

# YOU DREAM, WE DISPLAY

2017-2018  
LG Display Sustainability Report

## **About this report**

The 2017 - 2018 LG Display Sustainability Report is our seventh dedicated publication that shares the activities and progress we made towards our vision of becoming the "Global No. 1 Sustainable Display Company." In this report, we highlight sustainability topics and insights in terms of economy, society, and environment. We promise to maintain close communication with our stakeholders through continued publication of our sustainability report.

### **Scope & Period**

This report covers our business operations and sustainability activities in our domestic business sites (HQ in Seoul, Gumi, Paju) and overseas sites in China (Guangzhou, Nanjing, Yantai) and in Vietnam (Haiphong) from January 1 to December 31, 2017. The quantitative data from the past 3 years is included in the report to offer insight into the performance we made while a certain part of the qualitative performance in the first half of 2018 is provided.

### **Principles & Assurance**

Also, this report is prepared in accordance with the Global Reporting Initiative (GRI) Standards at Core level and part of the International Integrated Reporting Council(IIRC) framework. We also had this report externally assured by a third party to validate the accuracy and reliability of its content. The results of assurance can be found in the Third-Party Assurance section (pp. 82-83).

### **For More Information**

This report is available to view and download in Korean, English, and Chinese at the LG Display website ([www.lgdisplay.com](http://www.lgdisplay.com)). For more information about this report, please contact us using the contact information provided below.

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#### **Contact Information**

**Address** LG Twin Towers (East Tower) 128 Yeoui-daero, Youngdeungpo-gu, Seoul, 07336, Korea

**Tel** +82. (0)2.3777.0971

**Email** [csr@lgdisplay.com](mailto:csr@lgdisplay.com)

YOU  
DREAM,  
WE  
DISPLAY

2017-2018

## LG Display Sustainability Report

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## CEO Message





## **"Our valued stakeholders, I am deeply thankful for your continued support and encouragement of LG Display."**

This is our seventh Sustainability Report, in which we present our sustainability achievements of the past year and convey our commitment toward building a better future.

Despite drastic changes in the domestic and global industrial paradigms and intensifying competition from our competitors in 2017, we maintained our position as the top company in the global display market based on our unrivaled technological prowess.

At the same time, we devoted ourselves to generating social and environmental values, creating a basis from which our employees, partner companies, local communities and other stakeholders can all grow together.

Notably, we strengthened our safety management activities so that all employees of LG Display and partner companies can work in safe and healthy environments, while expanding our mutual growth efforts from first-tier to second- and third-tier partner companies by offering a variety of shared growth activities from a mid- to long-term perspective.

Furthermore, we undertook initiatives to reduce greenhouse gas emissions and carry out carbon management in response to global climate change, through which we seek to create eco-friendly business sites and products. With active employee participation and cooperation with other institutes, we engaged in a variety of strategic social contribution activities to promote the value of sharing with local communities.

In 2018, we expect numerous challenges ahead in the management environment with rising volatility in the global financial market, stronger protectionist trade policies and China's catch-up with large-scale investments. Despite intensifying competition in the global display industry, we hereby commit ourselves to overcoming obstacles in the management environment thereby solidifying our position as a global industry leader.

We plan to ensure our global competitiveness by focusing our attention on generating sustained profitability in the LCD business and leading the premium market for OLED TVs. At the same time, we will concentrate on securing future growth engines by building a strong basis for the 5th generation OLED lighting business and developing next-generation products in a timely manner.

As a global corporate citizen, we will faithfully fulfill our social responsibilities and provide sustainable values to our stakeholders.

In continuing our journey, we ask for your unwavering support and guidance.  
Thank you.

## Executive Messages

"Sustainability is the key to our long-term corporate health."



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

At LG Display, we established the 'LGD Safety Rules' and 'Eight Life Rules' to prevent major industrial disasters while conducting safety inspections of our workplace environment and addressing the areas of improvement we identified. In addition, a real-time monitoring system is in place to enhance the safety inspections of work sites with high-risk factors. Meanwhile, we are committed to minimizing energy consumption and GHG emissions by introducing high-efficiency facilities and innovative energy recovery technologies. We have incorporated a smart environmental technology into our practice through maximization of recycling of waste energy, wastewater, and waste materials, facilities monitoring and automated operation. As a result, we won the 2017 Korea Energy Efficiency Award Presidential Commendation, 2017 CDP Carbon Management Honors Club, and received the FEMS (Factory Energy Management System) 1st Grade for the first time in the industry. At the same time, we continue to provide financial, technological and safety support for our suppliers. We extend our support to 2nd- and 3rd-tier suppliers as part of our efforts to strengthen the entire supply chain while expanding the scope of support to include manufacturing innovation, smart factory, and environmental consulting on hazardous chemicals.

"We carry out our management activities in a transparent and strict manner in accordance with global standards."



**Sang-Don Kim** Executive Vice President/CFO

In the face of fierce competition in the display market, LG Display will make large-scale investments over the next three years to secure its competitiveness and market dominance. Accordingly, as it becomes increasingly important for us to manage the profitability and stability of our investments, we will enhance the efficiency of financial management by advancing our investment decision-making processes. More specifically, we will focus on strengthening our capacity in managing financial risks and stable cash flow in response to the catching-up of China, a powerful new player in the market. As a listed company in the United States, LG Display fully recognizes the negative impact and consequences of any legal violations and, therefore, carries out its business activities in a transparent and strict manner in accordance with global standards. As a global company, we will manage a balance between investments for long-term corporate growth and profits, while strictly complying with international tax laws and regulations.

"Creating synergy through  
open innovation in R&D"



**In-Byeong Kang** Executive Vice President/CTO

We are paving the way for the future of OLED display. We led the development of LCD display in the beginning and stepped up as a global leader in the industry by turning many crises into opportunities and now, we are introducing innovative OLED technology through the development of transparent display and flexible display in response to the changing market conditions. Meanwhile, we relocated to the Magok LG Science Park and continue our R&D projects with LG affiliates and global companies in the era of convergence. While we strengthened our foundation for growth with the focus on the site, we are now expanding our vision for open innovation in R&D, and creating synergy through close cooperation with experts inside and outside the company.

"Creating workplace environment for  
corporate-wide sustainability management."



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

Through its CSR Committee, LG Group deliberates the directions of its sustainability management in accordance with global standards. As our major global partners demand higher standards in sustainability management particularly regarding labor issues and conflict minerals, we devise measures to proactively respond to such important issues. At the same time, we offer a variety of shared growth programs for the employees of our partner companies to ensure sustainability of our supply chains and plan to establish specific plans to autonomously advance the industrial ecosystem.



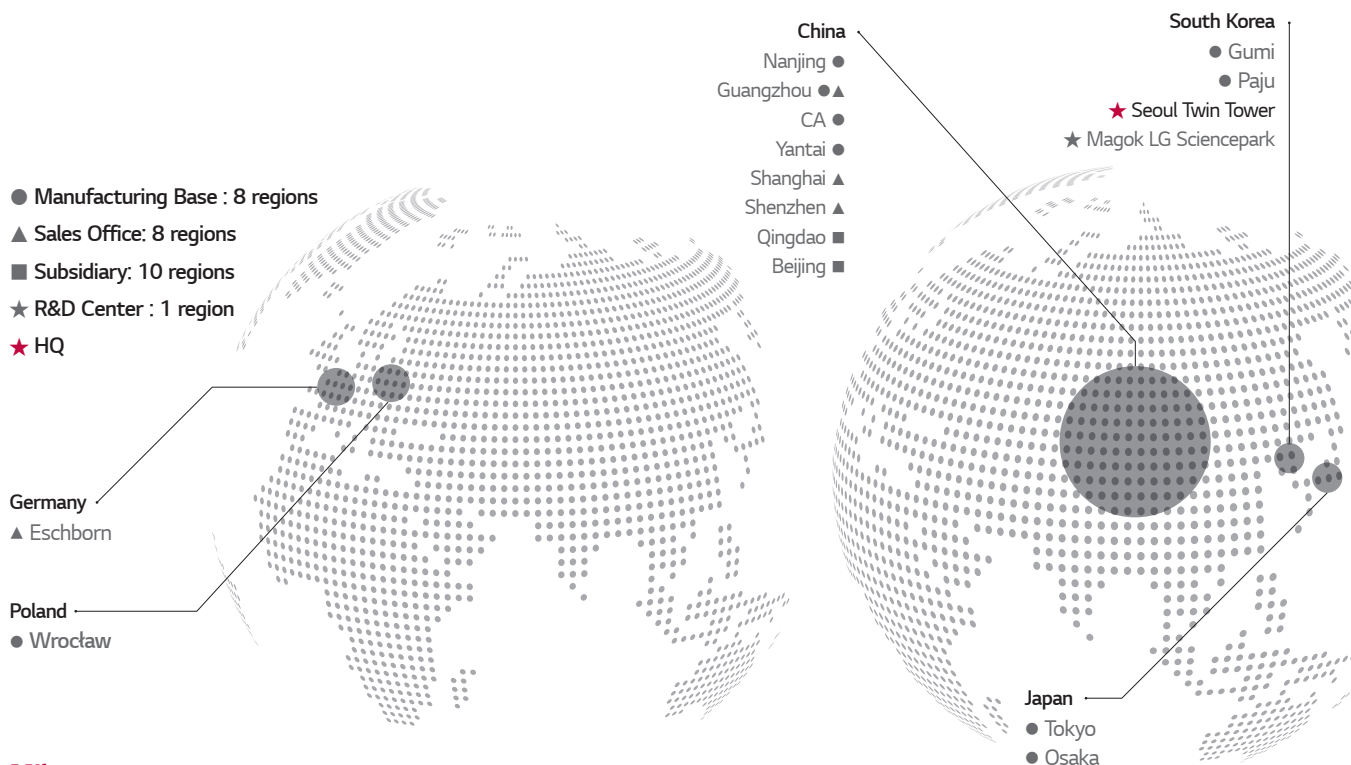
## About the Company

### Business Status

Since its first development of TFT-LCD panels in 1987, LG Display is a leading global manufacturer of display panels including LCD and OLED. Its production lines and module production facilities are located in South Korea (Gyeongsangbuk-do Gumi, Gyeonggi-do Paju), China (Guangzhou, Nanjing, Yantai), Poland (Wroclaw), and Vietnam (Haiphong). We operate our overseas sales subsidiaries to efficiently target local markets. As of the end of 2017, there are more than 54,000 employees working for our company worldwide.

### Global Network

Headquartered in South Korea, LG Display operates eight manufacturing bases around the world, including production facilities in China and Poland and a module plant in Guangzhou, China. Our global network covers 26 regions including 8 regional sales companies and 10 sales offices. Based on this global network, we respond to fast-changing market demand and customer requirements.



### Milestones

#### Laying the Ground

##### 1985-1995

- 1995 Began mass production of TFT-LCD at P1 in Gumi, Korea
- 1995 Changed the company name to LG Software Co., Ltd.
- 1987 Began TFT-LCD R&D at Goldstar R&D Center
- 1985 Established Goldstar Software Co., Ltd.

#### Growth and Development

##### 1997-2003

- 2003 Began mass production of module assembly plant in Nanjing, China
- 2000 Developed the world's first 20.1-inch LCD panel for TVs
- 1999 Launched LG.Philips LCD Co., Ltd

## Vision

### Vision

You Dream, We Display

Always at your side, LG Display is here to turn the world you dream of into reality.

### Goal

Global No.1 Display Company

### Core competencies

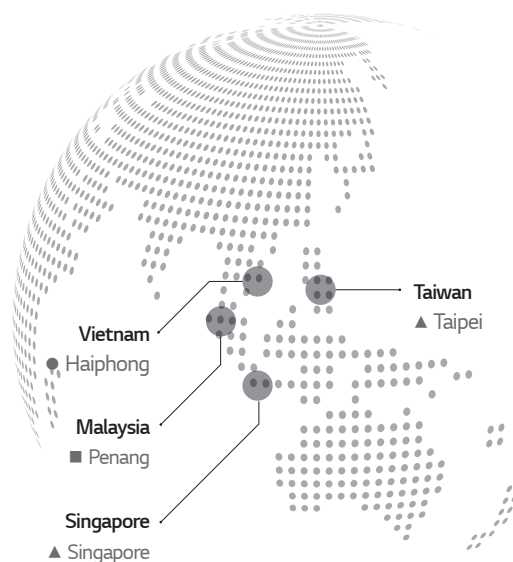
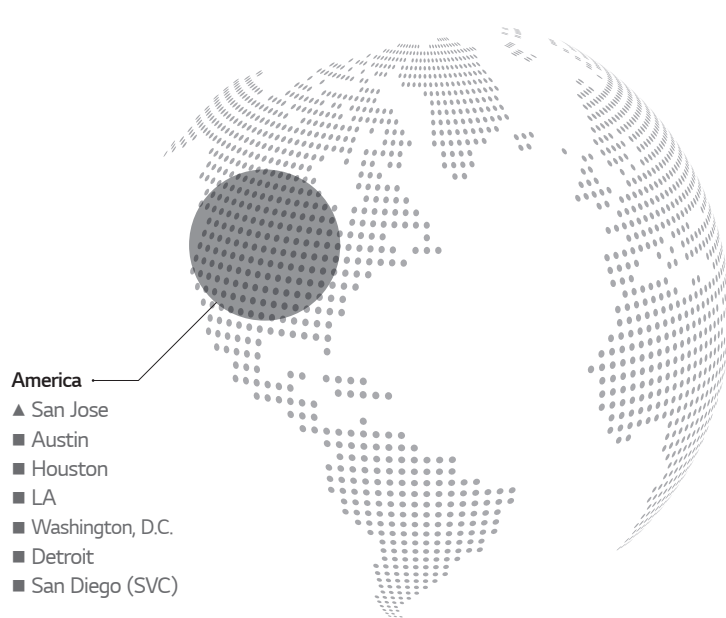
- Strengthening Customer-oriented Marketing Capabilities
- Developing Market-leading Products and Technologies
- Establishing the Most Competitive Production System
- Building an Optimized Supply Chain
- Maximizing Management Efficiency
- Creating an Organizational Culture that Aims to be No. 1

### Core Values

Open Communication, Proactive Collaboration, Change and Leap

### Employee Qualities We Value

Passion, Professionalism, Teamwork



## Extreme Challenge

### 2004~2012

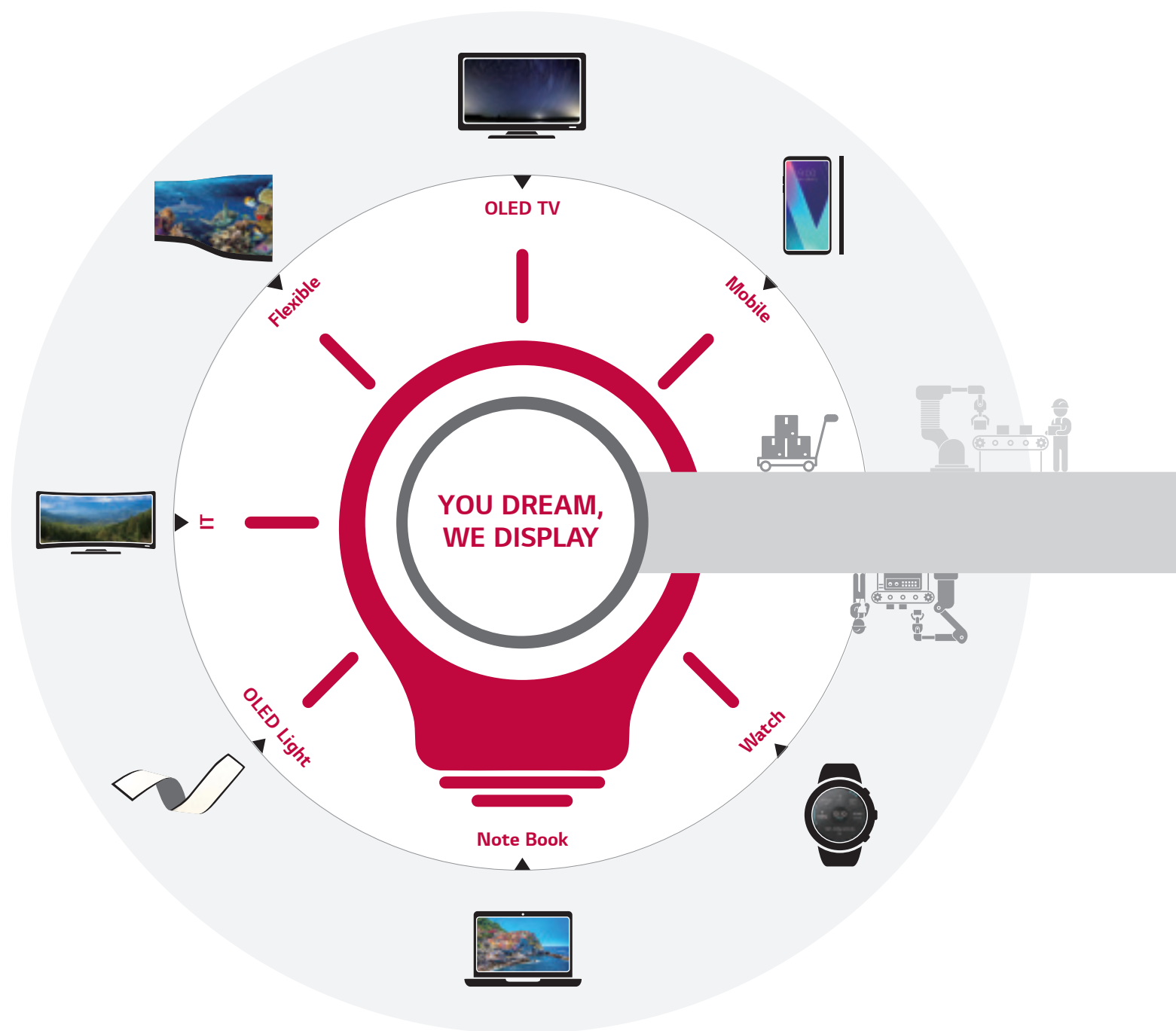
- 2011 Developed the world's first 55-inch OLED TV panel
- 2008 Changed the company name to LG Display Co., Ltd.
- 2007 Developed the world's first 14.1-inch color flexible E-Paper
- 2006 Began mass-production at P7 in Paju, Korea
- 2004 Became the first Korean company concurrently listed on both the Korea Exchange (KRX) and New York Stock Exchange (NYSE)

## Powerful Advancement

### 2013~Present

- 2018 Developed World's First 88-inch 8K OLED Display & World's first 65-inch UHD Rollable OLED Display
- 2017 Began mass production of module assembly plant in Hai Phong, Vietnam  
Develops World's First 77-inch Flexible and Transparent OLED Display
- 2014 Staged opening ceremony for the 8.5th Gen. LCD panel plant in Guangzhou, China
- 2013 Developed the world's first 105-inch curved Ultra HD LCD panel for TVs

## Business Model





### Value input

R&D investment KRW **19,11.7** billion

Labor Cost KRW **3,258.4** billion

Environmental investment KRW **4.2** billion

Ratio of R&D investment against sales **6.9**%

Welfare benefit cost KRW **94.7** billion

Amount of energy consumption in domestic and overseas workplace **63,451** TJ

Government R&D project cost KRW **2.2** billion

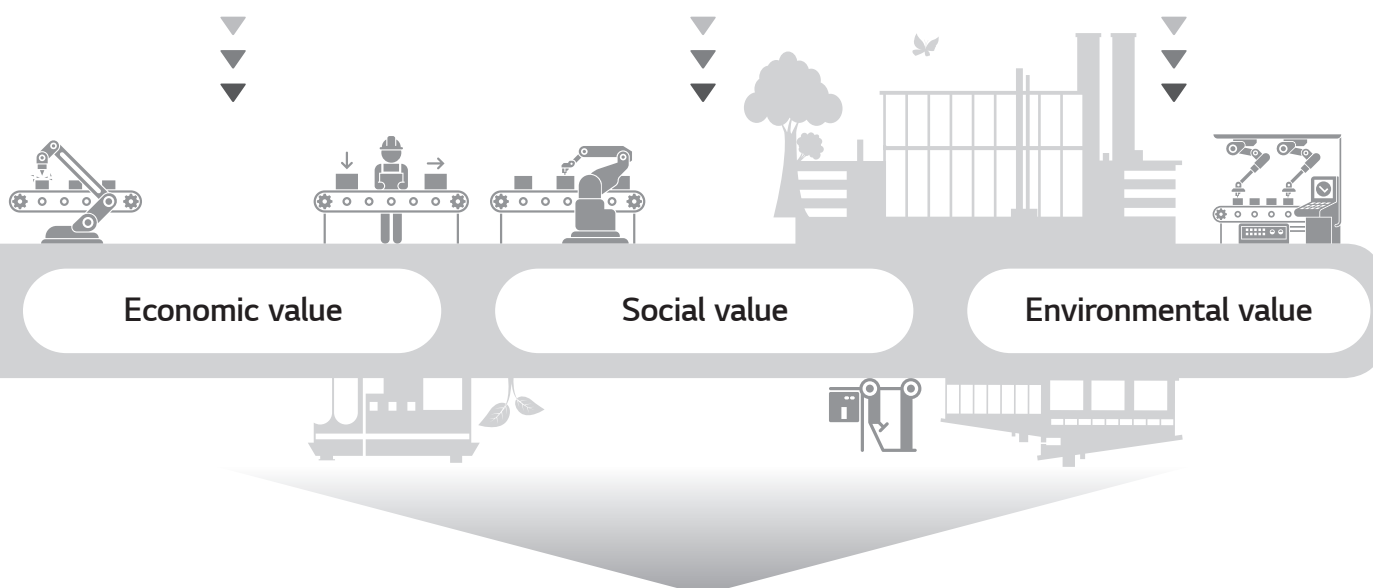
Financial support for suppliers KRW **95.1** billion

Amount of water usage **74,300,818** ton

Average plant operation rate **95.9**%

CSR investment KRW **19.9** billion

※ Gumi 97.3% / Paju 100.0% /  
Guangzhou 100.0% / Ochang 86.3%



### Value output

Sales KRW **27,790.2** billion

Number of employee grievances resolved **93**

Number of eco-friendly product certifications **96**% accomplished

Gross profit on sales KRW **5,365.6** billion

Suppliers Participation by **117** first-and second-tier partner companies in the 2017 Shared Growth Agreement

GHG emission reduction **1,321,515** tCO<sub>2</sub>eq

Operating profit KRW **2,461.6** billion

Number of employees participated in social contribution **30,520**

Water recycling rate **148**%

Total dividends KRW **178.9** billion

Number of social contribution **2,785** volunteer programs  
**43** donation programs

Waste recycling rate Domestic **96.1**%  
Overseas **58.3**%

# PRODUCTS

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Products &  
Technologies



## Products

### TV

Creating the best viewing experience with slimmer, sharper, and innovative TV display products.



