TCFD Report

2026

TRUE DISPLAY
For A Sustainable Future

LG Display

About This Report

Overview

This report is LG Display's second TCFD report, published to transparently disclose the Company's climate action strategies and performance to stakeholders. Since 2021, LG Display has disclosed climate-related information through its Sustainability Report. Beginning in 2025, the Company started publishing a standalone report based on the recommendations of the TCFD to enhance the depth and expertise of its climate-related disclosures. The 2026 report presents the activities undertaken and progress achieved over the past year in support of the Company's goal of achieving Net Zero by 2050.

Reporting Frameworks

This report transparently discloses information across the four key areas of the TCFD (Task Force on Climate-related Financial Disclosures) recommendations—Governance, Strategy, Risk Management, and Metrics and Targets—and includes the Company's company-wide efforts to proactively address climate-related issues.

Reporting Period and Boundaries

This report focuses on LG Display's Climate Action activities and covers the Company and its domestic and overseas subsidiaries based on the consolidated organizational boundary used for business reporting. However, given that Greenhouse gas(GHG) emissions and climate-related impacts primarily arise from manufacturing operations, the report presents relevant information and analysis results with a focus on major manufacturing sites.

LG Display conducted a climate materiality assessment to identify climate-related risks and opportunities that may affect corporate value from a company-wide perspective. In addition, the Company qualitatively reviewed the potential financial impacts and their significance across the value chain.

GHG emissions are calculated based on the organizational boundary described above. Considering that the majority of emissions are generated from manufacturing operations, the climate change scenario analysis and financial impact assessment presented in this report were conducted primarily for major manufacturing sites. Reasonable assumptions and estimates based on data availability were applied to certain Scope 3 emissions and long-term projections, and the related assumptions and limitations are disclosed transparently.

The reporting period covers January 1, 2025, to December 31, 2025. Key quantitative data are presented with trends covering the most recent three years or more. Certain performance data also include results from the first half of 2026.

Inquiries Regarding the Report

More information about LG Display can be found on our website at www.lgdisplay.com. For any inquiries regarding the TCFD Report, please contact us using the information below.

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Interactive PDF User Guide

2026 LG Display TCFD Report has been published as an interactive PDF, including features such as navigation to relevant pages within the report and direct links to associated webpages.

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Overview

Main Contents

Reporting Framework

GOVERNANCE

LG Display reviews its strategies and direction for responding to climate change through semiannual meetings of the ESG Committee. LG Display operates a dedicated climate governance and implementation framework under the management and oversight of the C-Level executives participating in the ESG Management Council and systematically advances key strategic initiatives to achieve Net Zero.

STRATEGY

LG Display has set a target of achieving Net Zero emissions by 2050 and is actively implementing strategic tasks to achieve this target.
In alignment with the Paris Agreement and climate-related public policies, we are striving to achieve Net Zero.

RISK MANAGEMENT

LG Display has established a risk management process to effectively manage and proactively respond to climate-related risks. The risk management process is carried out in the following sequence :

① Identification of Risks and Opportunities
② Assessment of Financial Impacts
③ Establishment of Response Measures
④ Implementation of Response Measures.

METRICS AND TARGETS

LG Display uses key indicators such as GHG emissions, renewable energy usage, and water reuse rate to manage its response to climate change.

2025 Key Performance

CDP Climate Change

2016~2025

'Carbon Management Sector Honors'
IT category

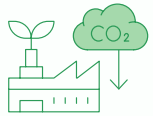
10 consecutive years

GHG Emissions Reduction

2025

GHG Emissions Reduction compared to 2018

Reduction by **67** %
(Scope 1, 2 Market-based)



Renewable Energy Transition Rate

2025

Company-wide electricity consumption

48 % Transition

Water Reuse Rate

2025

Exceeded the domestic water reuse rate target of 74%,

achieving **77.2** %

Governance

Climate Change Governance System

Management and Monitoring by Board of Directors

In April 2021, LG Display established the ESG Committee as a decision-making body responsible for approving key ESG management strategies, including those related to climate change, as well as mid- to long-term ESG goals, and for reviewing material ESG-related risks. The ESG Committee consists of four Independent Directors with diverse expertise and backgrounds, along with one Executive Director (CEO), and convenes on a semiannual basis.

In addition, in April 2023, the ESG Committee approved LG Display's 2050 Net Zero Roadmap and implementation strategy, reaffirming the Company's commitment to proactively addressing climate change as a global corporation. To achieve Net Zero by 2050, LG Display is implementing a range of initiatives, including the development of GHG reduction technologies, improvements in energy efficiency, and GHG emissions reduction projects. The ESG Committee regularly reviews the progress and performance of these initiatives. Going forward, LG Display will continue to strengthen the management and oversight of environmental issues, including climate change, through the ESG Committee.

Roles and Responsibilities of Management

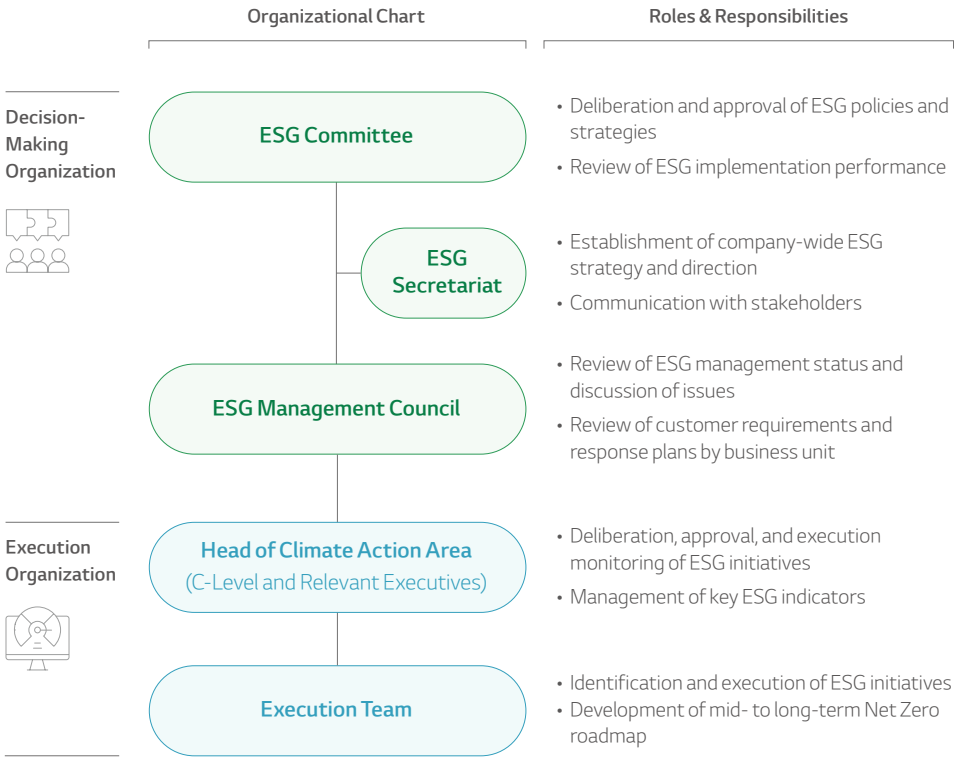
LG Display has established an ESG governance framework that clearly defines the roles and responsibilities of management. The Company operates and manages its ESG governance system by designating key C-Level executives and senior management as Heads of Each Area(C-Level) for their respective climate action areas. Among them, the Head of Each Area(C-Level) responsible for climate action continuously reviews and manages climate-related risks and opportunities to support the achievement of Net Zero by 2050.

In addition, LG Display convenes the ESG Management Council on a semiannual basis, with participation from key C-Level executives and senior management, to review ESG action plans and implementation progress and to discuss major ESG-related issues. Within the environmental area, the council closely reviews and monitors GHG emissions and renewable energy transition performance against established targets, thereby overseeing the implementation and achievement of climate action initiatives.

LG Display also conducts a climate materiality assessment to evaluate the environmental and social impacts of its business activities, as well as the financial impacts of climate-related risks and opportunities, taking into consideration their relative significance and priority. Going forward, management will continue to respond to climate-related risks and identify emerging opportunities to support long-term value creation.

Governance Framework Diagram

LG Display has established the governance structure to ensure transparent and effective management of climate change response.



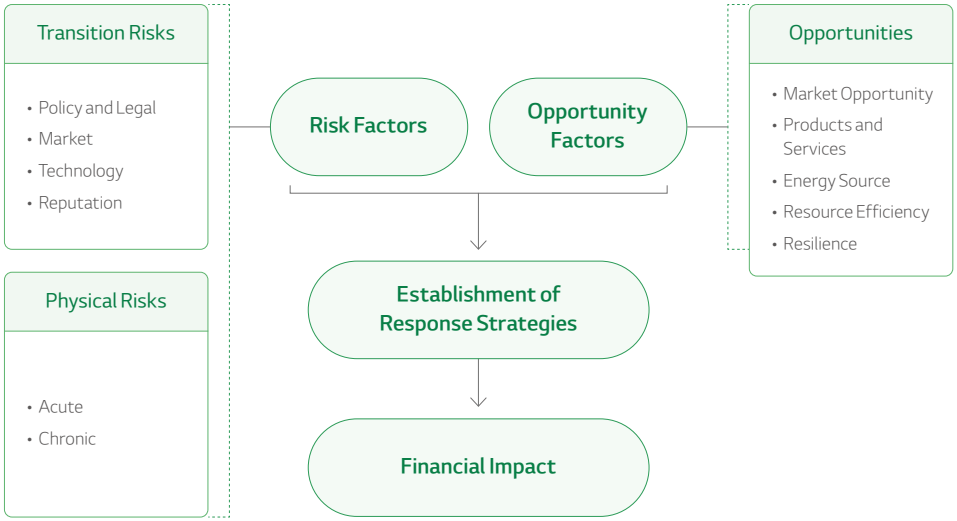
Strategy

Analysis of Climate-Related Risks and Opportunities

Identification of Climate Risks and Opportunities

Climate change is increasingly recognized as a significant external factor that may affect the business environment in which companies operate. Physical impacts arising from climate change may affect production facilities, asset values, and supply chain operations, while climate-related policy and regulatory developments across jurisdictions may influence energy consumption structures, emissions trading costs, and capital investment plans. As a result, investors and other stakeholders continue to place increasing emphasis on how companies identify and manage climate-related risks and opportunities.

LG Display classifies the potential impacts of climate change into transition risks, physical risks, and opportunities based on the framework recommended by the TCFD. These factors are assessed as elements that may affect business operations and financial planning across the value chain. To evaluate the financial impacts of climate-related risks and opportunities, LG Display conducts scenario-based analyses and plans to further enhance its analytical approach over time.



