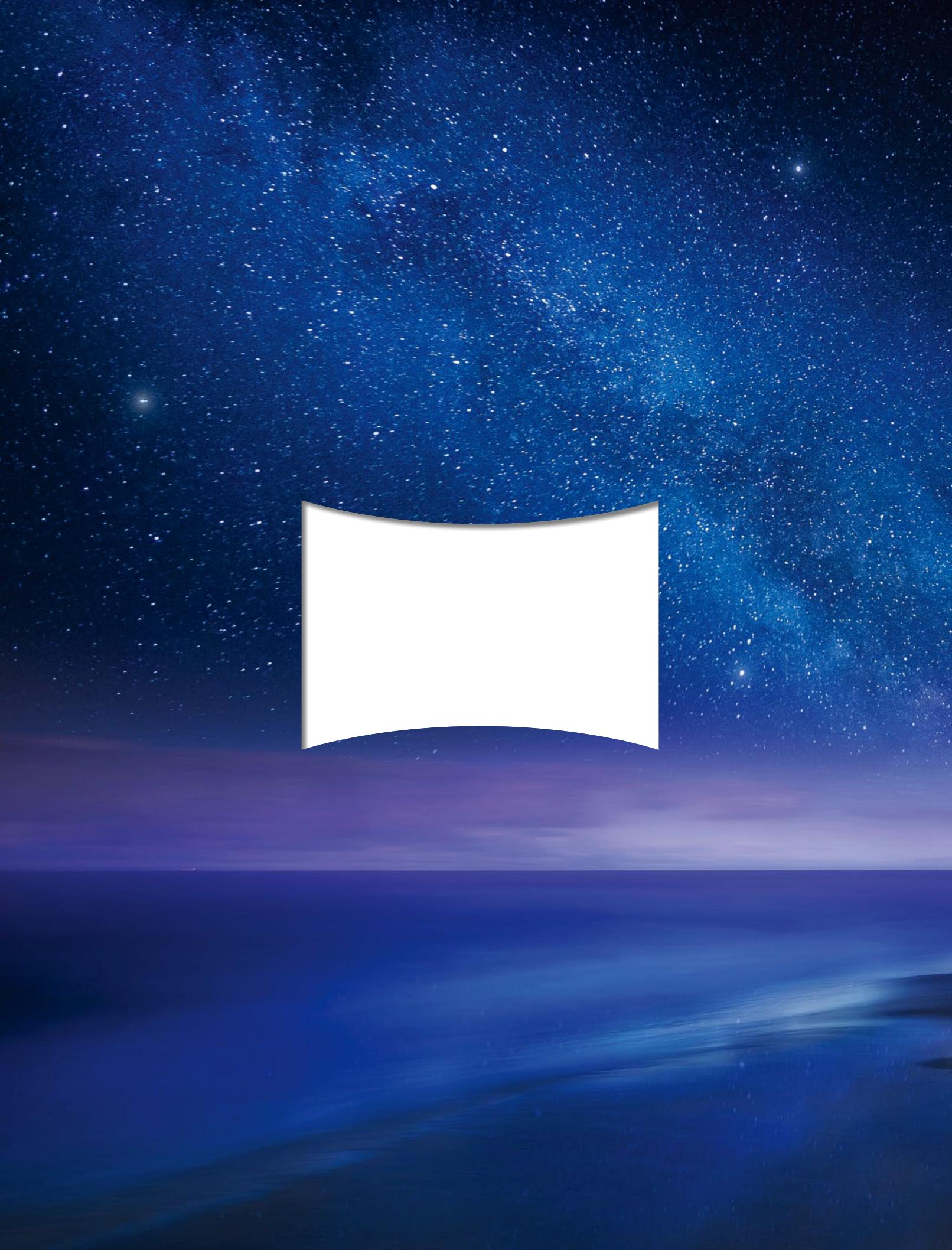


SAMSUNG DISPLAY

Sustainability Report 2021



SAMSUNG DISPLAY



We see it through —



to a sustainable tomorrow.

To see into the world is something much deeper than simply seeing the world as it is. When seeing into the world, we find ourselves and are then able to see the global community with whom we share the world.



Displaying the world is much more than a simple representation of the world as it is. This enables viewers to glimpse into unlimited possibilities, the inner workings of Mother Nature, and communication and the sharing that takes place therein.



Transcending the given shapes of rectangles or circles, we move into a world of limitless possibilities that moves beyond our comprehension and into a more flexible, innovative and sustainable future brought forth from within.



ABOUT THIS REPORT

Report Overview

Samsung Display publishes its first Sustainability Report to transparently disclose and communicate the economic, social and environmental values and achievements generated from its business operations with wide-ranging stakeholders.

Reporting Period

This Report covers our economic, social and environmental performance and activities from January 1, 2020 to December 31, 2020, and for some achievements in this report may include information dated to May 2021. Quantitative data for three or more fiscal years are provided for performance requiring trend analysis over time.

Reporting Scope

This Report covers all our worksites and supply chain in Korea and abroad. Performance with different reporting scope is marked separately to provide additional information for readers.

Reporting Standards

This Report was created in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards, and reflected the UN Sustainable Development Goals (SDGs) and Task Force on Climate-related Financial Disclosures (TCFD) indicators. Financial performance data in this report is based upon consolidated K-IFRS accounting standards.

Report Assurance

This Report was assured by BSI, an independent third-party assurance provider, to establish the reliability of the report content, and the assurance engagement was conducted in accordance with the international assurance standards of AA1000 AS.

Further Details

This Report was published in Korean and English, and is available and downloadable on our official website and on our Newsroom website. For inquiries on this Report, please contact us at:

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Samsung Display Newsroom	news.samsungdisplay.com
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Cover Story	See through Samsung Display Encountering a sustainable life & world

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CEO MESSAGE

Distinguished Stakeholders,

Samsung Display achieved meaningful business outcomes amid challenging times of the past year. I would like to extend my heartfelt gratitude to our customers, suppliers, and employees for their support and encouragement. Starting from this year, we are to deliver much needed in-depth information on our business performance and overall management activities by publishing Sustainability Reports. We look forward to your keen interest in our sustainability journey in the years ahead.

We will trail blaze the display industry with our unrivaled technologies and products.

Due to impacts of COVID-19, many parts of our daily lives have been rapidly digitalized. As virtual communication enabled by smartphones and laptops has become a norm in our day-to-day routines, today's customers are increasingly looking for displays with higher resolutions and new designs.

In our preemptive response to this emerging market trend, we became the first in the industry to commercialize UTG™ (Ultra Thin Glass) as the cover window for foldable displays in 2020. We are also playing as a game changer for the laptop market with our OLED technology that delivers differentiated image quality.

On the strength of our leadership in self-illuminating technology accumulated in the mobile OLED display sector, we are investing in the commercialization of Quantum Dot (QD) displays. As soon as QD displays – which are capable of delivering a broader color gamut with a higher contrast ratio and a wider viewing angle - are successfully deployed on a commercial scale, this will bring new growth opportunities in the large display industry which has been stagnant for many years.

We believe displays create connections among people and between people and the world. Samsung Display adds sustainable value to our lives with innovative technology that goes beyond our imaginations.



Joo-Sun Choi
President & CEO, Samsung Display Co., Ltd.



As a global leading company, we will place environmental and social value before all else.

Samsung Display will value the sustainability of our society and communities in the entire product manufacturing process, and in so doing, will minimize its environmental impact and become a well-trusted company within the global community.

As a testimony to our commitment, our Asan 1 Worksit received the Zero Waste to Landfill validation of the highest Platinum level from the global certification body UL (Underwriters Laboratories) in 2020. We also made numerous achievements in ensuring the environmental safety of our products: we earned validation of Energy Savings from UL (Samsung Electronics' Galaxy S20), certification for the Eye Care Display from SGS (Société Générale de Surveillance) (all Galaxy S20 Series models) and the Environmental Product Declaration (EPD) certification from the Ministry of Environment (Galaxy Z Flip). As such, we gained external recognition for the sustainability of our products.

On top of this, we were named the 'Most Excellent Honorary Company' in the Win-Win Index 2019. Also, following the 'Book Woollim', a program to facilitate reading among teens, that has been in place since 2014, we have launched a CSR initiative to protect teens from violence in cyber space. Likewise, we are actively engaging in activities to realize Samsung Group's CSR vision of 'Together for Tomorrow! Enabling People'.

We will demonstrate our renewed commitment with 'Samsung Display 2025 Sustainable Value' strategy.

In the second half of 2020, we set our mid/long-term ESG strategy 'Samsung Display 2025 Sustainable Value' and realigned our ESG management strategy under the goal of generating long-term value to meet the expectations and needs of wide-ranging stakeholders. Building upon our membership in the RBA (Responsible Business Alliance), we will also expand our ESG value management befitting global standards.

Though unprecedeted impacts of the pandemic and the rapidly-shifting supply chain are expected to protract uncertainties in the business landscape for the time being, we will make best endeavors to attain the set business goals and create sustainable values with thorough preparedness. Also, we vow to steadily improve our fundamentals and pursue innovation to muster up the strength necessary to attract new business opportunities while keeping any and all negative factors at bay. Ultimately, this will drive us to evolve into a company trusted by our employees, customers, consumers, supply chains and the whole of society.

We thank you for your unwavering encouragement and ask for your continued support in our journey towards sustainability.

Thank you.

June 2021

OUR COMPANY

Company Information

Company Overview

Name	Samsung Display Co., Ltd.
Establishment	April 1, 2012
CEO	Joo-Sun Choi
Headquarters	Samsung Display Giheung Worksite, 1, Samsung-ro, Giheung-gu, Yongin City, Gyeonggi Province, Korea



Employees

72,876 persons
(as of Dec. 31, 2020)



Sales

KRW 30.5 trillion
(Based on 2020 performance)

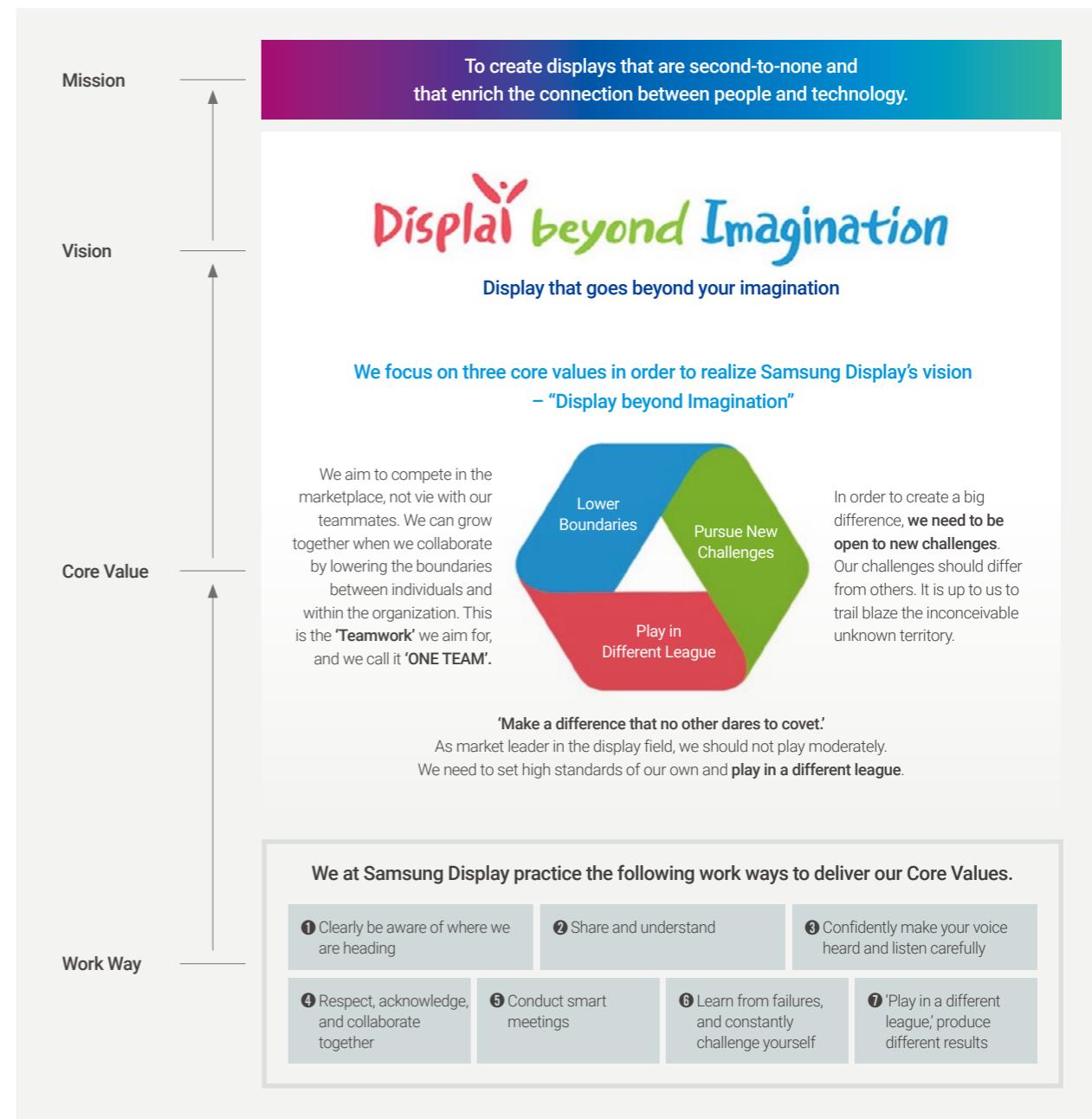
History



- 2020** — Sep. Commercialized the world's first foldable OLED with 1.4R curvature
Feb. Commercialized UTG technology for foldable smartphones
- 2019** — Jan. Developed the world's first UHD resolution 15.6-inch laptop OLED display
Oct. Announced investment in QD display
- 2018** — Jun. Mass-produced the world's first 65/75-inch 120Hz 8K TVs (mass-produced 82-inch TVs in Sep.)
- 2017** — May. Developed the world's first 9.1-inch stretchable OLED panel
Jan. Mass-produced the world's first Full Screen OLED panels
- 2016** — Dec. Ranked first in market share in the 65-inch and larger ultra-large-size LCD panel market
Jan. Mass-produced the world's first quad edge display panel
- 2015** — Jun. Developed the world's first 55-inch mirror OLED panel
Developed the world's first transparent 55-inch OLED panel
Feb. Mass-produced the world's first dual edge display panel
- 2014** — Aug. Mass-produced the world's first flexible display panels
- 2013** — Jan. Mass-produced 85-inch UHD TV display panels
Developed the world's first 55-inch curved OLED panel
- 2012** — Apr. Established Samsung Display

SDC Culture

Samsung Display established 'SDC Culture' so that we can create our unique, interactive, and continuously evolving corporate culture based on our own consensus-based value system. We have selected main keywords through employee surveys, and defined three Core Values and seven Work Ways through interviews and workshops conducted at respective job levels. To further improve our corporate culture and work environment, we are identifying best practices within the organization and extending the scope of their application.



GLOBAL NETWORK

As of the end of 2020, Samsung Display has established presence in 11 countries in addition to Korea with a network of 17 sales offices, 7 production sites, and 4 research centers.



BUSINESS DIVISIONS

OLED

Samsung OLED is pioneering the innovation of display with clear image quality, slim design, and low-power consumption technology

- Maximum brightness of 1,609cd/m² & color gamut of 120% DCI-P3 coverage enable sharper color expression
- Improved 'outdoor visibility' offers more lifelike experience for a variety of visual content

- Self-illuminating materials deliver an even wider color gamut
- DisplayMate awarded the Galaxy Note 20 Ultra the highest grade of "Excellent A+" rating for image quality in its display performance assessment.



**Why
Samsung OLED?**

OLED™
Provided by Samsung

Clear image quality

Rich color expression

**Low power consumption,
Longer battery life**

- Simple structure allows for 30% thinner and lighter design than LCDs
- Increased battery space inside the product makes OLED optimized for mobile devices

- Low-power OLED technology
- Commercialization of low-power technology 'Adaptive Frequency': Automatically adjust display refresh rates from 10Hz to 120Hz depending on user patterns to minimize overall power consumption
- With the rise of high-definition video streaming and gaming content, increased usage time drastically improves usability
- Earned certification for Eye Care Display from the global certification body SGS, and validation of Energy Savings from UL¹⁾

- Vivid & dynamic image quality
- Smooth, non-blurry screen
- Proprietary brand 'Iris Ring'

- Multi-tasking functionality by splitting the large screen into multiple sections
- Convenience and portability



Galaxy S21+/S21

Smartphone



Galaxy Z Fold2

Foldable Display



Samsung Notebook Odyssey

Notebook



Galaxy Watch 3 (Original/Titanium)

Smartwatch

Product Application

- Spectacular color expression
- Quick response time

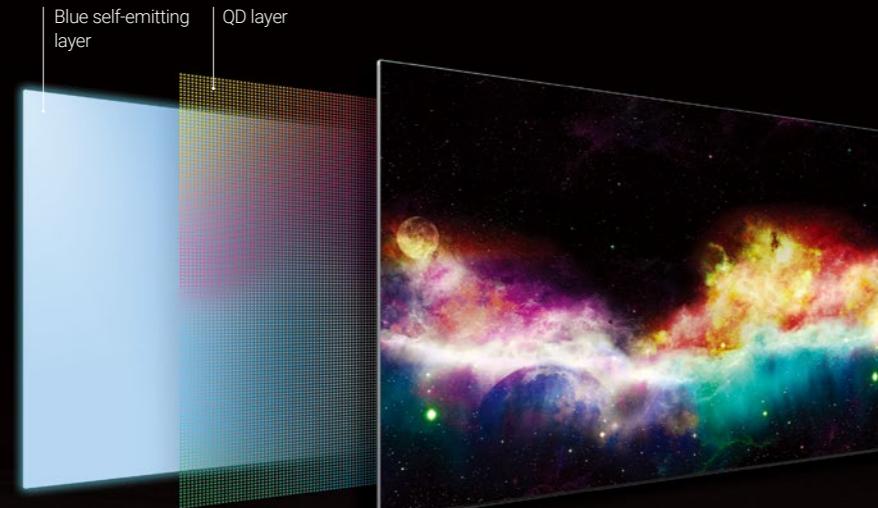
- Natural round design
- Outdoor visibility
- Always On Display (AOD)

¹⁾ Underwriters Laboratories Inc

QD DISPLAY

Self-emissive quantum dots (QDs) are capable of reproducing accurate and detailed colors across the broad spectrum of light and shade levels. With their efficient use of light and simple structure, QDs are being used in the next generation of large displays.

QD Display Structure and Principle



Blue self-emitting

With the intense energy from blue light, QDs can create richer colors. By quickly turning on and off individual pixels, QDs seamlessly deliver the deep and rich quality of perfect blacks.

Quantum Dots

As very small semiconductor crystals that emit their own light, they create a wider variety of colors at wider angles. Also, they are structurally simpler and more efficient than LCD, providing for lighter and thinner displays.

Advantages of QD Displays

Sharper and more accurate picture quality

- Wider and richer color expression
- Bright and clear image quality from any viewing angle

Deep and detailed picture quality

- High contrast ratio with flawless blacks
- Accurate color expression through pixel-level adjustments

LCD

Samsung Display's differentiated Vertical Alignment (VA) technology delivers even brighter and crisper images as well as eye-comforting viewing experience with LCD displays.

TV

- Precise expression of fine details with nearly 33M (7680 x 4320) pixels
- More realistic expression of depth and immersive image quality
- Smooth expression of gloss and shading
- Artificial Intelligence (AI) that converts any content to optimal 8K resolution.

Monitor

Curved Monitor

- Eye-comforting ergonomic design
- Enhanced efficiency with horopter effect
- Enhanced immersiveness with the three-dimensional view

High-end Monitor

- High-refresh rate/high-resolution monitor
- Professional application for gaming production and video editing



OUR SUSTAINABILITY FRAMEWORK

Samsung Display envisions a more sustainable future in reflection of today's rapidly-shifting business landscape. We are combining our leadership with our capabilities to advance sustainability management, and will share our progress with stakeholders in a transparent way.

2025 SUSTAINABLE VALUE

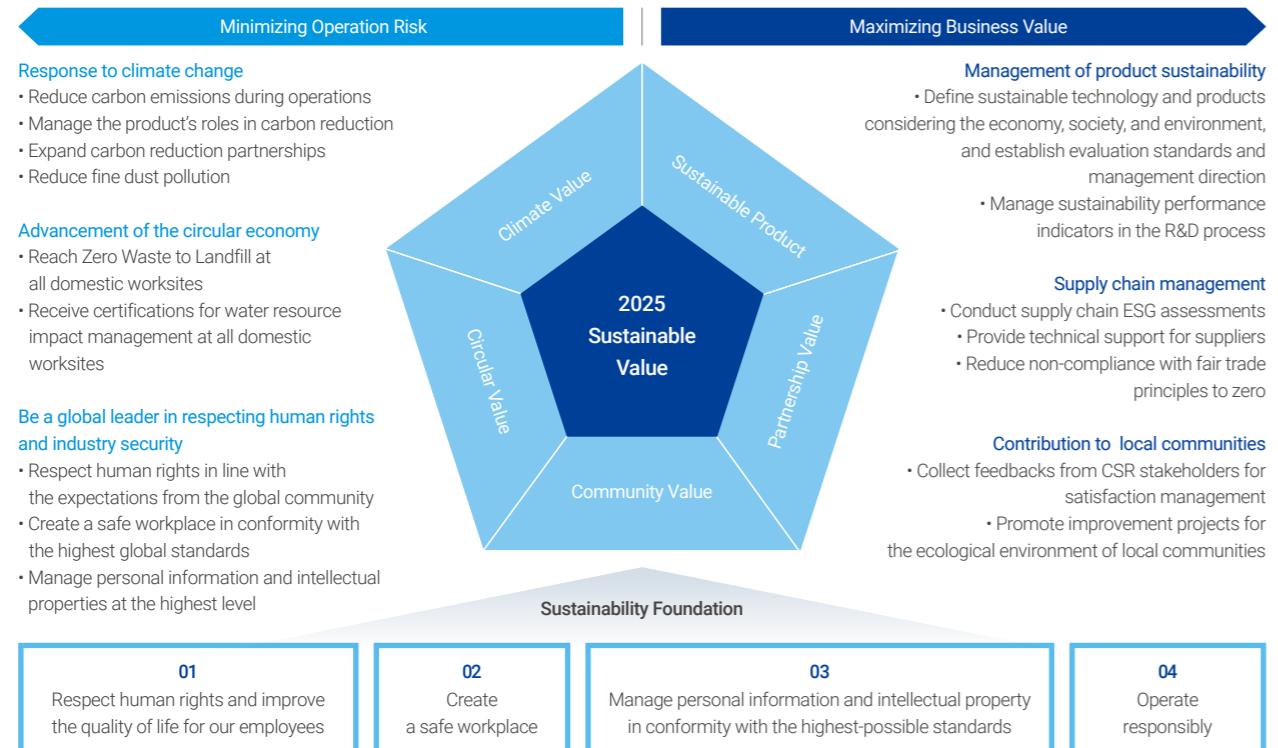
Sustainability Management Strategy

As a global leader in the display industry, Samsung Display has been prioritizing environmental and social values in the entire process of product manufacturing. We will further evolve into a global company that earns trust from our customers and the greater society, and that dedicates to the advancement and wellbeing of humanity.

In January 2021, we set our mid/long-term strategy '2025 Sustainable Value' to implement ESG value management at the company-wide level.

In February 2021, we joined the RBA (Responsible Business Alliance) to become a leader in ESG value management that befits global standards. With RBA membership being a watershed, we are taking preemptive endeavors to elevate our corporate value from the long-term perspective.

2025 Sustainable Value



5 Focus Areas

Samsung Display has defined five focus areas and set mid/long-term targets and tasks in each of these areas to systematically implement the company-wide sustainability management strategy '2025 Sustainable Value'. In so doing, we aim to fulfill our corporate social responsibility in consideration of our varying stakeholders, including customers, employees, suppliers and local communities.

The '2025 Sustainable Value' Strategy of Samsung Display is built upon four bedrock areas for sustainable management – respect for human rights and ensuring improved quality of life for employees, personal information and intellectual property management in accordance with the highest standards, and responsible business operation. In addition, this strategy defined five focus areas, which are Response to Climate Change, Advancement of the Circular Economy, Management of Product Sustainability, Management of Supply Chain, and Contribution to Local Community. Based on these areas, we will consistently maximize values that will bring in new business opportunities while paying heed to any potential downside factors to minimize operational risks.



- Creation of the Corporate Sustainability Governance Office (Sep. 2020)
- Communication Relay with the CEO
- Joining the RBA membership

Sustainability Management Governance

Samsung Display newly launched the Corporate Sustainability Governance Office under the Display Management Office in September 2020 to advance sustainability management at the company-wide level. Also, the CFO presides monthly 'Sustainability Management Council' meetings to share pending issues and review the progress made on improvement tasks. By working in tandem with the concerned departments, the Office is committed to undertaking implementation tasks in the focus areas as well as elevating our corporate brand value both internally and externally.

Far-reaching Campaigns to Promote SDC's Sustainability Management

In 2020, Samsung Display actively engaged in internal/external communication to publicize our achievements in practicing sustainability management and the sustainability of our technologies and products. Externally, we uploaded the videos, illustrations and other media content that we produced on our online channels – Samsung Display Newsroom and Youtube – and received positive responses from general display users, job applicants and other diverse stakeholders. We also reported our wide-ranging CSR activities through major media outlets across the nation and in the South Chungcheong area where we are based. Leveraging such outbound communications, we have been promoting our efforts for partner collaboration and its significance.

Meanwhile, as a part of our continued commitment to building a participatory corporate culture, Samsung Display also produced a special broadcasting series featuring the CEO that helps promote genuine communication between our employees and senior management and build consensus on the SDC core values. Such in-house campaigns for promoting sustainability values using media content were welcomed by our employees as an 'efficient awareness-building activity'.

The year 2021 marks a meaningful beginning of our RBA (Responsible Business Alliance) membership and declaring our commitment to 'ESG management'. We will share the notion of and necessity for ESG both inside and outside the company to fulfill our social responsibility and assist our employees in improving their sustainability awareness and competence.