A self-emissive display where every pixel exuberantly emits light taking the TV industry to a whole new level, OLED TV Display of LG Display presents the best picture quality and futuristic design. OLED expresses a perfect black color and realizes an infinite contrast ratio by controlling every single pixel.







Technologies



**Transparent**

LG Display's transparent display technology features natural colors and high level of transparency for improved visibility. In addition, it captures the eyes of customers by its appearance and boasts an unmatched promotional effect with greater space utilization.

**Flexible**

LG Display has developed the world's first 77-inch UHD transparent flexible display. It offers bendable, foldable, and rollable unique value in the market. As 60% lighter than glass, it has unparalleled portability and superior durability against impact.



**IPS**

Picture quality that is clear and unchanging from any angle.

LG Display's IPS technology, based on the horizontal alignment of liquid crystal molecules, boasts a superior viewing angle and fast response rate. The IPS panels are aligned in a horizontal direction, resulting in superior picture quality and wider viewing angles as well as excellent transmittance for high resolution and energy efficiency. IPS enables viewers to enjoy stable picture quality with no afterimages or flashing when the screen is touched. IPS provides the optimal solution for all types of applications, from TVs to IT and mobile products.

**in-TOUCH**

Innovative touch solution takes your experience to the next level.

With its built-in touch sensor in the LCD Cell, in-TOUCH is LG Display's proprietary technology that provides not only superior touch sensitivity, but also outstanding design and visibility. The touch pattern is not visible, and the high transmittance and low reflectivity—compared with other technology with external sensors—provide very good picture quality. Thanks to the built-in touch sensor, it enables a lighter, slimmer product design.



**M+**

Delivers brighter, better picture quality and lower power consumption.

M+ is LG Display's innovative technology that enhances light transmittance with white pixels and implements brighter, better picture quality and lower power consumption through a unique algorithm. It can be applied to a wide range of products including TVs, monitors, laptops, and smartphones.





# Major Issues and Activities of Subsidiaries in China

**“We are expanding our line of high value-added products and strengthening our leadership by establishing a joint venture.”**

Today, we face a harsh reality in which prices are falling due to an oversupply in the LCD market and Chinese companies backed by government support are expected to expand their supply of products. These external factors aside, we are undergoing a critical and challenging phase as we make fundamental changes in our business structure. Given its capital strength and the sheer size of its domestic market, China still has considerable potential for growth. In this regard, we are focusing our efforts on generating new demand by securing cost competitiveness and expanding our line of high value-added products through optimization of invested resources, while strengthening our market base by establishing a joint venture to produce OLED panels. Furthermore, we operate eight OLED experience centers in Beijing and six other major cities in China, while continuing to reach out to customers by, for instance, establishing an OLED landmark in the Canton Tower. Through these efforts, we seek to strengthen our leadership in the OLED market. At the same time, we work closely with our partner companies at home and abroad to create a virtuous circle of mutual growth and contribute to reducing the digital divide by building more IT plants in local communities, in order to become a sustainable company in pursuit of inclusive growth.



Chief Operations Officer/Executive Vice President,  
LG Display China Yu-Seong Yin

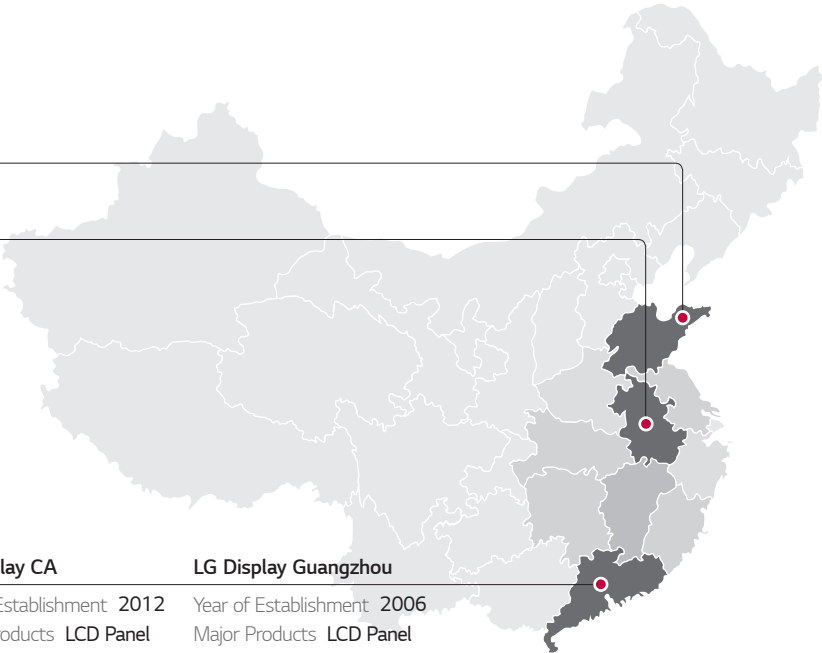
## Subsidiaries in China

### LG Display Yantai

Year of Establishment 2010  
Major Products Mobile

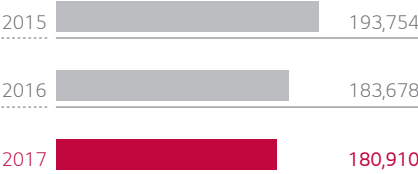
### LG Display Nanjing

Year of Establishment 2002  
Major Products IT/Auto



### Revenues in China

[Unit: KRW 100 million]



### LG Display CA

Year of Establishment 2012  
Major Products LCD Panel

### LG Display Guangzhou

Year of Establishment 2006  
Major Products LCD Panel



## Creating a Fun Work Culture

LG Display's subsidiaries in China offer various programs to create a fun work culture and enhance the job satisfaction of seconded and local employees.

Program	Details
Singles' Party (Guangzhou·CA)	<ul style="list-style-type: none"> <li>Provides an opportunity for single employees to socialize with each other in an event co-hosted by LG Chem</li> <li>Strengthens a sense of belonging for employees and provides an opportunity for single employees to socialize with each other</li> </ul>
Care PGM Leisure Life (Guangzhou·CA)	<ul style="list-style-type: none"> <li>Holds monthly recreation events</li> <li>Encourages employees to enjoy a leisure life and improve their quality of life</li> </ul>
Care PGM Weekend Getaways (Guangzhou·CA)	<ul style="list-style-type: none"> <li>Holds monthly sightseeing tours of Guangzhou</li> <li>Supports and encourages production workers seconded or posted on short-term assignments</li> </ul>
Family Visit Events for Outstanding Employees	<ul style="list-style-type: none"> <li>Encourages outstanding employees and strengthens the sense of belonging for all employees</li> </ul>
Family Carnival (Nanjing)	<ul style="list-style-type: none"> <li>Creates a family-oriented environment</li> <li>Provides an opportunity for employees to bond with their children</li> </ul>
Fun Day (Nanjing)	<ul style="list-style-type: none"> <li>Runs employee participation games during lunch break</li> <li>Creates a fun work environment</li> </ul>



Dance class for female employees

## Sharing Activities in Local Communities

LG Display China builds a consensus and maintains a close relationship with local communities through activities that give back the support it received in the course of carrying out its business. For instance, it contributed to bridging the digital divide for children living in underprivileged regions by building IT plants in Guangzhou and Nanjing. Notable social contribution activities of our Nanjing Office include a bazaar held in December 2017 as well as donations of braille books to special education schools in Lianyungang and daily necessities to underprivileged students. Our Guangzhou Office also undertook various social contribution activities on a monthly basis such as blood donations and clothing giveaways, spreading the joy of sharing and instilling a sense of social responsibility among its employees.



Donating Braille Books to Special Education Schools in Lianyungang

## Managing Environmental Safety in Work Sites

Our Yantai Office carried out multiple environmental management activities to ensure the safety of its work sites. On June 7-8, 2017, it offered environmental safety training to employees of LG Display's partner companies on environmental safety laws and regulations, helping to raise the level of safety management among their personnel in charge of FSE and ISE. In April 2018, it held safety promotion events, safety training and other activities during Safety Week and plans to follow up with similar safety events by designating the first week of each month as Safety Week. Other efforts include hosting a Safety Day event to raise safety awareness in its business sites by educating employees on safety rules and awareness as well as securing safety in partner companies by holding safety assessments at their business sites.



Environmental Safety Training

## Major Issues and Activities in LG Display Vietnam



View of the LG Display Vietnam

### Haiphong, Vietnam



- An international gateway port city in Northern Vietnam
- 102km from Hanoi, the capital of Vietnam (1 hour on Hanoi-Haiphong Expressway)
- A key transportation hub of roads, railways, airport and port

### Completion of the Production Plant in Haiphong, Vietnam

In order to proactively respond to rising global demands in OLED, we established a legal entity in Haiphong, Vietnam in 2016 with capital of USD 100 million (KRW 120 billion) and completed the construction of a module assembly plant in 2017. Haiphong is located in Northern Vietnam which has geographical advantages for product transportation as well as abundant local manpower, an essential factor in operating the production plant. Taking advantage of these favorable business environments in Vietnam, LG Display will continue to hold its place in the global display market by upgrading its global production competitiveness and securing new production points.

## Social Contribution Activities of LG Display Vietnam

At LG Display Vietnam, we fulfill our corporate social responsibility with a focus on mutual growth with the local community. We provided an ambulance for the Lach Tray Stadium and donated gifts for the victims of Agent Orange. We also provided support that the local community needed such as blood donations and cleaning of martyr monuments.



Blood donations by LG Display Vietnam employees



Donation of gifts to elementary school in Haiphong



Cleaning of martyr monuments



Donation of electronic appliances to an orphanage in Haiphong



Donation of gifts for the victims of Agent Orange



Cleaning around plant

## "Creating a blue ocean based on geographical advantages and human resource"

With an annual growth of 5-7%, Vietnam is emerging as a new blue ocean. In 2017, the countries recorded a GDP growth rate of 6.8%, the highest growth after China, and about 40% of the population is younger than 35 years of age, ensuring strong cost competitiveness and ample human resources.

In 2017, we established an OLED module plant in Hai Phong, a northern port city, one of Vietnam's three largest cities and launched operation in September. Thanks to its geographical location and rich human resources, it is expected to help us meet the increasing demand for OLED as the industry shifts from LCD. In addition, we will continue to increase the number of local employees and purchase from the local market while providing IT facilities, education and scholarship for technology colleges in the city to boost the local economy and foster talents to achieve sustainable and mutual growth with the local community.



Jeung-Gon Shin, Head of LG Display Vietnam



# SUSTAINABILITY ISSUES







20	<b>Business Performance</b>
24	<b>Environmental Management</b>
30	<b>Safety and Health</b>
38	<b>Employees</b>
46	<b>Partners</b>
52	<b>Communities</b>

## Business Performance

# Generating Business Performance Through Innovative Technologies

### 2017 Performance



R&D Investment

KRW **1.9117** trillion



Total Number of Patents

**16,077** domestic patents

**18,374** overseas patents



Developed the world's first

**88** -inch  
**8K**  
**OLED** display

### Importance of Topics

Continuous technological innovation, development of new business models, and R&D expertise and economic performance as a foundation for sustainable growth are essential to survive in this competitive display market. Facing fast-changing market conditions caused by stagnant demand of mature market and aggressive investment by competitors, we have to develop new growth drivers for the future by driving innovation and actively engaging in R&D projects.

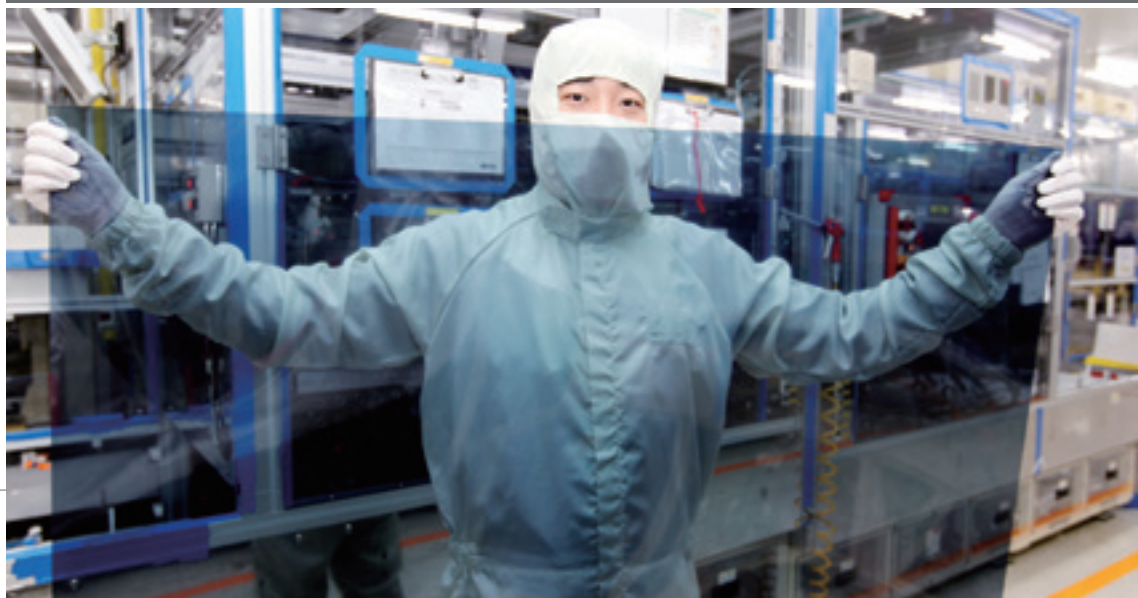
### Crisis and Opportunities

**Crisis** The aggressive investment of our competitors can make it difficult for us to secure competitive advantages and maintain a strong market share while compromising our ability to adapt to changing market conditions.

**Opportunities** We can secure sustainable growth engine for the future by overcoming the challenges we are facing today, driving technological innovation and diversifying business models.

### Our Approach

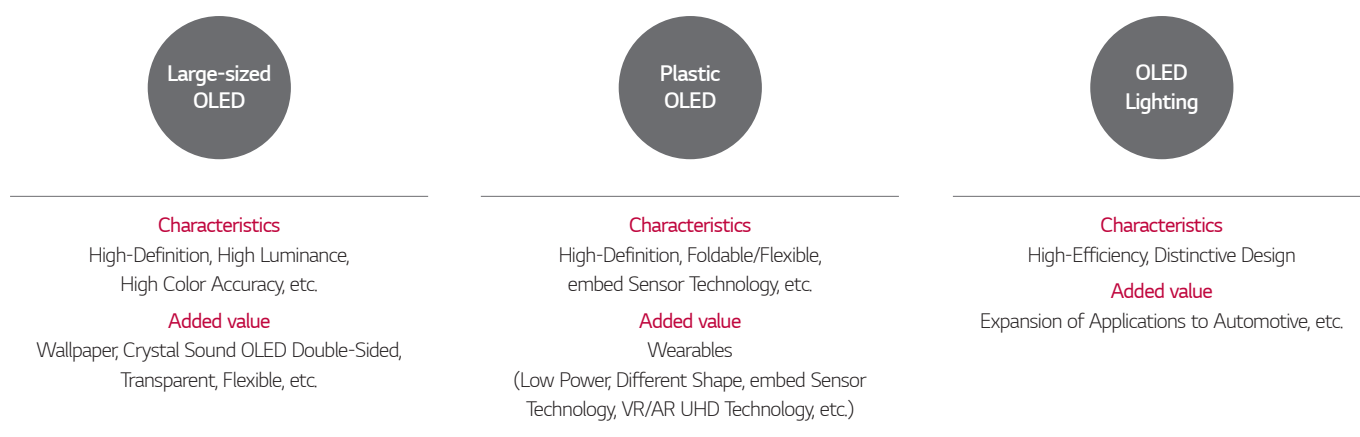
At LG Display, we are committed to securing technological advantages and leading the global market through innovation and product development. In response to the fast-changing market conditions, we developed new growth engines for the future through innovative technologies such as flexible and transparent displays, while investing in our production facilities and meeting the global market demand.



## Growth Engine for the Future

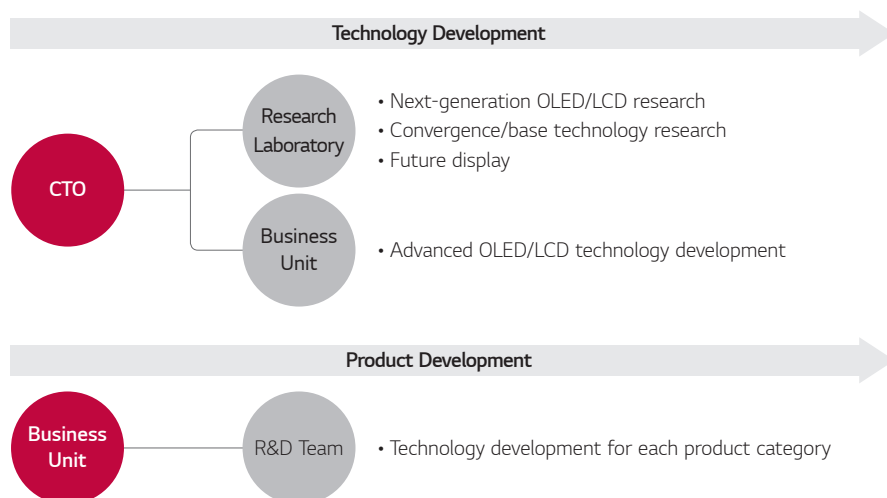
At LG Display, we continue to promote technological innovation and product development in the LCD and OLED sector as our growth engine for the future. As a leading LCD manufacturer in the global market, we will further strengthen our position with cutting-edge technology, making large-scale investment in the OLED sector to lead the global market.

### R&D Strategy



### R&D Organization

Our R&D organization is divided into CTO and business units. The research laboratory under CTO is in charge of technological development while business units are responsible for product development. The research laboratory within the CTO is carrying out research projects for the development of next-generation LCD/OLED, convergence, base and future display technologies. In addition, units under the CTO are in charge of developing advanced and unique technologies for product development. Meanwhile, the development departments of each business unit are undertaking the development of OLED/LCD-based TV and IT/mobile technologies.



View of the R&D Center in Paju



View of the LG Sciencepark



65-inch Rollable Display



88-inch 8K OLED Display

Present and Future of OLED Technology

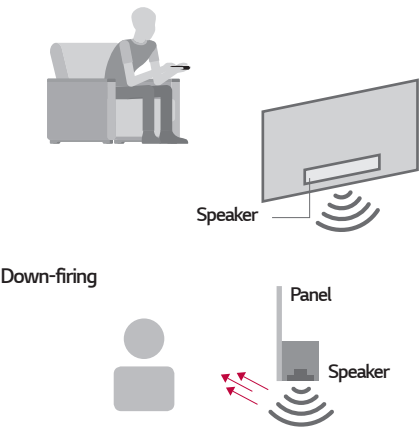
OLED technology is considered to be the premium display with its extensive product lineup and brands as it is expected to create new values by delivering both style and applications thanks to the quality that is superior to LCD, and rollable and transparent displays as well as slim design. Combined with AI and IoT, it will pave the way for the future of display technologies.

**65-inch Rollable** LG Display displayed a 65-inch rollable OLED TV that can roll inside its base when not in use for more efficiency in space-constrained applications. Its size and ratio are adjustable to the needs of consumers and you can experience the contents anytime, anywhere and at any size.

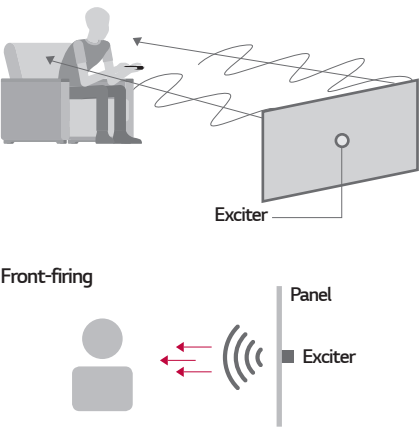
**88-inch 8K OLED** 88-inch 8K OLED is the world’s largest display featuring ultra-high resolution. It delivers life-like, four times sharper images than 4K boasting the same level of brightness regardless of resolution thanks to innovative panel design and precision process. Despite its ultra-sharp image quality, it features a light, thin design.

**Crystal Sound OLED** With its built-in sound system in the panel, the sound can be emitted directly from the lighting, thus delivering a theater-like experience to viewers. In collaboration with Dolby, it is expected to be certified for Dolby ATMOS and deliver vivid, crystal-clear sound as well as the superior image quality of OLED.

General TV



OLED Crystal Sound





## LCD Technological Development

**Art Glass** Built with three glasses, it features a borderless, slim panel. In addition, a company logo or pattern can be engraved on the back with glass texture, creating a unique image for customers.

\*GIP(Gate in Panel): The technology integrating the Gate Driver ICs onto the panel.

**LCD 8K** Wide viewing angle offers an optimal and comfortable viewing experience from any angle based on innovative IPS technology (refer to page 00 for more information). The 8K resolution and high color reproduction delivers the finest image quality, and the GIP technology combined with Data Single Bank enables the finest design.

## Economic Performance

Despite the challenges the global display market face, we are continuing strong economic performance thanks to our superior product portfolio and technological innovation. While maintaining competitive advantages in terms of technology, product lineup and supply by maximizing the production of existing products while increasing the percentage of unique products and profitability in order to dominate the market and stay ahead of the competition.

**Display Industry & Market Strategy** In 2017, prices of display panels dropped as Chinese panel makers emerged as competitors and increased their supply. However, our profit has increased from the previous year thanks to the increase in our high-value-added product lineup and continuous cost reduction.

At LG Display, we will secure strong profits by focusing on an exclusive product lineup including Crystal Sound OLED and Wallpaper as we move into the OLED sector.

In the TV sector, we are expanding our product lineup based on premium models such as OLED TV and UHD. When it comes to large OLED panels, we are maintaining our production capacity for 8.5th generation OLED TV. The shipment of OLED TVs increased by 111% from the previous year thanks to a successful new OLED product lineup such as Wallpaper and CSO, and expansion of our customer base. We will continue to strengthen the foundation by investing in 8.5th and 10.5th generation OLED products.

In the IT sector, we offer premium lineup with high-resolution and large-screen based on IPS and Oxide technologies. Meanwhile, we are in the process of securing production capacity in order to launch mass-production of 6th generation Plastic OLED-based smartphones and additional investment in the mobile sector while building a foundation for small- and medium-sized OLED product portfolio.

