of Raw Materials (Domestic)

Category	Unit	2014	2015	2016
Backlight	1,000	291,321	260,566	184,776
Glass	m ²	94,619,379	96,500,167	99,591,208
polarizer	1,000	690,204	673,125	583,968
Drive IC	1,000	1,324,140	1,168,746	1,151,032
Liquid Crystal	kg	129,138	130,093	132,783

Total Water Withdrawals by Source (Domestic)

Category	Unit	2014	2015	2016
Industrial water		75,570,215	74,879,544	71,019,510
Residential water		1,910,559	1,713,179	1,668,791
Groundwater	ton	379,639	385,600	359,301
Total		77,860,413	76,978,322	73,047,602

Water Reuse Rate (Domestic)

Category	Unit	2014	2015	2016
Volume of water	ton	101,236,797	105,473,313	106,882,416
Reuse rate*	%	130%	137%	146%

*Standard for water reuse rate calculation: Reuse rate= volume of reuse / (industrial water+ residential water + groundwater) x 100

Emissions of Air Pollutants (Domestic)

Category	Unit	2014	2015	2016
NOx	kg/yr	35,885	31,506	36,458
SOx	kg/yr	17,638	19,161	16,613
Dust	kg/yr	104,644	75,119	72,838

Discharge of Water Pollutants (Domestic)

Category	Unit	2014	2015	2016
BOD	ton/d	23.3	25.7	25.6
COD	ton/d	15.2	9.4	9.7
SS	ton/d	8.4	6.8	7.0

Amounts of Waste Discharging and Recycling Rate (Domestic and Overseas)

Category		Unit	2014	2015	2016
Domestic worksites	Hazardous wastes	Disposed	808	1,293	747
		Recycled	79,552	125,513	80,015
	General wastes	Incineration	1,067	1,062	1,144
		Landfill	11,280	11,142	4,215
		Recycled	30,378	38,106	33,867
	Recycling rate	%	89	92	95
Overseas worksites	Hazardous wastes	Disposed	2,376	7,872	11,905
		Recycled	1,166	9,026	10,684
	General wastes	Incineration	225	339	500
		Landfill	3,439	4,024	4,471
		Recycled	15,415	24,823	21,405
	Recycling rate	%	73.3	73.5	65.4

Energy Intensity (Domestic and Overseas)

Category	Unit	2014	2015	2016
Energy consumption	TJ	66,463	67,257	70,320
Manufacturing performances	1,000 glasses	8,425	8,609	8,996
Energy intensity	TJ/1,000 glasses	7.9	7.8	7.8

Energy Consumption at Worksites (Domestic and Overseas)*

Category			Unit	2014	2015	2016
Domestic worksites	Direct energy	LNG	TJ	1,103	1,184	1,051
		Others		-	200	231
	Indirect energy	Electricity		58,178	58,560	58,896
		Steam		187	202	245
	Subtotal			59,468	60,146	60,423
Overseas worksites**	Direct energy	LNG	229	122	307	
		Others	17	0	6	
	Indirect energy	Electricity	6,654	6,899	9,508	
		Steam	95	90	77	
	Subtotal		6,995	7,111	9,897	

*Energy consumption is calculated based on description of 'GHG & Energy Target Management System'

**Overseas workplaces are the combined values of China and Poland emissions (energy consumption, GHG emissions).

※ Energy consumption may be partly different from the figures in the specification due to the reason of cutting digits.

GHG Emissions (Domestic and Overseas)*

Category	Unit	2014	2015	2016
Domestic worksites	Scope1	4,851,770	4,503,003	2,989,358
	Scope2	2,840,809	2,845,479	2,861,844
	Subtotal	7,692,579	7,348,481	5,851,203
Overseas worksites**	Scope1	-	29,522	26,961
	Scope2	-	645,723	876,248
	Subtotal	403,577	675,245	903,209

*Energy consumption is calculated based on description of 'GHG & Energy Target Management System'

**Emissions from overseas plants are calculated only the sum in 2014, and electricity emissions are calculated by applying regional emission factors since 2015 ※ GHG emissions may be partly different from the figures in the specification due to the reason of cutting digits.