MATERIALITY ANALYSIS

Stakeholders Engagement and Communication

			
Material issues <ul style="list-style-type: none"> Improvement in product quality and performance Protection of customer privacy Supply chain sustainability and green products Corporate social and environmental responsibility Clear communication 	Material issues <ul style="list-style-type: none"> Guarantee of basic rights and employment security at the workplace Improved diversity and inclusiveness Equal opportunity and fair performance evaluations Growth and self-development opportunities Safe and pleasant workplace Differentiated welfare and benefits program 	Material issues <ul style="list-style-type: none"> Fair trade and treatment Opportunity for aligned cooperation Support for infrastructure/equipment improvements Support for operational funds Support for sustainability capacity-building 	Material issues <ul style="list-style-type: none"> Communication with community members Revitalization of the local economy Infrastructure improvement in worksite vicinities for balanced regional development Stabilization of the local ecosystem and minimization of pollution Education for future generations COVID-19 support activities
Major Communication Channel <ul style="list-style-type: none"> Samsung Display official website Samsung Display Newsroom Periodic CSI (Customer Satisfaction Index) survey Periodic QTR (Quality Technical Review) 	Major Communication Channel <ul style="list-style-type: none"> In-house portal Samsung Culture Index (SCI) survey Voices, Change our Culture (VCC) survey Employees in charge of human rights and corporate culture at respective departments Grievance resolution channel Labor Management Council, Meeting over Tea Say+ In-house broadcasting ON DISPLAY 	Major Communication Channel <ul style="list-style-type: none"> Company-wide Supplier Collaboration Center Suppliers Council Suppliers Security Reporting Center Safety culture assessment Comprehensive Evaluation of Suppliers 	Major Communication Channel <ul style="list-style-type: none"> Briefing for community members Communication council (since 2017) Community social security council, community welfare center steering committee
Major Activity <ul style="list-style-type: none"> Provide product information, improve corporate value, and collect and address VOCs through the Samsung Display official website and Newsroom Operate 24/7 dedicated quality assurance teams for respective customer groups and collaborate with relevant departments at home and abroad Operate quality defect analysis sites at major overseas locations Endeavor to develop sustainable products Operate life-cycle quality management Strengthen industry security 	Major Activity <ul style="list-style-type: none"> Set human rights policies and provide company-wide human rights training programs Joint Labor-Management Conference and operate a Labor-Management TF Conduct workplace/corporate culture satisfaction surveys Assign department-level human rights/corporate culture personnel Operate the Reporting Center, and department-specific grievance handling boxes Support foreign employees' adaptation and create a barrier-free work environment for employees with disabilities Operate diverse health promotion programs including work-induced illnesses treatment, and provide welfare and benefits support Operate a maternity protection program Establish a new learning platform 'SDC Academia' Operate a job rotation system Support career consulting Share management messages and corporate news Build a positive corporate culture with expanded employee communication 	Major Activity <ul style="list-style-type: none"> Introduce and comply with fair trade regulations Operate Supplier Collaboration programs <ul style="list-style-type: none"> Provide technology development support, Win-Win Fund, Payment Support Fund, incentives, training support, and productivity innovation support Adopt the Supplier Code of Conduct Evaluate candidates on the result of self-reviews and on-site due diligence when selecting new suppliers Operate the "Eco Supplier" Certification program Conduct comprehensive evaluations on first tier suppliers Evaluate overseas suppliers on their compliance with labor/human rights standards Adopt conflict Minerals management policies 	Major Activity <ul style="list-style-type: none"> Operate community communication and preemptive response systems <ul style="list-style-type: none"> Pursue co-prosperity and resolve complaints by engaging village/organization heads in meetings Operate a complaint-dedicated council to resolve the complaints raised by community members Operate the Win-Win Council with local governments to vitalize the local economy Establish and implement a compensation system for community members Create and manage ecosystems in worksites near green belts and water sources Serve as a full member of local welfare center/organization associations <ul style="list-style-type: none"> Collect VOCs on local welfare programs and share CSR activities Engage in employee volunteer/CSR activities

We, at Samsung Display, define our customers, employees, suppliers, local communities, NGOs, CST associations, specialized institutions, governments and media outlets as our major stakeholders. We operate a wide array of communication channels to identify our stakeholders' key topics of interest, and we are committed to integrating opinions of our stakeholders across all our business operations.

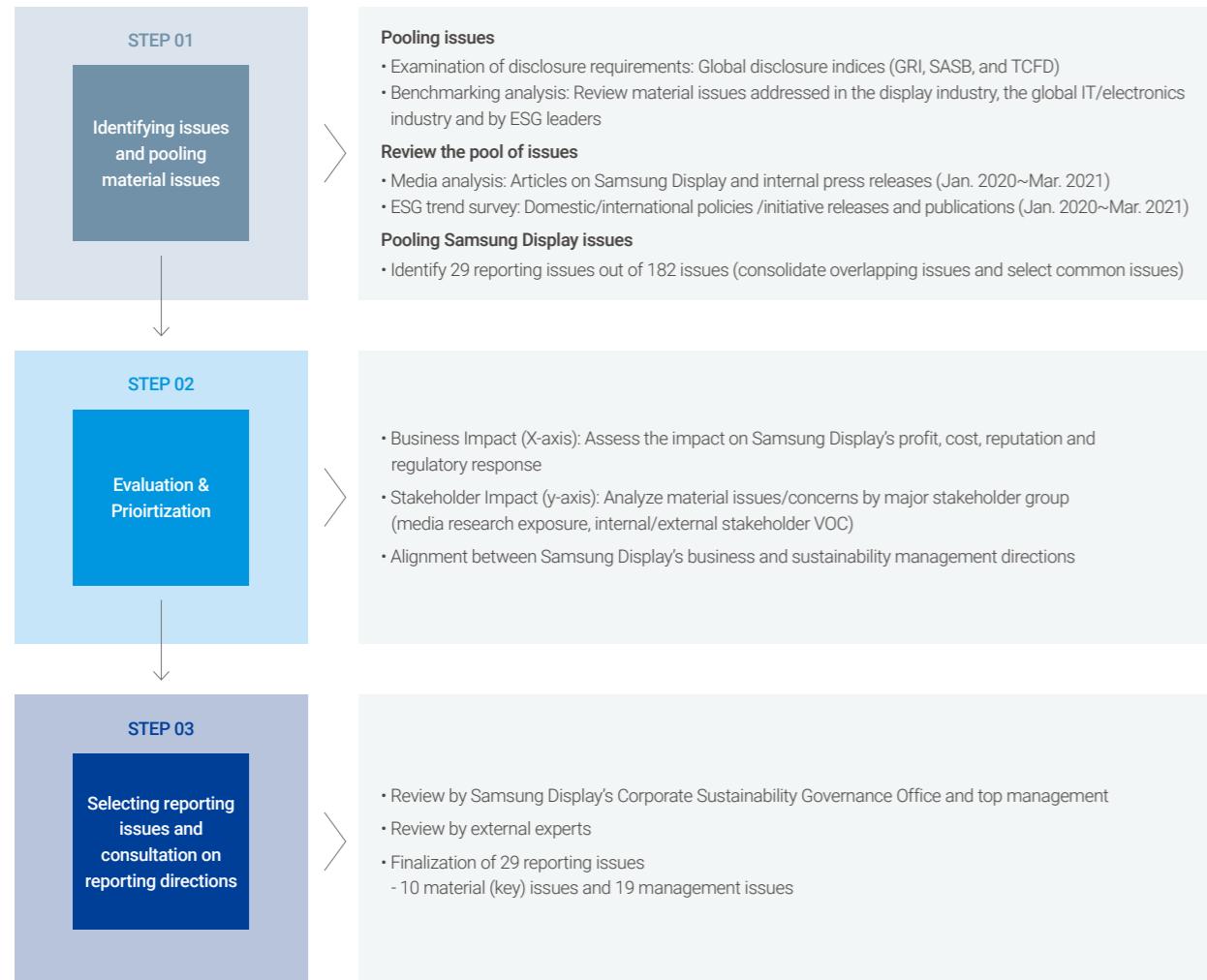
				
Material issues <ul style="list-style-type: none"> Environmental and ecosystem preservation Increased use of renewable energy Guarantee of occupational safety 	Material issues <ul style="list-style-type: none"> Fulfillment of corporate environmental/social responsibility Internalization of sustainability 	Material issues <ul style="list-style-type: none"> Market share in the industry Future technology innovation R&D intensity Development of technology talent 	Material issues <ul style="list-style-type: none"> Compliance with anti-corruption regulations Establishment of fair trade practices Generation of economic value Transparent disclosure of tax payments and corporate information Disclosure of non-financial information (ESG) Private-sector partnership Localization of materials and reinforcement of industrial competitiveness 	Material issues <ul style="list-style-type: none"> Transparent and prompt information disclosures Business/management performance and achievements Strategic products and next-generation technology
Major Communication Channel <ul style="list-style-type: none"> Samsung Display official website Samsung Display Newsroom Publicity content to internalize sustainability management <ul style="list-style-type: none"> Corporate IR materials External press releases Corporate Sustainability Governance Office 	Major Communication Channel <ul style="list-style-type: none"> NGO meetings 	Major Communication Channel <ul style="list-style-type: none"> Samsung Display Newsroom Publicity content to internalize sustainability management <ul style="list-style-type: none"> Corporate IR materials External press releases Corporate Sustainability Governance Office 	Major Communication Channel <ul style="list-style-type: none"> Korea Display Industry Association Korean Information Display Society 	Major Communication Channel <ul style="list-style-type: none"> Compliance and ethics whistleblowing channel CPMS (Compliance Program Management System) In-house e-mail and TV
Major Activity <ul style="list-style-type: none"> Operate a sector-specific compliance management system at the company level Adopt the Samsung Display Code of Conduct (Korean/English/Chinese) Have all members of senior management sign the compliance pledge Provide on/offline compliance training programs to employees Publish annual CEO Letter on compliance Regularly update the CPMS guidelines in line with internal/external trends Regularly circulate compliance management articles and regulatory/sanction trends to executives and employees 	Major Activity <ul style="list-style-type: none"> Implement company-wide mid/long-term improvement tasks Join and comply with the Responsible Business Alliance (RBA) 	Major Activity <ul style="list-style-type: none"> Serve as a board member of the Korean Information Display Society 	Major Activity <ul style="list-style-type: none"> Operate a board member of the Korean Information Display Society 	Major Activity <ul style="list-style-type: none"> Support reporting activities Develop and disseminate content

MATERIALITY ANALYSIS

Pooling Material Issues

Samsung Display performed a materiality analysis to determine the reporting content for its Sustainability Report 2020 and to identify and select issues that require intensive management in the areas of the economy, society, the environment and governance. Comprehensive analyses were made on global disclosure indices, policies & regulations, and best practices and trends across the industry pertaining to sustainability, and internal/external press releases made by Samsung Display were examined and reflected.

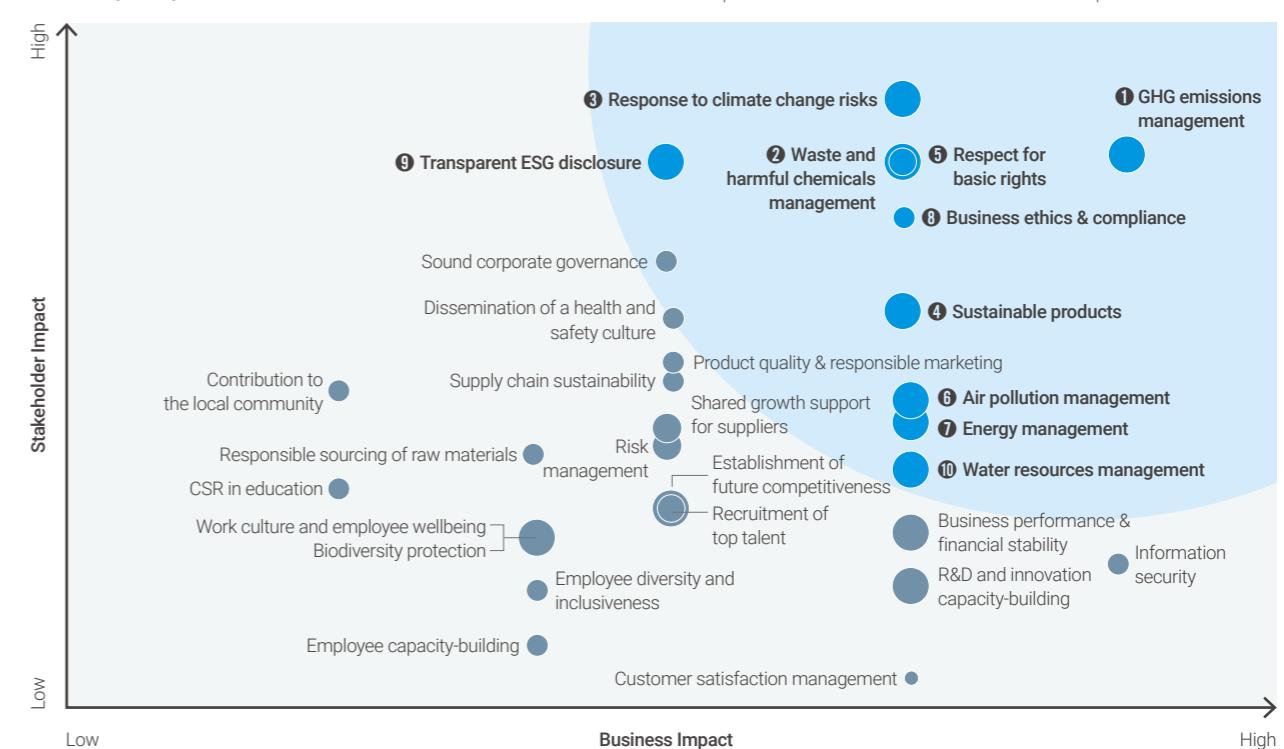
Materiality Analysis Process



We interviewed relevant departments on all levels in conducting the materiality analysis to understand the current status of our sustainability management and discuss its future way forward, and selected 29 sustainability issues following the final review performed by senior management. The top 10 most significant material (priority) issues for Samsung Display's business and its stakeholders were identified, and they were prioritized in following order: 'GHG emissions management', 'Waste and hazardous substance management', 'Response to climate risks', 'Sustainable products' and 'Respect for basic rights'. We will map the direction in making progress on the 19 management issues, and respond to these issues at the company-wide level to bolster our ESG management.

Materiality Analysis Result

Materiality Analysis Matrix



Alignment of Reporting Issues

Samsung Display reports on 29 reporting issues identified as a result of the materiality analysis in each of the ESG (Environmental, Social and Governance) sectors. Out of the 29 issues, 'Business performance & financial stability', 'R&D and innovation capacity-building' and 'Establishment of future competitiveness' that are categorized as economic issues are reported in the 'Management Overview (p20~p27)' and 'Appendix (p97)' sections of this Report.

Reporting Area	Reporting Issue
Environment (E)	Climate Change Impact Management
	Response to climate change risks ★, GHG emissions management ★, Energy management ★, Air pollution management ★
	Waste and harmful chemicals management ★, Water resources management ★
Society (S)	Biodiversity protection
	Employee
	Sustainable products ★, Product quality & responsible marketing, Customer satisfaction management
Governance (G)	Customer
	Respect for basic rights ★, Employee diversity and inclusiveness, Dissemination of a health and safety culture, Recruitment of top talent, Work culture and employee wellbeing, Employee capacity-building
	Supplier
Local Community	Supply chain sustainability, Responsible sourcing of raw materials, Shared growth support for suppliers
	Contribution to the local community, CSR in education
	Corporate governance
Risk management	Risk management, Information security
	Business ethics & compliance ★, Transparent ESG disclosure ★

★ Key Issue

MATERIALITY ANALYSIS

Reporting of Key Issues

Key Issue	Relevance to Samsung Display Business	Samsung Display's Major Activity	Key Issue	Relevance to Samsung Display Business	Samsung Display's Major Activity
 GHG emissions management <small>GRI 305-1, 305-2</small>	To help advance the global agenda of 'achieving carbon neutrality by 2050', the Korean government announced its '2050 carbon neutrality implementation strategy' in December 2020 and has since pushed forward with the transition into a low carbon economy. While the Korean semiconductor/display industry reciprocated by making the 'joint declaration on achieving carbon neutrality by 2050', the booming semiconductor/display industry will inevitably result in increases in GHG emissions in proportion to growing production volume. The positive industry outlook demands that the display industry develop an effective and detailed strategy to drive the carbon neutrality agenda.	<ul style="list-style-type: none"> Join in the global efforts to reduce GHG emissions by setting a carbon neutrality goal 	 Air pollution management <small>GRI 305-6, 305-7</small>	Air pollutants are largely attributable to the energy fuels and chemicals that are fed into the company's manufacturing and production activities. The Korean government is tightening regulations to help mitigate air pollutants by levying charges on the atmospheric emission of nitrogen oxides and expanding the Total Air Pollution Load Management System. This raises the need to develop technology to reduce the air pollutants generated from the workplace and to proactively work to mitigate such emissions.	<ul style="list-style-type: none"> Gradually reduce the emission of air pollutants by 2023 Develop technology to mitigate process-induced air pollutants
 Waste and harmful chemicals management <small>GRI 306-3, 306-5</small>	E-waste, referring to liquid waste and glass waste generated in the manufacturing and disposal of electronic products, is on the constant rise. The global civil society urges businesses to reinvent their waste management to mitigate the environmental impact from e-waste. Specifically, the display industry, as a heavy producer of liquid waste and glass waste generated from its manufacturing process, is required to establish a life cycle management process to promote the recycling of such waste and safely dispose of harmful substances.	<ul style="list-style-type: none"> Reduce the waste generated at the workplace to zero (received the Zero Waste to Landfill validation of the Gold and Platinum levels from UL) 	 Energy management	The Korean government has launched the 'Green New Deal' initiative as a policy tool to accelerate the transition into a low-carbon green economy over the mid-to-long term while fully embracing the Korean RE100 (K-RE100) program in 2021 to encourage businesses to purchase electricity generated from renewable energy. On the global level, numerous companies have joined the RE100 initiative and are proactively increasing the use of renewable energy. As climate change underscores the need to shift to renewable energy, this requires businesses to step up their efforts and improve their policy environment.	<ul style="list-style-type: none"> Establish processes and work conditions to save energy Expand the transition to renewable energy at domestic and overseas worksites
 Response to climate change risks <small>GRI 201-2</small>	As extreme impacts of climate change become more tangible in our daily lives, and global investor institutions and regulators demand that businesses proactively disclose the risks they face due to climate change. The Task Force on Climate-related Financial Disclosures (TCFD) recommendations specify that businesses establish governance to respond to climate change and preemptively identify their response strategy and business risks/opportunities. Companies that fail to join this global trend may increasingly be left at a disadvantage or excluded in market competition.	<ul style="list-style-type: none"> Advance the climate change response policy and disclose in line with the TCFD recommendations 	 Business ethics & compliance <small>GRI 205-1, 205-2</small>	The OECD Anti-Corruption Convention, the UN Convention against Corruption, and the ISO 37001 anti-bribery management system standard all resulted in reinforced global practices on compliance and ethics. In Korea, awareness is spreading far and wide that substantial compliance and ethics management is essential in improving a company's sustainability and global competitiveness, and an emphasis is being placed on the voluntary introduction of compliance programs on the part of businesses to practice fair trade and fair competition.	<ul style="list-style-type: none"> Comply with the prevention-detection-response process Internalize the culture of compliance
 Sustainable products <small>GRI 416-1</small>	Sustainable products have become an essential factor in managing a corporate reputation. Generation Z, which will be the demographic of our future consumers and members of society, prefer a more sustainable lifestyle and value this in the products they choose. Governments also operate the Environmental Product Declaration (EPD) program to protect users' right to know and help create an ecosystem conducive to the manufacturing of sustainable products. Nearly 89% of companies who were certified under the EPD program saw their sales rise by more than 20% in 2019, which serves to testify of the close connection between involvement in the EPD program and higher levels of corporate sales.	<ul style="list-style-type: none"> Improve the environmental safety impact of products Continue to invest in the manufacturing of high-efficiency, low-power products 	 Transparent ESG disclosure	In the aftermath of COVID-19, 'ESG (Environmental, Social and Governance)' is emerging as a new business paradigm that supports corporate resilience and ESG management is gaining attention. The EU and other regions of the world are making it mandatory for businesses to engage in ESG disclosures. In Korea, listed companies with KRW 2 trillion or over in assets are obligated to publish sustainability reports from 2025 onwards, and this will extend to all KOSPI-listed companies by 2030. This implies that mid/small-sized companies and non-listed companies also need to prepare themselves for this emerging trend of demanding corporate ESG disclosures.	<ul style="list-style-type: none"> Announce our commitment to ESG management in 2021 Publish the first sustainability report and expand ESG disclosures
 Respect for basic rights <small>GRI 407-1, 412-1</small>	In the wake of COVID-19, threats are rising over human rights protection mechanisms, and this further highlights the importance of implementing the UN Guiding Principles on Business and Human Rights (UNGPs) and ILO Fundamental Conventions. In particular, the Korean National Assembly passed the proposal to ratify ILO Fundamental Conventions that prohibit forced labor while guaranteeing the right to organize and collective bargaining in 2020, which is expected to spur discussions on the protection of the fundamental rights of workers. Businesses need to practice human rights management to consistently improve their working conditions and prevent potential risks.	<ul style="list-style-type: none"> Implement Global Labor Practices in line with global human rights protection guidelines Practice a culture of mutual respect 	 Water resources management <small>GRI 303-1</small>	Access to clean water is a fundamental human right and also critical in performing industrial activities. Meanwhile, water stress continues to be a threat to unusually sensitive areas in terms of water resources, and water pollution results in another form of ecological destruction. Due to the inherent process characteristics, the display industry consumes hundreds of thousands of tons of Ultra Pure Water (UPW) a day and thus is required to establish processes to ensure the continued reuse of water and eliminate harmful substances within the effluents discharged in addition to proper water withdrawal to protect water resources.	<ul style="list-style-type: none"> Launch the 3R (Reduce, Reuse, Recycle) activity to reduce, reuse and recycle water

Samsung Display selected the top 10 issues identified through the materiality analysis as key issues and prioritizes the management of these issues as follows.

OUR IMPACT

Creation of Sustainable Integrated Value

Businesses today need to ensure that wide-ranging economic, social and environmental factors as well as financial performance are managed in an integrated manner. Samsung Display will take stock of the sustainable value it is generating and build upon these results to explore future ways forward through sustainability management. This prompted us to apply the 'True Value' methodology of KPMG to measure the impact generated through our sustainability management in 2020.

Indicator Selection and Value Calculation

To understand the social added value generated in the course of our business operations from the economic, social and environmental

aspects, we have selected sector-specific indicators and collected quantitative performance data for each of these indicators. This was followed by the analysis of research findings from credible global institutes to set appropriate monetary values in order to calculate unit-based monetary values for respective indicators. As objective and unified criteria do not exist to calculate direct monetary value for environmental indicators, total values were calculated by multiplying the quantitative performance that we monitor in the environmental sector¹⁾ – GHG emissions, air pollutant emissions, water consumption, and others – by the monetary value adopted from latest research outcomes. Such monetary values were adjusted in consideration of price fluctuations within research timeframes and referenced countries, and the currency rates as of December 31, 2020 were applied.

Calculation Method by Indicator

Indicator	Type	Calculation Method ³⁾
Financial	Business profits	Base Samsung Display's consolidated net income for the year 2020
Socio-economic	Income taxes	Benefits Samsung Display's consolidated total income tax expenses
	Return to creditors	Benefits Interest expenses paid to creditors
	Support for suppliers	Benefits Total monetary support provided to domestic/international suppliers through Win-Win Fund
	Investments in local community development	Benefits CSR benefits created through community donations and CSR programs (Book Woollim, VOLED Choir, etc.)
Environmental	GHG emissions	Expenses Application of the Social Cost of Carbon ⁴⁾ of the US Environmental Protection Agency per Ton of GHG emissions in 2020 to Scope 1&2 GHG emissions data of domestic worksites
	Environmental impact on the atmosphere	Expenses Application of Environmental Prices of the CE Delft ⁵⁾ , a Dutch environmental research and consultancy organization, to major air pollutant data (NOx, SOx, dust and NH ₃) of domestic worksites
	Environmental impact on water resources	Expenses Application of the social cost as provided by S&P Global TruCost ⁶⁾ for water consumption to our water consumption data in areas where our domestic worksites are located according to their sensitivity to water resources
	Environmental impact of waste	Expenses Application of environmental loss costs that incur in waste generation as identified by the ExternE (External Cost of Energy) project of the European Commission ⁷⁾ to the waste processed (landfill, incineration) and turned into resources at domestic worksites

1) Please refer to 'Environmental Performance' of the Quantitative Performance section of the Report.

2) Exchange rates are based on the basic rates as of Dec. 31, 2020 (1 USD = 1,088 KRW; 1 EURO = 1,338 KRW)

3) While the calculation of data concerned consolidated financial performance and socioeconomic values in Korea and abroad, data corresponding to environmental value are based on domestic worksites.

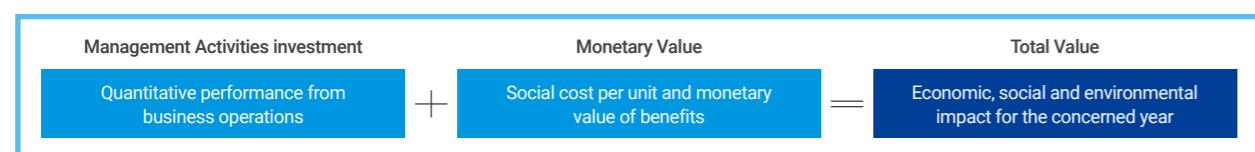
4) EPA, Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates under Executive Order 13990 (2021)

5) CE Delft, Environmental Prices Handbook, EU28 Version (2018)

6) S&P Global TruCost PLC, Natural capital at risk: the top 100 externalities of business (2013)

7) A. Rabl, J. V. Spadaro and A. Zoughaib, Environmental impacts and costs of solid waste: a comparison of landfill and incineration (2009)

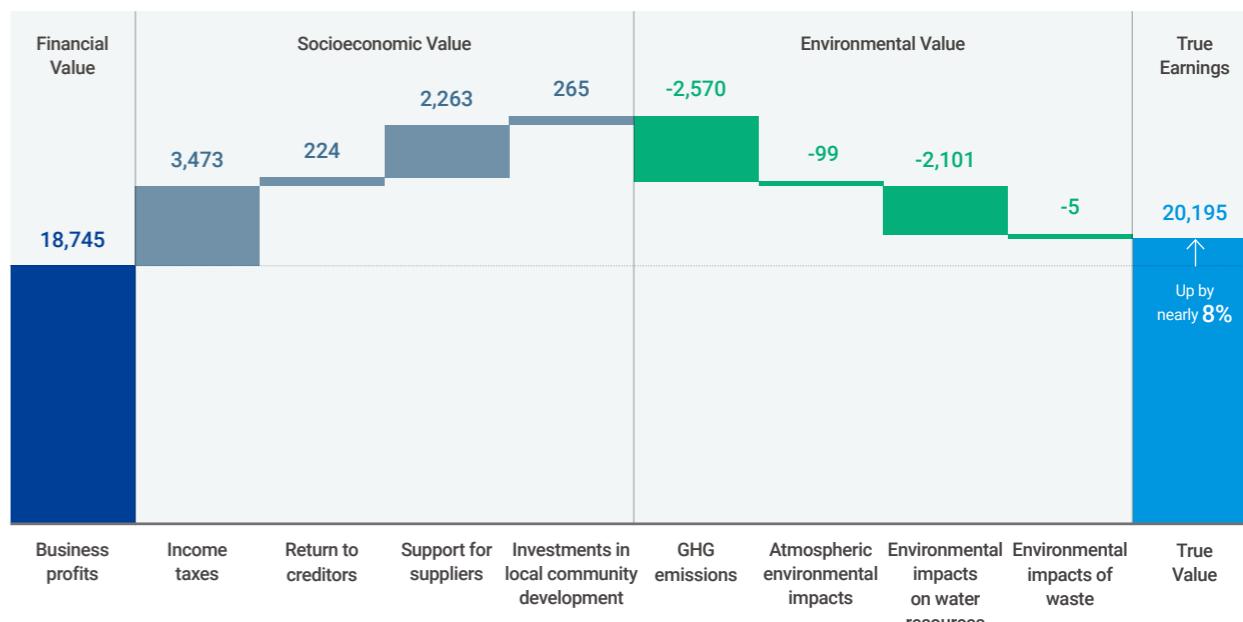
Value Calculation Method



Samsung Display's 2020 Total Value Creation Achievements

From January 1 to December 31, 2020, the total value of sustainable management created by Samsung Display amounts to approximately KRW 2.0195 trillion, up by nearly 8% against our business profits. This total value was calculated by monetizing sustainability management values, and then adding socioeconomic benefits to and subtracting environmental costs from business profits.

Samsung Display's 2019 True Value¹⁾ (unit: KRW 100 million)



1) The calculation result was determined to chart the course in managing social impact and creating value concerning our sustainability management activities on the basis of multiple suppositions. As we cannot claim the data is complete, it is subject to change in line with the latest research findings and cannot be considered as part of the financial disclosures.

Analysis of True Value Calculation Result

Financial Value	Samsung Display's consolidated net income rose by nearly KRW 734.7 billion from KRW 1.1398 trillion in 2019 to KRW 1.8745 trillion in 2020. This increase in financial value is attributable to the growing demand for smart electronic devices in line with the expansion of virtual channels following COVID-19 and to the advancement of technology innovation, including the commercialization of foldable OLED displays.
Socioeconomic Value	The socioeconomic benefits generated by Samsung Display in 2020 amount to approximately KRW 622.5 billion. We were named the Most Excellent Company in the Win-Win Index for three consecutive years in 2020. Also, we have extended the scope of funding support from first tier suppliers to second and third tier ones, providing nearly KRW 226.3 billion worth of low-interest loans under the Win-Win Fund as well as Payment Support Fund. On top of this, we have donated approximately KRW 26.5 billion for local communities in 2020 through a wide range of corporate citizenship programs such as 'Book Woollim', a program for cultivating book-reading habits in cities near our domestic/overseas worksites; VOLED choir made up of teens with developmental challenges in South Chungcheong province; and other COVID-19 related relief activities.
Environmental Value	In 2020, our business operations incurred approximately KRW 477.5 billion in environmental costs to our society. We continue to reduce our environmental footprint through equipment improvements, the development of alternative resources and awareness-building among employees. Our GHG emissions and water consumption have been on the constant decline over the past three years, and air pollutant generation inched up due to increases in display production. As to waste management, we are broadening our full-fledged implementation of the zero-waste-to-landfill initiative across our domestic and overseas worksites to reduce the amount of waste generation and to improve resource recovery and recycling.