### Sales of 3 years

[Unit: KRW billion]



### Net income of 3 years

[Unit: KRW billion]





## Environmental Management

# Developing Eco-friendly Products and Minimizing Environmental Impact

### 2017 Performance



Selected for 2017 CDP

### Carbon Management Honors Club



Received FEMS  
(Factory Energy Management System)

### 1st Grade for the first time in Korea



Won the 2017 Korea Energy Efficiency  
Award

### Presidential Commendation

### Materiality of Topic

After the Paris Climate Change Convention, there has been increasing demand for corporate responsibilities and activities in response to climate change such as the reduction of GHG emissions. In addition to corporate sustainability, operating eco-friendly business sites, through efforts such as advanced environmental management and carbon management activities for the sustainable development of local communities and global societies, is more important than ever.

### Crisis and Opportunities

**Crisis** The regulatory requirements on the use of hazardous chemical substances in electric and electronic products have been tightened and demands for environmental responsibility have increased significantly. Failure to meet these demands can lead to conflicts with the local community and ultimately damage our corporate reputation.

**Opportunities** By conducting transparent business practice with focus on environmental and carbon management, we build trust with our stakeholders and strengthen our market position and reputation as an eco-friendly company.

### Our Approach

At LG Display, we acquired environmental and energy management system certifications (e.g. ISO14001, ISO50001) at our domestic and overseas business sites and carry out consistent environmental management activities in accordance with our environmental strategy. In addition, we are actively engaging in eco-friendly energy management certification programs such as the CDP carbon disclosure project and FEMS certification as part of our environmental management practices.



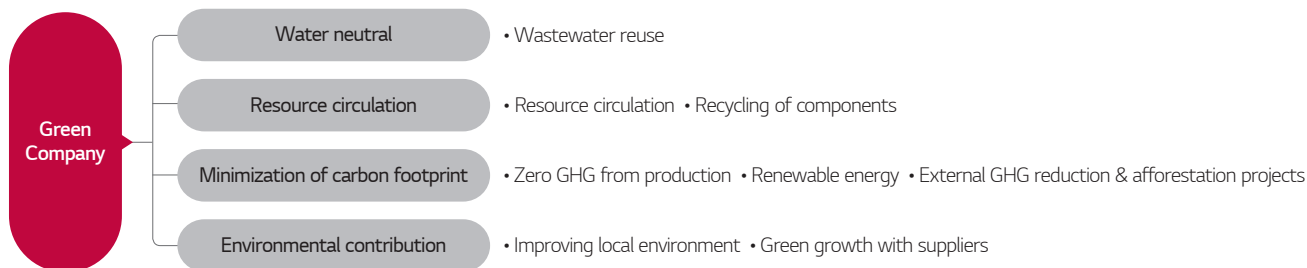
## Eco-friendly Management

Based on our Green Company Strategy, we minimize the environmental impact of our business activities and make various efforts to fulfill our environmental responsibilities by, for instance, operating an energy management system and participating in carbon/water information disclosure projects. Furthermore, we respond actively to environmental issues by developing eco-friendly products and services, building a strong basis for eco-friendly management.

### Building Environmental Management System

At LG Display, we are committed to fulfilling our corporate social responsibilities through eco-friendly management at a global level while going beyond regulatory requirements. In addition to our proactive approach in improving energy efficiency, engaging in carbon disclosure project and reducing GHG emission, we take initiatives in solving resource depletion and climate change as well as protecting biodiversity and 1 plant 1 river protection campaign. These management activities are carried out at a corporate-wide level, and we will continue to raise awareness in environmental impact by making contribution for its preservation.

#### Green Company Strategy



### Environment & Energy Management System

As part of our environmental management, we manage our environmental management system certification (ISO14001) and the energy management system certification (ISO50001) for our production facilities in Paju and Gumi. In 2017, we have these facilities reviewed and evaluated for the FEMS \* by the Korea Energy Corporation to obtain the first grade and highest score for the first time in Korea. In recognition of our efforts in leading energy conservation practices and demand management, we received the Presidential Commendation for the Korea Energy Efficiency Award given by the Ministry of Trade, Industry, and Energy. We also were the first in the industry to get certified for an energy management system. Going forward, we will continue to fulfill our responsibilities as a leader in eco-friendly business operation, incorporating environmental protection in every aspect of our business.

\*FEMS: Factory Energy Management System



2017 Korea Energy Efficiency Award Presidential Commendation

### Environmental Performance Management Indicators

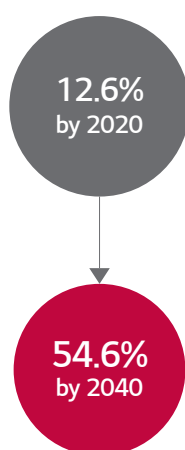
When it comes to minimizing our environmental impact, we make sure that the progress we made is consistently managed at both corporate-wide and departmental levels. In 2017, we achieved our 11 corporate-wide environmental management and operation goals out of 18. We also identified the causes of failure and established plans for improvement for the rest of the goals. Additionally, we reached 96% achievement rate by completing 1,666 team goals out of 1,728.



2017 Environmental Management and Operation Goals

**96%** Accomplished

## GHG Emission Reduction Goal (Compared to 2014)



## Response to Climate Change

**GHG Emission Management & Response** Ever since we were designated as a GHG emission trading company in 2015, we have submitted annual plans for the allocation and monitoring of GHG emissions to the government. In order to reduce GHG emissions, we have set a short-term goal of reducing GHG emissions by 12.6% by 2020 from 2014 and a mid to long-term goal of reducing them by 54.6% by 2040. To this end, we make continuous investment and manage emissions.

## Domestic and Overseas GHG Emission (Scope1, 2)

[Unit: tCO<sub>2</sub>eq]



**GHG Emission Reduction Activities** In order to secure competitiveness in dealing with climate change, LG Display participates in the emissions trading scheme as a short-term strategy and responds actively to government policies, while making large-scale environmental investments to replace SF6 with NF3. Through these efforts, we reduced 1,321,515 tCO<sub>2</sub> of greenhouse gas emissions. We also satisfied the government quota for the first phase (2015-2017) of the government energy reduction plan through various activities such as producing cold water using CDA waste heat. On a mid- to long-term perspective, we will continue to develop low-carbon clean-production technologies to achieve zero greenhouse gas emissions and implement a variety of energy reduction measures.

## GHG Emission Reduction

[Unit: tCO<sub>2</sub>eq] (Domestic Business Sites)



## Case Study CDP Project



The CDP (Climate Change Disclosure Project) is a global project that is globally recognized for its reliability in environmental information disclosure. Recognized for our excellence in water management, we were selected as the best company in Korea in the CDP Water category in 2016. In 2017, the UK CDP, which has been delegated by financial investment institutions around the world to evaluate key environmental information such as response to climate change and other global environmental issues, recognized our commitment to carbon management and selected us as part of the Carbon Management Honors Club \* in the CDP Climate Change category.

\*Honors Club: Top five companies among the respondents

Note 1: The emission has changed due to the addition of N<sub>2</sub>O, CO<sub>2</sub> emission after publication of the sustainability report.

## Eco-friendly Product Development

**Response to Hazardous Chemical Restrictions** At LG Display, we take a proactive approach in dealing with the regulations on the use of hazardous substances in electric and electronic products enforced by the EU and customers in the global market by building a management process and engaging in eco-friendly certification programs.

**Proactive Management Process in Response to Additional RoHS\* Substances** As part of our proactive management and response to the law which adds 4 new RoHS substances to the existing 6 substances as of July 2019, we have identified potential risk factors in the new substances and established a more stable management system and response process. In order to develop this process, we have identified regulatory trends by working with external organizations, established a RoHS response strategy, and developed and applied more efficient measures by signing agreements with related departments in charge of development, purchasing, and quality.

**Development and Certification of Eco-friendly Product Certification Program** At LG Display, we developed the Eco Label for TV display modules in cooperation with SGS, a global testing and certification organization, for the first time in the industry in 2017. As a result, we obtained the SGS Eco Label certification for our OLED TV, IPS Nano Color TV, and Art Glass TV models through reviews on their recycling rate, our use of hazardous materials, and our hazardous materials management system during development and production cycles. For IPS Nano Color for LCDs, we acquired the Quality and Performance Marks (QPM) from Intertek, a global testing and certification organization, by removing the use of cadmium and indium phosphide from the products.

## Response to Regulations on Phthalates

2015. 4 • Conducted prior inspection of phthalate use in parts suppliers

2015. 6 • Effectuation of the revised RoHS (Four phthalates added)

2016. 4 • Verified the use of phthalates by parts suppliers

2016. 7 • Revised the LGD standards for managing hazardous substances in products  
• Implemented phthalate management process for product parts

2018. 9 • Strengthened hazardous substance verification materials (Chemical composition\_MSDS)

2019. 7. 22 • Enforcement of RoHS regulations on phthalates



SGS Eco Label Certification

### Evaluation element

1. Reducing Hazardous Substance
2. Efficiency of Resource
3. Recycling, etc.



Intertek QPM Certification

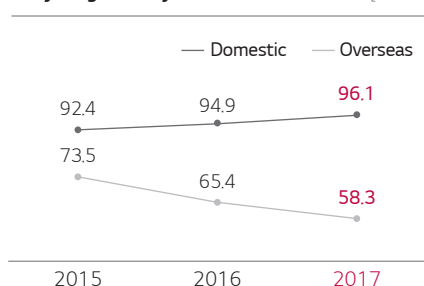
'Cd (Cadmium) Free,  
InP (Indium phosphide) Free LAP  
(Light Absorption Polarizer) for TV Panel'  
Quality Performance Certification Mark  
QPM acquisition

\* RoHS: The Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (e.g. lead, mercury, and cadmium)

\*\*Four phthalates newly restricted under the RoHS from July 2019: Butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), di-2-ethylhexyl phthalate (DEHP) and diisobutyl phthalate (DIBP)



Recycling Rate by Business Site [Unit: %]



Waste Glass Recycling Rate

**100%** Accomplished

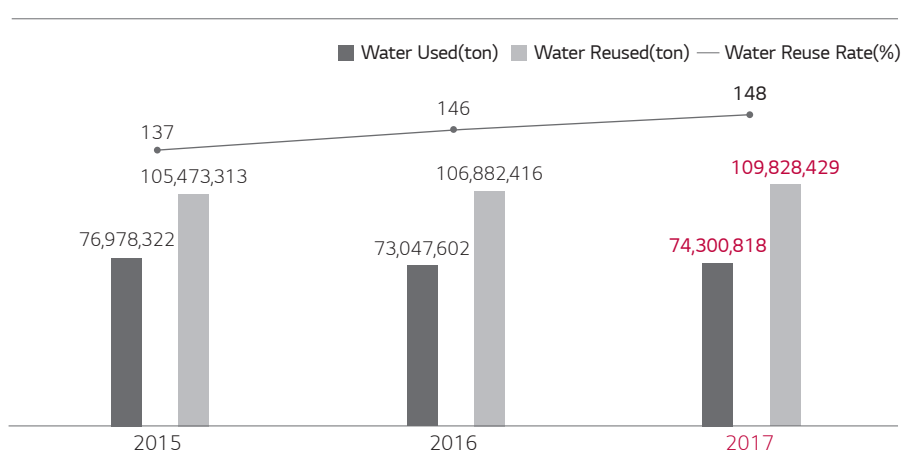
## Environmental Impact

**Maximizing Resource Recycling** In response to the increasing global demand for environmental protection and resource conservation, we recognize the seriousness of environmental issues and take initiatives in minimizing waste materials, recycling, and conserving resources throughout our production process.

**Recycling Wastes** At LG Display, we are operating our Resource Recycling Center and use IT technology to operate the Allbaro System, which is designed to efficiently manage waste in real time throughout the entire process online. We have also signed an MOU for "Recycling Performance Management Test Project" carried out by the Ministry of Environment and the Korea Environment Corporation with the aim to improve the waste disposal, storage, and transportation process and separate materials by type in response to the Framework Act on Resource Circulation, which will be enforced in 2018. In addition, we support resource circulation by developing a new recycling technology. Through the development of waste glass film separation technology, we have achieved 100% recycling rate of waste glass while maximizing the reuse of raw materials using pulp regenerators. Furthermore, we managed to reduce costs and established a resource recycling system by recovering resources and selling them, thanks to our system for recovering copper from sludge and protective film (PET) fiber material technology.

**Water Conservation** At LG Display, we are making efforts to ensure a stable water supply in various areas. By taking initiatives such as water usage analysis, consistency review, and implementation of response strategy, we are reducing risks associated with water. In order to improve water reuse rate as well as to reduce water consumption in each business site throughout the entire business process, we set a mid to long-term goal of increasing the reuse rate by 145% by 2020 and included water reuse rate in the KPI at our business sites. We also improved our equipment and process to reduce water consumption while establishing plans to increasing the supply capacity and reuse rate by reviewing the water infrastructure. As a result of these efforts, we reached a water reuse rate of 148% in 2017.

Water Use & Reuse Rate



**Hazardous Chemical Management** Throughout the entire business process from reviews and warehousing of chemicals to disposal, we are committed to minimizing the risks associated with new regulatory requirements and trade secrets of suppliers while preventing ant issues that may be caused by them. To this end, we are managing the risks in advance using our chemicals management system from the review stage prior to introduction while establishing a GHS MSDS (Globally Harmonized System Material Safety Data Sheet) with our suppliers for sustainability. In particular, by establishing an imported chemical substance management system, environmental safety preliminary examination, and PSM system, we minimize the risk of new chemical substances by conducting a thorough review on their risks and applicable regulations before they are received. Furthermore, in accordance with the Toxic Chemicals Control Act, we submitted the external impact analysis and risk management plan for chemical disaster to the National Institute of Chemical Safety and received approval. Additionally, we share information with local residents of our business sites through seminars and resident council meetings.

**Air & Water Pollutant Management** At LG Display, we hire experts in each field of environmental management to focus our resources on environmental management and response to regulatory requirements by installing protection facilities. As part of our efforts to minimize our environmental impact, we established an air and water pollutant treatment and 24-hour monitoring systems optimized for the characteristics of each raw and auxiliary material used in different processes. We installed an exclusion system to minimize impact on our water resources in case of chemical accident. Our internal limit is 50% of the legal requirements to manage pollutants with rigor, and new technologies are under development for the minimization of pollutants produced during our business process.

#### 2017 Emissions of Air Pollutants (Domestic)

[Unit: kg/yr]

Nox	50,714
Sox	51,405
먼지	93,478

※ NOx: nitrogen oxide, SOx: sulfur oxide

#### 2017 Emissions of Water Pollutants (Domestic)

[Unit: ton/d]

BOD	26.5
COD	13.6
SS	6.9

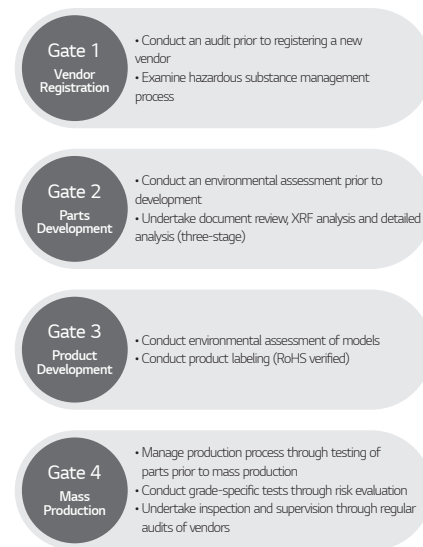
※ BOD: Biochemical Oxygen Demand, COD: Chemical Oxygen Demand

### Case Study Best Prize for Voluntary Air Pollutant Reduction Award

At LG Display, we voluntarily participate in the Seoul Metropolitan Air Quality Management System to reduce air pollutants and improve the air quality in the city. In 2017, we are reducing the emission of air pollutants such as nitrogen oxides and particulate matter by applying new technologies for the treatment of air pollutants and improvement of facilities. As a result of these efforts, we managed to reduce 43.6% of the total emission allowance and won the Voluntary Air Pollutant Reduction Award given by the Environment Authority of the Metropolitan Area.

#### Hazardous Substance Management Program

LG Display bans the use of hazardous substances in all stages product life cycle from manufacturing to storage and transportation.



## Safety and Health

# Securing Fundamental Competence Through an Efficient Safety and Health System

### 2017 Performance



### Strengthening Safety and Health System



### Securing Fundamental Safety and Health



### Raising Safety Awareness

### Importance of Reporting Topics

With rising possibilities of large-scale disasters such as earthquakes and typhoons threatening the safety of our business sites, we are required to equip ourselves with an efficient disaster response and restoration system and undertake disaster prevention activities. In order to prevent any danger to the lives and safety of our employees that may be caused by safety accidents, we must take proactive measures to prevent such accidents.

### Challenges and Opportunities

**Challenges** Failure to respond properly to natural disasters and safety accidents and establish adequate prevention measures may lead to the suspension of operations in business sites and secondary accidents which may have an impact on employee safety and corporate reliability.

**Opportunities** Professional and systematic safety systems and prevention activities can help lead to safe operation of business sites as well as enhanced employee safety and corporate reliability.

### Our Approach

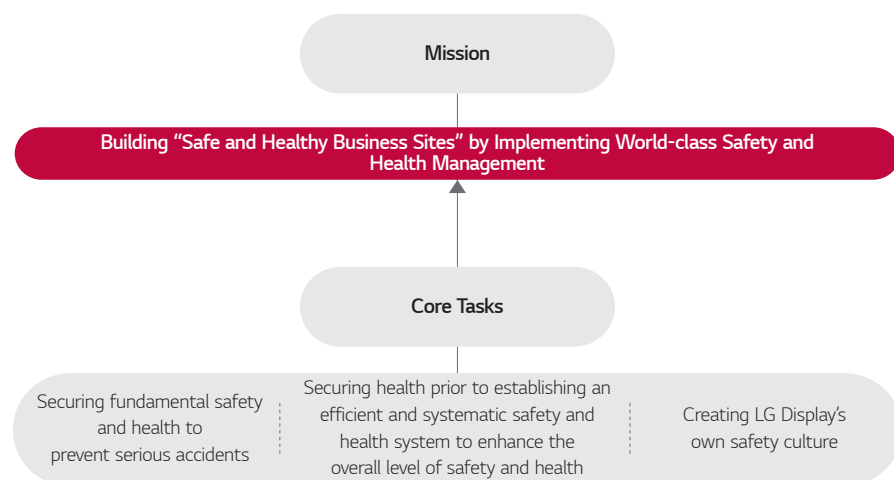
LG Display ensures that its business sites operate in a safe and sound manner by implementing world-class safety and health management. To that end, we secure fundamental safety and health by fostering experts in the field of safety and health management and equipping ourselves with a systematic and sustainable safety and health system using an integrated safety system.



## Strengthening Safety and Health System

LG Display makes its business sites safe and healthy by implementing world-class safety and health management. In particular, we secure fundamental factors to ensure safety and health by minimizing the occurrence of serious accidents in our business sites, while enhancing the level of our safety and health management through an integrated safety management system. With active participation by our employees, we are building up LG Display's own unique safety culture.

### Safety and Health System



**Safety and Health Organization** In order to strengthen safety and health in our business sites, we operate a professional safety and health organization to oversee safety and health management and relevant external affairs as well as secure fundamental safety in our production processes. At the same time, we operate Safety Units and Emergency Units under Safety and Health Teams at our Paju and Gumi plants to better respond to any accidents that may occur at these sites. We have also formed a Special Safety Inspection Task Force to implement intensive safety management for employees of our partner companies through a checklist for hazardous work and risk factor inspection.

**Safety and Health Certification Management** In order to ensure safety in its business sites, LG Display applies safety and health management systems such as OHSAS 18001 and KOSHA 18001 in its Gumi and Paju plants. In addition, to achieve mutual growth with our partner companies, we strengthen our social responsibilities regarding safety and health by having our safety programs certified. At the same time, we enhance the level of safety and health management in our partner companies through KOSHA/OHSAS 18001 joint certification.



OHSAS 18001



KOSHA 18001



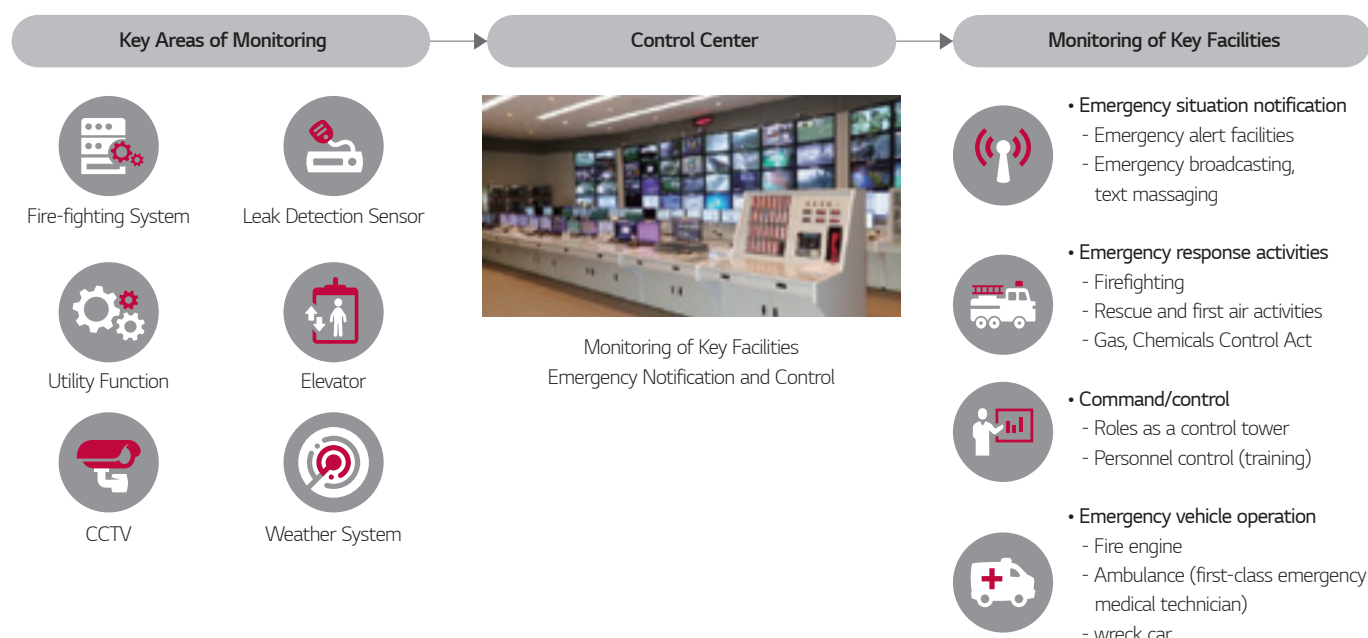
## Establishing an Efficient Safety and Health System

**Integrated Safety Management System** LG Display has established an integrated safety management (ISM) system for efficient and systematic management of safety and health activities, with functions enabling chemical substance management, accident record management and automatic alert in case of abnormality detection. We have continuously improved the system to enable prompt provision of information according to specific purposes. In the long term, we will make further improvements to complete a smart safety system that systematically manages various risk factors and physical factors.