Scope 3 GHG Emissions

Category	Unit	2014	2015	2016
Employees' business travel		3,871	4,180	6,279
Goods transportation	Shipping	tCO ₂ eq	4,933	4,678
	Import	2,107	2,176	1,812
Purchased products and services	tCO ₄ eq	-	400,534	448,117
Processing of sold goods	tCO ₃ eq	-	49,632	45,831

*Purchased products and services and processing of sold goods are calculated since 2015

GHG Reduction (Domestic)

Category	Unit	2014	2015	2016
Domestic worksites	tCO ₂ eq	376,913	431,795	1,450,656

Social Performances**Employee Status**

Category	Unit	2014	2015	2016
Domestic	Male명	23,449	23,885	23,557
	Female	9,079	8,725	8,453
Overseas	Male명	8,461	9,940	10,678
	Female	8,432	7,731	7,665
Female workforce ratio	%	35.4	32.7	32.0

*Employee data is as of December 31, 2016

New Employment and Employee Turnover Rate

Category		Unit	2014	2015	2016
New employment	Office	Newcomer	311	497	515
		Experienced	74	191	72
	Production line	Newcomer	Persons	65	479
Turnover rate		%	4.8	3.5	3.2

Minority Rate

Category	Unit	2014	2015	2016
Disabled (including Nanumnuri)	Persons	492	529	529
	%	1.5	1.6	1.6
Patriots and veterans	Persons	333	342	354
	%	1.0	1.1	1.1

Annual Average Training Hours per Employee

Category	Unit	2014	2015	2016
Number of trainees	Persons	33,018	32,646	32,570
Total training hours	Hours	1,113,270	1,626,283	1,660,610
Annual average training hours per employee	Hours	34	50	51

Labor Union Membership and Employee Ratio Target Collective Bargaining

Category	Unit	2014	2015	2016
Number of labor union membership	Persons	21,938	21,703	21,125
Number of labor union target	Persons	32,528	31,332	32,010
Participate rate	%	67.4	69.3	65.0

Number of Employees Covered by Corporate Pension Plan

Category	Unit	2014	2015	2016
Defined benefit	Persons	32,528	32,286	31,300
Defined contribution		7	5	26

Local Procurement Ratio of Major Worksites

Category	Unit	2014	2015	2016
Korea		80	72	75
China	%	79	67	63
Poland		95	94	93

Number of Employees Who Received Regular Performance Evaluation

Category	Unit	2014	2015	2016
Employees subject to regular performance evaluation and career development assessment	Persons	32,528	31,332	30,939
Employee ratio subject to regular performance evaluation and career development assessment	%	98.0%	94.7%	94.3%

Industrial Incident Rate

Category	2014	2015	2016
Industrial Incident Rate*	0.006	0.009	0.009

*Index for describing the frequency and intensity of industrial incidents

Use of Parental Leave

Category	Unit	2014	2015	2016
No. of employees on parental leave		543	1,084	1,255
No. of employees returning to work after parental leave	Persons	342	725	876
No. of employees still employed in the company 12 months after the end of parental leave		241	253	286

Type of Certification

Type of Certification	Region	LG Display Status			
		Unit	Certification status	Recent certifications	Certification cycle
PSM Assessment	Gumi	Unit 1	Certified (P level)	Aug. 2014	4 years
		Unit 2-3		Aug. 2014	
		Unit 4-5-6		Sep. 2013	
	Paju			Aug. 2014	
OHSAS 18001 Certification	Gumi	Unit 1	Integrated certification	Oct. 2015	3 years
		Unit 2-3			
		Unit 4-5-6			
	Paju				
KOSHA 18001 Certification	Gumi	Unit 4-5-6	Certified	Nov. 2014	3 years
	Paju		Certified	Nov. 2015	3 years
Safety Zone Certificate	Gumi	Unit 4-5-6	Certified	Jun. 2015	3 years
	Paju		Certified	Oct. 2014	3 years
Health Improvement Workplace Certification	Gumi		Certified	Dec. 2015	3 years

Number of Complaints Received through Official Grievance Channels

Category	Unit	2014	2015	2016
No. of social impact related complaints received		30	74	82
No. of complaints under resolution	Cases	-	-	-
No. of complaints resolved*		30	73	82

*One anonymous complaint was received in 2015 and the content was unclear, therefore, the case was not investigated

Social Contribution Investment and Participation

Category		Unit	2014	2015	2016
Social contribution investments	Expense for Social Contribution*	KRW 1 million	14,184	16,327	24,560
	No. of Social Contribution Programs	Volunteering	2,862	2,618	2,871
		Donation	44	44	41
Social contribution participation	No. of Participants (double counting allowed)	Volunteering	33,843	31,541	32,181
		Donation	5,166	5,619	6,519
	LGDream Fund**	KRW 1 million	121	133	136

*This is re-calculated as the total social contribution related expense, which includes corporate donation, social contribution fund, goods, and etc.