① Transition Risks

Risks associated with the transition to a low-carbon economy

Policy and Legal	Stricter regulations in line with Net Zero goals
Market	Growing consumer demand for eco-friendly products
Technology	Industry transformation driven by new technologies such as EV and renewable energy
Reputation	Possibility of facing negative evaluations from investors and consumers when a company neglects ESG management

② Physical Risks

Risks directly caused by climate-induced natural phenomena

Acute	Damages from short-term natural disasters such as typhoons, floods, and droughts
Chronic	Risks from chronic environmental changes such as sea level rise and long-term temperature increases

③ Opportunities

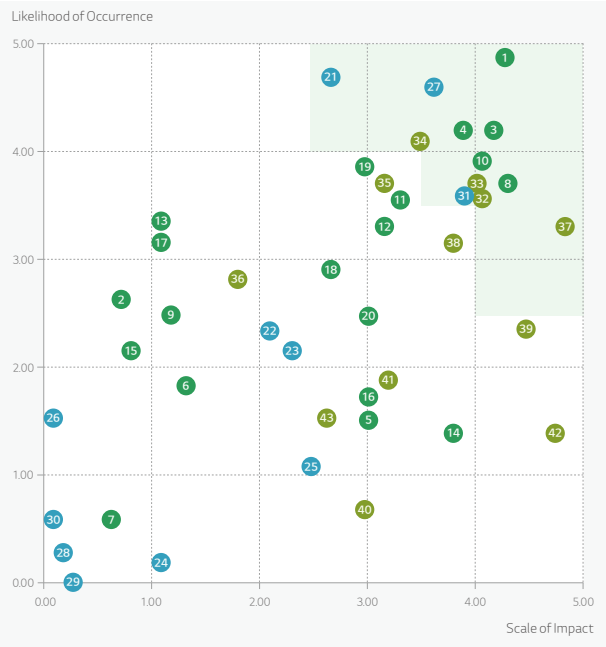
Positive business opportunities arising from climate change response

Market Opportunities	Entry into new markets or expansion of market share in response to changes in market structure
Products and Services	Creating new demand through the development and expansion of low-carbon and environmentally friendly products and services
Energy Source	Reducing GHG emissions and energy costs through the transition to low-carbon and renewable energy sources
Resource Efficiency	Reducing costs and improving productivity through more efficient use of raw materials and other resources
Resilience	Enhancing business stability and long-term competitiveness by strengthening capabilities to respond to climate-related risks

Analysis of Climate-Related Risks and Opportunities

Climate Materiality Assessment

LG Display has redefined its key climate change risks and opportunities by systematizing its assessment process. Through the identification and evaluation of these risks and opportunities by a dedicated climate action department, the top 12 factors—those with high likelihood of occurrence and significant potential impact—were ultimately identified as LG Display's most critical climate change risks and opportunities.



*Issues with a combined score of 7 or higher based on the Scale of Impact and Likelihood of Occurrence assessments

	Transition Risks
1	Increased carbon compliance costs due to tightening GHG emission regulations
2	Costs associated with disclosure and verification, as well as capital-raising risks, resulting from expanded climate disclosure requirements
3	Rising renewable energy procurement costs due to intensifying competition for renewable energy
4	Deterioration in profitability due to increases in industrial electricity rates
5	Increased investment in environmental facilities and operating costs due to stricter environmental emission regulations
6	Increased export costs and reduced competitiveness due to taxation and trade restrictions on high-carbon products
7	Increased costs of legal disputes and heightened financial uncertainty due to inadequate climate action
8	Increased capital expenditure (CAPEX) for equipment replacement and technology investment to transition to low-carbon processes
9	Increased R&D costs for the development of high-efficiency, low-carbon products
10	Decreased product demand and revenue decline due to failure to meet low carbon requirements
11	Additional response costs and worsening delivery terms due to customers' increasingly stringent Net Zero requirements
12	Rising raw material prices and cost pressures due to environmental policy
13	Worsening of trade terms and cost pass-through risk due to higher decarbonization costs across the supply chain
14	Increased costs for entering new markets and restrictions on business expansion due to environmental regulations
15	Decline in corporate reputation and brand value if climate action efforts are inadequate
16	Investment avoidance and higher cost of capital due to the perception of the industry as energy-intensive
17	Increased costs for managing and supporting business partners due to stricter carbon regulations across the supply chain
18	Process conversion costs and reduced profitability resulting from mandatory product-level carbon reduction requirements
19	Increased management costs and risk of business disruption due to stricter supply chain due diligence regulations
20	Decline in market share and long-term revenue due to delays in transitioning to low-carbon and sustainable products

	Physical Risks
21	Increased cooling costs and decreased production efficiency at business sites due to extreme heatwaves
22	Damage to site equipment and losses from production stoppages due to typhoons
23	Increased asset damage and restoration costs due to heavy rainfall and flooding
24	Costs associated with restricted access to business sites and supply chain disruptions due to the spread of wildfires
25	Increased costs to secure industrial water and production disruptions due to drought
26	Increased energy consumption and facility operating costs due to cold waves
27	Long-term increase in energy costs due to rising average temperatures
28	Increased investment costs for drainage and infrastructure reinforcement due to changes in precipitation patterns
29	Increased costs for protecting and relocating sites in coastal areas due to rising sea levels
30	Rising equipment maintenance and quality control costs due to increased yellow dust and fine particulate matter
31	Increased water procurement costs due to intensifying water stress

	Opportunities
32	Reduction of energy costs and regulatory compliance costs through establishment of a low-carbon production system
33	Reduction of operating costs and improvement of profitability through enhanced energy efficiency
34	Reduction of water procurement costs and enhancement of operational stability through increase in water use efficiency
35	Mitigating electricity cost volatility and stabilizing long-term costs through the transition to renewable energy
36	Securing subsidies and tax incentives by leveraging government climate and energy policies
37	Expansion of premium product revenue through the development of energy-efficient products
38	Expanding market dominance and strengthening customer partnerships by reducing the carbon footprint of products
39	Creating new businesses and revenue streams by capitalizing on the expanding market for climate action solutions
40	Mitigating supply risk and stabilizing procurement costs through diversification of raw material sources
41	Reducing carbon costs through the use of eco-friendly energy and carbon credits
42	Strengthening market competitiveness and driving long-term revenue growth by meeting growing demand for environmentally friendly products through technological innovation
43	Increasing revenue and reducing costs by expanding the recycling and reuse of products and resources

Analysis of Climate-Related Risks and Opportunities

Identification of Key Issues (Results of the Climate Materiality Assessment)

LG Display analyzed the impacts of 12 key climate-related risks and opportunities identified through its climate materiality assessment, considering both the time horizon and value chain perspective. The timing of impacts was categorized as short term (within one year), mid term (within one to five years), and long term (beyond five years). These time horizons were used to assess when each risk or opportunity is expected to have a financial impact on the Company. In addition, the locations within the value chain where impacts may occur were classified as upstream (raw materials and suppliers), own operations (manufacturing and sales sites), and downstream (product use and end-of-life stages). This approach enabled LG Display to evaluate the potential effects of climate-related risks and opportunities across the value chain.

Category	Type		Climate-related Factors	Time Horizon			Impact Category (Value chain)					Financial Impact	Countermeasures
				Short-term (within 1 year)	Mid-term (within 1–5 years)	Long-term (beyond 5 years)	Upstream	Operation (LG Display)		Downstream			
							Raw Materials, Supplier	Manufacturing Sites	Sales Sites	Use	Disposal		
Transition Risks	Policy and Legal	1	Increased Carbon Compliance Costs Due to Tightening GHG Emission Regulations	●	●	●	●	●	●	●		• Increased investment and operating costs for emissions reduction due to stricter carbon regulations • Penalties and cost burdens in the event of non-compliance	• Purchase of emission allowances at the most cost-effective timing • Establishment and implementation of GHG reduction targets
	Market	3	Rising Renewable Energy Procurement Costs Due to Intensifying Competition for Renewable Energy	●	●	●	●	●	●			• Rising production costs due to increased renewable energy procurement costs	• Review of various renewable energy procurement methods, such as PPAs[2], to secure a stable supply of renewable energy
		4	Deterioration in Profitability Due to Increases in Industrial Electricity Rates	●	●	●	●	●				• Rising production costs due to increased electricity usage costs	• Pursuing energy efficiency and electricity consumption reduction
		10	Decreased Product Demand and Revenue Decline Due to Failure to Meet Low-Carbon Requirements	●	●	●	●	●				• Decrease in product sales and revenue if low-carbon requirements are not met	• Strengthening management of product carbon emissions through GHG reduction and energy efficiency improvements
	Technology	8	Increased Capital Expenditure (CAPEX[1]) for Equipment Replacement and Technology Investment to Transition to Low-Carbon Processes	●	●	●	●	●				• Stricter delivery terms and additional compliance costs due to customers' reduction requirements, leading to increased customer retention costs	• Development of low-carbon process gas technologies
Physical Risks	Acute	21	Increased Cooling Costs and Decreased Production Efficiency at Business Sites Due to Extreme Heatwaves	●	●	●	●	●				• During heatwaves, increased cooling demand at facilities leads to higher electricity consumption and energy costs; deteriorating working conditions result in reduced production efficiency and lost revenue due to decreased output • Production disruptions due to insufficient reserve power and overheating of transmission facilities	• Operation of uninterruptible power supply (UPS) systems to ensure backup power during power disruptions
	Chronic	27	Long-term Increase in Energy Costs Due to Rising Average Temperatures		●	●	●	●				• If average temperatures continue to rise, increased cooling energy demand will lead to higher long-term operating costs and a worsening cost structure	• Reduction in power consumption through improved chiller efficiency • Energy efficiency improvements through diagnostics of facility equipment and process operations
		31	Increased Water Procurement Costs Due to Intensifying Water Stress			●	●	●				• Increased costs to secure alternative water resources if stable water supply becomes difficult due to worsening regional water stress • In the long term, reduced business continuity and increased investment burden	• Water conservation initiatives and expansion of water reuse

1) CAPEX (Capital Expenditure) : Capital expenditures for the acquisition of fixed assets such as facilities and equipment
2) PPA (Power Purchase Agreement) : A contract for the direct purchase of electricity between a renewable energy generator and an off-taker without going through a power exchange

Analysis of Climate-Related Risks and Opportunities

Identification of Key Issues (Results of the Climate Materiality Assessment)