### Major Improvements in the Integrated Safety Management System

Items	Improvements
Safety Portal	<ul style="list-style-type: none"> <li>• Provide information on safety and health standards/guidelines, Safety Talk materials, etc. (to strengthen employees' safety capability)</li> <li>• Provide safety maps (location of facilities, etc.)</li> </ul>
Work Management	<ul style="list-style-type: none"> <li>• Provide reports on hazardous work</li> </ul>
Education and Training Management	<ul style="list-style-type: none"> <li>• Prevent omission of legal safety education (regular, special training, etc.)</li> <li>• Manage emergency drill plans/performance</li> </ul>
Accident History Management	<ul style="list-style-type: none"> <li>• Share information on near misses and generalizations</li> </ul>
Chemical Substance Management	<ul style="list-style-type: none"> <li>• Provide information on chemical use status by each organization</li> <li>• Prevent omission of pre-screening when expanding other plants</li> </ul>
Protection Device Management	<ul style="list-style-type: none"> <li>• Manage purchase/distribution history and inventory</li> </ul>

**Control Center** At LG Display, we have established our Control Center equipped with a system that monitors firefighting facilities, utilities, weather information, and gas/chemical control to rapidly transmit situations in case of an emergency.



**Chemicals Control System** For the safety of our workplace and reduced environmental impact, we manage the entire business process dealing with chemical substances. In particular, we conduct preliminary reviews on chemical substances to identify their risk factors and compliance with legal requirements and our internal chemical control system to ensure the safety of our business sites.



\*MSDS: Material Safety Data Sheet

**Equipment Safety Certification System** To prevent industrial disasters caused by human error, we implemented equipment safety standards on all our new equipment as part of our safety certification system. In addition, we improved the level of reliability when it comes to the safety of equipment under operation and reduce the fundamental risk factors through inspection process.

**Employee Health Programs** At LG Display, we provide various employee health programs to prevent diseases and help them manage their health. We operate an in-house medical clinic, healthcare center, and personalized medical check-up service, as well as a nursing room for pregnant employees and vaccination as part of our medical service. In order to prevent musculoskeletal disorders, on-site training is conducted as well as dental and eye examinations for employees.

**Advanced Industrial Health System** As part of our corporate social responsibility programs, we established an advanced industrial health system that monitors the workplace environment, and we are always working to improve our disease prevention support system. By doing so, we create the safest workplace in the manufacturing industry and provide support for our employees and those from suppliers who work at our business sites in cases of cancer, rare or incurable diseases, or child diseases, regardless of whether these diseases are related to their job. We also organized the LG Display Industrial Health Support Compensation Committee with a third-party operation system for increased independence. In addition, we engage in various employee health improvement activities including health survey, preventive health policy, and chemicals control system as part of the advanced industrial health program.

**Earthquake Response System** At LG Display, we have introduced a seismic system in our production facilities in Gumi and Paju in order to identify the risks in the workplace and evacuate employees in a timely manner by promptly and accurately checking the occurrence of earthquakes. By doing so, we set up a system for assessing damage to the workplace by seismic intensity and automated the system to trigger an alert if it exceeds a certain level in order to expedite the evacuation process and minimize personal and property damage.



## Securing Fundamental Safety and Health

LG Display has established the LGD Safety Rules and Eight Life Rules to promote safety awareness across the company. At the same time, we operate a variety of safety education programs such as the Safety School and the Safety Experience Center, strengthening our safety and health capacity. We will continue our education and training efforts to fundamentally prevent safety accidents.

### LGD Safety Rules & 8 Life-saving Rules

We operate LGD Safety Rules in order to prevent accidents at our workplace for the safety of our employees and those of suppliers. In 2018, we established the 8 Life-saving Rules consisting of essential safety actions, covering safety devices, confined space, height, electricity, heavy machinery, forklifts, firearms, and chemicals, to make our workplaces safer.

#### LGD Safety Rules as a basis for preventing accidents



1. Always comply with the Eight Life Rules.



2. In case of safety abnormalities or accidents, report immediately to the central control room.



3. Provide risk information to partner companies and grant safety work permit prior to work.



4. All work procedures include and comply with safety instructions.



5. Wear suitable protective devices for work.



6. Do warm-up exercises prior to outdoor activities.



7. Wear a safety belt when driving a vehicle and never drive drunk.

We only **work** when it is **safe**

#### 8 Life-saving Rules for prevention of industrial disasters (death)



1. Never arbitrarily release or alter any safeguards and obtain approval if necessary.



2. Measure the level of oxygen concentration and harmful gas prior to working in a closed space.



3. Take fall prevention measures (e.g., safety belt) for work at elevation.



4. Confirm non-live state prior to conducting electrical work.



5. Work on heavy objects should be carried out after taking detachment and conduction prevention measures.



6. When using forklift trucks, comply with company speed and wear safety belts.



7. Remove surrounding flammable materials prior to work.



8. Take leak prevention measures (e.g., valve closed, residue removal, etc.) for chemical work.

## On-site Safety Management

**On-site Safety Training** At LG Display, we organize various safety training programs that focus on sites as we raise safety awareness among our employees and those of suppliers. These programs include our safety school and safety experience center. By doing so, we manage to prevent industrial disasters and raise safety awareness. At the safety school, our employees acquire safety knowledge while they acquire practical experience at the safety experience center to improve their response in emergency situations and gain insight into the hazard factors present in workplace processes. In 2017, 2,000 employees completed the safety training program at the safety school while 4,237 employees underwent training at the safety experience center.

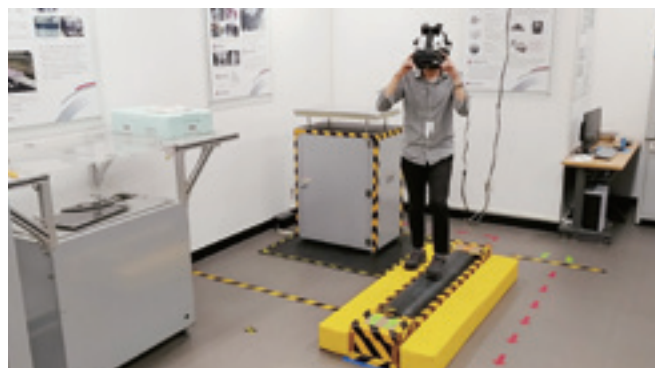


Employees who completed 2017  
Safety Guardians program

**1,999** employees



**Safety Training Session using VR** In 2017, we set up VR systems to provide our employees with opportunities to experience the risk of accidents such as falls and pinching when handling equipment. We are planning to introduce more VR content for safety for engaging in jobs with a high level of risk including falls, chemical leakage, and electric shock.





## Raising Safety Awareness

LG Display promotes a safety culture throughout the company and operates safety awareness programs for its employees. We will establish an advanced safety culture not only among our employees but in all supply chains including our overseas offices and partner companies.

### Building Safety Culture

**Building Safety Culture** Under our safety principle of "Don't do it if it's not safe," we are making our workplace safer and free of accidents. Following the slogan of "Your safety starts with your actions," we internalize our safety processes and create a safe work environment. We will continue to promote safety in our workplace through various safety programs and bring more attention to the importance of safety.

#### Safety Talk Guide

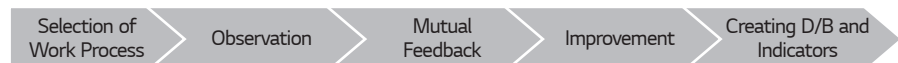
<b>Who?</b>	Meeting/event host leaders!
<b>When?</b>	Before meeting/event!
<b>How?</b>	No specific format, Keep it short, 2-5 minutes!
<b>Topic?</b>	Choose any topic for each organization! [Experience, common knowledge, safety and health information, etc.]

### Safety Awareness Programs

At LG Display, we organize various programs to raise the safety awareness of our employees. These include "Safety Talk," where leaders engage in communication on safety and health prior to meetings or corporate events, "Safety Culture Letter" through which we share information about safety and health, and "Safety Forum," which we use to share excellent safety practices among our employees as part of our corporate-wide activities to raise awareness.

**Building BBS System** At LG Display, recognizing "the importance of human (action) in safety," we are introducing BBS (Behavior-Based Safety) in our work process with a focus on improving individual behaviors and safe practices.

#### BBS Process



In 2017, 50% of the production organization carried out the BBS process. This will be expanded to the entire production organization to enhance the individual risk management process and competency.

**Safety Banners** We have placed banners that can bring safety to employees' attention and show important safety process and behaviors. By doing so, we help our employees and those of suppliers to access information about safety and health and raise their awareness.



**Building LSRS** As part of our efforts to keep track of our progress in safety, we have developed the LSRS (LG Display Safety Rating System) to develop our own safety and health evaluation system. The evaluation covers the areas of safety system and safety culture, and we are fostering our own expertise in evaluation through training programs. In the future, we are going to expand the system to include overseas subsidiaries and suppliers and improve the level of safety compliance.

**Manage safety day and safety week** To raise safety awareness of our employees and bring their attention to safety management, we designated January 12 as the Safety Day and encouraged their participation in safety programs. During the Safety Week, we promote the importance of safety and share information through corporate-wide safety enhancement activities. In addition, we provided opportunities to improve their expertise and raise safety awareness.



Case Studies Meeting with Suppliers



Safety Meeting



Safety Quiz Event



Daily On-site Experience for Leaders

**Prevention of Industrial Disaster** In June 2017, there was a safety accident in our Paju plant during machine repair and operation inspection which caused the death of one employee. LG Display will carry out activities to strengthen its safety and health system, secure fundamental safety and health and promote a safety culture in order to prevent recurrence of safety accidents and create a safe work environment.

## Employees

# Creating a Fun Workplace Based on the Management Principle of 'Respect for individuals'

### 2017 Performance



Creating a family-friendly corporate culture and a healthy workplace



Operation cost for the organization activation programs

KRW **7** billion



2017 Best Workplace in Korea

(AON Hewitt, the world's largest HR consulting group)



Labor-management communication activities

**912** times

### Materiality of Topic

To stay ahead of the curve in today's fast-changing business environment in the global display market, it is crucial to create a workplace that embraces talent development and enhances employees' well-being. We recognize that corporate development starts with the development of human resources: a systematic competency development system and corporate environment that promote work-life balance are essential parts of the corporate management.

### Crisis and Opportunities

Crisis Failure to meet the needs and visions of employees can result in a loss of key talent, leading to a loss of the company's competitive advantages in the market.

Opportunities Strengthening the competence of employees can increase the company competitive advantages in the market, and a family-friendly organizational culture can ensure work-life balance and foster creativity and innovation.

### Our Approach

At LG Display, we are dedicated to building a family-friendly and healthy workplace culture that keeps our employees happy and satisfied with their jobs. By creating a cooperative labor-management relationship based on open communication, we ensure the sustainable growth of our business. We recognize that the strength of employees determines the strength of the company, and we implement strategies and engage in activities to secure and foster talent.



## Creating Joyful Organizational Culture

Based on our founding principle of "Respect for individuals," we are committed to creating a workplace that keeps our employees happy and satisfied with their jobs. With focus on "Wellness," "Joyful Energy," and "Family-friendly" as values, we boost employee loyalty and motivation in pursuit of our corporate vision and success.

### Organizational Culture Strategy



### Building Joyful Workplace

**Wellness** At LG Display, we provide various employee support programs to help them improve their physical, mental, and social health. In particular, the Mungyeong Healing Center, which opened in April 2017 after remodeling the school in Mungyeong, Gyeongsangbukdo, is a dedicated place for providing opportunities to relax and boost teamwork and communication. We also continue to develop and operate unique programs such as psychological counseling sessions, an organizational communication camp, and group exercise sessions.

**Joyful Energy** At LG Display, we organize various programs to boost employee morale and teamwork, such as our year-end company event to share our appreciation and encouragement with coworkers, "Spring, Spring, Spring" program for sharing the vibrant energy of the spring season, and leadership programs in which the CEO and executive officers participate. In particular, we select employees who have contributed to creating joyful workplace environment, giving them recognition as "Joyful Members," and engage in various activities. In 2017, 137 Joyful Members had a meeting and shared their ideas on creating a happy and productive workplace. In addition, we support IG (Informal Group) for voluntary in-house club activities to help them keep healthy and strengthen friendships among employees.

Category	Major Programs
Physical Wellness	Massage service for employees, GX (e.g. yoga, Pilates), health food
Mental Wellness	Mungyeong Healing Center, psychological counseling sessions, meditation programs, etc.
Social Wellness	Communication camp, Happy Talk





Matching events for singles



Family month event



University exam information sessions



Pregnant woman's day



Inviting parents

**Family Friendly** Under our corporate philosophy of "Happiness at home is a key to success," we organize various family-friendly programs. To this end, we divide the lifecycle of employment into five stages and design personalized lifecycle programs for our employees based on their feedback. In addition, we hold a corporate-wide "Children's Day" event to provide our employees with opportunities to spend quality time with their family members. In 2017, 16,282 family members from 4,177 families joined various programs and had a meaningful time with their families. Programs such as Spending Two Days with Your Parents and Job Experience Programs for Children were also organized to create a family-friendly workplace.

#### Personalized Lifecycle Support Program

Stages	Main Programs
Single and Pre-marriage	Matching events for singles
Marriage and Pregnancy	Wedding car support for in-company couples, maternity gifts, anti-radiation aprons and maternity badges for expecting moms
Infant and Baby Care	Family month event
Children and Youth Parenting	First day of school gift for the employees' children starting elementary school, university exam information sessions
Empty-nest and Retirement Preparation	Preparation programs for age 100
For All Stages	Legal counseling, inviting parents

**Maternity Program** At LG Display, we have implemented various maternity programs and systems to help our employees continue their professional career from pregnancy to child-rearing stage. In addition to pregnancy registration system for administration and support, we allow maternity leave before and after childbirth, financial support, parental leave, and childcare facilities at each workplace as part of our maternity support program.

#### Maternity Support Program



Anti-radiation apron



Maternity badge



Congratulations gift



Lounge for pregnant employees



Access of vehicle to workplace / designated seats in commute bus



Maternity yoga / childbirth class

**Assessing and Improving Organizational Culture** Our Joyful Workplace Team conducts an annual survey on employees' job satisfaction. From 2018, we will carry out a "Mental Health Index Survey" to analyze the mental health of our employees and organizations, identify main issues, and provide personalized solutions to improve their mental health. In particular, one-on-one feedback will be provided to the executive officers and managers based on the results of the analysis. The issues and solutions identified using these tools are used to improve their commitment to the jobs and, ultimately, organizational performance.

Meanwhile, our Organizational Culture Team conducts the LG Way Survey on all LG Group affiliates and uses its results to improve the organizational culture and achieve the LG's ultimate goal of "No. 1 LG." Based on our founding principle of "LG Way," we realize our management philosophies of "Creation of Values for Customers," "Human-centered Business Management," and "Jeong-Do Management" to achieve our vision of becoming "No. 1 LG" By practicing the LG Way, we can create a corporate culture that we are proud to be a part of.

**Heart Temperature 37.2°C Survey** The Heart Temperature 37.2°C Survey evaluates the overall state of the mental wellness of an organization, including emotional management, stress management and self-control, and provides solutions based on the evaluation results. It is a unique mental wellness measurement tool developed only for LG Display, designed by examining over 20 theories and 1,000 questionnaires from 35 models developed in Korea and overseas.

The questionnaire consists of 36 questions in three areas: constancy, resilience and positive energy. Solutions also consist of three steps for each of the three areas to provide support customized for each organization. In the area of constancy, the questionnaire measures the level of emotional objectification, maintaining calmness and expressing oneself freely. In the area of resilience, the questionnaire measures the level of acceptance, relaxation, rational problem solving and adaptability, while in the area of positive energy, it measures self-esteem and satisfaction of work and life. The results of mental wellness state are categorized into five levels and we provide solutions to organizations that fall into the lowest two levels (moderate level or lower). Through the Heart Temperature 37.2°C Survey, each organization can prevent mental and physical deterioration of the organization and its members, and the department in charge of the survey can deliver its wellness program and infrastructure to each organization more efficiently and systematically.

### Case Study LG Display, the Best Family-friendly Workplace

LG Display has been recognized for its excellence in corporate culture by winning multiple awards. Aon Hewitt, the world's largest human resource consulting firm, selected LG Display as the "Best Employer" while Korea Management Association awarded us with "2017 GSMA Family-friendly Management." We will continue our efforts to build a healthy and joyful workplace environment by upholding the value of human respect.



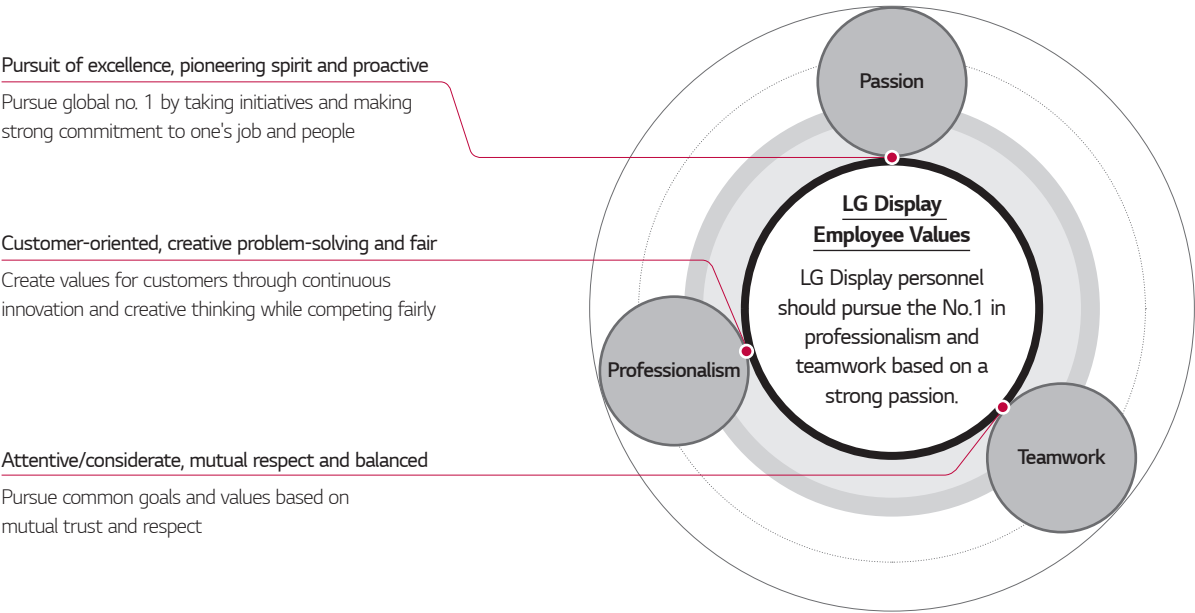
Selected as the "Top Korea's Best Employer"

# Talent Management

LG Display selects talented individuals who demonstrate strong passion, professionalism and teamwork based on its ideal talent that values individual job competency and competitiveness. We implement fair and equal talent management through advanced talent acquisition strategies and programs.

## Talent Acquisition Strategy

**Employee Values** At LG Display, we find people who pursue the No.1 in professionalism and teamwork based on a strong passion. Recognizing that "the company's strength is determined by the strength of individual employees", we focus our resources on securing top talents and helping them to reach their full potential.



**LGenius Program** LGenius is a program providing financial support (e.g. tuition, academic expenses, cost of participating in academic society) for talented students studying in our fields. The individuals selected for the program are given opportunities to work as interns and join mentoring programs with our R&D researchers.

**Technical Talk** Technical Talk is a program through which we host college students studying science and engineering, and provide job counseling and site tours. The program includes personalized lectures and special presentations given by our CEO and R&D executive officers introducing our vision and technological trends in the display sector.

# Talent Development

LG Display expands the expertise of each employee by running various human resource development programs. Based on the recognition that the growth of its employees is the growth engine of the company, we seek to establish and implement a roadmap for self-initiated capacity development of our employees.

## Talent Acquisition Strategy

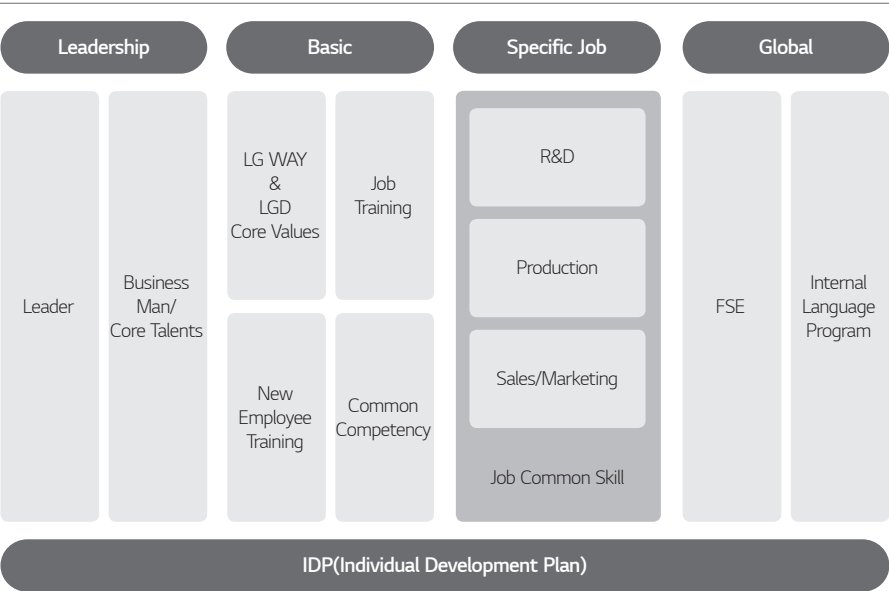
**Talent Development System** Our talent development system focuses on improving the expertise and performance of our employees by organizing specialized training programs with a unique approach. We are committed to fostering human resources that will lead the global market through personalized training, leadership and global competency development programs.

**IDP-based Competency Development** IDP (Individual Development Plan) is a competency development program that focuses on the development of job expertise and career roadmap from a long-term perspective. This is the process of establishing a self-development plan based on the work assigned each year and engaging in competency development activities by consulting with leaders. The consultations with team leaders helps employees align their needs with the corporate goals and to take the initiative in developing their competency and expertise. The IDP-based Competency Development activities also allow our employees to acquire leadership skills and expertise in the field that are needed to achieve our organizational goals.



Job competency of new R&D employees

## Corporate-wide System







**Leadership Development** Based on the “LG Display Leadership”, and through continuous sharing of it, we cultivate leaders and maximize our organizational performance while providing opportunities to evaluate and develop leadership skills including Coaching & Reflection programs. In addition, by establishing a leadership evaluation and development process and applying feedback, we foster leaders in a consistent, efficient manner.