**The total amount of donation collected by employees' voluntary donation through in-house fundraising system

Hours of Employee Training on Policies or Procedures Concerning Human Rights and the Number of Employees Trained

Category			Unit	2014	2015	2016
Training hours	In-person training	Anti-sexual harassment training	Hours	20,541	31,518	30,800
		Other training*		2,943	3,763	3,680
	Online training	Anti-sexual harassment training	Hours	13,250	10,750	1,420
		Jeong-Do Management course		3,139	11,427	10,383
Number of employee trained	In-person training	Anti-sexual harassment training	Persons	20,541	21,012	30,800
		Other training*		1,273	569	2,517
	Online training	Anti-sexual harassment training	Persons	13,178	10,750	1,420
		Jeong-Do Management course		2,774	8,025	4,382

*Other trainings include Jeong-Do Management course, Fair trade training, and etc.

Supplier Safety and Health Certification Status

Type of Certification	Region	Status			
		Unit	Certification status	Recent certifications	Certification cycle
Symbiosis safety program	Gumi	Unit 1	Certified (B)	Dec. 2016	1 year
		Unit 2-3	Certified (B)		
		Unit 4-5-6	Certified (A)		
	Paju		Certified (A)		
Supplier joint certification of KOSHA/OHSAS 18001	Gumi		Certified	Nov. 2015	3 years
	Paju		Certified	Nov. 2015	3 years

GRI Index

GRI-102 : General Disclosures

Topic	Standard	Indicators	CASS-CSR 3.0	Assured	Pages
Organizational profile	102-1	Name of the organization	P4.1	●	8
	102-2	Activities, brands, products, and services	P4.2	●	14~15
	102-3	Location of headquarters	P4.1	●	0
	102-4	Location of operations		●	9
	102-5	Ownership and legal form	P4.1	●	61
	102-6	Markets served	P4.4	●	9, 14~15
	102-7	Scale of the organization		●	7, 9
	102-8	Information on employees and other workers	P4.5, S2.1	●	83
	102-9	Supply chain	M3.5	●	45~48, 80
	102-10	Significant changes to the organization and its supply chain	P4.7	●	9, 11 (Establishment of Vietnamese subsidiary)
	102-11	Precautionary Principle or approach		●	64
	102-12	External initiatives	G1.2, E1.3	●	87
	102-13	Membership of associations	P4.6	●	90
Strategy	102-14	Statement from senior decision-maker	P3.1, P3.2	●	2~3
	102-15	Key impacts, risks, and opportunities	P3.1, P3.2	●	64
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	G1.1, M3.2~3.3	●	62~63
	102-17	Mechanisms for advice and concerns about ethics		●	63
Governance	102-18	Governance structure	G2.1, G2.3, G2.4	●	60~61
	102-22	Composition of the highest governance body and its committees		●	60~61
	102-23	Chair of the highest governance body		●	60
	102-24	Nominating and selecting the highest governance body	M1.1	●	60~61
	102-34	Nature and total number of critical concerns		●	60
	102-35	Remuneration policies		●	61
Stakeholder engagement	102-40	List of stakeholder groups	G5.1	●	57
	102-41	Collective bargaining agreements	S2.2	●	83
	102-42	Identifying and selecting stakeholders	G5.2	●	57
	102-43	Approach to stakeholder engagement	P2.3, M2.13	●	57~59
	102-44	Key topics and concerns raised	G5.3, M2.13	●	18~19
Reporting practice	102-45	Entities included in the consolidated financial statements	P1.3, P4.3	●	82
	102-46	Defining report content and topic Boundaries	P1.1, P2.2, G1.3	●	18~19
	102-47	List of material topics	P2.2, G1.3	●	18~19
	102-48	Restatements of information		●	82~84
	102-49	Changes in reporting			Not applicable
	102-50	Reporting period	P1.2	●	0
	102-51	Date of most recent report	P1.2	●	0
	102-52	Reporting cycle	P1.2	●	0
	102-53	Contact point for questions regarding the report	P1.5, A4	●	0
	102-54	Claims of reporting in accordance with the GRI Standards	G4.1, A3	●	0 (Core)
	102-55	GRI content index	G4.1	●	85~87
	102-56	External assurance	P1.1, A2	●	88~89

