



You Dream,  
**We Display.**

2021-2022  
LG Display  
Sustainability Report

# ABOUT THIS REPORT

## Report Overview

This report is LG Display's 11th Sustainability Report. The company publishes a sustainability report every year, and the 2020-2021 sustainability report was published in July 2021. Through this report, LG Display aims to share with various stakeholders the activities and achievements it has pursued to achieve its sustainability management goals over the past year. This report's main focus is to increase information accessibility by providing quantitative and qualitative performance data of LG Display Sustainability Management in 2021 of each area, including environment, society, governance and economy. LG Display promises to actively communicate with stakeholders by publishing sustainability reports on a regular basis.

## Reporting Principle

This report was prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards, the international standard guidelines for Sustainability Reports, and the integrated reporting framework of the International Integrated Reporting Council (IIRC). is partially applied.



If you want further information about LG Display, please visit [www.lgdisplay.com](http://www.lgdisplay.com).

If you have any questions about the Sustainability Report, please contact us via the contact information below.

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02)3777-0971 [csr@lgdisplay.com](mailto:csr@lgdisplay.com)

## Scope & Period

This report covers LG Display's domestic (Headquarters, Magok LG Science Park, Paju, Gumi) and overseas (the Guangzhou cluster in China (GZ/CA/CO), Nanjing in China (NJ), Yantai in China (YT), and Haiphong in Vietnam (VH)) business sites, accounting for more than 75% of its business activities. Also, the report presents major sustainability management performances from January 1st, 2020, to December 31st, 2020. Quantitative performance includes data over three years so that trends can be identified. Some data partially includes performance of the first half of 2022.

## Report Verification

In order to ensure the reliability of the report, the report was verified by a third-party assurance organization, and You can find the verification results in the Third-Party Verification Statement (see page 100-101).

## COVER STORY



Scholarship project by LG Display executives  
'Wings of Hope Club' scholarship student,  
Ju Sojung

"You Dream, We Display"

This artwork depicts the vision of LG Display. Beyond the displays we face in our daily lives, there are possibilities and dreams as big as the universe. In this way, the image of whales flying freely in the sea of dreams beyond everyday life shows infinite possibilities like the universe (Display). It expresses how you can grow wings on the inside to make your dream come true.

\* The Wings of Hope Club is a social contribution business project that supports the achievement of dreams of gifted youth in the arts, sports/science and engineering fields through a scholarship fund raised by LG Display executives and managers since 2011.

## Annual Sustainability Report

### Global Initiative Membership

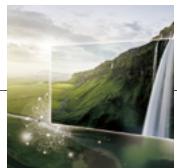
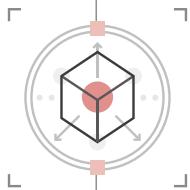


This is our *Communication on Progress* in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals.  
We welcome feedback on its contents.



Responsible Business Alliance  
Affiliate Member

# CONTENTS



## OVERVIEW

CEO Message	5
Management Philosophy	6
Company Overview	7
Business Introduction	8



## SUSTAINABILITY MANAGEMENT

ESG Impact Highlight	14
Sustainability Management System	15
Implementation of UN SDGs	16
Materiality Assessment	17
Stakeholder Engagement	18



## ENVIRONMENTAL

Climate Change	20
Control of Pollution and Hazardous Substances	22
Water Resource Management	24
Waste Discharge and Management	25
Development of Eco-friendly Products and Expansion of Certification	27
Environmental Management System	30
Environmental Data	32



## SOCIAL

Health and Safety	35
Supply Chain Management	39
Human Resource Management	47
Human Rights Management	53
Labor-Management Communication	56
Information Security and Personal Information Protection	58
Corporate Social Responsibility	60
Social Data	63



## GOVERNANCE

Jeong-Do Management	69
Compliance Management	71
Board of Directors and Committees	72
Protection of Shareholder Rights	76
Risk Management and Crisis Management System	77
Governance Data	79



## ECONOMIC

Financial Stability	81
Tax Policy	82
R&D and Quality Management	83
Management Innovation	86
Customer Value Innovation	88
Economic Data	89
GRI Index	92
SASB Index	94
TCFD Report	95
Third-Party Verification Statement	100
Greenhouse Gas Verification Report	102



## APPENDIX

### INTERACTIVE PDF USER GUIDE

The LG Display Sustainability Report is produced as an interactive PDF and includes functions such as page movement and shortcuts to related web pages.

- Go to cover page
- Go to table of contents
- Go to Previous view
- Print the page
- Go to the linked website



## SECTION

# 1

## OVERVIEW

With its differentiated technology and stable production capacity, LG Display continues conduct R&D, manufacturing, and sales of products leveraging display technologies such as TFT-LCD and OLED. We will continue to develop innovative products and strive to innovate customer value.



CEO Message	5
Management Philosophy	6
Company Overview	7
Business Introduction	8

# CEO Message



July, 2022  
LG Display CEO

기호

I would like to take this opportunity to thank our customers, business partners, shareholders, local community members, as well as our employees who unceasingly extend their trust in and encouragement to our company, as we strive towards being the "Best Display Solution" company.

Current business environment lays out unprecedented uncertainties and volatilities due to multiplex of issues arising spontaneously and simultaneously. Nevertheless, LG Display will continue to place 'Customer Value' as our top priority and carry out 'Sustainability Management.'

## 01 We will establish a positive upside structure for growth and profitability founded upon Customer Value Innovation.

The greater the uncertainties and volatilities in the business environment, the greater is the importance of carrying out the business by having thorough understanding of the market and customers. Thus, LG Display will concentrate on 'qualitative growth' through Customer Value Innovation.

Here are our plans for each business sector. In large-sized OLED business, we will accelerate OLED popularization. Based on our fundamental competitiveness which is unrivaled to the next level, we will continually expand our market share in premium TV market, and pioneer new markets centered on gaming/transparent displays. Mid/small-sized business is a sector, when we take into account diversity of Customer Value and growth of the market, where its strategic importance will be signified all the more. In mid-sized business, we will proactively expand IT LCD business with competitiveness, and take the lead in mid-sized OLED market at the same time. Small-sized business will maintain profitability based on POLED's differentiated competitiveness, and also establish foundation for a future new-technology business. Moreover, our plan is to actively grow auto business, which is a highly promising growth sector in the future.

With respect to business operation methods, we will expand the proportion of 'order-based business' which can create stable performance built on strategic collaboration with key-customers, and in 'supply & demand-based business', we will improve added-value and minimize volatility in management performance through advancements in technology and products.

Through business structure advancement and enhancement of fundamental competitiveness, we will grow and development to become a company that offers the best value to all stakeholders.

## 02 Based on eco-friendly technology and human-respect principles, we will practice ESG management.

LG Display will promote eco-friendly business practices based on technology-innovation. We plan to reduce carbon emissions by 90% compared to 2014 by 2050 through capital expenditure to reduce emissions of greenhouse gases and expansion of conversion to new and renewable energy. In addition, we have achieved a waste recycling rate of 98.4% at our domestic business sites through the management of the 'Eco Index of Products'. Going forward, we plan to actively promote the development of more fundamental eco-friendly technologies through close industry-university-research cooperation.

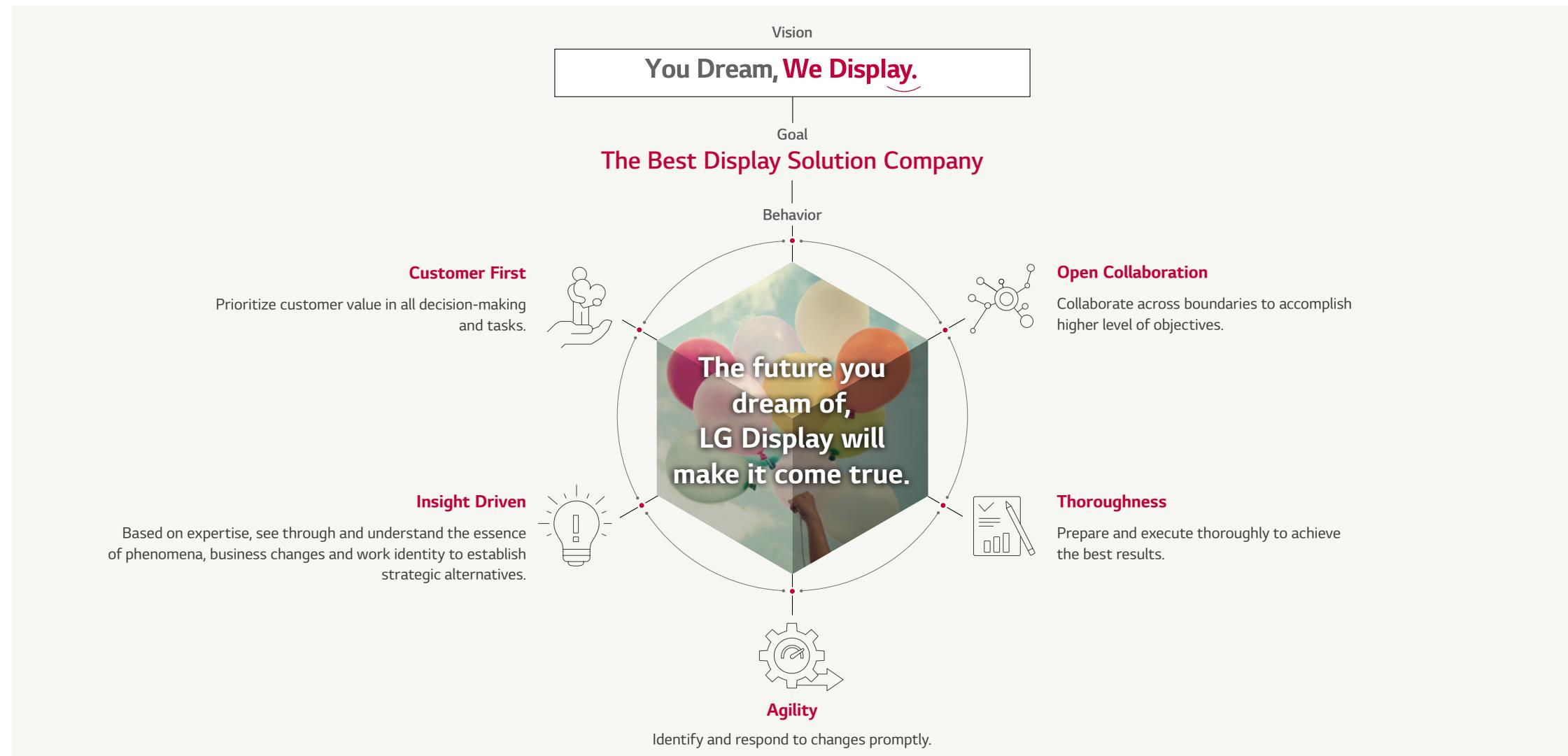
Furthermore, we will build a win-win system throughout the industrial ecosystem along with management that respects human beings. For the safety and health of all employees in all business sites, we are actively promoting the 'Four Major Safety Management Innovation Measures', and we will create a workplace where talented people can work creatively and smartly through innovation in organizational culture and work methods. Also, by joining the 'Responsible Business Alliance (RBA)' and 'UN Global Compact (UNGCG)', we are taking the lead in protecting the environment and human rights in the supply chain.

Finally, we will firmly support ESG management with a transparent and diversified governance structure. Last year, in order to strengthen the diversity and expertise of the BOD, a female ESG expert was appointed as an outside director, and such outside directors comprise our audit committee, through which we have further enhanced committee's independence and international monitoring function. We will do our best transparently disclosing information in the future.

LG Display will become a company that makes a better future the reality for humanity. We will always adhere to the opinions of all stakeholders and endeavor to meet their expectations. We would appreciate your continued support and advice going forward.

# Management Philosophy

With the goal of becoming "The Best Display Solution Company," LG Display is striving to provide the best solutions for the future that customers dream of, surpassing products and technologies onto services. In an era when the demand for high value-added products is structurally expanding due to the acceleration of digital transformation and lifestyle diversification, we put customer value as the top priority in our business activities and carry out all business activities to achieve the vision of "You Dream, We Display." LG Display will lead the display industry through not only customer value-oriented business activities, but also open collaboration based on expertise, meticulous preparation and thorough execution, and quick responses to changes.





# Company Overview

Starting with its TFT-LCD development in 1987, LG Display has become a global display company that produces and sells innovative displays and related products through differentiated technologies such as OLED and IPS. We continue to develop innovative new technologies such as Cinematic Sound OLED, in-TOUCH, etc. In various display products ranging from TV, IT and mobile to automobile and commercial display products. Also, to more closely address major target markets such as China, Europe, and North America, we have founded and operated production and sales subsidiaries, as well as branches all over the world. We will continue to lead the global display market and provide greater value to our customers based on our advanced technology and stable production capacity.

As of 31.12.2021

<b>Company</b>	LG Display
<b>Address</b>	LG Twin Towers, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul
<b>Main Business</b>	Research, development, manufacturing, and sales of display panels and related products
<b>CEO</b>	President Ho Young Jeong
<b>Date of Establishment</b>	February 1985
<b>Number of employees</b>	70,707 employees

**Asset** \_\_\_\_\_

38,155

Billion KRW

Operating Profit

2,231

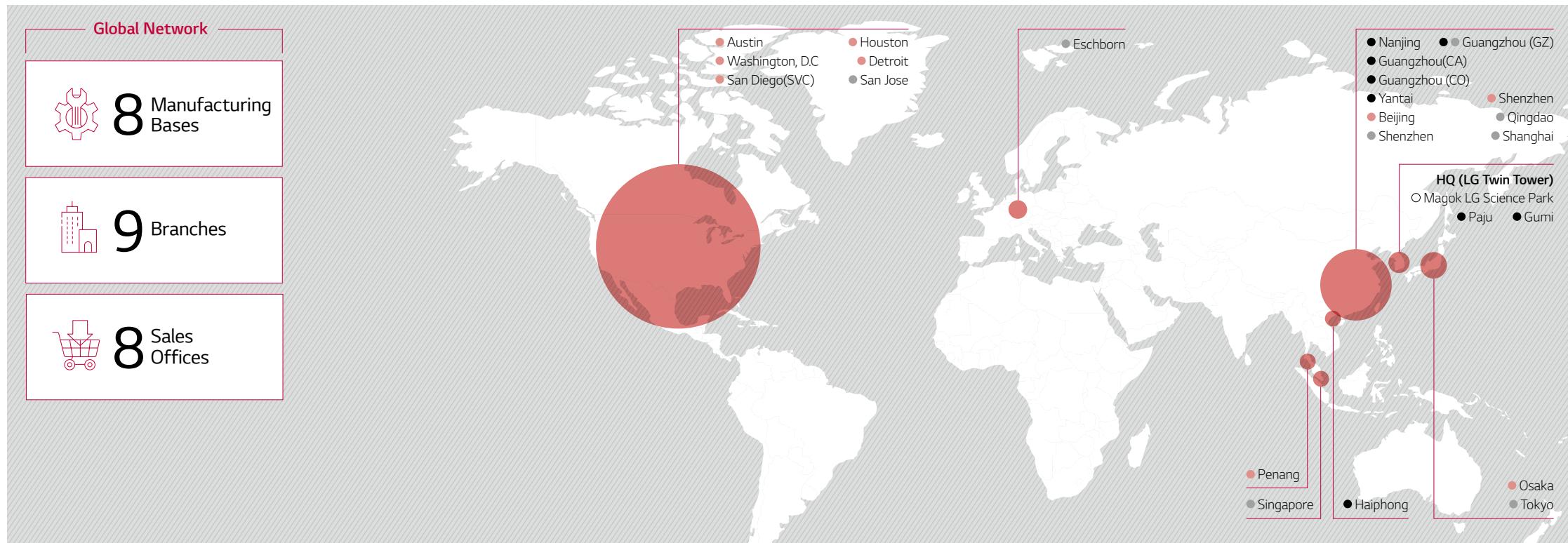
Billion KRW

Equity

14,763

Billion KRW

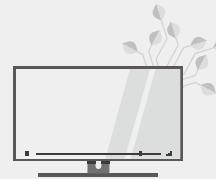
● Manufacturing Bases ○ Laboratory ● Branches ● Sales Offices



# Business Introduction

1

## TV DISPLAY



The TV division is continuously improving customer value through customer-oriented thinking in all areas such as large-sized OLED, Life Display, LCD TV, and commercials. The large-sized OLED provides a thinner and clearer optimal TV viewing experience and is a display beyond a simple screen that pursues 'Natural Reality,' delivering information without distortion. In 2022, OLED TV released OLED.EX, a technological convergence based on 10 years of OLED panel development. Through the evolution of OLED devices, the evolution of algorithms, and the evolution of design, we continue to provide superior and high-quality experiences to consumers.

Life Display utilizes the high-definition, fast response speed, high transparency, slim & light design, and rollable characteristics that only OLED can provide to give customer-oriented products based on high transparency, gaming, etc. In the future, we plan to provide a new customer experience that transcends the boundaries of space by planning various types of personal devices that reflect consumers' new lifestyle trends.

The LCD TV provides superior value as a high value-added product that implements high color reproduction technology and a proprietary HDR (High Dynamic Range) algorithm through IPS Nano Colors. The commercial display communicates with customers in various fields and various ways. We provide superior products through Transparent OLED, tiling, gaming and LCD in-TOUCH, video wall, and signage based on the advantages of OLED. Through these business activities, the TV division is faithful to the essence of the business, while at the same time providing stakeholders with sustainable values that can lead the change in the world.

[LG Display unveils next-generation OLED TV display with improved picture quality](#)

[OLED TV panels obtain 'Discomfort Glare Free' verification from UL](#) [OLED 10 year evolution](#)

## DETAIL

### Next-generation display 'OLED.EX'

OLED.EX is 30% brighter than existing OLED TV panels and the bezels are 30% thinner. By using heavy hydrogen (deuterium), the stability of the self-emissive device, the most important part to create OLED image quality, has improved. And OLED.EX implemented personalized algorithms that predict the usage of each device through machine learning.



[Unveils Next-Generation OLED TV Display 'OLED.EX'](#)

### Transparent OLED

Transparent OLED, a product on another level that can only be created with OLED, will continue to break the boundary between the surrounding environment and the display to create a new space. With 45% transparency and clarity, Transparent OLED can provide new value to various living spaces.



[Demonstrates Spatial Innovation Through Transparent OLED](#)

### Gaming OLED

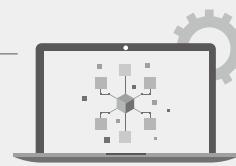
In a gaming environment where realistic screens and immediate response time are important, Gaming OLED is a product that provides a different level of gaming experience with a picture quality even more vivid than reality and the world's fastest response time of 0.0001 seconds. OLED optimized for game content that provides selectable curvature and "Ludens Black" image quality that perfectly controls image glare provide maximized immersion to gamers in various usage environments.

[OLED is the Optimal Gaming Display](#)



2

## IT DISPLAY



By supplying monitors, laptops, and industrial products, we are providing customers with premium products differentiated from other companies through original technology based on customer value.

Sales and operating profit of monitors and laptops significantly increased as COVID-19 changed people's lifestyle such as working from home and taking online classes. Also, the demand for high-end products is also continuously increasing.

In addition, under continuous partnerships with our main customers, we continue to lead in IPS and oxide technology-based premium products such as high resolution and large-sized OLEDs thereby strengthening the foundations for our business.

# DETAIL

### Ultra-high-definition screen that captures fine details

In response to the needs of experts who want to experience the difference in details on the screen, we develop/produce professional IT products based on clearer high-definition IPS Black technology that displays a blacker black.



### HDR expressing lifelike clarity

LG Display's HDR (High Dynamic Range)\* products express deeper blacks and more vivid primary colors, and the Mini LED solution satisfies both high-definition and design differentiation for professionals.

\* Technology that maximizes contrast ratio



### Design best suited for user environments

Our slim and innovative designs offer the best aspect ratios for portability and space utilization, as well as for office work and multitasking.



### IPS gaming display for victory

IPS-based high-definition and excellent low-gradation expression make game screens with elaborate graphics look smooth. High-speed operation and high-speed response technology support speedy and pleasant gameplay.



### Pen touch for convenience

In-TOUCH technology combined with the display panel is applied without using a separate touch panel. We provide light, thin, and delicate touch performance, as well as increased convenience by supporting the Active Pen.





3

## MOBILE DISPLAY



The mobile division strives to provide innovative products that exceed the limits of resolution, power consumption and design through original technology based on customer value.

With a successful business structure change to POLED (Plastic OLED)\*, the smartphone business continues to expand steadily and sales continue to grow. Through differentiated design, and obtaining power consumption technology and next-generation form factor technology such as foldables, we are also preparing to develop the growth engine of the future smartphone business.

\* POLED (Plastic OLED): A panel with a high degree of freedom in design by using a plastic material as a substrate

## DETAIL

### Exceeding the limits of power consumption and design!

In line with the characteristics of mobile products that are always carried by hand, larger and brighter screens were created with lower power consumption and innovative design.



### Full screen display

To maximize the display area within the product, the smartphone's camera sensors are placed in the hole or notch area of the display to provide a fuller screen and increase immersion. Ultimately, we are preparing a full-screen display with no holes or notches.



### OLED, a step toward mobile innovation

OLED with a plastic substrate is thin and light. It can also be bent to a certain curvature, offering a higher degree of design freedom. This makes it an optimized product for mobile displays. In addition, it provides superior value with a high contrast ratio through perfect black and clearer and richer colors.



### Groundbreaking low power consumption display

The optimization of the high-efficiency OLED display and driving frequency according to each scene allows for a brighter and clearer screen with a longer battery life.

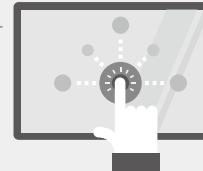


4

## COMMERCIAL DISPLAY



in-TOUCH



The commercial division is developing products that meet the rapidly changing needs of customers and users based on in-TOUCH, M+, and narrow bezel, which are three differentiating technologies in the LCD field. LG Display's specialized OLED signage enables a natural reality experience based on picture quality unique to OLED, opening a more immersive and realistic signage era.

In particular, the in-TOUCH technology that internalizes the touch function into the panel and the M+ technology that adds White Sub-PXL are technologies that embody the company's ESG management philosophy such as reducing harmful substances and power consumption. We can assure you that this will be of great help to your business activities.

The first-generation digital signage technology, which was mainly used to transmit information in the past, is developing into a third-generation interactive device to actively respond to broadband communication and users and environments. LG Display is leading the future digital signage market through our unique differentiated technology and excellence in ESG.

# DETAIL

### Commercial OLED

The commercial OLED expresses natural colors as they are and implements infinite contrast ratio to provide a different level of vivid image quality. It is thin and light because there is no backlight, so various concave or convex shapes are possible. Also, the size can be expanded freely through tiling, which is changing the paradigm of the signage market. In addition, it is an eco-friendly product that does not use harmful substances such as cadmium and indium phosphide in expressing high color reproducibility.



### M+ Technology

M+ technology was combined with LG Display's IPS technology to show bright and clear images based on high transmittance, and power consumption was reduced by 65% compared to existing RGB models when using the same luminance. It supports stable product reliability even in outdoor environments and can be used for drive-through menu boards and outdoor billboards.



### in-TOUCH

A slim bezel design was made possible because there is no need for touch signal wiring. The touch layer is completely embedded inside the panel, so there is no deterioration of outdoor visibility due to sunlight reflection. This makes this technology applicable to various kinds of products such as electronic boards, kiosks, ISS (Interactive Smart Shelf), elevators, and vending machines. In addition, the amount of rare metal phosphorus needed was reduced to 70% or less compared to existing touch screens, and electricity and carbon emissions were successfully reduced by simplifying the production process.



### World's Narrowest Even Bezel

By making the world's smallest bezel, we provide products optimized for large displays with minimal cutoff or distortion between screens (Bezel: 0.44mm). In addition, it is lighter than existing products, has superior rigidity, and is easy to install, so it can be freely expanded and used in places requiring extra-large screens, such as airports and control rooms.



5

## AUTOMOTIVE DISPLAY

CES2022 Electric Vehicle Concept Car



The auto division is striving to develop and produce displays that drivers and passengers can communicate with and enjoy, going beyond the role of displays that simply transmit information in the evolving automotive paradigm.

We are securing appropriate technologies and capabilities in order to apply displays to various areas on both the inside and outside of cars. We are leading the market by shifting from past low-resolution, small-size products to high-resolution medium/large-size products and securing OLED infrastructure and product technology that can make the products stand out in premium car lines. We will develop first-rate technology and products to provide the most outstanding display solutions that best suit future automobiles and lead future auto display trends.

### Automotive Display POLED

[LG Display wins presidential award for its automotive P-OLED at the Korea Technology Awards](#) 

## DETAIL

### 3D Digital Cluster Display

LG Display's glasses-free 3D products provide a variety of graphic designs with a sense of analog clusters and three-dimensional effects for each driving mode



### Extra Large & in-TOUCH Display

The extra-large display provides a high-definition user experience and seamless design. in-TOUCH technology is the best touch solution that provides excellent picture quality and a narrow bezel.



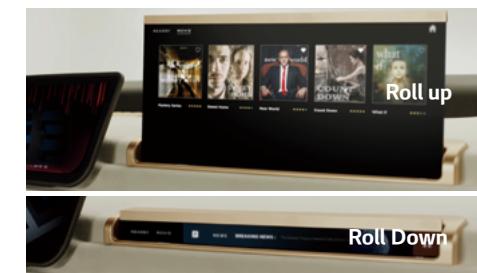
### Front passenger's viewing angle control display

For the display equipped in the passenger's seat, the Switchable Privacy Mode technology that controls the viewing angle so as not to obstruct the driver's view was applied. While parked or stopped, this display technology allows you to enjoy content with passengers through Share Mode.



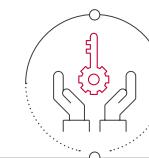
### Unparalleled design unique to OLED

Similar to rollable displays that can be pulled out and used only when the user wishes, P-OLED products offer an unparalleled design.



**SECTION****2****SUSTAINABILITY  
MANAGEMENT**

As a company that fulfills its environmental and social responsibilities, LG Display has selected key ESG areas and established an effective system to secure a growth engine. Going forward, we are committed to communicating with various stakeholders including our employees, partners and customers in order to create positive value in our business activities and business operation.



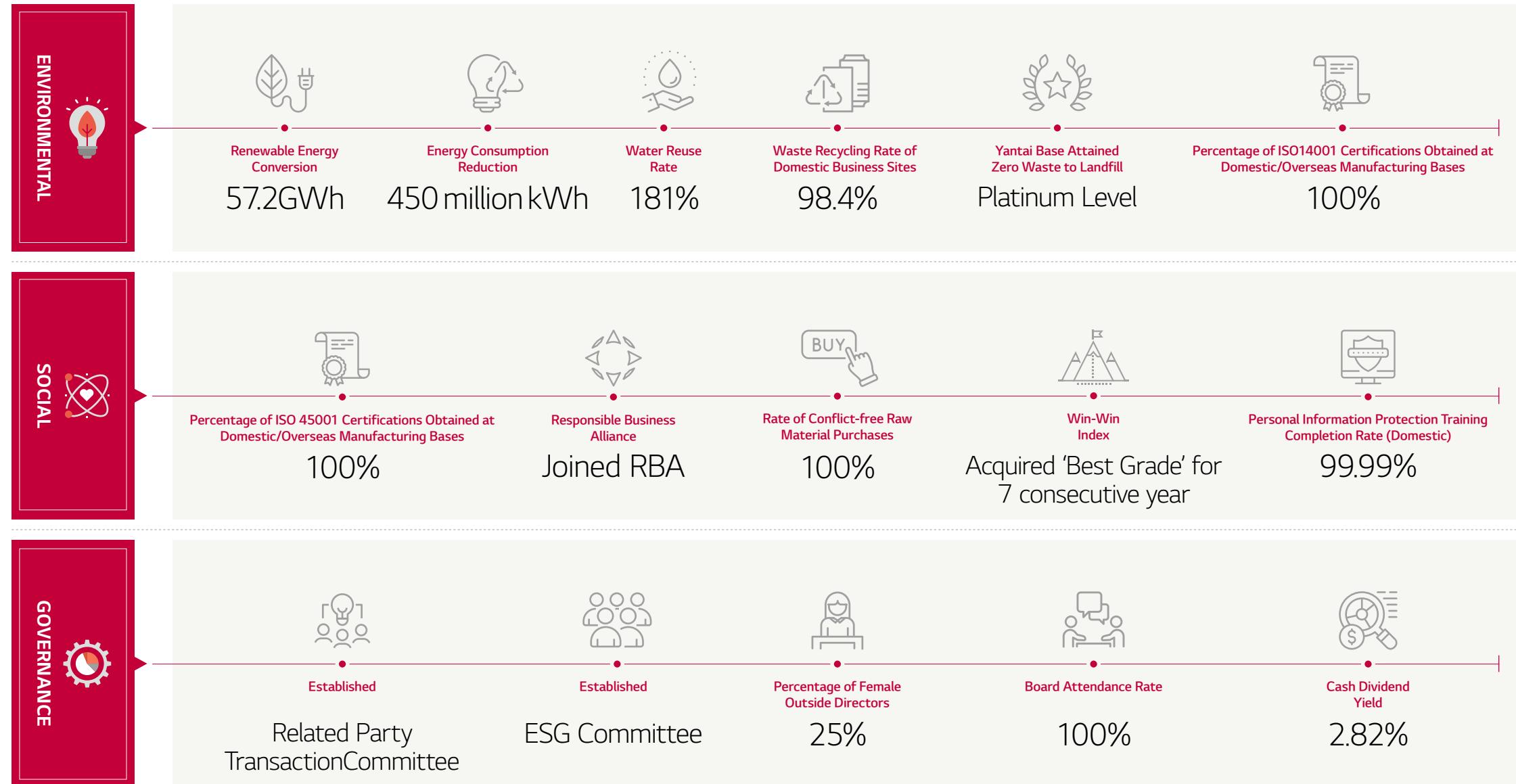
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ESG Impact Highlight	14
Sustainability Management System	15
Implementation of UN SDGs	16
Materiality Assessment	17
Stakeholder Engagement	18

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# ESG Impact Highlight





# Sustainability Management System

As a responsible global company, LG Display pursues a better future for the environment, society and the community through sustainability management based on trust with our stakeholders. We are promoting ESG management in more effective and systematic ways amid the rapidly changing business environment. As part of this effort, we officially launched the ESG Committee under the board of directors in April of 2021 to realize long-term and sustainable growth and selected 9 key ESG areas in 2021. We are committed to implementing ESG management activities focusing on the 9 key areas to gain the trust of our major stakeholders including executives and employees, customers and business partners.

## Sustainability Management Goals

LG Display identified 9 key ESG areas in 2021 in order to systematically promote sustainability management. These 9 key areas were derived based on 'technology-centered' areas from a business perspective and 'people-oriented' areas from an operational perspective.

The 9 key areas include climate response, resource circulation, hazardous substances, product responsibility in the environment area, workplace, partner management, human rights management, human capital safety in the social area, and stakeholder communication and transparent information disclosure in the governance area. In addition, we selected a champion organization for each sub-area and revamped detailed action plans to encourage company-wide ESG activities. With such efforts, LG Display aims to create non-financial values alongside with financial profits.

### Sustainability Management Policy



**To fulfill its responsibility as a global corporation, LG Displays aims to gain stakeholders' trust in its domestic and overseas management activities and pursue sustainable growth alongside with society.**

- We strive to create social and environmental values as well as economic values by communicating with our stakeholders.
- We respect the dignity and values of our employees and our partners' employees.
- We comply with corporate ethics such as laws, international standards, and internal regulations with an honest and fair attitude.
- We make continuous efforts to improve safety, health, energy, and environmental management activities in corporate management.
- We fulfill our social responsibilities for the sustainable development of our business partners and local communities.

## Sustainability Management Implementation System

LG Display established a ESG committee-led ESG decision-making system to review, manage and supervise ESG issues regarding domestic and overseas business activities and business operations. We set a ESG management agenda and goals at management meetings and mainly discuss issues related to each key area's tasks. We also convene a ESG committee every half year to address ESG-related issues by deliberating and approving ESG policies and strategies and reviewing ESG implementation performance.

Also, we produce detailed action plans and mid- to long-term roadmaps by forming champions for each key area to establish strategies and directions as well as communicate with stakeholders through the ESG Secretariat that supports company-wide ESG-related tasks. We will enhance competitiveness of the company and contribute to sustainable development of the overall display industry by closely cooperating with the ESG Committee-led decision-making organization and the ESG Secretariat that supports the ESG committee and the task-executing organizations.

### ESG Implementation System



# Implementation of UN SDGs

LG Display strives to contribute to achieving the UN Sustainable Development Goals (SDGs) in its overall business operations and business activities.

## Good Health and Well-Being

**3** GOOD HEALTH AND WELL-BEING



We support our employees, subsidiaries, and partners to ensure a safe workplace and a healthy and happy life.

- Establishment of health and safety management system
- Establishment of chemical substance introduction management process
- Maternity protection program operation
- Medical subsidies for employees and subsidiaries (Nanumnuri)

## Quality Education

**4** QUALITY EDUCATION



Various social contribution programs are being operated so that the vulnerable in the local community can receive an inclusive and equitable quality education.

- IT education environment support for childcare facilities
- Customized dream support for the underprivileged
- Support for gifted and gifted youth from low-income families

## Clean Water and Sanitation

**6** CLEAN WATER AND SANITATION



By establishing a water resource management system, we use water efficiently and reduce water consumption. Water pollution is minimized by setting an in-house standard that is 70% higher than the legal emission standard concentration.

- Water resource-related risk assessment
- Implementation of sewage treatment water reuse project
- Excellent company for CDP Water

## Decent Work and Economic Growth

**8** DECENT WORK AND ECONOMIC GROWTH



We lay the foundation for stable growth through technology development to create customer value. By establishing a subsidiary, we provide stable and high-quality jobs to workers with disabilities.

- Promotion of customer-oriented marketing activities
- Marketing OLED excellence by operating OLED Space
- Expansion of employment of disabled workers through Nanumnuri, a subsidiary-type standard workplace

## Climate Action

**13** CLIMATE ACTION



In order to respond to one of the global challenges, climate change, we set greenhouse gas reduction targets, invest in reduction facilities, and identify climate risks.

- Greenhouse gas emission management
- Greenhouse gas reduction activities
- Identification of climate change risks by type and establishment of countermeasures

## Life on Land

**15** LIFE ON LAND



We strive to minimize negative impacts on biodiversity.

- Creation of a Girung Tree Ecological Forest by the DMZ Sunaecheon Stream
- Activities to improve the forest environment near the Paju plant

## Affordable and Clean Energy

**7** AFFORDABLE AND CLEAN ENERGY



We are responding to climate change issues by introducing renewable energy, increasing energy efficiency, and reducing energy consumption.

- Process gas high-efficiency emission reduction technology development
- Conversion of electricity consumption to new and renewable energy in the office building of domestic business sites
- Setting organization specializing in energy use reduction

## Partnerships for The Goals

**17** PARTNERSHIPS FOR THE GOALS



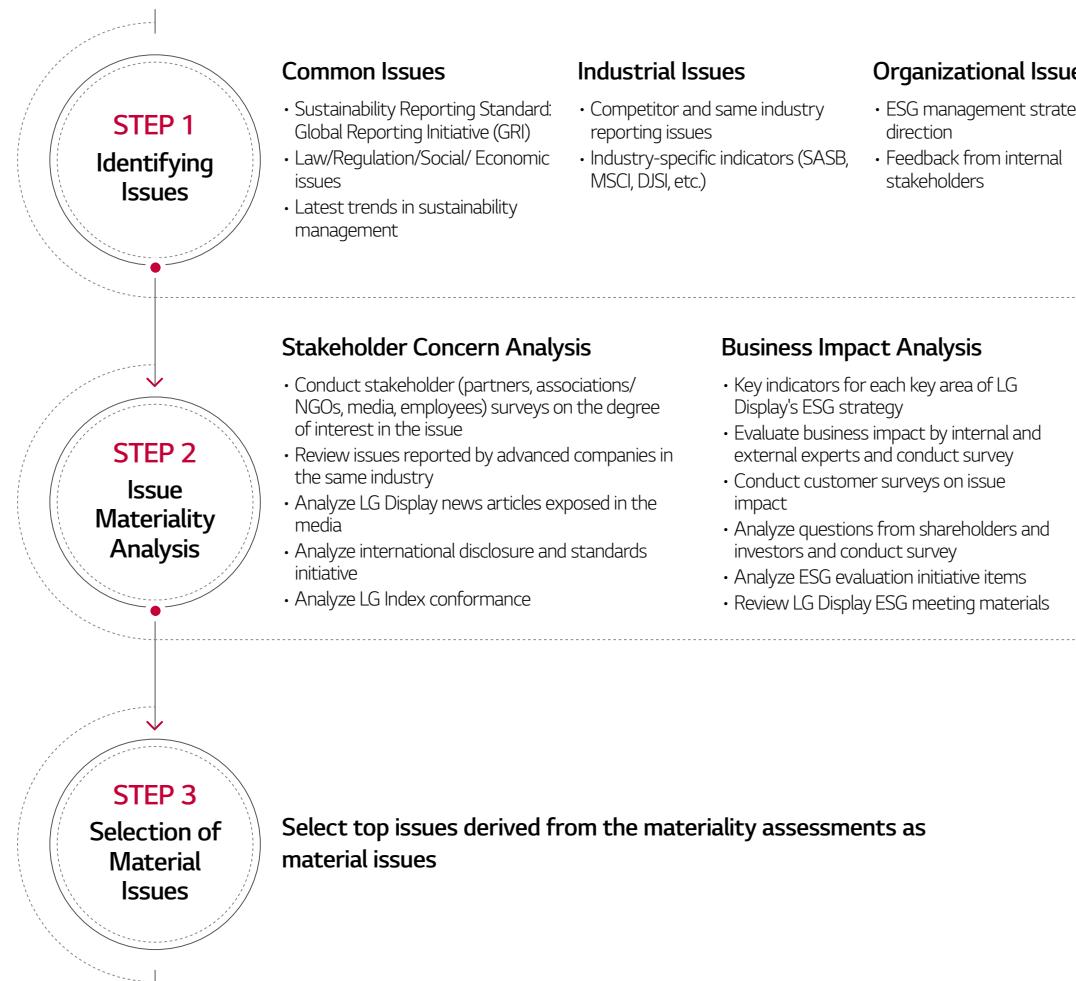
We are cooperating with various stakeholders to maximize the positive impact on the environment and society.

- Participation in various national programs
- Participation in global initiatives such as UNGC and RBA
- Social contribution activities through NGOs

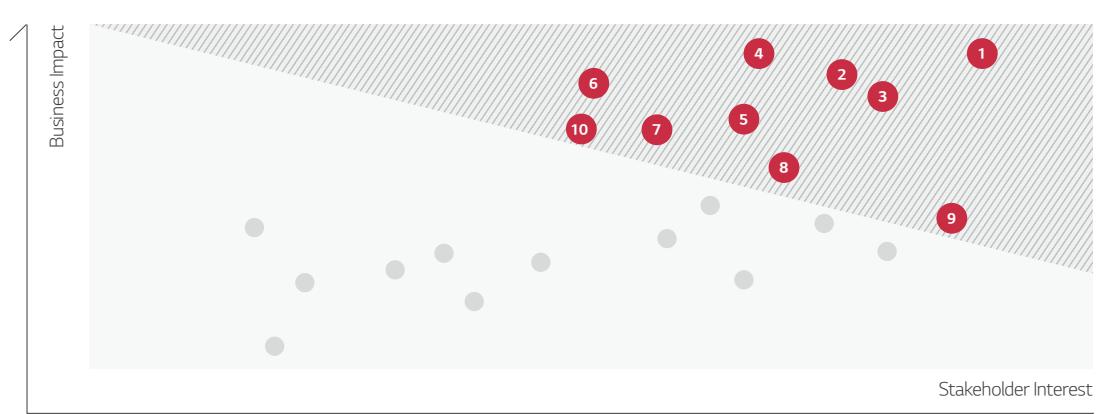
# Materiality Assessment

Strategic management of various economic, environmental, and social issues related to business activities is important for the sustainable growth of a company. LG Display conducts a materiality test every year based on the Global Reporting Initiative (GRI) Standard, a global sustainability reporting standard. By conducting international standard analysis, industry issue analysis, benchmarking of advanced companies, media research, and stakeholder surveys, we identify material issues related to LG Display's sustainability management activities, and issues that have major impacts on corporate performance are actively managed in terms of risk management. An annual response plan is established and implemented for the major issues identified, and the details of the activities are transparently disclosed to stakeholders in the sustainability report.