**Expertise Development** We established talent development systems and personalized training programs in each area of our business to succeed in new and strategic businesses and lead the Fourth Industrial Revolution. In addition, we will continue to provide training programs with the focus on next-generation display such as training for big data and “Display from the Perspective of Convergence.” Furthermore, we provide integrated job competency improvement solutions while we matched and gave the directions of development to support personalized development after diagnosing job performance capabilities and sullied training programs in order to boost the performance of new employees and those who have changed their jobs and enhance corporate-wide cooperation.

**Global** In order to help our employees working overseas adapt to local environments and perform at a high level, we have implemented talent development programs in the areas of language, leadership, local culture and job competency as we expand our presence in the global market while supporting development and organizational culture programs for ISE-led corporate operation. To this end, we have established an HRD system and training programs at our headquarters, and designated account managers as part of our global HRD organization. Furthermore, we develop and expand training programs for ISE leaders and members while providing HRD solutions to address business issues and developing HRD programs to build an ISE-led working culture for internal implementation.

## Healthy Labor-Management Relation

LG Display recognizes that labor and management grow together through cooperation to build a sound and advanced labor-management relationship.

We will build a "common good" that will enhance corporate competitiveness and mutual growth through continuous communication and cooperation based on trust and respect.

### No. 1 Labor-Management System

By using the term “Labor-Management Relation”, we stress the equality and horizontal relationship between employees and management and pursue sustainable growth based on mutual trust and respect while maintaining a strong relationship under any circumstances. To achieve our vision of “common good for sustainable value creation” in line with corporate philosophy and core values, we are committed to improving the quality of lives and contributing to the local community.

## USR (Union Social Responsibility) Activities

At LG Display, we are committed to improving the quality of lives of our union members and leading the paradigm shift for labor movement by actively engaging in USR activities as part of our efforts to fulfill our social responsibilities. By doing so, we keep the members satisfied with their jobs and gain competitive advantages in the market while creating shared values and building the reputation of the company and labor union.

### Maintaining Internal Soundness (Corporate)

Missions	Objectives	2017 Performance
On-site Union Activities	<ul style="list-style-type: none"> <li>Improve satisfaction level and raise awareness in labor union activities</li> <li>Promote communication among union members</li> <li>Strengthen the role of union managers</li> </ul>	<ul style="list-style-type: none"> <li>912 on-site communication activities</li> <li>1,710 consultations with the union members</li> </ul>
Prevention of Unethical Practice	<ul style="list-style-type: none"> <li>Address unethical practice</li> <li>Strengthen the foundation</li> </ul>	<ul style="list-style-type: none"> <li>16 energy saving activities</li> <li>6 campaigns (e.g. basic compliance and safety patrol)</li> </ul>
Enhancement of Management Partnership	<ul style="list-style-type: none"> <li>Enhance on-site communication as a management partner</li> <li>Motivate to boost performance</li> </ul>	<ul style="list-style-type: none"> <li>326 executive communication activities</li> <li>10 overseas company support activities</li> <li>2017 Union Award</li> </ul>

### Creating Shared Values (Society)

Missions	Objectives	2017 Performance
Diversification of CSR Activities	<ul style="list-style-type: none"> <li>Create shared values for local community</li> <li>Engage in global social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>USR volunteer activities</li> <li>Talent development, local community support programs, CSR activities, etc.</li> </ul>

## Labor-Management Communication & Grievance Handling

At LG Display, we have various communication channels to listen to our employees. In addition to quarterly Labor-Management Council Meeting, we share our business status and areas of improvement through workshops for managers and monthly meetings.

In addition, we have established a grievance-handling system to address issues such as sexual harassment, abusive behavior, violence and unethical practice in our workplace. The grievance-reporting process is anonymous to protect the identities of reporters and prevent retaliation.

### Office Workers Council “Fresh Board”

At LG Display, we are improving our office workplace culture through Fresh Board (FB), which serves as a council for office workers. As of 2018, 118 employees are serving as members of FB including 54 in Paju, 22 in Gumi, 29 in Twin, and 13 in Magok. They consist of staff and senior members of the organization and their responsibilities are to facilitate communication with enthusiasm and a sense of duty. The FB listens to staff and senior managers who make up 50% of the office workers and represent their opinions when communicating with management. We propose and make improvements through quarterly corporate-wide FB council meetings and monthly meetings while actively engaging in internal organization culture and corporate social responsibility programs.



Labor-Management Joint Volunteer



## Partners

# Achieving Mutual Growth of the Supply Chain by Creating Healthy Trade Relations

### 2017 Performance



Expanded the Mutually Beneficial Technical Cooperation

Fund to KRW **100** billion



Rated **"outstanding"** in Win-win Growth Index for

**three** consecutive years



Participation by **117** first- and second-tier partner companies in the 2017 Shared Growth Agreement

\* Fair Trade Agreement Status in 2017

- LGD First-tier: 73 companies
- First-tier, Second-tier: 44 companies

### Importance of Reporting Issues

As competition between companies intensifies and interests become increasingly intertwined between various fields of society, companies are facing limits to the extent to which they can grow on their own strength. Companies can secure corporate growth and sustainability only when they pursue harmonious growth with various members of society such as partner companies and customers. In particular, the need for communication and support activities is increasing in order for companies to grow together with their partner companies in multiple fields.

### Challenges and Opportunities

**Challenges** A company's competitiveness can decline if the competence of its partner companies is weakened, which can in turn cause the competitiveness of the overall industrial ecosystem to fall.

**Opportunities** By creating mutually beneficial partnerships with partner companies, we can create an industrial ecosystem in which companies can grow in a virtuous cycle by generating corporate and social values.

### Our Approach

Through its new mutually beneficial partnership system, LG Display strives to create an ecosystem based on horizontal relationships with all partner companies by expanding the scope of financial support, technical cooperation, medical welfare support and other kinds of support activities to second- and third-tier partner companies.



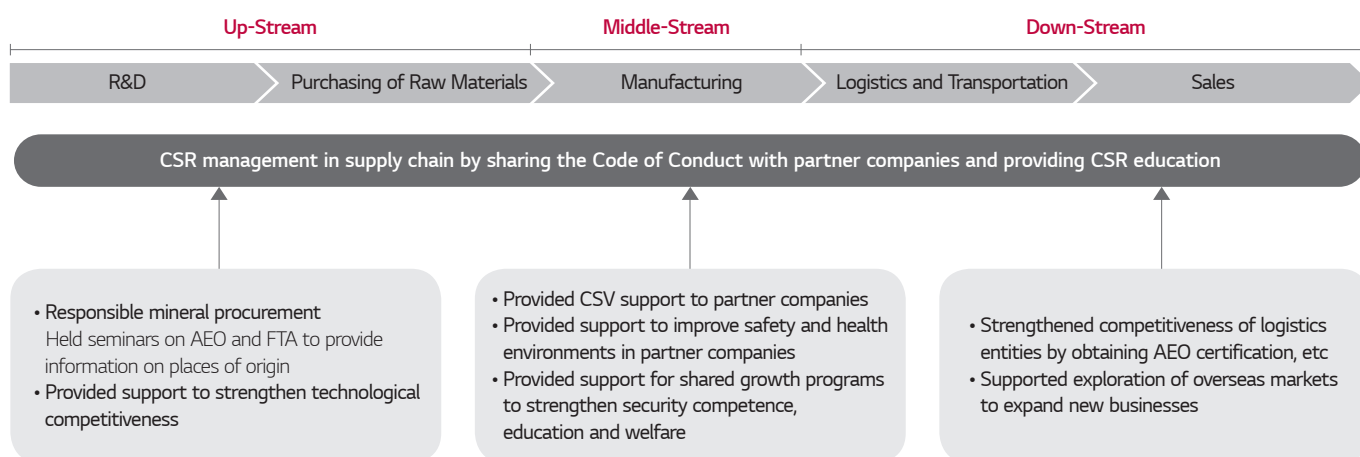
## Supply Chain Management

LG Display seeks to implement sustainability management in its supply chain. In order to promote the values of CSR in all supply chains, we have established a Code of Conduct, call for the fulfillment of corporate social responsibilities and conduct partner company assessments. Furthermore, we will play a leading role in creating a culture of fair trade to build sound and transparent trading relationships.

### CSR Management in Supply Chain

LG Display manages supply chain risks throughout its entire value chains from R&D and manufacturing to transportation and sales. In particular, we have facilitated the fulfillment of social responsibilities by our partner companies in various areas including ethical management and responsible mineral procurement by establishing and sharing the Code of Conduct that reflects international CSR norms such as the RBA\* and ISO 26000. Furthermore, in order to systematically manage CSR risks throughout the supply chain, we carried out partner company assessments in key areas such as human resources, safety and the environment.

#### Value Chain



### Creating a Culture of Fair Trade with Partner Companies

**Fair Trade Compliance Program** We create fair and transparent trading relationships with our partner companies based on the Fair Trade Compliance Program we introduced in 2008. Through this program, we comply with fair trade laws and regulations in all our management activities such as sales, marketing, production, purchasing and legal affairs, while preventing abuse of the dominant position we hold in the market. In addition, we appointed a Fair Trade Manager, preparing and distributing the Fair Trade Compliance Manual and providing fair trade education in order to build an environment conducive to fair trade.

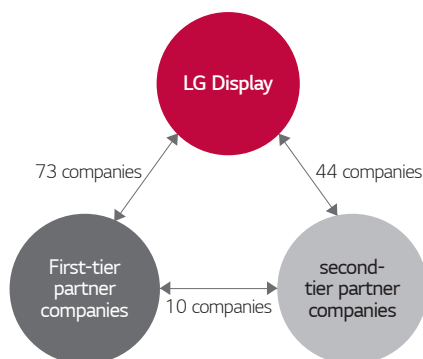
\*Responsible Business Alliance (RBA): A non-profit international organization committed to promoting CSR in the electrical and electronics industry, rebranded from the Electronic Industry Citizenship Coalition (EICC)  
(<http://www.responsiblebusiness.org/>)



## Shared Growth with Partner Companies

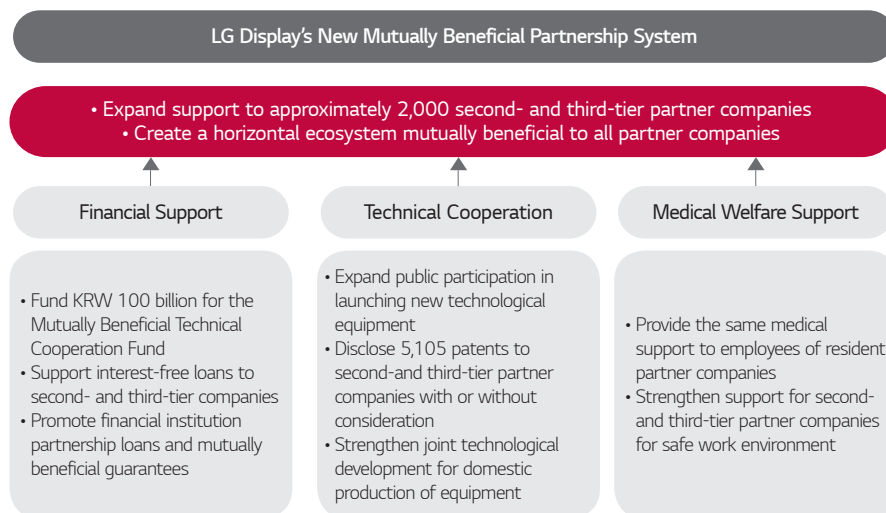
Through our new mutually beneficial partnership system, we are building an ecosystem in which the growth of our competitiveness and our partner companies' competitiveness can create a virtuous circle of partnerships. In addition to building interactive communication channels, we support a variety of programs that substantially enhance our partner companies' competence. At the same time, we provide training on social issues such as safety and conflict minerals to ensure the self-sustained growth and generation of CSR values.

### Shared Growth Agreements in 2017



### Introducing the New Mutually Beneficial Partnership System

LG Display has established a mutually beneficial philosophy that 'LGD's competitiveness is the competitiveness of partner companies' in order to grow together with its partner companies. In particular, in 2017, we introduced a "new win-win cooperation system" in order to eliminate the vertical network formed between the 1st, 2nd and 3rd partner companies and to create a horizontal win-win ecosystem with all our partners. The new win-win cooperation system is a new win-win cooperation paradigm to expand win-win programs in the fields of finance, technology, and medical welfare to second and third-tier suppliers and to enhance sustainable competitiveness of suppliers. LG Display is committed to creating a sustainable ecosystem.



### Strengthening Communication with Partner Companies

**Establishment of Communication Channels with Partner Companies** We pay close attention to the voices of our partner companies through various communication outlets including the shared growth board/story and e-VOS on the shared growth portal (winwin.lgdisplay.com). Feedback gathered via such communication channels are reflected in our future shared-growth activities. We also communicate with our partner companies through offline channels such as new year's kick-off meetings and end-of-the-year meetings where we share each other's annual performances and discuss measures to lead the future display market together.



LG Display Win-Win Portal

**Shared Growth Agreements between Partner Companies** LG Display actively promotes shared growth by having concluded shared growth agreements with 73 first-tier suppliers. In addition, we strongly encourage shared growth agreements between our first-tier and second-tier partner companies, as a result of which 44 agreements between 10 of our first-tier and 44 of our second-tier partner companies have been concluded.

**Win-win Payment System** In 2016, we introduced a win-win payment system to help our partner companies operate their funds in a stable manner. The win-win payment system, unlike cash settlement with a fixed deposit date, is in the form of bonds enabling easy liquidation, ensuring smooth operation of funds by our partner companies. We extended the system to our second and third-tier partner companies and actively encourage their participation.

**Industrial Innovation Campaign** Since 2013, LG Display has engaged in an industry innovation campaign investing a total of KRW 5 billion over the past five years. Through this campaign, we help our second and third-tier partner companies carry out innovation activities by way of improving their work environment and production processes with the support of LG Display and its first-tier partners. Furthermore, we have carried out consulting in three major areas of production, management and technology to help optimize and devise innovative tasks considering the characteristics of each partner company. In 2017, we selected 22 tasks and provided KRW 0.77 billion, contributing to the improvement of manufacturing innovation capabilities of our partner companies.

### Strengthening the Competence of Partner Companies

**CSR Training & Seminar for Partner Companies** We organize training programs and seminars for CSR managers of our partner companies in order to promote their participation in CSR activities. In 2018, 58 CSR managers from our partner companies and our managers in HR, safety, and ethical practice joined the programs and introduced the background of establishing the CSR Code of Conduct and implementation plans as well as detailed guidelines and self-checklist.

**Management and Education Support** LG Display provides free training to partner companies that lack infrastructure for education and training, thereby helping them strengthen their capabilities. We have extended the program from our first-tier to our second- and third-tier partner companies, while offering training courses such as the Six Sigma course to help enhance practical work skills. In addition, we provide other direct and indirect support to our partner companies, such as green consulting and safety and health improvement activities, to help strengthen their management capabilities.

**Enhancing Technological Capabilities** We have adopted "innovation from partner companies" as our core strategy, according to which partner companies play a central role going beyond technological cooperation with LG Display. To this end, we implement a variety of technological support programs, such as joint research and development, mutual growth activities and launching new technological equipment through public participation, thereby helping our partner companies enhance their technological capabilities.

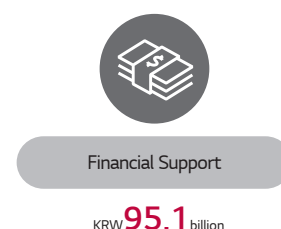
### Management and Education Support Programs for Partner Companies

1. Management Doctor : Establishment of mid- to long-term growth base of partner companies, Introduction of efficient management method, Consulting support from F&I management about Improvement of management performance
2. Green Doctor : Building a greenhouse gas inventory and providing energy diagnostics to partner companies to respond to greenhouse gas regulations
3. Recruitment support : Development customized employees for partner companies Training of customized personnel
4. Support for training such as other leadership training, job training, business skills and foreign languages

### Technological Assistance in 2017

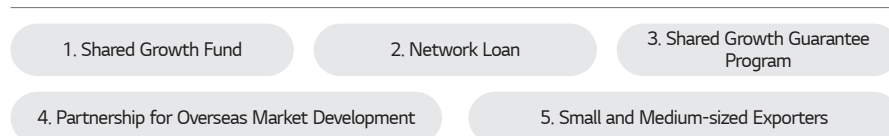


### Financial Support in 2017



**Improving Financial Soundness** LG Display helps its partner companies to improve their financial soundness through various financial support. We facilitate smooth operation of funds through direct forms of funding, such as interest-free loans from the Mutually Beneficial Technological Cooperation Fund and early settlement of holiday payments. Furthermore, we provide indirect support such as innovation corporate funds and mutual growth investment funds, as well as financial support using direct and indirect measures such as providing low-interest loan products through the operation of mutual growth funds and supporting low-interest loans through agreements with financial institutions.

#### Financial Support in 2017



**Strengthening Environmental Competence** In order to build a strong basis for green growth, LG Display has implemented green SCM consulting and carbon partnership certification projects. In 2017, we carried out green SCM consulting helping five partner companies (cumulatively 77 companies) strengthen their competence in responding to climate change. Of the 72 partner companies, we signed carbon partnerships with 59 of them and continue to strengthen the environmental competence of our partner companies through ongoing support.

**Safety and Health Mutual Cooperation Programs for Partner Companies** LG Display makes joint efforts with its partner companies to establish and implement safety and health action plans, as part of which it provides education and training on safety and health management systems. Through these efforts, we help our partner companies enhance their level of safety and health and pursue mutual development in this area. We also conducted risk assessments on our partner companies' facilities, environment and chemical substance management, as a result of which we helped 36 partner companies obtain KOSHA / OHSAS 18001 certification by making improvements and providing support in establishing a self-regulatory safety and health system. In addition, we convene the Safety and Health Mutual Cooperation Meeting with our partner companies on a monthly basis to share safety-related information and cases as well as to gather feedback.



**Safety & Health Consulting & Support for Suppliers** At LG Display, we identify the level of commitment to safety and health in our suppliers that handle chemical substances or supply parts including safety culture, legal documents and on-site safety management while providing training and consulting support with experts and private firms. In addition, we organize training sessions addressing the importance of safety and health at our annual meetings with suppliers' executive officers as part of our efforts to improve their safety practices and ensure mutual growth by preventing industrial disasters in the long-term.

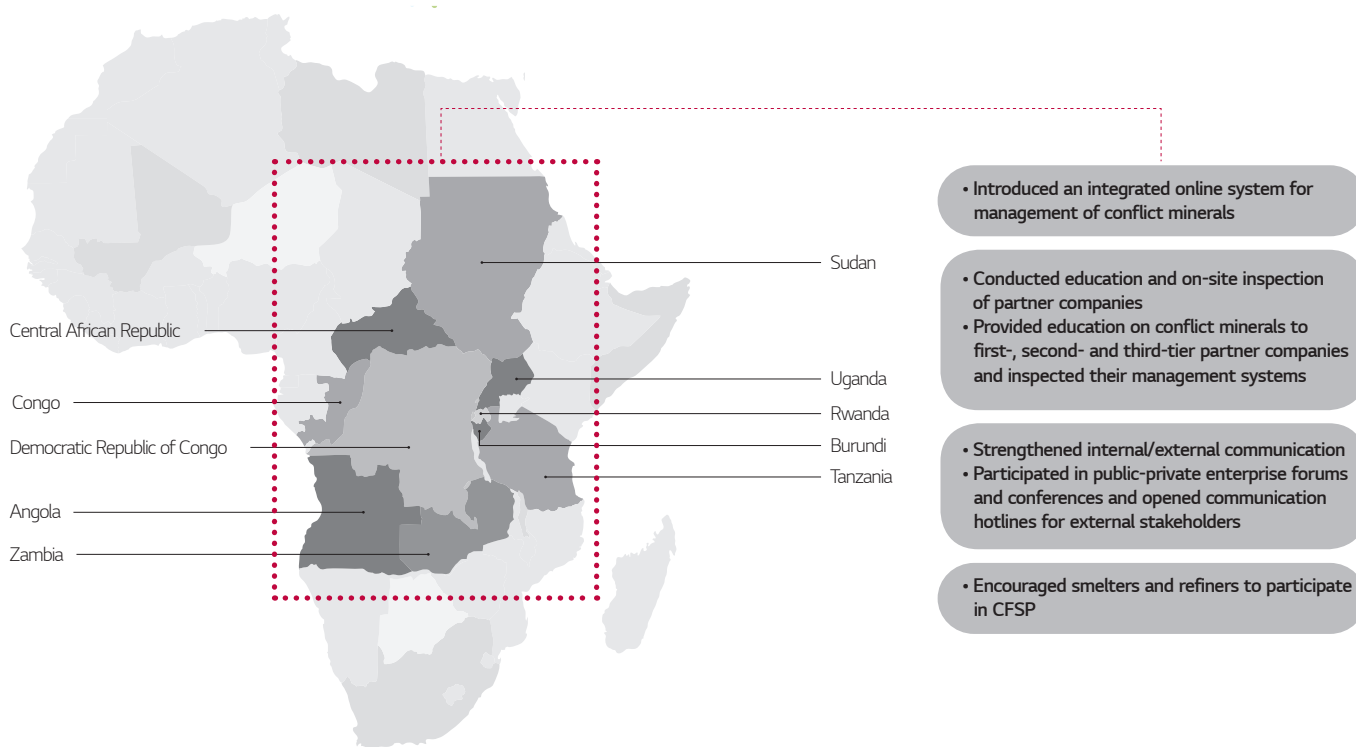
#### Online Entry/Exit Safety Training

At LG Display, we require all visitors and outside workers to receive online training on LGD Safety Rules, the 8 Life-saving Rules, basic compliance and work safety instructions before entering our business sites. By doing so, we ensure that they are provided with basic safety instructions and help prevent accidents in the sites.

## Response to Conflict Minerals\*

**Conflict Mineral Usage Status** We checked for the usage of conflict minerals in our supply chain for the production of all our products (TV, Commercial, Monitor, Notebook, Mobile, Auto Display, OLED lighting) and identified 240 smelters that used conflict minerals. By working with our suppliers, we make sure that they do not deal with armed groups or help them gain profit through certification when it comes to tantalum, tin, tungsten, and gold.

**Major Activities for Conflict Minerals** At LG Display, we take various measures to ensure that we acquire minerals from suppliers that are free from any conflict in our supply chain. First, we have established detailed procedures to prevent production of conflict minerals that are linked to armed groups in the area and clarified the roles and responsibilities of each department. Additionally, in order to investigate the use of conflict minerals by suppliers, we ensure full compliance with international guidelines and standards while making reasonable efforts to identify their origin to prevent dealing with suppliers who violate human rights and cause conflicts.