GRI-103 : Management Approach

Topic	Standard	Indicators	CASS-CSR 3.0	Assured	Pages
	103-1	Explanation of the material topic and its Boundary	P1.3	●	
	103-2	The management approach and its components		●	20, 28, 34, 40, 45, 49
	103-3	Evaluation of the management approach		●	

GRI-200 : Economic

Topic	Standard	Indicators	CASS-CSR 3.0	Assured	Pages
Economic Performance	DMA				20
	201-1	Direct economic value generated and distributed	M1.3~M1.6, S1.5	●	7, 82
	201-2	Financial implications and other risks and opportunities due to climate change		●	35
	201-3	Defined benefit plan obligations and other retirement plans	S2.27~2.29	●	83
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	S4.9~4.13	●	41~44, 78~79
Procurement Practices	DMA		M3.8, S4.8		45
	204-1	Proportion of spending on local suppliers		●	83
	DMA		M3.2~3.3, S1.3		62~63
Anti-corruption	205-1	Operations assessed for risks related to corruption		●	62~63
	205-2	Communication and training about anti-corruption policies and procedures		●	62~63

GRI-300 : Environmental

Topic	Standard	Indicators	CASS-CSR 3.0	Assured	Pages
Raw Materials	301-2	Energy consumption within the organization	E2.13	●	37, 82
Energy	DMA		E1.1, E1.4, E2.1~2.2, E2.5, E4.5		34
	302-1	Energy consumption within the organization	E2.3, E2.6	●	35, 82~83
	302-3	Energy intensity	E2.4	●	82~83
	302-4	Reduction of energy consumption		●	35, 82~83
	302-5	Reductions in energy requirements of products and services	E3.4	●	35, 39
Water	303-1	Water withdrawal by source		●	82
	303-3	Water recycled and reused	E2.17	●	38, 82
Biodiversity	304-3	Habitats protected or restored	E4.1~4.3	●	37
Emissions	305-1	Direct (Scope 1) GHG emissions		●	35, 83
	305-2	Energy indirect (Scope 2) GHG emissions		●	83
	305-3	Other indirect (Scope 3) GHG emissions		●	83
	305-5	Reduction of GHG emissions	E2.19	●	35, 83
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	E2.8	●	36, 82
Effluents and Waste	306-2	Waste by type and disposal method	E2.12	●	37, 82
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations			Not applicable
Supplier Environmental Assessment	DMA		G3.2, M3.6~3.7, E1.1, E1.4, E3.2, E4.5		45
	308-2	environmental impacts in the supply chain and actions taken	M3.5, M3.9	●	48

GRI-400 : Social

Topic	Standard	Indicators	CASS-CSR 3.0	Assured	Pages
Employment	401-1	New employee hires and employee turnover	S1.8, S2.31	●	83
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	S2.9, S2.11~2.12, S2.27~2.29	●	50~51
	401-3	Parental leave		●	51, 84
Occupational Health and Safety	DMA		S2.17, S2.20~2.21, S2.23, S3.1~3.2, S3.5		28
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	S2.19, S3.6~3.7	●	83
	403-4	Health and safety topics covered in formal agreements with trade unions		●	29~31, 52
Training and Education	404-1	Average hours of training per year per employee	S2.18, S2.24~2.26, S3.3~3.4	●	84
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	S2.13~2.15	●	60, 83
Freedom of Association	DMA				49
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		●	52
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments		●	56
	412-2	Employee training on human rights policies or procedures		●	84
Local Communities	DMA				40
	413-1	Operations with local community engagement, impact assessments, and development programs	S4.1~4.4	●	41~44
Supplier Social Assessment	DMA		G3.2, M3.6~3.7		45
	414-2	Negative social impacts in the supply chain and actions taken	M3.5, M3.9	●	46~48
Customer Health and Safety	DMA				28
	416-1	Assessment of the health and safety impacts of product and service categories	M2.5	●	26, 29~33
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	M2.4		Not applicable

※ CASS-CSR 3.0: China CSR Report Publication Guideline issued by the Chinese Academy of Social Sciences (CASS)

UNGC & SDGs

UNGC

LG Display participates in the UN Global Compact, an international convention on corporate social responsibility, and complies with the 10 Principles of human rights, labor, environment, and anti-corruption. We report COP (Communication on Progress) every year, and will continue to carry out activities to comply with the UN Global Compact Principles.