## Materiality Assessment Process



## Materiality Assessment Matrix



(New) New material issues in 2021 (▲,▼) Change of ranking compared to 2020

Ranking	Area	Material Issues	GRI Standards	Page
1	Social	Safe operation of business sites and promotion of safety management (▲2)	403-1, 2, 3, 5, 6, 7, 9, 10	35-38
2	Environmental	Response to climate change (▲6)	302-1, 4, 305-1, 2, 3, 5	20-21, 32, 95-99
3	Environmental	Pollution and hazardous substance management (New)	305-7	22-23, 32
4	Social	Enhancing supply chain sustainability (▲1)	308-1, 2, 414-1, 2	39-46
5	Environmental	Water resource management (New)	303-3, 5	24, 33
6	Environmental	Waste discharge management (New)	306-2, 4, 5	25-26, 33
7	Environmental	Development of products and services considering environmental/social values (▼1)	301-1, 302-1	27-29, 33
8	General	Strengthening stakeholder communication activities (▲2)	Non-GRI*	17-18, 76
9	Social	Creating a good working environment (▼2)	404-1, 2, 3	47-52, 65
10	Social	Efforts to promote and spread human rights management (▼1)	412-1, 2	53-55, 66

\* Not listed GRI because there is no suitable GRI Topic Standard

※ Details on activities and results concerning key issues are published on the Environmental, Social, Governance pages



# Stakeholder Engagement

LG Display classifies shareholders/investors, ESG external evaluation agencies, customers, employees, suppliers, local communities, and government/NGOs into key stakeholder groups. LG Display operates various communication channels for each stakeholder group and listens to stakeholder opinions through regular and ad-hoc meetings. We regularly produce agendas based on feedback and reports in accordance with the internal reporting process. We also actively reflect stakeholders' opinions in our sustainability management decision-making, thereby satisfying the expectations of stakeholders.

	<b>Customer</b> 	<b>Shareholders and Investors</b> 	<b>Executives &amp; Employees</b> 	<b>Partners</b> 	<b>Community</b> 	<b>Government·NGO</b> 
<b>Interests (Expectations)</b>	<ul style="list-style-type: none"> <li>Satisfactory service to customers</li> <li>Innovative technology and product development</li> <li>Various product-related information and use cases</li> <li>VOC reflection</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of long-term shareholder value</li> <li>Stable revenue stream and dividends</li> <li>Transparent information disclosure</li> <li>Improvement of corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Work-life balance</li> <li>Improvement in organizational culture</li> <li>Improvement in Welfare Program</li> <li>Employee Empowerment</li> <li>Reinforcement of occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Building a mutually cooperative partnership</li> <li>Technical finance support</li> <li>Reinforcement of education support infrastructure</li> <li>Medical welfare support</li> <li>Communication with partners</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of domestic and overseas social contribution investment</li> <li>Provide a social contribution program</li> <li>Support for the vulnerable</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of display industry capabilities</li> <li>Promotion of fair trade and mutual growth</li> <li>Job creation</li> <li>Reinforcement of sustainable management</li> </ul>
<b>Communication Channels</b>	<ul style="list-style-type: none"> <li>Customer Satisfaction Survey</li> <li>VOC investigation</li> <li>OLED SPACE (Website)</li> <li>Product Exhibition</li> </ul>	<ul style="list-style-type: none"> <li>General meetings of shareholders</li> <li>Company briefings</li> <li>Conference calls</li> <li>Homepage</li> <li>Financial/Non-Financial Information Disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Labor-management council</li> <li>Workshop for labor-management communication and monthly meetings</li> <li>FB* Council</li> <li>JM/JC** program</li> <li>LG Way Survey</li> </ul>	<ul style="list-style-type: none"> <li>Shared growth portal &amp; Voice</li> <li>Manufacturing innovation fair</li> <li>Offline meetings</li> <li>Technology Competency Nurturing Program</li> </ul>	<ul style="list-style-type: none"> <li>Social Contribution Portal</li> <li>Institutions caring for the vulnerable, such as childcare facilities, senior protection facilities, and facilities for the disabled</li> <li>Local government offices such as police stations, fire stations, and public health centers</li> </ul>	<ul style="list-style-type: none"> <li>Industrial policy consulting</li> <li>Government led pilot project</li> <li>UNGC Korea Association</li> </ul>

\* Fresh Board: Office worker council  
\*\* Joyful Member/Joyful Creator: Consultative body to create a pleasant workplace for office workers/technicians

## Global Initiative Participation and Membership

LG Display is doing its best to fulfill its role as a trusted global company by participating in and joining various global initiatives and operating businesses that meet global standards.

- CDP (Carbon Disclosure Project)
- UNGC (United Nations Global Compact)
- RBA (Responsible Business Alliance)
- RMI (Responsible Minerals Initiative)
- RLI (Responsible Labor Initiative)

LG Display Enters Responsible Business Alliance for Better ESG Management

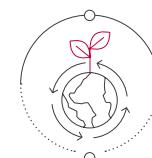


## SECTION

# 3

## ENVIRONMENTAL

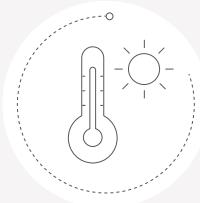
Amid the rising climate crisis beyond climate change, domestic and foreign companies are accelerating their efforts to achieve carbon neutrality by 2050. In line with such efforts, LG Display will also strive to minimize the negative environmental impact of our business activities and contribute to resolving the global climate crisis by minimizing greenhouse gas emissions, converting to renewable energy, and developing eco-friendly technologies and products.



Climate Change	20
Control of Pollution and Hazardous Substances	22
Water Resource Management	24
Waste Discharge and Management	25
Development of Eco-friendly Products and Expansion of Certification	27
Environmental Management System	30
Environmental Data	32



## Material Issue 02



## Climate Change

LG Display recognizes climate change as a significant risk and a strategic opportunity to improve corporate competitiveness. Recognizing the seriousness of the problem of climate change and minimizing the impact of climate change in our overall business activities as a global manufacturing company, we are making various efforts such as setting and managing greenhouse gas reduction goals, establishing an organizational system, and investing in facilities. LG Display will continue to make steady efforts to reduce carbon emissions by 2050 to contribute to the Korean government's carbon-neutral plan.

### Strategy to Respond to Climate Change

LG Display intends to respond to climate change through investment in reduction facilities, strategic transition to new and renewable energy, and development of eco-friendly products. Based on the absolute amount of greenhouse gas emissions, we have set reduction goals of 40% by 2030 and 90% by 2050 compared to the base year 2014.

In order to reduce GHG emissions by 40% by 2030 compared to 2014, we plan to actively participate in climate change-related government policies and reduce the amount of process gas used in production equipment. In addition, we plan to lay the groundwork for systematic reduction by investing in reduction facilities that decompose and remove process gases and by developing and applying low-power production equipment and utility technology. Lastly, we will strive to achieve our emission reduction goal through strategic conversion of thermal power generation to renewable energy.

Zero process greenhouse gas and transition to new and renewable energy are long-term strategic goals for responding to climate change. In order to reduce greenhouse gas emissions by 90% by 2050 compared to 2014, LG Display is developing and applying high-efficiency process gas emission reduction technology (reduction efficiency of more than 95%), and is striving to develop low-carbon, eco-friendly alternative gas. In addition, we will do our best to accelerate the transition to new and renewable energy and continuously develop low-power, eco-friendly products.

[LG Display Outlines its Green Future by Cutting Down CO<sub>2</sub>-eq Emissions by 3 Million Tons in 2020](#)

### World-class Leading Response to Climate Change

LG Display participated in the Carbon Disclosure Project (CDP), which is recognized as a world-renowned authority in the field of environmental information disclosure, and was recognized for carbon management leadership by receiving the Carbon Management Honors Club award for four consecutive years (2017-2020) and IT Sector Honors Club award for six consecutive years (2016-2021). In the 'Water Management' sector, we have also been recognized for our eco-friendly management excellence by maintaining an excellent company for 4 consecutive years since 2018.

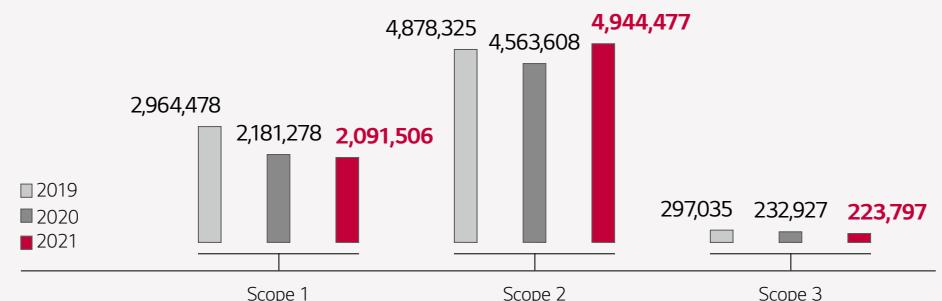
### Governance to Respond to Climate Change

LG Display is responding to climate change issues company-wide, and has formed and operated a dedicated organization. In April 2021, we established the ESG Committee, the highest decision-making body related to climate change, and set "Customer-based Eco-Friendly Value Creation" as the direction for the ESG environment field. In addition, the ESG committee reviews and supervises the overall operation and direction of ESG, including climate change (reduction of greenhouse gases, conversion to renewable energy). Major matters that may affect the company's operations, such as climate change-related risks and opportunities, are managed at the board of directors and top management level.

### Greenhouse Gas Emission Management

LG Display has been receiving a greenhouse gas emission permit from the government every year since 2015, when LG Display was designated as a company subject to the Korea Emissions Trading Scheme. In order to comply with the quota, we are responding to greenhouse gas regulations by setting internal reduction goals. Greenhouse emissions from domestic business sites (Scope1/Scope2) are verified by a third party and reported to the government, and Scope 3 (emissions beyond organizational boundaries) is also published publicly each year through verification.

#### Greenhouse Gas Emissions





## Reduction Facility Investment

In order to reduce the process gas used in the manufacturing process, LG Display has installed a reduction facility that can reduce greenhouse gas emissions by more than 90% through an environmental investment of about 40 billion won in the business sites. The process gas used in the display etching process was replaced with a gas with a low global warming index. As a result, cumulative carbon emissions from domestic business site last year were reduced by 38% to 2.94 million tons compared to that of 2014 (7.73 million tons), which is equivalent to the amount of carbon absorbed by about 450 million 30-year-old pine trees in one year.

## Introduction and Utilization of Renewable Energy

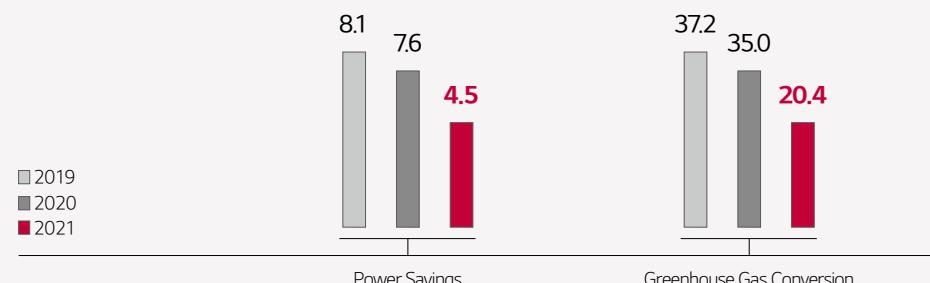
LG Display is also actively participating in the policy of converting electricity from fossil fuels into new and renewable energy. Simultaneously with the implementation of the new and renewable energy use system in Korea in 2021, 57.2 GWh, which is equivalent to 100% of the electricity used in all office buildings of our domestic business sites, was converted into new and renewable energy, and 1,096GWh will be converted in 2022, which is 19 times that of the previous year. In addition, from the Paju/Gumi plant, we are receiving waste incineration steam and using the waste heat collected there instead of the existing LNG to reduce LNG usage. We have also installed a solar power plant in the Magok Research Building to utilize renewable energy.

## Continuous Company-wide Power Saving Activities

In order to systematically reduce energy use, LG Display formed a company-wide energy-saving organization and carried out energy-saving activities. Among the main power saving activities are the following: in 2021, we saved 450 million kWh (equivalent to 200,000 tCO<sub>2</sub>eq of greenhouse gas) through electric power savings through the production of cold water using waste heat from the CDA compressor and energy saving of refrigerators by improving the efficiency of refrigerators.

### Electricity savings and GHG Conversion

| Unit: 100 million kWh, 10 thousand tCO<sub>2</sub>eq



Electricity savings in 2021

**450** million kWh

## Climate Change Risk Management

LG Display is proactively managing risks by detecting internal and external risk factors and responding promptly. A company-wide analysis of risks related to the business environment, such as uncertainty, loss of opportunity, loss of life, and business disruption is undergone, and the key risks are selected according to their likelihood and impact, along with establishing a prevention and management system.

LG Display classifies transition risks and physical risks into primary and secondary categories, and evaluates and manages them. First, the Climate Response Department reviews risks related to climate change and establishes and implements countermeasures, and second, the Compliance Team in charge of monitoring compliance identifies and evaluates climate change-related risks by using the Risk Check List & Self Assessment Sheet once a year.

Departments subject to risk review are reviewed for at least six years, and the climate change-related evaluation and monitoring results conducted by the climate response department are reported to the CSO (Chief Sustainability Officer). Major matters affecting business strategy and finance are reported as the agenda of the ESG committee, and major decisions are made through a final decision.

Risk Type	Time	Financial Impact	Countermeasures	Opportunity Factor
Policy/ Regulation	Short-term	<ul style="list-style-type: none"> <li>Increase in the cost of purchasing emission permits</li> <li>Increase in greenhouse gas emissions debt costs</li> <li>Increase in carbon tax costs</li> </ul>	<ul style="list-style-type: none"> <li>Replacing process gas with low GWP gas and investing in gas reduction facilities</li> <li>Renewable energy conversion through green premium</li> </ul>	<ul style="list-style-type: none"> <li>Greenhouse gas reduction through additional investment in reduction facilities by selling surplus emission permits</li> </ul>
Technology	Long-term	<ul style="list-style-type: none"> <li>Increase in R&amp;D costs for low-carbon technology and facility conversion</li> </ul>	<ul style="list-style-type: none"> <li>Development of low power/carbon technology</li> <li>Development of eco-friendly materials and parts</li> </ul>	<ul style="list-style-type: none"> <li>Securing and diversifying alternative resources</li> </ul>
Market	Mid-term	<ul style="list-style-type: none"> <li>Decrease in sales due to decreased product demand by not meeting consumer requirements</li> </ul>	<ul style="list-style-type: none"> <li>Development and expansion of eco-friendly products using low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>Increase in access to new markets</li> </ul>
Reputation	Long-term	<ul style="list-style-type: none"> <li>Decrease in sales due to decline in reputation</li> </ul>	<ul style="list-style-type: none"> <li>Expansion and disclosure of internal and external eco-friendly information (activity and performance)</li> <li>Implementation of green finance (issuance of green bonds, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of capital raising opportunities through investment attraction</li> </ul>
Short-term Physical Risk	Short-term	<ul style="list-style-type: none"> <li>Decrease in production capacity due to typhoon, flood, drought, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in wastewater reuse facilities</li> <li>Reduction of water consumption through equipment and process improvement</li> </ul>	<ul style="list-style-type: none"> <li>Cost reduction through increased energy efficiency</li> </ul>
Long-term Physical Risk	Long-term	<ul style="list-style-type: none"> <li>Damage and decrease in value of tangible assets such as buildings, factories, and machinery</li> <li>Increase in operating and capital costs</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency through diagnosing workplace facilities and process</li> <li>Steam supply using waste incineration heat</li> </ul>	<ul style="list-style-type: none"> <li>Consumption and preference improvement according to the use of low-carbon energy</li> </ul>



## Material Issue 03



## Control of Pollution and Hazardous Substances

LG Display has targeted and managed its strict standards of up to 70% of the legal standard limit to minimize the environmental impact on local communities due to air and water pollutant emissions and report the status of pollutant emissions to relevant executives. In addition, we pre-examine all chemical substances introduced into the company and overseas subsidiaries in terms of legality and compliance with internal standards and hold annual training concerning this matter for employees. LG Display will continue to engage in pollutant emission reduction activities and strive to reduce the harmful impact on the environment through strict chemical management and training efforts.

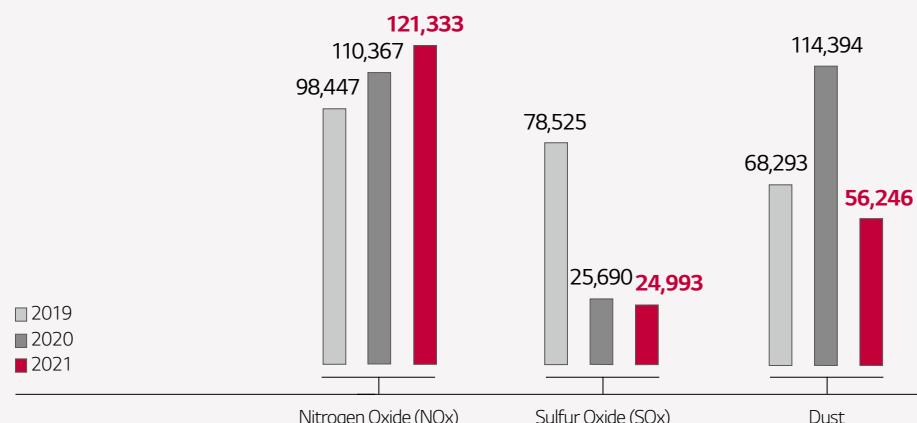
### Management of Air Pollutant Emission

LG Display has installed and is operating optimal environmental pollution prevention facilities to minimize the negative environmental impact air pollutants during the manufacturing process. In particular, we have installed separate back-up facilities which are in operation in all prevention facilities to properly handle pollutants in the event of prevention facility breakdown. We exert our upmost efforts to manage pollutants by establishing a monitoring system to check on the environmental pollutant emission status in real time.

Furthermore, in the event of emergency where discharged pollutants exceed legal standards following a sudden shutdown of prevention facilities or an explosion, we immediately stop the discharge and report it to the institution designated by laws and regulations. We endeavor to manage pollutants by establishing and operating countermeasures such as analyzing potential causes of accidents and corrective actions.

Air Pollutant Emissions (Domestic and Overseas)

| Unit: kg/yr



### Management of Water Pollutant Discharge

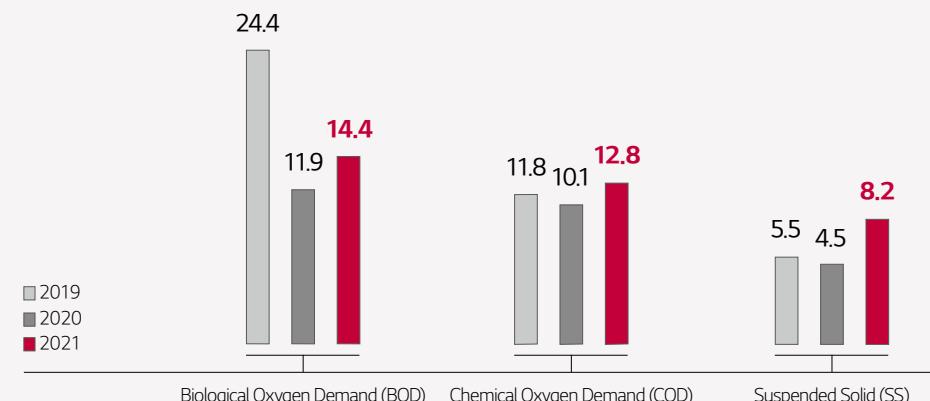
LG Display is well aware of the importance of water resource management at its business sites in regard to its environmental impact on local communities. Accordingly, in order to minimize environmental impact, we manage water pollutants emitted from business sites by setting a stricter in-house standard comparable to 70% of the legal emission standard limit and share the emission status with relevant teams and executives at a monthly workshop.

In addition, LG Display treats wastewater from its business sites through in-house wastewater treatment facilities, and all wastewater discharged from the company is then released to public wastewater treatment facilities. Our target is to improve the basic unit of major water pollutant\* emissions by 20% by 2025 compared to 2021. To this end, we are carrying out various activities such as investing in improving high-concentration T-N and fluorine wastewater treatment facilities and optimizing operation.

\* 6 major water pollutants: BOD, TOC (COD), SS, T-N, T-P, fluorine

Water Pollutant Emissions (Domestic and Overseas)

| Unit: tons/day

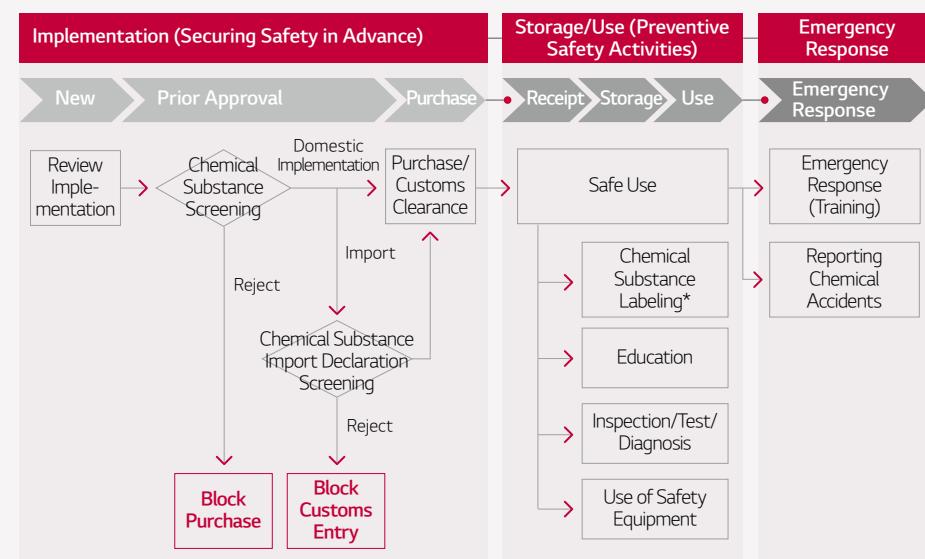


## Chemical Substance Introduction Management Process

LG Display uses a pre-examination system for all chemical substances introduced into the company and overseas corporations to review the legality of related laws and compliance with internal standards, and prohibits the purchase of products that do not pass the examination. Imported chemical products are reviewed for legal compliance with the relevant laws (Chemical Substances Control Act, Act on Registration and Evaluation of Chemicals) through the import declaration examination system after preliminary examination. As we have completed registration as an active participant in the Chemicals Registration Council in 2021, we took preemptive measures to reduce legal risks.

LG Display has designated substances prohibited by LGD prohibited substances (739 types) and established alternative substance development activities and alternative substance management principles (tracing the usage status, conducting on-site inspections, etc.) to prevent health problems of employees. In addition, we have established mandatory guidelines for chemical product suppliers, and we are providing regular training to comply with our chemical management regulations when supplying chemical products. For gas/chemical chemical substance transport vehicles, we implemented an inspection and monitoring system before leaving the supplier and after arriving at the company to enhance safety in the transport and supply process.

### Chemical Substance Management Process



\* Latest Material Safety Data Sheet (MSDS) provided

## Chemical Substance Usage Management

LG Display undergoes chemical substance statistical investigation and performance reporting in accordance with the Chemical Substances Control Act, and the contents are shared internally and externally through the Chemical Substance Information System. In addition, we are reviewing the development of alternative materials and processes to minimize the emission and use of hazardous substances, and we are continuously promoting our own activities to reduce the use of hazardous substances. In 2021, to reduce the frequency of exposure to chemicals and reduce the risk of harmful vapors, we reduced the conversion and usage of low-concentration chemicals (hydrochloric acid) using utilities.

### Prevention of Chemical Substance Accident and Reinforcement of Education

LG Display strives to minimize the harmful effects on safety, health, and environment for employees and local residents throughout the entire process of using chemical substances. We are preventing and responding to chemical accidents by regularly inspecting chemical storage/saving and handling facilities, and monitoring them 24 hours a day using leak detection sensors and CCTV. We are continuously pursuing activities to strengthen the supply room control function and disaster prevention response capabilities, and are making efforts to ensure that employees operate in a safe environment through the establishment and revision of safety protection equipment handling and management guidelines.

LG Display's integrated safety management system allows employees to access the latest chemical substance Material Safety Data Sheet (MSDS) at all times to share chemical substance information, and to connect with the in-house training system to manage handler training. In addition, in order to strengthen the safety management of chemical substances at the workplace, we have established a legal senior management system to constantly manage the status of legal managers, thereby preventing work gaps during operations. Externally, we are doing our best to prevent chemical accidents by regularly sharing chemical accident prevention and response plans in case of accidents with relevant organizations, nearby residents, and business sites.



## Material Issue 05



# Water Resource Management

As LG Display is well aware water resource greatly affects the environment, we have been carrying out various activities to reduce water consumption and reuse water resources. In particular, we set a target of 207% for the ratio of reuse volume to water intake, and have invested in facilities and process improvement, etc. As a company awarded for outstanding CDP 'water management,' LG Display will continue to pursue eco-friendly water resource management.

## Water Resource Management Efforts

LG Display is conducting preemptive efforts by analyzing the entire process of water use, evaluating water resources-related risks and establishing response strategies in order to secure stable water resources. In recent years, our major customers have also been increasingly demanding environmental impact minimization, so we have set a target of 207% for the ratio of reuse volume to water intake by 2030.

To this end, we are purifying and reusing the low-concentration wastewater generated during the manufacturing process. Since 2018, we have been conducting the 'Sewage Treatment Water Reuse Project' with local governments to repurpose domestic sewage from nearby areas to industrial water.

Through these efforts, LG Display's overall water reuse rate reached 181% of the water intake in 2021. In the case of the Paju plant, wastewater is discharged to the upper Manucheon and reservoirs. It now secures a habitable ecosystem for a variety of fish species, from minnows and carps to eels, that can survive in water quality grade 2.

[Reuse of LG Display water to ensure clean water](#)

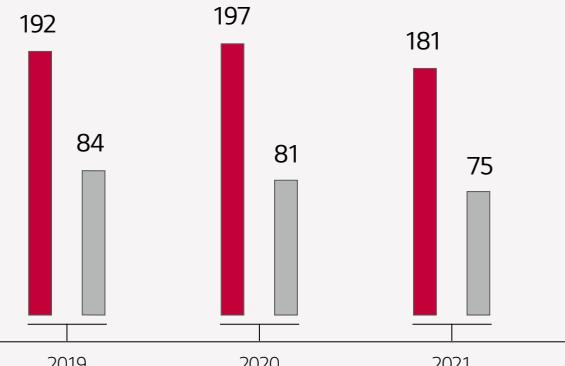
Water Reuse Rate (Domestic and Overseas)

| Unit: %



Panoramic scenery across the LG Display Paju complex

■ Domestic  
■ Overseas

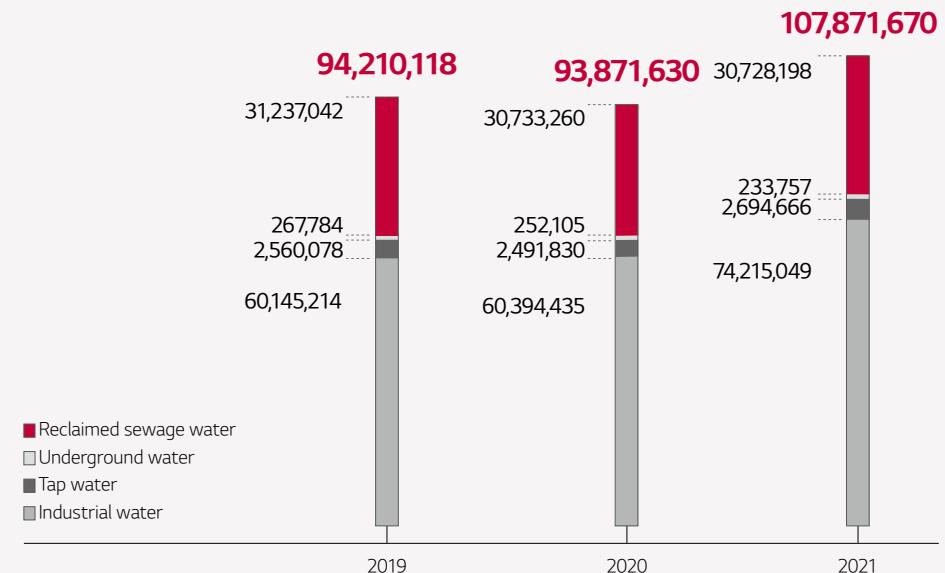


## Leading Water Resource Management Globally

LG Display participated in the Carbon Disclosure Project (CDP), which is recognized as a world-renowned authority in the field of environmental information disclosure, and has been recognized as an excellent company in the 'water management' sector for 4 consecutive years since 2018 due to our outstanding management system to minimize environmental impact.

## Water Consumption (Domestic and Overseas)

| Unit: tons





## Material Issue 06



# Waste Discharge and Management

LG Display strives to minimize the negative environmental impact of our business activities through systematic waste discharge and management. To reduce the amount of waste generated at the source, we are developing and implementing company-wide resource circulation control, and we are working with various stakeholders to increase the waste recycling rate. As part of these efforts, our Yantai manufacturing base in China acquired the Zero Platinum grade for landfill waste in 2021, and LG Display plans to acquire certification for all domestic manufacturing bases by 2022. In the future, LG Display will continue to strive to reduce waste at domestic and overseas business sites.

## Waste Management Direction and Goals

LG Display goes beyond just recycling water waste and reducing the amount of waste generated and is now exploring and implementing company-wide resource recycling tasks ranging from product design and manufacturing to treatment. Furthermore, we are in the process of obtaining a recycling resource certification and Zero Waste to Landfill certification for each business site to improve waste recycling and manage resource circulation performance across the company. The Yantai manufacturing base in China acquired a Platinum Grade (100%) for landfill waste in July 2021, and we are working towards obtaining the certifications for each of our business sites.

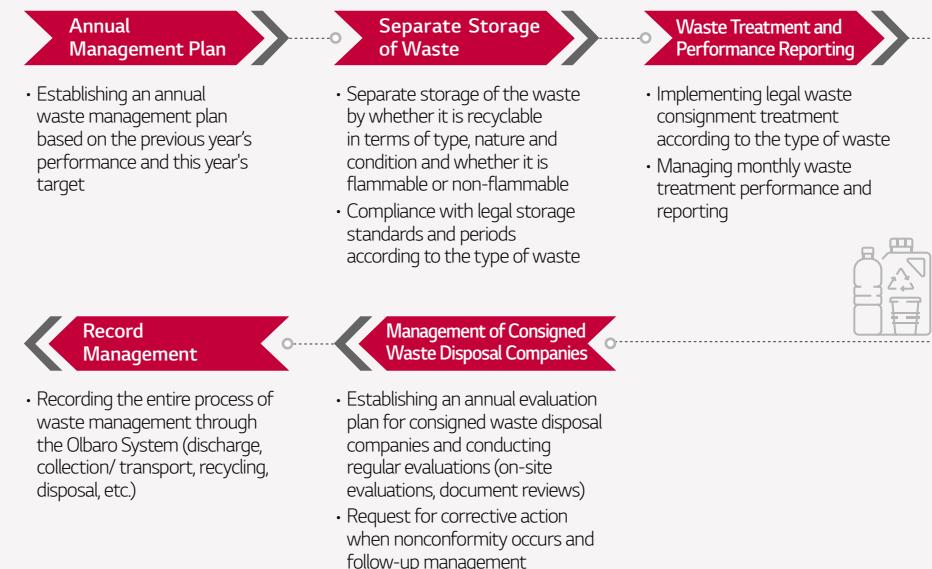
We have been promoting the improvement of the separate discharge system for waste generated in the manufacturing process as well as waste from daily life by analyzing the status of waste at sites and performing segmentation activities. We strive to increase the waste recycling rate through different activities such as participating in conferences and exhibitions to discover waste recycling technology patents and related technologies and companies.



Zero Waste Landfill  
Certificate of the Yantai  
Corporation in China

## Waste Treatment Process

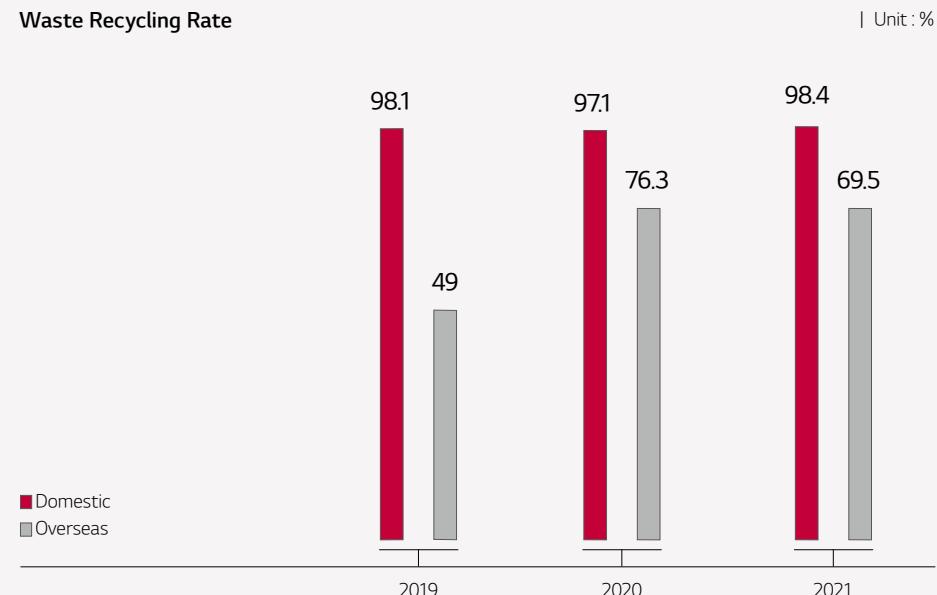
We have installed and have been operating our own waste treatment system to monitor the entire process from waste generation to disposal in real-time. We have also secured transparency in the whole waste process by linking our system to the "Olbaro System" operated by the Korea Environment Corporation. In order to establish a resource circulation system, we are carrying out activities to minimize waste and increase the recycling rate at all stages from the production process to the waste treatment process.



## Waste Recycling

In order to establish a resource circulation system, LG Display has reduced the amount of waste acid generated by minimizing the amount of chemical liquid used through improvements in the manufacturing process. In addition, we are not only maximizing resource circulation by utilizing various recycling technologies, such as increasing the value of waste resources and securing resources through a system that recovers copper contained in wastewater sludge based on pulp recycling technology and protective film (PET) fiber raw material technology, but also making profits by selling such waste resources. Furthermore, LG Display has maximized the recycling of waste generated by the company, achieving 100% recycling of waste glass by developing and applying our label separation technology for waste glass that used to be buried entirely due to labels attached to the glass. We are also fully recycling the high concentration of waste acid, which was previously neutralized as we discovered recycling technologies with our partners.

**Waste Recycling Rate**

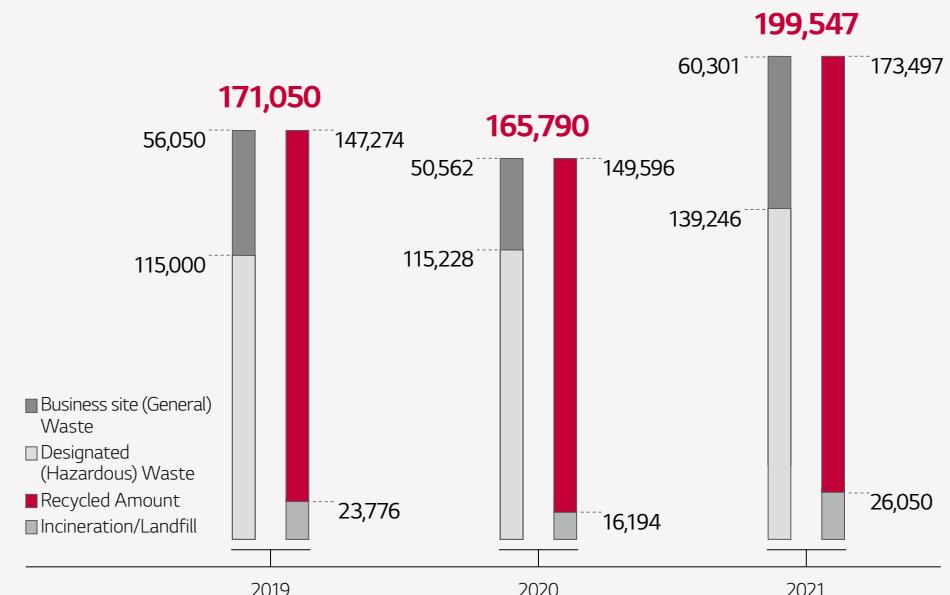


## Waste Generation and Discharge

In 2021, the total waste volume generated amounted to 120,340 tons in Korea and 79,207 tons in other countries, and the total volume of recycled waste was 173,497 tons, while the amount of waste from incineration/landfills was 26,051 tons. LG Display has achieved a waste recycling rate of 98.4% in 2021 in domestic business sites, and is promoting various activities to become 100% Zero Waste to Landfill certified by 2030.

**Business Site (General) Waste and Designated (Hazardous) Waste Treatment Volume (Domestic and Overseas)**

| Unit : ton





## Material Issue 07



# Development of Eco-friendly Products and Expansion of Certification

LG Display is developing a variety of eco-friendly products to actively respond to climate change and create new value. Through these efforts, we have obtained eco-friendly certifications such as SGS certification, TUV certification, and green certification for large and small-sized OLED and LCD products. As a responsible global company, LG Display will continue to develop eco-friendly products that can minimize negative environmental impact from the source stage and actively contribute to carbon emission reduction as well as expand related certifications.

## Development of Eco-friendly Products and Certification

LG Display has been verified for its eco-friendliness in all aspects of product development, purchase, manufacturing, sales, and disposal through various external certifications, and has obtained product eco-friendly certification through these certifications.

In 2017, LG Display was the first in the industry to develop a certification program (Eco Label) for display modules for TVs in collaboration with SGS, a global inspection and certification testing organization. This program examines the hazardous substance management system as well as product recycling and the use of hazardous substances during product development and production.

Through this program, LG Display obtained SGS Eco Label certification for the first OLED TV module in 2017, and has continued to acquire certification for OLED TV models since then.

In 2021, we acquired green technology certification for touch display technology (AIT: Advanced In-cell Touch) with touch sensing electrodes and transmission lines placed inside. This certification is a system that evaluates and certifies the value and effectiveness of technologies that use energy and resources efficiently to minimize the emission of greenhouse gases and pollutants. LG Display's AIT technology has been certified as green technology that reduces carbon emissions and the use of rare metals by reducing power consumption and the use of parts in the process.

In addition, along with the TUV SUD certification body, we developed an eco-friendly certification program in terms of resource circulation excellence consisting of satisfying WEEE\* regulations, recycling resources, and the disuse of specific hazardous substances. Based on this, we acquired certifications for OLED TV and PO Mobile models.

\* WEEE (Waste from Electrical and Electronic Equipment): Regulations on mandatory recycling of waste home appliances

**Eco-friendly Certification**



**ECO PRODUCT**  
www.sgs.com/ecoproduct

**Evaluation Factors**

- 1. Hazardous Substance Reduction
- 2. Resource Efficiency
- 3. Recycling
- 4. VOC\* Reduction

\* VOC (Volatile Organic Compounds): Organic compounds that easily volatilize into the atmosphere, and harmful substances that cause air pollution and sick house syndrome

## Status of Acquisition of Eco-friendly Certifications by Product Groups

	SGS Certified*	TUV Certified**	Green Certified***
Large-size	 OLED	▼	▼
			▼
LCD (Touch)			
Small and Medium-size	LCD (Touch)		▼
OLED (Small-size)			▼

\* SGS Eco Label: ISO14024-based product eco-friendly certification program

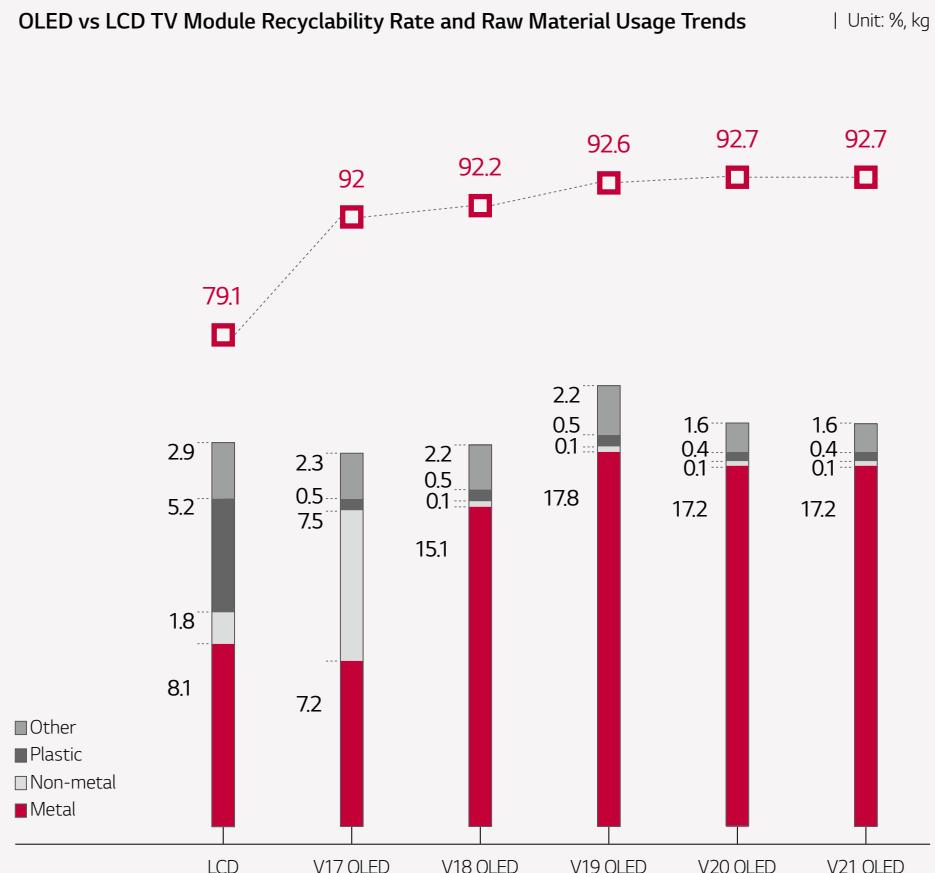
\*\* TUV certification: ISO14021-based recycling and hazardous substance verification and certification program

\*\*\* Green technology certification: Certification system awarded to promising green technologies and products by the government

## Eco Index

LG Display's 65-inch display is a major example of applying the Eco Index to the development of eco-friendly products. In the product development stage, we performed self-evaluation to identify areas that needed improvement, and through this, the type and ratio of raw materials used in the product were replaced with materials that are easy to recycle, thereby improving the recycling rate.