\*Conflict minerals refer generally to tantalum, tin, tungsten, and gold that have directly or indirectly contributed to the financing of armed groups responsible for human rights violations and exploitation of child labor.



## Communities

# Co-existing with Local Communities by Fulfilling Our Social Responsibilities

### 2017 Performance



2017 Social contribution investments

KRW **19.9** billion



No. of employee participants

**30,520**

(the same employees may be counted more than once)



IT Development Center

domestic **3**, overseas **3**

### Materiality of Topic

In response to increasing demand for corporate social responsibility, more companies create social values throughout their business practice and engage in strategic social responsibility activities for public interest. As a result, it is crucial for companies to meet the demands of society and fulfill their social responsibility while maintaining communication with their stakeholders.

### Crisis and Opportunities

**Crisis** Corporate activities that ignore the needs of the local community and society can have a negative impact on their reputation and reliability causing criticism from their stakeholders.

**Opportunities** By maintaining close communication with local communities and engaging in social responsibility programs, we can promote mutual growth with our local communities and have a positive impact on our reputation and credibility.

### Our Approach

As a global company, LG Display engage in voluntary social contribution programs to promote mutual growth with our local communities and solve social issues by taking advantages of our strength and expertise. In addition to providing educational opportunities for children and youth and organizing social contribution activities with the participation of our employees, we established Social Contribution Committee at both a corporate-wide and regional level to meet the needs of local communities and the environment.



## Social Contribution Activities

At LG Display, we carry out social contribution activities under the slogan "Love Young Dream". To fulfill our social responsibility as a corporate citizen, we provide opportunities for children and youth in vulnerable populations to grow and reach their full potential while encouraging our employees to volunteer in their communities. We also solve social problems by taking advantage of our strength and expertise.

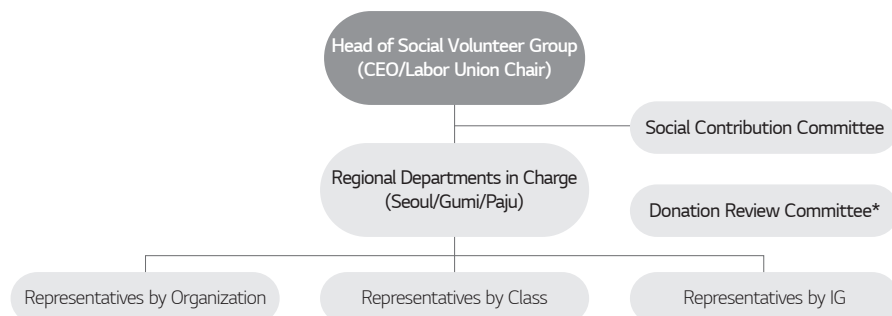
### Systemic Social Contribution

Slogan	Love Young Dream		
Goal	1. Provide opportunities for children and youth in vulnerable populations to grow and reach their full potential 2. Promote organizational culture and fulfill social responsibilities through employee engagement.		
Principle	Taking advantage of our strength	Solving social problems	Employee engagement
Strategy	• Carry out activities in line with business operation	• Educational and healthcare support for children and youth • Mutual growth with local communities	• Sincere social contribution activities through employee volunteers
Activities	• Establishing IT Development Center • Social contribution activities for eye health	• Volunteer activities • LGDream Fund	• USR activities • Overseas volunteer activities

**Social Contribution Organization** At LG Display, we divided our Social Contribution Committee into corporate committee and regional committee to ensure more efficiency in operation. The Corporate Social Contribution Committee reviews the plans, directions and budget while the Regional Social Contribution Committee reviews regional business plans and their performance on a regular basis to raise awareness and promote corporate-wide social contribution activities and culture.

**Donation Review Committee** In January 2018, we established Donation Review Committee to ensure transparency, procedural fairness and legitimacy in our donation activities. The committee conducts in-depth reviews on any donation of KRW 10 million or more in terms of their recipients and spending details to further improve transparency.

### Structure of Social Contribution Volunteer Group



\*Consists of Domestic Legal / Compliance Support Manager; Public Relations / External Cooperation Manager; Accounting Manager and Head of Management Support Group

Internalization of Social Contribution Culture  
Benefits from social contribution participation

Programs	Details
CEO Reward	Volunteers are recognized and rewarded for their participation on an annual basis.
Volunteer Badge	Volunteers are selected, rewarded and announced based on their volunteer hours on a monthly basis.
LG Display honor's club	Volunteers and donors are awarded and invited to various social contribution activities.
Social Contribution Portal	Use Intranet to manage volunteer activities, donation requests and individual performances while measuring social contribution performance.
Financial Support for Volunteers	Provide financial support for transportation and gifts when volunteering for affiliated volunteer organizations.



**Corporate-wide Participation Program** “Relay Volunteer Program”, LG Display’s special volunteer program, provides opportunities for employees who are unable to volunteer because of their busy schedule to participate in volunteer activities and organizational communication. In 2017, 3,920 employees participated in the program and volunteered to donate rice cake to low-income families during Korean Thanksgiving Day and make DIY furniture to identify and meet organizational needs.



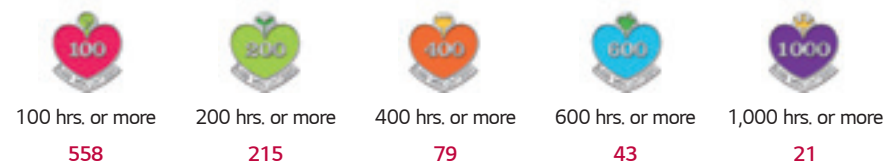
Building Yellow Carpet

**Social Contribution Activities for Local Community** Our employees working at the Gumi Plant volunteered to build yellow carpets (pedestrian waiting area for safety) in five different locations including Jinpyeong Elementary School as part of the “Making Gumi Safer for Children” campaign. At the Paju Plant, we established LGDream School Program to provide experience on their future career and employee mentoring for middle- and high-school students. In addition to these programs, we engage in various social contribution activities based on the issues our local community faces in cooperation with public safety agencies such as the local fire department and police stations.



Case Study Volunteer Badge

At LG Display, we present Volunteer Badges and gifts to employee volunteers based on their level of participation.



As of 2017(accumulative) : \*Introduced in 2013

## Localization of Social Contribution

At LG Display, we are committed to fulfilling our social responsibility with a focus on the areas that the local community needs. We pursue mutual growth with our local community through long-term, practical social contribution programs.

### Global Social Contribution Activities

At LG Display, we fulfill our social responsibility as a global corporate citizen by engaging in social contribution activities overseas. By continuing these efforts, we promote mutual growth with local communities in our overseas business sites.

**Global CSR Volunteer Activities** In October 2017, our Overseas Volunteer Group visited elementary schools in An D ng, Hai Phong, Vietnam for two weeks, helped improve their educational and sanitation facilities, and joined cultural exchange programs. The employee volunteers also visited the Daiban Elementary School, which has a high percentage of low-income families and repaired their classrooms, walls and restrooms creating a better educational environment for more than 700 students. They also engaged in various cultural diversity programs such as Korean language class and recreational activities to provide the students opportunities to experience a different culture.



**Overseas USR\* Volunteer Program** Since 2013, the LG Display Labor Union has engaged in volunteer activities in such countries as Vietnam, Cambodia and Mongolia as part of its USR program. In 2017, about 300 union members visited Kork Sangkae and Tany Elementary Schools in Siem Reap and conducted 10 relay volunteer activities to repair schools and make a clean environment for students for 40 days.



### Sharing Hope with Children and Youth

**LG Display Hope Wing Club** As part of our efforts to help gifted students in arts, sports and science from low-income families pursue their dreams, we established "Hope Wing Talent Development Program" with World Vision since 2011. Over the past seven years, we have sponsored 93 students, and they won various competitions or were admitted to the Korean National University of Arts, or selected as members of national teams. In 2017, we helped 18 students to pursue their dream and shared the progress they made over the year through Hope Wing Presentation, Exhibition and Performance to encourage their efforts.



**Year-End Donation Campaign 'Christmas Miracle'** Introduced in 2010, 'Christmas Miracle' is our year-end donation campaign for children from low-income families in Seoul, Paju and Gumi. Every year, our employees dress up as Santa Claus and give Christmas presents to children. The number of children who received presents has grown over the years and as of 2017, it was 1,003 children.

\*USR: Union Social Responsibility



**LGDream Fund** With the LGDream Fund, we encourage monthly donations from employees for children from vulnerable populations. In 2017, we installed “Electronic Donation” kiosk in our business site in Gumi to promote voluntary participation by employees. In 2018, we are planning to install additional “Electronic Donation” kiosk including Paju Business Center. About 10,000 employees participated in the donation campaign and raised KRW 137 million in 2017.

## Shared Value

**IT Development Center** In order to bridge the gap in access to digital information for underprivileged children and to build an IT educational environment, we have established 45 IT Development Centers in South Korea starting with the Immanuel Childcare Center in Gimcheon, Gyeongbuk in 2008.

In 2017, we built IT Development Centers in Guangzhou, Nanjing, and Yantai in China. A local children’s center was selected for the location in Guangzhou, Long Th nh Central Elementary School in Nanjing. The IT Development Center project is creating the IT educational environment with advanced PCs and eco-friendly facilities in childcare facilities to improve children’s access to IT technology and help them acquire skills and qualification for their future careers. We continue to provide financial support for IT education and replace outdated facilities/IT systems as part of our maintenance program.



**Eye Care Program** At LG Display, we carry out eye care programs including eye disease prevention and medical support for low-income families and underdeveloped countries. The “Chorongyi Eye Health Class” is an educational musical lesson that teaches children how to keep their eyes healthy for 1st and 2nd grade students with a focus on contents suitable for lower-grade students including songs and dances to make it more interesting to them. The program is designed to encourage them to follow daily routines for eye health by organizing writing and poster-drawing competitions.

In addition, we provide medical eye examination and treatment for local residents in Paju and Gumi to improve the quality of their lives and strengthen our relationship with the local community. We also organize summer camps for children and youth with poor vision for the first time in the industry. In order to fulfill our responsibilities as a global corporate citizen, we provide eye care service for local residents in developing countries such as Vietnam and Cambodia.

Project	Recipient	Description
Chorong Eye Health Class	1st/2nd grade students	Musical lessons for eye care and eye health competitions
Camp for Children/Youth with Poor Vision	Children/youth with poor vision	Camp for children/youth with poor vision and employee volunteer activities
Eye Surgery for Low-income Families	People with eye disease from low-income families	Eye surgery expense for low-income families
Free Eye Examination in Paju/Gumi	Local residents in Gumi/Paju	Free eye examination with ophthalmologists for local residents
Medical Eye Care for Underdeveloped Countries	Residents in Siem Reap, Cambodia and Hai Phong, Vietnam	Free eye examination and full financial support for eye surgeries UV protection sunglasses giveaway

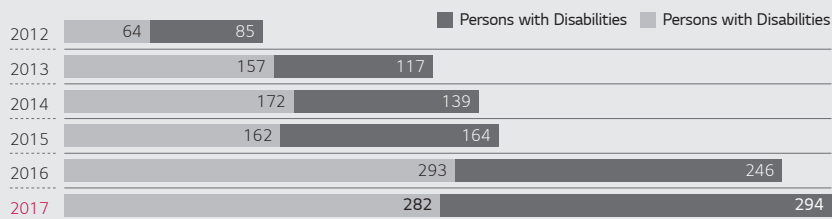


In order to expand the hiring of persons with disabilities,  
LG Display established Nanumnuri which means a "sharing world with the disabled".

Established in 2012, Nanumnuri provides cafe, health-keeper, car wash, and sanitation and cleaning services in in our Gumi and Paju plants.  
Nanumnuri employees communicate directly with LG Display employees, contributing to overcoming any stereotypes and improving awareness of the disabled.

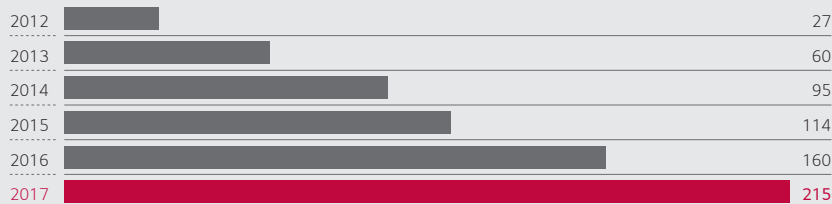
#### Employment Status

[Unit: Persons]

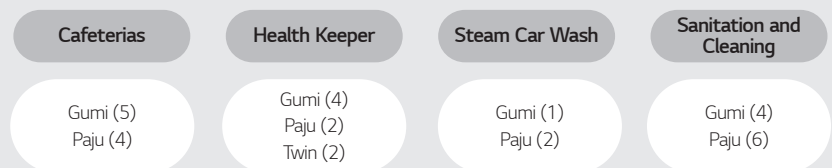


#### Business Performance

[Unit: KRW 100 million]



#### Business Areas\*



\* As of May 2017

#### Employee Welfare and Education Policies

Nanumnuri implements various welfare and education policies for its employees with disabilities, providing customized training and mentoring for each type of disability, supporting medical fees and paid leave benefits and offering care programs on hobbies, health and cultural experiences for employees with severe disabilities. Nanumnuri also provides convenience facilities and assistive equipment for its disabled employees, while offering employment programs in cooperation with local communities such as the Job Go program hosted by Gumi Education Office and field trips to job training classes in special education schools.



Athletics competition



Cafe



Cultural experience



Health programs for the disabled



Hobby programs for the disabled

# SUSTAINABILITY GOVERNANCE







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# CSR Management

## Sustainability Strategy

We engage in CSR activities with the aim to achieve our goal of 'Global No. 1 Sustainable Display Company.'



## CSR Committee

In 2013, we established a CSR Committee that directly reports to the CEO to promote sustainable practice. Chaired by the head of Management Support, it promotes systematic sustainability management. The CSR Committee is chaired by the Head of the Management Support Group. The committee consists of 7 sub-committees including Fair Practice, Shared Growth, Ethical Management, Labor Human Rights, Safety & Health, Environmental Management, and CSR, and establishes sustainability strategy and directions while monitoring progress and issues. In 2018, we discussed ways to pursue sustainability and various issues including working hours, demands from our customers on CSR, cobalt as conflict minerals, and progress we made to build an advanced occupational health system.

### CSR Committee





## Stakeholder Engagement

We identify the demands of our stakeholders through various communication channels and incorporate them in our business practice. We use the sustainability report we publish on an annual basis as a channel for communicating with our stakeholders both in and outside the company while gaining insights into the level of expectation from our stakeholders by actively responding to inquiries and requests from our customers, CSR evaluation organizations and NGOs.

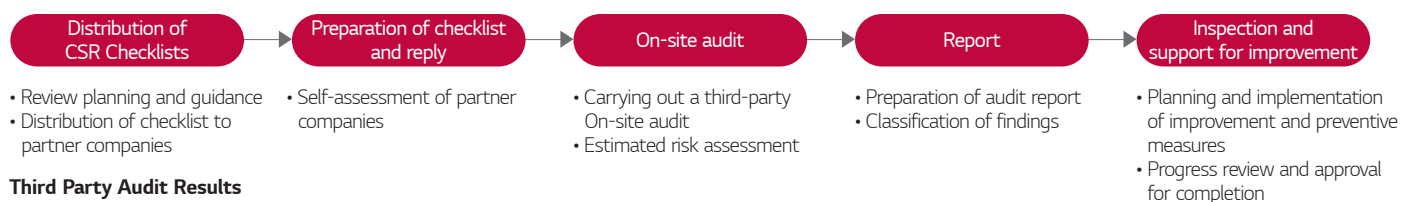
### Stakeholder Communication Channel Management



## CSR Risk Management

At LG Display, we have adopted RBA voluntarily and perform RBA VAP (Validated Audit Program, third-party verification) every two years for all our business sites as part of our risk management activities. Furthermore, in order to expand the scope of our risk management activities in the supply chain, we have established the Code of Conduct for our Partner companies and have incorporated them into our standard subcontracts. We will continue to reduce risks in our supply chain by conducting on-site audit while reflecting RBA and customer demands in our practice.

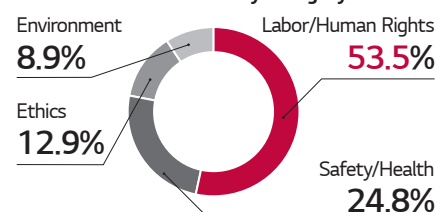
### Supplier Code of Conduct Compliance Process



### Third Party Audit Results

Areas	Findings		Number of non-compliances
Labor/Human Rights	Working Hours	Child Labor	54 Cases
Safety/Health	Preparation on emergency situation	Occupational Health	25 Cases
Environment	Hazardous Materials	Air Pollution	9 Cases
Ethics/Management System	Employee Feedback & Participation	Improvement Goal	13 Cases

### Non-conformance Ratio by category



※ Target: LG Display and Domestic/Overseas Suppliers

# Materiality Assessment

## Materiality Assessment Overview

At LG Display, we conduct materiality assessment based on the level of stakeholders’ interest and impact on our business through international standard analysis, global benchmarking, media research, and stakeholder surveys. We identify, prioritize and review key sustainability management issues from the perspectives of our internal and external stakeholders, and select issues for the report based on the results. The identified issues are assessed in accordance with the GRI Standards Guidelines, and prioritized for final selection in order to ensure a balance in report contents.

## Step 1. Developing Issue Pool

Based on international standards analysis, media research, global benchmarking and stakeholder survey, we created a pool of 37 issues.

### Analysis of International Standards

- Analysis of the requirements of international standards and identification of issues in relation to sustainability management
- Analysis of: GRI Standards, DJSI, ISO 26000, UN SDGs, RBA Code of Conduct, etc.

### Media Research

- Research on 2,761 media articles in 2016
- Media: daily newspaper e.g. Chosun, Joongang, Donga and Hankyoreh

### Global Benchmarking

- Review the issues and sustainability practice of global competitors and leaders
- Analysis of global sustainability report trend

### Stakeholder Survey

- Online survey of the importance and characteristics of sustainability issues with 3,543 stakeholders for one week from February 2-8, 2018.
- Survey contents



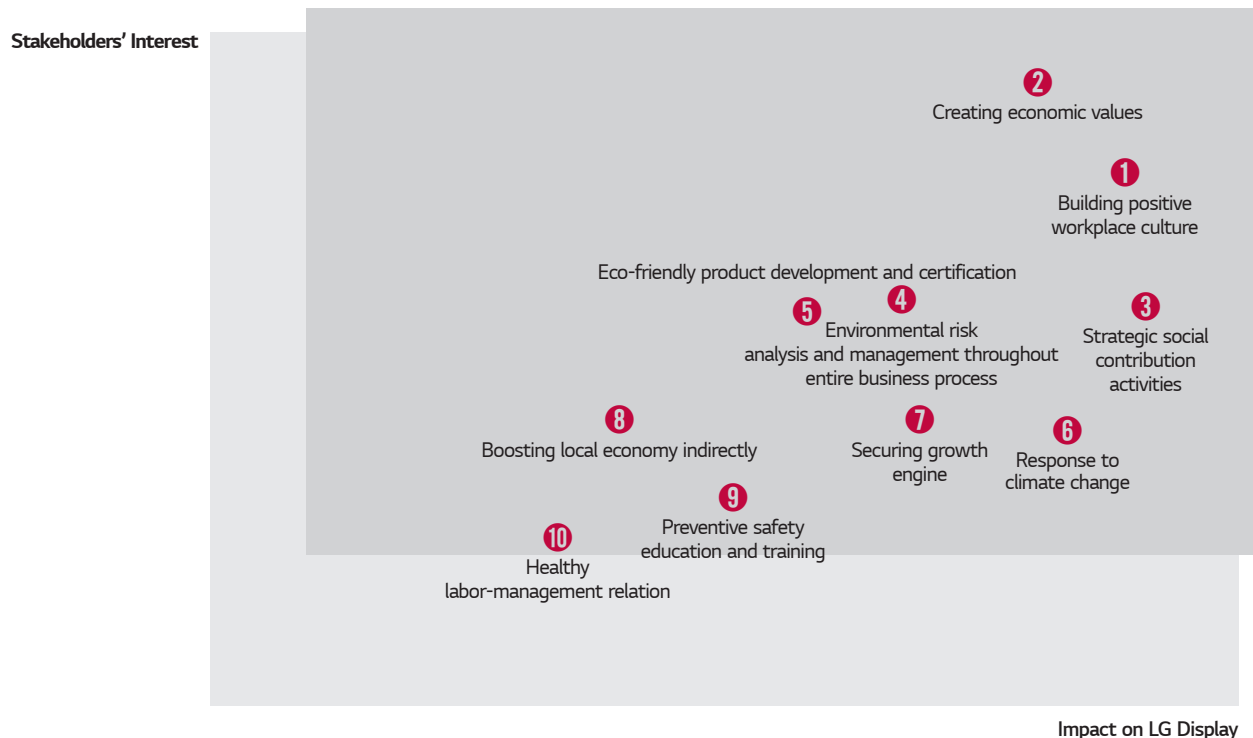
## Step 2. Materiality Assessment

Based on 37 identified issues, we conducted the materiality assessment considering the impact on LG Display and Stakeholders’ Interest.



### Step 3. Selection of Material Issues

Based on the level of Impact on LG Display and stakeholders' interest, 10 material issues are selected.



No.	GRI Aspects	Issues	Affected Stakeholders					Impact on Business		
			Employees	Customers	Suppliers	Local Community	Shareholders & Investors	Cost	Market Share	Reputation
1	Employment	Building positive workplace culture	●	●						●
2	Economic performance	Creating economic values	●	●	●		●		●	
3	Local community	Strategic social contribution activities	●			●				●
4	Added topic	Environmental risk analysis and management throughout entire business process	●	●	●			●		
5	Energy	Eco-friendly product development and certification		●			●		●	
6	Emissions	Response to climate change		●			●			●
7	Economic performance	Securing growth engine	●	●	●		●		●	
8	Local community	Boosting local economy indirectly				●				●
9	Safety and health	Preventive safety education and training	●		●					●
10	Labor relation	Healthy labor-management relation	●							●

## Corporate Governance

### Composition of the Board of Directors

The Board of Directors (BOD) of LG Display consists of seven members: two executive directors, one non-executive director and four outside directors. There are three committees under the BOD: Audit Committee, Outside Director Nomination Committee, and Management Committee.