United Nations
Global Compact

Topics	Principles	Reference Pages
Human Rights	1. Support and respect the protection of internationally proclaimed human rights	50-52
	2. Non-complicity in human-rights abuses	56, 72, 80
Labor	3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	
	4. Elimination of all forms of forced and compulsory labor	52, 56, 72, 80
	5. Effective abolition of child labor	
	6. Elimination of discrimination in respect of employment and occupation	
Environment	7. Support a precautionary approach to environmental challenges	
	8. Undertake initiatives to promote greater environmental responsibility	34~39
	9. Development and diffusion of environmentally friendly technologies	
Anti-corruption	10. Work against corruption in all its forms, including extortion and bribery	62~63

UN SDGs

SDGs presents 17 goals and 169 detailed implementation tasks to address the issues that need to be solved by the international community from 2016 to 2030. Cooperation among governments, corporations, and institutions to solve economic and social problems such as poverty, disease, education, women and children, universal problems of humanity and climate change, global environmental problems such as water, and technology, housing. LG Display is pursuing a variety of tasks that can achieve sustainable development goals. Through these tasks, we are making efforts to contribute to the sustainable and equitable development of the international community as well as to creating economic value for the company.



SDGs	LG Display's Contribution	Reference Pages
 4. Quality Education	<ul style="list-style-type: none"> • USR Overseas Service. Repairs and expansion of educational facilities in Vietnam, Cambodia schools and libraries • Hope Wing LGD Club • IT Power Plant support project 	41~43
 6. Clean Water and Sanitation	<ul style="list-style-type: none"> • USR Overseas Service Improvement of the hygiene environment in Vietnam and Cambodia 	42
 12. Responsible Consumption and Production	<ul style="list-style-type: none"> • Expansion of waste recycling • Maximization of water reuse 	37~38
 13. Climate Action	<ul style="list-style-type: none"> • GHG management and response • GHG reduction activities • Reduced water use • Energy saving product development 	35, 38~39
 15. Life on Land	<ul style="list-style-type: none"> • Environmental contribution activities. Biodiversity conservation 	37
 16. Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> • Jeong-Do Management Internalization Activities • Tax Risk Management • Domestic and overseas compliance check and support • Responding to the Anti-Graft Act 	62~67

Third Party's Assurance Statement

To the Readers of 2016-2017 LG Display Sustainability Report

Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of LG Display to verify the contents of its 2016-2017 Sustainability Report (hereinafter "the Report"). LG Display is responsible for the collection and presentation of information included in the Report. KMR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Scope and standard

LG Display describes its efforts and achievements of the corporate social responsibility activities in the Report. KMR performed a Type 1, moderate level of assurance using AA1000AS (2008) as an assurance standard. KMR's assurance team(hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI Standards indices as below, where professional judgment of the team was exercised as materiality criteria.

- GRI Standard Reporting Principles
- General Disclosures
- Specific Disclosures
 - Generic DMA of each of following material Indicators of Topics
 - Economic Performance: 201-1, 201-2, 201-3
 - Procurement Practices: 204-1
 - Anti-corruption: 205-1, 205-2
 - Energy: 302-1, 302-3, 302-4, 302-5
 - Supplier Environmental Assessment: 308-2
 - Occupational Health and Safety: 403-2, 403-4
 - Freedom of Association and Collective Bargaining: 407-1
 - Local Communities: 413-1
 - Supplier Social Assessment: 414-2
 - Customer Health and Safety: 416-1, 416-2

This Report excludes a data and information of joint corporate, contractor etc. which is outside of the organization, i.e. LG Display, among report boundaries.

Our approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with LG Display on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

Inclusivity› Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

- LG Display is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder LG Display left out during this procedure.

Materiality› Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.

- LG Display is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.

Responsiveness› Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

- The assurance team could not find any evidence that LG Display's counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the 'Core Option' of GRI Standards.

Recommendation for improvement

KMR recommends that the report published by LG Display will be actively used as a tool for stakeholder communication and continuous improvement.

- LG Display has been originating a short-term achievement about economic and some of environmental (climate change) themes. KMR advises LG Display to consider both short and long term aspects of sustainability management through the establishment of short and long term strategies about environment themes and the complement of the data system standardised.

Our independence

KMR has no involvement in LG Display business activities other than providing third party assurance services and maintains independence to avoid conflicts of interest.