Category	Type		Climate-related Factors	Time Horizon			Impact Category (Value chain)					Financial Impact	Countermeasures
				Short-term (within 1 year)	Mid-term (within 1–5 years)	Long-term (beyond 5 years)	Upstream	Operation (LG Display)		Downstream			
							Raw Materials, Supplier	Manufacturing Sites	Sales Sites	Use	Disposal		
Opportunities	Resource Efficiency	32	Reduction of Energy Costs and Regulatory Compliance Costs Through Establishment of a Low-Carbon Production System	●	●	●	●	●				• Reduction in costs associated with compliance with carbon regulations through the reduction of GHG emissions from manufacturing processes • In the long term, manufacturing costs are expected to improve through reductions in energy and environmental costs	• Introduction of high-efficiency equipment for reducing process gases and initiatives to reduce operating costs
		33	Reduction of Operating Costs and Improvement of Profitability Through Enhanced Energy Efficiency	●	●	●	●	●				• Reducing operating costs and improving profitability by cutting electricity consumption through the introduction of high-efficiency equipment and process optimization	• AI-based smart energy management and introduction of high-efficiency equipment • Expansion of waste heat recovery
		34	Reduction of Water Procurement Costs and Enhancement of Operational Stability Through Increase in Water Use Efficiency	●	●	●	●	●				• Reducing water procurement costs by increasing the water reuse rate for industrial water	• Monitoring usage and improving process conditions
	Products and Services	37	Expansion of Premium Product Revenue Through the Development of Energy-Efficient Products		●	●	●	●	●	●		• Expanding the premium product portfolio and securing opportunities to increase sales of high value-added products	• Securing high-efficiency next-generation panel technology • Strengthening marketing based on eco-friendly and low-carbon product certifications

Climate Scenario Analysis and Financial Impact Assessment

Transition Risks and Financial Impacts (Increased carbon compliance costs due to tightening GHG emission regulations)

Given the nature of the manufacturing industry, LG Display determined that the majority of its GHG emissions originate from production processes; consequently, transition risks (such as carbon pricing) and physical risks are also concentrated at its major manufacturing sites. Accordingly, the climate change scenario analysis and GHG emissions calculations were conducted primarily for these manufacturing sites, which account for the majority of total emissions and key financial impacts. Meanwhile, for other sites included in the consolidated scope—such as sales subsidiaries—emissions and exposure to climate risks were deemed relatively limited; consequently, their impact on the results of this analysis was also assessed as limited. Going forward, we plan to gradually expand the scope of analysis to enhance our company-wide climate risk management system. Furthermore, this analysis focused on the cost impacts of carbon regulations and changes in carbon pricing among transition risks, and we quantitatively estimated the expected carbon costs for each scenario based on projected emissions under the reduction pathway.

Transition Scenario Analysis Overview

Category		Details
IEA[1] Scenarios	STEPS[2]	Scenario based on current government policies and announced plans
	APS[2]	Scenario assuming that governments fulfill their announced Net Zero commitments and climate pledges within the stated timelines
	NZE[2]	The most ambitious pathway that achieves global Net Zero by 2050 and limits the increase in global average temperature to 1.5°C.
Scenario Analysis Scope	Korea	Projected emissions through 2050 based on the GHG reduction pathway for domestic operations (Paju and Gumi)
	China	Projected emissions through 2050 based on the GHG reduction pathway for operations in China (Guangzhou, Nanjing, and Yantai)
	Vietnam	Projected emissions through 2050 based on the GHG reduction pathway for operations in Vietnam (Hai Phong)
Key Assumptions	Policy	For Korea, actual paid allocation volumes under Phase IV of the Korea Emissions Trading Scheme (K-ETS) are reflected, and assumptions referencing the EU ETS are applied from 2031 onward. For China and Vietnam, a phased transition to paid allocations is assumed beginning in 2035 and 2040, respectively, considering the current status of their emissions trading systems.
		Assumes full implementation of the Vietnam ETS from 2029 following the pilot phase (2025–2028), with carbon price assumptions referenced from Indonesia and China
	Economic	The KRW/USD exchange rate is assumed to remain constant at the 2023 average level.
	Technology	Assumes Net Zero GHG emissions by 2050 through ongoing improvements in GHG reduction technologies

1) IEA WEO 2024 (International Energy Agency World Energy Outlook 2024)
2) STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), NZE (Net Zero Emissions by 2050 Scenario)

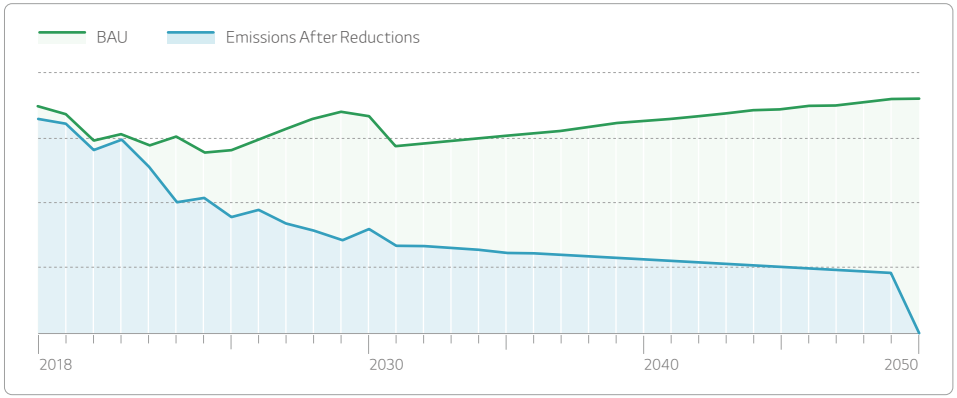
Transition Scenario Analysis Results

Step 1. Establishing GHG Reduction Targets by Manufacturing Site

To align with domestic and international trends in climate action and meet stakeholders' demands for carbon reduction, LG Display projected its emissions through 2050 (BAU[3]) based on production volume plans that account for the environmental and technological characteristics of the display industry, assuming a trend of declining LCD production and increasing OLED production. We utilized the Net Zero 2050 scenario from the NGFS[4], and the organizational boundary for GHG emissions was analyzed based on the consolidated reporting scope in the Annual Report. However, future emissions projections were calculated primarily for key manufacturing sites, taking into account major emission sources and business characteristics, and were designed to be representative of the overall emissions structure. Going forward, we plan to gradually expand the scope of analysis by enhancing our data management system.

LG Display's GHG emissions consist of direct emissions (Scope 1), primarily from process gases (F-Gas, N_2O), and indirect emissions (Scope 2) resulting from electricity consumption. A dedicated team has defined tasks and set reduction goals based on the technological capabilities for process gas reduction and electricity conservation. In particular, building on the investment in F-Gas reduction facilities that began in 2018, we plan to continuously expand the application of next-generation emissions reduction technologies—such as high-efficiency plasma scrubbers—to achieve Net Zero by 2050.

Net Zero Pathway[5]



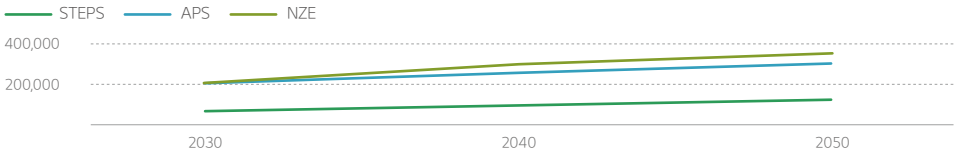
3) BAU (Business As Usual) : A projected future GHG emissions scenario that does not take emission reduction activities into account and serves as the baseline for setting emission reduction targets
4) NGFS (Network for Greening the Financial System)
5) The Net Zero pathway has been restated from the prior-year disclosure to reflect actual emissions data, replacing projected emissions for the most recent three years.

Climate Scenario Analysis and Financial Impact Assessment

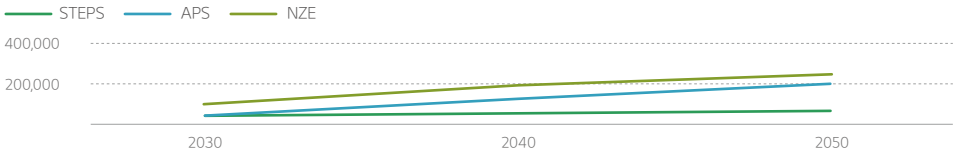
Step 2. Calculating Projected Emissions and the Projected Carbon Prices

LG Display calculated projected annual emissions from 2026 to 2050 based on the reduction pathways aligned with its goal of achieving Net Zero by 2050. Using these figures as a basis, we estimated emissions allowance costs by considering the emissions trading schemes and their scopes in each country. For Korea, the actual volume of allowances subject to purchase for the 4th planning period of the Emissions Trading System (2026–2030) was reflected, and for subsequent periods, the proportion of allowances subject to purchase was estimated with reference to the auction share under the EU ETS, a global carbon market benchmark. Additionally, for China and Vietnam, it was assumed that the proportion of allowances subject to purchase would gradually increase, taking into account the timing of system implementation and market maturity. Carbon pricing was estimated and calculated annually using the IEA's STEPS, APS, and NZE scenarios; these were then applied to projected regional emissions and the proportion of allowances subject to purchase to calculate carbon purchase costs through 2050.

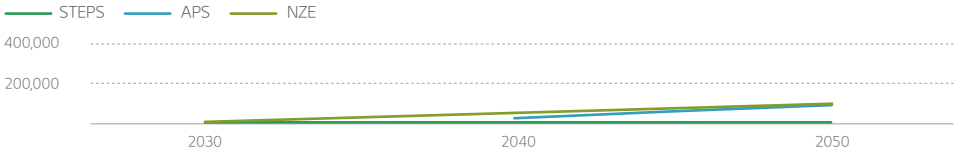
Korea Projected Carbon Price (KRW/tCO_2)



China Projected Carbon Price (KRW/tCO_2)



Vietnam Projected Carbon Price (KRW/tCO_2)[1)]



1) Vietnam is currently in the pilot phase of its ETS (Emissions Trading System). As the 2030 carbon price is not explicitly specified under the APS scenario reflecting the current level of policy implementation, no value is presented for that year.

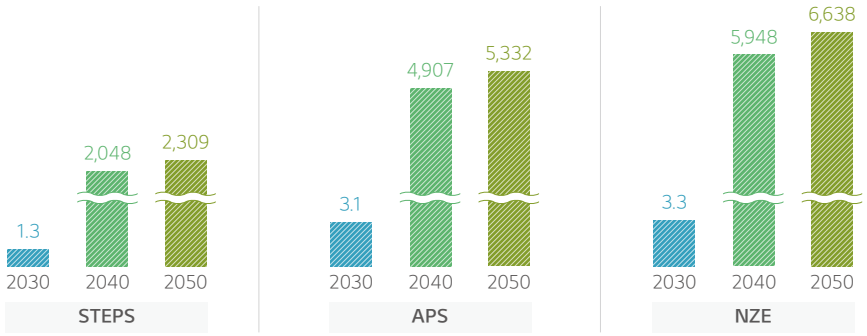
Step 3. Deriving Estimated Costs Based on GHG Reduction Pathways

LG Display forecasts that carbon purchase costs at its major sites will increase due to rising carbon pricing and the increasing proportion of allowances subject to purchase in the future. In particular, differences in the cost burden across regions are expected to arise depending on the timing of policy implementation and carbon pricing levels in each country.