Category	Name	Title	Term
Executive director	Sang-Beom Han	BOD Chair, CEO/Vice Chairman, LG Display	Mar. 2018 – Mar. 2021
	Sang-Don Kim	CFO/Vice President, LG Display	Mar. 2017- Mar. 2019
Non-executive director	Hyun-Hwoi Ha	CEO/Vice Chairman, LG Display	Mar. 2017 – Mar. 2020
Outside director	Joon Park	Member of Audit Committee, Professor of School of Laws, Seoul National University	Mar. 2016 – Mar. 2019
	Byeong-Ho Lee	Professor of Electrical and Computer Engineering Department, Seoul National University	Mar. 2018 – Mar. 2021
	Sung-Sik Hwang	Chair of Audit Committee, Professor of Business School, Kacheon University	Mar. 2018 – Mar. 2021
	Kun-Tai Han	Member of Audit Committee, CEO of Hans Consulting	Mar. 2016– Mar. 2019

※ As of March 2018, General Meeting of Shareholders

### 2017 Activities of the Board of Directors

Number of BOD meetings	9
Number of BOD resolutions	46
Attendance rate of outside directors	94%

### Operation of the BOD

As a major decision-making body of the company, the Board of Directors serves the roles of controlling, supervising and advising. In 2017, nine board meetings were held and 48 items were discussed including appointment of board chair, mid- to long-term strategy report, establishment of subsidiaries and investment in facilities.

### Committees of the BOD

Under the Board of Directors, we have three committees: Audit Committee, Outside Director Nomination Committee, and Management Committee, in order to ensure transparency and rationality in our corporate governance. With these committees, we improve our governance, nominate outside directors and manage various risks involved in our business practice.

Committee	Purpose & Authority	Members
<b>Audit Committee</b>	Oversees accounting and related work process and evaluate internal audit.	Joon Park, Sung-Sik Hwang, Kun-Tai Han
<b>Outside Director Nomination Committee</b>	Nominates outside directors at the General Meeting of Shareholders.	Hyun-Hwoi Ha, Joon Park, Kun-Tai Han
<b>Management Committee</b>	Facilitates the work process of the management to help the BOD to focus on important agenda through the delegation of daily management and financial matters under certain level.	Sang-Beom Han, Sang-Don Kim

## Independence and Expertise of the BOD

At LG Display, we are committed to compliance with legal procedures under the Commercial Act and building healthy corporate governance and transparent management system by separating the board chair and CEO positions. Outside directors are nominated by the Outside Director Nomination Committee and approved by the board before being appointed at the General Meeting of Shareholders to ensure its independence. In addition, outside directors are selected based on their expertise and experience in various fields such as management, legal affairs, accounting, and engineering for more efficient and solid decision-making and professionalism. Furthermore, to ensure independence of each committee, we maintain the ratio of outside directors higher than legally required and they operate in accordance with their operation guidelines.

## Outside Director Appointment Process

### Outside Director Appointment Process

Nomination for outside directors

### BOD

Introduction and approval of candidates

General Meeting of Shareholders  
Appointment of outside directors

## Evaluation and Remuneration of the BOD

The remuneration of the Board of Directors and executive officers are determined based on their performance evaluated in line with our mid- to long-term plans and goals. The directors are paid within the limit set at the General Meeting of Shareholders

※ The approved amount is the sum of remunerations for executive, non-executive and outside directors and the amount in 2017 is KRW 8.5 billion.

Name	Job Title	Remuneration	Basis	
Sang-Beom Han	CEO	2,314	Salary	1,436
			Bonus	878
Sang-Don Kim	Director	592	Salary	418
			Bonus	174

Determined in accordance with the executive remuneration policy set by the BOD.

Maintained technological leadership through continuous superior technologies and products, prepared for successful business transformation through OLED TV production stabilization, a strong foundation for Plastic OLED segments and demonstrated strong leadership to achieve business goals.

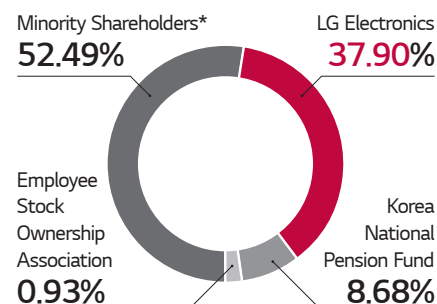
Determined in accordance with the executive remuneration policy set by the BOD.

As the financial manager, established a corporate-wide risk management system, optimized performance management, and led key work process and advancement of infrastructure.

※ [Unit: KRW 1 million], as of the end of 2017

## Communicating with Shareholders

At LG Display, we disclose quarterly, semi-annual, and annual earnings reports through our website and DART (Data Analysis, Retrieval and Transfer) of Financial Supervisory Service while holding General Meeting of Shareholders where we report our business performance to the shareholders. Going forward, we will maintain close communication with our shareholders and reflect their expectations and demands in our business practice.



\*Shareholders holding less than 1% of the total shares

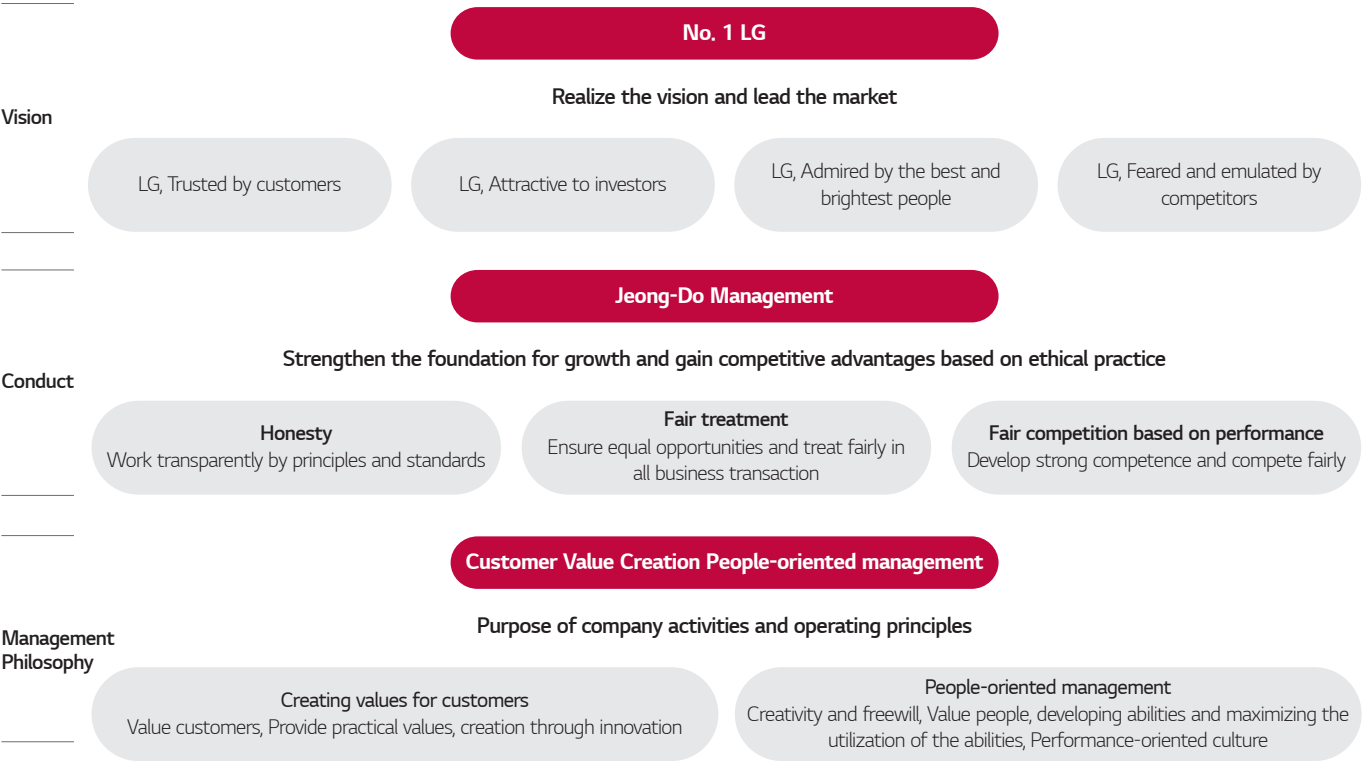


## Jeong-Do Management

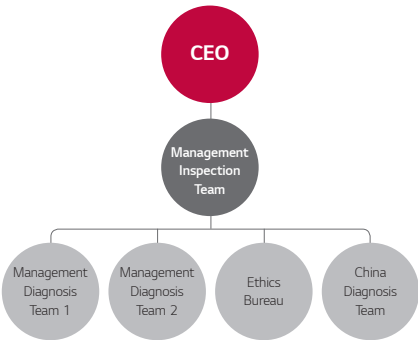
### ‘LG Way’

Our Jeong-Do Management means our own code of conduct known as LG Way through which we promote fair competition and sustainable growth. LG Way means not only ethical practice but also a high level of competency that leads to strong performance. The true spirit of our Jeong-Do Management is to enhance our competitive advantages while maintaining the honor and pride of LG.

#### LG Way



#### Jeong-Do Management System



#### Jeong-Do Management Organization

Our Jeong-Do management system is organized for its companywide implementation. The Ethics Bureau investigates corrupt and unfair practices reported or identified through internal analysis while organizing training and promotional activities. Management Diagnosis Teams 1 and 2 conduct analysis on work process on a regular basis and provide consultation to manage risks and raise our employees’ awareness. In addition, China Diagnosis Team was established to investigate corruption in local business sites in China while raising awareness and creating Jeong-Do culture through process analysis and training programs tailored to local environment.

## Strengthening Internalization of Jeong-Do Management

**Jeong-Do Management Education** LG Display conducts Jeong-Do management education at the company level in order to cultivate and instill in-depth knowledge in its employees. In 2017, we provided online training for clerical workers and conducted additional training for new and career employees and employees newly assigned to major positions. In addition, we held group training sessions for employees seconded to overseas offices and local recruits. We carry out various activities to internalize Jeong-Do management by providing customized education tailored to each business function such as purchasing, development, research and production, while offering specialized education for managers.

**Pledge to Practice Jeong-Do Management** Each year, our executives and employees take the pledge of Jeong-Do management to ensure that they are always fully aware of the importance of Jeong-Do management in the course of engaging in business with customers, partner companies or competitors. The pledge calls for compliance with ethical norms and practice of Jeong-Do management when carrying out one's work at LG Display. As of March 2018, 32,916 executives and employees have taken the pledge to practice Jeong-Do management. In the case of our partner companies, a representative of the company is required to sign the pledge of compliance along with the contract in order to confirm their will to practice Jeong-Do management.

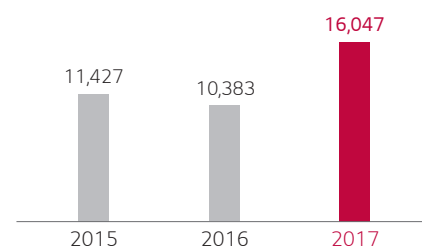
**Jeong-Do Management Survey** In order to examine the extent to which our employees put LG Way into practice in their everyday work and establish measures to prevent unfair practices by analyzing the results of Jeong-Do management awareness assessments, we conduct an annual Jeong-Do management survey throughout the company. We also include question items on Jeong-Do management in our organizational survey to further Jeong-Do management awareness among our employees.

**Jeong-Do Management Cyber Sinmungo** We operate the Jeong-Do Management Cyber Sinmungo (complaint reporting system) in order to prevent violations of the Code of Ethics and implement Jeong-Do management by, for instance, carrying out anti-corruption activities. The informant and the contents of the report are safely protected by a reliable security system, and strict measures are taken so as not to cause any disadvantage against the informant. In case of any such disadvantage, we ensure full restitution or protection measures equivalent thereto. Furthermore, we have created a KakaoTalk account named "lgdsinmungo" to make it easier for employees to report fraudulent behaviors. In addition, to encourage reporting and root out fraudulent behaviors, we have a reward system for our employees and the general public who report fraudulent acts.

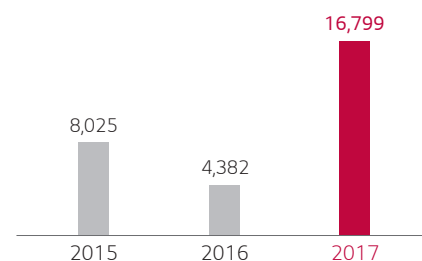
**Promotional Activities for Jeong-Do Management** LG Display carries out various promotional activities on an ongoing basis to ensure that its employees clearly understand that practicing Jeong-Do management is not a matter of choice but a necessity. Such activities include producing promotional materials such as corporate journals, blogs and newsletters, as well as conducting quizzes and events to raise employee participation. Since 2015, we have distributed the Jeong-Do Management Newsletter published in local languages in various parts of China, to share the value of our Jeong-Do management and to promote an ethical awareness among local employees. In addition, we have developed a Jeong-Do management app to make it easier for our employees to access the LG Code of Ethics.

## Jeong-Do Management Training Performance

Jeong-Do Management Training Hours [Unit: Hours]



Jeong-Do Management Training Participant [Unit: Persons]



\*The number of participants increased in 2017 because the collective training was replaced by e-Learning program.

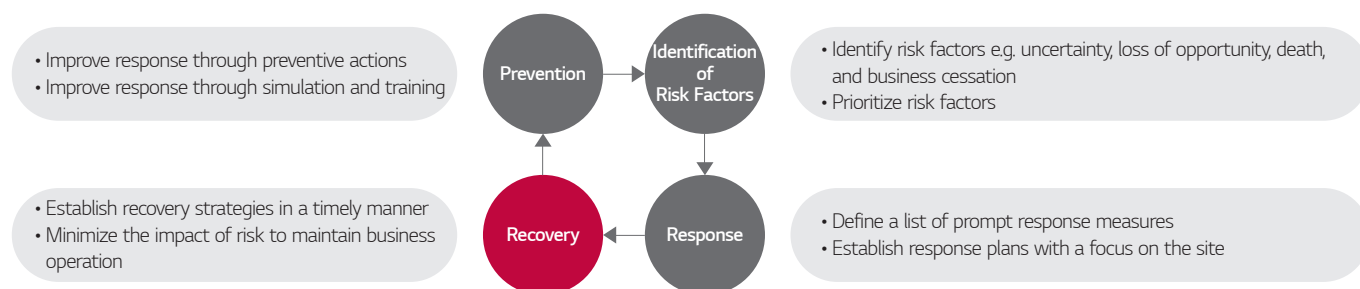
## Unethical Practice Subject to Report to Cyber Sinmungo

1. Kickbacks from stakeholders
2. Participation in holding unfair stocks of partner companies
3. Lack of transparency in selecting suppliers
4. Illegal and unlawful use of corporate assets
5. Documentation · calculation manipulation and false reports
6. Violation of the Code of Ethics

## Integrated Risk Management

### Building Integrated Management System

**Corporate-wide Risk Management** At LG Display, we manage both internal and external risks through corporate-wide risk management process through which we identify critical risk factors based on their probability of occurrence and impact on our business and take necessary preventive and responsive measures in a timely manner.



**Risk Classification & Areas of Response** We classified risk into 7 Areas of Response and 14 Critical Risks and established scenario-based risk management manual to effectively deal with the situation.

Areas of Response	Critical Risk	Identification of Risk Factors and Impacts
Production interruption	<ul style="list-style-type: none"> <li>• Utility supply interruption (electric power)</li> <li>• Logistical interruption</li> </ul>	Reliance on a limited number of suppliers for parts or dramatic increase in demand for display may cause problems in production and procurement of raw materials. Logistical interruption can delay production and supply.
Information security	<ul style="list-style-type: none"> <li>• Business secrets leakage</li> <li>• Personal information leakage</li> </ul>	We maintain our competitive edge through exclusive know-how that is not protected by patent or trade secrets. Therefore, authorized disclosure may result in negative impact on our business. We sign a confidentiality agreement when employing or hiring consulting services.
Information system failure	<ul style="list-style-type: none"> <li>• Information system shut-down</li> <li>• Hacking/virus</li> </ul>	Cyber infringement (e.g. hacking/virus) and network failure may not only cause direct financial loss but also damage our reputation and credibility which results in loss of business opportunities.
Industrial disaster with casualty	<ul style="list-style-type: none"> <li>• Massive accidents with casualty</li> <li>• Industrial disaster</li> <li>• Outbreak of contagious disease</li> </ul>	Industrial disasters at our business sites and suppliers' as well as natural disasters may cause a shortage in raw materials, parts and manufacturing facilities. Therefore, we also manage our supply chain to prevent this type of risks.
Damage to production facilities	<ul style="list-style-type: none"> <li>• Fire/explosion</li> </ul>	The fire and explosion of production infrastructure can cause catastrophic damage to local community as well as our workplace. In consequence, countries around the world emphasize the importance of preventive measures and we maintain strict supervision and oversight at all times.
Environment and health	<ul style="list-style-type: none"> <li>• Gas/chemical leak in factory</li> <li>• Environmental pollution</li> </ul>	Our manufacturing process involves hazardous chemicals and produces chemical and other types of waste and wastewater with a risk of chemical leakage. Therefore, we conduct safety training and ensure full compliance with the laws when it comes to disposal of chemical substances.
Conflict	<ul style="list-style-type: none"> <li>• Internal conflict (strikes/sabotage/walkout)</li> <li>• External conflict (mass claims)</li> </ul>	We have a collective bargaining agreement with the labor union and negotiate with the union once a year. If a labor conflict arises that worsens relations with our workers and leads to sabotage, it may have a major impact on our business performance.



## Information Security

### Information Security Management System

At LG Display, we make corporate-wide efforts to protect not only our own trade secrets but also national technologies, personal data and customers' information for our stakeholders. In accordance with the international standard "ISO 27001", we built our information security management system while undergoing certification process each year to maintain its effectiveness. In addition, we conduct real-time security control all year long in response to cyber-attacks such as malicious code and hacking while checking and improving vulnerabilities in our IT system.



### Security Enhancement Program for OLED Suppliers

We have implemented a special security enhancement support program to help our key OLED suppliers maintain a high level of security and protect our national technology.



### Security Awareness

We have announced our "Information Security Management Policy" to share our CEO's commitment to information security while conducting security training and promotion to raise awareness of our employees. The annual security training program is carried out with a focus on security policy and its compliance and visitors are required to take online security training sessions on procedures before visiting our business sites. In addition, every second Wednesday of July is designated as "Information Security Day", and various security-related programs are conducted to form a corporate-wide consensus on the importance of security. Meanwhile, such activities as promotion of security policies through internal posts, and idea contests are organized as part of our efforts to create a security culture.

#### Information Security Policy

**We recognize information security as an essential part of our business operation and comply with the following principles to maintain our business practice and build trust both in and outside the company.**

- Every employee who has access to our information is required to comply with security procedures and protect information at all times.
- We create a healthy security culture through training, inspection and communication.
- We maintain a reasonable level of control and investment for security.
- We ensure full compliance with legal and contractual security requirements.
- We help our supply chain maintain the same level of security as our own.

## Tax Policy

### Tax management Activities

At LG Display, our tax practices are reported to the Board of Directors Audit Committee and management in line with the types of tax and by importance through a tax management process as part of our efforts to take a proactive approach to tax risks. In order to maintain compliance with tax laws and regulations, we define the responsibilities and duties related to tax reporting and payment while having a dedicated department work on it. In addition, we improved our understanding of tax affairs through continuous personnel training on computer systems. In the case of important tax report, we make sure to fulfill our obligations as a taxpayer by consulting an external accounting firm. Furthermore, our experts deal with the tax authority when it comes to uncertain tax regulations and individual matters with a high level of risk.

### Overseas Tax Obligation

For overseas tax payment, we implemented the same level of tax payment process as domestic business sites and fulfill our duties as a taxpayer under local tax laws. In addition, we follow the OECD Guidelines and local tax regulations when it comes to transfer price.

### Tax Deduction for Research and HR Development Costs

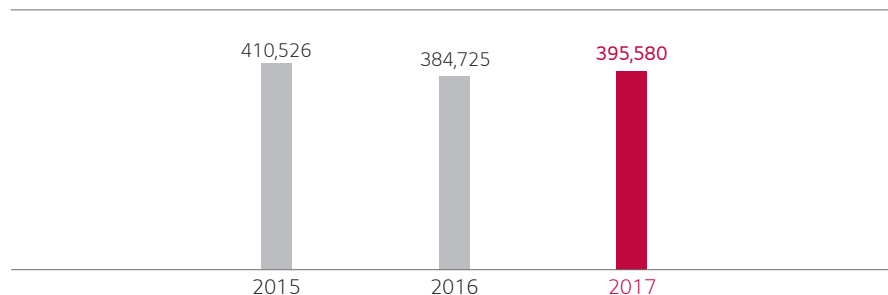
The tax authority uses a tax credit system to promote investment and research and development of Korean companies. Tax credits are made mainly within a certain amount of taxable income, and the scope of tax credits is determined by the future taxable income and its amount. Due to the nature of our business, we make large-scale investment in our facilities and R&D projects and receive a considerable amount of tax credits as a result.

### Disclosure of Tax Information

We disclose our corporate tax information and payment details through DART (Data Analysis, Retrieval and Transfer system) of Financial Supervisory Service. Such information as sales, current net profit and corporate tax is disclosed in the notes of the consolidated financial statements included in our business report.

#### Corporate Tax Payment

[Unit: KRW 1 million]



\*Transfer price: a price applied for the transfer of raw materials, products or services between enterprises under common ownership or control.

## Human Rights Management

LG Display complies with the UN Declaration of Human Rights and other standards and regulations on labor and human rights of international organizations including the International Labor Organization (ILO). Based on our management philosophy of respect for human dignity and the spirit of Jeong-Do management, we have established human rights guidelines covering work environment, guarantee of freedom and respect for human dignity. Going forward, LG Display will respect the human rights of its constituents and fulfill its roles as a global corporate citizen.

### LGD Human Rights Guideline

We respect each and every employee as a human being and prevent inhumane treatment



Respect for Human Rights

We do not force employees to work against their free will by imposing unfair restrictions on their physical or mental liberties.



Prohibition of Forced Labor

We prohibit the employment of minors under the age of 15 and if we hire any employee under the age of 18, he or she shall be excluded from high-risk work in terms of safety and health.  
If a person is found to be a minor (under the age of 15) after recruitment, we shall take immediate action according to prescribed procedures.



Prohibition of Child Labor

We do not discriminate on the grounds of an employee's gender, race, nationality, disability, religion or union activity.



Anti-discrimination

We comply with working hours set by the labor relations laws of each country and region.



Working Hours

We pay wages above the minimum level set by the labor relations laws of each country and region.



Wage and Welfare

We provide communication opportunities between employees, guarantee their freedom of association and prohibit disadvantageous treatment.