K. H. Park

May 30, 2017

CEO **Ki-Ho Park**

Awards and Memberships

Awards

No.	Awards	Host	Year
1	77-inch UHD Curved OLED Display, Award from Minister of Trade, Industry & Energy 2014	Ministry of Trade, Industry & Energy	2014
2	Citation by Chairman of Fair Trade Commission for excellent performance in shared growth agreements	Fair Trade Commission	
3	Citation from Prime Minister as a Resource Recycling Leading Company Ministry of Environment	Ministry of Environment	
4	Citation on Industrial Technology Security Day	Ministry of Trade, Industry & Energy	
5	G Flex (adopting flexible plastic OLED), Gold Display Application of the Year Award	SDI 2014	
6	55-inch Full HD Curved OLED TV, Silver Display Application of the Year Award	SDI 2014	
7	55-inch, 65-inch, and 77-inch Ultra UHD Curved OLED TV Series, Best In Show	SDI 2014	
8	KAIST Intellectual Property Award	Korea Patent Attorneys Association, KAIST, Korean Association of Intellectual Property Services	2015
9	The Trade Day Award, Gold Tower Order of Industrial Service Merit (CEO)	Ministry of Trade, Industry & Energy	
10	The 1st 'Happiness Sharing Company' Minister Award from the Minister of Health and Welfare	Ministry of Health & Welfare	
11	Winner of Family-friendly Management Award	Korea Management Association Quality Assurance	
12	Winner of the Korea Chamber of Commerce Chairman Award at the 3rd Korea Loved Corporate of Korea Award	Ministry of Trade, Industry & Energy	
13	Winner of the Prime Minister's Award at the Korea Technology Award (Development of the World First Round Plastic OLED Display)	Ministry of Trade, Industry & Energy	
14	The 3 rd Korea Big Data Award, Minister Award of Ministry of Science, ICT and Future Planning	Ministry of Science, ICT and Future Planning	2016
15	Top 10 Korea's Best Employer (Main Award)' 2016	AON Hewitt	
16	Korea Technology Award, President's Award (development of the world 1 st 65-inch QUHD LCD TV Panel)	Ministry of Trade, Industry & Energy	
17	Citation from Minister of the Ministry of Trade, Industry & Energy, the Manufacturing Sector for the 15th Korea SCM Industry	Ministry of Trade, Industry & Energy	
18	The 1st anniversary of Korea-China FTA Partnership Award Recipient, Minister Award of the Ministry of Trade, Industry & Energy	Ministry of Trade, Industry & Energy	
19	Best In Show: 7-inch Ultra HD OLED TV	SID	
20	CDP Water Best Company Korea	CDP Committee	
21	CDP Climate Change IT Sector Honor's Award	CDP Committee	

Memberships

No.	Associations and Organizations	No.	Associations and Organizations
1	Korea Intellectual Property Association	11	Nano Technology Research Association
2	Korea Information Display Society	12	Fair Competition Federation
3	Korea Printed Electronics Association	13	Korea Investor Relations Service
4	Korea Listed Companies Association	14	Paju Fire Safety Association
5	Korea Association for Industrial Technology Security	15	UN Global Compact Korea Network
6	Korea Association of Occupational Health Nurse	16	Korea Chamber of Commerce and Industry
7	Korea Invention Promotion Association	17	Korea Industrial Safety Association
8	Consortium of Semiconductor Advanced Research	18	Industrial Health Association
9	Korea International Trade Association	19	International Trademark Association
10	Korea Display Industry Association	20	High Touch Industry Association

You Dream, We Display

2016-2017

LG Display Sustainability Report

Contributors to This Report Preparation

Worksite	Team	Worksite	Subsidiary	Team
Domestic Worksites	Compliance Team	Overseas Worksites	LGDCA	HR
	IR Team			Management Planning
	IT Management Planning Team			Management Support
	Mobile Management Planning Team			Management Diagnosis
	OD CoE			Procurement
	Promotion 1 Team			Safety
	TV Management Planning Team			Environment
	Procurement Planning Team		Guangzhou	HR
	Gumi Green Team			CS
	Domestic Legal Affairs Team			Management Planning
	Technology Planning Team			Management Support
	Technology Cooperation Team			Procurement
	Labor-Management Cooperation Team			Safety
	Public Affairs Team			Environment
	Security Strategy Team		Nanjing	HR
	Safety and Health Management Team			Management Planning
	Win-Win Technology Team			Management Support
	Tax Team			Procurement
	Ethics Bureau		Yantai	Safety
	HR Support Team			Environment
	Joyful Workplace Team			HR
	Paju Green Team			Management Planning
	Quality Planning Team			Management Support
	Overseas Standards Team			Procurement
	Public Relations Team			Safety
				Environment



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