OLED vs LCD TV Module Recyclability Rate and Raw Material Usage Trends

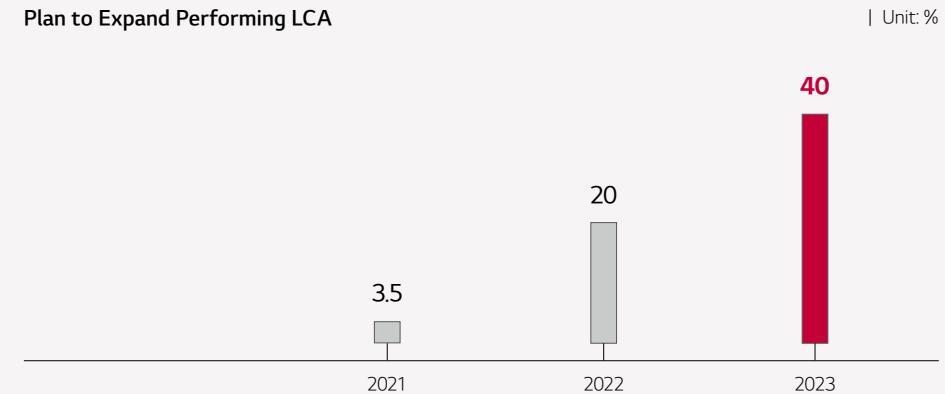


## Life Cycle Assessment

LG Display believes that it is essential for the development and production of eco-friendly products to analyze and improve the environmental impact that occurs in the entire process of a product through life cycle assessment. For this, in 2021, LG Display introduced Life Cycle Assessment (LCA), and conducted a pre-research-type life cycle assessment targeting our flagship OLED TV Module.

Based on the life cycle assessment (LCA) experience conducted in 2021, we plan to develop evaluation methods and lay the foundation for increasing assessment accuracy and usability. We plan to gradually expand the life cycle assessment to main models by product group, and conduct a life cycle assessment (LCA) for 20% of products in 2022 and 40% in 2023. LG Display will continue to expand the products subject to life cycle assessment to lay the foundation for more systematic development of eco-friendly products.

Plan to Expand Performing LCA



## Activities to Reduce the Use of Raw and Subsidiary Materials

LG Display is recycling new device organic materials to reduce the use of raw and subsidiary materials, and is improving the usage of Etchant, Stripper, and PIC by optimizing process operation. In addition, we are improving the amount of use by adjusting the use of organic matter and improving the amount of NF3 gas by extending the Ch. Cleaning cycle. We are improving NF3 gas usage by extending the cleaning cycle. Lastly, we are reducing the use of raw and subsidiary materials by not proceeding with the EL cleaning process through the application of EL-Less aligning agent.

## Use and Management of Hazardous Substances in Products

LG Display has established and operated hazardous substances management programs and processes to develop and produce products that are not harmful to humans and the environment. We will continue to work hard to make products that are safe for humans and the environment by preemptively responding to changes in domestic and foreign laws and regulations related to hazardous substances.

### Hazardous Substance Management Program

In order to respond to domestic and international environmental regulations such as EU RoHS\* and REACH\*\* that restrict the use of specific hazardous substances, LG Display is operating a hazardous substance management program that establishes and manages four gate steps from the partner registration stage to the mass production stage.

In addition, in order to preemptively respond to four new regulated substances (four types of phthalates\*\*\*), which have been confirmed by RoHS legislation in 2016 and officially entered into force on July 22, 2019, we are replacing potential risk factors in advance, and a more stable management process has been established. To establish this process, we established our own response strategy by identifying regulatory trends in advance through collaboration with external organizations, and identified and applied effective management measures through business collaboration with departments in charge of development/purchase/quality.

\* RoHS (The Restriction of the use of certain Hazardous Substances in electrical and electronic equipment):

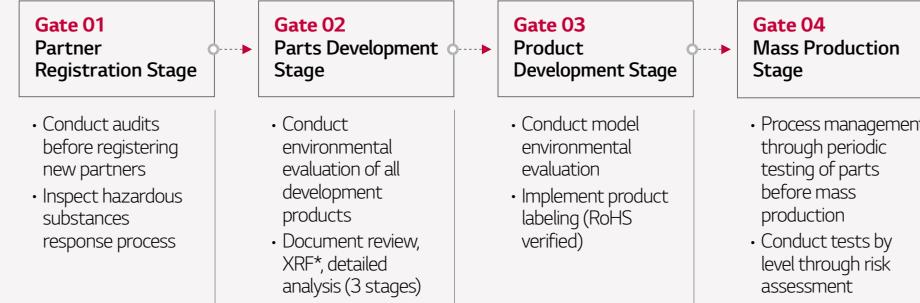
Restriction on the use of hazardous substances such as lead, mercury and cadmium

\*\* REACH(Registration, Evaluation, Authorization and Restriction of Chemicals):

The European Union's Regulatory Framework for Chemicals

\*\*\* Diethylhexyl phthalate (DEHP), Bis (2-ethylhexyl) phthalate, benzyl butyl phthalate (BBP), dibutyl phthalate (DBP), diisobutyl phthalate (DIBP)

### Hazardous Substance Management Program

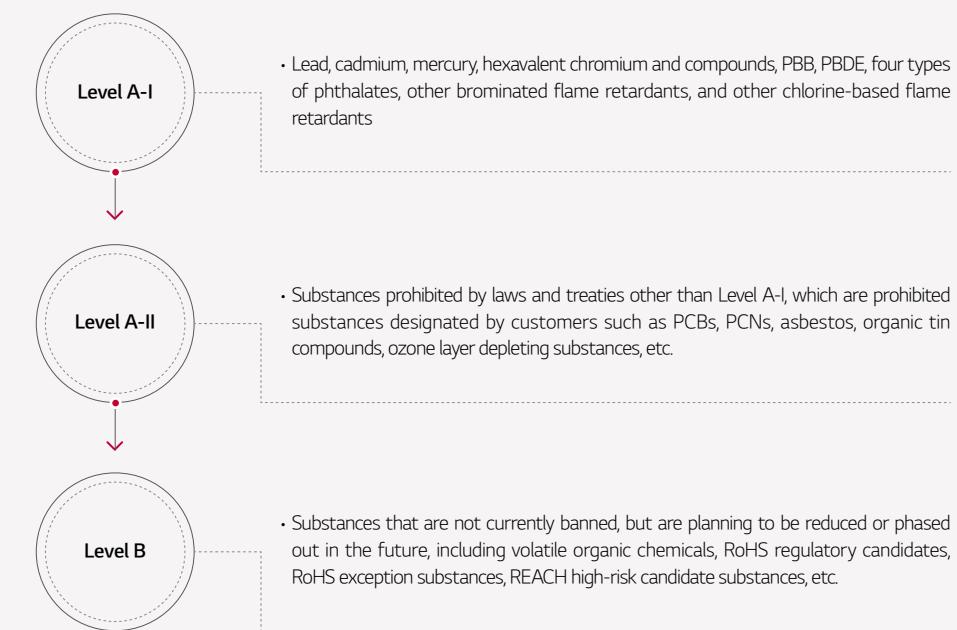


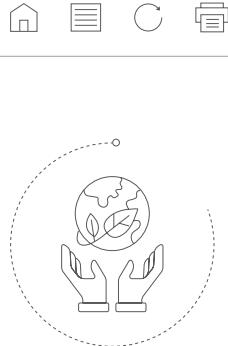
\* F (X-ray fluorescence (Spectrometer)): X-ray fluorescence analysis equipment, simple analysis equipment for hazardous substances

### Hazardous Substance Management System

LG Display is using the "Product Hazardous Substance Management System" to effectively manage hazardous substances by classifying them into three levels: Level A-I, A-II, and B. In particular, in addition to substances prohibited by global product hazardous substances regulation, substances that cause harm to the human body and the environment are designated as Level B substances, and regulated by efforts to develop technologies and parts to replace them and apply them to their own products. Also, we are continuing to promote voluntary reduction activities to gradually reduce and remove harmful substances.

#### Classification of Product Hazardous Substance





# Environmental Management System

LG Display recognizes that the entire process of corporate activities has an impact on the environment, and strives to minimize the environmental impact of our activities. In order to practice eco-friendly management in all corporate activities, we have established environmental guidelines based on safety, health, energy and environment management policies and internal standards. Based on this, we will establish an environmental management system and carry out continuous evaluation and improvement activities to minimize environmental impacts that may occur in all domestic and overseas business activities.

## Environmental Management Policy Goals

LG Display is swiftly responding to climate issues and resource depletion issues through activities such as energy reduction and efficiency improvement, water resource protection, and waste resource recycling. We strive to minimize environmental impact in the entire process from product design to production, use, distribution and logistics, and recycling after disposal. We are taking the lead in preventing environmental pollution and protecting the environment by developing eco-friendly products and services.

In addition, we are promoting the introduction of eco-friendly management throughout the display industry by actively engaging in investments and activities to improve the eco-friendliness of the supply chain. We are actively supporting the improvement of the energy environment sector in the supply chain aspect, including partners and service providers, and encouraging the unmanaged business sites, third-party manufacturers, joint venture partners, and outsourcing partners to be aware of our policies and participate in them.

Lastly, after establishing the "Safety, Health, Energy, and Environmental Management Policy," we have been using a company-wide integrated standard system centered on the policy, as well as making an effort to distribute environmental guidelines to minimize the environmental impact throughout the entire business process.

## Environmental Management Governance and Organization

In order to establish company-wide environmental policies and establish an eco-friendly management system, LG Display has formed the ESG Committee to deliberate/approve environmental policies and strategies, and is regularly checking implementation performance.

In addition, as we appointed a Chief Safety and Environment Officer (CSEO) in March 2021 to oversee policy establishment for domestic and overseas safety environments as well as inspection, management, and expanded related organizations, we also formed an organizational system to operate eco-friendly management, identified tasks from key areas to monitor the progress, which helps us to continuously improve environment performance.

In addition, we have expanded our team of safety environment experts by recruiting domestic and foreign experts, and with a dedicated organization, we are working hard to operate a precise and thorough management system.

## Environmental Management Policy

### Workplace Environmental Management

For efficient environmental management of production and business facilities, LG Display has acquired and is operating the environmental management system (ISO14001) certification for all domestic and global production sites, centered on the company-wide environmental organization. We are managing process procedures such as goal management, training, document and record management, and internal audit, as well as internal standards for each part.

### Environmental Law Compliance

LG Display not only complies with relevant laws for all corporate activities, but also sets and manages internal standards that are more strict than legal standards. In order to manage compliance risks in the environmental field, we have established a self-diagnosis organization and are conducting regular inspections.

### Company Selection and Continuous Evaluation

LG Display has established the LG Display Supply Chain ESG Behavior Rules to establish a safe working environment for partners related to product production and other major partners, respecting employees, and operating an eco-friendly and ethical company. LG Display is making sure that all partners agree to and comply with this standard. In addition, we are striving to reduce environmental risks throughout the supply chain by conducting supply chain sustainability assessments for major partners every year.

### Product and Service Development, Logistics

LG Display is promoting the development of clean production technology to minimize negative environmental impacts that may occur in the entire life cycle of products, from R&D, purchase, production, transportation, and disposal, and to actively contribute to the reduction of greenhouse gases.

### Waste Management

LG Display has established and operated a waste management standard for business procedures from the stage of waste generation to final disposal, and has developed and is currently using its own system for real-time monitoring to ensure transparency throughout the entire waste treatment process.

### Production and Maintenance

LG Display has established and is operating an environmental management manual to minimize environmental pollution that occurs during operation, maintenance, and repair of production facilities. LG Display also operates an environmental management system to gradually improve environmental impacts in accordance with the PDCA Cycle every year.

### Environmental Education

LG Display provides appropriate education and training to its employees to raise awareness of the environment and to recognize and minimize the impact of corporate activities on the environment.

### New Projects

Before a new business starts, LG Display implements environmental management at new business sites through business environmental management plans and environmental impact assessments that reflect detailed environmental management methods.

### Prior Due Diligence When Executing Mergers and Acquisitions

LG Display is proactively responding to environmental risks by conducting due diligence on the company prior to mergers and acquisitions. Evaluation by major environmental media has been introduced and is being managed, and the evaluation results are reflected and managed as important factors in mergers and acquisitions.



## Environmental Management Goals and Performances

In order to systematically manage environmental and energy performance, LG Display establishes company-wide goals every year and regularly checks and reports whether they have been achieved. In particular, we are securing transparency in environmental energy management system certification by systematically monitoring our energy and environmental information through our in-house energy/environment management system, the Plant Energy & Environment Management System (PEMS).

In addition, in order to efficiently manage the performance of each department, the company utilizes a system developed in-house to manage the achievement of each department's goal. For items that did not achieve the goal, the cause is analyzed and then improvement measures are established and implemented for each department. These company-wide goals and performance management are contributing to reducing negative environmental impacts. In 2021, 15 out of 26 company-wide environmental and energy goals were achieved, and in the case of detailed goals for each department, 1,208 out of 1,256 goals were achieved. As for the energy saving performance, we achieved 70.2% of the goal.



ISO 14001 Certificate



ISO 50001 Certificate

## Environmental Management System

LG Display is continuously implementing activities to minimize environmental impact and reduce energy in the entire business process through environmental energy management. Since the establishment of the company-wide safety, health, energy and environment management policy and manual, the standard system has been regularly reorganized in line with global standards, and is receiving annual follow-up and renewal reviews.

In order to effectively establish an environmental and energy management system, LG Display has acquired ISO14001 (Environmental Management System) from design to manufacturing of TFT LCD and OLED products for all domestic and global manufacturing bases and is operating it. In addition, domestic manufacturing bases and some overseas manufacturing bases (Nanjing corporation in China (NJ) and the 2 corporations within the Guangzhou cluster in China (CA, CO)) have acquired and are operating under ISO50001 (Energy Management System), and we plan to complete the certification for all global business sites by 2022.

## Environmental Law Compliance

In order to effectively comply with environmental laws and regulations, LG Display has hired technical experts in each field and installed various types of environmental pollution prevention facilities and is operating them for the legal treatment of environmental pollutants.

In order to manage compliance risks in the environmental field, we have formed a self-diagnosis organization to periodically check compliance with laws and regulations and the risk status of domestic and foreign corporations. In addition, the head of the relevant department reviews the requirements and legal standards for environmental regulations, natural environment and ecosystem protection before conducting new business, due diligence, as well as mergers and acquisitions, and establishes and performs an environmental management plan if significant risks are found in the environmental impact assessment. Due to these efforts, there have been no violations of environmental laws and regulations in the last four years.

### Number of Violations of Environmental Laws

Category	Unit	2019	2020	2021
Number of Violations of Environmental Laws	Cases	-	-	-
Fine Amount	KRW 1 million	-	-	-

\* There have been no fines/penalties exceeding \$10,000

## Environmental Accident Response System

LG Display has established emergency response guidelines to effectively respond to emergencies and is implementing them. The emergency response guidelines include grade standards for each type of environmental accident, a contact system in case of emergency, operating standards for emergency response committees for each type of accident, and accident response scenarios for each situation. In accordance with the guidelines, we are doing our best to respond promptly and minimize accident damage.

## Employee Training

LG Display conducts environmental education training every year to raise employees' environmental awareness and strengthen their competencies. At the company-wide level, an environmental officer is selected for each team, and training concerning the waste treatment process and imported chemical substances reporting is provided. In 2021, 1,103 training sessions were completed. In addition, we provide 2 hours of mandatory training per year for employees at workplaces who use hazardous substances concerning the current status of hazardous chemical usage, how to respond to chemical accidents, and how to evacuate.



# Environmental Data

※ Domestic operations include Paju and Gumi, and overseas operations include Guangzhou in China (GZ/CA/CO), Nanjing in China (NJ), Yantai in China (YT), and Haiphong in Vietnam (VH)

## Climate Change

### Scope 1, 2 Greenhouse Gas Emissions (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic Business sites	Scope1	tCO <sub>2</sub> eq	2,918,712	2,073,959
	Scope2	tCO <sub>2</sub> eq	2,966,752	2,674,248
Overseas Business sites	Scope1	tCO <sub>2</sub> eq	45,766	107,219
	Scope2	tCO <sub>2</sub> eq	1,911,573	1,889,367

\* Domestic emissions are calculated according to the guidelines for drafting specifications for the emission trading system, and overseas emissions are calculated according to ISO-14064 (2006) guidelines

### Scope3 GHG Emissions (Domestic)

Category	Unit	2019	2020	2021
Employee Business Trips*	tCO <sub>2</sub> eq	3,386	1,808	1,913
Product Shipment**	Export	tCO <sub>2</sub> eq	2,087	1,323
	Import	tCO <sub>2</sub> eq	904	705
Purchased Products and Services***	tCO <sub>2</sub> eq	257,712	208,591	210,912
Processing of Sold Products****	tCO <sub>2</sub> eq	32,946	20,500	7,744
Total	tCO <sub>2</sub> eq	297,035	232,927	223,797

\* Employee business trip: Calculation of GHG emissions generated in the process of travel (air, vehicle) for domestic employee business trips (methodology: distance-based calculation method) - Air and vehicle emissions are calculated by applying the emission factors of the Low-Carbon Green Event Guidelines (2008)

\*\* Product Shipment: Calculation of greenhouse gas emissions generated in the logistics process of domestic business sites for imported/shipped products (methodology: distance-based calculation method)

\*\*\* Purchased Products and Services: Calculation of emissions of 36 domestic partners of LG Display that have received carbon partnership certification (methodology: supplier data collection calculation method)

\*\*\*\* Processing of Sold Products: GHG emissions are calculated through LG Electronics' emission factor per cost (methodology: cost-based calculation method)

※ The calculation method here is the calculation method suggested by the CDP

### Energy Consumption Within Business Sites (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic	Direct energy	LNG	TJ	1,172
		Etc.	TJ	192
	Indirect energy	Power	TJ	61,064
		Steam	TJ	348
Overseas	Total		TJ	62,776
	Direct Energy	LNG	TJ	356
		Etc.	TJ	2
	Indirect Energy	Power	TJ	8,562
		Steam	TJ	178
	Total		TJ	9,097
				10,001
				11,124

\* Domestic energy consumption is calculated according to the guidelines for drafting specifications for the emission trading system, and overseas energy consumption is calculated according to ISO-14064 (2006) guidelines

## Energy Unit (Domestic and Overseas)

Category	Unit	2019	2020	2021
Energy Consumption	TJ	71,873	66,669	72,051
Production Performance	Glass Ceiling	8,373	6,815	8,124
Energy Unit	TJ/Glass Ceiling	8.6	9.8	8.87

## Energy Consumption (Domestic/Overseas)

Category	Unit	2019	2020	2021
Total Non-renewable Energy Consumption	MWh	9,354,769.35	8,958,197.79	9,776,804.14
Total Renewable Energy Consumption	MWh	-	-	57,200.00

## Control of Pollution and Hazardous Substances

### Air Pollutant Emissions (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic	NOx	kg/yr	82,523	97,695
	SOx	kg/yr	78,216	18,891
	Dust	kg/yr	65,906	104,995
Overseas	NOx	kg/yr	15,924	12,672
	SOx	kg/yr	309	6,799
	Dust	kg/yr	2,387	9,398

### Direct Volatile Organic Compound (VOC) Emissions

Category	Unit	2019	2020	2021
Direct Volatile Organic Compounds (VOC)	ton	21.25	15.17	16.60

### Water Pollutant Emissions (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic	Biochemical Oxygen Demand (BOD)	ton/d	24.1	11.6
	Chemical Oxygen Demand (COD)	ton/d	8.6	6.9
	Suspended Solids (SS)	ton/d	5.1	4.0
Overseas	Biochemical Oxygen Demand (BOD)	ton/d	0.3	0.3
	Chemical Oxygen Demand (COD)	ton/d	3.2	3.2
	Suspended Solids (SS)	ton/d	0.4	0.4



※ Domestic operations include Paju and Gumi, and overseas operations include Guangzhou in China (GZ/CA/CO), Nanjing in China (NJ), Yantai in China (YT), and Haiphong in Vietnam (VH)

## Water Resource Management

### Total Water Intake by Source (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic	Industrial Water	m <sup>3</sup>	41,765,778	33,167,531
	Tap Water	m <sup>3</sup>	1,652,282	1,358,050
	Underground Water	m <sup>3</sup>	267,784	252,105
	Reclaimed Sewage Water	m <sup>3</sup>	31,237,042	30,733,260
	Sub Total	m <sup>3</sup>	74,922,886	65,510,946
Overseas	Industrial Water	m <sup>3</sup>	18,379,436	27,226,904
	Tap Water	m <sup>3</sup>	907,796	1,133,780
	Underground Water	m <sup>3</sup>	0	0
	Reclaimed Sewage Water	m <sup>3</sup>	0	0
	Sub Total	m <sup>3</sup>	19,287,232	28,360,684
By Water Intake source (domestic + overseas)	Total Water Supply to Cities	m <sup>3</sup>	93,942,334	93,619,525
	Underground Water*	m <sup>3</sup>	267,784	252,105
	Sub Total	m <sup>3</sup>	94,210,118	93,871,630
Water Consumption (domestic + overseas)	Water Intake	m <sup>3</sup>	94,210,118	93,871,630
	Water Discharge	m <sup>3</sup>	93,436,924	83,712,934
	Water Consumption	m <sup>3</sup>	773,194	10,158,696

\* All groundwater is discharged for landscaping purposes

### Water Reuse Rate (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic	Wastewater Reuse	ton	33,771,471	29,053,148
	DIR	ton	50,016,102	43,296,974
	Sewage Reuse	ton	31,237,042	30,733,260
	Reuse of DI wastewater	ton	28,545,132	25,819,764
	Total Reuse	ton	143,569,747	128,903,146
	Reuse Water Usage Rate	%	192	197
				181
Overseas	Wastewater Reuse	ton	6,996,000	7,503,439
	DIR	ton	6,653,420	10,531,467
	Sewage Reuse	ton	0	0
	Reuse of DIR Wastewater	ton	2,613,117	4,804,966
	Total Reuse	ton	16,262,537	22,839,872
	Reuse Water Usage Rate	%	84	81
				75

## Waste Discharge and Management

### Waste Disposal (Domestic and Overseas)

Category	Unit	2019	2020	2021
Domestic	Designated (Hazardous) Waste	processed	ton	2,023
		recycled	ton	92,343
	Business Site (General) Waste	incinerated	ton	59
		landfilled	ton	363
		recycled	ton	34,437
	Sub Total		ton	129,225
	Recycling Rate		%	981
Overseas	Designated (Hazardous) Waste	processed	ton	15,638
		recycled	ton	4,996
		etc	ton	0
	Business Site (General) Waste	incinerated	ton	2,885
		landfilled	ton	2,808
		recycled	ton	15,498
	Sub Total		ton	41,825
	Recycling Rate		%	49.0
Total Waste Disposal	Total Waste Emissions		ton	171,050
	Total Waste Recycling		ton	147,274
	Total Waste incineration/landfill/disposal		ton	23,776

## Eco-friendly Products

### Product Environmental Labeling and Declaration

Category	Unit	2021
Type II self-declared environmental declaration (ISO 14021)	Sales share	%
Type I or other environmental labels*	Sales share	%

\* Independent environmental labels such as ISO 14024 or WWF, national/international labels (e.g. Energy Star, LEED, industry-specific B.P.)

### Product Raw Material Consumption (Domestic and Overseas)

Category	Unit	2019	2020	2021
Backlight	thousand	128,947	106,779	89,686
Glass	m <sup>2</sup>	86,426,737	69,783,260	82,526,719
Polarizer	thousand	432,593	406,397	420,318
Drive IC	thousand	1,025,812	1,026,040	1,195,874
Liquid Crystal	kg	111,117	84,613	95,537

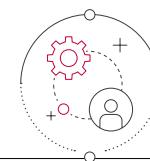


## SECTION

# 4

## SOCIAL

In order to become a sustainable company, it is important to share growth with various stakeholders including employees, business partners, customers, and local communities to create positive social value. LG Display will strive to maximize the positive social impact of our activities and create a workplace where every employee is happy and safe, and everyone's human rights and personal information are protected.



Health and Safety	35
Supply Chain Management	39
Human Resource Management	47
Human Rights Management	53
Labor-Management Communication	56
Information Security and Personal Information Protection	58
Corporate Social Responsibility	60
Social Data	63



## Material Issue 01



# Health and Safety

LG Display believes that building an environment where employees can work comfortably and safely is essential for a company's sustainable activities. In order to realize a safe and healthy workplace, we have established four safety management innovation measures, enacting LG Display Safety Rules and 8 life rules, and are making efforts to spread and establish a safety culture through smart safety proposals with employee participation. In the future, we will continue to proactively manage risk factors through periodic health and safety diagnoses and smart safety proposals with employee participation, and make an effort to systematically operate the health and safety system so that the health and safety of employees can be maintained and promoted throughout all business activities and corporations.

## Health and Safety Policy

LG Display's health and safety mission is "creating a 'safe and healthy workplace' through world-class safety and environment management practices." In order to secure a workplace where safety is completely guaranteed, we are working hard to improve the safety level of facilities at all business sites and to manage partner risks. In addition, to minimize the occurrence of serious accidents at business sites, an integrated global-level safety management system has been established and fundamental health and safety factors have been identified and are being managed.

We are reinforcing our compliance with laws and regulations by monitoring and diagnosing compliance with laws and regulations related to occupational health and safety, and preemptively responding to changes in regulations in the countries where our business sites are located. In addition, we are actively implementing health and safety policies, such as establishing a safety-first culture by encouraging a safety mindset so that our employees internalize safety management.

### Four Major Safety Management Innovation Measures

**01. Conducted detailed safety examinations for all business sites in which global professional organizations and employees of the first-line partners in the field participate together**

- Identify risk factors and practical improvement plans through precise diagnosis with guaranteed objectivity and reliability
- Invest all budgets and personnel required for improvement without limit

**02. Promote internalization of major hazardous work to achieve responsible safety management**

- After selecting the target area according to the level of risk, proceed step-by-step in consideration of compliance risk
- Establishment and operation of the company-led safe work permit process for hazardous work

**03. Support for fostering safety environment experts and strengthening support for partners**

- Foster professional manpower with comprehensive knowledge and response capabilities in connection with universities and research institutes
- Support for securing safety competency by providing training infrastructure for partners and developing/operating training courses

**04. Reinforcement of authority and capacity of safety organization such as the establishment of Chief Safety and Environment Officer (CSEO) and expansion of manpower**

- Establish the CSEO organization to serve as the company-wide safety and environment control tower
- Reinforcement of personnel to strengthen on-site response capabilities and secure expertise by recruiting safety/environmental experts



Percentage of ISO 45001 Certifications Obtained at Domestic/ Overseas Manufacturing Bases

100%

## Health and Safety System and Management System

LG Display established the "Chief of Safety and Environment Officer (CSEO)" in March 2021 and significantly strengthened the authority and capabilities of the safety and environment organization. The CSEO serves as a control tower overseeing the safety environment, including the establishment and inspection of safety environment policies at domestic and overseas business sites, and has authority at the CEO level, such as the "production stop order" that can stop production and work when an accident risk is detected.

LG Display has established a safety environment department/team for each business division for systematic management, and we are operating the "Global Safety and Environment Center" to improve the safety environment management level of our domestic and overseas corporations and partners. In addition, for more systematically managed company-wide health and safety, we are working with organizations in charge of safety environments and health, safety environment diagnoses, as well as environmental technology, and are monitoring internal and external law and regulation changes and making sure we are compliance with them.

In addition, in order to create a safe and healthy working environment, we have established and are operating a health and safety management system at domestic and overseas business sites. In 2020, we switched from the current health and safety standard OHSAS 18001 and acquired ISO 45001 (Occupational Health and Safety Management System) certification. Overseas manufacturing bases have also acquired ISO 45001 for each business site are renewing this certification every three years.

[Occupational Health and Safety Management System Certification](#)

## Integrated Safety Management System (ISM)

LG Display has established an integrated safety management system (ISM) to efficiently operate health and safety activities and prevent omissions from legal tasks in the health and safety fields such as the Industrial Health and Safety Act, the High-Pressure Gas Safety Management Act, and the Nuclear Safety Act. Systematic safety management is made possible through a chemical substance management system, accident history management, and inspection of health and safety-related laws and regulations.

In the long term, we will build a leading smart health and safety system by integrating digital and IT innovative technologies with the health and safety management area through the legal work system management and health management reinforcement system currently under development.

### Main Features of the Integrated Safety Management System

Item	Main Features
Health and Safety Information	Provides materials such as safety standards, guidelines, and guides
Safety Work Management	Work permit status, dangerous work information, risk assessment DB, safety officer certification
Safety Culture	Provides safety talk materials, compliments employees
Smart Safety Suggestion	Requests improvement of safety nonconformity cases, suggests safety related ideas
Accident History and Statistics	Near accidents, accident reporting and analysis, accident generalization, accident trends and statistics
Education and Training Management	Establishes safety education/emergency training plans and checks progress status
Chemical Substances	Provides data such as chemical substance status inquiry, MSDS, etc.
Protective Gear Management	Purchases protective gear, manages payment history
Legal Activity Management	PSM (Process Safety Management), hazardous machine tools and dangerous materials safety management

## Reduction of Fundamental Risks at the Worksite

The equipment safety certification system implemented by LG Display is a system that evaluates all new equipment by applying equipment safety specifications that comply with domestic and international standards. The department in charge reflects safety specifications on all equipment in the company from the time of investment, and reconfirms the reflection of safety specifications by conducting self-evaluation. In addition, equipment risks are derived and improved by inspecting equipment in operation as well as before registration. In this way, we prevent accidents caused by equipment and minimize the underlying risk factors.

In addition, LG Display seeks to prevent disasters by identifying potential risk factors and risk assessment through prior risk assessment for all work carried out within the worksite.

### Stages of Safety Risk Assessment



## Emergency Response System

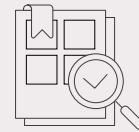
LG Display's central control room monitors firefighting equipment, utilities, weather information, and gas and chemical information comprehensively and in real-time. In addition, in case of emergency, we are equipped with a system and specialized personnel that can promptly diffuse the situation and respond to it. We are advancing our differentiated emergency response capabilities by introducing a two-way communication system between the central control room and worksites, applying an intelligent control system, and expanding the provision of specialized disaster prevention equipment to emergency response routes.

## Safety Rules and 8 Life Rules

LG Display has enacted the LG Display Safety Rules and is implementing them to prevent safety accidents for the company and its partners' employees at business sites. In addition, we are taking the lead in preventing serious accidents by enacting the 8 Life Rules for safety devices, confined spaces, heights, electricity, heavy objects, forklifts, flammables, and chemicals. Various efforts are made to establish such a safe work culture.

### LG Display Safety Rules

#### The Safety Rules, the basics of preventing accidents



- 1 Be sure to follow the 8 Life Rules.
- 2 All work procedures include and comply with safety rules.
- 3 Do plenty of warm-ups before outdoor events such as exercise.
- 4 Immediately report any case of safety nonconformity or accidents to the central control room.
- 5 Provide risk information to partners and grant permission for safe work prior to work.
- 6 Wear suitable safety equipment when working.
- 7 Wear a seat belt while driving a vehicle and do not drink and drive.

### 8 Life Rules

#### 8 Life Rules to Prevent Serious (Fatal) Accidents



- 1 Unauthorized removal and change of safety devices is prohibited, and if necessary, approval must be obtained.
- 2 For work in high places, take fall prevention measures (safety belts, etc.).
- 3 When working with heavy objects, take preventive measures to avoid separation and overturning.
- 4 When working with fire, isolate the surrounding flammable materials.
- 5 Before and during work in confined spaces, measure oxygen concentration and harmful gases.
- 6 Perform all electrical work after checking that everything is disconnected.
- 7 For forklift operation, observe the speed limit and wear a seat belt.
- 8 When working with chemicals, take measures to prevent leakage (close valves, remove residue, etc.).

## Strengthening of Employee Safety Competency

LG Display is carrying out various activities related to occupational health and safety to provide a safe working environment and become a trusted company that fulfills its social responsibilities. First, we operate a smart safety suggestion system to listen to opinions about health and safety related nonconformities, and reward contributors so that they can discover risk factors on their own. In addition, we are strengthening our employees' risk management capabilities by conducting regular and ad hoc risk assessments to identify potential risks with the participation of employees.

With the belief that "people (behavior) are the key to accident prevention," we introduced activity-based behavioral safety that reinforces individual safety behaviors and improves unsafe behaviors, and have continued to apply it to the entire production organization since 2018. In addition, regular health and safety training, statutory mandatory education including safety training for managers and supervisors, 'Safety and Health Mind-set' training for all employees, and specialized training courses for each class/job are operated to reinforce the competence of our employees. Courses for safety competency reinforcement are held annually for the target audience for each course.

In addition, we are also striving to spread a culture of safety management by providing field-oriented training programs such as safety schools and safety experience centers\* for our employees and the employees of our partners. In addition, by establishing an IT-based competitive first aid practice system that allows students to learn basic CPR and how to use an automatic defibrillator, we are supporting our employees and partner companies to develop their ability to respond to emergencies. By providing appropriate personal protective equipment in case of out-of-control situations, we are enhancing the safety of both our employees and the employees of our partners.

\* Safety experience training center recognized by the Korea Occupational Health and Safety Agency



## Employee Health Promotion Activities

LG Display is carrying out various activities to prevent diseases and manage the health of our employees. First, to minimize the potential health risks of our employees, we are continuing to conduct regular health level assessments, promoting preventive health policies, and improving the chemical substance management system. In the event that some of the employees who have worked at our business sites and the employees of our resident partners have cases of cancer, rare or incurable diseases, or their children need medical support, we provide comprehensive support regardless of whether or not it is related to their work.

In addition, we provide customized medical services such as comprehensive health check-ups and vaccinations through the operation of the in-house affiliated clinic and health management rooms. The root causes of the examination results and work-related accidents, injuries, and diseases are identified through trend analysis. We are taking measures to improve medical services by listening to employees' VOCs such as satisfaction surveys for medical facilities and deliberation/resolution by the Industrial Health and Safety Committee.

## Program for Safety Culture

LG Display operates a variety of in-house programs to bring about changes in the safety awareness of our employees. In the process, we are working to establish our own safety culture by establishing improvement directions such as safety culture awareness diagnoses and safety culture consulting together with specialized external agencies. In particular, we have established three safety culture goals and principles, including changes in employee safety awareness, safety behavior-oriented activities, and the creation of an autonomous safety environment and system, and are promoting a step-by-step and systematic safety culture.

We are providing health and safety knowledge and information through the installation of banners on health and safety guidelines and safety behaviors and a letter of safety culture, as well as sharing "near accidents," "safety praise," and "best practices" with employees. In addition, to reinforce the awareness of the importance of safety, we are providing safety mindset training to help raise safety awareness among all employees.

## Safety Management System for Suppliers

In order to improve the safety level of suppliers, LG Display has formed a joint cooperation group with internal and external suppliers handling hazardous chemical substances to operate a symbiotic cooperation program including the planning, implementation, and evaluation of health and safety activities. In particular, through technical support for risk assessment, we are discovering, taking action, and improving harmful risk factors in the workplace, and based on this, we are promoting mutual safety activities with our partners to prevent accidents.

In addition, our company endorses obligatory health and safety management when signing contracts with suppliers for equipment, facilities, construction, and raw materials, and are regularly inspecting the health and safety management systems of high-risk partners, including employee education, health examination, and risk assessment, once a year. Based on the inspection results, we are helping to develop improvement plans and upgrade the management system of our partners, and are promoting the safety level of our partners through the evaluation of qualified contractors.

## Safety Training and Capacity Building for Suppliers

LG Display is raising the level of safety management by ensuring that only personnel with professional competency through face-to-face training and evaluation of the safety officer basic course (4hrs) of business partners perform the role of safety officer in charge of work safety management. By establishing a safety academy, we are securing practical competencies in health and safety by providing safety belt experience, fire suppression experience, and CPR practice training as an in-depth course (8hrs) for safety officers.

In addition, all outsiders (including visitors and employees) who enter a business site are educated on LG Display's Safety Rules, the 8 Life Rules, and safety rules online before entry. Safety management is thoroughly implemented by operating a system in which access is not allowed if training is not completed.

## Communication with Suppliers

LG Display selects and awards excellent partners in three categories (safety management, safety evaluation, and safety suggestions) to encourage their excellence in activities. In addition, in order to activate two-way communication with partners, a monthly safety council is held and a smart safety suggestion system is always in operation.



## Material Issue 04



# Supply Chain Management

LG Display is making efforts to strengthen the competitiveness of its supply chain and secure sustainability in order to grow together with its suppliers in a situation where the supply chain crisis is deepening due to the external environment. We have established a system to collaborate with partners who are making efforts to fulfill their ESG responsibilities as well as competitiveness in technology, quality, and procurement. Also, based on open communication, we want to actively support our capabilities to strengthen the competitiveness of the supply chain.

## Purchase Policy

LG Display purchases raw materials, equipment, and foundries based on the principle of fair trade and mutual cooperation, and is doing its best to prevent partners from receiving undue losses from our business activities. We select and evaluate our suppliers through a fair and transparent process, and we give excellent suppliers the opportunity to increase their quantity and prioritize development. In addition, in order to respond to the rapidly changing external environment, we are conducting risk management activities on criteria such as credit, reputation, supply chain management (SCM), and ESG, and to strengthen the competitiveness of the supply chain, we are conducting mutual growth activities such as financial support, technical cooperation, and medical welfare support. LG Display will continue to strive to fulfill its ESG responsibilities and purchase competitive raw materials, equipment, etc.

## Purchase Status

We purchase raw materials worth about KRW 14.2 trillion at our domestic business sites (Paju, Gumi) as well as our six overseas production subsidiaries (Guangzhou (GZ, CA, CO), Nanjing (NJ) and Yantai (YT) in China, and Haiphong (VH) in Vietnam).

### Raw Material Purchase Amount by Production Corporation

Site	Unit	2019	2020	2021
Korea (Paju, Gumi)	KRW 100 Million	58,103	48,377	54,826
China (GZ, CA, CO, NJ, YT)	KRW 100 Million	60,871	60,294	65,771
Vietnam (VH)	KRW 100 Million	6,951	14,846	21,200
Poland*	KRW 100 Million	45	-	-
Total	KRW 100 Million	125,970	123,517	141,797

\* Poland withdrew its business in 2019

※ Based on the purchase amount of major raw materials (raw materials whose main source is specified in the business report)

## Selection of New Suppliers

LG Display operates a partner portal ([scs.lgdisplay.com](http://scs.lgdisplay.com)) where any company wishing to do business can suggest raw material, equipment, etc. We give companies the opportunity to participate in trading if they have a competitive edge and meet our evaluation criteria. We register as potential partners who can participate in development by reviewing the applicability of the proposal, supply capacity, management policy, etc. Potential suppliers are registered as new suppliers after undergoing due diligence by specialized departments in production-related items such as purchase, quality, and delivery, and ESG evaluation items such as safety and environment. In 2021, new raw material suppliers were evaluated in the areas of labor and human rights, safety and health, and the environment. Going forward, we plan to minimize supply chain ESG risks and spread ESG management by strengthening ESG evaluation items and passing conditions.

### New Suppliers Registration Procedure and Evaluation Detail



## Regular Evaluation of Suppliers

LG Display conducts regular annual evaluations on business partners in order to establish fair and transparent trading relationships in the selection of partners. LG Display conducts performance evaluations on items such as quality, delivery time, and price, as well as competitiveness evaluations such as development capability and productivity, and gives suppliers with excellent evaluation results an opportunity to increase production volume and prioritize development. Regarding sustainability, we plan to strengthen ESG competitiveness in the supply chain by adding evaluation items such as labor, human rights, health, and ethics to the current environment and safety items.