ESG HIGHLIGHT

Samsung Display explores ways to elevate its corporate value from the ESG (Environmental, Social and Governance) viewpoint. We continuously pursue innovation to establish sustainability across the entire corporate ecosystem and drive a better future.



ENVIRONMENT

Under the slogan 'Planet First', Samsung Display places the utmost priority on preservation of our planet across all its business operations. We develop innovative technology to mitigate process-induced environmental impact in order to effectively respond to climate change.

Reporting Topics and Alignment with Material Issues

Green Management	01 Climate Change Impact Management	02 Advancement of the Circular Economy	03 Biodiversity Preservation	04
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- Response to climate risks ★
 - GHG emissions management ★
 - Energy management ★
 - Air pollution management ★
- Waste and harmful chemicals management ★
 - Water resources management ★
- Biodiversity Preservation Activities

Alignment with UN SDGs



Green Management

Samsung Display practices green management in the entirety of its business operations and day-to-day routines to ensure the preservation of a clean and healthy environment. Leveraging our collective wisdom and capabilities, we engage in Eco-innovation to create new value.

Planet First

Green Management

Green Management: Basic Philosophy and Vision

We contribute to the abundance of life for all humanity and the preservation of the global environment through corporate activities that respect people and nature based on the philosophy of "Reverence for Life."



Creating New Value Through Eco-innovation

Basic Philosophy of Green Management

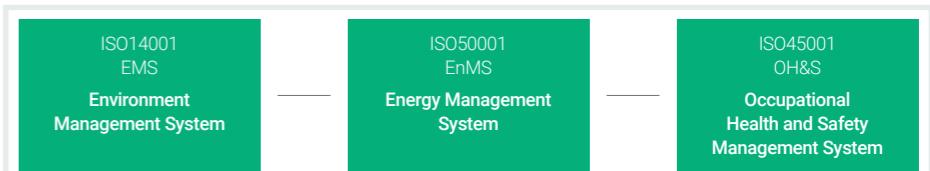
Samsung Display is committed to adding to the abundance of life for all humanity, the preservation of our global environment, and forming a sustainable society according to its management philosophy that values the environment, safety, and health. The safety of our employees and customers and the protection of our environment are our highest priorities. As such, Samsung Display is developing and producing display products based on these principles, and is pursuing sustainable growth with our stakeholders through eco-conscious innovation.

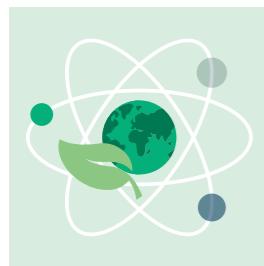
We comply with domestic/international environmental regulations and meet customer requirements through the integrated operation of ISO14001 (Environmental Management System), ISO45001 (Occupational Safety and Health Management System), ISO50001 (Energy Management System), IATF16949 (Automotive Quality Management System), and ISO9001 (Quality Management System). Taking a step further in March 2021, we laid a foundation to continuously minimize our environmental footprint and guarantee a safe work environment by amending our five major ESH policies that reinforce our global environmental safety management system and by fulfilling product stewardship from the life-cycle perspective.

Environmental Safety and Health Policies (ESH Policies)



Environment, Safety, Health and Energy Management System





Climate Change Impact Management

To attain the global target of achieving carbon neutrality by 2050, it is required more than ever that we make all-out efforts to mitigate GHG emissions. Samsung Display analyzes climate risks and opportunities across its business activities while advancing its climate change response strategy.

Climate Change Response Strategy

Governance

At Samsung Display, the Carbon Neutrality T/F is up and running to fulfill carbon neutrality and green management. The T/F consists of subdivisions to ensure carbon reductions across all sectors, and meets monthly to keep track of progress made by respective subdivisions. Our performance in mitigating environmental impact accounts for a significant share of the business goals of senior management, and climate change response-related issues that require major decision-making are reported to the Board of Directors as part of its discussion agenda.

Goal and Strategy

Samsung Display's power consumption and GHG emissions are expected to increase as we plan to expand our OLED display production and add new QD display production lines. As to process gases, it is difficult to find their substitutes as they are directly related with productivity. Nonetheless, we endeavor to reduce our GHG emissions each year, and are willing to join in climate action that aims to minimize impacts of climate change and ultimately achieve carbon neutrality. To attain this goal, we will proactively manage GHG emissions generated from our worksites at the company-wide level, develop low-carbon green products, and lower carbon emissions along the value chain.

Risks and Opportunities

To understand and strategically respond to the impact of climate change, we analyze risks and opportunities across our business operations, including GHG emissions, use of renewable energy, and expansion of green products, and set detailed strategies accordingly. We prioritize those risks and opportunities considering a range of global climate change scenarios, and reflect them in our decision making process related to our company-wide policies.

Analysis of Climate Change Risks and Opportunities

Type of Risk	Potential Financial Impact on Samsung Display	Response
Transition Risk	Regulation/ policy Carbon credit prices	Rising costs of GHG emissions management, participation in the carbon market <ul style="list-style-type: none">• Continue to reduce GHG emissions• Manage short/mid/long-term GHG emission reduction targets
Technology	Tightening regulations on eco-friendly products Transition to low carbon technology	Rising sales costs due to development/sourcing of alternative materials, limitations on product manufacturing <ul style="list-style-type: none">• Fulfill product stewardship from the life-cycle perspective• Continue to obtain green product certifications and energy labels Increasing R&D expenses due to new technology and alternative technology <ul style="list-style-type: none">• Improve equipment/processes• Set phased renewable energy transition plans
Laws	Litigation risks	Occurrence of litigation costs due to insufficient response to climate change <ul style="list-style-type: none">• Continuously monitor regulatory trends and the internal management system• Engage in regular stakeholder communication
Market	Shifting customer preferences Rising cost of raw materials	Declining product demand due to fluctuating preferences <ul style="list-style-type: none">• Identify and preemptively respond to customer requirements (e.g. green products, shift to renewable energy) Increasing production expenses due to input price fluctuations (e.g. energy, water) <ul style="list-style-type: none">• Continuously monitor market trends• Continue to operate the risk management system
Reputation	Failure to meet market expectations	Declining corporate value due to negligence in responding to climate change, difficulties in attracting investments <ul style="list-style-type: none">• Advance climate actions

Type of Risk			Potential Financial Impact on Samsung Display	Response
Physical Risk	Acute	Water shortages	Water shortages from change in precipitation and the resulting instability in product supply	<ul style="list-style-type: none">• Manage risks in water-stressed areas• Implement water stewardship
		Aggravating severity of climate change (including hurricanes)	Falling profits from reduced production capacity caused by transport disruptions and supply chain discontinuation	<ul style="list-style-type: none">• Operate the risk management system• Strengthen inventory management
	Chronic	Extreme weather patterns	Increasing energy consumption and the ensuing increases in operational expenses	<ul style="list-style-type: none">• Continue to reduce energy use
Type of Opportunity	Volatility	Reduced profits and increased expenses due to negative workforce impacts (e.g. health, safety, absence)	• Manage the health of employees	
		Reduced profits and increased expenses due to negative workforce impacts (e.g. health, safety, absence)	• Continuously improve equipment/processes	
	Resource Efficiency	Efficient production and recycling	Declining operating costs through efficiency improvement and cost reduction	<ul style="list-style-type: none">• Improve production processes and equipment performance• Reduce energy use and consumption
		Use low carbon energy sources	Decreased exposure to GHG emissions and the resulting reduction in sensitivity to carbon price fluctuations	<ul style="list-style-type: none">• Set phased renewable energy transition plans
	Energy Resources	Participation in the carbon market		
		Development of new products and services through R&D and innovation	Increasing profits in line with a growing demand for products/services	<ul style="list-style-type: none">• Expand the green product portfolio• Continue to invest in high-quality R&D• Advance marketing strategies
	Products and Services	Shifting customer preferences	Securing our reputation and competitive advantages	
		New market approaches	Increasing profits through access to new/emerging markets	<ul style="list-style-type: none">• Set short/mid/long-term strategies to access new/emerging markets
	Market	Resource substitution/diversification	Increased reliability along the supply chain and enhanced operational capabilities under diverse conditions	<ul style="list-style-type: none">• Improve the flexibility of supply chain management
		Rising market value through resilience planning	Rising market value through resilience planning	<ul style="list-style-type: none">• Operate the risk management system

Management Indicator

To mitigate GHG emission, we manage indicators pertaining to GHG emissions, GHG emissions intensity, and energy consumption & saving. Specifically, we have independently developed and are leveraging the emission coefficient in decision-making concerning the development of energy efficient equipment, carbon credit settlements, and investments in renewable energy projects.

Major Climate Change-related Indicators

Category	Unit	2020 Performance
GHG emissions – Scope 1	Kiloton CO ₂ e	1,032
GHG emissions – Scope 2	Kiloton CO ₂ e	3,600
GHG emissions intensity	Ton CO ₂ e/KRW 100 million	17.06
Energy consumption	TJ	77,508

GHG Emissions Management

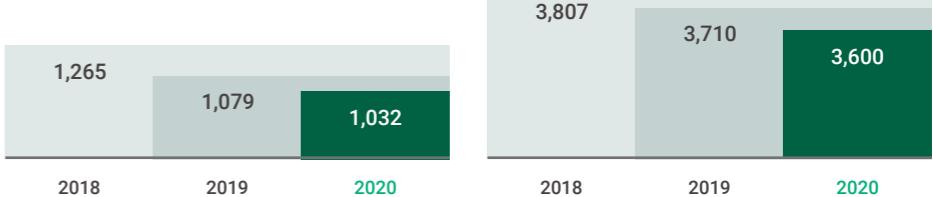
Efforts to Reduce GHG Emissions

All of Samsung Display's production lines carry out GHG emissions reduction activities – installing and operating GHG emissions mitigation equipment, developing alternative gases, and reducing the consumption of process gases. Since 2019, we have developed our own emission coefficient to make our GHG emission reduction efforts more efficient and are taking stock of the reductions made and making necessary improvements. As a result, our emission of GHG including CO₂ and F-gas has been on the constant decline each year. We have also established plans to mitigate the consumption of such gases in future production processes..

GHG Emissions

Scope 1 (unit: Kiloton CO₂e)

Scope 2 (unit: Kiloton CO₂e)



Analysis of Climate Change Risks and Opportunities

Type of Risk	Potential Financial Impact on Samsung Display	Response
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Reputation	Failure to meet market expectations	Declining corporate value due to negligence in responding to climate change, difficulties in attracting investments <ul style="list-style-type: none">• Advance climate actions

Energy Efficiency Improvement

Energy Efficiency Optimization

Company-wide Energy Saving Organization

Samsung Display has been reducing energy consumption after introducing the life-cycle energy management system in 2015. Relevant departments carry out energy-saving activities in the four utility areas of power, water, gas and fuel, and hold regular meetings to manage mid/long-term reduction targets and detailed implementation tasks. Our efforts primarily aim to increase our energy efficiency through equipment alterations and improvements as well as specification modifications.

Systemization of Energy Efficiency Management

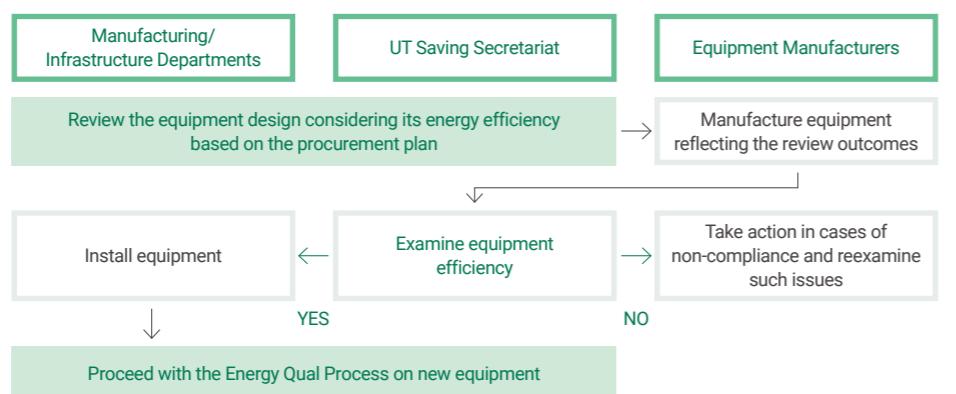
Establishment of the Factory Energy Management System (FEMS)

As we operate large-scale equipment, we introduced the Factory Energy Management System (FEMS) in 2015 to visualize efficient use of energy and reduce our energy consumption. This enabled us to develop an energy consumption monitoring and anomaly detection system, and encouraged our employees to freely suggest energy-saving ideas to help broaden our energy reduction activities.

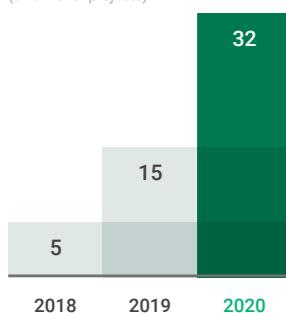
Operation of the Energy Qual System

Our Energy Qual system, which has been in operation since 2019 under the leadership of the UT Saving Secretariat, is an efficient equipment procurement system that intends to secure energy-efficient equipment by considering energy efficiency even before the design phase and prevent additional investments in reducing energy consumption after their installation. The goal of this system is to ensure that our equipment is manufactured in a way that satisfies the set specifications and functional requirements while delivering the highest-possible energy efficiency.

Energy Qual Process



Cross-Departmental Energy Saving Projects
(unit: No. of projects)



Energy Saving Project Management

We, at Samsung Display, focus on the 'Optimization of Energy Efficiency' to improve the performance of production equipment while minimizing the amount of energy input. To strategically lower the energy consumption on power-intensive equipment, we have set the 'Energy consumption optimization strategy' based on the environment, equipment, and the CDA (Clean Dry Air) system and have been collaborating through cross-departmental projects. These projects consistently increased from five in 2018 to 15 in 2019 and then to 32 in 2020, contributing to our company-wide energy saving efforts. In addition, we hold annual Green Management Awards to recognize best practices in energy reduction. Top-performing tasks and departments are also awarded quarterly to encourage employees to develop innovative ideas. In 2020, the project titled 'Energy Saving through Utility Optimization' received the Grand Prize.

Disseminating an Energy Saving Culture Both Within and Outside the Company

To disseminate a corporate culture that values saving energy, we regularly provide employees with internal/external training programs and launch diverse campaigns. We host company-wide contests to produce energy saving ideas as part of our efforts to shift the awareness of our daily business routines through proactive employee engagement. Furthermore, we fully participate in external collaboration activities, including cooperating with governmental ministries and other external organizations.

In-house Energy Training Programs

	Internal energy training programs	Energy management system (ISO50001) training Leaders of respective organizations	Internal energy management system All employees
	Energy Qual system training Equipment investment personnel	Energy personnel workshop Energy personnel of respective organizations	



In-house publicity video

Energy Peak Management

We are carrying out activities to help reduce peak energy demand during summer season (Jul.~Aug.) when energy consumption surges globally. Company-wide energy saving campaigns are launched to post publicity materials in shared facilities, and special broadcasting series featuring employees are aired twice a week to build consensus on the need to save energy.

Our daily power consumption is schematized for respective processes to publish daily reports in order to manage energy consumption during the day when energy use is at its highest, and when our consumption exceeds the set level, the cause for it is analyzed and improvements are made to manage spikes in energy use.

External Collaboration Activity

Our continued commitment to saving energy was externally recognized when we participated in the 'Energy Champion' certification program led by the Korea Energy Agency in 2017 and named a top performer in energy efficiency. We have also continuously participated in the electricity/electronics sector of the Energy Saving through Partnership (ESP) project since 2016 to actively interact with industry peers. As a member of the green business certification program, we practice green management to minimize our environmental impact from research & product development and manufacturing to the sales of products.

Increased Use of Renewable Energy

Efforts to Increase the Use of Renewable Energy at the Worksite

Responding to climate change increasingly demands companies to switch to renewable energy and manufacture green products. To preemptively cater to such internal/external needs, we at Samsung Display endeavor to shift to renewable energy at all our worksites. In 2020, our worksites in China, which are equipped with necessary means for using renewable energy, have achieved 100% transition to renewable energy, and we are scheduled to have more overseas worksites switch to renewable energy. This will also apply to domestic worksites in line with the implementation of the Korean RE100 initiative in 2021.

Renewable Energy Transition Plans at Major Domestic/Overseas Worksites



Reduction of Air Pollutants

Air Pollutant Reduction Strategy

Samsung Display endeavors to reduce air pollutants at the chief executive level. In 2019, our top management made decisions on NOx-related capex, and major environmental agenda items including those concerning air pollutants, are reported to senior management and addressed through prompt response.

To lower air pollutant emissions generated at our worksites, we set a target of reducing air pollutant emissions by 2023 from 2018 levels, and are focused on reducing NOx emissions, a main component of particulate matters, by developing new technology and leveraging high-efficiency treatment equipment. We installed low NOx burners in boilers at the worksites that emit NOx, and installed Selective Catalytic Reduction (SCR) devices¹⁾ in our air pollution control equipment to reduce NOx emissions by more than 80% from the emission concentration threshold.

Continual research is underway to explore technical options applicable to products and processes to mitigate particulate matter (PM) emissions. Our Asan worksite signed a voluntary agreement to manage and reduce total loads of PMs and pollutants with the Geum River Basin Environmental Office and the South Chungcheong Province in June 2021, and will reach the set goal of reducing emissions by 5% of the given loads each year between 2021 and 2023.

1) SCR devices turn nitric acids or nitrous acids into nitrogen gas and emit such gas into the atmosphere, thereby ultimately reducing the emission of nitrogen oxides.



Advancement of the Circular Economy

As the global economy shifts into a sustainable resource-circulating model, accelerated efforts are made to conserve natural resources by reducing waste generation while improving resource efficiency. Samsung Display preserves the ecosystem nearby its worksites and local communities where it is based and contributes to resource circulation, pursuing harmonious growth in so doing.

Samsung Display minimizes its use of resources throughout the entire process of purchasing raw materials, development, manufacturing, distribution, use and disposal while exploring opportunities for reuse and recycling and advancing the circular economy. We set internal mid/long-term targets and commit ourselves to the management of waste, harmful chemicals and water resources.

Efforts to Minimize the Use of Resources and Promote Recycling

Zero Waste to Landfill

Samsung Display is committed to reducing the waste generated from its worksites to zero. Such efforts were globally recognized as our Asan 2 worksite received the Zero Waste to Landfill validation of Gold level from UL in 2019 and our Asan 1 worksite received the highest validation of Platinum level by UL in 2020. In particular, our Asan 1 worksite is the first-ever among the large-scale Korean manufacturing sites to be validated across its entire worksite, and this achievement is appreciated as the fruition of the Company's whole other level of commitment. We are planning to gradually transform Cheonan and Giheung worksites to be eligible for Zero Waste to Landfill validation. Overseas worksites are also complying with the Headquarters' policy to increase waste recycling and process waste in accordance with legitimate procedures.

1) A designation program implemented by UL to measure a company's level of recycling resources: UL assesses how a company recycles the waste generated from its worksites and awards them different validation levels - Silver (90~94% recycling rate), Gold (95~99%) and the highest Platinum (100%) – according to its performance.

Platinum and Gold levels awarded by UL



UL, Zero Waste to Landfill Platinum



UL, Zero Waste to Landfill Gold

Industrial Waste Management

We engage in a wide array of activities to safely manage industrial waste and reduce their generation through recycling. Most of the waste we generate is liquid, and we eliminate impurities within the liquid waste created in the manufacturing process, which is then supplied to chemical liquid makers and is recycled as feedstock. We also operate the E-waste Recycling Center to disassemble and separate end-of-life display products by material. For instance, we turn end-of-life display glass into subsidiary materials for cement manufacturing and are also developing related recycling technology. Meanwhile, we outsource our waste treatment operations to external professional service providers. We select the legitimate service provider through preliminary screening, and regularly conduct both paper reviews and on-site due diligence visits to verify whether the service provider is treating waste in accordance with applicable rules and regulations.

Step-by-Step Waste Treatment Company Management Process

- | | | | | |
|---|---|--|---|---|
| Preliminary screening | → | Regular check | → | Follow-up management |
| <ul style="list-style-type: none"> Review the 'activities to reduce environmental harm' section, which is originally examined in the waste treatment phase, in selecting service providers before entering into a contract | | <ul style="list-style-type: none"> Ensure waste is treated in accordance with applicable regulations through annual on-site inspections and paper reviews | | <ul style="list-style-type: none"> Regularly check whether the service provider is complying with legitimate procedures based on waste treatment-related documents and due diligence |



Smart recycling collection box

Domestic Waste Management

We engage in company-wide endeavors to reduce domestic waste; this includes plastics, paper, and food refuse from in-house facilities, workshops and the living facilities of our employees. We encourage employees to voluntarily engage in waste management through a wide range of domestic waste reduction activities such as a participatory campaign for separating waste and introduction of smart recycling collection boxes.

Efforts to Reduce the Use of Plastic

One of the greatest sources of plastic waste at Samsung Display is from plastic PET bottles. Considering this, we replaced plastic PET bottles with cans for beverages distributed at our in-house cafeterias. In 2021, we launched a campaign to raise employees' awareness to separate plastic lids from the to-go paper cups that are provided at cafes.

Reinforcing the Separation of Recyclables at Dormitories

We have established and are operating a waste separation process identical to the one applied to the general residential facilities at our in-house dormitories for employees. In particular, we proactively encourage the recycling of such large-size wastes such as mattresses, beds and wardrobes, so that the discharge of waste is kept to a minimum.

Chemical Management

Principles in Managing Harmful Chemicals

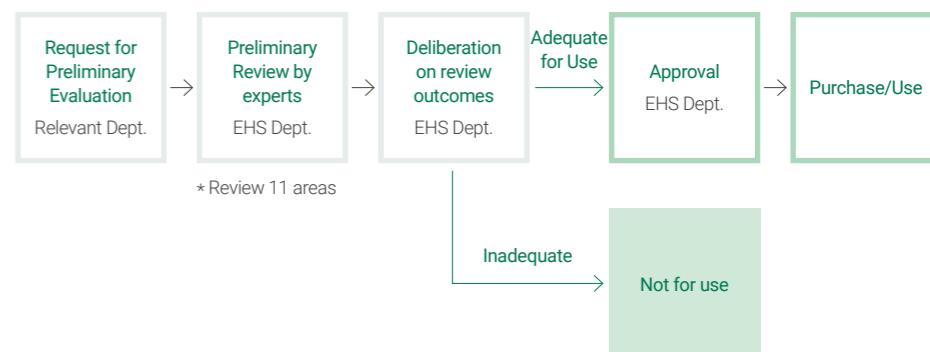
All our worksites comply with the EU's Restriction of Hazardous Substances (RoHS) and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), as well as country-specific regulations and the internal list of regulated substances. This serves to identify the harmful chemicals contained in raw/subsidiary materials, components, packaging materials and labels used for products, to make improvements in accordance with domestic/overseas environmental regulations and customer requirements, and to develop products that are not hazardous to the human body or the environment. Moreover, to ensure that our suppliers handle chemicals under safe work conditions, we conduct regular on-site inspections and provide various support initiatives to enable them to provide a better work environment.

Chemicals Management Process

To prevent chemical accidents, we systematize and manage the entire process even before procurement, and all the way to disposal.

In the preliminary evaluation, we grade chemicals for the degree in which they could be hazardous and manage regulated substances accordingly. In the 11 areas including health, safety, and product environment, chemicals that are reviewed and obtained approval are authorized for procurement. In using chemicals, we manage their history including their consumption quantity and handling information. Once they are used, we discharge and dispose of them through our waste discharge management and supplier recycling systems.

Preliminary Evaluation Process for Harmful Chemicals



Internal List of Regulated Materials

Samsung Display supplements and renews its internal list of regulated materials each year in reflection of social issues and regulatory trends. In 2020, we placed restrictions on the use of 23 substances, and such regulations apply to all processes within all the worksites of Samsung Display.

Category	CasNo.	Name of Substance	Relevant Standards
1	109-86-4	2-Methoxyethanol	OSHA (reproductive toxicity 1B), EU (reproductive toxicity 1B)
2	110-80-5	2-Ethoxyethanol	OSHA (reproductive toxicity 1B), EU (reproductive toxicity 1B)
3	110-49-6	2-Methoxyethyl acetate	OSHA (reproductive toxicity 1B), EU (reproductive toxicity 1B)
4	111-15-9	2-Ethoxyethyl acetate	OSHA (reproductive toxicity 1B), EU (reproductive toxicity 1B)
5	111-96-6	Diethylene glycol dimethyl ether	OSHA (reproductive toxicity 1B), EU (reproductive toxicity 1B)
6	127-19-5	N,N-Dimethylacetamide	OSHA (carcinogenic 2/reproductive toxicity 1B), EU (reproductive toxicity 1B)
7	68-12-2	Dimethylformamide	OSHA (carcinogenic 1B/reproductive toxicity 1B), EU (reproductive toxicity 1B)
8	75-01-4	Vinyl chloride	OSHA (carcinogenic 1A/mutagenic 2), IARC (1), EU (carcinogenic 1A)
9	106-99-0	1,3-butadiene	OSHA (carcinogenic 1A/mutagenic 1B), IARC (1), EU (carcinogenic 1A/mutagenic 1B)
10	107-13-1	Acrylonitrile	OSHA (carcinogenic 1B), IARC (2B), EU (carcinogenic 1B)
11	75-09-2	Dichloromethane	OSHA (carcinogenic 1B/mutagenic 2), IARC (2A), EU (carcinogenic 2)
12	110-54-3	Hexane	OSHA (reproductive toxicity 2), EU (reproductive toxicity 2)
13	75-26-3	2-Bromopropane	OSHA (reproductive toxicity 1A), EU (reproductive toxicity 1A)
14	106-94-5	1-Bromopropane	OSHA (carcinogenic 2/reproductive toxicity 1B), IARC (2B), EU (reproductive toxicity 1B)
15	67-66-3	Trichloromethane	OSHA (carcinogenic 2/reproductive toxicity 2), IARC (2B), EU (carcinogenic 2/reproductive toxicity 2)
16	71-43-2	Benzene	OSHA (carcinogenic 1A/mutagenic 1B), IARC (1), EU (carcinogenic 1A/mutagenic 1B)
17	79-01-6	Trichloroethylene	OSHA (carcinogenic 1A/mutagenic 2), IARC (1), EU (carcinogenic 1B/mutagenic 2)
18	78-87-5	1,2-Dichloropropane	OSHA (carcinogenic 1A), IARC (1)
19	108-88-3	Toluene	OSHA (reproductive toxicity 2), IARC (3), EU (reproductive toxicity 2)
20	127-18-4	Perchloroethylene	OSHA (carcinogenic 1B), IARC (2A), EU (carcinogenic 2)
21	56-23-5	Carbon tetrachloride	OSHA (carcinogenic 1B/reproductive toxicity 2), IARC (2B), EU (carcinogenic 2)
22	75-21-8	Ethylene oxide	OSHA (carcinogenic 1A/mutagenic 1B), IARC (1), EU (carcinogenic 1B/mutagenic 1B)
23	50-00-0	Formaldehyde	OSHA (carcinogenic 1A/mutagenic 2), IARC (1), EU (carcinogenic 1B/mutagenic 1B)

Harmful Chemicals Management Activities

Efforts to Substitute and Reduce Harmful Chemicals

We place the health of our employees before anything else, and strive to substitute any harmful substances being used and reduce their hazard level. We have made numerous accomplishments such as mitigating the consumption of hazardous sulfuric acid by improving our effluent treatment process, and discovering an innocuous substitute for sulfuric acid through technology development.