The results of the scenario-based analysis show that carbon pricing trajectories vary depending on the intensity and policy implementation pace of climate policies, leading to differences in projected cost levels. The STEPS scenario assumes that the current policy trajectory will be maintained, resulting in a relatively limited increase in carbon pricing and, consequently, a relatively moderate rise in carbon costs. In contrast, the APS scenario reflects a path in which each country's commitments to achieve Net Zero are effectively implemented, leading to a faster rise in carbon pricing and, as a result, a higher cost burden compared to the STEPS scenario. The NZE scenario is based on the premise of rigorous policy implementation to achieve Net Zero by 2050; consequently, high carbon pricing is applied from the outset and rises at a steep rate, resulting in the highest estimated carbon costs among the three scenarios.

The analysis showed that carbon costs will continue to rise through the 2040s due to increases in carbon pricing and the increasing proportion of allowances subject to purchase, with the cost burden intensifying as the period progresses. However, it was found that after achieving Net Zero in 2050, carbon costs will not be significant due to the decrease in projected emissions.

Projected Annual GHG Emission Costs by Scenario (KRW 100 million)



Climate Scenario Analysis and Financial Impact Assessment

Physical Risks and Financial Impacts (Heatwaves and Rising Average Temperatures)

Rising average temperatures and an increase in the number of heatwave days can lead to higher operational loads on cooling systems and key equipment used in manufacturing processes; in particular, in high-temperature and high-humidity environments, reduced cooling efficiency may result in increased electricity consumption. Electricity consumption accounts for a significant portion of factory operating costs, and these climate changes have been identified as major physical risk factors. In particular, rising outdoor temperatures caused by summer heatwaves and tropical nights can increase the operation of cooling systems and place greater operational burdens on air-conditioning equipment at manufacturing plants, thereby contributing to higher energy costs.

Accordingly, this analysis quantitatively assesses the projected energy cost impacts by focusing on the effects of increased energy consumption resulting from the operation of key equipment under each scenario, while accounting for changes in energy source unit prices.

To conduct an assessment of the financial impacts of heatwaves and rising average temperatures—identified as significant climate risk factors for our company—we analyzed changes in heatwave occurrences and average temperature increases from 2021 to 2050 for each domestic and overseas manufacturing site. To this end, we applied the SSP1-2.6 and SSP5-8.5 scenarios using the Shared Socioeconomic Pathway (SSP) from the IPCC's[1)] Sixth Assessment Report, and assessed physical risks based on temperature changes and heatwave occurrence levels under each scenario. Additionally, this year we expanded the scope of the analysis to include overseas manufacturing sites.

To mitigate the impact of physical risks, LG Display is continuously expanding its energy-saving initiatives—such as investing in high-efficiency equipment, reducing energy consumption through process optimization, and improving equipment operational efficiency via AI Transformation (AX)—as well as increasing its use of renewable energy.

Physical Scenario Analysis Overview

Category		Details
IPCC Scenarios	SSP1-2.6	A scenario assuming environmentally sustainable economic growth driven by the advancement of renewable energy technologies and minimal reliance on fossil fuels
	SSP5-8.5	A scenario assuming rapid industrial and technological development, high fossil fuel consumption, and continued expansion of urban-centered development
Scenario Analysis Scope	Korea	Projected heatwave days and average temperatures through 2050 for domestic operations (Paju and Gumi) based on the IPCC scenarios
	China	Projected heatwave days and average temperatures through 2050 for operations in China (Guangzhou, Nanjing, and Yantai) based on the IPCC scenarios
	Vietnam	Projected heatwave days and average temperatures through 2050 for operations in Vietnam (Hai Phong) based on the IPCC scenarios
Key Assumptions	Korea	Heatwave days are defined as days with a daily maximum temperature of 33°C or higher
	China	Heatwave days are defined as days with a daily maximum temperature of 35°C or higher.
		Regional heatwave days are estimated by adjusting national-level heatwave projections based on changes in regional average temperatures.
	Vietnam	Heatwave days are defined as days with a daily maximum temperature of 35°C or higher.

1) IPCC (Intergovernmental Panel on Climate Change): A United Nations body that assesses climate change risks and supports the development of international response measures.

Climate Scenario Analysis and Financial Impact Assessment

Physical Risks and Financial Impacts(Heatwaves and Rising Average Temperatures)

Analysis of Domestic Manufacturing Sites

For the Paju and Gumi regions, where our domestic manufacturing sites are located, we projected changes in the number of heatwave days and average temperatures through 2050 using the IPCC's SSP1-2.6 and SSP5-8.5 scenarios, as well as the Korea Meteorological Administration's National Climate Change Standard Scenario, and calculated the financial impact of climate change scenarios for each manufacturing site.

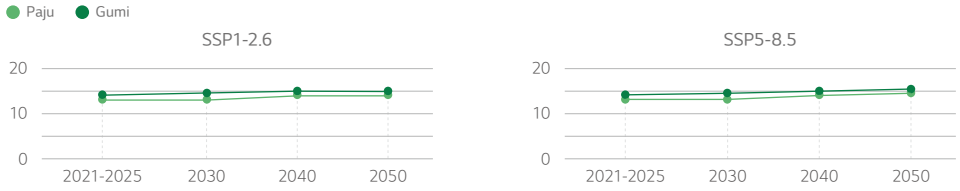
Based on the SSP5-8.5 scenario, the Paju manufacturing site is projected to see an average temperature increase of 1.9°C by 2050 compared to the baseline period (2021–2025), and the number of heatwave days is expected to rise by 18.4 days to 49.1 days. At the Gumi manufacturing site, the average temperature is projected to rise by 1.8°C compared to the baseline period, and the number of heatwave days is expected to increase by 17.4 days, reaching a total of 61.2 days.

An analysis of heating and cooling loads assuming these temperature increases persist for one year indicates that annual heating and cooling costs at the Paju and Gumi manufacturing sites are estimated to rise by approximately 5.5%, resulting in additional costs of about KRW 8.25 billion.

Based on the SSP1-2.6 scenario, the Paju manufacturing site is projected to have an average temperature 0.5°C higher than the baseline period by 2050, with the number of heatwave days increasing by 5.7 days to 32.4 days. The Gumi manufacturing site is projected to have an average temperature 0.6°C higher than the baseline period, with the number of heatwave days increasing by 10 days to a total of 48.6 days.

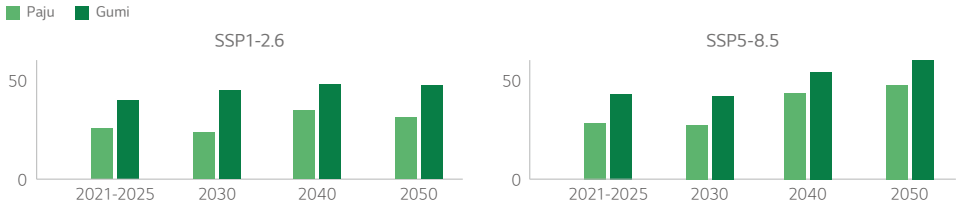
An analysis of heating and cooling loads assuming these temperature increases persist for one year indicates that annual heating and cooling costs at the Paju and Gumi manufacturing sites will rise by approximately 1.4%, resulting in an estimated additional cost of approximately KRW 2.1 billion.

Projected Average Temperature under SSP Scenarios for Domestic Operations (°C)



Year (Period)	Scenario	Paju	Gumi
Base Period (2021-2025)	SSP1-2.6	13.1	14.0
	SSP5-8.5	13.2	14.1
2030	SSP1-2.6	13.1	14.2
	SSP5-8.5	13.2	14.4
2040	SSP1-2.6	13.6	14.6
	SSP5-8.5	14.2	15.1
2050	SSP1-2.6	13.6	14.6
	SSP5-8.5	15.1	15.9

Projected Heatwave Days under SSP Scenarios for Domestic Operations (Days)



Year (Period)	Scenario	Paju	Gumi
Base Period (2021-2025)	SSP1-2.6	26.7	38.6
	SSP5-8.5	30.7	43.8
2030	SSP1-2.6	26.0	41.4
	SSP5-8.5	28.9	43.3
2040	SSP1-2.6	35.7	49.2
	SSP5-8.5	44.3	55.1
2050	SSP1-2.6	32.4	48.6
	SSP5-8.5	49.1	61.2

Climate Scenario Analysis and Financial Impact Assessment

Physical Risks and Financial Impacts(Heatwaves and Rising Average Temperatures)

Analysis of Overseas Manufacturing Sites[1)]

The regions of China and Vietnam, where our overseas manufacturing sites are located, were analyzed using the IPCC's SSP 1-2.6 and SSP 5-8.5 scenarios and the World Bank's climate scenarios; detailed analyses were conducted for Guangzhou, Nanjing, and Yantai in China, and for the Hai Phong region in Vietnam.

Based on the SSP 5-8.5 scenario, the Guangzhou manufacturing site in China is projected to experience an average temperature increase of 0.9°C by 2050 compared to the baseline period (2021–2025), and the number of heatwave days is expected to rise by 4.2 days to 12.2 days. At the Nanjing manufacturing site in China, the average temperature is projected to rise by 1.0°C compared to the baseline period, and the number of heatwave days is expected to increase by 4.6 days, totaling 12.8 days. The Yantai, China manufacturing site is projected to see an average temperature increase of 1.2°C compared to the baseline period, with the number of heatwave days rising by 5.1 days to a total of 13.8 days; and the Hai Phong, Vietnam manufacturing site is projected to see an average temperature increase of 0.7°C compared to the baseline period, with the number of heatwave days rising by 20.2 days to a total of 25.1 days.

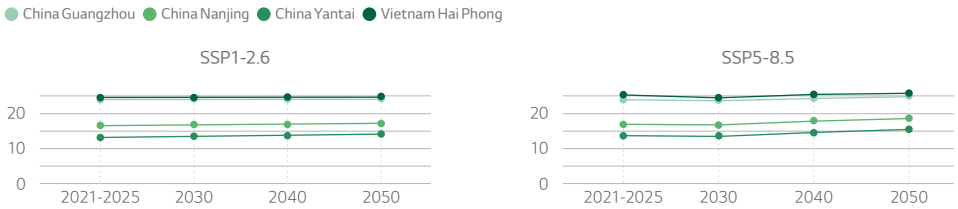
An analysis of heating and cooling loads assuming this temperature rise persists for one year indicates that annual heating and cooling costs at the manufacturing sites in China and Vietnam are expected to increase by approximately 2.5%, resulting in an estimated additional cost of approximately KRW 750 million.

Based on the SSP1-2.6 scenario, the Guangzhou, China manufacturing site is projected to see an average temperature increase of 0.7°C by 2050 compared to the baseline period, with the number of heatwave days increasing by 2.7 days to a total of 9 days. The Nanjing, China manufacturing site is projected to see an average temperature increase of 0.7°C compared to the baseline period, with the number of heatwave days increasing by 2.8 days to a total of 9.5 days. The Yantai, China manufacturing site is projected to see an average temperature increase of 0.8°C compared to the baseline period, with the number of heatwave days increasing by 3.3 days to a total of 10.4 days; and the Hai Phong, Vietnam manufacturing site is projected to see an average temperature increase of 0.5°C compared to the baseline period, with the number of heatwave days increasing by 5 days to a total of 12.1 days.