- **Evaluation items:** Performance evaluation (quality, price, delivery, response, environment, safety, shared growth), competitiveness evaluation (development ability, productivity, quality, SCM, finance)
- **Evaluation grade:** Excellent (A, B), Poor (C, D, E)

## Supply Chain ESG Management

As a global company, LG Display has joined the Responsible Business Alliance (RBA) in 2021 to manage ESG risks more systematically throughout the supply chain, and create sustainable values by cooperating with various stakeholders including customers and business partners. In addition, as we acknowledge the importance of sustainable supply chain management, we inspect the entire supply chain and make improvements to the operation and management of not only domestic and overseas business sites but also of business partners in accordance with the RBA evaluation methodology and customer ESG requirements. We also support various ESG competency reinforcement programs for our partners. LG Display is committed to securing sustainability across the supply chain by upgrading its supply chain management policies and evaluation management system.

### Supply Chain ESG Management Policy

LG Display has enacted the 'LG Display ESG Supply Chain Code of Conduct' to ensure that all business partners involved in product production establish a safe working environment and run their companies in an environmentally friendly and ethical manner while respecting all workers. The ESG Supply Chain Code of Conduct consists of the following categories: labor and human rights, health and safety, environment, ethics, management system, and conflict minerals, based on the RBA and customer and partner code of conduct and revisions are made regularly. This code is also included in the standard contract to ensure that our suppliers comply with the established code of conduct and thoroughly follow all applicable laws and customer requirements. Details are provided in the 'Supply Chain ESG Standard' for reference.

### Main Features of the LG Display ESG Supply Chain Code of Conduct



<b>Labor and Human Rights</b>	Voluntary work, protection of minors, working hours, wages and benefits, humane treatment, non-discrimination, freedom of association
<b>Health and Safety</b>	Occupational safety, emergency evacuation, occupational accidents and illnesses, occupational health, physically demanding labor, machine safety protection, hygiene/food/housing, health and safety education
<b>Environment</b>	Reporting on environment-related licenses, pollution prevention and resource use reduction, hazardous chemicals, wastewater/solid waste, air pollution, regulation of substances contained in products, stormwater management
<b>Business Ethics</b>	Compliance with Jeong-Do Management, prohibition of unfair profit, information disclosure, intellectual property protection, identity protection, prohibition of retaliation, community contribution, customer/personal information protection, fair trade/advertisement and competition, avoidance of conflicts of interest
<b>Management System</b>	Expression of purpose, management responsibility, legal/customer response, risk assessment management, improvement goals, training, communication, employee participation, evaluation improvement measures, documents and records, supplier responsibilities
<b>Conflict Minerals</b>	Responsible mineral procurement

### Supplier ESG Evaluation System

To manage supply chain ESG risks more effectively, LG Display has reorganized the supplier ESG evaluation system to confirm whether major suppliers comply with the ESG Supply Chain Code of Conduct by conducting evaluation at least once a year. After selecting suppliers that are eligible for evaluation process, we conduct a self-assessment questionnaire (SAQ) and on-site inspection in order. We establish improvement plans based on findings from third party on-site inspections and once we confirm that the supplier has corrected the deficiency, we carry out another round of verifications and confirm the completion.

### Supplier ESG Evaluation Process



We added our main raw material suppliers to the list of existing foundry companies in 2021 and are planning to expand the scope to include all raw material suppliers in 2022. In addition, we plan to align the self-diagnosis questions to match the risk assessment and improve the credibility of the assessment results by increasing the ratio of third-party on-site inspections. We will continuously manage our partners' ESG risks according to global standards and build a mutually beneficial system by expanding support for partner companies' improvement activities.



## Selection of Suppliers Subject to Evaluation

LG Display has expanded the scope of eligible suppliers for evaluation from existing foundry suppliers to raw material suppliers to reinforce its supply chain responsibility. In 2021, out of a total of 575 foundry and raw material suppliers, those who are directly involved in the product assembly process and 84 raw material suppliers which rank in the top 80% in terms of procurement amount by site are classified as major tier 1 suppliers and selected as suppliers subject to evaluation.

## Current Status of Major Suppliers and Share of Purchase Costs

Category	Selection Criteria	Number of Suppliers	Purchase Share (%)
Tier 1 Suppliers	Raw materials and foundry suppliers	575	100
Major Tier 1 Suppliers	Partners with high purchase amount and continuity, strategic/technical importance	84	36.1

## SAQ and Third Party On-Site Due Diligence

LG Display conducted a self-evaluation on 84 major tier 1 suppliers in 2021. The suppliers subject to evaluation responded to the RBA Facility SAQ, and as a result, 20 suppliers were identified as high-risk. We included not only high-risk suppliers but also moderate to low-risk suppliers, a total of 23 suppliers, to conduct third party on-site inspections by taking the risk ratio by region and the responses into account. The analysis showed that high-risk and low-performing suppliers had insufficient environmental licensing procedures or ethical policies, and no significant risks were found as a result of on-site inspections.

The purpose of third party on-site due diligence is to identify actual risks and to improve and manage the identified risks. To increase the reliability of the inspection results, we did our best to objectively assess compliance items by reviewing related documents, conducting on-site inspection, employee interviews, etc.

## On-site Inspection and Improvement Management of Tier 1 Suppliers

Category	Number of Suppliers	Number of Third Party On-Site Inspections	Ratio(%)
All Suppliers Subject to Evaluation	575	23	4.0
Major Tier 1 Suppliers	84	23	27.4
High-risk Suppliers	20	14	70



### Risk Judgment Criteria

1) SAQ Points

Low-risk ( $\geq 85$ )

Moderate risk ( $\geq 65, < 85$ )

High risk ( $< 65$ )

2) Processing partners directly involved in the product assembly process

## Improvement of Evaluation Results

Major issues identified through the SAQ and third party on-site inspections included overtime hours, obstructed emergency evacuation routes, and insufficient emergency response procedures, and these issues have been rectified. LG Display allows the partners to establish their own improvement plans to address the identified issues and risks and keeps them on track to implementing their improvement plans within 90 days. We support our partners in establishing their improvement plans and executing them. In detail, we use our know-hows to help them prioritize action plans depending on the risk level, implement them within the deadline, and check on them at regular intervals (30/60/90 days). We incorporate the improvement progress and on-site inspection results of our partners in our quarterly supplier evaluation.

## Corrective Actions Based on ESG Assessment

Category	Ratio (%)
Suppliers identified as high risk that established a corrective action plan	100
Suppliers who have improved their ESG performance within 12 months of establishing a corrective action plan	100

## ESG Capacity Building Support for Suppliers

LG Display provides ESG training for business partners to enhance their understanding of ESG and to raise awareness of their responsibility in ESG. In 2021, we trained 3 production subsidiaries and partners in China (104 companies, 232 employees) about the ESG Supply Chain Code of Conduct, so that they could proactively carry out compliance management activities. Going forward, we will expand the scope to train management of major partners as well as all raw material partners and support them to enhance their ESG management capabilities.

In addition, LG Display implemented eco-friendly green SCM consulting and carbon partnership certification projects as part of our efforts to promote green mutual growth as Korean government regulations and customers are increasingly demanding for information disclosure of our business partners. Green SCM Consulting, introduced in 2012, is a project to support partner companies' environmental management and help them build a greenhouse gas inventory and reduce energy consumption.

Since 2012, a total of 88 (cumulative) partners have strengthened their capacity to respond to climate change. Out of these, 36 companies have been certified for carbon partnerships, and we are working hard to minimize the environmental impact with our partners. Green SCM consulting partners and carbon partnership certified partners are given additional points in the regular purchase evaluation.



## LG Display Manufacturing Base ESG Risk Management

As a member of the display industry, LG Display is doing its best to minimize the negative environmental and social impact of its business activities. As a member of the RBA, we are actively managing ESG risks at our business sites by periodically tracking whether they comply with the RBA norms as well as the customer supply chain code of conduct. Going forward, we will continue to manage ESG risks based on close collaboration between a specialized organization under the headquarters and overseas subsidiaries and strive to operate a sustainable supply chain by improving the identified nonconformities.

### ESG Risk Management System

LG Display is fulfilling its responsibilities as a major participant in the global supply chain by evaluating compliance with the RBA and customer supply chain code of conduct and address nonconformities. Evaluation is done by carrying out a third party on-site inspections on labor and human rights, health and safety, the environment and ethics. The ESG supply chain team at headquarters runs an integrated management system for ESG risks and has designated a person in charge for each business site area to conduct training, inspection, and improvement activities.

### LG Display ESG Risk Management Organization at Manufacturing Bases



#### ※ DRI (Directly Responsible Individual) response system for the bases

- 1 Director, at least 1 person per area
- Safety: management department, on-site department
- Ethics: support through the HQ's functional organization

In 2021, we conducted on-site due diligence including the RBA VAP (Validated Assessment Program) and equivalent methods for 7 out of 8 business sites, and plan to manage risks for the remaining 2 business sites in 2022.

### ESG Evaluation Results and Improvement Activities

Improvements based on the findings identified during the on-site inspections are made within 90 days, and this process is managed through regular monitoring every 30 days. For issues that are difficult to resolve within each site, we are implementing company-wide policy improvement and regular monitoring through consultations between HQ and related departments. In 2021, a total of 10 third-party on-site inspections were conducted for 7 out of 8 business sites. As a result, a total of 49 nonconformities were identified. As of now, 36 of these have been improved and 7 are in the process of improvement.

### 3<sup>rd</sup> Party Evaluation Results on LG Display Manufacturing Bases

Area and Details	Total		Critical Non-conformity Priority		Other Non-conformities Major+Minor	
	Completed Improvements	Total	Completed Improvements	Total	Completed Improvements	Total
<b>Labor/Human Rights</b>	<b>8</b>	<b>18</b>			<b>8</b>	<b>18</b>
Working Hours	3	13			3	13
Wages and Benefits	4	4			4	4
Freedom of Association	1	1			1	1
<b>Safety/Health</b>	<b>19</b>	<b>21</b>	<b>2</b>	<b>2</b>	<b>17</b>	<b>19</b>
Occupational Health and Safety Management	4	4			4	4
Preparations in case of Emergencies	11	12	2	2	9	10
Occupational Health	3	4			3	4
Sanitation, Food, Housing	1	1			1	1
<b>Environment</b>	<b>3</b>	<b>3</b>			<b>3</b>	<b>3</b>
Hazardous Substances	1	1			1	1
Air Pollution	1	1			1	1
Good Agricultural Practices	1	1			1	1
<b>Ethics</b>		<b>1</b>				<b>1</b>
Compliance with Jeong-Do Management and Prohibition of Unjust Profits		1				1
<b>Management System</b>	<b>6</b>	<b>6</b>			<b>6</b>	<b>6</b>
Risk Assessment and Management	1	1			1	1
Training	2	2			2	2
Corrective and Preventive Action Process	1	1			1	1
Supplier Responsibilities	2	2			2	2
<b>Total</b>	<b>36</b>	<b>49</b>	<b>2</b>	<b>2</b>	<b>34</b>	<b>47</b>
			73%		100%	72%



## Conflict Minerals Management

As a global company, LG Display strives to fulfill its social responsibilities throughout the supply chain and strive to comply with laws. We have established a conflict minerals management policy in accordance with the OECD Due Diligence Guidelines, and are striving to obtain minerals from conflict-free smelters. In addition, we are monitoring to ensure that minerals related to armed forces in conflict zones are not manufactured and produced with our products through our partners. As a member of the RMI (Responsible Minerals Initiative)\*, LG Display will continue to strive to manage the use of conflict minerals in a transparent manner throughout the supply chain and respect human rights and the environment.

### Conflict Minerals Management Policy

LG Display has established a conflict minerals management policy to ensure that conflict minerals are not included in the supply chain for the production of our products in order to comply with laws and fulfill our social responsibilities. In addition, we are supporting and monitoring our partners so that they can purchase through smelters free from conflict minerals by requesting partners to establish conflict mineral policies and procedures, investigate the status of conflict minerals use, and establish risk response procedures and plans.

In addition, we established roles and responsibilities for each department and established systematic management procedures through a TFT made up of internal and external experts. In the future, LG Display will actively participate in international efforts to ban the use of conflict minerals together with our partners and customers, and strive to ensure that conflict minerals related to armed groups in conflict zones are not included in the supply chain for our products. Through this, we will fulfill our social responsibility to protect the human rights of the Democratic Republic of Congo and neighboring countries.

#### Conflict Minerals Management Policy

##### **As a responsible corporate citizen, LG Display will ensure that conflict minerals related to armed groups in conflict zones are not included in the supply chain for its products.**

- By applying international standards regulating conflict minerals, we will establish a conflict minerals work process for legal compliance, and will actively support activities to ban the use of conflict minerals promoted by the Responsible Minerals Initiative (RMI)\*.
- We will use the Conflict Minerals Usage Reporting Questionnaire provided by the RMI to determine the names and locations of all smelters for tin, tantalum, tungsten, and gold used in our products.
- We will request partners to submit a questionnaire on the use of conflict minerals and to confirm in writing that they do not use conflict minerals.
- We will support our partners to purchase minerals from smelters certified by RMAP (Responsible Minerals Assurance Process)\*\*. (You can check the list of smelters free from conflict on the CFS List website.)
- The due diligence procedure will be established in accordance with the OECD Due Diligence Guidelines, and if necessary, due diligence will be conducted on the procedures and data used by partners to report the use of conflict minerals.
- In accordance with the Conflict Minerals Act, we will disclose the status of our use of conflict minerals externally every year.

##### **LG Display requires all partners to fully familiarize themselves with US conflict minerals laws and strictly abide by our conflict minerals management policy so that our conflict minerals management policy can be consistently applied within the lower supply chain. As such, LG Display's partners must undergo the following procedures:**

- Partners shall establish documented conflict minerals management policies and procedures so that products supplied to LG Display do not contain conflict minerals that contribute to the interests of armed groups in the Democratic Republic of Congo or neighboring countries.
- Partners shall make the effort in good faith to identify the names and locations of all smelters from which conflict minerals are purchased in the supply chain.
- Partners shall fill out and submit a conflict mineral use report questionnaire in a timely manner at LG Display's request.
- Partners shall take corrective actions in a timely manner when risks in the supply chain are discovered.
- If LG Display does not receive sufficient information from the partner about whether conflict minerals are used or if the partner provides information that is not true, or if risks are found in the partner's supply chain but the partner does not take action, LG Display may suspend transactions with the partner.

##### **LG Display will actively participate in international efforts to ban the use of conflict minerals together with our partners and clients, thereby fulfilling our social responsibility to protect the human rights of the Democratic Republic of Congo and neighboring countries.**

\* RMI (Responsible Minerals Initiative): As a Responsible Minerals Initiative, it provides management tools and resources related to responsible mineral sourcing to companies

\*\* RMAP (Responsible Minerals Assurance Process): A Responsible Minerals Assurance Process established by the Responsible Minerals Initiative (RMI). Smelters that reject RMAP are excluded from our supply chain

## Major Activities and Plans Concerning Conflict Minerals

LG Display supports suppliers in becoming aware of the regulations on conflict minerals by sharing our conflict minerals policy and educating our partners about them. In accordance with international standards and guidelines, we have been conducting periodic investigations on the use of conflict minerals by our partners by signing a purchase contract that reflects the policy to prohibit the use of conflict minerals for all partners, and enacted the 'LG Display ESG Supply Chain Code of Conduct' for partners to encourage them to actively participate in the policy to prohibit the use of conflict minerals.

Through continuous supply chain due diligence and monitoring, we are working hard to ensure that minerals are supplied from conflict-free smelters. Through this, we will lead the voluntary response of our partners and promote participation in the RMAP by communicating directly with the smelter. Furthermore, through cooperation with various stakeholders such as the RMI, clients, partners, and the government, we will strive to responsibly procure minerals so that we do not use unethical minerals related to human rights violations and environmental destruction as well as minerals related to armed groups in conflict zones.

## Conflict Minerals Management and Risk Improvement

For conflict minerals management and risk management, LG Display acquires 100% of the CMRT\* from primary partners excluding the raw material partners whose transactions have been suspended, which are included in all of our products (TV, IT, Mobile, Commercial, Automotive Display). We are conducting risk management by identifying smelters with risks through CMRT consistency and reliability review and risk analysis, requesting risk improvement activities, and obtaining a written commitment. When risks arise from a new partner, we take immediate action for improvement.

Through this conflict minerals response process, it was confirmed that a total of 231 smelters were used in the supply chain in 2021. 230 smelters were confirmed to have used conformant smelters, and one smelter was confirmed to use an active smelter. We will set a suitable goal and carry out continuous management so that 100% of the smelters used participated in RMAP certification. Information such as LG Display's conflict minerals management policy and usage status is disclosed on the website for everyone to see.

\* CMRT: Conflict Minerals Reporting Template

### Major Detailed Activities



- 2013-14: Training on conflict minerals management policies and regulatory trends for primary to tertiary partners
- 2015-present: Additional training for partners if necessary



- Inspection of smelter information with customers and partners
- Conducting product level surveys
- Encouraging smelters to participate in RMAP



- Analysis of the usage status of conflict minerals by buyers and models
- Real-time risk identification and improvement monitoring



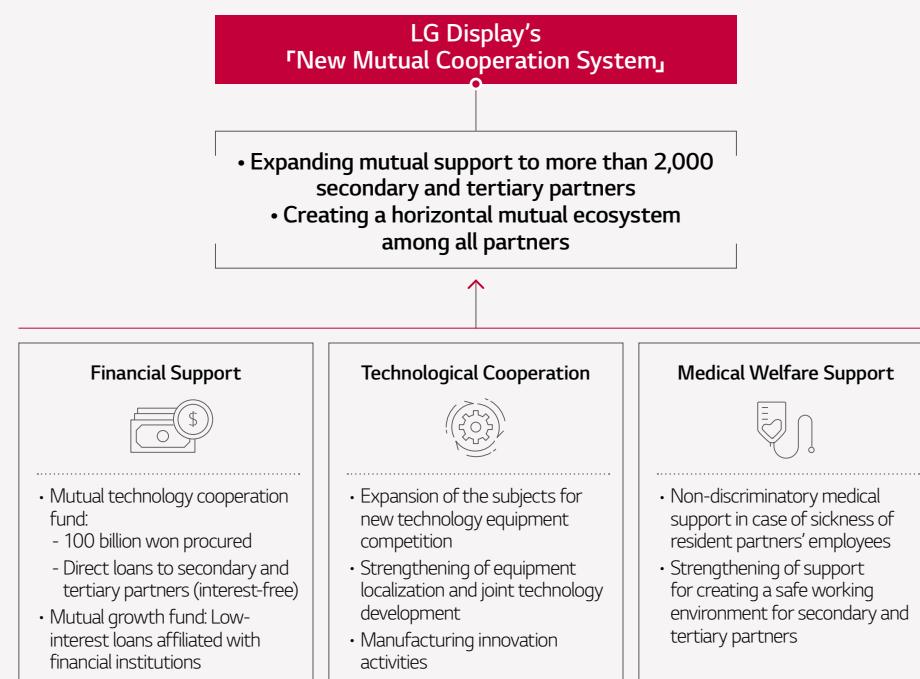
- Becoming an RMI member and participating in it
- Participation in public/private company forums and conferences
- Opening of a hotline
- Operation of a LG Group affiliates (LG Display, LG Electronics, LG Chem, LG Innotek) consultative body

## Shared Growth Promotion System

LG Display believes that it is essential to grow together with various partners in the supply chain in order to reinforce competitiveness in the supply chain. We are operating various mutual cooperation programs with open communication, active collaboration, as well as changing and leaping forward as our core values. We are striving to secure the competitiveness of our partners through financial support, technological cooperation, as well as medical welfare support, and to actively communicate with our partners through various online and offline channels.

### Mutual Cooperation Strategy System

LG Display is promoting a variety of shared growth activities under the win-win philosophy that "the competitiveness of partners is the competitiveness of LG Display." In particular, the "new mutual cooperation system" was introduced to resolve the vertical relationship formed between primary, secondary, and tertiary partners and to create a horizontal mutual ecosystem with all partners. The new mutual cooperation system expands the mutual growth program in the three areas of finance, technology, and medical welfare to include secondary and tertiary partners, thereby simultaneously enhancing the competitiveness of partners and our company. LG Display is constantly striving to create a mutual ecosystem, and as a result, it has been awarded the "Best Grade" in the Win-Win Index for seven consecutive years since 2014.



### Conclusion of Agreement for Shared Growth Between Partners

LG Display's mutual growth agreement is a promise for mutual compliance with fair trade laws and mutual cooperation to establish an autonomous fair trade order. LG Display signed agreements with a total of 80 companies in 2021 to actively participate in the spread of shared growth. In addition, we signed agreements for mutual growth between primary and secondary partners, and signed agreements with 15 primary partners and 67 secondary partners. By signing this agreement, we are supporting secondary and lower-level partners so that they can grow together.

### Contributing to Financial Soundness Through Financial Support and the Mutual Payment System

LG Display is helping partners improve their financial soundness through various financial support. Through direct financial support such as interest-free loans for mutually beneficial technological cooperation funds and early payment of holiday funds, we are helping partners to manage their funds smoothly. In addition, we implemented various financial support including direct and indirect methods, including the provision of low-interest loan products through indirect support with mutual growth funds and network loans. LG Display has operated a mutual payment system\* since July 2015, and this system enables the smooth collection of payments from secondary partners. LG Display is working hard to ensure that the support given to the primary partners by LG Display is passed down to secondary and tertiary partners voluntarily by the primary partners to promote shared growth in the second and third phases.

\* Mutual payment system: an inter-company settlement product provided by commercial banks so that primary partners can pay for purchases to secondary partners based on trade receivables paid by large corporations to primary partners

### COVID-19 Support for Suppliers

Sympathizing with the difficult situation of its partners due to the COVID-19, LG Display paid 25 billion won in advance for subcontracting to 34 companies on the occasion of the Lunar New Year and Chuseok holidays, and delayed repayment of a loan of two billion won from one partner. Through such financial support, we practiced mutual management, contributing to easing the financial burden of small and medium-sized partners and revitalizing the domestic economy. In addition, we provided support with visa issuance and plane boarding for business partners who are having difficulties traveling abroad due to COVID-19, and provided transportation for quarantine, corona inspection fees, and immigration support.

## Cultivation of Partner-led Technological Capabilities

LG Display pursues technological innovation of partners beyond simple cooperation with "innovation from partners" as its core technology strategy. For this, we are cultivating the technological capabilities of our partners by implementing various programs such as joint R&D, manufacturing innovation activities, and competition for new technology equipment. In 2021, we conducted 22 joint R&D projects with our partners, and we aim to carry out 30 joint R&D projects with our partners every year by 2023. Through this development, we are maintaining technological competitiveness by supporting joint development and patent applications for partner companies' excellent technologies. A total of 326 manufacturing innovation activities, such as technological guidance and improvement to improve the level of manufacturing capabilities and quality/productivity of partners, were carried out.

## Reinforcement of Partner Training Infrastructure

LG Display provides practical training courses free of charge to partners that do not have sufficient education and training infrastructure. We are expanding the scope of support to secondary and tertiary partners by converting all offline training courses provided only to primary partners online. In particular, starting from the fourth quarter of 2019, we made online training available for free to LG Display partners and even SMEs that are not LG Display partners. We are operating training courses that can provide direct help in practice, and in 2021, 3,038 people from 96 companies took the course.

### Technical and Financial Support in 2021



\* For secondary and lower-level partners, the subsidy was doubled

## Medical Support for Partners

LG Display provides direct and indirect support related to partners' management, such as medical welfare and health and safety improvement activities. In-house medical facilities for employees are open for use by employees of partners, and in 2021, medical welfare was provided to 499 employees of 148 resident partners. In addition, in 2021, we provided technical support for risk assessment projects and safety training to 42 partners to improve health and safety at their business sites, and provided 82,560 masks in response to COVID-19.

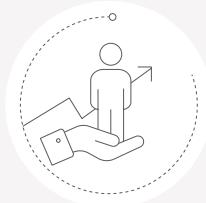
## Strengthening Communication with Partners

The Shared Growth Portal is LG Display's own online platform for more transparent and active communication with partners. This website makes it possible to communicate with partners for various purposes through various channels such as the Shared Growth Board, e-VOS, and Shared Growth Voice, and the opinions gathered through the portal are reflected in future shared growth activities.

The New Year's Meeting for Shared Growth at the beginning of the year and the Year-end Manufacturing Innovation Sharing Meeting, which were used to be held offline, were held online in line with the government's social distancing policy to share the new year's business plans and the achievements of the year, and also seek cooperation methods to lead the future display market. Training support for partners was also converted to online training after collecting opinions about group training that was conducted offline, and during this conversion, the subjects for training were expanded from primary partners to include secondary and tertiary partners.



## Material Issue 09



# Human Resources Management

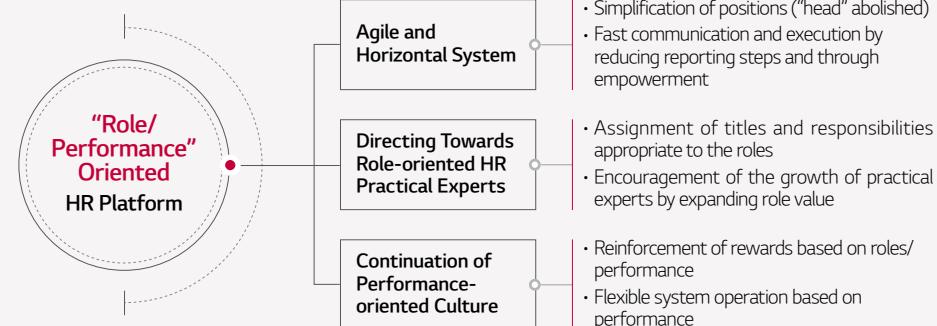
## Talent Management

Under the belief that talented people are the best assets, LG Display is doing its best to create an environment where employees can create results and to provide recognition and treatment fit for global top performance. In addition, we are working hard to actively secure and develop talented individuals who can put our company's norms into practice.

### Human Resource Policy

LG Display is creating an agile and horizontal system under the goal of "role and performance-orientation," and strives to foster role-oriented, practical experts and maintain a performance-oriented culture. In addition, in order to achieve the company's vision and goals, we strive to select talented individuals with job expertise and manners of conduct ideally possessed by employees. In the recruitment process, employees communicate transparently with applicants for equal and fair recruitment without discrimination based on age, gender, ethnicity, race, religion, region of birth, etc. We are also regularly conducting interviewer training through specialized institutions.

#### LG Display's Human Resource Principles



### Recruitment of Talented Individuals

LG Display believes that securing talented individuals is essential to improving corporate competitiveness, and is operating various programs to proactively recruit talented people. In order to hire outstanding candidates in a timely manner, we are actively recruiting new and experienced people, as well as industry-university scholarship students. In particular, we are striving to secure excellent recruits in all occupations by selecting industry-university scholarship students not only for R&D but also for sales/marketing and staff positions.

In addition, as a global company, we are making various efforts to attract outstanding master's and doctoral recruits in the R&D field not only from Korea but also from overseas regions such as the US, Japan, and Europe. Recruitment activities are conducted on- and offline in line with the COVID-19 era, and careful consideration is given to ensure that there are no inconveniences for applicants starting from the application process to the soft landing after joining the company.

In order to proactively respond to the next-generation display industry, which is difficult to develop and is expected to generate convergence between various industries, LG Display launched the 'Display Convergence Engineering Department' at Yonsei University in December 2021. Through next-generation technological innovation and convergence with various industrial fields, we aim to systematically nurture talented key individuals needed to lead the future display industry, and to enhance the competitiveness of Korea's display industry. In the future, we will continue to work with leading universities in Korea to proactively secure talented individuals.



## Implementing an Agile and Horizontal System

LG Display classifies tracks from the growth perspective, and assigns titles and responsibilities appropriate to roles. We want to create a more agile and horizontal system through role/performance-oriented personnel management.

Leader Track		Expert Track	
L2 Manager	<ul style="list-style-type: none"> <li>• Responsible for organizational management and performance</li> </ul>	F Research/ Expert Committee	<ul style="list-style-type: none"> <li>• Responsible for company-wide leadership in the organization's technological capability and technology field</li> </ul>
L1 Team Leader	<ul style="list-style-type: none"> <li>• Responsible for organizational operation and staff development</li> </ul>	Professional Track	
P2 Manager	<ul style="list-style-type: none"> <li>• Execution of tasks-oriented/ completion-oriented work focused on improvement projects</li> <li>• Focus on experts in specific fields</li> <li>• Communication and action</li> </ul>	P1 Senior Employee	<ul style="list-style-type: none"> <li>• Independent execution of work</li> <li>• Supplementary/proactive execution of improvement tasks</li> </ul>
	<th>P1 Employee</th> <td> <ul style="list-style-type: none"> <li>• Training period, standard work execution</li> </ul> </td>	P1 Employee	<ul style="list-style-type: none"> <li>• Training period, standard work execution</li> </ul>

## Talent Development System

LG Display is using a talent development system to create better organizational performance and secure the expertise of its employees. Based on the recognition that the growth of employees is the growth engine of the organization, we would like to support the establishment and implementation of roadmaps for self-directed competency development. We are operating a variety of training programs such as leadership programs, training programs for each position, programs for each specialized job, and programs for common duties to help our employees strengthen their capabilities and grow.

Office Position	Leadership	Basic	Specialized Job	Global	Functional Position
Manager	Entrepreneur				Supervisor (Chief/Chief Manager/Officer)
Team Leader, Task Leader	Leader	LG Way/LGD Norms	Position Training	R&D	
Head		Common Competency	Newcomer Training	Production	
Senior			Sales / Marketing	Common Duties	Technical Officer, Technical Assistant, Technical Staff Officer, Technician
Staff	Core Talent			FSE	
IDP(Individual Development Plan)					

## Employee Capacity Building Based on IDPs

LG Display is actively utilizing the Individual Development Plan (IDP), a competency development system designed and managed together by individuals and organizations to support the long-term development of employee job competency. Every year, employees voluntarily establish a self-development plan based on their assigned tasks and execute this plan after confirmation via discussion with a leader. In particular, we support self-directed competency development by meeting the needs and directions of individuals and companies through frequent one-on-one interviews with managers. These IDP-based competency development activities serve as a stepping stone for our employees to acquire their capabilities as future leaders and experts.

### Individual Development Plan



## Systematic Training to Develop Leaders

LG Display has established "LG Display Leadership" and continuously shared it to foster excellent leaders and maximize the organization's capabilities. In addition, we are conducting a leadership survey that provides feedback so that we can objectively understand our current status, and we are fostering leaders through cyclical processes such as coaching that provide opportunities for leadership development.

In addition, since employees born in the MZ generation account for about 80% of the total number of employees, Reverse Mentoring, in which new employees become mentors and executives become mentees, has been implemented since 2019 to promote mutual understanding between the generations and bring positive changes in working methods. This reverse mentoring continues to contribute to the establishment of a dynamic organizational culture and the discovery of business insights by management.

## Fostering Experts in Each Field Through Job Training

LG Display has established a job training system for each field, such as production (process and equipment, quality, SCM, purchasing, health and safety, environmental technology, etc.), R&D, sales and marketing, etc. and provides a variety of training programs tailored to each employee's competency to ensure business competitiveness. We are fostering experts who are the core of business competitiveness. In particular, we are focusing on reinforcing our capabilities to solve critical issues such as the digital transformation towards Industry 4.0 and leading the OLED market, and we are doing our best to support business organizations by developing and providing customized competency development solutions.

## Reinforcement of Engineers' DX and Problem-solving Capabilities to Enhance Business Competitiveness

We are strengthening our AI/big data utilization capabilities by operating practical training programs for AI algorithms and big data analysis so that engineers can actively respond to rapid changes in the Digital Transformation (DX) environment. In addition, Six Sigma\* training, a data-based problem-solving methodology, and TRIZ\*\* training for creative problem-solving are provided to reinforce problem-solving capabilities.

\* Six Sigma: A statistical problem-solving methodology that finds key causes and optimal conditions based on data

\*\* TRIZ: A creative problem-solving methodology that finds key contradictions and solutions based on problem-solving algorithms derived from analyzing tens of millions of patents

## Organizational Culture Diagnosis and Improvement

LG Display conducts the LG Way Survey every year for all LG Group affiliates. The LG Way Survey is conducted with a focus on "creating value for customers," the management philosophy emphasized by LG. Through this survey, we check whether the "customer value-focused organizational culture" is operating smoothly within our organization, and based on the understanding of the current situation, we support change management activities such as discussing improvements for each organization, workshops, and coaching, in order to enable substantial changes to occur in each organizational unit. The positive response rate of the 2021 LG Way Survey conducted with domestic office workers and technicians concerning employee engagement was 82.9%.

## Flexible Working Hours System

LG Display is operating various types of work systems to enhance employee satisfaction and work immersion. We operate a selective working hours system that allows employees to freely adjust their 40-hour work week without adhering to the typical 8-hour workday. We are also implementing telecommuting methods through at-home work and our base offices.

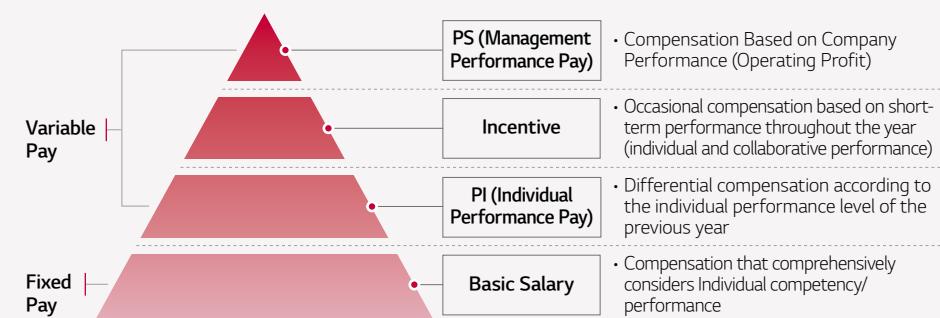
## Performance Management Process

LG Display ensures fair and transparent performance management along with employee growth through a series of processes including setting goals, inspection and evaluation, and interim feedback. We also offer performance management guides and coaching training for leaders so that they can better monitor the performance of employees and motivate them.

In addition, starting in 2021, we introduced strength-based peer feedback to ensure multi-faceted evaluation and break away from boss-centered one-directional evaluation. This allows employees to receive three-dimensional feedback from their colleagues in a collaborative manner and to enhance career development. As of December 2021, the proportion of employees who received this multi-faceted evaluation was 36.1%.

## Compensation System

By operating a reward system that corresponds to individual capabilities and achievements, we motivate our employees to develop their careers and improve their performance. We support not only fixed pay considering external competitiveness and individual performance, but also timely compensation for performance by operating variable payment systems. LG Display complies with laws related to compensation, including the minimum wage, and does not discriminate between genders. "In the case of long-term tasks (Y+3), executives comprehensively evaluate task indicators/goal achievement every year, and pay remuneration accordingly."



## Welfare System

LG Display provides various welfare programs such as financial support for medical expenses and group insurance in order to support individual development and a better life for employees. Through this system, we are striving to improve work satisfaction and commitment, making sure our employees are able to enjoy a healthy, abundant, and stable life both at work and at home.

### Maternity Protection System

LG Display utilizes various maternity protection-related systems to ease the burden of childbirth and childcare for employees. We provide a stable childcare environment for our employees by operating childcare facilities within our business sites. We also provide paid leave before and after childbirth to prepare for and recover after childbirth, and even provide paternity leave to the spouse of the mother in order to encourage them to participate in childcare. In 2021, parental leave was extended from one year, which is the current legal standard, to a maximum of two years. For employees who have gone through miscarriages (themselves or their spouse), we provide vacation days in proportion to the number of weeks of pregnancy in order to support their recovery and wellbeing.

In addition, LG Display provides three days of paid leave per year to employees who wish to receive fertility treatment, as well as vacation days for prenatal examinations to ensure time for regular checkups for pregnant employees. Lastly, we have a family care vacation days (up to 10 days unpaid leave per year) and a family care leave of absence system (up to 90 days) that can be utilized when employee family members need care due to illness, old age, child rearing, etc.

### Welfare System



#### Healthy Life

- **Medical expenses support:** Financial support for medical expenses incurred due to illness or injury of employees or their families
- **Health check-up:** Support for periodic comprehensive health check-ups for employees and their spouses
- **Group insurance:** Insurance fee support in case of serious illness or disability of an employee



#### Abundant Life

- **Optional welfare benefits:** Welfare benefit points that can be used according to individual needs
- **Support for informal group activities:** Financial support for in-house club activities such as sports, volunteer activities, music, etc.
- **Recreational facilities:** Support for accommodation expenses for stays at LG Life Training Centers and condominiums nationwide
- **Vacation:** Support for employees' work & life balance through systems such as summer vacation days, holidays, turn-off vacation days, family care vacation days, etc.



#### Stable Life

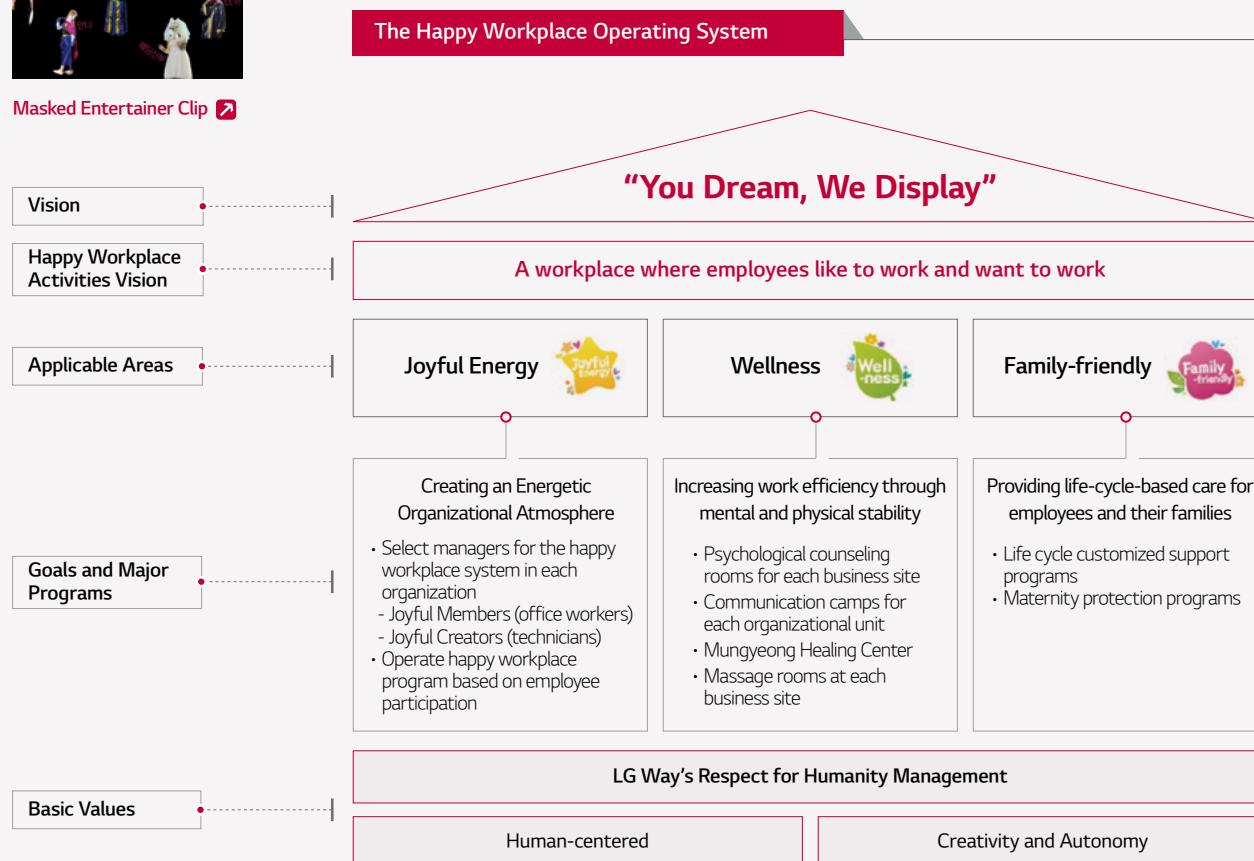
- **Housing Loan Support:** Support for housing loans for executives and employees who need to purchase or lease houses
- **Tuition support:** Support for tuition fees for the children of employees from middle school to university
- **Congratulations and condolences support:** Financial support and vacation days for various family events such as weddings and 60th birthdays of employees and their families
- **Others:** Support for corporate housing, dormitories, commuting buses, workplace childcare facilities, etc.



Masked Entertainer Clip

## Happy Workplace Culture Program

Based on the management philosophy of "respect for humanity" emphasized in the LG Way, LG Display is developing a "Happy Workplace Culture Program" to create a great place to work for our employees. LG Display will continue to support our employees so that they can lead healthy and abundant lives, and so that both the company and its members can continue to flourish.



## Joyful Energy Program

The organizational vitalization program aims to create a pleasant working atmosphere by striving for an enjoyable workplace as well as promoting teamwork and vitality within the organization. In order to realize these goals, on-site communication programs are conducted to allow key executives and employees to share their sincere feelings, and various activities are offered to foster camaraderie and boost morale.