Capacity Enhancement of Chemicals Managers

Samsung Display focuses on the safe use of chemicals by enhancing the expertise of internal/external employees that handle chemicals. Our in-house managers of chemicals and our employees that handle chemicals are required to complete the 'manager qualification courses' and 'harmful chemicals handling courses for personnel' respectively, which are supervised by the Korea Chemicals Management Association (KCMA) under the Korean Ministry of Environment. In addition, we provide training to the rest of our employees once a year to develop expertise and receive updates on the latest regulations.

For suppliers operating at our worksites, we ensure that only those employees who completed training to handle harmful chemicals and obtained the legally-recognized qualifications can engage in work. Furthermore, we run our internal 'Safety Coordinator Certification program'. This program is in place to improve the on-site safety management and supervision competency of our employees and supplier's safety managers who perform all types of high-risk work when handling chemicals and to assign chemical-handling operations only to workers with the proven competencies.

Two in a Box (Collective Responsibility System for EHS)

We have been operating our 'Two in a Box' program since 2020 to establish self-initiated safety management for departments handling harmful chemicals. Executives and team leaders are appointed as harmful chemical leaders (managers) following their completion of the legally-mandatory training on chemical substances and upon the development of professional competency.

Infrastructure Risk Prevention (IRP)

Under our Infrastructure Risk Prevention (IRP) program, we implement risk prevention activities by responding to emergency calls for help, conducting equipment analyses and diagnoses, and setting standards. Also, we perform regular drills four times a month based on emergency scenarios.



Local community notification activity

Local Community Notice Activity (Notification to Local Residents)

When introducing new harmful chemicals, we share the status of our safety management operations with the concerned local communities, including the expected scope of impact in the event of harmful chemical leaks, the hazards of chemicals handled, resident evacuation plans, and an emergency contact list. Such notification activities are implemented annually for local representatives and companies located within the complex. In 2020, a group of village heads as local representatives nearby our worksites were invited as part of our community notification activities.

Water Resources Management



3R

(Reduce, Reuse, Recycle)
activities to reduce water consumption

Fulfilling Water Stewardship

Principles in Managing Water Resources

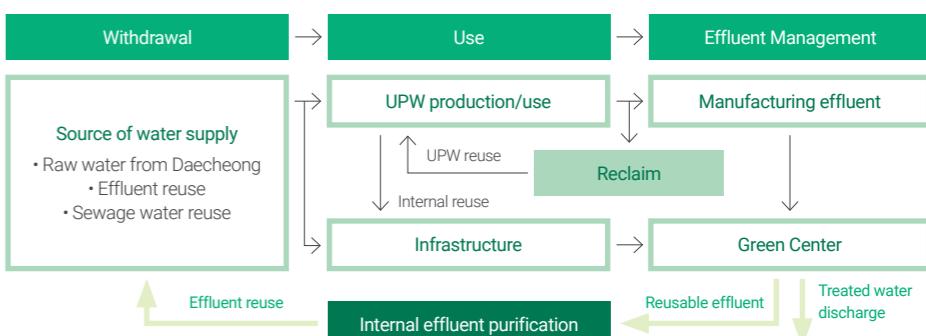
Samsung Display established an organization responsible for managing and supervising the entire process of using water resources, and is systematically implementing the 3R (Reduce, Reuse, Recycle) activities for water resources. We reduce our water consumption and manage recycled water and the quality of discharged water through consistent improvements made on display manufacturing processes and utility infrastructure. In so doing, we increase our recycling rates and focus on improving equipment efficiency.

Water Resources Management Process

Samsung Display's Asan worksite uses Daecheong water, reused effluents, and reused sewage water from the Asan Water Environment Center as raw industrial water to contributes to mitigating the sensitivity of local water resources and supply water by managing its quality in line with its intended use. Industrial water is treated through the Ultra Pure Water (UPW) process to be used for the display manufacturing process, and used UPW undergoes the reclaiming process and is reused as UPW. From the usage phase, we stringently manage the quality of the discharged effluent.

We classify effluents by their properties and discharge them in a clean and safe manner after properly treating them below legal standards. Some of the effluents are reused as industrial water through the membrane process.

Water Resources Management Process at Asan Worksite



CASE 01.

South Chungcheong Province and Asan City sign the 'Water Protection' agreement

Samsung Display signed an 'MOU on water quality improvement and water reuse' with South Chungcheong Province and Asan City in December 2020 to protect water resources in the region. Under this MOU, we will supply the discharged water to be reused: water supplied as such will go towards maintaining streams in Asan City to help improve the quality of these low flow streams.



Signing an MoU on water quality and water reuse

Water Resources Sensitivity Management

Samsung Display leverages the tools provided by the World Resources Institute (WRI) to identify mid-long-term water risks by 2040 in the areas where its domestic/overseas worksites are located and is monitoring the status of its water withdrawal and consumption. While our worksites in China and Vietnam, which are currently exposed to relatively high water stress levels, have module assembly lines and thus do not withdraw much water, they are at a continual risk for floods and water quality degradation. We are reviewing a wide range of response strategies and will advance our endeavors to minimize our water stress.



Biodiversity Conservation

As global-wide consensus is building on the protection of biodiversity, we witness the spread of movements to refrain from reckless development and consider biodiversity across all business activities. Samsung Display is also engaged in wide-ranging activities to minimize its impact on the natural ecosystem and promote ecological restoration.

Biodiversity Conservation Activity

Samsung Display strives to minimize the impact of its business activities on the natural ecosystem and to restore the ecosystem by improving the local community environment. All of our worksites strictly follow the set standards in treating waste and managing water discharge while reducing air pollutants. In areas near our worksites, we make various contributions to the protection of biodiversity. We maintain green areas within the industrial complex as much as possible, create eco-reservoirs and walking trails to establish an ecological network where green belts, reservoirs and streams are organically connected. We also join hands with local residents in managing foreign fish species and building artificial floating islands.

Samsung Display's Efforts to Preserve Biodiversity

	 Minimize the size of industrial complexes to maintain green belts	 Create eco-reservoirs and walking trails	 Manage foreign fish species through local resident engagement	 Build artificial floating islands (to be built)
Target	Parks, green belts and streams at the Asan 1/2 worksites	Create walking trails near the Garakbawi storage and Myeongam Stream	Tangjeong-myeon Residents' association (Samsung Display employees and local residents)	Create an artificial floating island in Garakbawi storage
Activities	<ul style="list-style-type: none"> Asan 1 worksite : 8.9% of parks, green belts and streams (approx. 220,000 m²) Asan 2 worksite: 22.1% of parks, green belts and streams (approx. 460,000 m²) 	<ul style="list-style-type: none"> Created 3.2km of walking trails (1.2km near the Garakbawi storage, 2.0km near the Myeongam Stream) Planted 268,002 trees (7,612 trees and 260,390 bushes) 	<ul style="list-style-type: none"> Hosted 'bass fishing contests' at the Garakbawi storage (2015 and 2018) to reduce the population of bass, a foreign species, that threaten the aquatic biodiversity in the local stream 	<ul style="list-style-type: none"> Create an island on a piece of land measuring 14,000 m² (10,500m² of the land dedicated to a floating island, and 3,500m² of it dedicated to a waterside vegetation belt) Plant a total of 201,380 trees and bushes (162,880 trees and/or bushes on the floating island, and 38,500 trees and/or bushes along the waterside vegetation belt)



SOCIAL

Samsung Display identifies its stakeholder's expectations and needs through active communication. We will carry out a broad array of policies and programs to fulfill our role and responsibility as a corporate citizen in our society to pursue more harmonious growth.

Reporting Topics and Alignment with Material Issues

Customer	01	Employee	02	Supplier	03	Local Community	04
	<ul style="list-style-type: none"> Sustainable products ★ Product quality & Responsible marketing Customer satisfaction management 	<ul style="list-style-type: none"> Respect for basic rights ★ Dissemination of a safety and health culture Work culture, employee well-being Diversity & inclusiveness Recruitment of top talent Employee capacity building 		<ul style="list-style-type: none"> Supply chain sustainability Responsible sourcing of raw materials Support for shared growth 		<ul style="list-style-type: none"> Contribution to the local community Corporate citizenship programs in education 	

Alignment with UN SDGs




Establish Global Labor Practices
 on the basis of global human rights protection guidelines


Obtain the Environmental Product Declaration
 for smartphone OLED panels


Highest rating granted
 in the Win-Win Index
 for 3 consecutive years



Customers

Relentless innovation and exceptional technology allow us to secure corporate values building upon customer satisfaction. Samsung Display not only delivers a differentiated visual experience, but also pursues sustainable growth through the development of eco-friendly and safe products.

Sustainable Products

Sustainable products that we pursue at Samsung Display are the ones that deploy technology that cares for the environment, people and society while delivering the traditional display technology such as high resolution and brighter picture quality. With this in mind, we continue on improving the performance and quality of our products and at the same time proactively address such risks as climate change, resource depletion, the pollution of the environmental ecosystem and any possible health risks of users. Moreover, we set and push forwards the mid/long-term goal to deliver sustainable values through our products.

Samsung Display's Definition of Sustainable Products

Response to Climate Change	Reduction of Resource Use	Protection of the Environmental Ecosystem	Consideration of Health and Society
• Reduce power consumption (Improvement in power driving and material efficiency)	• Reduce resource consumption • Increase product recycling • Extended the lifetime of products	• Remove harmful substances within products • Adopt green materials	• Reduce eye strain • Develop products for color weak users • Refrain from using conflict minerals

Sustainable Product Highlights



Reduction in Power Consumption

Received the 'Energy Savings' validation from the global certification body UL for reducing power consumption in Samsung Galaxy S20 models compared to their previous lineup.



Eye Strain Alleviation

Received the 'Eye Care Display' certification from the global certification body SGS for lowering the blue light emissions of OLED displays in the Samsung Galaxy S20 lineup.



EPD Acquisition

Obtained the Environmental Product Declaration (EPD) for OLED displays mounted on the Samsung Galaxy S8 (2018), the Samsung Galaxy Z Flip (2020), and the Samsung Galaxy Note 20 (2020).

Management of the Environmental Impact of Products

Samsung Display is committed, at the company-wide level and along the entire supply chain, to eliminating harmful substances within products and developing products that minimize environmental loads.

Management of Harmful Substances within Products

We identify harmful substances contained in the raw/subsidiary materials that go into our products, and in components, packaging materials and labels while complying with domestic/international environmental regulations concerning such materials and making improvements according to customer requirements. In so doing, we develop products that impose no negative impact on the environment or on the human body. We strictly manage banned substances, such as the six major

harmful chemicals - Pb, Cd, Cr6+, Hg, PBBs, PBDEs – that are regulated under the EU's Restriction of Hazardous Substances (RoHS). Meanwhile, we create an eco-conscious supply chain by facilitating green management at our suppliers and procuring their green raw materials and components. To this end, we operate the 'Eco-supplier Certification' program to select and do business with the certified suppliers who have management processes that exclude harmful substances in their components.

Turning End-of-Life Products into Resources

Samsung Display teamed up with a professional recycling company in developing and patenting technology that recycles waste glass generated from LCD panels into subsidiary materials for cement manufacturing. Not only does this help us mitigate environmental impact by increasing recycling of waste from our worksites and reducing landfill waste, it also brings us economic benefits including decreased investment in landfill sites, use of idle land, and collection of patent licensing fees. Going forward, we will register patents globally to preempt exceptional recycling technology beyond that of our global competitors and elevate our international technology competitiveness.

Reduction of Product Power Consumption



16% reduction in power consumption with the development of low-power smartphone OLED panels in 2021



up to **22%** reduction in power consumption through the commercialization of 'Adaptive Frequency' technology in 2020

Benefits from Reduced OLED Power Consumption

2018	2019	2020
5.5 million trees	12.2 million trees	16.9 million trees
Power consumption reduced	Nearly 78 GWh/year	Nearly 172 GWh/year
Carbon emissions reduced	Nearly 40,000 tons	Nearly 80,000 tons
No. of football stadiums	1,848 stadiums	4,060 stadiums

* Reductions made against 2017

Certification on Reduction in Product Power Consumption

Product Category	Country	Certification Body	Certification Title and Purpose	Certification Image
OLED	US	UL (Underwriters Laboratories)	Energy Savings Validation Green product validation on reduced power consumption	

CASE 02.
EPD Acquisition

Samsung Display obtained the Environmental Product Declaration (EPD) for the OLED panel mounted on the Galaxy S8 in 2018, the foldable OLED panel (model name: AMF670UH01) mounted on the Galaxy Z Flip in 2020, and finally on the OLED panel mounted on the Galaxy 20 in March 2021. The EPD program is directed by the Ministry of Environment and operated by the Korea Environmental Industry & Technology Institute to quantify the environmental impact generated from the entire manufacturing process - from the production of raw materials to product manufacturing. While our OLED panel used for the Galaxy S8 was certified in four categories (carbon footprint, acid rain, eutrophication, and water footprint), our foldable OLED panel was certified in seven categories (with the addition of resource footprint, ozone layer, and smog), which testifies to our reinforced environmental impact monitoring system.



Reduction of Blue Light Wavelengths in OLED

13%

Vision Protection

Samsung Display is committed to protecting the eye-health of display users while delivering a unrivaled visual experience. This drives our efforts to develop user-friendly display technology that alleviates eye strain and considers the convenience of color weak users.

Reduction of Blue Light Wavelengths

Samsung Display's innovative OLED leverages the principle of self-illumination to dramatically reduce harmful blue light wavelengths compared to existing displays. The OLED panel, recently mounted on the Samsung Galaxy Note 20 Ultra, has mitigated blue light wavelengths by 13% from those of its predecessors. Samsung Display will continue with its R&D and investments to add values in the emerging 5G mobile environment.

Blue Light Hazard Reduction Certification

Product Category	Country	Certification Body	Certification Title and Purpose	Certificate Image
OLED	Switzerland	SGS	Eye Care Display Industry's lowest level of harmful blue light	

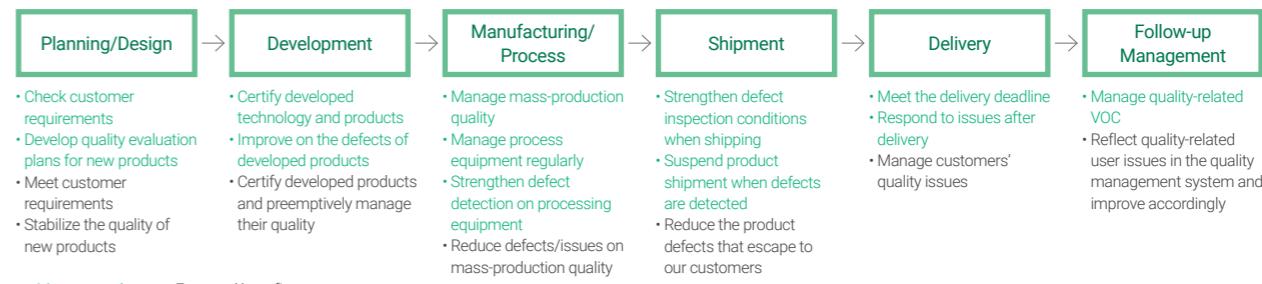
Color Correction Technology for the Color Weak

Samsung Display has been offering OLED-enabled color correction technology for the color weak since 2014. This harnesses OLED's correction functionality to quantify a user's level of color perceptions and highlight colors to the appropriate level. This technology has been applied to smartphones to help people who are color weak to enjoy the original colors to the fullest extent possible.

Self-emitting Display for the Color Weak

CASE 02.
Product Quality and Responsible Marketing
Product Quality Management
Life Cycle Quality Management

Samsung Display considers customer requirements and tirelessly makes improvements to deliver the highest-possible product quality. Our production lines at domestic/overseas worksites have achieved IATF16949 (automotive component quality management system) and ISO9001 (quality management system) certifications to practice quality management in the entire manufacturing process from product planning/design to delivery and after-sales service. This allows us to guarantee our customers with improved reliability in product supply and better deliver the excellence of our products to end users. In particular, the head of corporate business presides monthly quality innovation meetings to lead technology improvement and defect management. As such, we carry out company-wide efforts to manufacture competitive products.

Life Cycle Quality Management System

Improvement of Product Competitiveness through Product Certification

Our products are recognized for their exceptional quality by a number of global certification bodies. In 2020, our 90Hz/120Hz refresh rate smartphone OLED panels were certified by SGS¹⁾ for the 'Seamless Display' and commended for their best-in-industry performance in blur length and motion picture response time (MPRT)²⁾. Moreover, these products were singled out as ones that set the standard for smartphone displays optimized for the 5G era that is forecasted to witness explosive growth in video and gaming consumption. In addition, our latest OLED panels are capable of delivering crisp and precise brightness both indoors and outdoors as well as rich color expressions. Samsung Display will establish competitiveness through sustained quality and performance improvement and solidify its leadership in the global market.

1) SGS (Société Générale de Surveillance) is a Swiss multinational company founded in 1878, which specializes in inspection and certification.

2) MPRT (Motion Picture Response Time) represents the response speed of videos, and is used as an international display standard to measure how long it takes for the motion blur of a single frame to disappear in a sequence of filmed images.

Quality Performance Certifications Achieved by Samsung Display

Product Category	Country	Certification Body	Certification Title and Purpose	Certificate Image
OLED	Switzerland	SGS	Seamless Display Deliver high refresh rates to reduce eye strain	
OLED	France	Bureau Veritas	UTG (Ultra Thin Glass) Durability of UTG	
OLED	US	UL(Underwriters Laboratories)	Iris Ring Recognize exceptional picture quality with no color difference in the areas around the hole-in-display	
OLED	US	UL(Underwriters Laboratories)	Sunlight Visibility Improve readability under bright sunlit conditions	
OLED	Switzerland	SGS	Cinematic Experience Display cinematic colors through color volume and true black	
OLED	Switzerland	SGS	Gaming Performance OLED technology optimized for the gaming experience	

Responsible Marketing and Communication

Customer-friendly Marketing

We partner with major customers to effectively communicate the excellence and sustainability of our products to wide-ranging stakeholders. In addition to our own online channels of the official website¹⁾ and the Newsroom²⁾, we are also on Youtube and Facebook to provide information on the principles, advantages and eco-friendliness of our displays. In so doing, we extend the target of our communication to general consumers who actually use our products and thereby raise awareness regarding our displays. Such far-reaching marketing campaigns not only elevate the product value for our customers who adopt our panels but also prove to be instrumental in raising the awareness for sustainable products delivered by the display industry.

1) Samsung Display's official website (<https://www.samsungdisplay.com/>)

2) Samsung Display's Newsroom website (<https://news.samsungdisplay.com/>)

CASE 03.



Videos Publicizing the Excellence of Laptop OLEDs

We have unveiled four videos that illustrate the features and advantages of our laptop OLED panels through the Company's Youtube account on a weekly basis since January 2021. These four videos received cumulative views of 430,000 on Youtube and 6.38 million views on China's Weibo.

Episode 1 (Superior Image Quality)

Introduce a wider color gamut and vivid picture quality on Samsung laptop OLEDs

Episode 2 (Eye-friendly Display)

Explain the quick response time and reduction in harmful blue light emissions delivered by OLED panels that meet the needs of consumers who enjoy gaming or movie-watching on their laptop

Episode 3 (Sleek Design)

Highlight the features of OLED panels that deliver a sleek design with slim bezel and thinness while improving portability with its lightweight

Episode 4 (The Future of OLED)

Present the future of OLED laptops with slidable and rollable displays

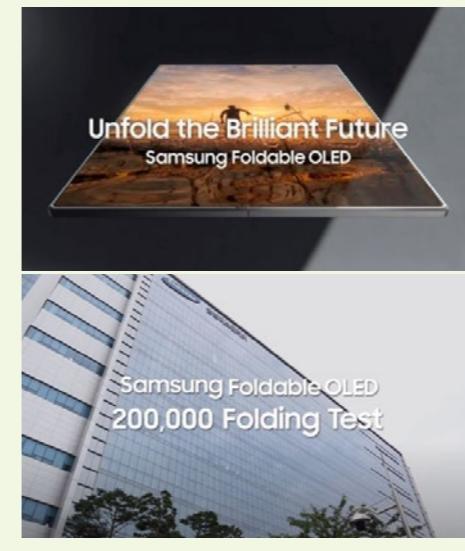
CASE 04.



How to Use a Laptop Wisely?

Samsung Display produced and released videos in vlog format to illustrate how we could reduce battery power consumption and lengthen laptop use times. These 1-2 minute vlog videos have been made available since the end of January 2021 to help users better understand the advantages of OLED laptops over LCD laptops in terms of power consumption. They also serve to effectively communicate the other advantages of OLED products concerning power consumption including Dark UI, Perceived Brightness, OPR (On-Pixel Ratio) and Charging Anytime & Anywhere.

Videos Publicizing the Latest Foldable Display Technology



1. Provide easy-to-understand explanation on the features and advantages of foldable display technology

- 'Folding technology' to illustrate how displays are folded and unfolded
- 'Samsung UTG' to introduce UTG, a thin and flexible cover window glass
- 'Adaptive Frequency' technology to reduce power consumption through variable refresh rates
- 'Iris Ring' to deliver uniform picture quality in areas surrounding the camera hole
- 'Eye Care' to protect the vision of users through reduced harmful blue light
- 'Diamond Pixel' to position pixels in diamond-shaped arrangements to display softer and more vivid curves
- 'OLED of the Future' to introduce the OLEDs to be released in the future

2. Unveil the video demonstrating the '200,000 times folding test'

- Unveil the durability test conducted on Samsung Display's foldable OLEDs at the Asan worksite
- Disclose details of the product durability certification awarded by Bureau Veritas

Customer Satisfaction Management

To continuously set our products and services apart from the competition amid the gradually shifting competitive landscape, we collect customer feedback in real time and perform regular satisfaction surveys.

Customer VOC Management

We operate dedicated quality assurance teams for respective B2B customers under the Quality & Reliability Team to manage Voice of Customers (VOCs) in relation to customer requirements. Our Headquarters and major overseas locations operate quality defect analysis center and OSS (On-site support) to receive and handle local VOCs. The Customer Service section of our official website also collects and manages VOCs in relation to products and other services. We regularly practice life-cycle management within the VOC handling system all the way to the completion of after-sales services, and use our security system to ensure information security.

VOC Handling Process



Customer Satisfaction Survey

We have realigned our customer satisfaction survey system in the second half of 2020 in line with the Customer Satisfaction Index (CSI) to deliver greater customer satisfaction. We plan to conduct surveys tailor-made for B2B customers on a half-yearly basis to cover the entire satisfaction categories from product development to after-sales services for end customers. Samsung Display will focus on bringing greater customer satisfaction through effective targeted improvement activities and quality improvements that are based on customer needs. In addition, we will continuously extend the scope of survey respondents in line with the expanding new OLED businesses.



Employees

We firmly believe that it is 'people' who are at the center of business growth and we keep this philosophy in mind in protecting and promoting the human rights of employees along the value chain. Furthermore, we create an autonomous and healthy corporate culture and provide a wide array of growth opportunities to enhance employee value as well as contribute to our corporate growth and social development.

Respect for Basic Rights

Promotion and Protection of Human Rights

Samsung Display's Human Rights Policy

Human rights is a universal value shared by all of humanity, and basic rights that need to be protected under any and all circumstances. Samsung Display complies with the UN Universal Declaration of Human Rights, ILO fundamental conventions and other labor-related standards presented by international organizations as well as the RBA (Responsible Business Alliance) Code of Conduct.

We established our own 'Global Labor Practice' based on these standards: we reflect this Practice in our human rights and labor policies, and apply relatively more stringent standards in case in-house regulations differ from applicable local labor regulations in the countries and regions in which we operate.

Global Labor Practice

Respect for human rights	① We respect the human rights of our employees. The Company recognizes the basic human rights of all employees and ensures the protection of such rights.
Anti-discrimination	② We do not discriminate. The Company does not apply discriminate work conditions on the grounds of an employees' gender, age, nationality, race, religion or whether an employee is with child or giving birth.
Minimum wage	③ We pay on-time and above the minimum wage. The Company pays punctually and above the minimum wage in accordance with the labor relations regulations of respective countries, and provides pay stubs for employee earnings.
Ban on forced labor	④ We prohibit forced labor. The Company does not force employees to engage in labor that unfairly restrains their physical/psychological freedom.
Compliance with work hour regulations	⑤ We comply with work hour standards and holiday regulations. The Company complies with regulations concerning work hours, overtime work, night shifts, holiday work, break times, and paid time off as stipulated in the labor relations regulations of respective countries.
Compliance with the legal working age	⑥ We do not hire child workers. The Company respects the legal working age set by respective countries and does not hire adolescents under the age of 18.
Guarantee of freedom of association	⑦ We protect the freedom of association. The Company protects the right to organize, the right to collective bargaining and the right for collective action as stipulated in the labor relations regulations of respective countries and by the ILO.
Operation of the grievance handling process	⑧ We operate on/offline grievance handling processes. The Company checks on employee grievances through such diverse channels as the in-house bulletin board (Say+), the Online Reporting system, the counseling center, and on-site managers.
Human rights protection policy review	⑨ We review our protection of human rights each year. The Company conducts annual self-reviews on its proper policy implementation concerning requirements made by the ILO and the RBA.

Human Rights Risk Management and Training

Worksite Review

As a member of the RBA, Samsung Display applies standards conformant with the RBA Code of Conduct in managing work conditions at the Company and its suppliers. We strive to make substantive improvements by adopting the RBA Validated Assessment Program (VAP) – labor · human rights-related risks, implementation and monitoring of remedies – that befits global standards, identifying vulnerabilities in five areas (Labor · Human rights, Safety and Health, Environment, Business Ethics, and Management Systems), and monitoring remedies. To this end, in cooperation with third-party certification bodies accredited by the RBA, we plan to review our major production locations in three countries for their compliance with local labor regulations and RBA's assessment criteria by the end of 2021. To date, one domestic worksite and two overseas worksites, which account for 50% of the set target, have completed their due diligence.

Company-wide Human Rights Training

We provide annual company-wide training programs to all our employees with modules on prevention of sexual harassment and workplace bullying as well as raising awareness for people with disabilities to further cultivate our respect for human rights. As to the prevention of sexual harassment and workplace bullying, we share Dos & Don'ts cases with employees and endeavor to create a sound organizational culture where employees move beyond mere prevention and promote mutual respect among colleagues.

Participants¹⁾ in Human Rights Training (unit: No. of persons)

Category	2018	2019	2020
Culture of mutual respect	23,532	22,932	21,853
Awareness for people with disabilities	23,468	22,942	21,903

1) Based on domestic employees



Signing of the collective agreement at Samsung Display

Labor-Management Communication

Labor-Management Cooperation and Communication

Samsung Display respects the basic rights of employees and thus signed collective agreements with the labor union through collective bargaining. We operate the worksite-specific Joint Labor-Management Conference in accordance with the 'Act on the Promotion of Employees' Participation and Cooperation' to facilitate communication between labor and management. In 2020, a joint taskforce was created by labor-management councils and Corporate Human Resources Team to collect and reflect the needs of employees in the areas of infrastructure improvement and welfare & benefits.

We operate a range of communication channels between labor and management. We notify employees of substantive labor-management communications and handling of suggestions posted on the labor-management website in detail through Say+ and departmental meetings. The Joint Labor-Management Conference website operates a separate grievance handling channel to regularly share the grievances raised and discuss possible improvements for the mutual development of labor and management.