An analysis of heating and cooling loads assuming this temperature rise persists for one year estimates that annual heating and cooling costs at the China and Vietnam manufacturing sites will increase by approximately 1.8%, resulting in additional costs of about KRW 540 million.

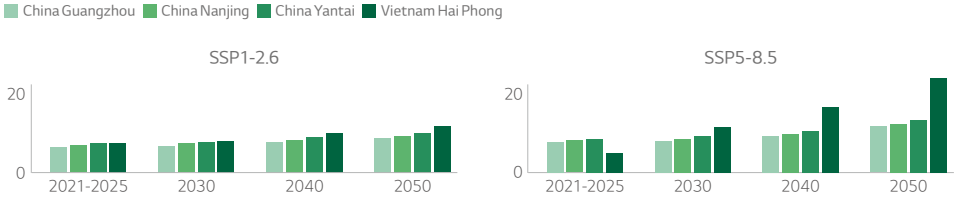
1) Due to rounding, certain figures may not precisely correspond to the detailed amounts presented in the narrative descriptions, tables, and graphs.

Projected Average Temperature under SSP Scenarios for Overseas Operations (°C)



Year (Period)	Scenario	China Guangzhou	China Nanjing	China Yantai	Vietnam Hai Phong
Base Period (2021-2025)	SSP1-2.6	23.8	17.1	13.8	24.6
	SSP5-8.5	24.3	17.6	14.3	25.1
2030	SSP1-2.6	24.0	17.3	14.1	24.7
	SSP5-8.5	24.2	17.5	14.3	24.9
2040	SSP1-2.6	24.2	17.6	14.4	24.9
	SSP5-8.5	24.7	18.1	14.9	25.3
2050	SSP1-2.6	24.4	17.8	14.7	25.1
	SSP5-8.5	25.2	18.6	15.5	25.8

Projected Heatwave Days under SSP Scenarios for Overseas Operations (Days)



Year (Period)	Scenario	China Guangzhou	China Nanjing	China Yantai	Vietnam Hai Phong
Base Period (2021-2025)	SSP1-2.6	6.3	6.6	7.1	7.1
	SSP5-8.5	8.0	8.2	8.7	4.9
2030	SSP1-2.6	7.0	7.4	7.9	8.5
	SSP5-8.5	7.6	8.1	8.7	10.2
2040	SSP1-2.6	8.0	8.4	9.2	10.3
	SSP5-8.5	9.7	10.2	11.0	17.2
2050	SSP1-2.6	9.0	9.5	10.4	12.1
	SSP5-8.5	12.2	12.8	13.8	25.1

Climate Scenario Analysis and Financial Impact Assessment

Physical Risks and Financial Impacts(Increasing Water Stress)

Due to the nature of its manufacturing processes, the display industry requires large amounts of water; therefore, water risk management is a key factor directly linked to stable business operations. LG Display defines "water stress" as the ratio of available water supply to total water demand and considers that intensified water stress could lead to water shortages at manufacturing sites, resulting in financial impacts such as production disruptions and reduced product quality.

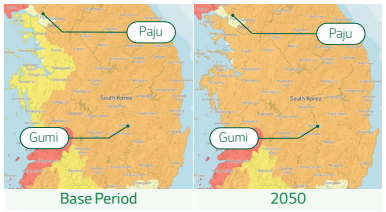
Accordingly, to objectively assess water risk, we utilized the Aqueduct Water Risk Atlas from the World Resources Institute (WRI) to analyze water stress exposure at our major domestic (Paju, Gumi) and overseas manufacturing sites. This analysis projected changes for 2030 and 2050 based on the reference period (1979–2019) and assessed future risk levels by applying the climate change scenarios SSP1-2.6 and SSP5-8.5. Risk levels were categorized into five categories, ranging from "Low" to "Extremely High," to analyze variability across sites.

The analysis revealed that, among domestic manufacturing sites, the Paju manufacturing site is relatively sensitive to changes in water stress caused by climate change. The risk level at the Paju manufacturing site is projected to rise from "Low-medium" during the baseline period to "Medium-high" starting in 2030. Meanwhile, among overseas manufacturing sites, the Yantai manufacturing site was classified as "Extremely high" from the baseline period through 2050; however, considering the scale of water consumption at that manufacturing site, we assess that the risk can be controlled to a certain extent through internal management activities.

To address these physical risks, LG Display is enhancing its water resource management system to ensure practical financial stability. We are continuously improving water use efficiency by upgrading our water recycling systems and are exploring diverse water procurement strategies to ensure stable operations even amid supply volatility caused by climate change, such as droughts. Additionally, LG Display is mitigating the risk of operational disruption by optimizing water consumption through company-wide water conservation initiatives.

LG Display plans to continue strengthening its proactive response system to water stress based on scenario-based analysis and to systematically manage the impact of climate change on corporate value.

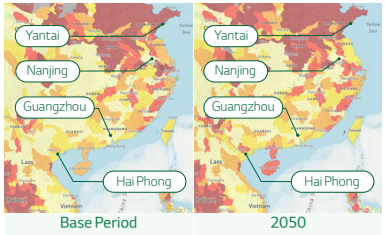
Projected Water Stress for Domestic Operations (%)



SSP5-8.5 (Domestic) : World Resources Institute

Year (Period)	Scenario	Paju	Gumi
Base Period (1979-2019)	-	Low-medium	Medium-high
2030	SSP1-2.6	Medium-high	Medium-high
	SSP5-8.5	Medium-high	Medium-high
2050	SSP1-2.6	Medium-high	Medium-high
	SSP5-8.5	Medium-high	Medium-high

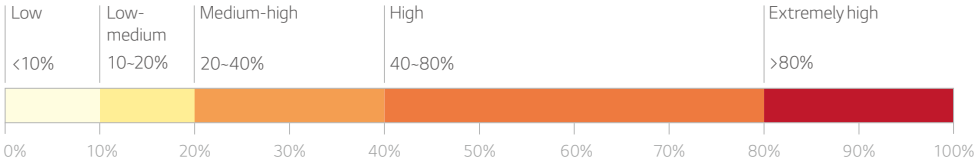
Projected Water Stress for Overseas Operations (%)



SSP5-8.5 (Overseas) : World Resources Institute

Year (Period)	Scenario	Guangzhou	Nanjing	Yantai	Hai Phong
Base Period (1979-2019)	-	Low	Low	Extremely high	Low-medium
2030	SSP1-2.6	Low	Low	Extremely high	Low-medium
	SSP5-8.5	Low	Low	Extremely high	Medium-high
2050	SSP1-2.6	Low	Low	Extremely high	Low-medium
	SSP5-8.5	Low	Low	Extremely high	Low-medium

Water Stress



Climate Action Strategy

GHG Reduction and Technology Development

① Development of GHG Abatement Systems (Scrubbers[1])

LG Display has been investing in and installing GHG abatement systems at its manufacturing sites since 2018 to reduce GHG emissions generated from its manufacturing processes. We are expanding the deployment of plasma scrubbers, which reduce F-GHG[2] emissions by more than 90%, while continuously improving their abatement efficiency. In addition, we are gradually introducing scrubber systems capable of reducing N_2O (Nitrous Oxide) emissions generated in deposition processes by more than 90% across our manufacturing sites to contribute to achieving Net Zero by 2050.

GHG Reduction by Scrubbers

Chamber → Scrubber (GHG Reduction)

Chamber Type	Target GHG	Present (2025) Scrubber Application	2030 High-efficiency Scrubbers
D/E[3]	SF_6, CF_4	More than 90% Reduction	More than 90% Reduction
CVD[4]	N_2O	-	More than 90% Reduction

② Development of Low GWP[6] Process Gases

Since 2023, LG Display has been collaborating with academia, research institutes, and gas suppliers to develop process gases with a low global warming potential (GWP). We estimate the GWP of candidate gases through molecular simulations and big data analysis. Additionally, in collaboration with equipment manufacturers and research institutes, we comprehensively evaluate process suitability and performance, and also review gas production technologies and supply chain development to ensure economic viability. To date, we have identified approximately 20 alternative gas candidates and selected promising candidates to establish laboratory-scale manufacturing and process evaluation facilities for further testing. Based on the evaluation results, we plan to gradually expand production scale and conduct large-area evaluations. With the goal of applying low-GWP gases after 2030, we are working closely with joint research institutions to establish strategies that reflect panel production characteristics and market trends.

Energy Reduction Activities

Company-wide Energy Saving Activities

LG Display is improving the efficiency of utility supply facilities and reducing energy consumption in production equipment, led by a company-wide energy-saving task force. We are also promoting energy-saving activities focused on minimizing energy consumption through continuous improvement efforts, such as optimizing equipment operations based on AX, including smart controls for chillers, reducing losses by improving the visibility of power consumption by equipment, and identifying energy-saving technologies through collaboration with expert groups.

1) Scrubber : Environmental equipment installed to reduce air pollutants and GHG emissions emitted from industrial processes
2) F-GHG (Fluorinated GHGs) : A group of man-made gases containing fluorine that trap heat in the atmosphere far more effectively than carbon dioxide, making them significant contributors to climate change. Examples include PFCs (Perfluorocarbons), SF_6 (Sulfur Hexafluoride), and NF_3 (Nitrogen Trifluoride)
3) Dry Etching
4) Chemical Vapor Deposition
6) GWP (Global Warming Potential) : A numerical value representing the relative impact of other GHGs on global warming, compared to carbon dioxide (CO_2) as a reference (1), when they have the same mass

Climate Resilience Assessment

Climate Resilience Assessment Results

LG Display conducted a comprehensive review of the financial and business impact under various climate change pathways through scenario analysis of transition and physical climate risks. Based on a comprehensive assessment of the analysis and response strategies, LG Display is considered to have secured the capability to maintain operations at its major manufacturing sites even under various climate change scenarios. However, given the uncertainty surrounding the financial impacts due to changes in the external environment—such as the pace of tightening carbon regulations, energy price volatility, and regional water supply conditions—we plan to continue monitoring climate-related risks and further refine our response strategies. Additionally, due to the nature of climate-related risks, there are limitations to quantifying the financial impact of certain items, so qualitative analysis was conducted in parallel.

Transition Risk Analysis

The transition risks analysis was conducted using the STEPS, APS, and NZE scenarios from IEA's WEO 2024. With rising carbon pricing and an expected expansion of allowances subject to purchase, the analysis showed that, when reflecting the emission reduction pathway based on the 2050 Net Zero target, carbon costs would gradually decrease in line with reduced emissions, ultimately resulting in carbon costs no longer occurring by 2050.