By selecting "Joyful Members (office workers)" and "Joyful Creators (technicians)" in charge of this program for each organization, we enable employees to autonomously promote happy workplace activities suitable for each organization. Joyful Members (JMs) and Joyful Creators (JCs) share various ideas through regular meetings and apply them in their respective organizations to create an enjoyable and lively organizational atmosphere. In 2021, some of the JM/JC activities were restricted due to COVID-19, but we have been doing our best to support morale by conducting various contact-free activities such as an online real-time kick-off event.

Also, in 2021, a new in-house management contest titled "The Masked Entertainer" was created to provide a platform for members to express their talents and foster understanding between generations. By creating a lively and enjoyable atmosphere through such in-house contests, we have created a workplace in which the employees can more easily immerse themselves, improving the organizational atmosphere, and promoting intergenerational exchanges.



## Wellness Program

LG Display provides various programs to improve the physical, mental and social health of all our employees with the goal of improving work efficiency naturally by promoting the mental and physical stability of our employees. In 2021, we built and introduced the Mungyeong Healing Center in the metaverse and made it possible for employees to experience it indirectly. In addition, in consideration of the difficulty of face-to-face activities due to COVID-19, we developed and provided the "Untact Mungyeong Healing Center" program.

In addition, we provided "Untact MBTI Group Counseling," a communication promotion program within the organization, in order to help employees communicate better based on their understanding of each other's personalities. Also, we provided a Self-Check Tool for COVID-19 care and "personal and family video counseling" using our video call system to help employees maintain a healthy life even in difficult situations due to COVID-19.

## Family-friendly Program

In order to support the "life of employees and their families," LG Display offers a "life-cycle-based support program" based on an employee's life at the company divided into five different periods. Lifestyle resources are provided for singles as well as couples to be married, and pregnancy gifts and electromagnetic wave-shielding aprons are provided during the pregnancy and childbirth period. During the child-rearing period, we not only run Children's Day events (gifts) for employees' children but also conduct events for employees to enjoy with their children through online videos. During the education period of elementary, middle, and high school-aged children of our employees, we provide gifts for school admission and for students taking university entrance exams. Lastly, during the period in which employees are preparing for retirement and their children are no longer dependent on them, we provide a retirement preparation program to support a smooth transition to retirement for our employees, who dedicated themselves to LG Display.

LG Display provides various programs and systems from pregnancy and childbirth to child-rearing so that employees are able to focus on their work while raising their children in a stable environment. We protect the maternity of our employees through various means, such as the pregnancy registration system that actively supports pregnant employees, maternity leave and incentives that can be used before and after childbirth, both maternity and paternity leave, as well as nursing rooms and childcare facilities at each business site.

## LG Display, the Best Workplace

LG Display has been certified for excellence in family-friendly organizational culture through external awards. In the "Best Workplace" research study conducted by Aon Hewitt, the world's largest HR organization consulting firm, we won the "Best Workplace in Korea" award in 2017.

In addition, we received the Grand Prize for Family-friendly Management at the Global Standard Management Awards hosted by the Korea Management Registrar (KMR) for six consecutive years since 2015, and were elected into the Hall of Fame in this field. In particular, the family-friendly certification organized by the Ministry of Gender Equality and Family was renewed in 2020 and will be maintained until 2023. In the future, we will continue to do our best to establish a happy workplace culture and pursue management that is centered on human respect.

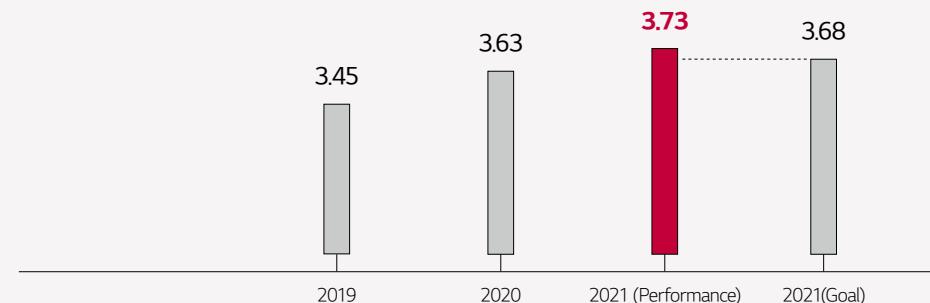
## Monitoring and Improving a Happy Workplace Culture

The Happy Workplace Team of LG Display conducts a company-wide satisfaction survey on the Happy Workplace activity for employees and organizations every year. The satisfaction level has been increasing every year since 2019 through continuously modifying and adding to the program. The program satisfaction in 2021 was 3.73 points, exceeding the goal.

Also, for major programs, we are conducting periodic monitoring activities to improve program satisfaction by listening to various opinions through the in-house advisory group. As an annual ERRC (Eliminate, Reduce, Raise, Create) activity, we are carrying out a "program in/out" system and are developing activities to solve problems and situations identified through various channels.

### Result of Satisfaction Survey

| Unit: points / 5-point scale





Material Issue 10



# Human Rights Management

## Human Rights Management

LG Display complies with the standards and laws of international organizations and organizations related to human rights and labor, such as the UN Declaration of Human Rights, the ILO\* Convention, and the OECD Guidelines for Multinational Enterprises. We have authorized a human rights guideline that focuses on the working environment of employees, guaranteeing legal freedom, respecting human dignity, and practicing the same with our business partners, based on the management philosophy of respect for humanity and the spirit of Jeong-Do Management. In 2021, we assessed domestic and overseas production subsidiaries and suppliers by the RBA\*\* and customers' requirements and took appropriate measures, such as process supplementation, for the two identified risks.

In addition, in 2021, a total of 26,584 employees completed training we conducted to improve awareness of the disabled and prevent sexual harassment in the workplace to prevent violations of human rights for workers. In the future, we plan to promote more active human rights management by upgrading our human rights management system. We will conduct a human rights risk assessment for all business sites and business partners to distinguish human rights risks that may arise from business activities and systematically handle the identified risks. Also, we will manage potential risks through regular monitoring every year and report any findings to the ESG Committee to respond proactively. In addition, we will internalize a culture of respect for human rights by providing human rights education for all employees and enhancing human rights protection by establishing a remedy procedure for human rights violations.

\* ILO: International Labor Organization  
\*\* Responsible Business Alliance (RBA): Industry assessment established for the sustainability and social responsibility within the global supply chain, consistent and effective standards for labor, ethics, health, safety and the environment, based on codes of conduct, laws and regulations

### LG Display Human Rights Impact Management System



### LG Display Human Rights Guidelines



#### Respect for Human Rights

We respect all executives and employees as human beings, and actively endeavor to prevent harassment and inhumane treatment such as sexual harassment, general harassment, and labor exploitation.



#### Compliance with Working Hours

We comply with the working hours set by the labor relations laws of each country and region. If there is no relevant law, we manage the weekly working hours to not exceed 60 hours via RBA regulations.



#### Prohibition of Forced Labor

We do not force employees to work against their free will by improperly restraining their physical or mental freedom. All work must be done voluntarily, and we do not withhold employee ID cards or related documents, and guarantee freedom of movement.



#### Wages and Benefits

We pay wages for regular and overtime hours that exceed the minimum set by national and regional labor laws and regulations. We provide pay stubs and do not reduce wages as a disciplinary action.



#### Non-Discrimination

We do not discriminate against employees based on gender, race, nationality, ethnicity, disability, religion, union activity, pregnancy and marital status, or disease infection.



#### Freedom of Association

We provide opportunities for communication among employees, guarantee freedom of association and 3 labor rights (the right to organize, collective bargaining, collective action), and prohibit disadvantageous treatment. We also respect the rights of workers to participate or not participate in these activities.



#### Compliance with Labor Laws

We regularly check/improve compliance with labor-related laws as well as ILO and RBA requirements in each country and region, and operate an online grievance committee to deal with employee grievances at all times.



#### Prohibition of Child\* Labor

Employment of minors under the age of 15 is prohibited, and personnel under the age of 18 are excluded from jobs with high health and safety risks. If child labor (under 15 years of age) is discovered, we will take immediate actions according to the prescribed procedures.

\* 'Child' refers to those under the age of 15 (or the age subject to national legal restrictions), or the age to complete compulsory education, or the minimum age for employment in each country, whichever is greater.



## Diversity and Inclusion

LG Display established "Nanumnuri," a subsidiary-type standard workplace for the disabled in 2012, to create quality jobs for the disabled. In addition, we are making efforts to expand diversity and inclusion in our workplaces by employing workers with disabilities. In the future, LG Display will continue to expand the business areas of Nanumnuri to promote employment of the disabled, while working hard to create a happy workplace where people with and without disabilities can work together and share the rewards.

### Practicing Diversity and Inclusion Through Nanumnuri

LG Display established "Nanumnuri" in 2012 to fulfill its corporate social responsibility by providing quality jobs for the disabled. Nanumnuri is our subsidiary-type standard workplace with the meaning of "sharing the world with the disabled," and we strive to create a happy workplace where people with and without disabilities can work together and share the rewards.

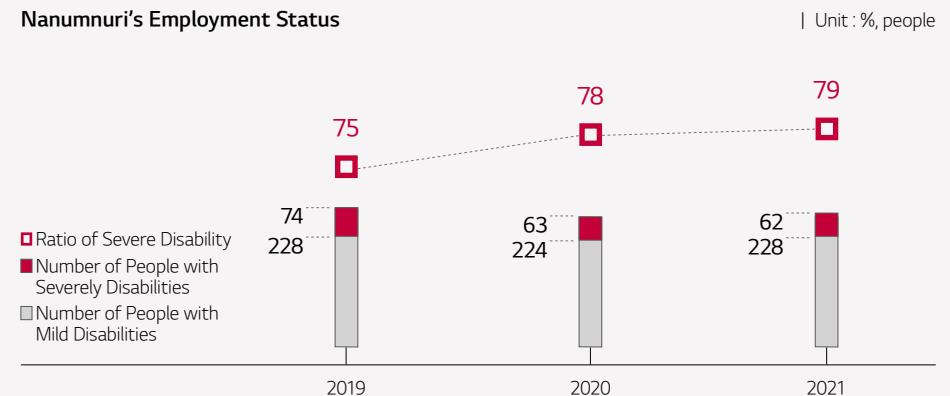
LG Display is supporting people with disabilities to communicate with the society and feel a sense of accomplishment by socializing with customers and co-workers, going beyond the stage of promoting economic independence in the workplace. Various people with physical, intellectual, visual, and hearing disabilities employed by Nanumnuri are working as baristas, health keepers, car washers, and street cleaners at LG Display's Paju and Gumi worksites. In particular, we are expanding quality jobs for the disabled by continuously discovering new jobs for them in places like fast food restaurants and convenience stores.

### Nanumnuri Employment Status

Nanumnuri signed a business agreement with the Korea Employment Agency for Persons with Disabilities in 2011 to create job opportunities for the disabled and severely disabled through personalized training. In addition, we are holding unscheduled and on-the-road interviews to hire the severely disabled first to provide more job opportunities, and depending on the disability, the interviewers personally go to meet the interviewees wherever is most convenient for them in the spirit of inclusion.

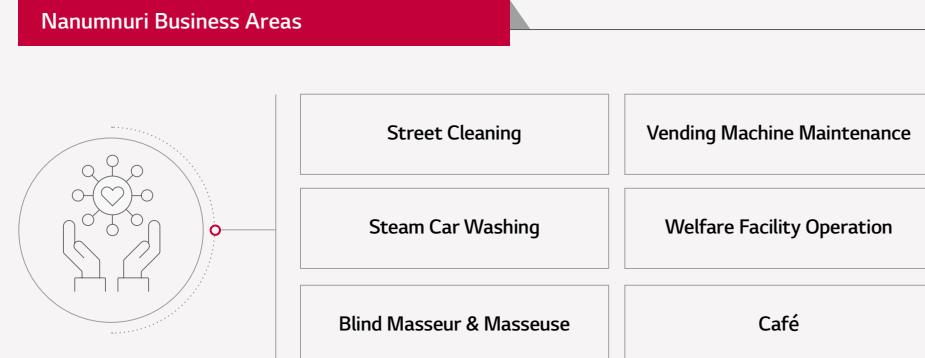
Through these efforts, the number of employees with disabilities in Nanumnuri increased more than fivefold from 56 (40 severe, 16 mild) at the time of establishment to 290 (228 severe, 62 mild) as of December 2021. Specifically, 79% are severely disabled (male and female) and 31.4% are women with disabilities (severe, mild). We made efforts to provide stable jobs to workers who have been excluded from the job market because of their disabilities. In total, Nanumnuri created 1,200 jobs for the last 10 years for people with and without disabilities and hired more than 2,500 people.

### Nanumnuri's Employment Status



Ratio of Employment of  
Severely Disabled  
Individuals

79%



## Nanumnuri's Working Environment and Performance

In recognition of its efforts to create employment for the disabled, Nanumnuri has received certifications and awards related to disabled employment from the government since 2013. In addition, Nanumnuri supports various systems for smooth job adjustment of workers with disabilities, such as providing job training appropriate to their aptitude for work, and providing individual mentoring for job supporters for the severely disabled and applicants who are slow learners.

Nanumnuri achieved a business performance of KRW 26 billion in 2021. By reinvesting a certain amount of the generated profits, it is working hard to improve the working environment for workers with disabilities. It introduced specialized cleaning equipment for employees with disabilities who belong to the street cleaning division, and introduced unmanned ordering kiosks for employees with disabilities working in cafés to reduce the workload during peak business hours.

In addition, Nanumnuri is working hard to create a safe workplace without obstacles by installing braille blocks, automatic doors, and guide rails. LG Display will continue to provide a safe and hassle-free working environment for workers with disabilities through Nanumnuri, and support the disabled in enjoying a happy life as a member of our society.



"The café atmosphere where disabled workers like me work is bright and lively, so there is no difficulty in adjusting to the new environment. There is no overtime or working on the weekends, and working five days a week allows me to balance work and life. It is nice to be able to use my personal leaves freely."

**Nuri Café Barista at Paju Manufacturing Base (female, 27 year old)**



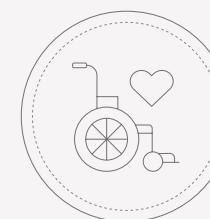
"Nanumnuri provides regular health consultations for employees, which helps them manage their health. In addition, various gifts such as gift certificates, gym clothes, blood pressure monitors, and holiday gifts are provided, which is liked by employees. I joined Nanumnuri and I am happily working, and I want to work until I retire. I hope that people with the same disability as me can join Nanumnuri so we can work happily together."

**Cleaner at Paju Manufacturing Base (male, 46 years old)**

## Nanumnuri Welfare Program

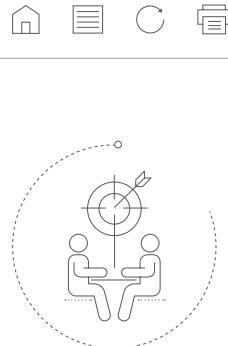
Nanumnuri also operates a disability care program for the welfare of employees with disabilities. In addition to programs such as health improvement, hobbies, and cultural experiences, we provide psychological counseling, food support, and residential improvement. In 2021, hobbies, leisure, and cultural experience programs were suspended due to COVID-19, but as part of the residential improvement project for the disabled, we selected those among our employees with disabilities who needed support and provided them with wallpaper, air conditioning, and hot water mats. In addition, Nanumnuri operates a medical expense support system as a welfare benefit for disabled employees who have a heavy burden of medical expenses, and through this, disabled workers can manage their health without financial burdens.

### Disability Care Program



<b>Medical Expenses / Sick Leave Support</b>	<ul style="list-style-type: none"> <li>Support for personal medical expenses (limit of 2 million won/year)</li> <li>Support for sick leave (up to 3 months)</li> </ul>
<b>Cultural Experiences</b>	<ul style="list-style-type: none"> <li>Exploring cultural relics, visiting museums, making wine, watching plays and movies, etc.</li> </ul>
<b>Psychological Counseling</b>	<ul style="list-style-type: none"> <li>Counseling → psychotherapy → job adjustment → follow-up</li> </ul>
<b>Residential Improvement/ Kimchi and Rice Support</b>	<ul style="list-style-type: none"> <li>Summer/winter season air conditioning and boiler support (4 people each)</li> <li>5kg of kimchi and rice per person (50 persons each in Paju/ Gumi)</li> </ul>
<b>Hobbies, Leisure</b>	<ul style="list-style-type: none"> <li>Baking/rice cake making, crafts/pottery classes, etc.</li> </ul>
<b>Health Improvement</b>	<ul style="list-style-type: none"> <li>Yoga, stretching, pilates, badminton, physical education for the disabled (new sports*), etc.</li> <li>Untact obesity program</li> </ul>

\* Sports created by transforming or combining major sports so that all people, including the disabled, the elderly, and children, can easily and safely enjoy and participate in it



# Labor-Management Communication

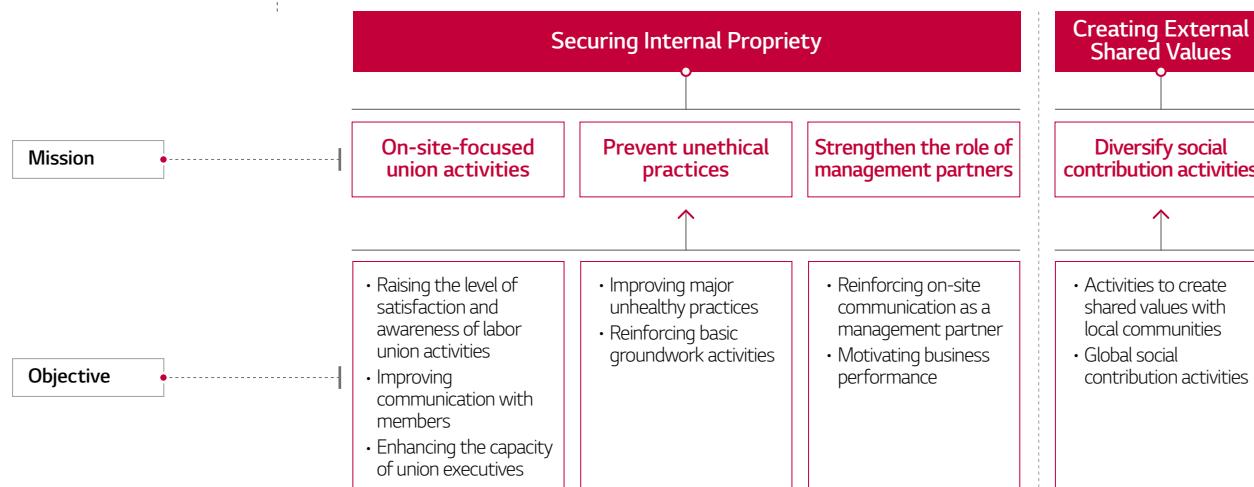
LG Display believes that establishing a labor-management relationship through continuous cooperation and communication between the company and its employees is essential to improving corporate competitiveness. Based on trust and respect between the company and its members, we are building a sound and proper labor-management relationship that enables mutual growth, and we are striving to fulfill our social responsibilities.

## Labor Union System

LG Display uses the term "labor-management relationship" to emphasize a communication mechanism with a mutually horizontal and equal relationship between employees and management. Our labor union has four missions and various detailed promotion tasks for the purpose of securing internal soundness and creating shared external values.

As of December 2021, the number of employees who joined the labor union at LG Display's domestic business sites was 16,167, or 57.4% of the total. The average union membership of employees at the six overseas corporations is 97.7%. Lastly, through smooth dialogue and cooperation between labor and management, we have upheld a non-dispute agreement since 1995, establishing a labor-management relationship that sets a model for other companies.

### Labor Union's Mission and Objectives



## Activities to Secure Internal Propriety

LG Display's domestic labor union has held an on-site meeting in 2021 to conduct on-site-oriented union activities and to address grievances by communicating closely with union members. In addition, in the midst of COVID-19, we expanded and deployed online communication activities by switching from face-to-face to contact-free in order to ensure safe communication for all. We plan to continuously develop this communication method to adapt to the changing times and the sentiments of our employees.

In order to prevent unethical practices, we conducted frequent communication activities during on-site meetings to address and correct improper practices such as workplace harassment, sexual harassment, verbal abuse and assault, as well as unreasonable behavior. The union also served as a window for identifying and correcting unethical practices. In particular, in regards to disciplinary actions regarding technicians, the union participates as part of a disciplinary committee to protect victims and make sure the accused accepts the verdict. Lastly, to reinforce the role of management partners, we are conducting communication activities with the CEO and other executives. In 2021, the union played a major on-site role in motivating better business performance.

## Labor-Management Council

LG Display is creating a labor-management relationship that enables mutual growth through information sharing and communication based on good faith with the labor union. To this end, the company has formed a labor-management council composed of equal numbers of employee representatives and management representatives (considering the COVID-19 situation, the importance of the council, etc., the number was adjusted to 3 to 10 people). Through the labor-management council, we are discussing improvements in productivity, performance distribution, recruitment and placement of employees, and management policies and performance. LG Display conducts collective wage negotiations through the labor-management council in the first quarter of every year, and continues to discuss improvements from time to time to resolve employee "pain points" through quarterly meetings. The contents of the collective negotiations agreed upon at the labor-management council are applied to all employees (100%).

## Activities to Create External Shared Values

LG Display's domestic and overseas labor unions are leading a paradigm shift in the labor movement by improving the quality of life of their members through active union social responsibility (USR) activities. In 2021, the domestic labor union carried out the "USR Love House Project" to improve the residential environment of the underprivileged in Paju, and received positive evaluations from the local community.

The labor unions of overseas corporations also carry out various types of social contribution activities to maintain friendly relations with the local community and to enhance the company's image. In 2021, the labor union of the Yantai corporation fulfilled its social responsibilities through quarterly community environmental improvement volunteer activities, support activities for the sale of crops for underprivileged farmers, visiting orphanages and delivering gifts, etc. The labor union of the Nanjing corporation provided various cultural experiences by holding events such as kimbap-making for students of a school for the blind, and provided refrigerators and bottled water to support medical staff suffering from the COVID-19 situation.

The Guangzhou cluster labor union planted trees in a park near the business site, visited vulnerable groups such as low-income households, the disabled, and the elderly to provide everyday necessities and carry out house remodeling activities. The labor union of the Vietnam corporation raised funds through fundraising activities to help local residents severely affected by typhoons and heavy rainfall. At the end of the year, they delivered everyday necessities and subsidies to the vulnerable in the area near the business site. LG Display's domestic and overseas labor unions will continue to strive to improve the image of the company and the unions through various social responsibility activities.



[Yantai] Volunteer work for environmental improvement



[Nanjing] Support for COVID-19 medical staff



[Guangzhou] Arbor Day event



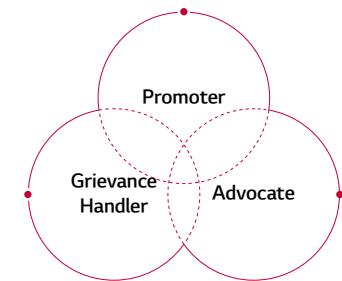
[Vietnam] Support for flood-damaged areas

## Improvement of Organizational Culture Led by the "Fresh Board," a Consultative Body for Office Workers

LG Display's Fresh Board (FB) serves as a communication bridge between the management and office workers as a representative body for office workers. The FB is key in improving the office workers' organizational culture. FB members are selected for each organization in charge, and consist of employees, senior officers, and superiors who are able to act as communication facilitators with passion and a sense of duty. As of the end of December 2021, a total of 125 people (36 from headquarters, 12 from Magok, 68 from Paju, and 9 from Gumi) are active as FB members.

The FB listens to the real voices and opinions of office workers and communicates with the management based on them. The FB of each organization plays the role of a promoter by delivering the company's policies to the members based on an understanding of the business situation, and tries to resolve members' grievances together with the company. In addition, office workers' opinions related to the system and organizational culture are represented and delivered to the company.

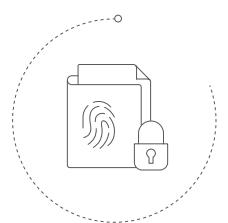
Suggestions and improvement activities are carried out through continuous communication activities such as quarterly company-wide FB meetings and monthly meetings, and we are actively participating in corporate culture improvement and social contribution activities. In 2021, during the FB meetings, through communication between the management and the FB, we have successfully negotiated issues such as the newly established self-development leave and extending maternity leave.



## Promotion of Labor-Management Communication and Grievance Handling

LG Display uses various communication channels to listen to the opinions of its employees. In addition to the labor-management council held every quarter, the company's management status and major improvement tasks are shared through various meetings such as workshops for staff, monthly meetings, etc.

In addition, by establishing a grievance handling system for all employees, we strive to resolve employee grievances such as workplace harassment, sexual harassment, verbal abuse and assault, and unreasonable behavior. The grievance handling system is operated anonymously, and the grievance handling committee thoroughly protects the identity of the complainant to prevent further damage such as retaliation for reporting.



# Information Security and Personal Information Protection

LG Display believes that it is essential for a company's sustainable activities to safely protect a variety of information, including business activity-related information, customer-related information, and employee-related information. We are making systematic efforts to protect the information of the company and internal and external stakeholders by designating a chief information security officer and operating an organization dedicated to information security. LG Display will continue to do its best to prevent information-related breaches through activities to raise employee awareness as well as regular security status monitoring and inspections.

## Information Security Policy

LG Display conducts security activities in accordance with the "Information Security Management Policy." Information security standards and guidelines are established and operated to protect important information assets in the company's management technology, and we ensure that all personnel related to the company's business, including employees, business partners, and visitors thoroughly comply with the information security policy.

### Information Security Management Policy



LG Display recognizes information security as an essential element of corporate management, and implements it according to the following principles to maintain business continuity and build internal and external trust.

- All personnel handling company information are responsible for complying with security policies and standards and actively protecting information.
- The establishment of a proper security culture through security education, inspection and communication is promoted.
- Adequate investments in security and reasonable levels of control are maintained.
- Security requirements in accordance with laws and contracts are fulfilled.
- Cooperating with partner companies and continuously improve the security system so that the entire supply chain maintains an equal level of security.

## Information Security Management System

LG Display strives to protect not only our trade secrets, but also the information of various stakeholders such as national core technologies and customer information. We are prepared for cyber-intrusion attacks through real-time security control 365 days a year, and at the same time, we are sparing no effort to strengthen security, such as regularly checking and taking measures for security vulnerabilities across the company's IT systems.

In the event of a security breach, we analyze the damage status and impact and respond urgently through the security accident response team consisting of the department in charge of information security as well as the department of information system implementation and operation. In addition, we are conducting security accident response training at least semi-annually to ensure a smooth response to security accidents.



ISO/IEC 27001  
Certification

## Information Security Governance

In order to protect various information of the company and its stakeholders, LG Display has designated the chief information security officer as the person in charge of information security and is operating an organization dedicated to information security. The company-wide security council, which is attended by security representatives from the business sector and related sectors, is held semi-annually to listen to the opinions from the worksites, which are applied to security policy activities. In addition, an organization dedicated to information security has been formed in our overseas corporations to establish and operate a security management system optimized for the corporate environment.



## Information Security Certification

LG Display has established an information security management system by applying the international standard ISO/IEC 27001 (Information Security Management System) correspondingly, and its effectiveness is objectively verified through annual certification audits.

## Violation of Information Security

LG Display, which has established and operated a systematic and professional information security system, has not experienced any information security violations or cyber security-related accidents for the past three years. In addition, no fines or negligence fee were paid due to security-related reasons, and there have been no customers whose data has been compromised due to cyber-infringements such as hacking. LG Display will make every effort to prevent information security accidents from occurring in the future.



## Reinforcing Employee Security Capabilities and Raising Awareness

LG Display regularly conducts security training and publicity activities to raise employees' security awareness and encourage voluntary compliance with security regulations. Every year, we conduct security training (e-Learning) for all executives and employees, and carry out promotional activities such as producing/distributing security notices (Monthly Security Notice, Empathy Plus) and promotional security videos (uploaded to LGD's official YouTube channel). In addition, we have designated the second Wednesday of July every year as "LGD Information Security Day" to form a consensus on security awareness across the company and establish a proper security culture. We also conduct various awareness-raising activities such as phishing email simulation training.



Blind dating tips from the security office [↗](#)

## Support for Suppliers to Strengthen Their Security Capabilities

LG Display has been holding a mutual growth workshop once a year since 2014 for those in charge of security work in our partner companies to improve the security management level of our partners and strengthen their capabilities. In 2021, because of the COVID-19 situation, an online seminar was held for the security team leaders/persons of 82 partner companies. In addition, we are making efforts to prevent information leakage concerning our partners, such as providing security guides necessary for collaboration with our core partners so that each partner can independently protect their core information.



Number of employees  
who completed personal  
information protection  
training (domestic)

**26,835**  
(99.99%)

## Protection of Personal Information

### Privacy Policy

LG Display's personal information protection management system applies to all domestic and foreign corporations, joint ventures, and personal information processing consignees and sub-consignees. LG Display's personal information protection is included in the company-wide compliance management area, and it is one of the major risk areas of the annual compliance check and compliance education to diagnose and prevent risks.

In order to protect the personal information of stakeholders including our employees and customers, LG Display designated a person in charge of personal information protection for each organization and enacted a "Personal Information Handling Policy" based on the Personal Information Protection Act with which employees and workers must strictly comply. In addition, we are distributing the "Personal Information Protection Guide" and conducting regular training so that all employees can recognize the importance of personal information protection and apply it to their work.

[Privacy Policy ↗](#)

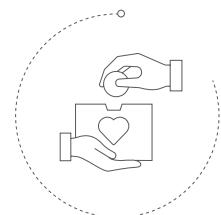
### Personal Information Protection Management and Accident Prevention

When personal information is required for business purposes, LG Display obtains consent from the information subjects about the purpose of information collection and use, items to be collected, retention and use period, etc. To prevent the abuse or leakage of collected personal information, we conduct regular internal audits at least once a year in compliance with the personal information protection management plan, and operate an incident response system to promptly recognize and respond to unexpected personal information leakage incidents.

In addition, we are conducting information protection education once a year so that employees can recognize the importance of personal information protection management. In 2021, 26,835 employees completed the personal information protection training. This is a completion rate of 99.9%. Through this training, we are proactively preventing personal information breach accidents. In 2021, there were no requests for improvement or complaints related to personal information protection received from regulatory agencies or data subjects. In the future, LG Display will continue to strengthen its personal information protection system to safely protect the personal information of its employees, customers and stakeholders.



# Corporate Social Responsibility



As a trusted global company, LG Display is carrying out various Corporate Social Responsibility (CSR) activities to pursue mutual growth with the local community. We conduct various CSR activities in the fields of education/technology, health care, environment/safety represented mainly by the IT power plant as well as the Eye Health program, which is based on the characteristics of our business. We also run programs for employee participation. In the future, we will continue to strive to maximize social value creation by carrying out more systematic and active CSR activities under our CSR mission of "showing a better future for the next generation."

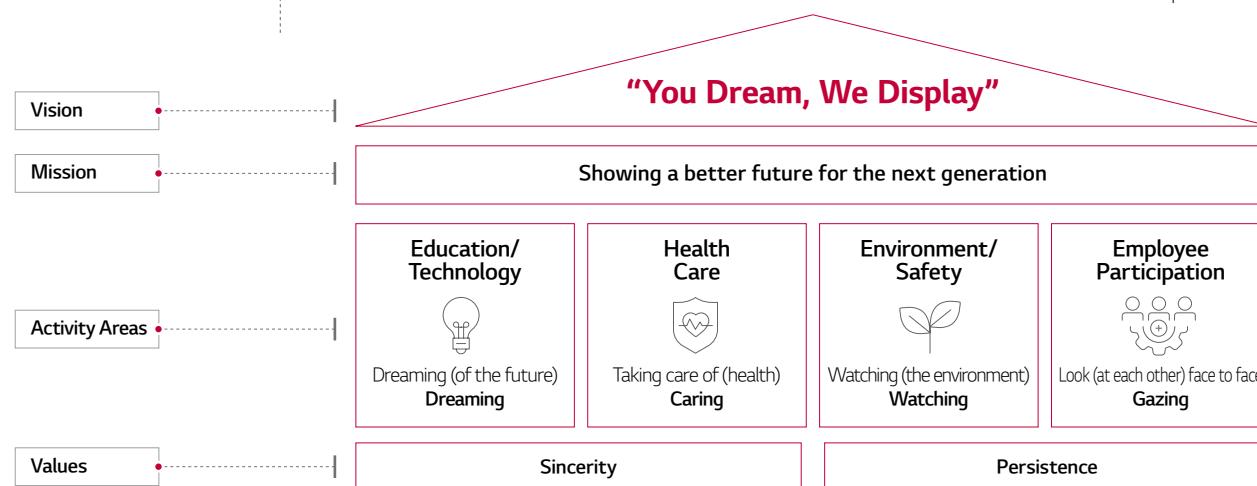
## Corporate Social Responsibility System

LG Display is carrying out CSR activities based on the mission of "showing a better future for the next generation" and the following three SDGs\*: 4. Quality education, 11. Sustainable cities and communities, and 13. Climate change response. All employees are actively participating in resolving social problems, such as volunteer activities for the education and welfare of vulnerable children and youth, protecting the local community and environment, and operating CSR programs that utilize LG Display's unique strengths.

Based on this social contribution direction, LG Display operates company-wide and regional social contribution steering committees to promote transparent and efficient CSR activities to review annual social contribution plans, directions, as well as budgets, and regularly reviews regional business plans and results.

In addition, to strengthen the external transparency of the company's donation activities, the donation review committee was newly established in 2018 and has been in operation ever since. The Donation Review Committee evaluates the appropriateness and plans for donations of KRW 10 million or more.

\* SDGs: Sustainable Development Goals



## CSR Activities in the Field of Education/Technology



### IT Power Plant: Resolving the information gap by supporting IT power plants for childcare facilities



The IT power plant is LG Display's major social contribution activity as an IT education environment support project to bridge the information gap for underprivileged children. In 2021, we implemented a project to enhance the functions of five existing facilities in Korea, and established a new IT power plant in Haiphong, where our Vietnamese corporation is located. As of 2012, we have opened 58 facilities and are continuously reinforcing our facilities. We will continue to develop the IT power plant business in consideration of business characteristics.



### Dream Fulfillment Project: Providing opportunities for dream fulfillment and growth for the underprivileged through customized dream support

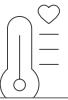
The Dream Achievement Project supports the dream fulfillment and growth of the underprivileged through personalized dream support regardless of age or gender. The Dream Achievement Project, first started in 2021, supported the dreams of a total of 3 people, a marathon runner in a wheelchair, a young flutist, and a late bloomer student. LG Display will continue to support them for the next five years to support the dreams of the underprivileged.

Dream Fulfillment Project

### LGD Hope Wings Club: Tuition support for gifted youth from low-income families through the executive/manager scholarship association

Since 2011, through the "Wings of Hope Talent Development Program" sponsored by company-wide executives and managers, we have been supporting the dreams of gifted youths suffering from financial difficulties in the arts, sports, science and engineering fields. In 2021, we supported the dreams of 18 people with World Vision. Since 2011, 181 young people have entered high schools and universities in each field and achieved excellent results in various domestic and international competitions.

## CSR Activities in the Field of Health Care



### Eye health protection activities: Spreading the importance of eye health through eye health projects

From 2020, in consideration of the increasing prevalence of myopia among children and adolescents due to the early use of IT devices, we conducted an eye health promotion program centered on preschool and early elementary school age children. To educate children on the importance of eye health, we are continuously running the eye health musical "Chorong Chorong Eye Health Class" for children in culturally underprivileged areas and spreading the importance of eye health by conducting eye examinations for children in medically vulnerable regions while adhering to COVID-19 regulations.



### Dementia Safe Village Environment

In order to create a healthy living environment for dementia patients in the regions of Paju and Gumi, LG Display provided care products and nutritious meals to families with dementia. In addition, we are contributing to the creation of a dementia-friendly environment by improving the environment of the dementia-safe village in Paju and reinforcing safety facilities.



## CSR Activities in the Field of Environment/Safety



### Creation of DMZ Bird Cherry Tree Ecological Forest

On World Environment Day in June, LG Display employees worked hard to restore the ecological forest in the DMZ by Sunaecheon Stream by planting 600 cherry tree saplings incubated at home by employees or in the company building.



### Activities to Improve the Forest Environment Near the Paju Plant

We are contributing to the development of the local environment by reducing negative environmental impacts and revitalizing polluted areas by supporting the vegetation work of Mt. Wollong, located near the Paju plant.



### Creation of a Safe Area in Cooperation With Local Government Offices

In cooperation with the police, solar lights were installed in the village shelters and improved nighttime visibility, thereby enhancing the sense of safety for local residents and contributing to the prevention of crime. In addition, we contributed to the establishment of a safe Gumi city by supplying residential firefighting systems in rural villages located far away from fire stations and improving the working environment of firefighters.



## Employee Participation Activities - Domestic



### LGDream Fund and Electronic Donation Box

LG Display encourages employees to voluntarily participate in donations through the online donation platform LGDream Fund and electronic donation boxes installed at each business site. In 2021, over 5,000 employees donated approximately KRW 300 million to help underprivileged children and neighbors in need at home and abroad.

### Value Consumption Campaign

To help farmers suffering from COVID-19, we launched a value consumption campaign to encourage employees to purchase local agricultural products. Together with the company, about 5,000 employees purchased agricultural products worth around 400 million won. What the company purchased was delivered to 4,500 underprivileged people in the local community.

### "Miracle of Christmas," a Donation Campaign for Children from Low-income Families

"Miracle of Christmas" is a donation campaign in which employees become Santa for children from low-income families. Through the participation of LG Display executives and employees, in 2021, approximately 1,000 children received their desired Christmas presents.

### Social Contribution Subscription Campaign

In 2021, we launched a social contribution subscription campaign to support "startup social enterprises" that support the independence of the socially disadvantaged, such as single mothers, the disabled, and children from underprivileged families. Through a social contribution subscription campaign that combines subscriptions and crowdfunding, employees can contribute to solving social problems by consuming social enterprise products, and social enterprises can secure potential customers and lay the foundation for sustainable growth.

### ESG-linked Employee Participation Activities

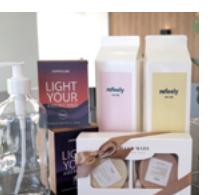
We are operating various participation-type ESG campaigns so that our employees can participate in environmental protection in their daily lives. We want to raise employees' awareness of ESG by encouraging them to participate through social contribution activities such as the installation of in-house smart separate waste boxes, the operation of the carbon-reducing meal campaign "Angel Menu," and the Green Campaign for children's climate education.



Electronic Donation Box



Miracle of Christmas



Social Contribution Subscription Campaign

## Employee Participation Activities - Overseas



### The Environmental Protection Campaign Conducted by the Guangzhou Bases

The three Guangzhou branch corporations jointly carried out the "environmental protection campaign." Environmental protection was practiced by starting the campaign with picking up trash at Science City Sports Park and Oksu Park in Hwangpo-gu, followed by various activities such as eco-friendly quizzes and mini games.



### Community Volunteer Activities Conducted by the Guangzhou Bases for Neighbors Who Need Help

For the Mid-Autumn Festival, volunteers in Guangzhou provided consolation services to neighbors in need, including the elderly living alone. The volunteers delivered milk and honey as gifts.



### Nanjing Base Delivers Comfort Items to Street Cleaners

Volunteers at the Nanjing Corporation delivered comfort items made up of thermal insulation products and household health products to street cleaners working in the Nanjing Regional Development Zone on Lunar New Year.



### Yantai Base Conducts "Fruit of Love" Donation Activity

Yantai Corporation has established a long-term partnership with the Yantai Special Education School and is continuing its responsibility as a social enterprise through the "Fruit of Love" event every winter. In 2021, it donated 810 kg of apples to children at the Yantai Special Education School.

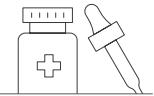


### Vietnam Base Cleans Martyrs' Park

The Vietnam Corporation is carrying out various social contribution activities to develop the spirit of community and coexistence with the local community by cleaning the An Hung Public Cemetery located in Anduong District, Haiphong City.



## Support for Overcoming COVID-19



### Provision of Supplies to Selected Medical Centers to Overcome the Heat Wave

In an effort to respond to COVID-19 amid the heatwave, we urgently provided supplies to overcome the heat wave for the dedicated medical staff at screening clinics. Mobile air conditioners, large fans, shade screens and freezers for storing ice towels, etc. were installed at 5 screening clinics near the Paju and Gumi plants, and 20,000 bottles of ionized beverages and mineral water were also provided. In addition, by installing a screen for shade in the waiting area for local residents waiting for to be tested, we supported both healthcare workers and patients to overcome COVID-19 during the heat wave.



### Sponsorship of Daily Necessities for the Underprivileged to Overcome COVID-19

We provided daily items tailored to age and gender for the underprivileged in Paju, where life has become difficult due to COVID-19. With kits made up of hygiene products and daily necessities, a warm impression of our company was delivered to the underprivileged who are undergoing difficulties.

### Purchase of Agricultural Products in Paju and Support for the Underprivileged

We contributed to revitalizing the local economy by purchasing Paju's specialty products, such as pears, soybeans, and new rice, and supported farm families and the underprivileged affected by COVID-19 by purchasing necessities for them.