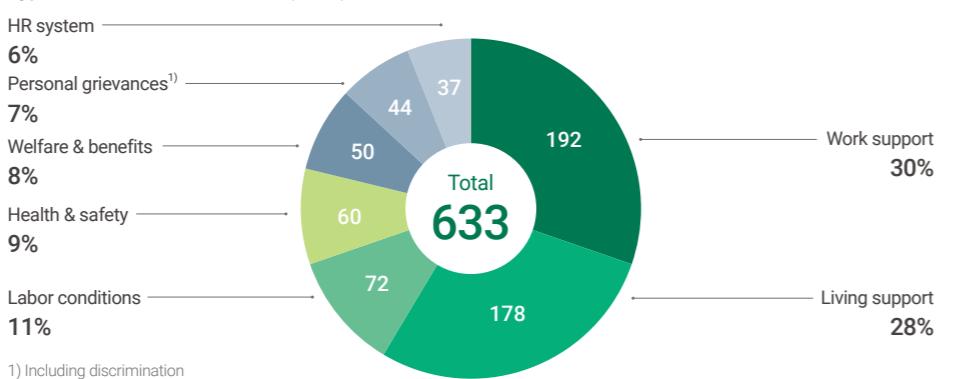
Grievance Handling Channel

Samsung Display has wide-ranging grievance handling channels to take heed to the grievances raised by employees. In addition to operating the in-house bulletin board and the Online Reporting System, we designate on-site managers by department to process grievances within the shortest possible timeframe. Grievances can be raised under anonymity or alias, and identities of whistle-blowers are protected. If we decide that discipline is deemed necessary after a thorough review of the reported grievance, we convene the Disciplinary Committee to impose appropriate disciplinary action against the accused. At the same time, we also provide support programs such as one-to-one professional counselling sessions for the recovery of the grievant.

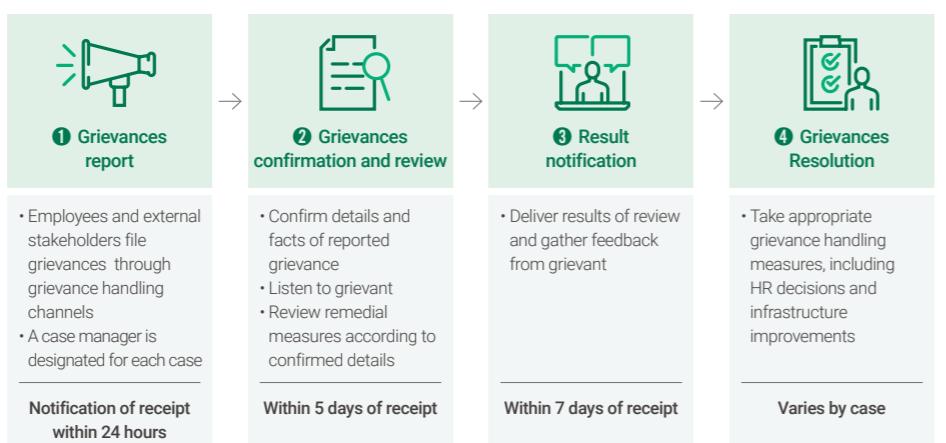
In-house Human Rights Protection- Grievance Resolution Channels

Say+	<ul style="list-style-type: none"> Provide responses by case manager within 24 hours to questions posted on the in-house bulletin board
Online Reporting System	<ul style="list-style-type: none"> Anonymous channel where employees and external stakeholders report grievances that are difficult to share with others, including sexual harassment and workplace bullying and receive individual feedback on review results
Joint Labor-Management Conference	<ul style="list-style-type: none"> Operate a grievance handling bulletin board and answer the questions posted
On-site manager Labor management (ER)/ corporate culture (CA)	<ul style="list-style-type: none"> Designate on-site managers for each department to check grievances - from minor departmental improvements to personal grievances and take immediate action on the grievances that could be addressed at the department level Separately designate female ERs for manufacturing departments that hire many female employees
Department-level grievance handling box	<ul style="list-style-type: none"> Operate anonymous grievance handling boxes to propose necessary departmental improvements

Type of Grievances Submitted (2020)



Grievance Handling Process



Diversity and Inclusiveness

Samsung Display respects the dignity and diversity of each and every individual, and creates an environment where all employees respect one another.



Female executives in 2020

10.5%



Ratio of female employees

Approx. 28%

Strengthened Female Influence

We endeavor to provide female employees with career development opportunities and a level playing field. As a result of our commitment to nurturing future female leaders, the number of female executives rose from zero to five compared to 2012, and the ratio of females in manager level or above nearly doubled from 5.2% in 2012 to 10.5% in 2020. To assist female employees in striking the right work-life balance and meeting their child/family care needs, we operate a range of leave programs regarding pregnancy, childcare, fertility, and family care as well as reduced work hours. As to parental leave, we provide a two-year leave, which is longer than the required legal standard. Employees are also able to divide this two-year leave, which many female employees are doing.

As of 2020, the ratio of our female employees amounted to approximately 28%, and more than 30% of new hires are women, which testifies to our commitment to reinforcing the influence of women within the display industry.

Support for Adaptation of Foreign Employees

We offer diverse programs for foreign national employees and their families who migrate to Korea. Specifically, we operate the Global Help Desk for foreign national employees based in Korea to provide information and services including visa issuance, which are essential in the daily lives of these employees and their families in adapting to life in a new country. An automatic translation system is provided in 11 languages, including Korean, and we offer Korean language training to help foreign employees better communicate in their professional life.

Support for Employees with Disabilities

Work Support for Employees with Disabilities

To ensure that our employees with disabilities are given the opportunity to fully unlock their potential, we assign them to appropriate departments considering their individual needs and competences, and help them handle grievances in their personal and professional life through regular discussions so that they can more easily focus on their work. We assist these employees in purchasing assistive devices and receiving regular health check-ups, and offer them paid leave when they receive disability-related regular check-ups.

Samsung Barrier Free (SBF)

We introduced Samsung Barrier Free (SBF), our internal disability facility certification system, to minimize difficulties that employees with disabilities may face in performing their daily work. As a result, since 2012, our major worksite buildings in Korea have been adopting improved accessibility facilities such as elevators, restrooms and braille roadblocks to support the work of these employees and improve their accessibility.

Talent Recruitment and Capacity Building

Recruitment of Exceptional Talent

Efforts to Recruit Exceptional Talent

Samsung Display tirelessly challenges its limit and consistently pursues innovation. As we believe that our competitive and enthusiastic employees are the greatest assets that drive the future of Samsung Display, we identify the needs of each organization and recruit top-notch talent in line with our sustained growth.



Virtual recruitment fair

Ideal Candidate for Samsung Display



Development of Competencies and Leadership

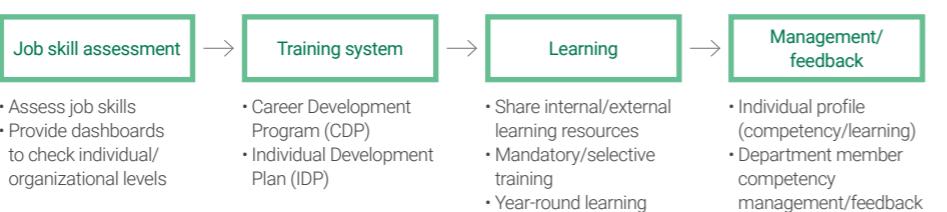
We continue to provide the exceptional individuals we recruited with the opportunity to pursue their growth and take on new challenges. We consistently develop and operate training programs for the 'Upskilling' and 'Reskilling'¹⁾ of our employees in reflection of shifting trends.

1) Upskilling: Acquire skills to improve one's job competence / Reskilling: Acquire skills to perform new work

Reinforcement of Job Competitiveness

We assist our employees with capacity building through year-round learning by assessing/analyzing the capacity level of individuals and organizations and setting self-initiated learning plans. To this end, we operate a capacity building process that consists of job skill assessment, organizational training systems, learning, and management/feedback. In March 2021, we integrated existing two-track training systems and launched a new learning platform 'SDC Academia' with a strengthened learning functionality. The new platform allows us to provide our employees with a more convenient and modernized learning environment.

Job Competency Reinforcement Process



Support for Self-Development Opportunity

In addition to job training, we offer a wide spectrum of capacity building training and programs to help our employees improve their competence from multiple angles. Our employees join internal/external competency development programs and fully make use of such programs to broaden the scope of their competency.

SW/AI Competency Development Opportunity

We operated a taskforce dedicated to reinforce our software (SW) competitiveness and identified necessary improvements, which resulted in implementing key projects to improve our SW development process and strengthen the competency of our employees. To secure AI competence, not only did we set up a new organization and introduce certification programs, we also continue to nurture and qualify experts and undertake tasks to effectively leverage AI in the problem-solving process.

Academic Training/MBA Support

In addition to internal training programs, we, at Samsung Display, provide degree acquisition and expertise developmental programs to assist employees with their capacity building. In particular, our academic training, MBA, and Visiting Researcher programs enable our employees to learn relevant expert knowledge, build a network, and deepen their understanding on business, as well as to elevate their working-level competence.



Leadership Training

Leader Development

We have established a leadership training system to provide career level-specific leadership training from department heads, middle managers and field managers all the way up to executives. Our leaders learn about the shifting business paradigm while acquiring four leadership capabilities (people management, organizational management, performance management, and change management). A new course was added to develop interview skills to help leaders more easily cultivate the rapport-building skills necessary for employee communication and organizational management. Ultimately, this greatly assists these leaders in empathetically understanding employees and actively listening to their opinions and concerns.



Those who succeeded in landing a job through the Career Consulting Center as of the end of 2020

415 persons

Career Consulting

Our Career Consulting Center provides both existing employees and retirees with an opportunity to make a fresh start and prepare for their future. The center, which has been in operation since July 2012 when our Company was established, supports employees through career consulting for incumbent employees, career change training programs, life-cycle design consulting for retirees, and external job matching. As of the end of 2020, 519 persons received consulting, and 415 of them successfully landed their next job.

Equal Opportunity

Job Rotation

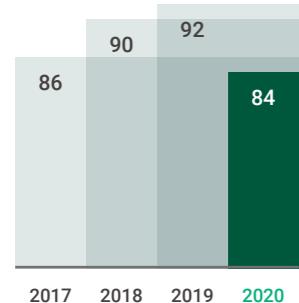
We operate a regular semiannual Job Posting program to provide employees with an opportunity to try out and switch to different positions and pursue self-directed career development. This program enabled 478 employees to move to job positions of their choices over the past three years. We assist these employees through sufficient preparation period and departmental OJT programs to facilitate their smooth onboarding. Going forward, we will continue with the Job Posting program to help our employees' career development and to promote the chance to try out various positions at the company level.

1) 2018: 143 employees
2019: 171 employees
2020: 164 employees

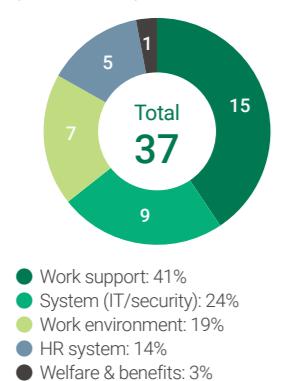
Work Culture and Employee Well-being

Samsung Display's SCI Results
(unit: Point)

Overall satisfaction
(sum of Work Smart, Think Hard, and Build Trust scores)



VCC Improvement T/F
Operation Outcomes in 2020
(unit: No. of cases)



Creation of 'QD & Foldy' as SDC Culture Characters



We hosted a company-wide employee contest to create 'characters' that effectively communicate our SDC Culture. Between July and October 2020, the <SDC Culture Character Contest> received a total of 73 submissions, which were first screened by more than 5,000 employees through survey votes and other means of participation. The chosen finalists were 'QD & Foldy': these two characters were created by comparing displays that express the spectrum of colors that are present in the world to chameleons, and the pink QD and the bluish green Foldy respectively symbolize QD displays and foldable displays.

We made trademark registrations on these two characters in December 2020, and have proactively featured them as our official mascots for internal/external communications. This contest served to enable our employees to share their own insights regarding 'SDC Culture' and develop a deeper sense of belonging while promoting communication, harmony and great synergy through employee engagement.

CASE 06.

Supportive Work Culture

Samsung Culture Index (SCI)

We conduct annual Samsung Culture Index (SCI) surveys on all employees to identify the strengths and necessary improvements of our corporate culture. The survey consists of the three categories: Work Smart, Think Hard and Build Trust. In 2020, nearly 31,000 employees participated in the survey at our domestic and overseas worksites.

VCC Survey

Independent of the SCI, we also perform an internal corporate culture satisfaction survey titled VCC (Voices, Change our Culture) Survey twice a year. Through the process of 'listening' to the voice of employees, 'making improvements' and 'offering feedback', we take the survey as an opportunity to elevate employees' trust in us and as a catalyst to make on-site improvements. Of the issues identified through the VCC Survey, those that are inherent to the specific sites are addressed by departments, and company-wide issues are resolved through the joint task force formed between the Join Labor-Management Conference and the Company to address the grievances of our employees and any inefficient or unreasonable practices, thereby improving employees' work satisfaction and engagement.

Efforts to Improve the Organizational Culture

We implement Work Smart activities with a focus on productivity gains to improve inefficiencies in existing work practices and to support our employees' work engagement. This allows us to more efficiently use time and eliminate unreasonable meeting practices and to help employees pursue a better work-life balance.

Organizational Culture Improvement Campaign

We share communication-focused content that is produced on the basis of the three core values of Samsung Display as part of our organizational culture improvement campaign. The SDC Culture characters created through the employee contest are fully featured for this campaign to encourage more employees to join organizational culture improvement activities and contribute to disseminating efficient work practices.

Employee Well-being Enhancement

Employee Health Promotion

Samsung Display does its utmost to support employees to promote their health. We provide annual health check-ups for all employees, and operate a wide array of health promotion programs.

Health Promotion Program

Name of Program	Description
High-risk group management	• Inform the outcomes of individual health analyses (blood pressure, hyperlipidemia, diabetes, liver diseases) and refer them to the in-house clinic for management
Obesity management program	• Engage in personalized work-outs through In-body measurements, balance analyses, body type analyses, and stress tests
Diabetic Clinic	• Improve daily habits through treatment provided by healthcare professionals at the in-house clinic and personalized management by healthcare managers (provide in-person and phone counseling through analyses and feedback of cumulative blood sugar measurement data, and send training information)
Postnatal body fit program	• Provide coaching on pelvic correction and abdominal muscle tone-up exercises for postnatal female employees who are entitled to maternity protection.
Backache prevention and "text neck" management	• Alleviate chronic back pain issues and "text neck" common among employees using computers for prolonged periods of time.
Low sodium diets	• Provide meals with reduced sodium content for employees' health management at the in-house cafeteria
Big Walk	• Launch a campaign to match the number of steps employees take to the amount of donations made through the app

Support for Work-Life Balance

Operation of Maternity Protection Programs

Samsung Display is willing to go beyond the legal standards to provide a greater extent of care to expectant mothers. In particular, a wide array of programs are in operation to ensure that expectant mothers experience a healthy childbirth; this includes the designated seats for pregnant women on commute buses, regularly distributing iron pills, and providing dedicated stickers. We also operate a total of 12 maternity lounges in each building at our worksites: pregnant employee can easily access these lounges with no additional restrictions, and we installed breastfeeding spaces, water purifiers, refrigerators, and sofas to provide sufficient rest areas. We encourage our employees to take spousal childbirth leave, and we also operate in-house childcare centers to assist our employees in looking after their children.

Maternity Protection Programs

Program	Reference legal standards ¹⁾	Support
Parental leave	1 year	Up to 2 years per child
Childbirth leave for spouses	10 days for both single/multiple births	10 days for single births, 20 days for multiple births
Fertility treatment leave	1-day paid leave, 1-day unpaid leave	5-day paid leave per year
Prenatal check-ups	Every four weeks until the 28th week of pregnancy	There is no limit on the check-ups expectant mothers can take prior to their 28th week of pregnancy

1) Labor Standards Act: Parental leave, spousal childcare leave, fertility treatment leave / Mother and Child Health Act: Prenatal check-ups



Tangeong Samsung daycare center

Welfare & Benefits Programs

We operate a broad spectrum of welfare & benefits programs in addition to the legally-mandatory ones to promote the well-being of our employees. We will continue to develop diverse programs to take a fully comprehensive approach to creating a wholesome and inviting workplace.

Welfare & Benefits Program



Provide benefits and perks for employees' daily life including commute buses, in-house cafeterias, dormitories, scholarships for children, support for celebrations and condolences, and various pension and insurance benefits

Support regular health checkups and medical support for individual fitness and health management, and operate in-house clinics

Support for leisure activities, including the use of various entertainment facilities and community activities

Provide welfare points to enjoy leisure and cultural life according to individual preferences

Provide mental/legal counseling services and wedding/childbirth anniversary gifts

Living support

Medical benefits



Leisure support



Welfare points



Other services



Other services

CASE 07.

Dormitory Operation

We operate dormitories for employees who live far from the office, and provide them with more convenient residential conditions so they don't have to commute.

Areum Town Dormitory

Our Areum Town Dormitory is a large-scale apartment community that consists of nine buildings and 1,345 households. Presently, each tenant employee is provided with a comfortable room and living conditions. The dormitory complex houses cafeterias, rest areas, reading rooms, and various sports facilities (a football stadium, ping-pong room, and gym) to improve employee welfare. In addition, laundry facilities, a storage room for delivered packages, a snack bar, and a club room as well as shuttle buses that travel to the KTX

station and terminals are made available to elevate the daily lives of our employees.

Dormitory User Satisfaction Survey

Our in-house dormitory website collects and manages requests made by dormitory users and their facility use reviews. Employees living in our dormitory provided us with the feedback that these dorms 'feel just like home', going on to note the 'convenience of the one-person-one room system' and touting the 'safe to use facilities'.



Front view of the Areum Town Dormitory

Establishment of a Safe Workplace



All worksites certified under

ISO 45001

(health & safety management system)

ISO 45001

(health & safety management system)

Safety Management System

We prioritize the safety of our employees, and create a safety culture that engages all our employees. A health and safety management system is up and running at all our worksites to systematically manage and improve risk factors, and we are putting ceaseless effort to provide a safe work environment. In addition, all our domestic and overseas worksites have achieved the ISO 45001 certification, the international health and safety management system standard.

Safety Management Organization

Senior Management's Commitment to Autonomous Safety Management

The CEO and senior management preside regular meetings to ensure thorough safety management at the worksite level. Safety management meetings are convened four times a year with the CEO attending, and monthly meetings are held under the leadership of the CFO. In particular, 'environmental safety management' assessments are reflected in the executive management objectives to pay greater heed to safety-related incidents. Company-wide environmental safety review meetings are held each month under the supervision of the head of Global Infrastructure Technology Center to share information on accident prevention, the status of environmental safety activities and organization-level safety accidents, and major pending issues concerning safety at overseas worksites.

Environment, Health and Safety-dedicated Organization

We have established Environment, Health, and Safety (EHS) organizations directly connected with respective production lines at all our domestic and overseas worksites. The head of Global Infrastructure Technology Center serves as a company-wide manager of EHS management, and the Occupational Safety and Health Committee attended by labor representatives is up and running. Regular meetings are held to deliberate and decide on major health and safety issues, and consultations are made on diverse agenda items proposed by employees to improve our EHS operations. Our EHS organizations are classified into five technical departments responsible for setting company-wide EHS standards and monitoring relevant regulations and seven operational departments tasked with closely supporting our production organizations and worksites. More than 340 staffs are dedicated to EHS operations, and a training system is operated in each of the safety, health, disaster control, and environmental sectors to establish individual job competencies. We send expert domestic staff to our overseas worksites to support their environmental safety development and operation.

Safety Management Guidelines

To raise our employees' awareness on safety, we stipulated action guidelines for accident prevention and announced the '10 ES & H Commandments' approved by the CEO. To maintain our track record in posting zero fatal injuries, we defined life safety rules in December 2020 and have since highlighted the need to comply with these rules for our employees and suppliers in Korea and abroad.

10 ES & H Commandments



Life and Safety Rules





Improvements made on
21 types
of high-risk work through
Risk Hedge activities in 2020

Major Safety Management Programs

We introduce and operate a broad array of programs to establish a sophisticated and advanced safety management system and deliver a safe workplace.

Safety Manager Certification Program

All safety managers who perform high-risk work at the worksite should be certified to help prevent safety incidents. Our safety manager certification training program consists of three-hour common compulsory courses and some additional two-hour courses that reflect the characteristics of respective work – handling harmful substances, fire monitoring, use of heavy equipment, and working in closed spaces. When performing high-risk work, safety managers directly check the safety measures taken in the field and take immediate improvement measures when detecting unsafe behaviors or conditions during work to prevent safety incidents from occurring.

Risk Hedge Activity

We operate a taskforce to reduce fatal injuries to zero on the company-wide level, and have launched the 1st term of Risk Hedge Research activities (2018~2020) accordingly. The members of the first term developed fundamental (elimination and substitution of risk factors), engineering (safety devices and equipment improvement) and managerial measures (training, manual improvement) based on the outcomes of on-site inspections in order to identify the phenomena of fatal injuries, their causes and improvement measures. Such Risk Hedge activities were undertaken across eight subsectors, and remedies were made on 21 types of high-risk work including falling and caught-in. The 2nd term of Risk Hedge activities to be launched in 2021 will be led by leaders of manufacturing and infrastructure departments to focus on fatal injury risks.

Preliminary Safety Certification Program for Equipment

We operate an equipment safety certification program to apply safety standards that conform to domestic legal criteria and international standards to all newly installed/modified/relocated equipment. From investment to equipment operation, we perform preliminary verifications prior to awarding orders, interim checks prior to receiving equipment and reviews during installation to fundamentally eliminate risk factors. For equipment currently under operation, on-site reviews are conducted on the normal operation of safety devices to preemptively identify and improve risks and prevent equipment-induced accidents in so doing.

Efforts to Establish a Safety Culture

Safety Culture Assessment

To establish an advanced safety culture, we perform annual assessments on our safety culture to analyze areas where we fall short of the set criteria and make continuous improvements. Since 2018, our safety awareness at the worksite has remained in the 'autonomous practice' level, and we engage in communication to help employees concur on and understand environmental safety and encourage their voluntary participation to move into the next phase of 'mutual dependence' where employees consider the safety of their colleagues as well as their own safety. For example, communication opportunities are arranged between the EHS team leader and working-level department leaders to collect and resolve grievances raised in the field. At the same time, voluntary participation in safety activities is gradually expanding, including the launching of the safety press corps composed of employees and a select group of employees who have exhibited excellent performance in safety engagement. In addition, we held strategic presentations to improve safety awareness at the organizational level to emphasize the responsibility of leaders, and hosted performance sharing events and awarded top-performing departments to establish an autonomous self-reinforcing safety culture.

SDC Green Management Awards

Samsung Display hosts the 'SDC Green Management Awards' to recognize and share best practices in improving potential risks, preventing environmental safety incidents and developing green management technology. This serves to elevate employees' awareness on environmental safety and energy conservation and to deliver a safe and green workplace. The Awards is categorized into accident prevention value and green management technology. In 2020, 'Improvement on 3 types of high-risk robotic work' and 'Energy conservation through utility optimization' were selected as best practices in the accident prevention value and green management technology sectors respectively.

Employee Safety Training

We provide all our employees with safety training, and offer advanced training according to their job position and characteristics. In particular, EHS managers are designated within each department to communicate company-wide environmental safety guidelines and autonomously operate training. In 2020, we planned and provided a training program to develop safety culture leadership based on the case study of leading companies to raise safety awareness among senior management, and field managers received training to strengthen their risk assessment and execution capabilities.



Regular employee training Staff	Manager & supervisor training Managers and supervisors	Special safety training Concerned workers	Safety Leadership Training Based on Leading Company Cases Executives and team leaders	Safety awareness training to prevent accidents Field managers	Risk management capacity building training Field Managers
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Employee Health Management

Samsung Display operates diverse programs for employees' health management to provide a better work environment.

Work Environment Improvement

Work Environment Improvement

To prevent work-induced illnesses caused by exposure to chemicals and physical factors, we manage our work environment in accordance with standards that are more stringent than the legal standards, and continuously pursue process automation.

Prevention of Musculoskeletal Diseases

By regularly examining musculoskeletal risk factors, we preemptively identify employees displaying symptoms and provide appropriate exercise therapy at the musculoskeletal disease prevention exercise center to significantly reduce the risk of such illnesses. As part of such examinations, we leverage ergonomic assessment tools and consider ergonomic improvements as our top priority in making improvements according to assessment outcomes. We also harness exercise therapy provided in alignment with the above center, job rotation and musculoskeletal assistive devices to implement diverse management-focused improvement activities.

CASE 09.


Major Activities of the PPE (Personal Protective Equipment) Research Group

Identify PPE

Identify and introduce convenient PPE (easier breathing, lighter weight, etc.)

Establish reasonable standards in wearing PPE

Set standards by assessing on-site risks and using protective gear standard tools

Identify domestic/international research trends

Monitor regulatory/latest research trends (introduce fit testing)

Special Page: Response to COVID-19



Host annual EHS seminars
for CEOs of Suppliers

EHS Support for Suppliers

In 2013, we created an organization to support suppliers with EHS management, and have since helped them build a safe work ecosystem and pursue shared growth by supporting environmental safety modeling, providing consulting support and improving the work environment for suppliers handling high-risk chemicals. We upload important notices on EHS and distribute necessary training materials through our supplier EHS portal. Furthermore, we designated 'EHS Innovation Day' to improve the safety management at our worksites each year: through this event, we provide expert lectures for domestic and overseas worksites and supplier employees on ways to create an innovative yet safe workplace as well as best innovation practices on environmental safety from respective companies.

Supplier Safety Culture Assessment

Samsung Display endeavors to raise the safety awareness level of our suppliers equivalent to us. Each year, we conduct quarterly safety culture assessments to perform detailed analyses on the weak points in suppliers' safety awareness in the eight categories: management's commitment, roles and responsibilities, risk management, communication and engagement, environmental safety competence, regulatory compliance, causal analysis and corrective measures, and monitoring & performance management. This is followed by the joint development and implementation of health and safety action plans with suppliers to pursue win-win development in the health and safety sector. Such assessments were conducted on 52 on-site suppliers operating at our worksites in 2019, and on 29 suppliers engaged in high-risk work in 2020.



Health and Safety Training Support

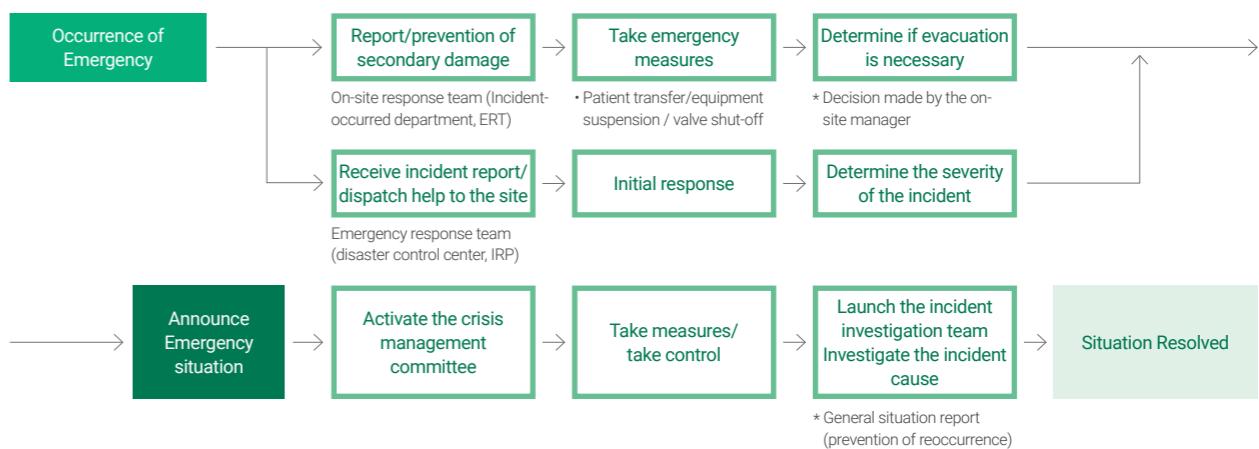
We support a wide range of supplier training to ensure the safety of our supplier's employees who are engaged in high-risk work at our worksites and to improve the management competence of their safety managers. We are providing this training to comply with safety standards and prevent accidents to ensure that these employees develop a comprehensive understanding of safety risks prior to work. We also nurture safety managers responsible for identifying and improving risky behaviors and the unsafe conditions on the part of these supplier employees who engage in dangerous work. As of 2020, 44,783 safety managers were trained to prevent accidents.