Freedom of Assembly and Association

We comply with labor conditions set forth in the labor relations laws of each country and region



Compliance with Labor Laws



# SUSTAINABILITY

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# PERFORMANCE

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- 73 Economic Performances
- 74 Social Performances
- 76 Environmental Performances



## Economic Performances

### R&D Investments

Category	Unit	2015	2016	2017
R&D cost	KRW 1 million	1,546,840	1,423,247	1,911,690
R&D-to-sales ratio	%	5.4%	5.4%	6.9%

### Government-funded R&D Project Cost

Category	Unit	2015	2016	2017*
Government-subsidy	KRW 100 million	148.8	168.5	21.7

\*The Government project ended in 2017.

### Financial Statements

Category	Unit	2015	2016	2017
Assets		22,577	24,884	29,160
Liabilities	KRW 1 billion	9,872	11,422	14,178
Capital		12,704	13,462	14,981

### Financial Performances

Category	Unit	2015	2016	2017
Sales		28,384	26,504	27,790
Cost of sales		24,070	22,754	22,424
Gross profit on sales		4,314	3,749	5,366
Operating profits	KRW 1 billion	1,626	1,311	2,462
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)		5,001	4,333	5,676
Net income before tax		1,434	1,316	2,333
Net profits		1,023	932	1,937

## Social Performances

### Employee Status

Category	Unit	2015	2016	2017
Domestic	Male	23,885	23,557	25,109
	Female	8,725	8,453	8,226
	Subtotal	32,610	32,010	33,335
Overseas	Male	9,940	10,678	12,614
	Female	7,731	7,665	8,662
	Subtotal	17,671	18,343	21,276
Total	Persons	50,281	50,353	54,611
Percentage of female employees	%	32.7	32.0	30.9

\*Employee data is as of December 31, 2017.

#### New Employment and Employee Turnover Rate

Category		Unit	2015	2016	2017
New employment	Office	Without job experience	497	515	1,150
		With job experience	191	72	181
	Production line	Without job experience	479	18	684
		With job experience	-	-	1
Turnover rate		%	3.5	3.2	3.1

#### Minority Rate

Category		Unit	2015	2016	2017
Employees with disabilities (including Nanumnuri)	No. of Persons	Persons	529	668	756
	Percentage	%	1.6	2.1	2.3
Patriots and veterans	No. of Persons	Persons	342	354	355
	Percentage	%	1.0	1.1	1.1

#### Training Hours per Employee

Category	Unit	2015	2016	2017
Number of trainees	Persons	32,646	32,570	33,207
Total training hours	Hours	1,626,283	1,660,610	1,773,139
Annual average training hours per employee	Hours	50	51	53

#### Rate of Employees Subject to Labor union and Collective Bargaining

Category	Unit	2015	2016	2017
Number of labor union members	Persons	21,703	21,125	21,219
Number of eligible employees	Persons	31,332	32,010	33,335
Membership rate	%	69.3	66.0*	63.7

\* Membership rate in 2016 is different from the previous report due to the change of the number of employees

#### Number of Employees Covered by Corporate Pension Plan

Category	Unit	2015	2016	2017
DB (Defined Benefit)	Persons	32,286	31,300	32,102
DC (Defined Contribution)		5	26	59

Employee Training Hours and No. of Trainees for Human Right Policy and Procedures

Category		Unit		2015		2016		2017	
Training hours	Group training	Prevention of sexual harassment	Hours	31,518		30,800		183	
		Others*		3,763		3,680		4,518	
	e-Learning	Prevention of sexual harassment	Hours	10,750		1,420		30,520	
		Jeong-Do management course		11,427		10,383		16,047	
No. of trainees	Group training	Prevention of sexual harassment	Persons	21,012		30,800		183	
		Others*		569		2,517		1,907	
	e-Learning	Prevention of sexual harassment	Persons	10,750		1,420		30,520	
		Jeong-Do management course		8,025		4,382		16,799	

\*This includes subcontract law and fair trade training.

Percentage of Expenditure on Local Suppliers

Category	Unit	2015	2016	2017
Korea		72	75	75
China	%	67	63	66
Poland		94	93	100

Number of Employees Who Received Regular Performance Evaluation

Category	Unit	2015	2016	2017
Employees subject to regular performance evaluation and career development assessment	Persons	31,332	30,939	30,405
Employee ratio subject to regular performance evaluation and career development assessment	%	94.7	94.3	90.1

Use of Parental Leave

Category	Unit	2015	2016	2017
No. of employees on parental leave		1,084	1,255	1,381
No. of employees returning to work after parental leave	Persons	725	876	724
No. of employees working for 1 year after parental leave		253	286	389

Disaster Rate

Category	2015	2016	2017
Disaster rate*	0.016	0.040	0.066
Occupational disease	0	0	0

\*Disaster rate=(no. of victims / no. of workers) X 100

\*\*Conduct accident management of suppliers from 2016



#### Number of Complaints Received through Official Grievance Channels

구분	단위	2015	2016	2017
No. of complaints related to social impact		74	82	93
No. of complaints under resolution	Cases	-	-	-
No. of complaints resolved*		73	82	93

\*One of the anonymous complaints in 2015 is 'unresolved' because of the unclear contents.

#### Social Contribution Investment and Participation\*

구분		Unit	2015	2016	2017
Social contribution investments	Expense for social contribution**	KRW 1 million	16,327	24,560	19,893
Social contribution	No. of social contribution	Volunteering	2,618	2,871	2,785
		Donation	44	41	48
	No. of participants (some participants can be counted more than once)	Volunteering	31,541	32,182	30,520
		Donation	5,619	6,519	10,000
	LGDream Fund***	KRW 1 million	133	136	137

\*LG Display has never used donations for specific organizations or political sponsorship.

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

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

## Environmental Performances

#### Use of Raw Materials (Domestic)

Category	Unit	2015	2016	2017
Backlight	1,000	260,566	184,776	188,328
Glass	m <sup>2</sup>	96,500,167	99,591,208	98,747,370
Polarizer	1,000	673,125	583,968	536,364
Drive IC	1,000	1,168,746	1,151,032	1,203,277
Liquid Crystal	kg	130,093	132,783	133,760

#### Total Water Withdrawals by Source (Domestic)

Category	Unit	2015	2016	2017
Industrial water		74,879,544	71,019,510	72,387,430
Residential water	ton	1,713,179	1,668,791	1,643,386
Groundwater		385,600	359,301	270,002
Subtotal		76,978,322	73,047,602	74,300,818

#### Water Reuse Rate (Domestic)

Category	Unit	2015	2016	2017
Volume reused	ton	105,473,313	106,882,416	109,828,429
Reuse rate*	%	137	146	148

\*Reuse rate= Volume reused / (Industrial water+Residential water+Groundwater) x 100

## Emissions of Air Pollutants (Domestic)

Category	Unit	2015	2016	2017
NOx		31,506	36,458	50,714
SOx	kg/yr	19,161	16,613	51,405
Dust		75,119	72,838	93,478

## Discharge of Water Pollutants (Domestic)

Category	Unit	2015	2016	2017
BOD		25.7	25.6	26.5
COD	ton/d	9.4	9.7	13.6
SS		6.8	7	6.9

## Waste Production &amp; Recycling Rate (Domestic and Overseas)

Category		Unit	2015	2016	2017
Domestic	Hazardous wastes	Disposed	1,293	747	2,475
		Recycled	125,513	80,015	94,041
	Non-hazardous wastes	Incinerated	1,062	1,144	1,094
		Landfilled	11,142	4,215	1,914
		Recycled	38,106	33,867	42,811
		Buried under the sea	-	-	-
	Subtotal	ton	177,116	119,988	142,335
	Recycling rate	%	92.4	94.9	96.1
Overseas (China)	Hazardous wastes	Disposed	7,872	11,905	9,672
		Recycled	9,026	10,684	13,174
		Others	7	90	-
	Non-hazardous wastes	Incinerated	339	500	3,331
		Landfilled	4,024	4,471	6,558
		Recycled	24,823	21,405	14,156
	Subtotal	ton	46,091	49,055	46,891
	Recycling rate	%	73.5	65.4	58.3

## Energy Intensity (Domestic and Overseas)

Category	Unit	2015	2016	2017
Energy consumption	TJ	67,257	70,320	63,451
Production capacity	1,000 glasses	8,609	8,996	9,262
Energy intensity	TJ/1,000 glasses	7.8	7.8	6.9

**Energy Consumptions at Business Sites (Domestic and Overseas)\***

Category		Unit	2015	2016	2017
Domestic	Direct energy	LNG	1,184	1,051	1,274
		Bio-energy	-	-	-
		Others	200	231	186
	Indirect energy	Electricity	58,560	58,896	61,691
		Steam	202	245	299
	Subtotal	TJ	60,146	60,423	63,451
Overseas**	Direct energy	LNG	122	307	224
		Bio-energy	-	-	-
		Others	-	6	17
	Indirect energy	Electricity	6,899	9,508	11,869
		Steam	90	77	100
	Subtotal	TJ	7,111	9,897	12,209

\*The energy consumption data are calculated based on the specification standards of "GHG & Energy Target Management System".

\*\*The overseas business sites data are calculated by totaling the emissions in China and Poland. (energy consumption, GHG emissions)

※ Energy consumption may be partly different from the data in the specifications due to the exclusion of digits.

**GHG Emissions (Domestic and Overseas)\***

Category		Unit	2015	2016	2017
Domestic	Scope1		4,558,815	3,229,772	3,315,992
	Scope2	tCO <sub>2</sub> eq	2,845,479	2,861,844	2,997,639
	Subtotal		7,404,287	6,091,611	6,313,624
Overseas**	Scope1		29,522	26,961	25,410
	Scope2	tCO <sub>2</sub> eq	645,723	876,248	1,090,646
	Subtotal		675,245	903,209	1,116,056

\*GHG emission is calculated based on the specification standards of "GHG & Energy Target Management System".

\*\*Overseas GHG Emissions may be partly different from the subtotal due to the reason of cutting digits.

**Scope3 GHG Emissions**

Category		Unit	2015	2016	2017
Employee business travel		tCO <sub>2</sub> eq	4,180	6,279	6,814
Transportation of products	Shipping	tCO <sub>2</sub> eq	4,734	4,523	3,943
	Import		2,247	1,877	1,912
Purchased products and services		tCO <sub>2</sub> eq	400,534	448,117	554,668
Processing of products sold		tCO <sub>2</sub> eq	49,632	45,831	72,392

**GHG Reduction (Domestic)**

Category	Unit	2015	2016	2017
Domestic	tCO <sub>2</sub> eq	431,795	1,450,656	1,321,515

# APPENDIX

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- 85 Memberships





## GRI Index

### GRI-102 : General Disclosures

Topic	Standard	Indicators	CASS-CSR 3.0	페이지
Organizational Profile	102-1	Name of the organization	P4.1	5
	102-2	Activities, brands, products, and services	P4.2	12-13
	102-3	Location of headquarters	P4.1	2
	102-4	Location of operations		8-9
	102-5	Ownership and legal form	P4.1	64-65
	102-6	Markets served	P4.4	8-9
	102-7	Scale of the organization		8-9, 73
	102-8	Information on employees and other workers	P4.5, S2.1	73-74
	102-9	Supply chain	M3.5	10-11, 46-51
	102-10	Significant changes to the organization and its supply chain	P4.7	16-17
	102-11	Precautionary Principle or approach		68
	102-12	External initiatives	G1.2, E1.3	51, 84
	102-13	Membership of associations	P4.6	85
Strategy	102-14	Statement from senior decision-maker	P3.1, P3.2	4-5
	102-15	Key impacts, risks, and opportunities	P3.1, P3.2	4-5, 68
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	G1.1, M3.2-3.3	66-67
	102-17	Mechanisms for advice and concerns about ethics		66-67
Governance	102-18	Governance structure	G2.1, G2.3, G2.4	64-65
	102-22	Composition of the highest governance body and its committees		64-65
	102-23	Chair of the highest governance body		64-65
	102-24	Nominating and selecting the highest governance body	M1.1	64-65
	102-34	Nature and total number of critical concerns		64-65
	102-35	Remuneration policies		64-65
Stakeholder Engagement	102-40	List of stakeholder groups	G5.1	61
	102-41	Collective bargaining agreements	S2.2	74
	102-42	Identifying and selecting stakeholders	G5.2	61
	102-43	Approach to stakeholder engagement	P2.3, M2.13	61
	102-44	Key topics and concerns raised	G5.3, M2.13	61
Reporting Practice	102-45	Entities included in the consolidated financial statements	P1.3, P4.3	8-9
	102-46	Defining report content and topic Boundaries	P1.1, P2.2, G1.3	62-63
	102-47	List of material topics	P2.2, G1.3	62-63
	102-48	Restatements of information		N/A
	102-49	Changes in reporting		16-17
	102-50	Reporting period	P1.2	2
	102-51	Date of most recent report	P1.2	2
	102-52	Reporting cycle	P1.2	2
	102-53	Contact point for questions regarding the report	P1.5, A4	2
	102-54	Claims of reporting in accordance with the GRI Standards	G4.1, A3	2
	102-55	GRI content index	G4.1	80-81
	102-56	External assurance	P1.1, A2	82-83

### GRI-103 : Management Approach

Topic	Standard	Indicators	CASS-CSR 3.0	페이지
Management Approach	103-1	Explanation of the material topic and its Boundary	P1.3	64-65
	103-2	The management approach and its components		64-65
	103-3	Evaluation of the management approach		64-65

**GRI-200 : Economic**

Topic	Standard	Indicators	CASS-CSR 3.0	페이지
Economic Performance	201-1	Direct economic value generated and distributed	M1.3-M1.6, S1.5	11
	201-2	Financial implications and other risks and opportunities due to climate change		28
	201-3	Defined benefit plan obligations and other retirement plans	S2.27-2.29	74
Indirect Economic Impacts	203-1	Defined benefit plan obligations and other retirement plans	S4.9-4.13	76
Procurement Practices	204-1	Proportion of spending on local suppliers		75
Anti-corruption	205-1	Operations assessed for risks related to corruption		66-67
	205-2	Communication and training about anti-corruption policies and procedures		66-67

**GRI-103 : Management Approach**

Topic	Standard	Indicators	CASS-CSR 3.0	페이지
Materials	301-2	Recycled input materials used	E2.13	28
Energy	302-1	Energy consumption within the organization	E2.3, E2.6	77-78
	302-3	Energy intensity	E2.4	77-78
	302-4	Reduction of energy consumption		27
	302-5	Reductions in energy requirements of products and services	E3.4	27
Water	303-1	Water withdrawal by source		28, 76
	303-3	Water recycled and reused	E2.17	28, 76
Emissions	305-1	Direct GHG emissions (SCOPE 1)		26, 78
	305-2	Energy indirect GHG emissions (SCOPE 2)		26, 78
	305-3	Other indirect GHG emissions (SCOPE 3)		78
	305-5	Reduction of GHG emissions	E2.19	26, 78
	305-7	NOx , Sox, and other significant air emissions	E2.8	77
Effluents and Waste	306-2	Waste by type and disposal method	E2.12	77
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations		N/A
Environmental Compliance	308-2	environmental impacts in the supply chain and actions taken	M3.5, M3.9	47

**GRI-400 : Social**

Topic	Standard	Indicators	CASS-CSR 3.0	페이지
Employment	401-1	New employee hires and employee turnover	S1.8, S2.31	74
	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	40
	401-3	Parental leave		75
Occupational Health and Safety	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	75
	403-4	Health and safety topics covered in formal agreements with trade unions		31
Training and Education	404-1	Average hours of training per year per employee	S2.18, S2.24~2.26, S3.3~3.4	75
	404-3	Percentage of employees receiving regular performance and career development reviews		75
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	S2.13~2.15	64-65
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		44-45
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments		44-45, 75
	412-2	Employee training on human rights policies or procedures		75
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	S4.1~4.4	76
Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	M3.5, M3.9	51

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

## Third Party's Assurance Statement

To the Readers of 2017-2018 LG Display Sustainability Report:

### Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of LG Display to verify the contents of its 2017-2018 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 2, 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.

The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI Standards which covers the followings.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
  - Management approach of Topic Specific Standards
  - Economic Performance: 201-1, 201-2, 201-3
  - Indirect Economic Impacts: 203-1
  - Procurement Practices: 204-1
  - Anti-Corruption: 205-1, 205-2
  - Materials: 301-2
  - Energy: 302-1, 302-3, 302-4, 302-5
  - Water: 303-1, 303-3
  - Biodiversity: 304-3
  - Emissions: 305-1, 305-2, 305-3, 305-5, 305-7
  - Effluents and Waste: 306-2
  - Supplier Environmental Assessment: 308-2
  - Employment: 401-1, 401-2, 401-3
  - Occupational Health and Safety: 403-2, 403-4
  - Training and Education: 404-1
  - Diversity and Equal Opportunity: 405-1
  - Freedom of Association and Collective Bargaining: 407-1
  - Human Rights Assessment: 412-1, 412-2
  - Local Communities: 413-1
  - Supplier Social Assessment: 414-2

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.

## Recommendation for improvement

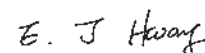
We hope the Report is actively used as a communication tool with stakeholders and we recommend the following for continuous improvements.

- LG Display has reinforced communication with stakeholders by reporting sustainability data that is not easy to track including GHG Scope 3. We recommend the company define priorities of topics that may affect its value creation in the short, medium, and long term and continuously reflect them in the value-creation process to improve authenticity and transparency.

## Our independence

With the exception of providing third party assurance services, KMR is not involved in any other LG Display's business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

June, 14th, 2018



CEO Eun Ju Hwang



Korea Management Registrar



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000-129



## UNGC & SDGs

### UNGC

LG Display participates in the United Nations Global Compact (UNGC), a voluntary corporate initiative designed to promote corporate social responsibility. We comply with its ten principles in the areas of human rights, labor, the environment and anti-corruption, while reporting the implementation status in our Communication on Process (COP) reports.

Category	Principles	Relevant Pages
Human Rights	Principle 1: support and respect the protection of internationally proclaimed human rights; and	37-39, 42-43, 45, 49, 58
	Principle 2: make sure that they are not complicit in human rights abuses.	
Labor	Principle 3: the freedom of association and the effective recognition of the right to collective bargaining;	42-43, 45, 58
	Principle 4: the elimination of all forms of forced and compulsory labor;	
	Principle 5: the effective abolition of child labor; and	
	Principle 6: the elimination of discrimination in employment and occupation.	
Environment	Principle 7: support a precautionary approach to environmental changes;	22-27
	Principle 8: undertake initiatives to promote environmental responsibility; and	
	Principle 9: encourage the development and diffusion of environmentally-friendly technologies.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	64-65

### UN SDGs

In 2016, the United Nations announced the Sustainable Development Goals (SDGs) consisting of 17 goals and 169 targets for all countries to jointly implement. The SDGs seek to eradicate absolute poverty, mitigate economic and social polarization and preserve sustainable environments. LG Display explores and implements mid- and long-term initiatives by associating the company's sustainability management goals with the SDG goals. We plan to actively contribute to achieving the SDGs for the sustainable development of our society.

#### SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities



Under the social contribution slogan "Love Raising Young Dreams," we provide opportunities for children and youths from socially vulnerable groups to fulfill their potential. As part of these efforts, we run the LG Dream School through which we build IT plants and our employees offer mentoring to underprivileged children to bridge the digital divide. We also undertake activities to improve poor educational environments in various parts of Vietnam, Cambodia and Mongolia. (pp. 51-54)

#### SDG 12. Ensure sustainable consumption and production



LG Display has established a hazardous substance management process to minimize the adverse impact of certain chemicals on the environment. In addition, we minimize the amount of waste generated and maximize resource circulation by, for instance, operating the Resource Recycling Center and developing new recycling technologies. (pp. 25-26)

#### SDG 13. Take urgent actions to respond to climate change



LG Display combats climate change in accordance with global standards, such as participating in the Carbon Disclosure Project and obtaining energy-management system certification (ISO 50001). We have established short-term as well as mid- to long-term targets for the reduction of greenhouse gas emissions and make investments to achieve them. At the same time, we continue various energy-saving activities through fuel substitution. (pp. 23-24)

## Awards and Memberships

### Awards

Category	Award	Host	Date
1	Minister's Prize at the 1st Happiness Sharing Awards	Ministry of Health and Welfare	2015
2	Grand Prize at the Family-friendly Management Awards	Korean Management Registrar	
3	Korea Chamber of Commerce Chairman's Prize at the 3rd Korea's Most Respected Companies	Ministry of Trade, Industry and Energy	
4	Prime Minister's Prize at the Korea Technology Awards (for the development of the world's first circular plastic OLED)	Ministry of Trade, Industry and Energy	
5	Minister's Prize at the 3rd Korea Big Data Awards	Ministry of Science, ICT and Future Planning	
6	Korea's Best Workplace 2016, Best Employers Korea Top 10 (Main Prize)	AON Hewitt	2016
7	Presidential Award at the Korea Technology Awards (for developing the world's first 65-inch QUHD LCD TV panel)	Ministry of Trade, Industry and Energy	
8	Minister's Commendation in manufacturing section at the 15th Korea SCM Industry Awards	Ministry of Trade, Industry and Energy	
9	Minister's Award for contribution to Korea-China partnership in celebration of the 1st Anniversary of Korea-China FTA	Ministry of Trade, Industry and Energy	
10	Best in Show: 77-inch Ultra HD OLED TV	Society for Information Display (SID)	
11	Outstanding Domestic Enterprise for Water Stewardship at CDP Awards	CDP Korea Committee	2017
12	IT Sector Honors for Response to Climate Change at CDP Awards	CDP Korea Committee	
13	Display of the Year: 65-inch UHD Wallpaper OLED TV Panel	Society for Information Display (SID)	
14	Achievement Award: Contribution to developing large OLED panels and pioneering the TV market	Organic EL Conference	
15	Korea's Best Workplace 2017, Best Employers Korea Top 10 (Main Prize)	AON Hewitt	
16	CDP Carbon Management Honors Club	CDP Korea Committee	
17	Presidential Award at the 39th Korea Energy Efficiency Awards	Ministry of Trade, Industry and Energy & Korea Energy Agency	
18	Grand Prize at the AEO Best Practice Competition	Korea Customs Service	
19	King Sejong Award at 2017 Patent Technology Awards	Korea Customs Service	

### Memberships

Category	Name of Organization	Category	Name of Organization
1	Korea Intellectual Property Association	7	Korea Display Industry Association
2	Korean Information Display Society	8	Nano Technology Research Association
3	Korea Printed Electronics Association	9	Fair Competition Federation
4	Korea Listed Companies Association	10	UN Global Compact Network Korea
5	Korean Association for Industrial Technology Security	11	Korea Chamber of Commerce
6	Korea International Trade Association		



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DREAM,  
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2017-2018

**LG Display**  
Sustainability Report

**Contact Information**

Address	LG Twin Towers (East Tower) 128 Yeoui-daero, Youngdeungpo-gu, Seoul, 07336, Korea
Tel	+82. (0)2.3777.0971
Email	csr@lgdisplay.com





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