# Social Data

## Health and Safety

### Accident Rate

Category	Unit	2018	2019	2020	2021
Accident rate ((Number of Accidents / Number of Workers) X 100 )		0.029	0.035	0.024	0.016
Work Loss Accident Rate LTIFR	Executives & Employees #/1M Working Hours	0.138	0.187	0.098	0.119
	Partners #/1M Working Hours	0.393	0.336	0.310	0.602
Number of Occupational Fatalities	Executives & Employees People	0	0	0	0
	Partners People	1	0	0	2

\* LTIFR(Lost Time Injury Frequency Rate): The ratio of the number of work loss cases to 1 million working hours

\*\* Existing data has been recalculated and revised based on the difference in government approval time for industrial accident personnel

## Supply Chain Management

### Suppliers Status by Type

Category	Unit	2021
Number of Suppliers	Tier 1 Supplier	Units
	Key Tier 1 Supplier	Units
	Key Secondary and Above Suppliers	Units
Proportion out of total purchase cost	Tier 1 Supplier	%
	Key Tier 1 Supplier	%

\* Based on the 2021 Suppliers ESG Assessment (see pp. 40-41)

## Supplier Sustainability Risk Assessment

Category	Unit	2021
Number of Risk-assessed Suppliers	Tier 1 Supplier	Units
	Key Secondary and Above Suppliers	Units
Percentage of Risk-assessed Suppliers	Tier 1 Supplier	%
	Key Secondary and Above Suppliers	%
Number of High-risk Suppliers	Tier 1 Supplier	Units
	Key Secondary and Above Suppliers	Units
Percentage of High-risk Suppliers	Tier 1 Supplier	%
	Key Secondary and Above Suppliers	%

\* Based on the 2021 Suppliers ESG Assessment (see pp. 40-41)

## Cycle of On-site Inspection of Suppliers

Category	Unit	2021
Key Suppliers (1st + 2nd and above)	Annual Implementation Rate %	274
	Ratio of implementation within at least 3 years %	-
	Total %	274
High-risk Suppliers	Annual Evaluation Rate %	70
	Conducted at least every 3 years %	-
	Total %	70

\* Based on the 2021 Suppliers ESG Assessment (see pp. 40-41)

## Improvement Plan for Suppliers

Category	Unit	2021
Suppliers identified as high-risk that introduced a corrective action plan	%	100
Suppliers who have improved their ESG performance within 12 months after introduction of corrective action plan	%	100

\* Based on the 2021 Suppliers ESG Assessment (see pp. 40-41)

## Conflict Minerals

Category	Unit	2019	2020	2021
Proportion of sales including conflict minerals	%	-	-	-
Proportion of sales of products from suppliers verified as conflict-free in areas where conflict minerals are generated	%	100	100	100

## Proportion of Spending by Local Partners at Manufacturing Bases

Category	Unit	2019	2020	2021
Korea	%	74	66	63
China	%	56	54	58
Vietnam	%	68	41	30
Poland	%	100	-	-

\* Poland withdrew its business in 2019



## Human Resources Management

### Employee Remuneration

Category		Unit	2019	2020	2021
CEO Remuneration		KRW	1,541,000,000	1,317,000,000	1,340,000,000
Employee Remuneration	Excluding the CEO (or equivalent)	Average	KRW	68,000,000	70,000,000
	CEO compensation ratio compared to the average annual salary of all employees excluding the CEO	Average	Times	22.66	18.81
By Rank	Executive level (Base salary)	Male	KRW	308,741,000	304,871,739
		Female	KRW	270,000,000	270,000,000
	Executive level (Base salary + other cash incentives such as bonuses)	Male	KRW	364,420,222	349,985,275
		Female	KRW	305,000,000	310,004,000
	Manager level (Base salary)	Male	KRW	77,714,930	78,331,208
		Female	KRW	76,210,316	74,428,837
	Manager level (Base salary + other cash incentives such as bonuses)	Male	KRW	84,358,898	84,842,513
		Female	KRW	83,184,433	81,167,697
	Non-manager level	Male	KRW	53,352,228	53,818,459
		Female	KRW	46,864,449	44,926,123
* LG Display is based on the principle of equal pay for equal work, and there is no wage gap between men and women according to the policy. The wage gap between men and women results from differences in the proportion of employees by service period.					

### Employee Status

Category		Unit	2019	2020	2021
Domestic	Male	People	23,080	22,472	23,812
	Female	People	4,330	4,064	4,376
	Sub Total	People	27,410	26,536	28,188
Overseas	Male	People	19,994	21,605	25,770
	Female	People	13,025	15,219	16,749
	Sub Total	People	33,019	36,824	42,519
Total		People	60,429	63,360	70,707

### Internal Recruitment

Category	Unit	2018	2019	2020	2021
Internal Recruitment Rate*	%	29.1	42.6	32.3	27.8

\* Percentage of Open Positions Filled by Internal Candidates

### Employee Diversity

Category	Unit	2019	2020	2021
Male Ratio	%	71.3	69.6	70.1
Female Ratio	%	28.7	30.4	29.9
Manager level female employees	%	-	11.0	10.9
Junior Manager level female employees	%	-	14.5	14.5
Executive-manager level female employees	%	-	7.1	6.3
Female Managers in sales generating departments	%	-	9.4	9.3
STEM*-related female employees	%	-	26.5	29.1
Korea	% of total employees	%	-	42.6
	% of total manager positions	%	-	52.1
China	% of total employees	%	-	35.7
	% of total manager positions	%	-	31.5
Vietnam	% of total employees	%	-	21.3
	% of total manager positions	%	-	15.5
Others	% of total employees	%	-	0.4
	% of total manager positions	%	-	0.9
Disabled Individuals	%	-	2.6	2.7
Subjects of Veteran Care		%	1.1	1.1
Under 30	%	-	48.8	49.4
	31-50	%	-	46.3
	Over 50	%	-	1.3
Other**	%	-	3.6	3.0

\* Science, Technology, Engineering, Math

\*\* Unable to verify due to deletion of personal information such as those who have left the company

※ New data collection from 2020 due to changes in data calculation standards

### Employees – Vulnerable Groups

Category	Unit	2019	2020	2021
Disabled Individuals (including Nanumnuri)	Personnel	People	727	713
	Ratio	%	2.6	2.7
Subjects of Veteran Care	Personnel	People	299	284
	Ratio	%	1.1	1.1



### Employee Recruitment

Category		Unit	2018	2019	2020	2021
Total	Office Workers	Junior	People	634	527	191
		Senior	People	93	107	75
	Technicians	Junior	People	-	-	941
		Senior	People	-	-	85
Gender	Male	People	590	489	183	2,071
	Female	People	137	145	83	504
Age	Under 30	People	561	449	167	2,201
	30-50	People	89	88	75	358
	Over 50	People	5	9	2	16
	Other	People	72	88	22	-

### Employee Turnover

Category	Unit	2018	2019	2020	2021
Total Turnover	%	11.7	13.3	2.6	3.1
Voluntary Turnover	%	11.0	12.1	2.0	2.8

### Average Tenure

Category	Unit	2019	2020	2021
Average Tenure	Years	10.6	11.6	11.5

### Employee Training

Category	Unit	2019	2020	2021
Total Number of Trainees	People	26,978	27,752	29,233
Total Training Hours	Hours	1,041,145	758,505	1,645,130
Annual average training hours per employee	Hours	39	27	59
Average training expenditure per employee	KRW	303,000	74,440	363,498

\* Number of people with 'completed' history among total education history (including retirees and new hires)

### Employee Training – by Position (2021)

Category	Total Training Hours	Number of People	Training Hours per Person
Executives/Officers	14,277	176	81.1
Office Workers	987,742	11,680	84.6
Technicians	643,111	15,847	40.6
Total	1,645,130	27,703	59.4

### Regular Performance Evaluation

Category	Unit	2019	2020	2021
Employees Subject to Regular Performance Evaluations and Career Development Assessments	People	26,614	26,285	26,234
Proportion of Employees Subject to Regular Performance Evaluations and Career Development Assessments	%	96.3	98.7	92.1
Management of Objectives (MBO): Percentage of employees who are systematically using measurable goals discussed with their supervisors	%	-	8.6	36.6
Percentage of employees conducting multi-faceted performance evaluation (360° feedback, etc.)	%	-	97.0	89.7
Ranking through comparative analysis among employees within the same position	%	-	-	-
Sub Total	%	96.3	98.7	92.1

### LG Way Survey(Employee Engagement Rate)

Category	Unit	2019	2020	2021
Data Range	%	100	100	100
Positive Response Rate	%	81.7	81.2	82.9

\* The data range is 100% of surveyed employees

### Number of People Enrolled in Pension Support

Category	Unit	2019	2020	2021
Defined Benefit Plan (DB)	People	27,241	26,628	26,222
Defined Contribution (DC)	People	95	85	125

### Parental Leave Users

Category	Unit	2019	2020	2021
Employees on Parental Leave	People	887	799	985
Employees who returned to work after Parental Leave	People	855	784	939
Rate of Returning Employees	%	96.4	98.1	95.3
Employees who have worked for more than 1 year after returning from Parental Leave	People	316	276	442



## Human Rights Management

### Human Rights Assessment and Commitment

Category	Unit	2019	2020	2021
Self-management Activities	Evaluation of potential human rights issues (total percentage evaluated in the past 3 years)	%	86.5	89.6
	Percentage of identified risks among those evaluated	%	100	34.6
	% of mitigation/remedial action processes applied against risks identified	%	100	100
Contractors and Tier 1 Suppliers (Tier 1)	Evaluation of potential human rights issues (total percentage evaluated in the past 3 years)	%	100	100
	Percentage of identified risks among those evaluated	%	22.7	33.3
	% of mitigation/remedial action processes applied against risks identified	%	100	100

### Human Rights Education

Category	Unit	2019	2020	2021
Training Hours	Group Training	Sexual Harassment Prevention Education	Hours	-
		Other Education	Hours	182
	E-learning	Sexual Harassment Prevention Education	Hours	28,963
		Jeong-Do Management Course	Hours	6,540
Number of Trainees	Group Training	Sexual Harassment Prevention Education	People	-
		Other Education	People	8
	E-learning	Sexual Harassment Prevention Education	People	28,963
		Jeong-Do Management Course	People	10,900

\* Number of people who have 'completed' the relevant training (including retirees and new hires)

## Labor-Management Communication

### Employees Subject to Labor Union and Collective Bargaining- Domestic

Category	Unit	2019	2020	2021
Number of Labor Union Members	People	15,428	15,318	16,167
Number of Eligible Employees	People	27,410	27,011	28,188
Membership Proportion	%	56.3	56.7	57.4

### Employees Subject to Labor Union and Collective Bargaining- Overseas (2021)

Category	Unit	CA	CO	GZ	NJ	YT	VH
Number of Labor Union Members	People	2,132	2,414	5,441	7,928	3,065	17,465
Number of Eligible Employees	People	2,132	2,419	5,502	8,590	3,251	17,467
Membership Proportion	%	100.0	99.8	98.9	92.3	94.3	100.0

### Number of Grievances and Handling

Category	Unit	2019	2020	2021
Grievances related to social impact	Cases	64	39	60
Grievances in process	Cases	-	-	17
Closed Grievances	Cases	64	39	43



## Information Security and Personal Information Protection

### Information Security/Cyber Security Violations

Category	Unit	2019	2020	2021
Number of information security violations or cybersecurity incidents	Cases	-	-	-
Number of information security violations/accidents related to customer personal information	Cases	-	-	-
Number of customers impacted by the company's data breach	People	-	-	-
Total amount of fines or defaults paid for information security violations or cybersecurity incidents	KRW	-	-	-

### Violation of Customer Information Protection

Category	Unit	2019	2020	2021
Number of complaints received or substantiated by government regulators	Cases	-	-	-
Number of complaints received or substantiated by third party external organizations	Cases	-	-	-

## Corporate Social Responsibility

### Performance

Category	Unit	2019	2020	2021
Investment in CSR	CSR Expenses	1m KRW	2,981	2,171
Participation in CSR	Number of CSR Programs	Volunteering Cases	1,505	272
	Donations People	46	98	100
	Number of Employees Participating In CSR (duplications included)	Volunteering People	10,173	1,374
	Donations 1m KRW	49,605	46,488	50,263
	LG Dream Fund Hours	246	244	313
	Employee Volunteer Hours %	35,673	3,172	3,252
Expenditure by charitable activity type	Charitable Donation %	191	20.1	26.5
	Community Investment %	55.9	15.6	62.9
	Commercial Initiatives (public interest marketing, etc) %	25.0	64.3	10.6
	Total	100.0	100.0	100.0
CSR Input Cost	Cash Donations	1m KRW	2,452	1,960
	Volunteer Hours (weekends excluded)	1m KRW	1,153	98
	In-kind Donations	1m KRW	4	20
	Business Expenses (management expenses)	1m KRW	524	191
				283



## SECTION

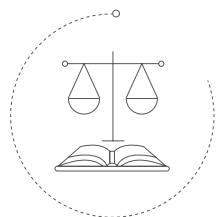
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## GOVERNANCE

A company's sustainable growth requires a transparent and sound governance structure and trust with stakeholders. LG Display is building a transparent governance structure based on Jeong-Do management and Compliance management. We will strengthen the expertise and diversity of the BOD and committees and do our best to protect the rights and interests of stakeholders.



Jeong-Do Management	69
Compliance Management	71
Board of Directors and Committees	72
Protection of Shareholder Rights	76
Risk Management and Crisis Management System	77
Governance Data	79



# Jeong-Do Management

LG Display is practicing fair management through LG's unique behavioral method that pursues fair competition by continuously cultivating competence based on ethical management. We are striving to secure transparency in corporate management by establishing the fair management organizational system, conducting related education and cultural expansion activities, and operating a whistleblower reporting system. In the future, we will continue to practice the spirit of "Jeong-Do Management" to protect the honor and pride of LG's people while at the same time enhancing the essential competitiveness of the company.

## Jeong-Do Management

Fair management refers to LG's unique behavioral method that pursues fair competition by continuously cultivating competency based on ethical management. Fair management as a behavioral method for practicing our management philosophy consists of three behavioral principles: honesty, fair treatment, and fair competition based on competence. Through fair management, we can create value for our customers and practice management that respects human beings.



## Jeong-Do Management Organization

LG Display has established a fair management organizational system for company-wide practice of fair management. The Ethics Secretariat, the promotion organization, conducts fair management education and public relations activities to investigate and prevent corruption, which is identified through the receipt of reports or diagnoses. Management Diagnosis Teams 1 and 2 perform business process diagnosis and management consulting. In addition, by operating a separate Chinese diagnosis team, we are raising awareness of fair management and fostering a culture of fair management among our Chinese corporations. This team conducts investigations on corruption in China, performing diagnosis on the process, and providing local customized training.

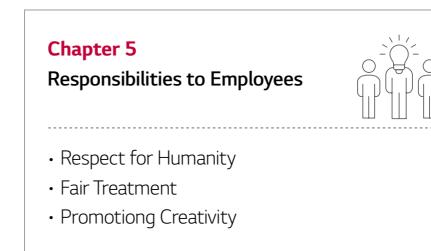
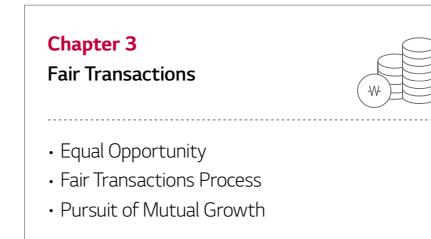
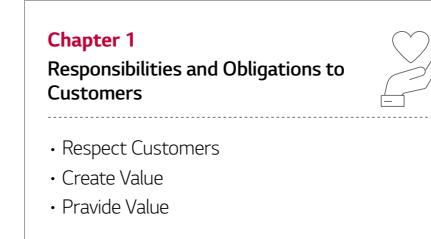
### Jeong-Do Management Organizational System



## LG Code of Ethics

"All LG employees will observe and practice the Code of Ethics."

In order to practice fair management, LG has established a code of ethics, which is the standard for correct behavior and value judgments that all employees must follow, and is shared with all employees and stakeholders. The LG Code of Ethics consists of the Code of Ethics, which is a declarative code of ethics, and the Code of Ethics Practice Guidelines, which provide specific principles of conduct. Based on this, we are operating relevant regulations and systems.





## Jeong-Do Management Training

LG Display is conducting fair management training appropriate to their duties and positions in order to cultivate and internalize the knowledge of fair management at the company-wide level. We provide customized training for new/experienced employees as well as for each department/position and training for managers, and provide various online/offline training for overseas local recruits to inspire the mindset of Jeong-Do management. In addition, online training\* for all employees is conducted on a regular basis.

\* Every other year in Korea, every year in China/Vietnam



No. of People  
with Jeong-Do  
Management Training

**63,974** People



Jeong-Do  
Management Training  
Hours

**41,660** hours

## Spreading the Jeong-Do Management Culture

In order to enhance understanding of fair management and encourage employees to participate, we are carrying out promotional activities for fair management through various channels such as blogs and newsletters. In particular, since 2015, we have shared the value of fair management by distributing the fair management newsletter in the local language to the regions where LG Display's overseas business sites are located, while striving to improve the ethical awareness of local employees. In addition, we have developed our own fair management application so that employees can easily check the code of ethics anytime, anywhere and communicate with the department in charge of fair management.

## Pledge to Practice Jeong-Do Management

All executives and employees are aware of the importance of fair management in performing their duties every year, and to comply with it, they write a pledge every year to practice fair management. The pledge contains the employees' commitment to comply with the company's code of ethics and practice fair management. In 2021, 27,796 employees signed the pledge to practice fair management. Partners that do business with LG Display are also reinforcing their will to participate in fair management by writing a pledge to practice fair management together with the business contract.

## Operation of Whistleblower Reporting System and Protection System

In order to prevent violations of the Code of Ethics in advance and to practice fair management to combat corruption, we are operating a reporting system including a cyber sinmungo (a type of traditional drum). In addition, we are also engaging in activities to resolve grievances concerning partners that may arise during transactions with LG Display. Regarding the informant and the contents of the report, a thorough protection system is in place to prevent any disadvantage to the informant. In the event of the informant being disadvantaged, the situation will be restored or adequate compensation will be made. In addition, through a reward system for reporting corruption, we compensate employees and external whistleblowers, which contributes to the actual eradication of misconduct and the vitalization of misconduct reporting.

### Actions Subject to Cyber Sinmungo Reporting



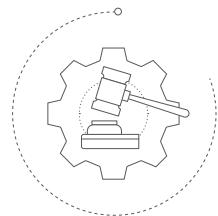
- [1] Receiving compensation from stakeholders
- [2] Unfair equity participation in partners
- [3] Lack of transparency in selecting partners
- [4] Illegal or unfair use of company assets
- [5] Manipulation of documents and data, false reporting
- [6] Violation of other codes of ethics

## Web Portal for Jeong-Do Management

LG Display is operating the "Jeong-Do Management Portal" to support employees in making correct decisions from the perspective of fair management. Through the Jeong-Do Management Portal, employees check various contents such as fair management principles and systems, including the Code of Ethics, as well as the fair management newsletter. The portal makes self-reporting and reporting unethical behavior such as sexual harassment easier and provides convenient access to counseling related to fair management. LG Display will systematically and continuously develop all activities to prevent violations of fair management in advance and correct and improve incorrect business practices.



# Compliance Management



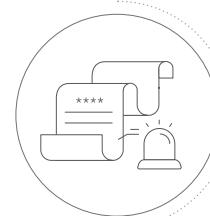
LG Display is practicing compliance management to establish a foundation for survival and practice sustainable management in a rapidly changing business environment due to intensified corporate competition, diversified stakeholders, enforced regulations on fair trade and environmental protection, and intensifying requests for corporate ethical awareness and social responsibility. We will continue to strive to become a trusted company and maximize corporate value by fulfilling our responsibilities to various stakeholders by monitoring and inspecting the compliance risks and implementing education to establish a culture of compliance.

## Compliance Risk Management System

Based on the compliance officer system under the Commercial Act, LG Display identifies all laws that must be complied with during management activities and identifies, analyzes, and evaluates risks that may arise in relation to business performance and organizational operation. When identifying, analyzing, and evaluating risks, we select key management areas closely related to the business and categorize risk behaviors that may occur in the course of business activities. We select categorized risks as major risks according to their probability of occurrence and impact, and conduct annual risk control activities (inspections, education, etc.) based on these.

Based on the risk identification, analysis, and evaluation results, we are planning and improving control measures to reduce the company's compliance risk. In addition, the compliance risk management system is continuously supplemented and improved by annually evaluating the effectiveness of the compliance control system and reporting the results to the BOD.

### Risk Management



Fair Trade	HR & Labor
Safety	Environment
Information Protection	Company General Affairs
Intellectual Property Rights	Product Quality
Strategic Investment	Trade
Finance	Anti-Corruption/Bribery

## Compliance Risk Monitoring and Inspection

For effective compliance risk management, LG Display selects risks to be intensively inspected every year and conducts themed inspections. Regular compliance inspections are conducted not only in domestically but also in overseas business sites to secure uniformity in compliance risk management between the headquarters and overseas corporations, while reinforcing responses to global issues. In particular, in 2021, we inspected risks related to fair trade, such as collusion and violation of the subcontracting law, and conducted compliance inspections on all overseas corporates, carrying out improvement tasks according to the inspection results.

## Establishment of a Compliance Management Culture

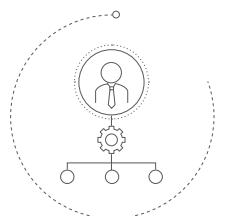
### Compliance Training

LG Display conducts various compliance training activities for its employees so that compliance management can naturally take root in the corporate culture. In 2021, online compliance training was conducted for domestic office workers to raise employees' awareness of overall compliance, including trade secrets, anti-corruption, HR, and a safe environment. In addition, we provided in-depth training on subcontracting for employees who are involved in purchasing-related tasks to raise awareness of compliance risks that are specialized for their tasks. In 2022, we plan to provide online compliance training by expanding the training target to employees of all overseas business sites.

### Building a Compliance Portal

In 2021, LG Display built a compliance portal to advance various compliance-related activities, such as inspection, education, and publicity, and to improve efficiency in a continuously segmented and complex work environment. Through this, we are conducting unified and automated compliance activities such as establishing a standardized digital compliance inspection process and operating a law and policy monitoring system.





# Board of Directors and Committees

LG Display is building a transparent and sound decision-making system with a board of directors equipped with independence, expertise and diversity. We are striving to create sustainable value and promote the rights and interests of all stakeholders by operating a total of five committees within the BOD in a transparent and efficient manner, with the board of directors as our highest decision-making body.

## Board of Directors Composition

LG Display's board of directors (BOD) has the authority to manage, determine and control the company's policies in accordance with the Articles of Incorporation. A total of 7 board members, consisting of 2 internal directors, 1 other non-executive director, and 4 outside directors, perform management decision-making and management supervision functions. However, there is no outside director who has been in office for longer than 6 years in accordance with relevant laws and regulations. In addition, in order to efficiently establish and operate the internal accounting management system, the internal accounting manager CFO was designated to participate in the BOD as an internal director, thereby enhancing the effectiveness of the internal accounting management system and transparency of the governance structure. Also, in consideration of changes in the business environment, the CEO concurrently serves as the chairman of the board of directors to enhance business expertise.

※ As of May 31, 2022

Catego- ry	Name	Gender	Date of Birth	Term in Office	Major Experience	Specialty
Internal Director (chair- man)	Hoyoung Jeong	Male	1961.11	2020.03 - 2023.03	<ul style="list-style-type: none"> <li>• Current) LG Display CEO</li> <li>• LG Chem COO and CFO</li> <li>• LG H&amp;H CFO</li> <li>• LG Display CFO</li> <li>• LG Electronics CFO</li> </ul>	Corporate Manage- ment General
Internal Director	Seonghyun Kim*	Male	1967.12	2022.03 - 2025.03	<ul style="list-style-type: none"> <li>• Current) LG Display CFO</li> <li>• LG Display Finance Manager</li> <li>• LG U+ Finance Manager</li> </ul>	
Other Non- execu- tive Director	Beom Jong Ha*	Male	1968.07	2022.03 - 2025.03	<ul style="list-style-type: none"> <li>• Current) Head of Management Support Division and Head of Finance Team at LG Co., Ltd.</li> <li>• LG Finance Team Leader / Finance Management Team Leader</li> <li>• LG Chem Jeong-Do Management TF, Diagnosis 2 Manager</li> <li>• LG Chem Financial Management Team Leader</li> </ul>	
Outside Director	Byungho Lee	Male	1964.07	2018.03 - 2024.03	<ul style="list-style-type: none"> <li>• Current) Electrical and Computer Engineering, Seoul National University</li> <li>• President of the Korea Information Display Society</li> <li>• Vice President, Optical Society of Korea</li> </ul>	Industrial Technology (professor)
	Doocheol Moon	Male	1967.11	2021.03 - 2024.03	<ul style="list-style-type: none"> <li>• Current) Professor of Accounting, Department of Business Administration, Yonsei University</li> <li>• Deliberation member of the cooperative profit sharing system for large and small businesses</li> <li>• Vice President, The Korean Association for Government Accounting</li> </ul>	Finance, Accounting (professor)
	Chung Hae Kang*	Female	1964.05	2022.03 - 2025.03	<ul style="list-style-type: none"> <li>• Current) Professor, University of Seoul Law School</li> <li>• Current) Vice-President, The Korean Environmental Sciences Society</li> <li>• Member of the Central Environmental Dispute Mediation Committee</li> <li>• Attorney at Law Firm Gwangjang</li> </ul>	Law (professor)
	Jungsuk Oh*	Male	1970.09	2022.04 - 2023.03**	<ul style="list-style-type: none"> <li>• Current) Professor at Seoul National University Business School</li> <li>• Vice-President, Korean Operations Research and Management Science Society</li> <li>• Outside Director, Hyundai Steel</li> <li>• Sambo Computer Research Specialist</li> </ul>	Manage- ment Con- sultation (professor)

\* New Director since 2022

\*\* The appointment date of Jungsuk Oh is based on the court's decision to appoint a temporary outside director, and his term of office is until the scheduled date of the next year's general meeting of shareholders



2021 BOD Attendance  
Rate

100%

## Activities of the Board of Directors

In accordance with relevant laws and regulations and internal company regulations, the BOD supervises the execution of duties by directors and management on major issues. The BOD regulations and committee regulations are disclosed to enhance the transparency of the BOD. The company's management, including the CEO, reports to the BOD at least once a quarter\* on major management issues, such as business performance, prospects, and tasks, and holds BOD meetings whenever needed when major matters that require resolution by the BOD occur.

For the Articles of Incorporation, the BOD regulations, and committee regulations, at least 12 hours' notice must be given before convening and the directors and members shall be notified on the agenda, date, and place at the time of the convening notice. However, in practice, the notice is given three to seven days in advance so that directors and members can fully consider the agenda. The company operates in such a way that all directors and members participate in the board of directors and committees, and in 2021, the attendance rate for the BOD was 100% for outside directors and 100% for internal directors. Also, for the smooth performance of the directors' work and responsible management, we are subscribed to the director's executive liability insurance.

\* Article 30 of the Articles of Incorporation, Article 6 of the Board of Directors Regulations

## Current Status of the Board of Directors in 2021

Ses- sion	Date	Agenda		Attendance Rate	
		Category	Detail	Internal Directors	Outside Directors
1 <sup>st</sup>	2021.01.26.	Report	2020 Q4 earnings report and 1 other case	100%	100%
		Resolution	Approval of the 36th financial statements and 2 other cases		
2 <sup>nd</sup>	2021.02.23.	Report	Internal accounting management system operation status evaluation result report and 1 other case	100%	100%
		Resolution	Convocation of the 36th regular general meeting of shareholders and approval of the purpose of the meeting		
3 <sup>rd</sup>	2021.03.23.	Resolution	Occupational health and safety plan approval and 4 other cases	100%	100%
4 <sup>th</sup>	2021.04.26.	Resolution	Approval of the revised business plan for 2021 and report on first quarter results and 4 other cases	100%	100%
5 <sup>th</sup>	2021.07.27.	Report	2021 Q2 earnings report and 1 other case	100%	100%
6 <sup>th</sup>	2021.08.13.	Resolution	Approval of small and medium-sized OLED investment	100%	100%
7 <sup>th</sup>	2021.10.26.	Report	2021 Q3 earnings report and 1 other case	100%	100%
8 <sup>th</sup>	2021.11.24.	Report	Annual report on the treatment of retired executives	100%	100%
		Resolution	2022 business plan approval and 9 other cases		



## Appointment of Directors

LG Display's directors shall be appointed in compliance with relevant laws such as the Commercial Act and the company's regulations such as the Articles of Incorporation, and there are no separate standards for independence in the election of directors. However, in order to secure fairness and independence in the appointment of directors, in accordance with the relevant laws, the Articles of Incorporation, the Board of Directors Regulations, and the Outside Director Nomination Committee Regulations, internal directors and other non-executive directors are nominated by the Board of Directors and outside directors are nominated by the Outside Director Nomination Committee, and then finally appointed in the general shareholders' meeting. In the process, the Board of Directors and the Outside Director Nomination Committee go through a strict screening of whether each candidate possesses independence and professionalism as a director, and is suitable for performing his/her duties.

## Independence and Effectiveness of the Board

LG Display ensures that independent directors, who have secured independence in accordance with the director independence requirements, make up the majority (57%) of the board of directors, so that the supervisory function of the executives' job execution can be performed smoothly. In addition, the company has an Outside Director Nomination Committee in accordance with relevant laws and the Articles of Incorporation, through which the evaluation of the outside director candidates is verified and suitable candidates are nominated. All directors are appointed on an individual agenda through the general meeting of shareholders, and the directors are appointed by comprehensively reviewing independence, expertise, and diversity. For the effective performance of the duties of outside directors, LG Display is allowing the directors to hold concurrent positions only as outside directors of 1 company other than this company, as long as that company is not in competition with LG Display, within the scope permitted by the criteria for inspection of reasons for disqualification of outside directors under commercial laws and other related laws.

### Requirements for Outside Director Independence

- ① External directors must not have been hired by the company as an executive within the past five years.
- ② Except as permitted by the definition of SEC Rule 4200, an external director shall not accept or retain "a company or any member of its family receiving payments from its parent or subsidiary company in excess of \$60,000 in the current fiscal year or in the last three fiscal years," except as permitted by the SEC Regulation 4200 definition.
- ③ External directors must not be members of the family of individuals who have been employed as officers/ executive officers of the parent company or its subsidiaries for the past three years.
- ④ External directors must not be advisors or consultants to the company or members of senior management (no partnerships allowed).
- ⑤ External directors must not be affiliated with the company's significant customers or suppliers.
- ⑥ External directors must not enter into personal service contracts with the company or its senior management.
- ⑦ External directors must not be affiliated with non-profit organizations that receive significant contributions from the company.
- ⑧ External directors must not be partners or employees of external auditors of the company in the past three years.
- ⑨ External directors must have no other conflicts of interest that the Board of Directors considers to be compromising the person's independence.



Percentage of Female  
Outside Directors

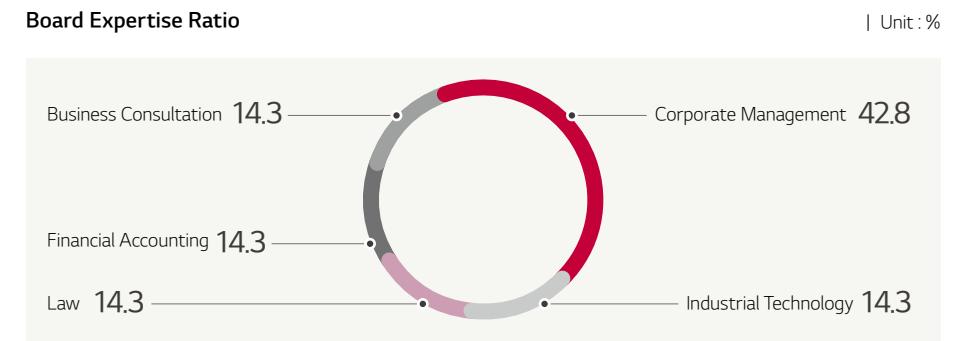
25%

## Diversity and Professionalism of the Board

LG Display strives to form a board of directors based on diversity and expertise to enhance corporate value, sustainable growth, and protect shareholder rights. In the process of appointing directors, we do not impose restrictions based on gender, race, nationality, political or cultural background, etc. By appointing outside directors with diverse expertise in industrial technology, finance/accounting, law, business consultation, etc., we are securing expertise in all areas of corporate management. In 2022, a female outside director with legal expertise was appointed, thus enhancing diversity.

To strengthen the expertise and responsibility of outside directors for management activities, LG Display holds workshops for outside directors on the main business status, the investment direction, the industrial technology and production process of our products, changes in the roles of directors according to the revised law, and investor feedback every year. In addition, we support non-executive directors in visiting domestic and overseas business sites to enhance their understanding of the display industry, technology, processes and businesses. Lastly, our Board of Directors may receive support from outside experts through a resolution of the Board of Directors if necessary in accordance with Article 12 of the Board of Directors Regulations.

### Board Expertise Ratio



## Performance Evaluation and Compensation of the Board of Directors

LG Display evaluates management performance by dividing it into financial indicators (sales, operating profit, etc.) and other indicators (long-term tasks, business tasks, etc.). Management's remuneration is carried out according to the standards decided by the BOD in consideration of the position and duties within the amount approved by the general shareholders' meeting, and performance-related pay is paid based on the financial resources and performance evaluation results, approved by the BOD. However, in order to maintain fairness and independence, we do not provide separate incentive payments or link remuneration according to the evaluation of outside directors' activities. Remuneration for all outside directors is the same within the limit of remuneration approved at the general shareholders' meeting, and there is no difference in remuneration for outside directors. LG Display discloses the remuneration of all directors, including the CEO, in its business report, and the CEO's remuneration in 2021 was approximately 17.2 times the average annual remuneration of its employees.

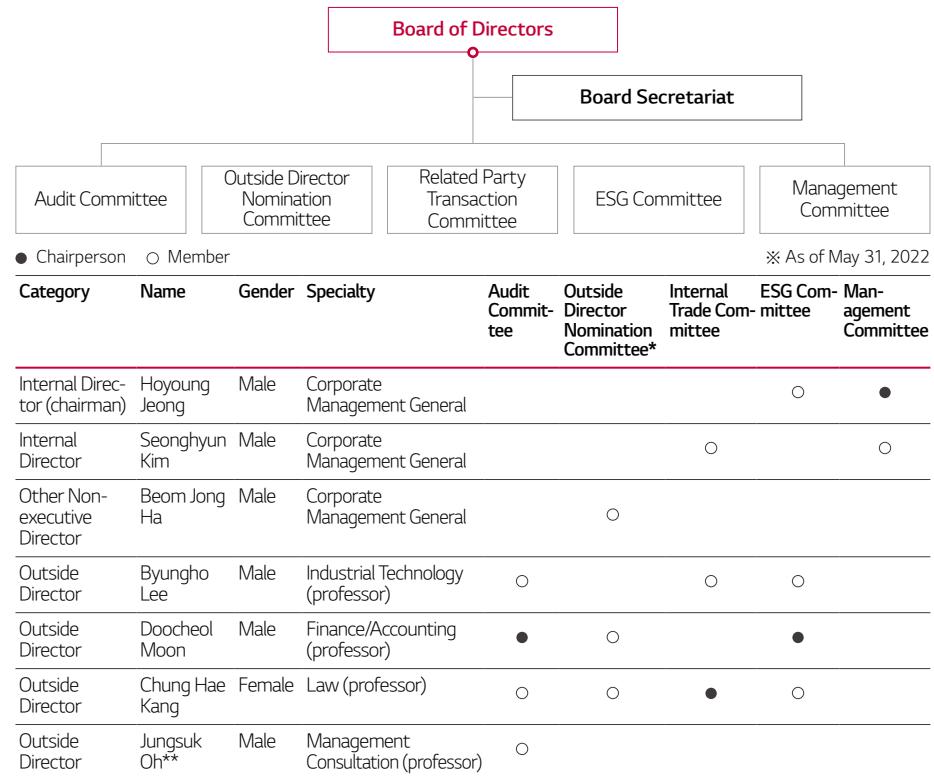


## Committee Composition

In accordance with Article 34 of the Articles of Incorporation and Article 11 of the Board of Directors Regulations, the Board of Directors delegates authority to five committees: the External Director Nomination Committee, the Management Committee, the Related Party Transaction Committee, the ESG Committee, and the Audit Committee. Among them, the Audit Committee and the External Director Nomination Committee are mandatory by law.

The organization, operation, and authority of each committee within the BOD are stipulated in accordance with the committee regulations established by the resolution of the BOD, and, excluding the management committee, more than two-thirds of the committee members are outside directors, ensuring fairness and independence. However, the Management Committee is composed of two internal directors to enable the BOD to deliberate on more important issues intensively and efficiently and to promote prompt work performance of the management.

### Governance System



\* In the case of the Outside Director Nomination Committee, a new chairperson will be appointed at the next committee meeting.

\*\* Outside Director Jungsuk Oh will be appointed as a member of both the Internal Transaction Committee and the ESG Committee at the next BOD meeting.

## Audit Committee

LG Display has established the Audit Committee as an internal audit body in accordance with Article 542, 11 of the Commercial Act. The Audit Committee is an independent organization in which all members, including the chairperson, are made up of external directors with no grounds for disqualification in accordance with the Commercial Act and the Articles of Incorporation. The Audit Committee audits the company's accounting and major business operations, approves the appointment of external auditors, evaluates the operation of the internal accounting management system, and checks the operation status of internal monitoring devices.

The audit committee is provided with training necessary to perform their duties every year, and they check the management and reinforce their expertise by assessing the roles and activities of the Audit Committee through self-evaluation. The Audit Committee holds a meeting at least once every quarter, and the attendance rate of the audit committee in 2021 was 100%.

### Activities of the Audit Committee in 2021

Session	Date	Agenda		Attendance Rate
		Category	Detail	
1 <sup>st</sup>	2021.01.26.	Report	External audit progress report and 7 other cases	100%
		Resolution	Approval of audit services by an external auditor and 1 other case	
2 <sup>nd</sup>	2021.02.23.	Report	Inspection report of the 36th financial statements and 1 other cases	100%
		Resolution	Internal accounting management system operation status evaluation and 2 other case	
3 <sup>rd</sup>	2021.04.26.	Report	External audit progress report and 3 other cases	100%
		Resolution	Appointment of Audit Committee Chairman	
4 <sup>th</sup>	2021.07.27.	Report	External audit progress report and 4 other cases	100%
		Resolution	Approval of the appointment of the department head of the supporting department by the Audit Committee and 1 other case	
5 <sup>th</sup>	2021.10.26.	Report	External audit progress report and 2 other cases	100%

\* Refer to the business report (2022.3) for the detailed status of the Audit Committee meetings



## Outside Director Nomination Committee

The Outside Director Nomination Committee nominates candidates for new outside director appointments, and during the outside director's three-year term, the attendance rate of the board of directors and professional advice are considered comprehensively. The official evaluation of the activities of outside director is made and the agreement on reappointment is reviewed.

LG Display's outside directors are individually appointed at the general shareholders' meeting after being recommended by the Outside Director Nomination Committee through evaluation, verification, and examination of the candidates. Currently, the outside directors of LG Display are composed of industry technology, finance/accounting, law, and business consultation experts. The Outside Director Nomination Committee meets as needed, and the participation rate of their meetings was 100% for both internal and outside directors in 2021.

### Activities of the Outside Director Nomination Committee in 2021

Date	Agenda Topic	Attendance Rate		Approval Status
		Internal Directors	Outside Directors	
2021.02.23.	Approval of nominations for outside director candidates	100%	100%	Voted

## Related Party Transactions Committee

The Related Party Transactions Committee was established in July 2021 to enhance the fairness of transactions and transparency by strengthening the company's control over internal transactions such as transactions between affiliates. The Related Party Transactions Committee deliberates and approves transactions with related parties under the Commercial Act and the Fair Trade Act that exceed a certain size and reports the results to the BOD. The Related Party Transactions Committee is set to meet semi-annually, but meets as often as needed in practice. In 2021, the participation rate of the Related Party Transactions Committee was 100% for both internal and outside directors.

### Activities of the Related Party Transactions Committee in 2021

Date	Agenda	Attendance Rate		Approval Status
		Category	Details	
2021.07.15.	Resolution	Appointment of the chairman of the internal transactions committee	100%	100%
	Report	Fair trade laws and regulations related to internal transactions and 1 other case		Report
2021.11.09.	Resolution	Re-approval for approved transactions in 2021 and 5 other cases	100%	100%
				Voted

## ESG Committee

LG Display established the ESG Committee in April 2021 to reinforce ESG management and realize long-term sustainable growth by promoting ESG management more systematically. The ESG Committee deliberates and approves basic policies and strategies for ESG management, sets mid-to-long-term goals for LG Display's ESG, and checks the plans and performance of ESG management activities. The ESG Committee meets semi-annually, and the participation rate of the ESG Committee was 100% for both internal and outside directors in 2021.