Physical Risk Analysis

The physical risk analysis was conducted using the IPCC's SSP1-2.6 and SSP5-8.5 scenarios. Rising average temperatures and an increase in the number of heatwave days were identified as major risk factors, as they lead to higher energy costs due to increased cooling demand at manufacturing sites. Additionally, the water stress analysis revealed a high risk of water scarcity, particularly at some overseas manufacturing sites.

Risk Response Strategy

To address these climate risks, LG Display is implementing various strategies, including GHG reduction initiatives, energy efficiency improvements, the transition to renewable energy, and enhanced water resource management. In particular, we have established an emissions reduction roadmap based on our 2050 Net Zero goal to structurally mitigate carbon cost risks, and continue to reduce energy consumption through the introduction of high-efficiency equipment and process improvements. Furthermore, we are managing operational risks associated with water stress by implementing water reuse systems to improve water use efficiency and exploring measures to secure water resources.

To address climate risks, LG Display is optimizing processes by improving the efficiency of existing equipment and replacing certain equipment, and maintaining the flexibility to respond to climate change by adjusting capital investment and operational strategies as needed.

Climate-related Scenario Analysis Methodology and Key Assumptions

LG Display utilized the STEPS, APS, and NZE scenarios from IEA's WEO 2024 for transition risks analysis and applied the IPCC's SSP1-2.6 and SSP5-8.5 scenarios for physical risk analysis. The detailed definitions of the scenarios, the scope of the analysis, and key assumptions were established based on the scenario analysis methodology described earlier.

External Achievements for Climate Action

Leading Global Climate Action

LG Display received the highest 'A' rating in the 2025 CDP[1] Supply Chain Engagement Assessment (SEA)[2] in recognition of its efforts to manage climate-related risks across the supply chain and build a carbon-neutral ecosystem. In addition, based on its achievements in GHG reduction, advancement of climate change scenario analysis, and expansion of renewable energy usage, the Company achieved a Leadership A- rating in the Climate Change category. As a result, LG Display has been received the Carbon Management Sector Honors in the IT category at the Climate Change Korea Awards for ten consecutive years (2016–2025).

In the area of water management, the Company was also awarded a Leadership A rating, the highest level, in recognition of its tangible achievements in expanding water reuse and improving water resource management practices.

Domestic Policy Partnerships for Implementing the Paris Agreement Goals

To support the implementation of the Paris Agreement goals, LG Display has been participating in the domestic policy partnership initiative since 2024 in collaboration with the KDIA[3], while also engaging in activities of the Carbon Neutrality Cooperation Group to support the transition toward carbon neutrality in the Korean display industry and strengthen industry-wide collaboration. The Company conducts policy advocacy activities to ensure alignment between government climate policies and on-site industrial practices, with the objective of fostering a low-carbon ecosystem across the industry. In addition, in February 2025, LG Display participated in the Industrial Sector Carbon Neutrality Policy Council, where discussions were held on the establishment of CFE(Carbon-Free Energy) infrastructure and support measures for process gas R&D aimed at reducing GHG emissions.

KDIA Activity Process

STEP 1	STEP 2	STEP 3	STEP 4
Participation in climate-related associations	Validate the public position of the association on climate policies	Assess alignment between association positions and climate-related policies	Coordinate with the association and its members to resolve identified discrepancies

International Cooperation for Decarbonization of the Global Value Chain

Recognizing that climate change requires a collective response that transcends national boundaries, LG Display is participating in the WDICC[4], an international cooperative body for the decarbonization of the global value chain. In 2025, the Company shared environmental data, including country-specific regulatory trends, 2024 GHG emissions, and electricity consumption, and discussed the potential implications of revisions to international standards for Scope 2 emissions accounting. LG Display will continue to actively participate in WDICC and other international initiatives to strengthen global cooperation in addressing climate-related risks. Through these efforts, the Company aims to establish a low-carbon manufacturing ecosystem aligned with global standards and to fulfill its role as a leading company contributing meaningfully to the achievement of international climate goals.

1) CDP (Carbon Disclosure Project) : The world's largest environmental disclosure platform that enables companies to disclose environmental information, including GHG emissions.
2) SEA (Supplier Engagement Assessment) : An indicator that assesses a company's ability to engage its supply chain and manage GHG emission reduction efforts across suppliers.
3) Korea Display Industry Association
4) World Display-device Industry Cooperation Committee

External Achievements for Climate Action

Certification of Product Carbon Footprint Methodology[1)]

A carbon footprint refers to GHG emissions, expressed in CO_2 equivalents, generated throughout the entire lifecycle of a product or service—from raw material extraction to manufacturing, distribution, use, and disposal. To manage and reduce total direct and indirect emissions from product manufacturing processes, reducing the carbon footprint is essential. LG Display has obtained Product Carbon Footprint Methodology Certification from the global testing and certification body TUV Rheinland. This certification is granted to companies that have established systems capable of quantitatively calculating carbon emissions across the full product lifecycle in accordance with international standards. In response to increasing demand for low-carbon products and growing requests for certified environmental information, LG Display has proactively established a product carbon footprint assessment framework based on ISO 14067. In addition, the Company has independently developed an IT system to systematically manage and enhance the transparency of product-level carbon emissions data. Through this certification, LG Display has demonstrated that it systematically and transparently measures and manages product carbon emissions.

High-end LCD Panel for Laptops[2)]

8% Reduction in Carbon Emissions

LG Display became the first company in the display industry to obtain PCR (Product Carbon Reduction) certification from the global testing and certification body TUV Rheinland, having achieved carbon emission reductions across the entire product lifecycle. From the product design stage, environmental considerations were incorporated through the use of recycled and bio-based materials. In the usage phase, power consumption was reduced, contributing to an approximately 8% reduction in carbon emissions.

1) Product Carbon Footprint Methodology certification period(April 22, 2025 – April 30, 2026)

2) Certification period for the High-end LCD Panel for Laptops(September 13, 2024 – September 12, 2026)

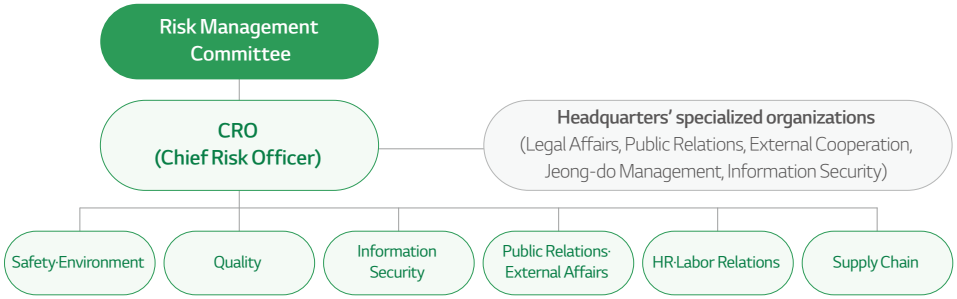
Risk Management

Management of Climate Change Risk and Opportunities

Integration with the Enterprise-wide Risk Management Process

Risk Management Committee

LG Display operates a Risk Management Committee responsible for overseeing and supervising the Company-wide risk/crisis management system. The Committee consists of six function-specific subcommittees and specialized headquarters organizations that provide integrated support from legal compliance and stakeholder communication perspectives. The Risk Management Committee establishes crisis management policies and systems and monitors the implementation of activities across the subcommittees. In the event of an incident, the Committee assesses the situation to determine whether to activate the emergency response system. It may also establish an Emergency Response Committee, led by the relevant management executives and tailored to the nature of the incident, to provide company-wide command and control and oversee situation management.



Risk Response Framework

LG Display has identified 16 key accident types requiring focused management and has established crisis-level response systems(Grades A through D). Based on this framework, incidents are promptly identified through simultaneous notification and reporting, and initial response actions and measures to prevent escalation are implemented in accordance with the principle of prioritizing the protection of human life and established response manuals. In addition, depending on situation-specific crisis assessment criteria, a division-level or company-wide Emergency Response Committee is convened. Through incident investigations, root causes are identified, and potential risks arising from the resulting damage and impacts are assessed. Based on these findings, crisis response action plans and recurrence prevention measures are developed. The implementation status of these actions is subsequently reviewed and monitored, and change management is carried out through the recovery phase until normal operations are restored.

Risk Management and Internalization Initiatives

LG Display identifies key risks related to its business activities and corporate operations and monitors and manages them at the departmental level. For areas closely associated with stable business operations and corporate reputation, such as safety, finance, climate action and environmental management, relevant risk management considerations are incorporated into the KPIs (Key Performance Indicators) of executives and department managers. This enables a more proactive and systematic approach to risk management across the organization. In addition, LG Display has established standards related to information security, compliance, and human rights risks within our disciplinary management guidelines and reflect risk management considerations in our human resources(HR) evaluation process.

Risk Management Items

Information System Failure	Stakeholder Conflict (Human Rights)	Environment·Health
• Information System Shut-Down • Hacking / Virus	• Internal conflict (labor disputes / sabotage) • External conflict (large-scale claims)	• Gas·Chemical Leaks in Facilities • Climate Change response • Environmental pollution

Disaster in Production Facilities	Information Security	Production Halt	Human Disaster
• Explosion / Fire	• Leakage of core technology and major trade secrets	• Utility supply interruption (electricity) • Logistics disruption	• Major casualties • Epidemic • Industrial accidents

Management of Climate Change Risk and Opportunities

Process for Managing Climate-related Risks

① Risk Identification and Prioritization

We continuously monitor changes in laws and regulations, global climate trends, and the requirements of our clients and investors to identify potential climate-related issues. Each identified issue is evaluated on a 5-point scale (1–5) based on the magnitude of its impact and likelihood of occurrence. We then determine the timeframe in which it will have a financial impact (short-, medium-, or long-term) and its location within the value chain (upstream, operating sites, or downstream) to select priority management targets according to the scoring criteria.

② Scenario Analysis and Financial Impact Assessment

For the selected key risks, we derive quantitative financial impacts by considering carbon pricing, electricity price changes, the number of heatwave days, and the rise in average temperatures. For transition risk analysis, we utilize IEA's STEPS, APS, and NZE scenarios, and for physical risks, we use the IPCC's SSP 1-2.6 and SSP 5-8.5 scenarios to calculate the financial impact of each factor on our company in quantitative terms.

③ Mitigating Actions and Implementation

For key risks identified through the assessment, we implement specific mitigating actions, taking into account the actual impact periods (short-, medium-, and long-term). For short-term physical risks, we expand investment in disaster prevention infrastructure at key manufacturing sites to prepare for natural disasters (such as typhoons and floods), and periodically review our disaster recovery systems to ensure business continuity in emergencies. For mid- and long-term transition risks, we are implementing capital expenditures (CAPEX) as key mitigating actions to respond to strengthened regulations, including the emissions trading system; this includes the introduction of high-efficiency GHG reduction equipment (scrubbers) and the transition to renewable energy (PPAs, RECs, etc.).