Emergency Response

Operation of an Emergency Response System

In preparation for any and all possible emergencies that could occur at our worksites, we are building a flexible and systemic emergency response system. In 2014, we became the first in the display industry to build an emergency response system in conformity with ISO 22301:2012 (business continuity management system), and are operating a crisis management committee based on disaster management. The committee convenes in the event of an emergency as decided by the committee chair, and follows separate committee operation procedures in conducting training and mock drills. We also operate a disaster control group dedicated to fires and explosions to manage issues in relation to the Fire Services Act (operation of firefighting equipment, normal operation of fire detectors, access to fire water, emergency broadcasting equipment and operation of a fire extinguishing agent laboratory, etc.)

Crisis Management Committee Operation Process



Emergency Response Training and Exercise

Given the inherent characteristics of our business as a manufacturer operating clean rooms, our emergency response trainings and drills are categorized into fire extinguishing and evacuation. We have developed emergency response scenarios for earthquakes, the spread of infectious diseases and other disasters as well as fires, and use these scenarios in conducting periodic emergency response drills. Our safety personnel at the disaster control center attend such drills daily, and our employees do at least once a year, and these exercises are conducted in connection with local fire stations to engage all our employees in comprehensive evacuation drills and trainings.

Our COVID-19 Response

We are fully committed to protecting each and every employee from the COVID-19 infectious disease. In preparation for the spread of this pandemic, we have operated a dedicated 24-hour team under the leadership of HR and EHS departments, and implemented company-wide prevention and control measures including our overseas worksites in accordance with the guidelines announced by the health authorities. We always put the health of our employees first, and take intensive management measures by preventing those with symptoms from entering our worksites through self-administered check-ups, automatic temperature checks for all who access our worksites, mandating mask-wearing, and launching social distancing campaigns.

Samsung Display's COVID-19 Response Process

Prevention	Thoroughly manage access to worksites	We operate temporary screening clinics at the entrance of all our worksites to prevent symptomatic people or (suspected) close-contacts of confirmed cases from entering our worksites. We also installed thermometers at all of our entrance gates to thoroughly control the entrance.
	Reinforce disease control activities	Special disinfection activities are implemented daily for cafeterias, lobbies and other public facilities. When detecting those who show symptoms or who are suspected to have come into contact with infected persons, we conduct emergency disinfections on their work areas to prevent the spread of infections internally.
	Promptly secure emergency response items and distribute them to employees	In preparation for emergencies, we secure face masks, hand sanitizer, Level-D kits (disease prevention set), and thermometers in quantities large enough to be distributed to all our employees, and distribute these items in the event of an emergency.
Response	Report those who have taken tests or who are taking quarantine measures in real time and take immediate action when detecting those requiring special attention	Since January 28, 2020, our senior management receives daily and real-time briefings on the COVID-19 infection situation in Korea and abroad as well as within the Company. In detecting those suspected of having come into contact with infected persons, we trace their steps and identify whom they've come into contact with to develop a preemptive response. In detecting confirmed cases, we inform our employees and conduct epidemiological investigations to swiftly respond to them.
	Set standards in line with national infectious disease response levels and operate/communicate these standards	We align our in-house social distancing standards to those of the government's, and inform all our employees of such standards. We also restrict business travel to high-risk areas and have developed detailed criteria and measures in relation to the operation of public facilities to proactively join in the national efforts to curb the spread of COVID-19.
	Operate emergency situation manuals and reduce risks through distributed work/drills	We have established manuals for respective emergencies in line with the outbreak of infectious diseases, and have adopted distributed work practices for areas requiring 24/7 monitoring and work. To minimize the risk of infectious diseases from spreading, we regularly perform emergency response drills specialized for respective departments.
Protection	Improve awareness	We endeavor to improve awareness among employees by publicizing infectious disease prevention rules, encouraging them to wear face masks, hosting participatory contests, and publishing health information letters.
	Strengthen Immunity	In preparation for a possible 'Twindemic', we supported flu vaccinations. In 2020, 75% of our employees received their flu vaccines. In addition, we operate a year-round inoculation program for the prevention of cervical cancer, hepatitis A/B and tetanus, as well as inoculations for shingles and pneumococcus for employees 50 years and older. We also provide Vitamin D supplements for employees deficient in this vitamin.
	Manage overseas business travelers	We support employees who are to take overseas business trips with COVID-19 testing and personal protective gears, and inform them of country-specific vaccination processes. Upon returning home, we provide them with accommodations for quarantine.
Support overseas worksites	We apply the infectious disease prevention process of the Headquarters to our overseas worksites, comply with country-specific guidelines, and support the procurement of protection supplies.	

In case COVID-19 cases are reported, we communicate swiftly and transparently to all employees how they occurred within a reasonable boundary, and what measures were taken. Until we are fully able to put COVID-19 behind us, Samsung Display will proactively take preventive activities to provide a safe work environment.

COVID-19 Response Process

In full conformity with the guidelines of the health authorities, Samsung Display is operating an emergency infectious disease response system, and regularly updating this process according to evolving circumstances.



Supplier

Sustainable supply chain management is gaining heightened importance in determining a company's reputation and business operations. Samsung Display expects its suppliers to align their code of conduct with global standards. Meanwhile, we strive to create an conducive ecosystem for enhancing competitiveness and shared growth with suppliers.

Fair Trade and Partner Collaboration

Establishment of Fair Trade Practices

Operation of a Compliance Monitoring System

To ensure reasonable and fair transactions with suppliers, we take a system-based approach to the entire transaction process and have introduced and observed the four action guidelines for compliance with subcontract regulations¹⁾ stipulated by the Korean Fair Trade Commission. The Supplier Collaboration Center, a company-wide organization, plays a leading role in performing regular inspections and monitoring, and our supply chain system is used to review the process spanning from signing unit price contracts to awarding orders and making payments. To advance our risk management, we also developed a compliance monitoring system in 2018: this system was put into use to expand the scope of review items while reducing the time taken for such reviews by 70%, dramatically improving our management efficiency and strengthening our regular review system.

1) Selection (registration) of suppliers, establishment of an Related Party Transactions Committee, signing of contracts, and document issuance and preservation

Supplier VOC Management

Our Supplier Online Reporting System serves to collect suppliers' complaints and their opinions and suggestions concerning unreasonable practices. The Supplier Collaboration Office, as the responsible organization, manages VOCs for respective first tier, second tier and below suppliers to develop improvement measures. In addition, our suppliers are able to provide their feedback concerning unfair work handling of our employees and/or other corruptive practices through the whistle-blowing channel for corruptive practices operated by our corporate auditing team, by phone and through other channels. In relation to the abuse of power committed against first and second/third tier suppliers, we provide training and guidance primarily to first tier suppliers to establish a fair system.

Fair Trade Education in Korea

Samsung Display provides on/offline Fair Trade Education each year to all its employees. If any risk is identified as a result of fair trade risk inspections, additional training is offered to the concerned employees, and necessary improvements and compliance issues are shared each month to raise awareness on fair trade among employees. Departments directly interacting with suppliers also receive high-level advanced training in consideration of their work characteristics.



Partner Collaboration with Suppliers

Highest index rating
in the Win-Win Index for
3 consecutive years

We deeply believe that our competitiveness is directly related to the competitiveness of our suppliers. Based on this belief, we operate a range of Partner Collaboration programs to support suppliers with technology development, R&D, funding and training. As an organization responsible for Partner Collaboration, our Supplier Collaboration Committee serves as a channel to regularly share the status of the display industry and Samsung Display's vision.

Our CrePas (Creative Partnership) program is one of our flagship partnership programs: launched in 2010, this program aims to support joint technology development and the funding of R&D expenses in order to facilitate creative partnerships and mutual growth with suppliers, and has contributed to localizing core technology and developing new technology, moving beyond the pursuit of shared growth with suppliers. This program was recognized as a best practice by the Fair Trade Commission in 2016, and plays a pivotal role among the domestic supplier programs launched to reinforce competitiveness in the materials, components and equipment industry.

Furthermore, since its launch in 2018, our 5-year smart factory initiative with an investment of KRW 10 billion, is benefiting 61 suppliers in improving their productivity and strengthening their manufacturing competitiveness. This initiative resulted in a 30~40% improvement in production efficiency at suppliers through a reduction in process failure rates and inventory costs. Such efforts were widely recognized and earned us the Most Excellent rating¹⁾ in the Win-Win Index for three consecutive years from 2018, in which we were also honored in being named the Most Excellent Honorary Business.

1) Based on performance between 2017 and 2019

Major Partner Collaboration Programs

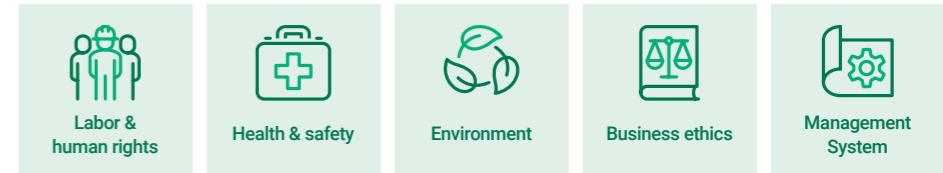
Area of Support	Program	Support
Technology development	CrePas program	<ul style="list-style-type: none"> Provide up to KRW 1 billion free-of-charge financial support (KRW 500 million from Samsung Display and KRW 500 million from the government) to support joint development and R&D expenses Chosen as a best practice by the Fair Trade Commission in 2016 Under operation in alignment with the 'new product technology development project - joint investment type' by the Ministry of SMEs and Startups <p>KRW 52.5 billion provided for a total of 82 projects between 2010 and 2020</p>
Funding	Win-Win Fund	<ul style="list-style-type: none"> Operate funds valued at nearly KRW 300 billion for first/second/third tier suppliers <p>KRW 208.9 billion provided to 103 suppliers between 2018 and 2020</p>
	Payment Support Fund	<ul style="list-style-type: none"> Provide zero-interest loans to help first/second tier suppliers make cash payments within 30 days, from the funds worth KRW 200 billion raised to expand the scope of shared growth to second tier suppliers <p>KRW 23.7 billion provided to 12 suppliers between 2017 and 2020</p>
Incentives for on-site suppliers		<ul style="list-style-type: none"> Provide incentives to top performing on-site suppliers identified through productivity and safety assessments since 2013 <p>KRW 52.1 billion provided to 60 suppliers between 2013 and 2020</p>
Medical support	Allow on-site suppliers to use in-house clinics free-of-charge	<ul style="list-style-type: none"> Provide medical expense waivers to on-site suppliers for in-house clinics since 2018 <p>6,012 on-site supplier employees benefited from the medical expense waiver in 2020</p>
Training Support	Online education support	<ul style="list-style-type: none"> Provide first/second tier supplier employees with high-quality training equivalent to that provided for Samsung employees to support the capacity-building of their human resources Provide full expense support for online multi-campus commissioned training to operate nearly 100 courses on management, leadership, and professional job competency <p>KRW 820 million provided to a total of 161 suppliers between 2011 and 2020</p>
	Supplier Collaboration Academy	<ul style="list-style-type: none"> Support training for Samsung Display suppliers through the Supplier Collaboration Academy of Samsung Electronics <p>30,029 persons from 300 suppliers attended training between 2017 and 2020</p>
Productivity innovation Support	Support for smart factory establishment	<ul style="list-style-type: none"> Provide up to KRW 10 billion for 5 years by participating in the 'win-win smart factory support project among large/mid/small-sized businesses' led by the Ministry of SMEs and Startups in order to strengthen suppliers' manufacturing competitiveness (50% from Samsung Display, 50% from the government) Select beneficiaries, primarily Samsung Display's first/second/third tier suppliers to provide them with manufacturing innovation consulting on quality, the environment and R&D <p>KRW 3.4 billion provided to 61 suppliers since 2018 (50% provided by the government)</p>
	Consulting Service	<ul style="list-style-type: none"> Provide consulting in the management, purchasing, and manufacturing areas by sending Samsung Display executives <p>39 suppliers provided with consulting between 2018 and 2020</p>

Supply Chain Sustainability

Suppliers Code of Conduct

Samsung Display's Supplier Code of Conduct, stipulated in the areas of human rights and labor, health and safety, green management, ethics management and the management system, is available in three languages (Korean, English, and Chinese), and its provisions are specified in the Standard Agreement with Suppliers form to communicate its policies and expectations to all suppliers with whom the Company enters into contract. We comply with the regulations in the countries where we are located and with global standards and guidelines. As a member of the RBA (Responsible Business Alliance), we apply the RBA Code of Conduct and its review methodology in our supplier assessment.

Compliance with the RBA Code of Conduct



- Respect for human rights
- Occupational safety
- Emergency preparedness
- Work hours
- Non-discrimination
- Industrial hygiene
- Environmental permits and reporting
- Hazardous substances
- Ban on conflict minerals
- Waste management
- Air emissions
- Fair business
- Evaluation/management
- Protection of identity and non-retaliation
- Training
- Grievance handling
- Documentation
- Supplier responsibility

Supply Chain Risk Management

We value sustainability in our entire operational process - from selection of suppliers for supply chain risk management to the capacity building of our suppliers. Our domestic and overseas suppliers receive self- and on-site reviews, along with regular assessments, incentives and consulting that are provided to help first tier suppliers build stronger capacity.

Selection of New Suppliers

Newly selected suppliers are assessed in the areas such as environmental safety, labor & human rights, and quality. Suppliers do self-reviews based on the checklist created in reference to RBA standards, while in-house professional staff visit suppliers and conduct on-site inspections. Samsung Display ensures that only those who score 80 points or above are registered as suppliers, and then signs the Standard Agreement with Suppliers form with them that specifies social responsibility. In particular, potential suppliers are evaluated for the inclusion of environmentally-hazardous substances within the products, components and raw materials that they provide, along with their environmental quality management system, and we only do business with suppliers that are certified 'Eco Suppliers'.

Criteria for determining high-risk suppliers

5 Assessment Areas	Purchase/quality	Environmental safety	Labor & human rights	Eco Supplier	Financial condition
Selection Criteria	Registered when posting 80 points or above (out of 100 points) in all areas				
Items Reflected in the Standard Agreement with Suppliers Form	Samsung Display's environmental standards, international human rights standards and labor practices, and compliance with Samsung Display's Supplier Code of Conduct				

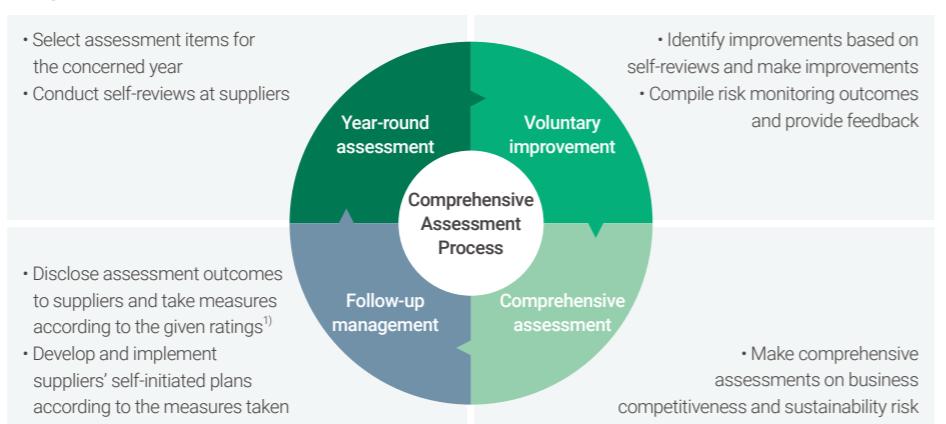
Supplier Evaluation

Samsung Display conducts annual comprehensive assessments on first tier suppliers to identify their risks and necessary improvements in the areas of environmental safety, compliance management, quality and financial ratings. Higher weights are given on environmental safety in evaluating suppliers engaging in businesses with higher environmental safety risks while assessment criteria are continuously upgraded to manage potential risks. Some of the suppliers receiving comprehensive assessments are chosen for third-party due diligence to verify their compliance and prevent negative environmental impacts from occurring. Outcomes of such comprehensive assessments are freely available through our G-SRM (Global Supplier Relationship Management), and we provide suppliers with an opportunity to challenge their received ratings and monitor their improvement plans. In 2020, none of our suppliers received the lowest ratings in the annual comprehensive assessments.

Comprehensive Assessment Items

Category	Item	Description
Business competitiveness	Technology	Possession of technology patents, ratio of R&D investments, etc.
	Quality	Defect rate, quality management system certificates, etc.
	Responsiveness	Participation in Samsung Display's policy, innovation activities, etc.
	Delivery	Accurate delivery
Sustainability risk	Cost	Increases in transaction value, cost competitiveness, etc.
	EHS	Workplace safety, possession of international certificates, etc.
	Finance	Credit ratings, debt-to-equity ratios, etc.
	Law (Social)	Non-compliance with workplace labor and human rights standards, among others

Comprehensive Assessment Process



1) Excellent: Given precedence in allocating the next year's volume / Substandard: Needs improvement / Poor: Decreased volume allocations and restricted in doing further business

Compliance Review for Suppliers

We take special note to raise the bar in conducting labor and human rights reviews on our overseas suppliers to ascertain the status of child labor and compulsory labor. For our major suppliers, monthly self-reviews are made on the four labor & human rights items²⁾ on the basis of RBA standards, and on-site reviews are conducted twice a year. Tasks are assigned for non-compliant items identified as a result of on-site reviews and suppliers are monitored to ensure they improve in each of these tasks. In addition, we conduct random semiannual on-site reviews on our major suppliers in China to ensure there are no underage workers: we verify the identity of workers and contract provisions to prevent and eliminate child labor.

2) Work hours, ratio of dispatched workers, provision for weekly days off, employment of minors

Responsible Minerals Sourcing

Conflict Minerals Management Policy

Samsung Display is establishing a responsible supply chain management policy and framework to improve on the issues of human rights infringement and environmental degradation that may arise in mining conflict minerals (tantalum, tin, tungsten, and gold) along with cobalt and other minerals that require responsible procurement in such high-risk areas as the conflict-stricken countries in Africa and Indonesia. Our commitment to ethical and socially-responsible minerals sourcing spans the entire supply chain in conformity with international standards including the OECD Due Diligence Guidance for the Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.

Management Process

Conflict Minerals Work Process Development

Samsung Display defined department-specific roles and responsibilities and operates accordingly for conflict Minerals management. Our Supplier Operation Group supervises the entire process through the G-SRM system, and our development and procurement departments are responsible for the preparation and communication of the CMRT (Conflict Minerals Reporting Template) and the development of necessary improvements at suppliers.

Conflict Minerals Work Process



Awareness Improvement among Suppliers

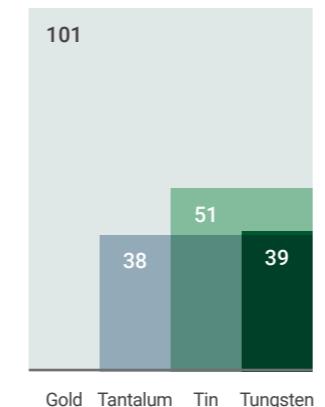
We provide suppliers with the conflict Minerals management guide and leverage our online education and support programs to raise their awareness and urge them to join in our policy to ban the use of conflict minerals.

Confirmation of Minerals and Smelter Information within the Supply Chain

Samsung Display sources minerals solely from smelters and refiners conformant with the RMAP (Responsible Minerals Assurance Process) of the RMI (Responsible Minerals Initiative), and bans the use of unethically-mined conflict minerals. We manage the list of smelters certified under the CFS (Conflict Free Smelter) program and relevant materials, and perform monthly reviews on all materials we source. Furthermore, we verify all smelters who supply 3TG (tantalum, tin, tungsten and gold) each year, and take stock of our consumption of conflict minerals based on the CMRT information submitted by suppliers.

229 smelters in total

- Gold
- Tantalum
- Tin
- Tungsten



Risk Identification and Assessment along the Supply Chain

We continue to monitor and manage the status of conflict Minerals management. We request suppliers who do business with non-conformant smelters to discontinue their business with such smelters, and if these suppliers continue to do business with non-conformant smelters even after such requests, we review whether we should reduce our business volume and terminate business relationships.

Development of Improvement Plans

We will consistently upgrade our system so that we only deliver products that go through an ethical distribution process by strictly controlling the conflict minerals that go into our products..



Local Community

As a company's growth goes hand-in-hand with the development of society, it is imperative for businesses to fulfill their corporate citizenship. Samsung Display engages in genuine communication with the communities where it is located and undertakes a broad spectrum of Corporate Social Responsibility (CSR) activities by leveraging its business capabilities, promoting the balanced development of local communities and building solid trust-based relationships with them.

Corporate Citizenship Program in Education

Together for Tomorrow! Enabling People

Guided by Samsung's corporate citizenship vision of 'Together for Tomorrow! Enabling People', Samsung Display sets its own vision of 'Strengthening future core talent through youth education', and runs programs for developing talent with global competencies. Two prominent programs include 'Book Woollim' and 'Blue Elephant'. Book Woollim was launched in 2014 to facilitate a habit of reading among youth, and Blue Elephant was initiated in 2020 as a new CSR program jointly implemented by Samsung affiliates engaged in the electronics business and external supplier organizations with an aim to protect teens from cyber assaults.

Samsung Display's Flagship Corporate Citizenship Programs in Education



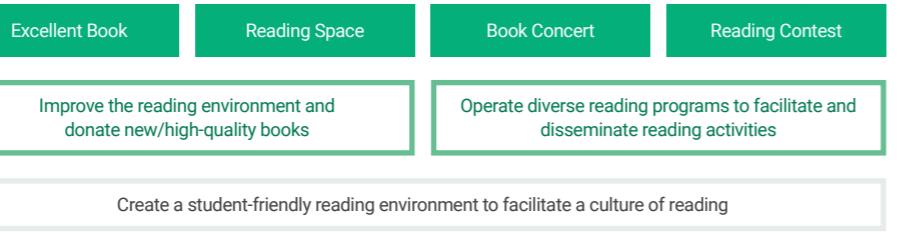
Book Woollim to Grow a Habit of Reading

Program Introduction



Facilitate a habit of reading
"Making a habit of reading"

Prominent Book Woollim Projects



Korea's public library usage rate is well below half of that of Sweden and Finland, who have established an advanced literacy culture. Young people living in culturally-underserved areas read an average of 10 fewer books than do youth who live in metropolitan areas. Samsung Display believes that this lack of reading among Korean teens and the low rate of library use are attributable to the lack of an appropriate teen-friendly reading environment, and this prompted us to improve the reading environment. In 2014, we launched the BOM (Bread of Mind) Dream program to build libraries to improve accessibility to books for young people in South Chungcheong province, and extended the scope of this program and beneficiaries through the Book Woollim program initiated in 2019. In line with the four major projects of Excellent Book, Reading Space, Book Concert and Reading Contest, Book Woollim helps improve the reading environment, donate new and high-quality books and host various reading programs.

Major Achievements of Book Woollim by Project (as of the end of Dec. 2020)

Project	Project Overview	Major Activities in 2020	Cumulative Outcome ¹⁾
Excellent Book	Donate excellent books to promote creative thinking and learning competence	<ul style="list-style-type: none"> Choose 'history' as the 'main theme' for selecting excellent books in 2020 Appoint celebrity members on the selection committee in line with the theme to select excellent books through cooperation with existing committee members 	<ul style="list-style-type: none"> 501 locations (increase to 1.8% in areas other than Chungcheong) 100,593 books
Reading Space	Lay the basis for a reading culture by improving the reading environment	<ul style="list-style-type: none"> Expand the Excellent Book and Reading Space projects into the entire nation starting from Chungcheong Cooperate with libraries and learning institutions chosen to improve the reading environment to create improved reading spaces 	<ul style="list-style-type: none"> 67 locations (increased to 27.5% in areas other than Chungcheong)
Book Concert	Raise interest in reading and facilitate a culture of reading	<ul style="list-style-type: none"> Transform the existing offline book concert into an online one due to COVID-19 Collaborate with the Asan City Library to host 5 on/offline Book Concerts as part of the Reading Competition Program in South Chungcheong (1,995 participants) 	<ul style="list-style-type: none"> 39 sessions 12,492 persons
Reading Contest	Foster a culture that promotes reading within society through reading activities	<ul style="list-style-type: none"> Classify into 12 sections by age and support area 1,082 book reports that include writings and drawings submitted to reading contests in 2020 	<ul style="list-style-type: none"> 18,482 persons

Book Woollim is entirely funded by employee donations, and its official website²⁾ is used to disclose the details of its program operation and achievements to wide-ranging stakeholders including our employees and beneficiary youth. In 2021, this program has remained in operation as it was in 2020: 'character-building' was chosen as the theme in selecting excellent books, and support is provided to institutions committed to creating a culture of reading for the character-building of future generations.

1) Including the performance of the BOM program launched in 2014; and including the Book Concert program initiated in 2017 and operated since then

2) Book Woollim's official website: <https://www.bookwoollim.co.kr/>



Book Woollim program

Blue Elephant to Protect Youth from Cyber Violence

Initiated in 2020, our Blue Elephant program aims to prevent the occurrence of cyber violence among youth. This program is jointly organized and run by five Samsung affiliates engaging in electronics business, including Samsung Display, as well as the Blue Tree Foundation, the Ministry of Education and the Community Chest of Korea. We will invest a total of KRW 13 billion in this program over the next 10 years to eliminate cyber violence among youth and disseminate a successful model for preventing it across the international community. In 2020, we laid the groundwork for the five key Blue Elephant projects by publicizing the severity of cyber violence and building a cyberviolence prevention training system. From 2021 onwards, we are offering online prevention training and support for victims, and will make policy proposals for regulatory amendments as this program scales up over the long haul.

5 Key Projects of Blue Elephant

				
• Teen education	• Hotline counseling	• Declaration by the School Principal movement	• Cyber violence testing	• Platform (Web-Mobile-App)
• Parent education	• On-site counseling	• Reconciliation and dispute settlement	• Stock-taking survey	• Supplier's operation
• Trainer education	• Healing therapy	• Nation-wide non-violence campaign	• Legislative and policy proposals	• International network
• Teacher (counseling) education	• Integrated case management	• Blue Elephant Forum		



Contribution to Community Development



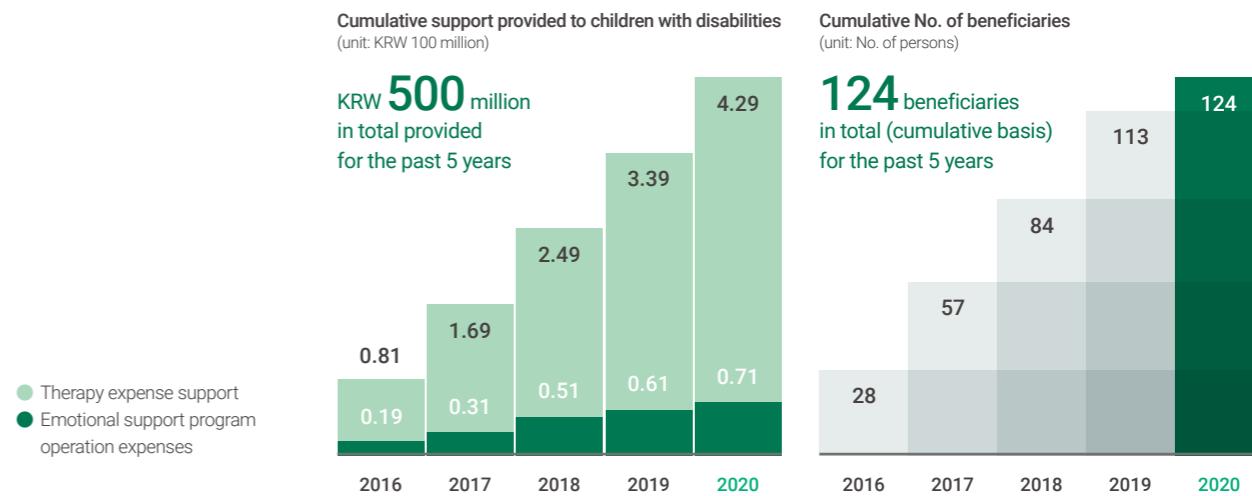
VOLED Choir



Contribution to the emotional support program for children with severe disabilities

approx. KRW 500 million

Support Provided for Children with Severe Disabilities



Local CSR Activities

Samsung Display implements a wide variety of sharing activities to build trustworthy relationships and promote win-win development with the local communities where its worksites are based. All our CSR activities are driven by the proactive engagement of senior management and our employees, including but not limited to their donations.