### Activities of the ESG Committee in 2021

Date	Agenda	Attendance Rate		Approval Status
		Category	Details	
2021.10.26	Resolution	1. ESG Committee Chairperson appointment		100% 100% Voted
		2. ESG execution plan		
	Report	3. ESG Committee operation plan		Report
		4. Report on strengthening safety and environment competency		

## Management Committee

LG Display established the Management Committee to enable the BOD to deliberate on more important issues intensively and efficiently through the delegation of daily business matters and financial matters below a certain scale, and to promote the prompt execution of business by the management.

The Management Committee, which consists of two internal directors, decides on issues related to the issuance of bonds and decides on the establishment and abolition of overseas corporations, branches, factories, offices, and other important facilities below a certain size. The Management Committee meets as needed, and the attendance rate of the management committee was 100% in 2021.

### Activities of the Management Committee in 2021

Date	Agenda Topic	Attendance Rate	Approval Status
2021.08.19	Issuance of the 43-1 and 43-2 non-guaranteed private placement bonds	100%	Voted



# Protection of Shareholder Rights

LG Display is working hard to ensure the rights of shareholders by actively disclosing information related to corporate activities and general shareholders' meetings in various places at home and abroad. To listen to the opinions of minority shareholders, the electronic voting system was introduced in January 2021, and the general shareholders' meeting is held every year, avoiding the dates of other general shareholders' meetings. In addition, we improved the predictability of shareholders and investors by establishing and disclosing the dividend policy for the fiscal year 2021-2023. In the future, LG Display will continue to work to protect shareholder rights and enhance value.

## Shareholder Composition and Status

The total number of shares issued by LG Display is 357,815,700 common shares as of the end of 2021. We have never issued preferred stocks, and among the issued stocks, there are no non-voting stocks, such as treasury stocks or stocks with voting rights restricted by other laws.

Our largest shareholder is LG Electronics, which holds 135,625,000 shares, 37.9% of the total issued stock. The other major shareholders are the National Pension Service (5.3%) and CITI Bank (2.2%). The stocks held by our CEO are 0.25 times the annual remuneration, and the average stocks held by executives other than the CEO are 0.47 times the annual average remuneration. In addition, the total amount of shares owned by the founder is 5.32%.

LG Display has a single voting system with one voting right for each issued common stock. In addition, by introducing an electronic voting system in January 2021, we listen to the opinions of minority shareholders and ensure that shareholders exercise their rights in accordance with laws and regulations. We hold a general shareholders' meeting every year, avoiding the dates of other general shareholders' meeting.

### Stakeholder Composition

※ As of December 31, 2021

Shareholder Name	Number of Shares Owned (shares)	Ownership Ratio (%)
LG Electronics	135,625,000	37.9
National Pension Service*	19,063,230	5.3
CITI Bank [ADR DEPT]	7,955,467	2.2
BlackRock	6,371,975	1.8
Mirae Asset Global Investments	3,122,051	0.9
Total	172,137,723	48.1

\* Based on disclosure on May 31, 2022  
※ As of December 31, 2021, we do not have gold stocks for government agencies

## Dividend Policy

In order to enhance shareholder value and improve shareholder return, LG Display comprehensively considers business performance, cash flow, investment, and financial structure when determining dividends. The dividend per share for 2021 was 650 won, with a cash dividend payout ratio of 19.61% and a cash dividend yield of 2.82%. No interim and quarterly dividends were paid. In addition, we have established and disclosed the dividend policy for the fiscal year 2021-2023 as follows to enhance the predictability of investors.

### 2021-2023 Business Year Dividend Policy

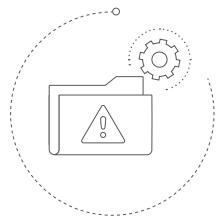


- We plan to maintain a dividend payout ratio of 20% based on consolidated net income.
- The above dividend policy is scheduled and can be changed according to various conditions such as changes in the business environment and market conditions.
- Details such as dividends for each business year will be decided by the company's BOD and through regular general shareholders' meetings.
- Consolidated net income is based on the parent company's shares, excluding one-time non-recurring income.

## Shareholder and Investor Communication

When LG Display discloses the date, place, and agenda of the general meeting of shareholders through our website and the Financial Supervisory Service's Data Analysis, Retrieval and Transfer System (DART) two weeks before a general shareholders' meeting is to be held. In addition, information on corporate management, shareholder composition and status, as well as finances is disclosed on the Korean and English website, the electronic disclosure systems (DART, KIND), and the US Securities and Exchange Commission (SEC) disclosure system.

In addition, LG Display conducts various IR activities to promote communication with shareholders and investors. Various types of IR are held, such as meetings for minority shareholders, business site visits, quarterly performance briefings, and regular NDR (Non-Deal Roadshow) briefings to enhance shareholder understanding of our company's activities. In 2021, an average of 13.9 IR meetings per week were held both offline and online due to COVID-19 restrictions.



# Risk Management and Crisis Management System

LG Display preemptively identifies various risks that might occur during business activities and corporate operation and prepares countermeasures to ensure stable business operations. We continue to enhance the effectiveness of risk management by classifying risks by function and area such as finance, compliance, ESG, business activities, etc., and by encouraging business teams to independently identify and manage risks.

## Risk Management Governance

LG Display's departments of each area and function proactively identify and manage internal and external risks, namely in finance, compliance and ethics, ESG, and business activities. Each department identifies issues through risk analysis and evaluation and establishes countermeasures accordingly. Going forward, LG Display will quickly respond to the rapidly changing internal and external environments through business-led risk identification and management.

## Risk Monitoring and Management Activities

At LG Display, each department monitors and manages risks related to business activities, such as production shutdowns, delays in technology development and risks related to corporate operations, such as environmental and safety accidents at worksites and confidential information leaks. We select major potential risks considering the likelihood of occurrence and business impact. Based on the selected risks, we identify and manage opportunities that have potential to lead to long-term growth and improvement on financial performance.

We have a reinforced risk management system in place particularly for risks that are closely related to business operations and company reputation namely in regard to safety, finance, compliance, and the environment by including these risks in management and each department's KPIs. In addition, regular education/training is conducted for employees, and we are making an effort to establish a risk management culture by emphasizing the importance of risk management in our daily life through e-mails and internal campaign videos.

## Risk Management Areas and Core Risks

Management Areas	Core Risks
Production Shutdown	• Utility supply interruption (electricity) • Logistics disruption
Information Security	• Core technology and key trade secret information leaked
Information System Failure	• Information System Shut-Down • Hacking/Virus
Environment/Health	• Factory gas/chemical leak • Environmental pollution • Climate response
Human Calamities	• Major casualties • Industrial accidents • Infectious diseases
Production Infrastructure Disasters	• Fire/Explosions
Stakeholder Conflict	• Internal conflicts (labor disputes, sabotage, strikes) • External conflicts (large-scale claims)

## Emerging Risk

LG Display has defined the potential risks that are likely to have the most significant impact on our business stability and sustainability as follows. Our plan is to effectively manage the listed risks by analyzing the business impact of each potential risk and implementing response activities to mitigate these risks.

Category	Risk	Business Impact	Response Activities
Business • Operations	Financial Risk	<ul style="list-style-type: none"> <li>• Drastic changes in interest rates and exchange rates affecting business profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Constantly performing foreign currency position management and currency risk measurement and responding to fluctuations</li> </ul>
	Information Leak	<ul style="list-style-type: none"> <li>• Possibility of encroachment on OLED market following a confidential information leak</li> <li>• Deterioration of corporate competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Training and public relations activities for employees on the need for thorough information management</li> <li>• Establishment of a monitoring system for specific behavior of employees</li> </ul>
	Environment Safety Accident	<ul style="list-style-type: none"> <li>• Decreased employee engagement and trust due to an unsafe work environment</li> <li>• Reputation damage harming the customers', investors', and the community's trust in our company</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving feedback on how to improve the safety management sector and taking actions</li> <li>• Enhancing the regular environmental safety monitoring system</li> </ul>
	Man-power Supply Risk	<ul style="list-style-type: none"> <li>• Korea's total fertility rate is 0.84, the only country among OECD countries with a score below 1, and a shortage of manpower is expected in 2040 when the population born in 2020 is incorporated into the labor force.</li> </ul>	<ul style="list-style-type: none"> <li>• Attracting talented foreign individuals with master's and doctoral degrees in R&amp;D</li> <li>• Newly establishing a 'Department of Display Convergence Engineering' in connection with university recruitment</li> <li>• Vitalization of industry-university scholarship students</li> </ul>
Business • Activities	Supply Chain Issue	<ul style="list-style-type: none"> <li>• Bottleneck issues resulting from US-China conflict, Covid-19, etc.</li> <li>• Risk of sanctions against major stakeholders due to human rights violations in the supply chain and conflicts over certain minerals</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing a preemptive response system by expanding the scope and target of due diligence in the supply chain</li> <li>• Providing competency-enhancing training to more partner companies</li> </ul>
	Delay in Eco-Technology Development	<ul style="list-style-type: none"> <li>• Possible impact on orders if customer requirements for eco-friendly technologies are not met</li> <li>• Losing competitiveness in eco-friendly technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Fostering 'market-creating' businesses that will lead the future market by expanding R&amp;D investment</li> <li>• Laying the foundation that enables rapid technology development by recruiting and leveraging talented key individuals</li> </ul>
	North Korea Provokes War	<ul style="list-style-type: none"> <li>• Destruction of major facilities in Paju/Gumi</li> <li>• Suspension of logistics processes such as airports/ports</li> <li>• Restriction of business activities due to employee fatalities or evacuation</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of a response plan for each stage of emergency alert</li> <li>• Establishment of a stable operation plan for domestic/foreign production material mobilization</li> <li>• Finding alternative transportation routes and means</li> <li>• Establishment of employee protection plan</li> </ul>

## Crisis Management System

LG Display is continuously strengthening its crisis response capabilities by reorganizing the crisis management system and related organizations such as responsibility, authority, and processes for crisis management tasks. On an everyday basis, we identify potential crisis in our business activities, and strive to reduce risks and prevent recurrence/preemption of crises. In the event of a crisis, we will do our best to prevent the escalation of the crisis through a prompt and transparent response system prepared in advance in order to restore business activities to normal at an early stage.

### Crisis Management Policy

LG Display is continuously operating and reinforcing its crisis management system under the principle of "overcoming crises within a short period of time through prompt and systematic response to secure trust with stakeholders and to restore business activities to normal at an early stage." To put this into practice, employees are fulfilling their respective responsibilities and obligations for crisis management, including compliance with the following policies.

- Life and safety come first in all situations.
- We respond promptly according to clear standards and procedures, and transparently share and expand information.
- Relevant organizations, including the accident management division, actively respond to the occurrence of an accident to minimize damage and conclude the situation quickly.
- Conduct risk reduction activities for management targets and reinforce crisis response capabilities through periodic education and training.
- In accordance with internal and external environmental changes, the crisis management system is continuously maintained and managed to ensure effectiveness.

### Crisis Management Organization and Priority Management Targets

LG Display operates a crisis management committee as a body that manages and supervises the company-wide crisis management system, consisting of divisions for each area and a specialized organization at the head office. In the event of an accident/crisis, an emergency response committee is formed flexibly to suit the type and situation of the accident, led by the management directly related to the accident, and conducts company-wide integrated command and situation management for a quick return to normalcy.

In addition, the types of accidents that require company-wide selection and intensive management were selected as priority management targets and a crisis management division was formed. Each division conducts risk reduction and improvement activities to prevent accidents in advance for the types of accidents subject to priority management, and checks and manages the level of crisis response through simulation training and education.

The company is strengthening its crisis response capabilities by establishing stable operation of the crisis management system and by continuously managing changes in the management target and scope according to internal and external business conditions.

### Areas Subject to Critical Crisis Management

Areas	Types of Accidents Subject to Critical Risk Management
Safe Environment	Safety Accidents, Chemical Spillage/Leakage, Fire/Explosions, Infectious Diseases, Occupational Diseases, Law Violations
Quality	Product Performance Issues
Information Security	Industry Information Leakage, Hacking/Infiltration of Computer Networks
Public Relations	Unfair Trade (including abuse of power)
HR/Labor/ Management	Sexual Harassment/Workplace Harassment

### Crisis Management and Response Procedures

LG Display performs crisis assessment, response plan establishment/implementation, implementation checks, and changes management according to the types of managed incidents in order to respond to incidents and manage crisis. In the event of an accident, the situation is quickly analyzed through simultaneous accident propagation and reporting, the impact of damage and potential issues are identified to determine the scope of the crisis, which is then promptly handled in the initial stage in accordance with the principle of protecting human life first and responding to the spread of the crisis and taking preventative measures to avoid secondary damage. In addition, we identify the root cause through an objective accident investigation and establish crisis response action tasks including measures to prevent recurrence, and conduct implementation checks and adapt management until normalcy is restored.

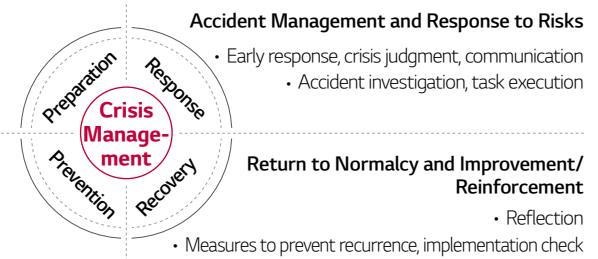
### Crisis Management Process

#### Policies and Response Principles

- Policies, management standards
- Response procedures, action guidelines

#### Managing Changes

- Risk reduction/improvement activities
- Education/training





# Governance Data

## Jeong-Do Management

### Code of Conduct Application Rate and Signature Rate

Category	Unit	2019	2020	2021
Code of Conduct Application Rate	%	100	100	100
Code of Conduct Awareness Signature Rate in the Last 3 Years	%	100	100	100

### Jeong-Do Management Training

Category	Unit	2019	2020	2021
Ratio of Jeong-Do Management Training	%	100	100	100
Total training hours for Jeong-Do Management	Hours	18,913	17,748	41,660
Total number of trainees for Jeong-Do Management	People	23,598	23,209	63,974

### Application and Measures against Violations of Jeong-Do Management

Category	Unit	2019	2020	2021
Reporting and information sharing	Cases	105	79	71
Completion of sanctions such as disciplinary actions	People	52	51	33

## Board of Directors and Committees

### Board Composition

Category	Unit	2019	2020	2021
Executives	People	2	2	2
Outside Directors (Independent Directors)	People	4	4	4
Other Non-executive Directors	People	1	1	1
Sub Total	People	7	7	7

\* As of December 31, 2021

### Board Gender Diversity

Category	Unit	2019	2020	2021
Male	People	7	7	7
Female	People	-	-	-

\* As of December 31, 2021

## Number of Board Meetings and Attendance Rate

Category	Unit	2019	2020	2021
Number of Board Meetings	Cases	9	7	8
Average Attendance Rate	%	90.0	94.0	100
Average Attendance Rate of Outside Directors	%	90.6	100	100

\* As of December 31, 2021

## Average Tenure of the Board of Directors

Category	Unit	2019	2020	2021
Average Tenure of the Board of Directors	Years	1	2.1	3.1

\* As of December 31, 2021

## Protection of Shareholder Rights

### Management Shareholding

Category	Unit	2019	2020	2021
CEO (basic salary/stock/stock price as of the end of the year)	Ratio	1.02	0.25	0.50
Average Shareholding by Non-CEO Executives	Ratio	0.23	0.47	0.78

### Founder Shareholding

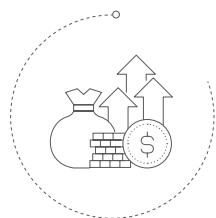
Category	Unit	2019	2020	2021
Founder Shareholding	%	5.58	5.88	5.32

**SECTION****6****ECONOMIC**

It is essential to actively explore and prepare for new business opportunities to achieve amid changing economic environments and to make efforts to provide innovative customer value. LG Display is committed to continuous R&D and quality management, and management innovation. Through customer value innovation and other innovation efforts, we will develop new leading products and new technologies, and provide differentiated customer value.



Financial Stability	81
Tax Policy	82
R&D and Quality Management	83
Management Innovation	86
Customer Value Innovation	88
Economic Data	89



# Financial Stability

LG Display is leading the market by continuously developing innovative products with our differentiated technology and stable production capacity. In particular, we are striving to strengthen our core competencies and seize future business opportunities faster than our competitors by overhauling organizational structure to better respond to the changing business environment. In the future, we will do our best to secure growth engines and continuously perform business activities to create a sustainable revenue stream by innovating customer value, accelerating business structure conversion to OLED, and discovering future growth engines.

## Sales

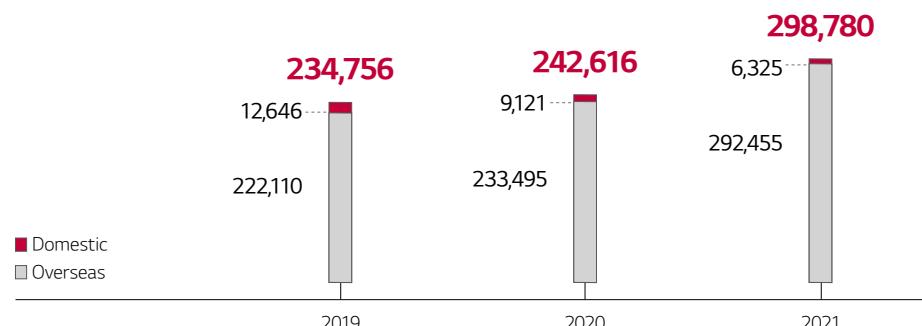
In 2021, the trend of digital transformation and lifestyle diversification has accelerated due to the prolonged COVID-19 pandemic. In 2021, LG Display created a meaningful turning point for normalization of business and advancement of business structure, recording an all-time high of KRW 29.878 trillion in annual sales. As an export driven company, overseas sales take up 97.9% (KRW 29 trillion 245.5 billion).

OLED TV panel shipments increased by 70%, leading the entire premium TV market, despite the dire market situation where the overall TV market grew in the low 10% range. The LCD business strengthened its profit structure by preemptively paving the way to expand the proportion of high value-added IT businesses.

Going forward, we expect innovation into various convergence products beyond traditional product fields ,namely TV and IT, and expansion into new industrial fields will unfold a new future for the display industry. LG Display will strive to respond to changes with flexibility and agility, strengthen core competencies, and dominate future industrial opportunities based on the reorganization of large and mid- to small-sized businesses.

### Sales Performance

| Unit: KRW 100 million, K-IFRS (consolidated)

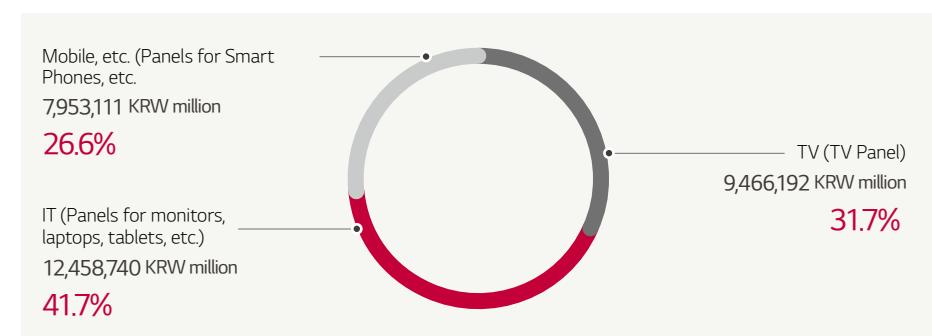


## Business Performance by Sector

In 2021, the OLED segment of the TV division achieved sales growth of 40% thanks to the growth of the OLED business and the rise in LCD panel prices in the first half of the year. Although the overall TV market demand recorded negative growth throughout the year, our clients and customers' awareness of the differentiated value in OLED TV has been rising. Therefore, our OLED TV panel shipments grew by more than 70% compared to the previous year and marked a turnaround in the second half of the year. In addition to that, the sales ratio of the OLED division in the TV increased from 40% in 2020 to 50% in 2021. In the LCD TV sector, we carried out structural innovation mainly focusing on the Fab, which had weak competitiveness. With such efforts, we are minimizing the impact of changes in the market conditions.

In the IT business, external factors have kept the demand for IT devices high such as the work from home trend, the expansion of online education, and changes in the office environment. To keep up with such trends, we are continuously expanding the proportion of high-end differentiated products. Sales in 2021 grew by 20% compared to the previous year. We have also further reinforced our market leadership through close mid- to long-term collaboration with customers. When it comes to the mobile business sector, we strengthened our relationship to our customers by achieving innovation in development, mass production, and quality competitiveness. In particular, as we started expanding POLED technology not only to mobile, but also to Wearable and Automotive devices, sales in the POLED sector grew by just over 30% compared to the previous year.

### 2021 Sales & Ratio by Product





# Tax Policy

LG Display complies with the tax laws and regulations of the countries where it conducts business activities and fulfills tax obligations where we operate our business, including of course the jurisdiction of our headquarters. LG Display preemptively identifies and manages tax-related risks such as tax avoidance and sales transfers.



## Management Policy

LG Display has established tax management policies to strictly comply with tax regulations and promotes transparent business activities as a responsible global company that operates business sites in 8 countries around the world, including the Republic of Korea where its headquarters are located. We are committed to complying with related regulations, reporting and paying taxes and managing risks. With such efforts, we are doing our best to prevent risks that may arise from differences in tax laws and interpretations between countries.



- LG Display complies with the tax laws and regulations of the countries where it conducts business in accordance with its tax management policies and operates in the spirit of compliance.
- LG Display establishes and applies TP\* Policy suitable for global standards according to the functions and risks of each corporation.
- LG Display prohibits the transfer of income between countries using differences in tax structure, does not abuse tax avoidance transactions nor tax havens, and fulfills tax obligations in good faith.
- LG Display does not unreasonably reduce the tax burden or use a tax structure that has no commercial substance.



- LG Display reports and fulfills filing and payment obligations within predefined due date in accordance with the laws of each country.
- LG Display cooperates with the tax authorities of each country and provides relevant facts and evidence in a timely manner upon request.



- LG Display focuses on early detection of tax issues to mitigate and eliminate uncertainty.
- LG Display avoids tax risks by hiring tax professionals with knowledge and understanding of our business to recognize differences in tax laws of different countries.

## Management Method

As LG Display entered overseas markets, it processes various transactions, and operates specialized departments under the organization to respond to the changing international tax environment. In order to proactively manage and minimize tax risks, we have internal regulations and processes in place and, if necessary, we leverage tax experts from each country.

In case of changes to related laws, such as the announcement of the revised tax law and the creation of rules and precedents, we monitor applicable contents and respond to risks that may arise from changes in advance. We perform internal transactions in accordance with the arm's length principle, which is periodically updated to accommodate changes in the business environment. We are committed to providing relevant information in a timely manner, if requested by the tax authorities, and exert efforts to respond to such requests.

## Disclosure of Corporate Tax Information

LG Display discloses its business report and consolidates its audit report on the Financial Supervisory Service Electronic Disclosure System (DART or Data Analysis, Retrieval, and Transfer System) to publish the details of corporate tax expenses transparently. Also, we regularly post information on our tax obligations, including effective tax rates, through the U.S. Securities Exchange Commission (SEC)'s business report and annual report (Form 20-F).

For the sake of transparent disclosure of tax information, we have our internal accounting team and external accounting firms conduct a final review when it comes to major tax returns.

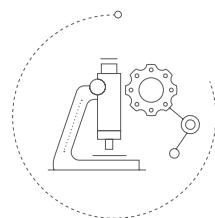
### Current Status of Corporate Tax

| Unit: KRW 1 million, %

Category	2019	2020	2021
Pre-tax Profit	(3,344,242)	(602,446)	1,718,885
Corporate Tax	(472,164)	(526,299)	385,341
Effective Tax Rate	(*)	(*)	22.42

\* Transfer Pricing

\* Effective tax rate cannot be calculated due to deficit in 2019 and 2020



# R&D and Quality Management

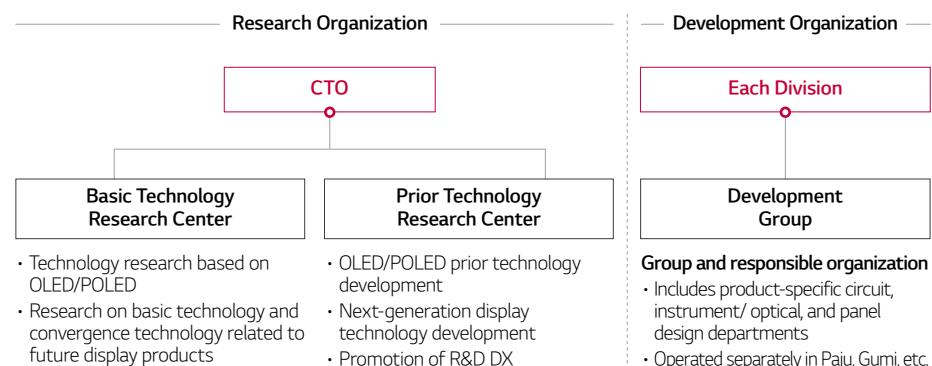
LG Display is leading the market by continuously developing innovative products based on differentiated technology and stable production capacity. In particular, we are striving to strengthen our core competencies and acquire future business opportunities in advance through organizational restructuring in response to changes in the business environment. In the future, we will do our best to provide a driving force for continuous business activities and growth and to create sustainable profits through customer value innovation, accelerating business structure conversion to OLED, and discovering future growth engines.

## R&D System

LG Display is leading the global market by releasing creative and innovative products with new and next generation technologies into the market in a timely manner. We are developing products that create customer value and are high-yield, high-quality and ensure high profitability as we perform thorough R&D activities on new models and new technologies.

Our R&D organization is largely divided into a research organization and a development organization. The research center under the CTO, a technology development organization, researches next-generation and underlying technologies and strengthens the competitiveness of the current business, preparing for the future through product R&D. The product development organization consists of separate organizations in charge of each product line, such as TV, IT, and Mobile, and takes initiatives to develop products for each line, operating separately in Paju and Gumi.

## R&D Organizational Chart

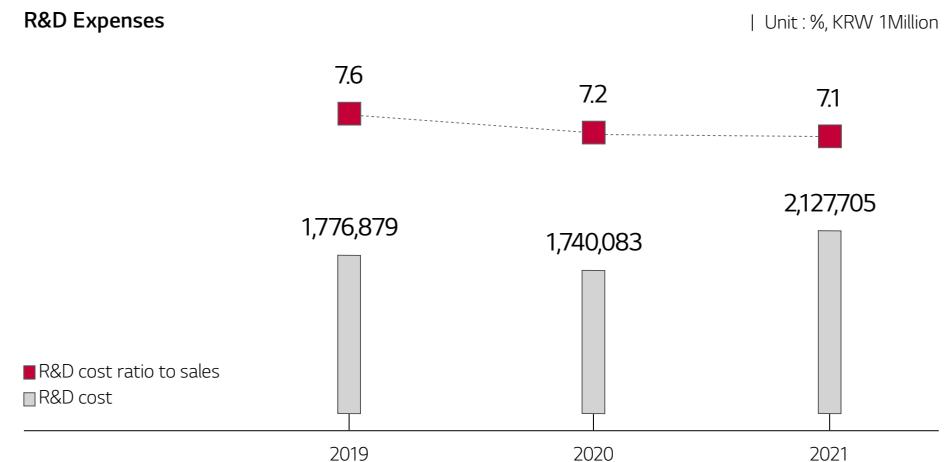


## R&D Investment

In order to expand the production capacity of differentiated and competitive products such as OLED, LG Display has invested approximately KRW 3.2 trillion in facilities in 2021 based on cash expenditure. Our plan for 2022 is to invest in facilities within EBITDA while continuously improving our financial integrity.

Our R&D ratio to sales is about 7%, and we are continuously creating customer value through systematic R&D activities for new products and new technologies. With our competitive advantage in the R&D sector, we are providing differentiated value in various product lines including OLED and TFT-LCD embedded TV, IT, mobile, automotive and industrial purposed products.

## R&D Expenses



## Participation in the Campus Patent Universiade (CPU) Competition as a Sponsor

LG Display is a sponsor for CPU contests hosted by the Korean Intellectual Property Office with the aim of nurturing talented people in the field of intellectual property and connecting creative ideas produced on campus to industries. We are contributing to nurturing talents in universities to be ready for industrial sites by setting problems for the contest and serving as a sponsor and judge of the contest.

LG Display set three tasks for last year's contest: setting a product commercialization strategy by using transparent displays in the invention commercialization sector, a strategy for patent analysis concerning VR, as well as patent analysis and a strategy to establish a comprehensive patent portfolio concerning wearable display technology. We saw a lot of renowned universities actively submitting their answers and evaluated the answers as a judge delivering requirements from the industry to universities and graduate schools while listening to the voices of university students.

As a result of the sponsorship, a total of 9 teams were awarded and won prize money, comprising of 3 Excellence Awards winners and 6 Participation Award winners. In the event that award winners wish to work at a CPU sponsoring organization, we offered various benefits such as providing job opportunities through the "CPU Recruitment Service" as per the preferential employment agreement of the sponsoring organization.

In the future, we will actively support the cultivation of talented individuals in the field of intellectual property in cooperation with the Korean Intellectual Property Office and the Korean Academy of Engineering.



2022 CPU Hosting and  
Sponsorship Agreement

2022 Campus Patent Universiade  
CPU 캠퍼스 특허 유니버시아드



Universiade Award\_ Minister of Science, Technology,  
Information and Communication Award



Universiade Award\_ Minister of Trade, Industry and  
Energy Award

## Intellectual Property Rights

LG Display has secured competitiveness in technologies embedded in our products such as OLED and LCD by acquiring patents for technologies developed through our R&D efforts. In 2021, we acquired 1,763 domestic patents and 2,379 overseas patents, and as of December 31, 2021, we have accumulated 23,109 domestic and 30,380 overseas patents.

## Quality Control

Securing product quality is essential to securing market competitiveness. LG Display has established quality promotion strategies such as securing the No. 1 quality competitiveness recognized by customers and securing the completeness of core model development quality, and is promoting quality improvement activities by establishing a differentiated quality assurance system. In addition, we are working hard to secure quality and improve quality standards by operating a specialized quality management organization and establishing a computerized system-based integrated quality work system.

### Establishment of Quality Assurance Strategy

LG Display is enhancing its quality assurance system based on desirable quality standards and systems for customer value innovation. In particular, we are striving to provide the best quality and service to customers through four main quality improvement strategies: 'Securing quality to near perfection for core models,' 'building a mass production quality assurance system optimized for change,' 'ranking 1st in quality competitiveness recognized by customers,' and 'building a quality cost improvement system that overcomes the environment.' In addition, we are continuously carrying out quality improvement activities by establishing a differentiated quality assurance system for other strategic products.

### Operation of Dedicated Quality Assurance Team

LG Display assures excellent product quality by operating a dedicated quality assurance team by product, production stage, and region. In particular, we are operating a development quality organization to secure new technologies faster than competitors and to optimize inspection and test standards. Furthermore, we have reinforced the quality management system at domestic and overseas business sites and are aiming to achieve optimization in quality cost and lead time through enhanced process efficiency.

### Establishment of the Integrated Quality Visibility System(QVIS) based on the Electronic Quality System

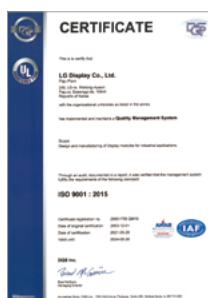
LG Display has established the Quality Visibility System (QVIS), which enables early detection of quality abnormalities in all areas and enhancement in speed and completeness in tracing causes of quality issues and analyzing correlations. We are constantly striving to improve customer satisfaction regarding quality response, as well as minimizing losses associated with quality issues. We first introduced this system to the OLED TV product line in 2021 and are planning to apply it to every product line by 2022.

### Quality Management System Operation through Standardization and Audits

LG Display has established and standardized implementation standards for the quality management system and documents them in a guidebook. We regularly put together this guidebook, register standards, share them across the company through the in-house standard electronic system, and keep them up to date. Having established our own quality assurance system, we have distributed implementation guidelines across the company and regularly check the implementation status and review the pre-sale quality of products to take the quality system to the next level.

### International Quality System Certification

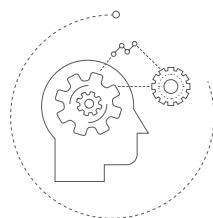
LG Display strives to obtain international quality standard certifications and apply and maintain the latest changes to respond to customer needs and market changes in a timely manner. Furthermore, we have set up a global standard quality management process with acquired international quality standard certifications to ensure a consistent quality level not only for locally manufactured products but also products manufactured at overseas sites. The Paju plant holds the ISO 9001 (quality management system) certification, and the Gumi plant holds the ISO 9001 (quality management system) as well as the IATF 16949 (automotive quality management system) certification. Both the Paju and Gumi plants undergo post-examinations every year, and their certifications are renewed every three years.



ISO 9001 Paju  
Manufacturing Base

### Quality Control Organizations

Head Office	Overseas
Quality Management Center (in charge of prior quality/ mass production quality)	Guangzhou Quality Room (OLED TV, LCD TV, Monitor)
Large Quality Department (affiliated with large business division)	Nanjing Quality Room (Notebook, Tablet, Auto)
Small and Medium-Sized Quality Department (affiliated with Small and Medium Business Division)	Vietnam Quality Room (OLED TV, S/Phone, Auto) Yantai Quality Team (S/Watch)



# Management Innovation

LG Display is striving to secure future growth engines through task-based innovation activities, employee- and customer-led innovation activities and support for startups and in-house ventures. We will encourage participation of various stakeholders to innovate many aspects ranging from business areas and product development to organizational culture and corporate operation.

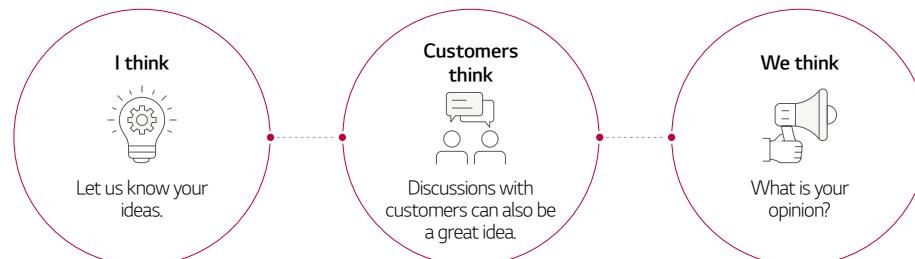
## New Value Creation through TDR Activities

LG Display applies a new platform (technology/process) and DX-based process to lead the market through annual TDR activities and takes challenging initiatives to make more than a mediocre improvement. TDR stands for 'Tear Down and Redesign', and it is an innovative activity where experts from various fields gather to solve a specific problem and work on a project for a certain period of time. Through TDR activities, we are delivering meaningful results in all areas, including the development of innovative products and new technologies, as well as improvement in quality and productivity.

LG Display performed 23 TDR activities in 2021, namely achieving maximized yield for OLED TV, establishing an integrated quality system, and improving customer process defect rates. To brace for the future and new businesses, we are also focusing on IT OLED technology, new device development, micro LED, and TDR promotion for foldable product development activities, etc. LG Display will continue to lead the display market through its continuously new and differentiated development.

## Leap Toward Innovation Based on the 'Needs Card' Idea

LG Display's 'Needs Card' is a system that collects the various needs and ideas of employees and customers. Not only customers but also all employees who can represent consumers can participate, and they can easily access this system and leave their comments using PCs and mobile devices. Our plan is to use this Needs Card system to accumulate ideas as data and leverage them as an asset and a pool of resources for new business ideas, product planning, and promotion, so that they can be implemented into our business following review and discussions by expert departments.



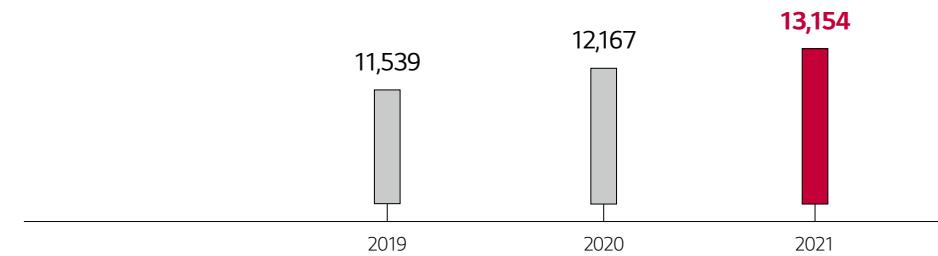
## Innovation Driven by all Employees through the Suggestions System

LG Display is operating a suggestions system in which everyone at LG Display can participate, believing that the collected suggestions will bring about great innovation. We run the 'Idea Bank' system, which collects excellent improvement cases in a database for all employees to use as reference material for problem solving. Also, we constantly carry out internal improvement activities to help individuals and organizations to develop and change.

About 14,000 proposals are registered and improvements are made based on them every year, causing an improvement effect of KRW 90 billion. Every half year, a 'Company Suggestion King' is selected and rewarded, and the 'Factory Suggestion King' is awarded every month to encourage active participation from executives and employees.

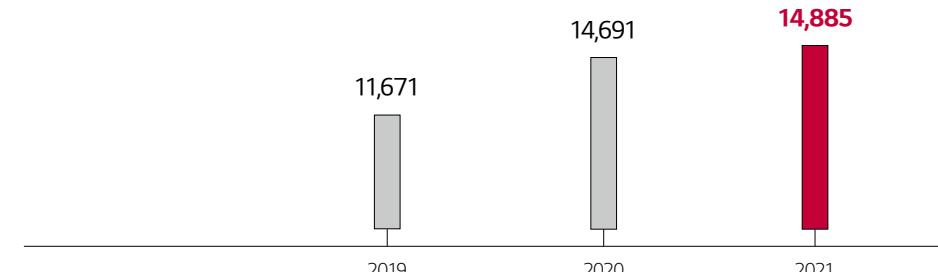
Number of 'Idea Bank' Registrations (Cumulative)

| Unit: Cases



Number of Registrations for the Suggestions System

| Unit: Cases





## Discovering Startups through 'Dream Play' and Securing Innovative Technology

LG Display is operating 'Dream Play', a startup nurturing program. Our goal is to secure partners who will lead the future display industry together with LG Display. To this end, we are exploring startups with innovative technologies in the display field and provide support to participants of the program, including technical mentoring, a monetary subsidy for PoC\* verification costs of less than KRW 100 million, and partnership opportunities for business cooperation and equity investment.

Since the program's first introduction in 2018, we have selected and nurtured 13 companies in the 1st phase, 5 companies in the 2nd phase, and 4 companies in the 3rd phase. We succeeded in cooperating with these selected companies, making equity investments and joint development efforts in new technologies beneficial for current business models and next generation display technologies. In January 2022, LG Display conducted a comprehensive evaluation on market value and expected synergy effects and selected an additional 4 companies for the 4th phase. We expanded the fields of eligibility this time to include a wider range of applications, and the selected 4 startups were from various fields.

LG Display is working with a mentor department to produce PoC cooperation tasks to expedite cooperation not only in technology development but also in commercialization. To this end, we will continue providing support through various follow-up measures including jointly running customized nurturing programs with Gyeonggi Creative Economy Innovation Center and reviewing indirect and direct investments. Going forward, we will continue to support startups to grow through Dream Play and further expand opportunities that enable a win-win collaboration with startups.

\* PoC (Proof of Concept): A process of proving that proof of concept, product, technology, information system, etc., can solve organization specific problems. It is used as a preliminary verification of new products that have not yet been released on the market.



Dream Play

## Nurturing In-house Ventures through 'Dream Challenge' and Discovering New Growth Engines

LG Display is operating an in-house venture nurturing program called 'Dream Challenge' as a solution for early verification of new business portfolios with the aim to secure new growth engines, nurture creative tech entrepreneurs, and establish entrepreneurship culture. Program participants can receive unprecedented conditions such as autonomous operation, operating expenses support based on their proposed new business idea, exemption from work during the program period, compensation based on performance for in-house ventures, investment support for offshoot companies, and the ability to return to the company from the offshoot within 3 years if so desired.

After the program's first introduction in 2018, 4 teams (12 people) in the first phase worked as in-house ventures, and the final two teams developed offshoot venture companies. With LG Display's strategic investment, they successfully stabilized their business and have been showing continuous growth. 4 teams (10 people) of the second phase, selected through 'Dream Play' in November 2020, completed prototype production and consumer (market) evaluation in the following year. One of these teams commercialized their prototype and another team became an offshoot, specializing in new market verification. We aim to create a virtuous cycle where employees freely propose creative ideas and the company offers environments to realize such ideas. To this end, we will continue to nurture the 'Dream Challenge' to explore new growth engines out of entrepreneurial spirit.