④ Reporting and Monitoring

Climate risk indicators and the performance of response activities are regularly reported to the ESG Management Council and the ESG Committee within the Board of Directors for review and approval. The performance of implemented tasks is reviewed at least twice a year, and relevant information is transparently disclosed to stakeholders through participation in external initiatives such as CDP and TCFD reports. Furthermore, to ensure efficient management, the achievement of GHG emissions reduction and energy conservation targets is incorporated into the KPIs (key performance indicators) of executives and employees in ESG-related organizations, thereby providing tangible incentives for implementation.

Process for Managing Climate-related Opportunities

① Identifying Opportunities

We comprehensively review global climate-related laws and regulatory trends, low-carbon technology trends, and customer and investor requirements to identify potential opportunities. Identified opportunities are compiled on a semi-annual basis and shared with relevant departments—including R&D, environment, procurement, and sales—along with KPIs.

② Impact Assessment and Prioritization

Identified opportunities are assessed on a 5-point scale (1–5) based on the magnitude of their impact and likelihood of occurrence, taking into account the timing of financial impact (short-, medium-, and long-term) and the scope of impact within the value chain (upstream, operating sites, and downstream). Based on the assessment results, priority tasks are selected according to the scoring criteria.

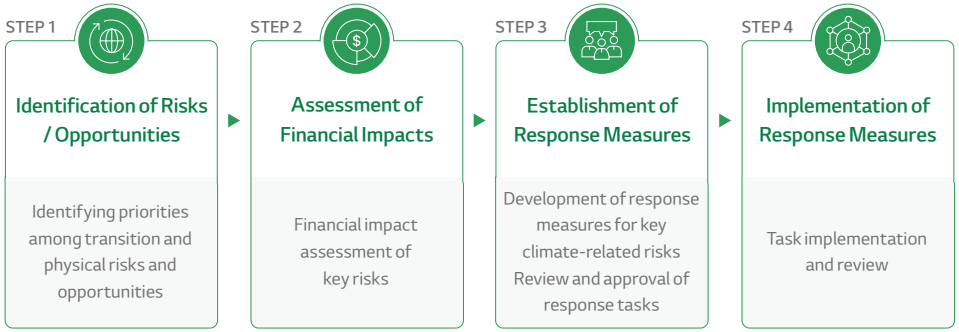
③ Reporting and Monitoring

The progress of selected opportunity tasks is regularly reviewed under the leadership of the responsible organization, and strategies are refined through decision-making procedures as needed. In addition, key opportunity tasks are reported to the ESG Management Council to receive company-wide support and implementation management.

Management of Climate Change Risk and Opportunities

Climate-related Risk and Opportunity Management Framework

LG Display has established and operates a company-wide process to identify and assess climate-related risks and opportunities. First, we monitor changes in laws and regulations, global trends, and stakeholder requirements to define climate-related impact factors that may affect corporate financial performance and stakeholders across our business operations. We then conduct a materiality assessment based on the magnitude of impact, likelihood of occurrence, and timing of occurrence to determine strategic priorities. For identified key risks, we quantitatively assess their financial impacts based on scenario analysis and establish response strategies. Response measures for material factors are reported to the ESG Management Council and the ESG Committee for deliberation and approval prior to implementation. Finally, the performance of implemented initiatives is continuously monitored and managed on a monthly and quarterly basis.



Metrics and Targets

Operational Metrics and Future Targets

Driving Net Zero by 2050

LG Display has established a 2050 Net Zero goal and is implementing a roadmap to achieve it, with the aim of actively participating in the international community's efforts to address the global climate crisis. This strategic direction faithfully reflects the core principles of the Paris Agreement and has served as a key reference for determining our scope of GHG emissions and the target year for reduction. Furthermore, by faithfully reflecting the Korean government's 2030 Nationally Determined Contribution (NDC[1]) and the legal obligations under the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis, we have established an effective reduction pathway linked to the GHG emission allowance allocation plan for our domestic sites.

We have set 2018 as the base year and aim to achieve a 53% reduction by 2030, a 67% reduction by 2040, and a final 100% reduction by 2050. In 2025, through intensive investment in GHG reduction facilities, company-wide energy conservation efforts, and an increased transition to renewable energy, we achieved a significant reduction of 67% compared to 2018 (Scope 2 based on the market-based method). Specifically regarding renewable energy, since its introduction in 2021, we have utilized optimized methods tailored to each domestic and international facility, transitioning approximately 48% of our total electricity consumption to renewable energy as of 2025.

To effectively achieve our Net Zero roadmap, we are pursuing tasks that combine technological innovation with policy coordination. First, to curb direct emissions from production equipment, we intend to continue reducing process gas consumption and investing in high-efficiency plasma scrubbers. Furthermore, we plan to maximize energy efficiency across the entire production process by developing and implementing low-carbon gas replacement technologies with significantly lower Global Warming Potential (GWP), as well as low-power production equipment and utility technologies. For residual emissions that are difficult to reduce directly, we will explore reliable external offset mechanisms and continue to develop eco-friendly panels that consider environmental impact from the product design stage onward, thereby reducing the carbon footprint across the entire supply chain. Furthermore, we intend to review the interim targets of our current Net Zero roadmap and establish new reduction targets.

Process for Reviewing and Managing Climate-related Targets

LG Display operates a systematic goal review process—comprising adequacy review, monitoring, and verification—to ensure the validity of its established climate goals and maximize their implementation effectiveness.

Target Appropriateness Review:
Each year, we re-evaluate the appropriateness of our existing targets by analyzing changes in national policies, advancements in global disclosure standards (such as IFRS S2[2]), and the decarbonization requirements of our major customers. If target adjustments are necessary due to technological advancements or changes in the external environment, we revise the targets through data-driven simulations.

Ongoing Monitoring and Performance Analysis:
We aggregate emissions data on a monthly basis through our company-wide energy and GHG management system (LG Intelligence System) and continuously monitor progress against the established roadmap.

Data Reliability Verification
To enhance transparency regarding reduction performance, we conduct annual verification of GHG emissions and energy consumption through an independent third-party verifier to ensure the objectivity of disclosed data.

1) NDC(Nationally Determined Contribution) : A GHG emission reduction target voluntarily determined and submitted by each country under the Paris Agreement.

2) IFRS S2 (International Financial Reporting Standards S2) : A climate-related disclosure standard issued by the ISSB (International Sustainability Standards Board) under the IFRS Foundation.

Operational Metrics and Future Targets

GHG Emissions Management

LG Display has established GHG emissions and energy consumption as key metrics to transparently disclose and manage its progress toward achieving its long-term goal of Net Zero by 2050. Accordingly, based on our Net Zero roadmap, we have set GHG emissions reduction targets for Scopes 1 and 2: a 53% reduction by 2030, a 67% reduction by 2040, and a 100% reduction by 2050, compared to 2018 levels. However, interim emissions reduction targets and implementation pathways may be adjusted for the following reasons:

- Changes in reduction methodologies and technologies: Changes in the pace of development of GHG reduction technologies (high-efficiency scrubber equipment, low-carbon gas replacement technologies) implemented annually, and changes in the availability of energy transition tools (PPAs, RECs[1])
- Changes in policy and the external environment: Changes in national GHG reduction targets (NDCs) and global climate disclosure standards
- Changes in business strategy: Adjustments to priorities based on the business environment and policy

Given Scope 3's heavy reliance on extensive supply chain data and the numerous external variables outside our direct control, there are currently limitations in terms of consistency in establishing a reliable quantitative reduction target. Nevertheless, LG Display is making multifaceted efforts to transparently manage the carbon footprint across the entire value chain. In particular, in 2024, we participated in a project led by the Ministry of Environment and the Korea Environmental Industry & Technology Institute, where we took the lead in developing the "Display Industry Scope 3 Calculation Guide," thereby contributing to the establishment of industry standards.

GHG Total Emissions

Total GHG emissions are the sum of Scope 1, 2, and Scope 3 emissions calculated in accordance with the Korea Emissions Trading System (K-ETS) reporting guidelines, ISO 14064, and the GHG Protocol, and 99.9% of these total emissions have been externally verified.

Category		Unit	2023	2024	2025
GHG Total Emissions	Location-Based	tCO_2eq	5,873,004	7,920,915	7,895,327
	Market-Based	tCO_2eq	5,215,740	6,459,737	6,338,749

1) REC (Renewable Energy Certificate) : A certificate that verifies electricity generated from renewable energy sources, which companies purchase to secure renewable energy usage.

Scope 1, 2 GHG Emissions[2]

LG Display calculated its Scope 1 and 2 GHG emissions based on the consolidated entities included in the Annual Report, achieving a 15% reduction compared to the previous year (Scope 2 based on the location-based method) and meeting its annual emissions targets in accordance with its Net Zero roadmap. The 2025 GHG intensity, calculated based on revenue, is 16.6 tCO_2eq per KRW 100 million (Scope 2 based on the location-based method).

Category			Unit	2023	2024	2025
Scope 1	Total	Domestic	tCO_2eq	952,882	1,188,958	1,088,935
		Overseas	tCO_2eq	103,159	81,758	66,356
		Total	tCO_2eq	1,056,041	1,270,716	1,155,292
Scope 2	Location-Based	Domestic	tCO_2eq	2,541,355	2,485,045	2,259,276
		Overseas	tCO_2eq	1,362,596	1,318,370	877,504
		Total	tCO_2eq	3,903,951	3,803,415	3,136,779
	Market-Based	Domestic	tCO_2eq	2,342,300	1,406,682	1,140,595
		Overseas	tCO_2eq	904,387	935,556	439,606
		Total	tCO_2eq	3,246,687	2,342,237	1,580,201

2) Due to rounding, some figures may not sum exactly to the subtotals.

Operational Metrics and Future Targets

Scope 3 GHG Emissions[1)]

LG Display is making multifaceted efforts to transparently identify GHG emissions (Scope 3) across the entire value chain and gradually expand the scope of its disclosures. Taking into account our business model and operational characteristics, we prioritize the calculation and management of emissions within the upstream (Categories 1–6) and downstream (Categories 10–13) portions of the value chain, focusing on domestic and international manufacturing sites where major emission sources are concentrated.

Meanwhile, Category 8 (Upstream Leased Assets) and Category 14 (Franchise) have been excluded from the calculation scope because the corresponding emission sources do not exist within our business structure or operational boundary. For Category 9 (Downstream Transportation and Distribution), due to the nature of our B2B business—where customers handle logistics after product delivery—there are limitations in securing the availability of data required for emissions calculation; therefore, this category is currently excluded from our disclosure scope. We plan to enhance our data collection system through collaboration with partners and customers in the future and gradually expand the disclosure scope for this category.

Additionally, we are applying methodological consolidation for certain categories, taking into account calculation efficiency and the characteristics of the emission sources. Emissions from Category 7 (Employee Commuting) and Category 15 (Investments) are calculated and managed within the Scope 1 and Category 1 (Purchased Goods and Services) scopes, respectively, thereby establishing a comprehensive analytical framework for upstream emissions in the value chain. We plan to continue enhancing the reliability of our Scope 3 disclosures by continuously refining our calculation methodologies.