VOLED Choir

VOLED Choir is a four-part choir that consists of 48 youth with developmental disabilities, and is sponsored by Samsung Display employees. This program helps participating teens discover their musical talent. In 2020, it was honored with the Presidential Award at the 'National Choir Contest for Youth with Developmental Disabilities on the 28th World Disability Day'. This notable achievement was made possible by choir members who were wholeheartedly dedicated to practicing their respective parts even under social distancing rules. In return, our employees extended their enthusiastic encouragement from a virtual platform.

Rehabilitation Support for Severely Disabled Children from Low-income Households

Since 2016, together with the Samsung Medical Center, we have assisted in providing severely disabled children from low-income households with rehabilitation therapy and assistive devices that are excluded from the list of devices eligible for governmental subsidies and sponsorships. Through this support, we provide these children with effective assistance to help them alleviate their burdens and lead more convenient lives. Furthermore, we offer an emotional support program to help these children better communicate and relate well with their families and acquaintances, thereby improving their personal relationships and social skills. We have contributed approximately KRW 500 million through the therapy expense support and the emotional support program to benefit 124 severely-challenged children over the past five years.

One Table, One Flower

Samsung Display is partnering with 'Flower Bed', a social enterprise operating in Cheonan that hires individuals with developmental disabilities. 'One Table, One Flower' is a flower & flower pot regular delivery service through which employees at Flower Bed regularly deliver flower or flower pots to our employees who subscribed to the service. Started with 10 employees with developmental disabilities in 2011, Flower Bed has scaled up to 46 employees in 2021. Samsung Display will continue its partnership with Flower Bed to create high-quality employment for people with developmental disabilities.



One Table One Flower

Villages with Sisterhood Ties



No. of sisterhood villages
24 villages

Asan/Cheonan City
22 villages

nationwide
(Gangwon/North Jeolla)
2 villages

Facilitation of Inter-regional Exchange

Samsung Display has forged sisterhood ties with local governments to facilitate rural-urban exchanges since 2003 to engage in wide-ranging volunteer and exchange activities. During national holidays, our employees volunteer to make rice cake soup, donate items and open direct trading markets. Meanwhile, we also run diverse year-round programs, including kimchi making, helping farmers during the busy season, farming-themed experience and tourism programs, and village regeneration. In 2020, to revitalize the local economy in the wake of COVID-19, we teamed up with the Chungcheongnam-do Economic Promotion Agency's online mall to open a virtual market during the Lunar New Year and the Chuseok (Korean Thanksgiving) holidays for our employees and sell the apples, pears, and sweet potatoes that could not be marketed or sold elsewhere due to the discontinuation of school meals during the pandemic. Our employees responded so positively that most of these products sold out and reaped KRW 560 million in total sales.

Sharing-driven Management

We live by the spirit of sharing through our employees' talent donation, and our employees take the leading role in creating a corporate culture of fulfilling our social responsibility and obligations. While it was extremely difficult to engage in in-person activities amid the COVID-19 pandemic in 2020, we discovered a variety of virtual volunteer programs and continued with talent donations.

Hands-on Volunteering to Make Lanyards for Masks

Hands-on volunteer work, originated from an idea by one of our employees, is a donation activity through which our employees make and donate mask lanyards for children from low-income families. During just the 2020 year, nearly 2,200 employees joined hands to personally make a total of 3,000 mask lanyards, which were then donated to 36 local children' centers and major child welfare facilities in the Asan region through the South Chungcheong Child Welfare Association.

Walking Through Donation Campaign

Our employees participated in the 'Walking Through' donation campaign to donate face masks and hand sanitizer to low-income individuals living nearby our worksites who are vulnerable to COVID-19 infections. Seven donation boxes were installed at our worksites, and employees donated 2,492 face masks and 157 hand sanitizers. These donated items were delivered to 200 underprivileged households through the Tangjeong Social Welfare Center and the Social Welfare Team at the Tangjeong-myeon Office.



GOVERNANCE

Samsung Display puts its utmost effort to create sustainable value based on ESG-centered management and stands tall in the global market as a reliable business.



Established
Samsung Display
ESG strategy
in 2021



Reinforced
compliance governance



Published first-ever
sustainability report

Reporting Topics and Alignment with Material Issues

Corporate Governance	01 Risk Management	02 Business Ethics and Compliance	03
• Sound corporate governance	• Risk management	• Business ethics and compliance ★	
	• Information security	• Transparent ESG disclosure ★	

Alignment with UN SDGs





Corporate Governance

As corporate governance forms the basis for a company's sustainable growth, Samsung Display has drawn up and operates transparent and stable governance. We carry on our endeavors to further advance our governance noting the importance of enhancing corporate value and protecting the rights of stakeholders.

Sound Corporate Governance

We have built stable and transparent governance to ensure that we grow as a responsible and sustainable company. In line with the growing emphasis on ESG management in both Korea and abroad, we established the 'Samsung Display 2025 Sustainable Value' strategy in the second half of 2020 to embed sustainability into our company-wide decision-making process. This was followed by the creation of the ESG Council and we are advancing ESG management under the leadership of senior management. We are tirelessly committed to delivering long-term value to our stakeholders and building a stronger competitive edge.

Board of Directors

Board Composition

As our highest decision-making body, the Board of Directors (BOD) deliberates and decides on major pending management issues, including management guidelines, key management goals, and decision-making on ESG risks and opportunities. As of March 2021, our BOD consists of three executive directors, two non-executive, non-independent directors, and one auditor who are well qualified for their management expertise and risk management competency, and their independence was verified through the careful review of their transactions with the Company over the past three years.

Board Composition¹⁾

Position	Name	Expertise	Career	Tenure
Executive Director (CEO) (Chair of the BOD)	Joo-Sun Choi	Business	<ul style="list-style-type: none"> • Current) CEO of Samsung Display • concurrent) Head of Large Display Business • Head of Large Display Business, at Samsung Display • concurrent) Corporate EVP of QD Commercialization Team 	2020.03.17 (2021.1.28) ~ 2023.03.16
Executive Director (Corporate President)	Sung-Chul Kim	Technology	<ul style="list-style-type: none"> • Current) Head of Mobile Display Business, Corporate president, at Samsung Display • Head of Display Research Center, Corporate EVP 	2021.03.22 ~ 2024.03.21
Executive Director (Corporate EVP)	Jae-Ho Shin	Finance	<ul style="list-style-type: none"> • Current) Head of Display Management Office, Corporate EVP, at Samsung Display • Head of Display Management, Corporate SVP at Samsung Display 	2020.03.17 ~ 2023.03.16
Non-executive Non-independent Director ²⁾ (Corporate President)	Hark-Kyu Park	Finance	<ul style="list-style-type: none"> • Current) Head of Corporate Management Office, Corporate President at Samsung Electronics (DS) • Head of Business Management & IT Innovation Business, Corporate EVP at Samsung SDS 	2020.03.17 ~ 2023.03.16
Non-executive Non-independent Director (Corporate EVP)	Jong -Sung Kim	Finance	<ul style="list-style-type: none"> • Current) Head of Business Management Office, Corporate EVP at Samsung SDI • Head of Financial Management Team, Corporate EVP at Samsung Electronics (VD) 	2021.03.16 ~ 2024.03.15
Auditor (Corporate SVP)	Khi-Jae Cho	Audit	<ul style="list-style-type: none"> • Current) Head of Financial Management Team, Corporate SVP at Samsung Electronics (DS) • Head of Financial Management Team, Corporate VP at Samsung Electronics (DS) 	2019.03.15 ~ 2022.03.14

1) As of March, 2021; gender ratio and age range of directors – 100% male, in their 50's

2) Non-executive non-independent director: Registered directors who correspond to directors, auditors and workers of a corporation in case a corporate body is a shareholder

Board Operation

We operate the Board of Directors pursuant to the Articles of Incorporation and the Board operational regulations. While the Board generally holds regular meetings every quarter, ad-hoc meetings are held when necessary. The Board operates the Management Committee for swift and smooth decision-making. The Committee is composed of three executive directors, and deliberates and decides on the matters stipulated in the Management Committee regulations established by the decisions made at the BOD as well as other important matters of management delegated by the BOD.

Board Operation Performance

Category	2020 (Jan. 1, 2020 ~ Dec. 31, 2020)	
	Meetings Hosted	Agenda Items
BOD	10	38

Audit Body

We monitor the effectiveness and operational status of our internal accounting control system through our auditor. We receive regular audits from independent external auditors to establish the fairness and transparency of our accounting information. The external auditor, the Board, and the auditor convene regular meetings to review the details and quality of auditing engagements. For the 2020 fiscal year, the auditor's opinion was 'unqualified' and no other comments were made.

Auditor's Opinion

Fiscal Year	Auditor	Auditor's Opinion	Comments in the Audit Statement
9th Period (2020)	Deloitte Anjin	Unqualified	None
8th Period (2019)	Samil PwC	Unqualified	None
7th Period (2018)	Samil PwC	Unqualified	None

Risk Management



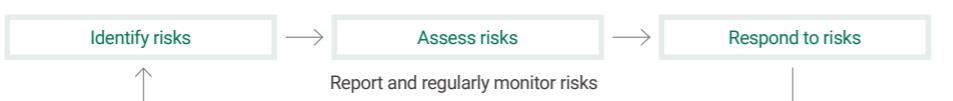
It is now more important than ever that we secure competency to promptly respond to internal/external risks in the business landscape and turn every crisis into an opportunity. We are analyzing these risks from multiple angles and boosting our organizational resilience through our well-organized system and our company-wide risk management process.

Risk Management

Risk Management Process

To continuously improve market competitiveness and generate value, we preemptively identify internal/external risk factors and respond to them in a swift and systemic manner. We regularly monitor potential risks pertaining to the Company in the areas of the economy, the environment, society and governance. We also monitor for any possible risks that relate to our business activities through our extensive domestic/international network and channels and do our utmost to keep these to a minimum. To this end, a risk management/response process was established for respective business areas on all levels, and the CFO presides Risk Council meetings every month to prevent risks from occurring and develop improvement plans.

Risk Management Process



Risk Management and Operation System

Category	Risk Management
Business division	Manage business operation-related risks
Management support	Finance, IR, media, external cooperation, HR, and administration
Legal affairs	Legal affairs, IP, and compliance
Specialized organization for respective functions	EHS, supplier, supply chain, reputation, brand and quality
Overseas worksites	Regional risk management

System-based Risk Management

For effective risk management, we have introduced a division-specific risk management system to support regular monitoring. A systemic CEO and Board reporting procedure has been established to tighten internal controls, and various IT systems have been leveraged to identify and prevent company-wide risk factors.

Risk Management System



1) Disclosure Control and Procedures

2) Global Enterprise Resource Planning

3) Global Supply Chain Management

4) Global Environment, Health & Safety System

5) Global Supplier Relationship Management

Information Security and Personal Information Protection

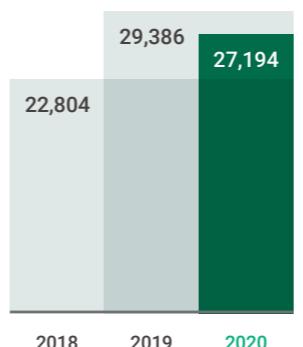
Information Security

Information Security System

As we lead the development of the nation's core technology, we have established dedicated security organizations both on the company-wide level and at respective business division levels, and have appointed executives dedicated to security operations in charge of our domestic/overseas worksites. We also operate the company-wide working-level security council to conduct occasional and/or regular reporting on issues and reviews made in accordance with our information security policy. In addition, we detect signs of anomaly on an ongoing basis in accordance with accident response guidelines by different scenarios, and run internal/external security solutions to prevent the occurrence of any and all security incidents.

Information Security Training

Employees who completed information security training¹⁾
(unit: No. of persons)



1) Total No. of persons who completed information security training including employees, new hires and those on business trip (including redundancies)

Information Security Training and Drills

Samsung Display provides company-wide on/offline information security training each year, and conducts mock drills to brace for a number of security incident scenarios including spam e-mails. We also operate a penalty point system concerning information security to alert employees to security breaches, and raise their awareness through in-house broadcasts and campaigns. Furthermore, we operate a reward program that offers up to KRW 100 million to encourage our employees and suppliers to report security breach cases to prevent such incidents.

Information Security Capacity-Building for Suppliers

We are committed to strengthening the information security competence of our suppliers. We publish and circulate quarterly information security newsletters with our suppliers, and host annual security workshops for suppliers who share key technology with us and thus are vigilant to information security. In 2020, such workshops were held for 47 suppliers chosen among our 300 primary suppliers, and we will scale up the scope to 54 suppliers in 2021. We also leverage the government support programs assisted by the Korean Association for Industrial Technology Security to provide consulting to help suppliers improve their system in areas that fall short of the set criteria, and to offer incentives by awarding suppliers with outstanding information security performance.

Personal Information Protection

Privacy Policy

We have established a privacy policy and safely process and protect the personal information of diverse stakeholders in accordance with this policy. To safely handle personal information, we develop managerial, technical and physical measures so that such data is not lost, stolen, leaked, falsified or damaged.

Pursuant to the amendment of the Information and Communications Network Act¹⁾, we separated the CPO (Chief Privacy Officer) organization in June 2020 and set up the Personal Information Protection Secretariat under the legal team to reinforce its expertise and accountability. In addition, working-level members were designated within collaborating departments in relation to personal information protection – Global Privacy Office, Information Security Assurance group, and Smart IT team – and the personal information protection council meets on a quarterly basis to share data protection status and develop improvement plans. In 2020, we reviewed the company-wide personal information processing system and our consignees handling personal information to verify their compliance with the Personal Information Protection Act and to identify areas in need of improvement and turn them into tasks accordingly. Going forward, we will continue to conduct personal information protection reviews and strengthen the personal information management system at our overseas worksites.

1) Article 45-3 of the Information Communications Network Use Facilitation and Data Protection Act

Establishment of Personal Information Security

Managerial Measure

Develop, observe and supervise in-house regulations to be followed to protect information security, and offer regular training

Technical Measure

Manage the right to access information security handling systems, deploy an access control system, encrypt unique identification information, and install security programs, etc.

Physical Measure

Install systems to control, authorize and monitor access to the computer room and the document storage room

Major Provisions of Samsung Display's Privacy Policy



Privacy Policy

- Provision of personal information to third-parties
- Rights and obligations of information subjects and their actions
- Personal information items processed
- Establishment of personal information safety and other processing guidelines
- Installation/operation of automatic personal information collectors and their denial
- Personal information protection officer
- Remedy to address the infringement of the rights of information actors



Samsung Display's privacy policy – <https://www.samsungdisplay.com/kor/footer/privacy.jsp>

Heightened Awareness on Personal Information Protection

We provide personal information protection training to employees and consignees processing personal information. In 2020, we minimized offline training and shifted to online education for learning and evaluation amid the COVID-19 pandemic. Training courses cover the meaning of the Personal Information Protection Act, protection of personal information by processing phases, the safe management of personal information, guaranteed rights of information subjects, and personal information leaks and responses. Such personal information protection training was completed by 908 employees working in departments related to HR, healthcare, finance, procurement, suppliers, and systems. As to consignees, 573 employees from 18 consignees were provided with such training. In 2021, we will scale up our personal information protection training in local languages at our overseas worksites.

Topics of Personal Information Protection Training

Topic	Details
Significance of the Personal information Protection Act	<ul style="list-style-type: none"> • Definition of personal information, the need to protect personal information and principles
Personal information protection by processing phases	<ul style="list-style-type: none"> • Collection and use of personal information, provision, consignment and business assignment, video data processing equipment, destruction of personal information
Safe management of personal information	<ul style="list-style-type: none"> • Duty to take safety measures, personal information protection officer, registration of personal information protection files, disclosure of the privacy policy, and personal information impact assessment
Guarantee of the rights of information subjects, information data leaks and responses	<ul style="list-style-type: none"> • Methods and procedures to exercise the rights of information subjects, personal information leaks and responses



Business Ethics and Compliance

Strict regulatory compliance and transparent business conduct constitute the essential obligations of corporate citizenship. Samsung Display places its priority on ethical decision-making, and advances compliance management to become a company trusted for its business integrity.

Compliance Management

Operational Directions of Compliance Management

We recognize compliance management as an indispensable prerequisite for business management. We proactively review management risks stemming from legal issues and establish a systemic management and response system in accordance with domestic/overseas regulations. To this end, we develop and operate a Compliance Program (CP) that supports the prevention and year-round management of such risks.

PREVENT Sensing and Prevention

- Regulatory sensing
- Employee training
- Autonomous review
- Response to inquiries
- Manual and guide development

DETECT Management (Monitoring)

- On-site review
- Issue handling and progress status management
- Whistle-blowing and risk management (Hotline)

RESPOND Follow-up Management

- Issue handling outcome analysis/evaluation
- Improvement measure development
- Implementation review
- CP operational performance assessment and compensation

Compliance Management Operation System

Compliance Management Organization

At Samsung Display, we have established a collaboration system for each compliance area and engage diverse departments in necessary compliance activities. Especially in 2020, the Compliance Group under the legal team of the Display Management Office was promoted to the Compliance Team under the direct leadership of the CEO to strengthen its independence. We have also mandated the appointment of the compliance officer (department head) and the manager at the department level to manage potential risks on site and take self-initiated prevention activities. We provide independent compliance training according to department-specific guides, and contribute to policy communication.

Area-specific Compliance Management System

Area	Main Function	System	Responsible Organization
Overall compliance	Code of conduct, operational standards, guide provisions, self-checks, whistle-blowing, etc.	CPMS	Compliance Team
Ethical management	Upload management principles, whistle-blowing	Ethical management system	Audit Team
Intellectual property rights	Protection of suppliers' technological data, protection of Samsung Display's trade secrets, and prevention of the infringement of the trade secrets of our customers	Technological data request system External data sharing system Confidential Information Transmission system	Compliance Team Information Security Assurance Group
HR	Compliance with labor standards, HR regulation proposals	GHRP	HR Team
Environment	Environmental safety of worksites and products	G-EHS	Environmental Safety Team

Compliance Policy

Samsung Display Code of Conduct

Samsung Display has established its own Code of Conduct and provides detailed policies and guides of each item based on its values including compliance with law and ethics, an organizational culture of integrity, respect for stakeholders, emphasis on the environment, health and safety, and corporate social responsibility. These policies and guides are available in Korean, English and Chinese. The Code and its detailed provisions are updated and managed systematically in line with domestic/international policy initiatives and trends, and are made easily accessible to employees through our in-house CPMS (Compliance Program Management System)

Major Compliance Management Items

Fair trade	Information security and intellectual property	Environmental safety	Finance	Organizational culture
• Unfair collective behaviors	• Protection of trade secrets and prevention of their infringement	• Environmental safety at the workplace	• Compliance with tariff/country of origin regulations	• Equal employment opportunity
• Abuse of market dominance	• Ban on the illegal use of software	• Product environment	• Compliance with disclosure regulations	• Compliance with labor standards
• Anti-competitive practices				• Anti-corruption
• Subcontract practices				• Prevention of sexual harassment

Compliance Management at our Overseas Worksites

We establish and manage a compliance system at our overseas worksites that is on par with the level of our Headquarters. Our CPMS and whistle-blowing process, as well as a dedicated compliance organization and on-site autonomous compliance organizations are well established, and operate internal regulations and guides in accordance with applicable local laws and regulations. Compliance messages from the head of subsidiary serve to underscore the importance of compliance management, and officers in charge and department-level managers receive training to raise employees' compliance awareness. The Headquarters' compliance organization performs year-round reviews and manage training completion rates to ensure the consistency of our compliance policy at the global level. In 2020, complete reviews were made on our Vietnamese and Chinese worksites, except for the Indian worksites which was set up in 2021, and no high-level compliance-related risk was identified.

Internalization of Compliance Management

Compliance Training

We provide on/offline compliance training to elevate all our employees' compliance awareness. While compliance training had generally been offered in in-person settings, we switched these to be primarily online due to COVID-19. All our employees in Korea and abroad receive training on regulatory details and our employee guidelines in the areas of anti-corruption, fair trade, subcontract practices, trade secret protection and infringement prevention, as well as work-related precautions, at least twice a year. Offline training is classified into basic or advanced courses depending on subjects and topics of the trainings. Departments facing high compliance risks are designated as high-risk groups and are provided with training and management guides customized to their work characteristics.

Compliance Training

Mode	Topic	Details	Target
Online	Anti-corruption in Korea and abroad Fair trade (subcontracting) Trade secret protection and infringement prevention	Explain domestic/international regulatory trends and relevant regulatory obligations, guidelines and work-related precautions	All employees in Korea and abroad
Offline	Basic training Advanced training	Basic concept of compliance, major guidelines for respective management items, compliance process, etc. Regulations and guidelines on fair trade (subcontract), trade secrets, and anti-corruption	New hires/experienced employees Departmental CP managers, employees working at high-risk departments, departments requesting training, and suppliers

Dissemination of a Compliance Culture

We fulfill our responsibility to society and customers and emerge as a reliable and transparent company by engaging all our employees in compliance management. Our CEO's messages on compliance are regularly distributed among all employees to make a company-wide statement on the commitment of senior management to compliance management while the entire top management, including center/team/office leaders, sign the compliance pledge to solidify our company-wide commitment to compliance. Organizational compliance review and training completion performance is reflected in executive performance appraisals. Furthermore, compliance management-related articles (weekly) and applicable laws and regulations and disciplinary trends (monthly) are circulated regularly. Also, a wide array of channels, including in-house e-mails and broadcasts, are used to update our employees on the compliance process, systems and guides on an ongoing basis.

Compliance Counseling/Whistle-blowing

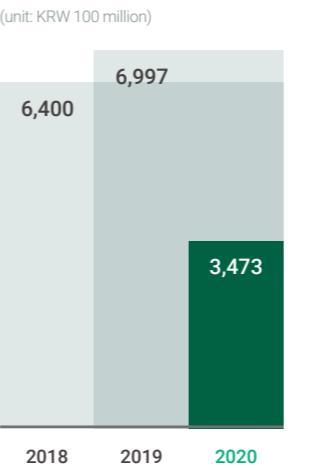
We operate counseling and whistle-blowing channels for third-parties as well as for our employees in the areas of violation of the Fair Trade Act, infringement of trade secrets, violation of anti-corruption regulations, personal information leaks, false/exaggerated advertising, and other irregularities. Whistle-blowing reports can be submitted through our official website and e-mail, by written correspondence and over the phone. Internal/external whistle-blowing reports can be made either anonymously or under an alias. We operate the whistle-blowing system in accordance with the principles of identity protection and prohibition of providing disadvantages to whistle-blowers as well as processing of the cases as quickly as possible.

Compliance Whistle-blowing Channel

Internal	External
Hotline, CPMS, ethics management system	Samsung Display's official website, e-mail, phone, and written correspondence

Transparent Disclosure

Income Tax Expenses between 2018 and 2020



Tax Management Principle

Our overarching principle of tax management is to 'comply with laws and regulations, fulfill our obligation to faithfully file and pay taxes, and contribute to the national finance'. We operate a dedicated tax management organization and regularly report to senior management to thoroughly monitor domestic/international tax regulations in any and all transactions that we enter into, and carefully assess and review potential risks to guide our decision-making. In particular, we establish our transfer pricing policy in cross-border transactions in conformity with the 'transfer pricing methodology' proposed in the applicable OECD guidelines, and follow the Local File preparation guidelines to prevent BEPS (Base Erosion and Profit Shifting). We duly fulfill our obligations to file and pay taxes across domestic and overseas worksites to fully assume our social responsibility, and transparently disclose relevant details through our audit statements.

Tax Management Principles

- ❶ We understand and observe the regulations of respective countries in which we operate, and faithfully fulfill our tax-paying obligations. We do not rely on tax havens for the purpose of tax avoidance and do not engage in shifting our profits to tax havens that apply lower tax rates.
- ❷ We maintain honest and transparent relationships with tax authorities in respective countries, and promptly prepare and submit the necessary documents and data at their request.
- ❸ We analyze applicable laws and practices when entering into any and all transactions to conduct business in the boundary of tax laws, and hire tax experts equipped with knowledge and understanding of our business. For complex and ambiguous tax issues, we fully capitalize on external advisory to respond to such issues.

APPENDIX

Quantitative Performance Index

Economic Performance

Financial Status¹⁾

Category	2018	2019	2020	Unit
Assets	54.5	53.7	55.3	KRW trillion
Liabilities	11.2	9.2	8.5	KRW trillion
Equity	43.3	44.5	46.8	KRW trillion

1) As of Dec. 31, 2020, on a consolidated basis

Economic Value Distribution

Category	2018	2019	2020	Unit
Employees	Remuneration ¹⁾	32,000	31,000	35,000 KRW 100 million
Creditor	Interest expenses	1,297	743	224 KRW 100 million
Supplier	Procurement costs ²⁾	198,000	195,000	188,000 KRW 100 million
Local community	Social contributions ³⁾	348	514	265 KRW 100 million
Government	Income taxes ⁴⁾	6,400	6,997	3,473 KRW 100 million

1) Sum of salaries, severance payments, and welfare benefits included in the cost of sales, R&D costs and SG&A costs

2) Expenses of all products and services purchased by the Company for business operations

3) Sum of all CSR business expenses and donations (contributions, sponsorships, etc.)