Dream Challenge



# Customer Value Innovation

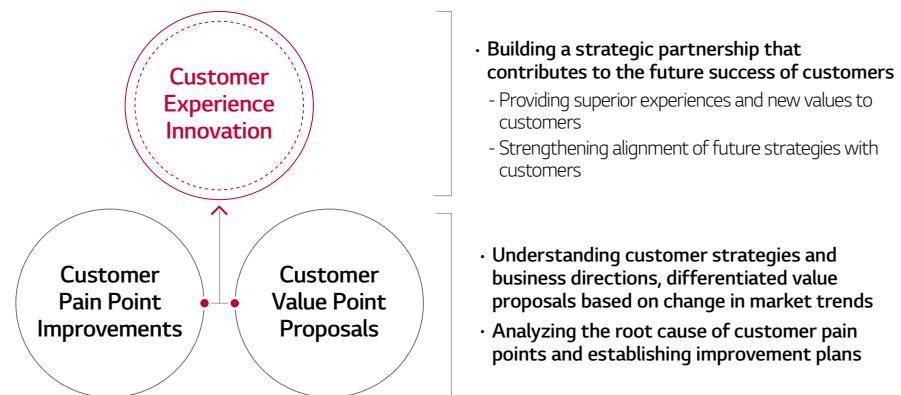
LG Display is striving to create new values and opportunities with customers based on our strengths and competitiveness. By responding in a timely manner to diverse customer needs and systematically managing customer pain points, we will continue customer value innovation activities.

## Customer Value Innovation Activities

Under the core principle that the starting point and the end point of all business activities is the "customer," LG Display sets the standard for all business and decision-making on the customer. For this, we are systematically implementing customer value innovation activities that clearly identify and improve customer difficulties and needs, and provide new customer experiences through preemptive suggestions.

First, in order to listen to the diverse voices of customers, the VOC collection route has been expanded from indirect channels through existing contact departments to channels that communicate directly with customers. Based on the VOC, we are continuously strengthening our competitiveness by identifying the customer's core "Pain Points" and establishing structural and systematic improvement plans.

In addition, we are building a virtuous cycle system of "customer experience innovation" that analyzes customers' future business strategies and detects changes in market trends at an early stage to discover the potential needs of customers. It also expands customer value through "Value Point" proposals where both companies can collaborate.



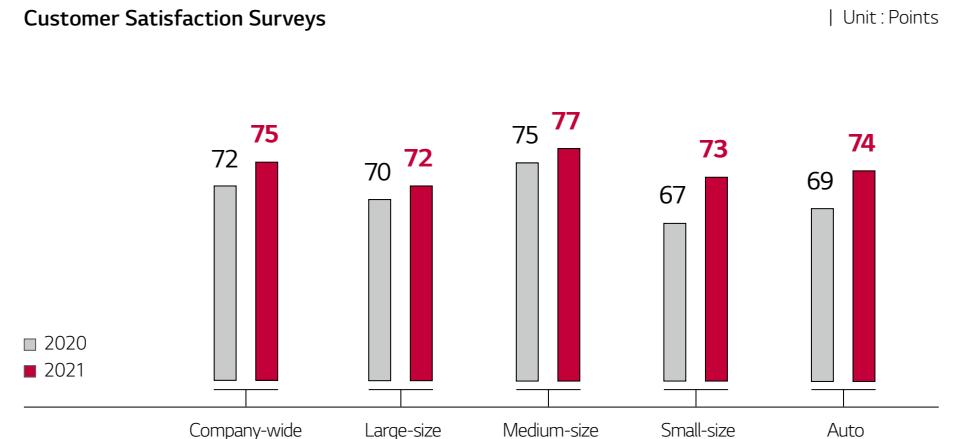
## Customer Satisfaction Survey

LG Display has been conducting customer satisfaction surveys regularly since 2020 in order to objectively evaluate our current level from the customer's point of view. The survey evaluates customer satisfaction with the company and competitiveness compared to other companies, and the results are shared with the department in charge to identify and manage areas for improvement.

In 2021, a customer satisfaction survey was conducted for major customers (19 companies). The resulting score was 75.1, an improvement of 4.2% compared to 2020. This is most likely due to improvements to the inferior areas identified by the 2020 survey, and we are aiming for a better score for 2022 compared to the previous year.

Through customer satisfaction surveys, LG Display intends to find a direction for our company with a positive and open attitude.

Customer Satisfaction Surveys



# Economic Data

## Financial Stability

### Financial Status

Category	Unit	2019	2020	2021
Assets	KRW 1 billion	35,575	35,066	38,155
Liabilities	KRW 1 billion	23,086	22,335	23,392
Capital	KRW 1 billion	12,488	12,731	14,763

### Financial Status

Category	Unit	2019	2020	2021
Sales	KRW 1 billion	23,476	24,262	29,878
Cost of Sales	KRW 1 billion	21,607	21,626	24,573
Gross Profit on Sales	KRW 1 billion	1,868	2,635	5,305
Operating Profit	KRW 1 billion	(1,359)	(36)	2,231
EBITDA	KRW 1 billion	2,336	4,098	6,731
Net Income before Corporate Tax (Loss)	KRW 1 billion	(3,344)	(602)	1,719
Net Income (Loss)	KRW 1 billion	(2,872)	(76)	1,334

\* LG Display does not generate sales through online sales platforms

### Contributions and Other Expenses

Category	Unit	2019	2020	2021
Trade Associations or Tax-free Organizations	KRW	691,644,757	623,520,462	831,672,472
Lobby/Political Organization	KRW	0	0	0

### Top 5 Policy Contribution Organizations

Category	Unit	2019	2020	2021
Korea Display Industry Association	KRW	220,000,000	268,000,000	240,000,000
Korea Chamber of Commerce and Industry	KRW	254,400,000	154,980,000	192,600,000
Korea Enterprises Federation	KRW	-	-	70,000,000
RBA	KRW	-	-	54,499,200
National Academy of Engineering of Korea	KRW	50,000,000	50,000,000	50,000,000

\* LG Display complies with the Korean Political Funding Law (Article 31), which prohibits companies from donating political funds

## Tax Policy

### Corporate Tax Expense Status

Category	Unit	2019	2020	2021
Earnings before Taxes	KRW 1 billion	(3,344)	(602)	1,719
Corporate Tax (Expense)	KRW 1 billion	(472)	(526)	385
Effective Tax Rate	%	(*)	(*)	22.42

\* Effective tax rate cannot be calculated due to deficit in 2019 and 2020

### Local Corporate Names, Major Activities and Sales

Corporate Name	Country	Main Activities	Sales (2021, KRW 1 million)
LG Display America, Inc.	USA	Selling Display Products	13,585,364
LG Display Germany GmbH	Germany	Selling Display Products	2,107,714
LG Display Japan Co, Ltd.	Japan	Selling Display Products	2,332,536
LG Display Taiwan Co, Ltd.	Taiwan	Selling Display Products	2,171,271
LG Display Nanjing Co, Ltd.	China	Manufacturing Display Products	1,892,179
LG Display Shanghai Co, Ltd.	China	Selling Display Products	934,122
LG Display Guangzhou Co, Ltd.	China	Manufacturing Display Products	3,371,505
LG Display Shenzhen Co, Ltd.	China	Selling Display Products	530,023
LG Display Singapore Pte. Ltd.	Singapore	Selling Display Products	2,049,047
LG Display Yantai Co, Ltd.	China	Manufacturing Display Products	630,996
LG Display (China) Co, Ltd.	China	Manufacturing and Selling Display Products	2,175,878
LG Display Guangzhou Trading Co, Ltd.	China	Selling Display Products	1,535,452
LG Display Vietnam Haiphong Co, Ltd.	Vietnam	Manufacturing Display Products	2,592,983
LG Display High-Tech (China) Co, Ltd.	China	Manufacturing and Selling Display Products	2,817,308



## R&D and Quality Management

### R&D Investment

Category	Unit	2019	2020	2021
R&D Expense	KRW 1 million	1,776,289	1,738,559	2,126,764
R&D Spending as a Percentage of Sales	%	7.6	7.2	7.1

### Government R&D Subsidies

Category	Unit	2019	2020	2021
Government Subsidies	KRW 100 million	2,481.2	1,183.4	859.8

### Number of Patents

Category	Unit	2019	2020	2021
Domestic	New Acquisitions	Cases	1,962	1,727
	Cumulative	Cases	19,626	21,350
Overseas	New Acquisitions	Cases	2,573	2,787
	Cumulative	Cases	25,309	28,002

## Customer Value Innovation

### Customer Satisfaction Measurement

Category	Unit	2019	2020	2021
Customer Satisfaction Score	Points	-	72.1	75.1
Data Range	%	-	80	80



## SECTION

# APPENDIX 7

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GRI Index	92
SASB Index	94
TCFD Report	95
Third-Party Verification Statement	100
Greenhouse Gas Verification Report	102



# GRI Index

## GRI 102 : General Disclosures

Category	Disclosure Description	Page	Note
Organizational Profile	102-1 Name of the Organization	7	
	102-2 Activities and Brands, Products and Services	7-12	
	102-3 Location of Headquarters	7	
	102-4 Location of Operations	7	
	102-5 Ownership and Legal Form	76	
	102-6 Market Served	7	
	102-7 Scale of the Organization	7	
	102-8 Information on Employees and Other Workers	7, 64-65	
	102-9 Supply Chain	39	See p.12 of the annual report
	102-10 Significant Changes to the Organization and its Supply Chain	-	No major changes in the supply chain
	102-11 Precautionary Principle or Approach	77-78, 95-99	
	102-12 External Initiatives	2, 18	
	102-13 Membership of Associations	89	
Strategy	102-14 Statement from Senior Decision-maker	5	
	102-15 Key Impacts, Risks and Opportunities	17, 77-78	
Ethics and Integrity	102-16 Values, Principles, Standards and Norms of Behavior	53, 69-71	
	102-17 Mechanisms for Advice and Concerns about Ethics	69-71	
Governance	102-18 Governance Structure	72-75	
	102-19 Delegating Authority	15, 72	
	102-20 Executive-level Responsibility for Economic, Environmental and Social Topics	15, 75	
	102-22 Composition of the Highest Governance Body and its Committees	72-75	
	102-23 Chair of the Highest Governance Body	72	
	102-24 Nominating and Selecting the Highest Governance Body	73, 75	
	102-26 Role of the Highest Governance Body in Setting Purpose, Values, and Strategy	15, 75	
	102-28 Evaluating the Highest Governance Body's Performance	73	
	102-32 Highest Governance Body's Role in Sustainability Reporting	15, 75	

Category	Disclosure Description	Page	Note
Stakeholder Engagement	102-40 List of Stakeholder Groups	18	
	102-41 Collective Bargaining Agreements	56, 66	
	102-42 Identifying and Selecting Stakeholders	18	
	102-43 Approach to Stakeholder Engagement	18	
	102-44 Key Topics and Concerns Raised	17-18	
Reporting Practices	102-45 Entities included in the Consolidated Financial Statements	-	See pp.39-40 of the 2021 fiscal year annual report
	102-46 Defining Report Content and Topic Boundaries	2	
	102-47 List of Material Topics	17	
	102-48 Restatement of Information	63, 64, 81	
	102-49 Changes in Reporting	17	
	102-50 Reporting Period	2	
	102-51 Date of Most Recent Report	2	
	102-52 Reporting Cycle	2	
	102-53 Contact Point for Questions Regarding the Report	2	
	102-54 Claims of Reporting in Accordance with the GRI Standards	2	
	102-55 GRI Content Index	92-93	
	102-56 External Assurance	100-103	

## GRI 200 : Economic

Category	Disclosure Description	Page	Note
Economic Performance	201-1 Direct Economic Value Generated and Distributed	81, 89	
	201-2 Financial Implications and Other Risks and Opportunities due to Climate Change	95-99	
Procurement Practices	204-1 Percentage of Spending on Local Suppliers	39	
Anti-corruption	205-2 Communication and Training about Anti-corruption Policies and Procedures	69-71	
	205-3 Confirmed Incidents of Corruption and Actions Taken	66	
Tax	207-1 Tax Management	82	



## GRI 300 : Environmental

Category	Disclosure	Description	Page	Note
Materials	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	27-29	
	301-1	Materials Used by Weight or Volume	28, 33	
Energy	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	20-21	
	302-1	Energy Consumption Within the Organization	32	
	302-4	Reduction of Energy Consumption	21	
Water	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	24	
	303-3	Water Withdrawal	33	
	303-5	Water Consumption	24	
Emissions	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	20-23	
	305-1	Direct GHG Emissions (Scope 1)	20, 32	
	305-2	Indirect GHG Emissions (Scope 2)	20, 32	
	305-3	Other Indirect GHG Emissions (Scope 3)	20, 32	
	305-5	Reduction of GHG Emissions	20-21	
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and Other Significant Air Emissions	22, 32	
Waste	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	25-26	
	306-2	Management of Significant Waste-related Impacts	25	
	306-4	Waste Diverted from Disposal	26, 33	
	306-5	Waste Directed to Disposal	26, 33	
Environmental Compliance	307-1	Non-compliance with Environmental Laws and Regulations	31	See p.319 of the business report
Supplier Environmental Assessment	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	39-46	
	308-2	Negative Environmental Impact in the Supply Chain and Actions Taken	40-41	

## GRI 400 : Social

Category	Disclosure	Description	Page	Note
Employ	401-1	New Employee Hires and Employee Turnover	65	
	401-3	Parental Leave	50, 65	
Occupational Health and Safety	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	35-38	
	403-1	Occupational Health and Safety Management System	35-36	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	36	
	403-3	Occupational Health Services	37	
	403-5	Worker Training on Occupational Health and Safety	38	
	403-6	Promotion of Worker Health	37	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impact Directly linked by Business Relationships	36-38	
	403-9	Work-related Injuries	63	
	403-10	Work-related Ill Health	63	
	103-1, 2, 3	Important Topics and Boundaries, Management Approach and Composition/Evaluation	47-49	
Training and Education	404-1	Average Hours of Training per Year per Employee	65	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	48-49	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	65	
	405-1	Diversity of Governance Bodies and Employees	64, 72, 79	
Diversity and Equal Opportunity	405-2	Ratio of Basic Salary and Remuneration of Women to Men	64	
	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	53-55	
	412-1	Operations that Have Been Subject to Human Rights Review or Impact Assessment	53	
Human Rights Assessment	412-2	Employee Training on Human Rights Policies and Procedures	53, 66, 69	
	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	60-62	
	103-1, 2, 3	Material Topics and Boundaries, Management Approach and Composition/Evaluation	39-46	
Local Communities	414-1	New Suppliers that were Screened using Social Criteria	39-41	
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	40-41	
	415-1	Political Contributions	89	
Customer Privacy	418-1	Substantiated Complaints concerning Breaches of Customer Privacy and Losses of Customer Data	59, 67	

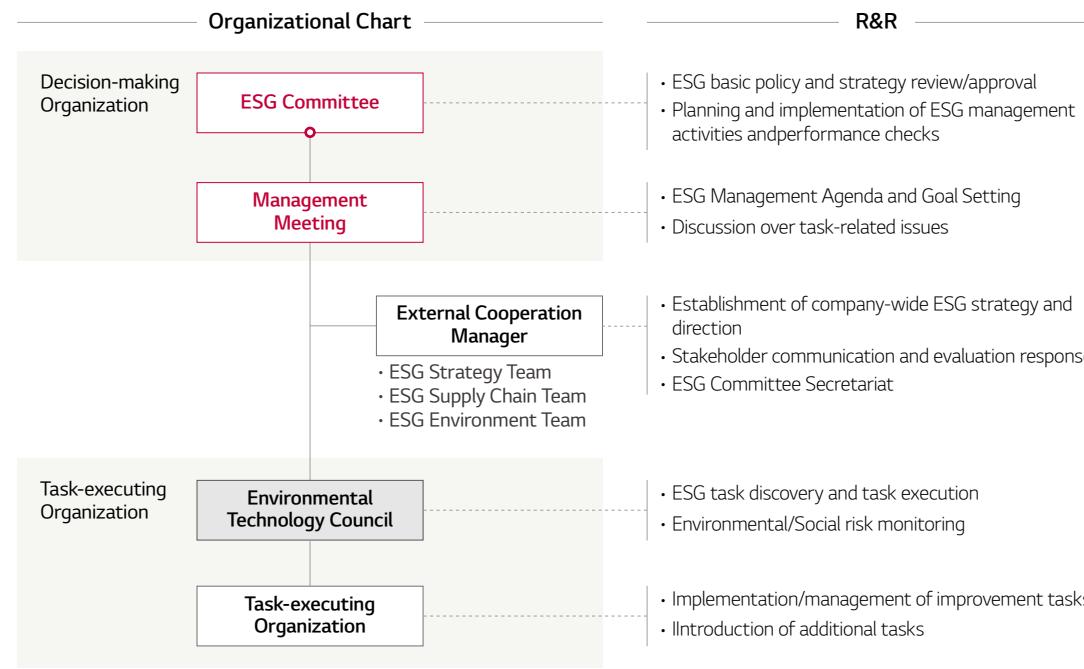


# SASB Index

Topic	Accounting Metric	Category	Unit of Measure	Code	Report	Page
Product Security	Approaches to identifying and addressing data security risks associated with products	Discussion and Analysis	N/A	TC-HW-230a.1	Information Security and Personal Information Protection	58-59
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic composition of (1) management, (2) technicians, and (3) all other employees	Quantitative Indicator	%	TC-HW-330a.1	Social Data	64-65
Product Lifecycle Management	Percentage of products by sales that contain IEC 62474 declarable substances	Quantitative Indicator	%	TC-HW-410a.1	-	-
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT or equivalent registration	Quantitative Indicator	%	TC-HW-410a.2	-	-
	Percentage of eligible products, by revenue, meeting ENERGY STAR criteria	Quantitative Indicator	%	TC-HW-410a.3	-	-
	Weight and recycling rate of recovered end-of-life products and e-waste	Quantitative Indicator	Ton (T), %	TC-HW-410a.4	Waste Discharge and Management	25-26
Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative Indicator	%	TC-HW-430a.1	Supply Chain Management	41
	Percentage of Tier 1 supplier nonconformities with (1) RBA Validated Audit Process (VAP) or equivalent and (2) (a) Priority nonconformities and (b) Relevant corrective actions for other nonconformities	Quantitative Indicator	%	TC-HW-430a.2	Supply Chain Management	41
Material Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	TC-HW-440a.1	Supply Chain Management	41, 43-44

# TCFD Report

## 1. Governance

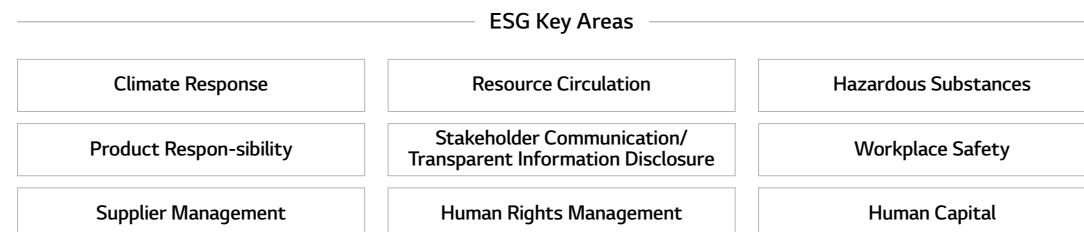


### Board Supervision of Climate Change-related Risks and Opportunities

In April 2021, LG Display established the ESG Committee, the highest decision-making body related to climate change, and set <Creation of Customer-based Eco-friendly Values> as a priority in the ESG environment area. The committee also examines the overall operation and direction of ESG including climate change. It consists of 4 external directors and 1 internal director (CEO) and holds regular meetings once every half year. First, the ESG Committee establishes basic policies and strategies for ESG management and approves mid- to long-term ESG goals. Second, the ESG Committee reviews submitted reports about the ESG business activity plan and implementation performance as well as matters related to the occurrence of and response to significant risks and making informed decisions.

### The Role of Management in Assessing and Managing Climate Change-related Risks and Opportunities

LG Display's management is constantly reviewing climate change-related risks and opportunities. In particular, the CEO/chief officer of sustainability management oversees mid- to long-term greenhouse gas reduction targets and action plans (monitoring the level of target achievements, etc.) as well as climate change issues while the CEO/CFO supervises investment execution and fundraising for greenhouse gas reduction, emission rights trading and renewable energy conversion, etc. The management reports reviewed climate change-related matters to the ESG committee and incorporates decisions in business operation plans and policies. The ESG promotion plan was approved at the 1st ESG committee meeting held in October 2021, and the agenda includes 9 core ESG areas and tasks, the purchase of new and renewable energy through the green premium system, and issuance of green bonds.





## 2. Strategy

### Climate Change-related Risks and Opportunities from Short-, Mid- and Long-term Perspectives

#### The Impact of Climate Change-related Risks and Opportunities on the Organization's Business, Strategic and Financial Plans

LG Display is proactively managing risks by detecting internal and external climate change risks and responding promptly. Parallel to our expanded global reach, we increased sales and secured more business opportunities with ESG investors following the successful reduction of greenhouse emissions.

Climate change-related risks and opportunities are divided into two types: transition risks/opportunities and physical risks/opportunities. Transition risks include risks related to legal regulations, markets, reputation, etc. Since climate change puts a significant financial impact on the company, we are constantly monitoring related risks. Physical risks mainly affect the production and sales of the company because of financial risks following investment in old facilities and repairs.

Risk Type		Time-frame	Financial Impact	Countermeasures	Opportunity Factor
Transition Risk	Policy/Regulation	Short-term	<ul style="list-style-type: none"> <li>Increase in the cost of purchasing emission permits</li> <li>Increase in the cost of GHG Emissions Debt</li> <li>Increase in carbon tax costs</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of process gas with low GWP gas and investment in gas reduction facilities</li> <li>Renewable energy conversion through green premium</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of greenhouse gases through additional investment in reduction facilities through the sale of surplus emission permits</li> </ul>
	Technology	Long- term	<ul style="list-style-type: none"> <li>R&amp;D cost increase for low-carbon technology and facility conversion</li> </ul>	<ul style="list-style-type: none"> <li>Development of low-power/carbon technology</li> <li>Development of eco-friendly materials and parts</li> </ul>	<ul style="list-style-type: none"> <li>Securement and diversification of alternative resources</li> </ul>
	Market	Mid- term	<ul style="list-style-type: none"> <li>Declining sales in line with decreased product demand following a failure to meet consumer requirements</li> </ul>	<ul style="list-style-type: none"> <li>Development and expansion of eco-friendly products using low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>Increased access to new markets (purchasing renewable energy)</li> </ul>
	Reputation	Long- term	<ul style="list-style-type: none"> <li>Declining sales due to damaged reputation</li> </ul>	<ul style="list-style-type: none"> <li>Expanded disclosure of internal and external eco-friendly information (activity and performance)</li> <li>Implementation of green finance (issuance of green bonds, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of capital raising opportunities through investment attraction</li> </ul>
Physical Risk	Short-term	Short-term	<ul style="list-style-type: none"> <li>Reduced production capacity due to typhoons, floods, and droughts</li> </ul>	<ul style="list-style-type: none"> <li>Investment in wastewater reuse facilities</li> <li>Reduction of water consumption through equipment and process improvement</li> </ul>	<ul style="list-style-type: none"> <li>Cost reduction through increased energy efficiency</li> <li>Increased consumer preference driven by low-carbon energy use</li> </ul>
	Long- term	Long- term	<ul style="list-style-type: none"> <li>Damage and decrease in value of tangible assets such as buildings, factories, and machinery</li> <li>Increased operating and capital costs</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency through diagnosis of workplace facilities and processes</li> <li>Steam supply using waste incineration heat</li> </ul>	



## The Effect on Organizational Strategy and Financial Plans in the Case of Various Climate Change Scenarios Such as a 2°C Temperature Increase

Risk type	Scenario Type	2°C Scenario
Transitional Risk	IEA 2DS IEA B2DS	<p><b>1. [Reason for scenario application, organizational boundary]</b></p> <p>LG Display currently mainly uses process gas and electricity, which account for more than 99% of total emissions. Considering the current Korean policy concerning process gas, the officially recognized reduction efficiency is up to 90%, and we have no N2O reduction technology. As renewable energy made up 6.4% of the nation's total power generation as of 2020, we adopted IES B2DS to cover IEA 2DS and the greenhouse gas reduction policy to a large extent based on technology that can reduce the largest amount of gas reduction.</p> <p>LG Display considered the greenhouse gas emission reduction scenario for both domestic and overseas business sites (Scope 1 + Scope 2) as an industry. We excluded Scope 3 as it was less than 40% of the total emissions based on the SBTI.</p> <p><b>2. [Input information, assumptions, and analysis method]</b></p> <p>We made projections on the emission amount generated until 2050 based on the recorded emissions in 2018-2021 from domestic and overseas plants, the display industry production CAGR (applied CAGR of '18-'22), and the basic 2020 LCD and OLED units (emissions/production area). We assumed that production-related LCD production will be put on hold in 2030 and OLED production volume will increase. We conducted this analysis based on assumptions that NF3, which is not included in the six largest greenhouse gases in Korea, will be included in the greenhouse gas range from 2026 according to the national policy and a national project for greenhouse gas emission reduction in the semiconductor and display industry would be substantially realized by 2050.</p> <p>In the reduction process, yearly F-Gas reduction efficiency and N2O reduction efficiency were applied for Scope 1, and multiple renewable energy conversion methods (REC, PPA, etc.) were applied for Scope 2. Scenario analysis was performed in consideration of linear regression analysis, reduction potential, and growth rate. As a result, we confirmed that our reduction target is feasible and the SBTI 2°C scenario goal can be achieved. LG Display has ultimately set the goal of reducing emissions by 40% by 2030 and 90% by 2050 compared to emissions in 2014.</p> <p><b>3. [Strategy impact and examples]</b></p> <p>The reduction target based on the scenario was included in the sustainability report and quarterly report, and to reduce F-gas, we invested a total of 40 billion won from 2015 to 2021, and we plan to continuously make investments into achieving our reduction plan going forward. LG Display also leveraged the Green Premium system to 100% replace the electricity used in the entire office. With the gradual increase in environmental awareness on renewable energy, consumers and companies are increasingly seeking eco-friendly, low-carbon products. We are implementing SGS Eco Labels and TUV certifications to take a lead in responding to the growing demand for eco-friendly products by monitoring the power consumption of each product. In addition, selling off low-efficiency facilities is reflected in the mid- to long-term business plan, and R&amp;D costs for developing low power consuming products are always reflected in our budget plan.</p>
Physical Risk	RCP4.5 (Representative Concentration Pathways)	<p>As the global demand for a low-carbon transition is intensifying, stakeholder demands for carbon neutrality are increasing.</p> <p>LG Display analyzed emissions based on the RCP4.5 scenario (where the greenhouse gas reduction policy is substantially realized) by taking into account the current reduction technology level and the carbon-neutral national project (National Display Industry Greenhouse Gas Reduction Policy by 2050).</p> <p>In order to predict changes in temperature and precipitation, future changes in greenhouse gas concentrations must be predicted through RCP scenarios.</p> <p>The Korea Meteorological Administration used the RCP greenhouse gas concentration forecast of the IPCC to come up with a detailed climate change scenario specific to South Korea (1km).</p> <p>For the detailed climate change scenario specific to South Korea, a statistical refinement model (PRIDE) was used. If the current greenhouse gas emission trend is maintained, the temperature is expected to rise by 5.3°C compared to the present (1981-2010) in the second half of the 21st century (2071-2100). However, according to the RCP4.5 scenario, temperatures are expected to rise below 5.3°C. To prevent precipitation and temperature increase, LG Display has identified items that can save energy by leveraging high-efficiency facilities, understanding facility and manufacturing processes as well as the structure of energy use and consumption, and we are carrying out reduction activities accordingly.</p>

### 3. Risk Management

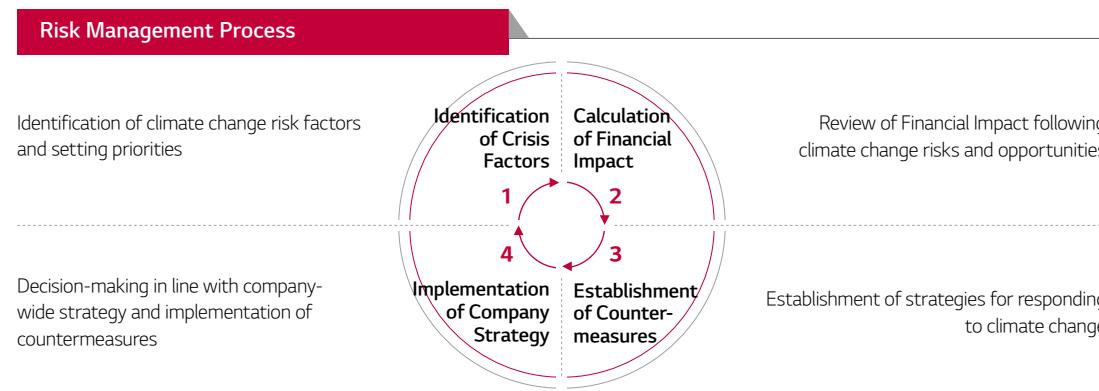
#### Organizational Process for the Identification and Assessment of Climate-related Risks

#### Organizational Process for Climate Change-related Risk Management

LG Display lists internal and external risk factors based on global trends (COP, carbon tax, etc.), management and stakeholder surveys, and global compliance program evaluation criteria.\* We identify and evaluate key risks according to their financial and business impacts and establish a corresponding prevention and management system. In order to comply with excessive environmental laws and regulations, we have hired professional technicians in each field, and organized our own diagnosis organization to manage compliance risks in the environmental field, and periodically review domestic and overseas corporations for legal compliance and risk status. The head of the relevant department reviews requirements and legal standards and establishes and implements an environmental management plan if significant risks are found in the environmental impact assessment before carrying out new businesses, due diligence, mergers and acquisitions.

\* U.S. Department of Justice Corporate CP Evaluation Standard, ISO 37301 (Revised in 2021)  
Fair Trade Commission Voluntary Compliance Program Detailed Evaluation Index

Major risks of climate change include transition risks and physical risks. LG Display classified risks into primary and secondary risks and manages them accordingly. First, the climate response department under the external cooperation department reviews risks related to climate change establishes/implements countermeasures and carries out risk monitoring under an environmental technology consultative body. The department in charge of second-level compliance monitoring conducts a risk check list and self-assessment sheet once a year and identifies and evaluates related risks. Risk review targets are reviewed at least every six years, and climate change-related evaluations and monitoring results are reported to the chief sustainability management officer, while major issues affecting business strategies and finances are reported as an agenda for the ESG committee where major matters are put to a vote. Going forward, we will respond to climate change risks by establishing a monitoring and evaluation system to efficiently manage the company-wide impact of climate change risks.





## 4. Metrics & Targets

### Indicators and Greenhouse Gas Emissions Used to Assess Climate Change-related Risks and Opportunities

LG Display continuously manages domestic and overseas greenhouse gas emissions as well as the amount of energy consumption and reduction to respond to climate change and achieve carbon neutrality. We have set mid- to long-term targets which we are striving to achieve.

#### Scope1,2 GHG emissions

Category	Unit	2019	2020	2021
Domestic	Scope 1 tCO <sub>2</sub> eq	2,918,712	2,073,959	1,967,656
	Scope 2 tCO <sub>2</sub> eq	2,966,752	2,674,248	2,816,059
Overseas	Scope 1 tCO <sub>2</sub> eq	45,766	107,219	123,850
	Scope 2 tCO <sub>2</sub> eq	1,911,573	1,889,367	2,128,418
Sub Total	Scope 1 tCO <sub>2</sub> eq	2,964,478	2,181,178	2,091,506
	Scope 2 tCO <sub>2</sub> eq	4,878,325	4,563,615	4,944,477

#### Scope 3 GHG Emissions

Category	Unit	2019	2020	2021
Employee Business Trips*	tCO <sub>2</sub> eq	3,386	1,808	1,913
Transportation of Products**	Shipment tCO <sub>2</sub> eq	2,087	1,323	2,482
	Import tCO <sub>2</sub> eq	904	705	745
Purchased Products & Services***	tCO <sub>2</sub> eq	257,712	208,591	210,912
Processing of Sold Products****	tCO <sub>2</sub> eq	32,946	20,500	7,744
Sub Total	tCO <sub>2</sub> eq	297,035	232,927	223,797

\* Employee Business Trips: Calculation of greenhouse gas emissions generated in the process of travel (air, vehicle) for domestic employee business trips (methodology, distance-based calculation method)

\*\* Transportation of Products: Calculation of greenhouse gas emissions generated in the logistics process of domestic business sites for imported/shipped products (methodology, distance-based calculation method)

\*\*\* Purchased Products & Services: Calculation of emissions of 36 domestic partners of LG Display that have received carbon partnership certification (methodology, supplier data collection calculation method)

\*\*\*\* Processing of Sold Products: GHG emissions are calculated through LG Electronics' emission factor per cost (methodology, cost-based calculation method)

※ Calculated through the calculation method suggested by the CDP.

#### Greenhouse Gas Reduction

Category	Unit	2019	2020	2021
Reduction	tCO <sub>2</sub> eq	1,205,337	1,436,426	1,708,567

#### Energy Use in Business Sites

Category	Unit	2019	2020	2021
Domestic Business Sites	Direct Energy LNG	TJ	1,172	1,065
	Other	TJ	192	149
	Indirect Energy Electricity	TJ	61,064	55,042
	Steam	TJ	348	412
Sub Total		TJ	62,776	56,668
Overseas Business Sites	Direct Energy LNG	TJ	356	412
	Other	TJ	2	55
	Indirect Energy Electricity	TJ	8,562	9,404
	Steam	TJ	178	130
Sub Total		TJ	9,097	10,001
				11,124

#### Greenhouse Gas Reduction Goals and Related Performance in Climate Change Risk Management and Opportunities

##### 1) Reduction of 90% by 2050 Compared to Emissions in 2014 Based on Business Sites

In order to continuously reduce greenhouse gas emissions, LG Display aims to reduce its emissions by 40% compared to 2014 by 2030 as a mid-term goal, and as a long-term goal, we set a target of 90% reduction by 2050 compared to 2014. In 2021, 1.71 million tCO<sub>2</sub>eq was reduced by investing in fluorination gas reduction facilities and company-wide power reduction. In order to achieve the greenhouse gas reduction target, we will promote activities such as ▲actively participating and responding to government policies related to climate change, ▲reducing the amount of process gas used in production equipment, ▲additionally investing in process gas reduction facilities and developing and applying high efficiency (reduction efficiency of 95% or more) emission reduction technology for process gas, ▲developing and applying low-power production equipment/utility technology, as well as ▲continuously developing eco-friendly products.

##### 2) Introduction of Renewable Energy

LG Display is in the process of converting to renewable energy in Korea and overseas, and purchased 57.2GWh through a green premium bidding in 2021, which is 100% of the the amount of energy required to run electricity for all office buildings in domestic business sites. In 2022, our plan is to convert 1,096GWh (which is 19 times more than 57.2GWh) to renewable energy through domestic green premium and overseas REC purchases. In the future, LG Display will take into account the quantity/unit price (cost effectiveness) of renewable energy to select between green premium\* and REC\*\* in the short term. In the mid- to long-term, we will accelerate the transition to new and renewable energy by participating in equity investment\*\*\* through PPA\*\*\*\* contracts and external partnerships.

\* Green Premium: A system in which renewable energy is purchased by paying a premium to the existing electricity rate under the supervision of KEPCO

\*\* REC (Renewable Energy Certificates): Purchase of renewable energy certificates hosted by the Korea Energy Agency (indirect purchase system)

\*\*\* Equity investment: A company invests a certain amount in a renewable energy power generation business and procures electricity + renewable energy certificates through a separate contract

\*\*\*\* PPA (Power Purchase Agreement): Renewable energy direct purchase contract system between power generation companies

→ purchasing companies (long-term agreement)

# Third-Party Verification Statement

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

## Introduction and objectives of work

BSI Group Korea (hereinafter "the Assurer") was asked to verify LG Display's 2021-2022 Sustainability Report (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance.

LG Display is solely responsible for all information and assertion contained in the report. The responsibility of the assurer is to provide independent assurance statement with expert opinions to LG Display's executives by applying the verification methodology and to provide this information to all stakeholders of LG Display.

## Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report is prepared in accordance with the Core Option of GRI Standards. 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 related to material topics:

- GRI 300(Environmental): 302-1, 303-3, 303-5, 305-1-3, 305-7, 306-5
- GRI 400(Social): 403-9, 405-2

## Scope of Assurance

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

- Based on the period from January 1st to December 31st, 2021 included in the report
- Appropriateness and consistency of processes and systems for data collection, analysis and review
- 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
- The following items were not included in this assurance
  - Financial information, SASB Index and TCFD report included in the report appendix
  - 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 LG Display's Sustainability Report 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

LG Display divided stakeholders into customers, employees, shareholders/investors, local communities, suppliers and government/NGO, and has communication channels and processes to implement stakeholder engagement program. They have communication channels for each group and collect opinions. Also, 22 issues were derived by analyzing international standards/norms, analyzing media, and surveying to identify stakeholder issues, and it was confirmed that derived material issues are reflected in decision-making on sustainability management.

### Materiality: Identification and reporting of material sustainability topics

LG Display identified materiality for issues by analyzing stakeholder interest and business impact on the 22 issues derived. As a result, the material issues of 10 topics were selected.

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

LG Display strives to establish processes to monitor, measure, assess and manage the impact of organizational activities for more effective decision making and management. Identified impact could be integrated into stakeholder engagement and periodic importance assessment processes to inform organizational governance, strategy, goal setting and operations, thereby increasing informed decision making and responsiveness. In addition, the impact determined by each key issue from a sustainability topics are disclosed in the report.

### Responsiveness: Responding to material sustainability topics and related impacts

LG Display establishes and implements a response plan for each issue to appropriately respond to the derived core issues that reflects the expectations of stakeholders, and discloses detailed response activities and performance for them through the report.

## Key areas for ongoing development

To the extent that the results of the verification are not affected, the following comments were made.

- In order to understand stakeholder issues, a wide range of topics are included in the pool in the context of sustainability, but it is necessary to strengthen external stakeholder participation and issue selection criteria so that various stakeholder issues in the industry can be clearly reflected.
- It may be helpful to strengthen the Disclosure of the activities, achievements and plans of ESG committees within the governance structure to sustainability management.
- It may be helpful to conduct a double-materiality assessment that considers how the organization's ESG performance and ESG plans affect the environment and society and the characteristics of the reporting organization by industry.
- We recommendation that in future the report should provide clearer information on how the business growth strategy impacts on the 10 main sustainability issues identified and the LG Display's plans to manage these linkages.

## Statement of independence and competence

The assurer is an independent professional services company 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 LG Display.

We 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 LG Display.

### [Universal Standards]

- |  |                       |   |
|--|-----------------------|---|
| • Organizational Profile: 102-1-102-13       | • Strategy: 102-14-15 | • Ethics and Integrity: 102-16-17       |
| • Governance: 102-18/19/20/22/23/24,26/28/32 |                       | • Stakeholder Engagement: 102-40~102-44 |
| • Reporting practice: 102-45-102-56          |                       | • Management Approach: 103-1~103-3      |

### [Topic-specific Standards]

- |  |
|--|
| • Economic: 201-1~2, 204-1, 205-2~3, 207-1   |
| • Environmental: 301-1, 302-1, 302-4, 303-3, 303-5, 305-1/2/3/5/7, 306-2/4/5, 307-1, 308-2     |
| • Social: 401-1/3, 403-1/2/3/5/6/7/9/10, 404-1-3, 405-1-2, 412-2, 413-1, 414-1-2, 415-1, 418-1 |

13 July 2022

BSI Group Korea, Managing Director **S. H. Lim**




# Greenhouse Gas Verification Report

## Verification Objective

LG Display's 2021 Scope 3 GHG Emissions

- Scope 3 GHG emissions for purchased goods and services, business travel, downstream transportation and distribution, processing of sold products.

## Verification Scope

The scope of this verification is the annual Scope3 GHG emissions related to purchased goods and services, business travel, downstream transportation and distribution, and processing of sold products at LG Display's domestic business sites, and Scope 3 GHG emissions were calculated based on the activity data provided by LG Display.

## Verification level

Limited Level of Assurance

## Data Verified

LG Display's annual Scope 3 GHG emissions related to purchased goods and services, business travel, downstream transportation and distribution, processing of sold products in domestic business sites in 2021 are as follows.

Scope3 Category	Purchased Goods and Services	Business Travel	Transportation and distribution	Processing of Sold Products	Total Emissions
Annual Emissions	210,912	1,913	3,227.21	7,744	223,796

## Verification Criteria and Protocol

The verification was performed at the request of LG Display using the following verification standards.

- Guidelines for reporting and certification of emissions from the greenhouse gas emission trading system (Ministry of Environment Notice No. 2021-278)
- The GHG Protocol of the WBCSD/WRI WBCSD/WRI Technical Guidance for Calculating Scope 3 Emissions (version 1.0)
- BSI Greenhouse Gas Emission Verification Scheme

## Verification Opinion

As a result of the verification in accordance with the standards listed above, it is the opinion of BSI that:

- In conducting this verification, no visits to the verification target business site or verification of the authenticity of the data provided by LG Display were carried out.
- This verification may be affected by limited factors such as the limitation of provided data, non-execution of on-site verification, and sampling. Due to the limitation of this verification, there is an unavoidable risk that important errors may not be found and exist.
- No material misstatement in the GHG emission calculations was detected, related records were maintained appropriately.
- The data quality was considered corresponding to the international key principles for GHG emissions verification.

Issue: 07/07/2022

For and on behalf of BSI

Managing Director Korea, **SeongHwan Lim**



2021-2022  
LG Display Sustainability Report

You Dream,  
**We Display.**