As part of efforts to enhance this management system, Scope 3 emissions for 2025 amounted to 3.6 million tCO_2eq, an increase of approximately 26% compared to the previous year (2.85 million tCO_2eq). This is primarily the result of improvements to the calculation method for Category 11 (Use of Sold Products). We adjusted the calculation scope to better reflect the revenue share of our major customers, thereby improving the consistency of emissions calculations and data visibility compared to the previous year.

These improvements to the calculation scope and methodology are part of our efforts to manage climate impacts across the entire value chain with greater precision. Moving forward, we plan to strengthen our data-driven analytical capabilities to continuously identify carbon reduction opportunities and, through this, enhance our sustainable business competitiveness.

Category		Unit	2023	2024	2025	Note
Category 1	Purchased Goods and Services	tCO_2eq	447,323	632,902	805,888	
Category 2	Capital Goods	tCO_2eq	379,522	91,939	53,825	
Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO_2eq	-	501,497	473,021	
Category 4	Upstream Transportation and Distribution	tCO_2eq	18,328	73,770	114,129	
Category 5	Waste Generated in Operations	tCO_2eq	22,300	19,399	6,205	
Category 6	Business Travel	tCO_2eq	7,547	6,581	6,074	
Category 7	Employee Commuting	tCO_2eq	5,215	-	-	Calculated and managed under Scope 1
Category 8	Upstream Leased Assets	tCO_2eq	11,768	-	-	Excluded from the calculation boundary (not applicable to LG Display)
Category 9	Downstream Transportation and Distribution	tCO_2eq	-	-	-	Currently excluded due to data collection limitations. Planned to be included in the calculation boundary upon enhancement of the data collection system.
Category 10	Processing of Sold Products	tCO_2eq	5,041	7,758	7,903	
Category 11	Use of Sold Products	tCO_2eq	-	1,456,521	2,083,421	Emissions increased in 2025 due to the expansion of the calculation boundary to reflect the sales contribution of major customers.
Category 12	End-of-Life Treatment of Sold Products	tCO_2eq	-	3,240	4,743	
Category 13	Downstream Leased Assets	tCO_2eq	15,968	53,176	48,047	
Category 14	Franchises	tCO_2eq	-	-	-	Excluded from the calculation boundary (not applicable to LG Display)
Category 15	Investments	tCO_2eq	-	-	-	Calculated and managed under Category 1
	Total	tCO_2eq	913,012	2,846,784	3,603,256	Total emissions increased by approximately 26% year-on-year in 2025, primarily due to the expansion of the calculation boundary for Category 11.

Internal Carbon Pricing

LG Display recognizes the importance of enhancing its financial decision-making framework through an internal carbon pricing system in order to increase the effectiveness of its 2050 Net Zero roadmap and proactively address transition risks. Prior to the direct implementation of such a system, we are closely monitoring trends in tightening global carbon regulations and fluctuations in emissions allowance prices, while exploring various approaches to organically integrate carbon value into our asset and investment management processes. Going forward, we plan to establish LG Display's unique internal carbon management system that harmoniously reflects our business characteristics and the requirements of global disclosure standards, thereby incentivizing investment in low-carbon technologies and securing long-term financial soundness.

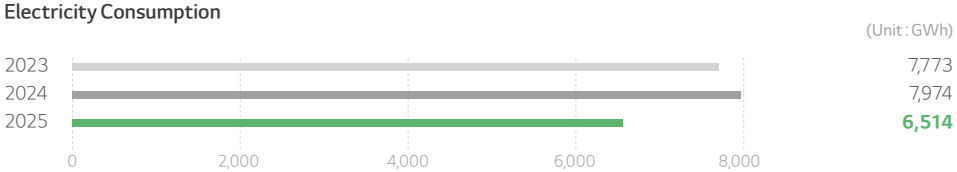
1) Restated in this report due to recalculation of previously disclosed figures.

Operational Metrics and Future Targets

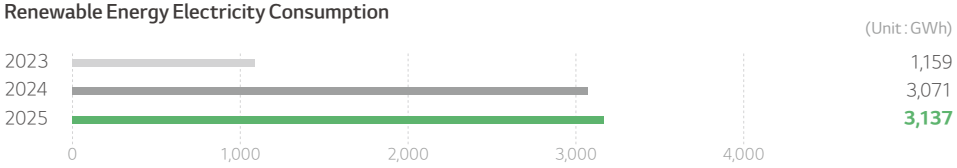
Increased Transition to Renewable Energy

LG Display is pursuing the transition to renewable energy as a key strategic task to proactively mitigate financial and physical risks caused by climate change and to effectively achieve its 2050 Net Zero roadmap. Since beginning our transition to renewable energy in 2021, we have continuously expanded the scope of this transition by utilizing the Green Premium program at our domestic sites and RECs (Renewable Energy Certificates) at our sites in China and Vietnam. As a result of these efforts, the renewable energy transition rate—which stood at 13% in 2022 and 15% in 2023—has increased significantly to 48% of the Company's total electricity consumption in 2025, equivalent to 3,137 GWh. Going forward, we plan to continue gradually expanding our renewable energy usage by identifying the optimal approaches that take into account each country's energy infrastructure and supply conditions. In particular, at our sites in China and Vietnam—our key overseas production hubs—we have established and are pursuing the goal of transitioning 100% of electricity consumption to renewable energy by 2050. For our domestic sites, while it is difficult to set specific numerical targets due to constraints in the renewable energy supply environment and market infrastructure, we have laid the groundwork for full participation in the global RE100 initiative by joining the Korean RE100 (K-RE100) program. To proactively respond to the requirements of our global customers and the decarbonization paradigm, we plan to gradually increase the proportion of renewable energy in line with changes in domestic market conditions.

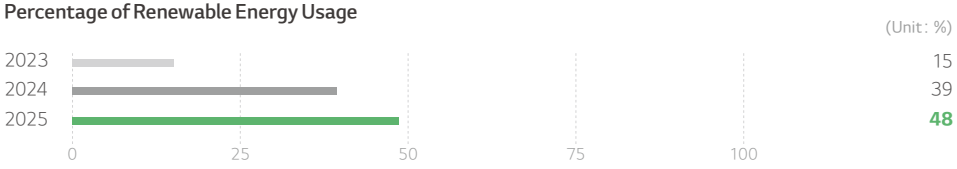
Electricity Consumption



Renewable Energy Electricity Consumption



Percentage of Renewable Energy Usage

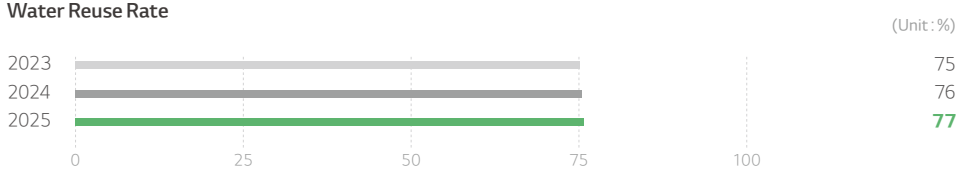


*Based on total electricity consumption and renewable electricity consumption across domestic and overseas sites

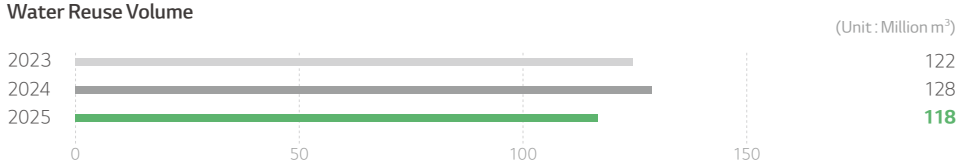
Water Reuse Expansion

LG Display has installed wastewater reuse systems at its sites to meet the needs of major customers and protect the environment. In addition, we are operating a treated wastewater reuse project in collaboration with local governments. In 2025, the water reuse rate at our domestic sites reached 77.2%, exceeding the target of 74%. Reflecting changes in the internal and external business environment and adjustments to our CAPEX plans, we have revised our 2030 water reuse rate target to 77.1% to enhance the effectiveness of our water resource management. Based on this, we plan to maintain an optimal water circulation system in a stable manner. In addition, LG Display is enhancing its wastewater treatment technology and discharging the treated water into the upper reaches of Manucheon and into retention basins, thereby creating a water environment that meets class 2 water quality standards. Through this effort, we are restoring an ecosystem where various aquatic organisms—such as gudgeon, crucian carp, and freshwater eels—can thrive.

Water Reuse Rate



Water Reuse Volume



*Basis for domestic water reuse rate and water reuse volume

Water Consumption Reduction

By analyzing water consumption and wastewater generation across the entire manufacturing process, we identify tasks for reduction—such as improvements to process conditions and structures—and register these as company-wide initiatives to drive continuous reduction efforts. Furthermore, for environmental management executives, we have established the water reuse rate as a KPI and actively incorporated it into the evaluation and compensation system. To this end, we implemented water-saving measures within our manufacturing processes—such as improving the flow balance of deionized water (DI)[1)], eliminating unnecessary processes, and optimizing equipment operation during production downtime—and as a result, we outperformed our 2025 water consumption target by 4.4%.

1) DI (De-ionized Water) : Highly purified water from which ionic components have been removed

Operational Metrics and Future Targets

Percentage of Executive Compensation Linked to Climate-related Factors (%)

LG Display uses a proprietary system developed in-house to systematically manage performance, tracking each department's progress toward its goals. When targets are not met, we analyze the causes and establish and implement department-specific improvement measures.

Furthermore, for executives responsible for environmental and ESG matters, climate-related performance—such as compliance with environmental regulations, GHG reduction, and the transition to renewable energy— is incorporated into KPIs and used in the performance evaluation and compensation system. Rather than limiting climate-related metrics to specific quantitative weights, we conduct an integrated assessment by organically linking them to company-wide management goals and organizational KPIs.

Going forward, considering the importance of climate-related performance, we plan to continuously review how these factors are incorporated into the compensation system and explore the potential for utilizing climate indicators linked to financial value, such as the proportion of sales from low-carbon products and investments in low-carbon technologies.

Metrics and Targets Used to Set Climate-related Targets

LG Display has set mid- to long-term emissions reduction targets for GHG emissions and energy consumption relative to a base year, and manages specific targets and implementation results through the relevant disclosure items.

Category	Metrics	Reference
GHG Emissions	GHG Emissions Reduction Target(% vs. Base Year)	p.24
	Scope 1, Scope 2, Scope 3 GHG Emissions(tCO_2eq)	p.24~25
Energy	Electricity Consumption(GWh)	p.26
	Renewable Energy Consumption(GWh)	p.26
	Percentage of Renewable Energy Usage(%)	p.26
Water	Water Reuse Volume(Million m^3)	p.26
	Water Reuse Rate(%)	p.26


LG Display