4) Sum of current income tax expenses and changes (deferred income taxes) that incur due to the effects of income taxes that directly apply to equity but is not reflected in income tax expenses

Environmental Performance

Response to Climate Change (Korea)

Category	2018	2019	2020	Unit
GHG emissions intensity ¹⁾	17.70	17.68	17.06	tCO ₂ e /KRW 100 million
GHG emissions from worksites ²⁾	Total	5,072	4,789	4,632 Kiloton CO ₂ e
	Scope 1	1,265	1,079	1,032 Kiloton CO ₂ e
	Scope 2	3,807	3,710	3,600 Kiloton CO ₂ e
Energy consumption at domestic worksites	Total	82,109	79,916	77,508 TJ

1) Total Scope 1 and 2 emissions at domestic worksites ÷ domestic sales

2) Calculated in accordance with the emissions reporting and verification guidelines of the national GHG emissions trading system

Environmental Performance

Water Resources Management (Korea)

Category	2018	2019	2020	Unit
Water consumption ¹⁾				
Total	62,680	61,206	58,307	Kiloton
Industrial water ²⁾	61,094	59,593	56,705	Kiloton
Municipal water (tap water)	1,585	1,613	1,602	Kiloton
Underground water	0	0	0	Kiloton
Intensity of withdrawals (Usage) ³⁾	2.19	2.26	2.15	Ton/KRW 1 million
Effluents discharge	55,995	53,936	50,934	Kiloton
Reused water ⁴⁾	10,130	10,280	9,391	Kiloton
Water reuse rate ⁵⁾	18	19	18	%
Supply of ultra-pure water for reuse ⁶⁾	110,661	108,311	103,299	Kiloton
Recovery of ultra-pure water for reuse ⁷⁾	66,166	66,983	63,208	Kiloton
Recovery rate of ultra-pure water ⁸⁾	60	62	61	%

1) Integrated reporting without distinction among water-stressed areas; water withdrawal equals water consumption since water is not stored separately

2) Reuse Daechong water and sewage (purchase and use the reused water from the Water Environment Center of Asan City)

3) Total domestic water consumption - domestic sales

4) Consumption of reused effluents, used infrastructure ultra-pure water (UPW) used

5) Consumption of reused water ÷ discharged effluents

6) Based on reused FAB UPW

7) Based on reclaim product out

8) Recovered UPW ÷ supplied UPW

Pollutant Management (Korea)

Category	2018	2019	2020	Unit
Amount of air pollutants emitted ¹⁾				
Total	360.57	453.81	511.52	Ton
NOx	281.72	370.65	357.45	Ton
SOx	-	2.97	17.66	Ton
Dust	29.86	31.19	31.31	Ton
NH ₃	3.63	8.05	14.33	Ton
HF	1.25	1.23	1.26	Ton
THC	44.11	39.72	89.51	Ton
Amount of ozone-depleting substances (CFC-eq) consumed ²⁾	0	0	0	Ton
Amount of water pollutants discharged ³⁾				
Total	804.82	774.83	654.34	Ton
COD	486.05	497.52	402.50	Ton
BOD	100.90	91.76	73.66	Ton
SS	65.45	61.27	62.54	Ton
F	148.59	120.55	112.90	Ton
Heavy metals ⁴⁾	3.83	3.74	2.74	Ton

1) Amount of emissions calculated based on the data input to the SEMS (Stack Emission Management System)

2) Based on R-134a and the refrigerant register (replenishments)

3) Data for the Cheonan worksite calculated based on A1L, excluding LCD (3~6L)

4) Heavy metals: Copper, lead, and cadmium

Waste Management (Korea)

Category	2018	2019	2020	Unit
Generated waste ¹⁾				
Total	255,051.18	203,109.23	198,256.57	Ton
General waste	110,230.70	64,332.03	68,982.14	Ton
Hazardous waste	144,820.48	138,777.19	129,274.43	Ton
Waste treated ¹⁾				
Total	255,051.18	203,109.23	198,256.57	Ton
Recycled amount	248,148.62	194,285.43	191,844.88	Ton
Incinerated (outside the Company)	3,846.48	1,791.50	2,105.62	Ton
Neutralized (outside the Company)	3,056.08	7,032.29	4,306.07	Ton
Landfilled (outside the Company)	-	-	-	Ton
Recycled rate of waste	97.29	95.66	96.77	%

1) Applied the Allbaro's reporting and calculation methodology, and includes additional information on scraps, non-ferrous metals and paper in addition to the reporting target

Worksite Chemicals Management (Korea)

Category	2018	2019	2020	Unit
Chemicals consumption	27.7	26.5	23.3	Kiloton
Leakage of major harmful substances	0	0	0	No. of cases

* PRTR: Pollutant Release and Transfer Registers

Social Performance

Labor & Human Rights

Category		2018	2019	2020	Unit	
Total employees ¹⁾	Total	68,125	66,101	72,876	No. of persons	
	Korea	23,732	23,297	22,318	No. of persons	
	Overseas	44,393	42,804	50,558	No. of persons	
	Southeast Asia & Japan	31,049	27,969	37,318	No. of persons	
	China	13,290	14,781	13,190	No. of persons	
	North America & Europe	54	54	50	No. of persons	
Employees by contract type ²⁾	Contract-based ³⁾	Total	85	93	59	No. of persons
		Male	81	86	55	No. of persons
		Female	4	7	4	No. of persons
	Regular	Total	68,040	66,008	72,817	No. of persons
		Male	33,984	33,389	36,287	No. of persons
		Female	34,056	32,619	36,530	No. of persons
Employees by age group ²⁾	Under 30	37,301	35,053	38,198	No. of persons	
	30's	24,844	24,183	26,776	No. of persons	
	40's and over	5,980	6,865	7,902	No. of persons	
Employees by job functions ²⁾	Product Development	5,285	5,489	6,518	No. of persons	
	Manufacturing	48,058	45,291	50,027	No. of persons	
	Quality assurance & environment, health and safety	8,803	9,218	9,639	No. of persons	
	Sales & Marketing	801	760	701	No. of persons	
	Others	5,178	5,343	5,991	No. of persons	
Employees by job positions ²⁾	Staff	58,066	54,824	60,387	No. of persons	
	Managers	9,936	11,154	12,361	No. of persons	
	Executives ⁴⁾	123	123	128	No. of persons	
Turnover rate ⁵⁾	Korea	2.55	2.43	2.64	%	
	Overseas	33.40	32.10	17.50	%	
Welfare and benefit expenditures at domestic and overseas sites		5,747	5,819	5,668	KRW 100 million	
Employees enrolled in pension plans ⁶⁾	Defined benefits (DB)	22,164	22,569	22,153	No. of persons	
	Defined contribution (DC)	833	948	1,076	No. of persons	

1) As of the end of the year, not including employees on leave or interns

2) Based on domestic and overseas employees

3) Classified according to the Act on the Protection, etc. of Fixed-term and Part-time Workers

4) Including executives at domestic worksites who hold Vice President positions or above

5) Ratio of employees who resigned during the concerned fiscal year against the average No. of employees ; resignation rates are calculated from the resignations made excluding those who transferred to Samsung's affiliated companies

6) Based on domestic employees, pension funds operated by external financial institutions to guarantee the rights of employees to receive regular and predictable pension payouts

Diversity and Inclusiveness

Category		2018	2019	2020	Unit
Percentage of female employees in Korea		29.4	28.7	27.9	%
Percentage of female employees overseas	Southeast Asia & Japan	60.0	59.0	60.0	%
	China	63.0	64.0	59.0	%
	North America & Europe	26.0	24.0	26.0	%
Percentage of female employees by job functions ¹⁾	Product Development	27.0	27.7	26.2	%
	Manufacturing	33.0	32.0	30.8	%
	Quality assurance & environmental safety	31.3	28.7	36.6	%
	Sales & marketing	24.8	23.6	22.5	%
	Others	16.9	17.3	17.2	%
Percentage of female employees by job positions ¹⁾	Staff	42.5	43.7	45.7	%
	Managers	8.7	9.6	10.5	%
	Executives ²⁾	0.8	0.8	3.9	%
Employees who took maternity leave	Total	1,630	1,403	1,392	No. of persons
	Male	1,067	884	880	No. of persons
	Female	563	519	512	No. of persons
Employees who took parental leave	Total	858	761	813	No. of persons
	Male	116	147	204	No. of persons
	Female	742	614	609	No. of persons
Employees who returned to work after parental leave		90.3	94.5	96.5	%
Employees who completed working a year after parental leave		621	674	618	No. of persons
Daycare center capacity ³⁾		572	572	572	No. of persons
No. of daycare centers ³⁾		3	3	3	No. of centers

1) Based on all employees in Korea and overseas

2) Including executives in Korea in Vice President positions and above

3) Based on employees in Korea

Social Performance

Human Rights Training for Employees¹⁾

Category		2018	2019	2020	Unit
Training on the culture of mutual respect	Participant	23,532	22,932	21,853	No. of persons
	Hour	1	1	1	No. of hours
Training to increase awareness for those with disabilities	Participant	23,468	22,942	21,903	No. of persons
	Hour	1	1	1	No. of hours

1) Based on domestic employees, 100% training completion

Employee Competency Building

Category		2018	2019	2020 ¹⁾	Unit
Average training hours per employees ²⁾		104	77	75	No. of hours
Employees re-employed through the Career Consulting Center	Employees who applied for re-employment ³⁾	422	457	519	No. of persons
	Employees re-employed ⁴⁾	349	384	415	No. of persons
	Percentage of employees re-employed ⁵⁾	82.7	84.0	80.0	%

1) Internal/external training reduced amid COVID-19 in 2020

2) (Total online education hours + offline training hours) ÷ total No. of employees

3) Employees newly applying for outplacement services for the concerned year (voluntary resignation & male & manager & 45 and older & switch to advisory/resigning executives)

4) Employees who were hired by other companies, hired as guest professors, dispatched to suppliers, or who started their own business for the concerned year through direct/indirect assistance from the career consulting center following their application for reemployment services (including those applied for such services 1~2 years ago)

5) (employees who were reemployed ÷ reemployment applicants) X 100

Partner Collaboration¹⁾

Category		2018	2019	2020	Unit
Funding support		376	1,790	2,263	KRW 100 million
Payment Support Fund	Total support sum for suppliers	113	237	223	KRW 100 million
	First tier suppliers	113	225	211	KRW 100 million
	Second & third tier suppliers	-	12	12	KRW 100 million
Low-interest rate loans extended under the Win-Win Fund	Total support sum for suppliers	263	1,553	2,040	KRW 100 million
	First tier suppliers	158	1,106	1,308	KRW 100 million
	Second & third tier suppliers	105	447	732	KRW 100 million
First tier suppliers supported for their innovation initiatives	Total (Korea)	10	20	9	No. of companies
Financial support for smart factory deployment		13	7	14	KRW 100 million
	Total	28	14	19	No. of companies
	First tier suppliers	16	6	8	No. of companies
Smart factory establishment support	Second tier suppliers	12	8	11	No. of companies

1) Based on all worksites in Korea and abroad

Occupational Injury Rate

Category		2018	2019	2020	Unit
LTIR ¹⁾		0.025	0.024	0.020	Injuries/200,000 hours worked
TRIR ²⁾		0.107	0.096	0.037	Injuries/200,000 hours worked

1) Lost Time Injury Rate (Number of lost time Injuries in the reporting period × 200,000 / Total hours worked in the reporting period)

2) Total Recordable Incident Rate (Number of recordable cases in the reporting period × 200,000 / Total hours worked in the reporting period)

Responsible Business

Category		2018	2019	2020	Unit
Employees who completed compliance training ¹⁾		21,151	38,278	84,746 ²⁾	No. of persons
Employees who completed personal information protection training		542	1,335	908	No. of persons
Employees who completed information security training		22,804	29,386	27,194	No. of persons
Substantiated complaints concerning breaches of customer privacy and losses of customer data		0	0	0	No. of cases

1) Based on domestic/overseas employees, including redundancies

2) Focused on online education due to COVID-19

TCFD Index

Social Performance

Supply Chain ESG Risk Management

Category		2018	2019	2020	Unit
Comprehensive supplier assessment	Suppliers who receive assessments ¹⁾	304	308	264	No. of companies
	Ratio of suppliers rated excellent	88	91	86	%
Ratio of suppliers who achieved ISO 14001		89	90	91	%
Ratio of suppliers who achieved OSHAS 18001		51	53	51	%
Incentives provided to on-site suppliers		73	74	68	KRW 100 million
Suppliers eligible for incentives granted to on-site suppliers ²⁾		46	47	45	No. of companies
Vendors participated in supplier training		1,328	1,001	869	No. of companies
Vendors participated in supplier training		59,108	21,539	44,783	No. of persons
Third-party due diligence on EHS practices of suppliers		132	95	101	No. of companies

1) All suppliers registered on the G-SRM excluding those who meet exclusion criteria

2) First-tier on-site suppliers

CSR

Category		2018	2019	2020	Unit
Total employee volunteer hours		151,704	133,421	86,096	No. of hours
Volunteer hours per employee ¹⁾		6.4	5.7	3.9	No. of hours
Program outcomes - Book Woollim	Excellent Book	71	181	104	No. of locations
		16,418	13,393	10,400	No. of books
	Reading Space	9	11	16	No. of locations
	Book Concert	5	5	25	No. of occasions
		1,605	5,712	6,780	No. of persons
Reading Contest		9,131	1,501	1,271	No. of persons
Program outcomes - Blue Elephant ²⁾		-	-	83,655	No. of persons
Donations (contributions, sponsorships, etc.)		300.4	464.7	212.2	KRW 100 million
Expenses spent for CSR activities		40.2	28.9	27.7	KRW 100 million

1) Total employee volunteer hours divided by total No. of employees

2) Program initiated in 2020

TCFD Recommendation	Page/Reference
Governance a) Describe the board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	P. 38
Strategy a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	P. 38-39
Risk Management a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	P. 38-39, 84
Metrics and Targets a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	P. 38-39, 91

GRI Index

General Disclosures

Topic	GRI Standards	Report	Reporting Page	Comments
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	102-2 Activities, brands, products, and services	●	18-21	
	102-3 Location of headquarters	●	14	
	102-4 Location of operations	●	16-17	
	102-5 Ownership and legal form	●	Samsung Display's audit reports 12 	
	102-6 Markets served	●	16-21	
	102-7 Scale of the organization	●	14	
	102-8 Information on employees and other workers	●	94-95	
	102-9 Supply chain	●	16-17	
	102-10 Significant changes to the organization and its supply chain	●	Samsung Display's audit reports 13 	Please refer to audit reports for changes to the organization
Strategy	102-11 Precautionary Principle or approach	●	84	
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Governance	102-18 Governance structure	●	82-83	
	102-23 Chair of the highest governance body	●	82	Chairmanship not separated
	102-32 Role of highest governance body in sustainability reporting	●	28	
Stakeholder Engagement	102-40 List of stakeholder groups	●	26-27	
	102-41 Collective bargaining agreements	○	-	Difficult to identify the accurate number of members due to the undisclosed labor union list
	102-42 Identifying and selecting stakeholders	●	26-27	
	102-43 Approach to stakeholder engagement	●	26-27	
	102-44 Key topics and concerned raised	●	26-27	
	102-45 Actors included in the consolidated financial statements	●	16-17, Samsung Display's audit reports 13 	
	102-46 Defining report content and topic Boundaries	●	29	
	102-47 List of material topics	●	29	
	102-48 Restatements of information	●		Published the first sustainability report
	102-49 Changes in reporting	●		Published the first sustainability report
Reporting Practice	102-50 Reporting period	●	About This Report	
	102-51 Date of most recent report	●	About This Report	
	102-52 Reporting cycle	●	About This Report	
	102-53 Contact point for questions regarding the report	●	About This Report	
	102-54 Claims of reporting in accordance with the GRI Standards	●	About This Report	
	102-55 GRI index	●	100-102	

GRI 103 Management Approach

Topic	GRI Standards	Report	Reporting Page	Comments
	102-56 External assurance	●	105-107	
	103-1 Explanation of the material topic and its Boundary	●	30-31	
	103-2 The management approach and its components	●	30-31, 36, 49, 81	

GRI 200 Economic Disclosures

Topic	GRI Standards	Report	Reporting Page	Comments
Economic Performance	201-1 Direct economic value generated and distributed	●	91	
	201-2 Financial implications and other risks and opportunities due to climate change	●	38-39	Developing detailed climate change response strategies
	201-3 Defined benefit plan obligations and other retirement plans	●	Samsung Display's audit reports 58 	
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	205-2 Communication and training about anti-corruption policies and procedures	●	87-89, 97	
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	303-3 Water withdrawal	●	92	
	303-4 Water discharge	●	92	No occurrence of non-compliance cases regarding discharge criteria
Biodiversity	303-5 Water consumption	●	92	
	304-3 Habitats protected or restored	●	48	
Emissions	305-1 Direct (Scope 1) GHG emissions 1)	●	91	
	305-2 Energy indirect (Scope 2) GHG emissions 2)	●	91	
	305-4 GHG emissions intensity	●	91	
	305-6 Emissions of ozone-depleting substances (ODS)	●	93	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●	93	
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UN SDGs

GRI 400 Social Disclosures

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	403-4 Worker participation and communication on occupational health and safety		● 65	
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Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		● 58	
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 and measures taken to support rights to exercise freedom of association and collective bargaining		● 56-57	
Child Labor	408-1 Operations and suppliers considered to have significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		● 56, 73-75	
Forced or Compulsory Labor	409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor		● 56, 73-75	
Human Rights Assessment	412-1 Number and ratio of operations that have been subject to human rights reviews or impact assessments		● 57	
	412-2 Employee training on human rights policies and procedures		● 57, 96	
Local Communities	413-1 Ratio of operations with local community engagement, impact assessments, and development programs		● 76-80	
Customer Health and Safety	416-1 Ratio of product and service categories assessed for their health and safety impacts for improvement		● 50	
Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		● 97	

Samsung Display fully endorses the UN Sustainable Development Goals (UN SDGs) and engages in varying activities to join in the efforts to attain these goals.

UN SDGs	Samsung Display's Activity
 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	• Operate the five ESH policies
 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	• Improve the reading environment in Chungcheong through the Book Woollim program
 5.5 Ensure women's full and effective participation of women and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• Endeavor to nurture female leaders to increase female influence
 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	• Systematically launch 3R (Reduce, Reuse, Recycle) activities to reduce, reuse and recycle water
 6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	• Maintain the green belts, manage invasive species, and build man-made floating islands to protect biodiversity
 7.2 By 2030, substantially increase the share of renewable energy in the global energy mix	• Gradually further the transition to renewable energy in Korea and abroad
 7.3 By 2030, double the global rate of improvement in energy efficiency	• Reduce energy consumption while improving energy efficiency through equipment/process improvement
 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	• Establish market dominance through technology innovation and exceptional product quality
 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	• Operate diverse shared growth programs for mutual cooperation
 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• Implement life-cycle quality management to manufacture sustainable products • Strengthen efforts to respond to climate change across the display industry
 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	• Disseminate an internal culture/policy to value diversity and inclusiveness
 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	• Endeavor to reduce waste landfill to zero through industrial and domestic waste management
 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	• Implement the Sustainable Value Strategy 2025 • Introduce relevant activities through the publication of the sustainability report
 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	• Advance our green management governance and implementation strategy to achieve carbon neutrality
 16.5 Substantially reduce corruption and bribery in all their forms	• Establish the code of conduct and operate the compliance program

Awards and Memberships

Awards

2018	<ul style="list-style-type: none"> Jun. Rated Most Excellent in the Win-Win Index Korea Commission for Corporate Partnership Sep. Received the Excellent Volunteering Team Award Asan City VOLED Choir Honored with the Gold Prize at the Happiness Sharing Festival for People with Disabilities in South Chungcheong South Chungcheong Province Oct. Received the Prime Minister's Citation on the 9th Display Day Korea Display Industry Association/ Ministry of Trade, Industry and Energy Received the Excellent Quality Supplier Award from the Chinese smartphone maker, Oppo Dec. Won the Grand Prize in the performance presentation contest held by the Chemical Safety Community Geum River Basin Environmental Office
2019	<ul style="list-style-type: none"> Jun. Named the Most Excellent in the Win-Win Index in 2018 for 2 consecutive years Korea Commission for Corporate Partnership Oct. Received the Silver Tower Order of Industrial Service Merit on the 10th Display Day Korea Display Industry Association/Ministry of Trade, Industry and Energy Nov. Won the Minister's Award at the CSR Film Festival Ministry of Health and Welfare Dec. Received the Excellent Quality Supplier Award from the Chinese smartphone maker, Vivo
2020	<ul style="list-style-type: none"> Jan. Received the Excellent Quality Supplier Award from the Chinese smartphone maker, Vivo May. Won the 'Display of the Year' Award at the SID 2020 Society for Information Display Aug. VOLED Choir won the Grand Prize at the South Chungcheong Choir Competition for People with Disabilities South Chungcheong Province Sep. Rated Most Excellent in the Win-Win Index in 2019 for 3 consecutive years Korea Commission for Corporate Partnership Oct. Won the Prime Minister's Citation on the 11th Display Day Korea Display Industry Association/Ministry of Trade, Industry and Energy Received the Association Chair Award on the 11th Display Day Korea Display Industry Association/Ministry of Trade, Industry and Energy Dec. VOLED Choir Won the Presidential Award at the Nationwide Choir Competition for People with Disabilities International Association of Culture Exchange for Disabled
2021	<ul style="list-style-type: none"> Apr. Received the Carl Ferdinand Brown Award - For our contribution to mass-producing LTPO-based high-resolution OLEDs SID (Society for Information Display)

Memberships

Korea Display Industry Association
Korea International Trade Association
Responsible Business Alliance (RBA)
Chungnam Bukbu Chamber of Commerce & Industry (non-standing vice chair)
Business Association of Chungnam Techno Park Display Center (non-standing vice chair)
Maeil Business Newspaper SEL CLUB
Chungcheong Regional Green Company Council
Daejeon/Chungnam Branch offices of Environmental Preservation Association
Chungcheong Regional Chemical Safety Community Council
Korea Chemicals Management Association
Cheonan Asan Federation for Environmental Movement
Korea Center for Sustainable Development
Korea Industrial Safety Association
Environmental Preservation Association in Daejeon and South Chungcheong
Chungcheong Regional Green Company Council
Chemicals Safety Management Committee & Regional Council in Cheonan City

Independent Assurance Statement



To: The Stakeholders of Samsung Display Co., Ltd.

Introduction and objectives of work

BSI Group Korea (hereinafter "the Assurer") was asked to verify Samsung Display Co., Ltd.'s 'SAMSUNG DISPLAY Sustainability Report 2021' (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance. Samsung Display Co., Ltd. is solely responsible for all information and assertion contained in the report. The responsibility of the assurance is to provide independent assurance statement with expert opinions to Samsung Display's executives by applying the verification methodology and to provide this information to all stakeholders of Samsung Display.

Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report was prepared in accordance with the Core Option of GRI Standards, the international standards guidelines of sustainability reports. The assurance level was based on the Type 1 that confirmed compliance with the four principles of AA1000 AP (2018) in accordance with the AA1000 AS and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report.

The Type 2 assurance was applied to the following disclosure of the GRI Specific Topic Standards:

- 205-1 Operations assessed for risks related to corruption
- 205-2 Communication and training about anti-corruption policies and procedures
- 305-1 Direct (Scope 1) GHG emissions - 305-2 Energy indirect (Scope 2) GHG emissions
- 305-4 GHG emissions intensity
- 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
- 306-3 Waste generated
- 306-5 Waste directed to disposal

Scope of Assurance

The scope of assurance applied to this report is as follows;

- Based on the period from January 1st to December 31st, 2020 included in the report
- Major assertion included in the report such as sustainability management policies, strategies, objectives, business and performance
- Information related to material issues determined as a result of materiality assessment
- Appropriateness and consistency of processes and systems for data collection, analysis and review
- The following items were not included in this assurance
 - Financial information in the report
 - Other related additional information such as the website presented in the report

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities:

- To determine verification priorities, review of materiality issue analysis process and verification of the results
- System review for sustainability strategy process and implementation
- Review the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the Samsung Display Sustainability Report 2021 are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report was prepared according to the Core option of the GRI Standards.
- The assurance opinion on the four principles presented by the AA1000 AP (2018) is as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

Samsung Display defined customers, employees, suppliers, local communities, NGOs, CSR associations, professional organizations, government, and the media as key stakeholder groups, and operates communication channels for each group for stakeholder engagement. They collected stakeholders' expectations and diverse opinions, and reflected the derived major issues in their sustainability management decisions.

Materiality: Identification and reporting of material sustainability topics

Samsung Display organized the issue pool by investigating global sustainability information disclosure indexes, policies and regulations, industrial advanced cases, and Samsung Display's internal and external press releases to derive key economic, social, and environmental reporting issues. A total of 29 reporting issues were finally selected, considering the materiality of business, stakeholders, and the direction of Samsung Display's sustainable management. In this process, company-wide interviews were conducted with relevant departments and the management went through a final review.

Responsiveness: Responding to material sustainability topics and related impacts

Samsung Display launched the Corporate Sustainability Governance Office under the Display Management Office to reflect and respond to stakeholder expectations on issues derived through the materiality assessment. In addition, through the Sustainable Management Council organized by the CFO every month, they checked the current issues of Sustainable Management, response activities, and performance.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Samsung Display implemented the process to identify and evaluate the impact on organizations and stakeholders related to material topics. In order to understand the social added value and impact of management activities in economic, social, and environmental aspects, indicators were established and qualitative and quantitative performances were collected and disclosed.

Key areas for ongoing development

- Each section of the report describes the positive aspects and expresses efforts to further develop them. However, at the same time, identifying issues with poor performance and specifying specific plans for resolving them will help improve the balance of reporting.
- If an internal verification process is implemented to manage the quality and reliability of data disclosed in the report, continuous improvement of the reporting process can be expected.

Statement of independence and competence

The assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with Samsung Display. The assurer have conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The assurer confirmed that this report was prepared in accordance with the GRI Standards Core Option and the disclosures related to the following Universal Standards and Topic-specific Standards Indicators based on the data provided by Samsung Display.

[Universal Standards]

Organizational Profile 102-1~13/ Strategy 102-14~15/ Ethics and Integrity 102-16~17/ Governance 102-18, 102-23, 102-32/ Stakeholder Engagement 102-40~44/ Reporting practice 102-45~56/ Management Approach 103-1~3

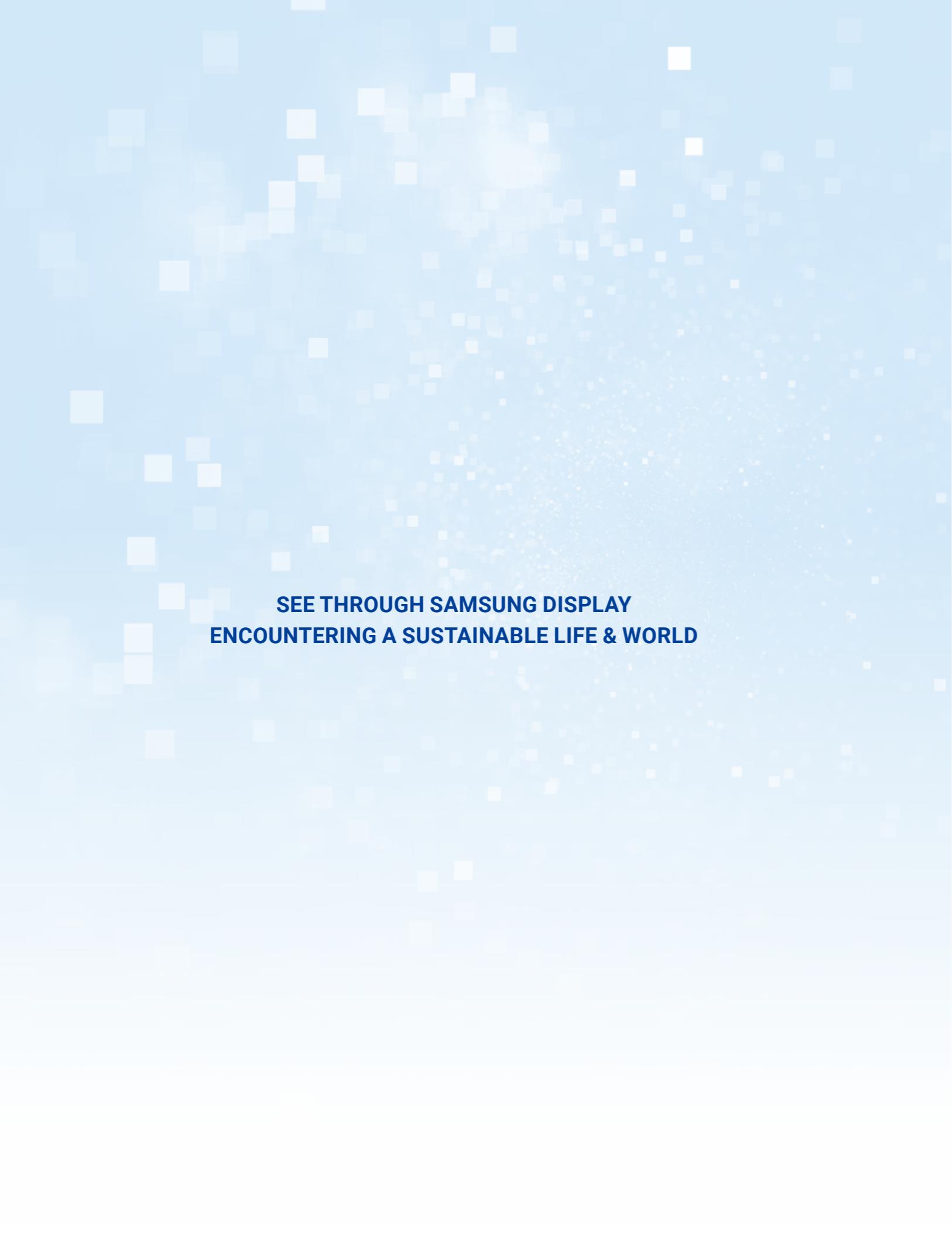
[Topic-specific Standards]

- Economic: 201-1~3, 203-1~2, 205-1~2, 207-1~2
- Environmental: 303-1, 303-3~5, 304-3, 305-1~2, 305-4, 305-6~7, 306-3, 306-5
- Social: 401-3, 403-1, 403-3~8, 404-1~2, 405-1, 406-1, 407-1, 408-1, 409-1, 412-1~2, 413-1, 416-1, 418-1

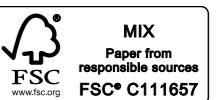
17 June 2021

K. S. Song / BSI Group Korea, Managing Director





SEE THROUGH SAMSUNG DISPLAY
ENCOUNTERING A SUSTAINABLE LIFE & WORLD



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