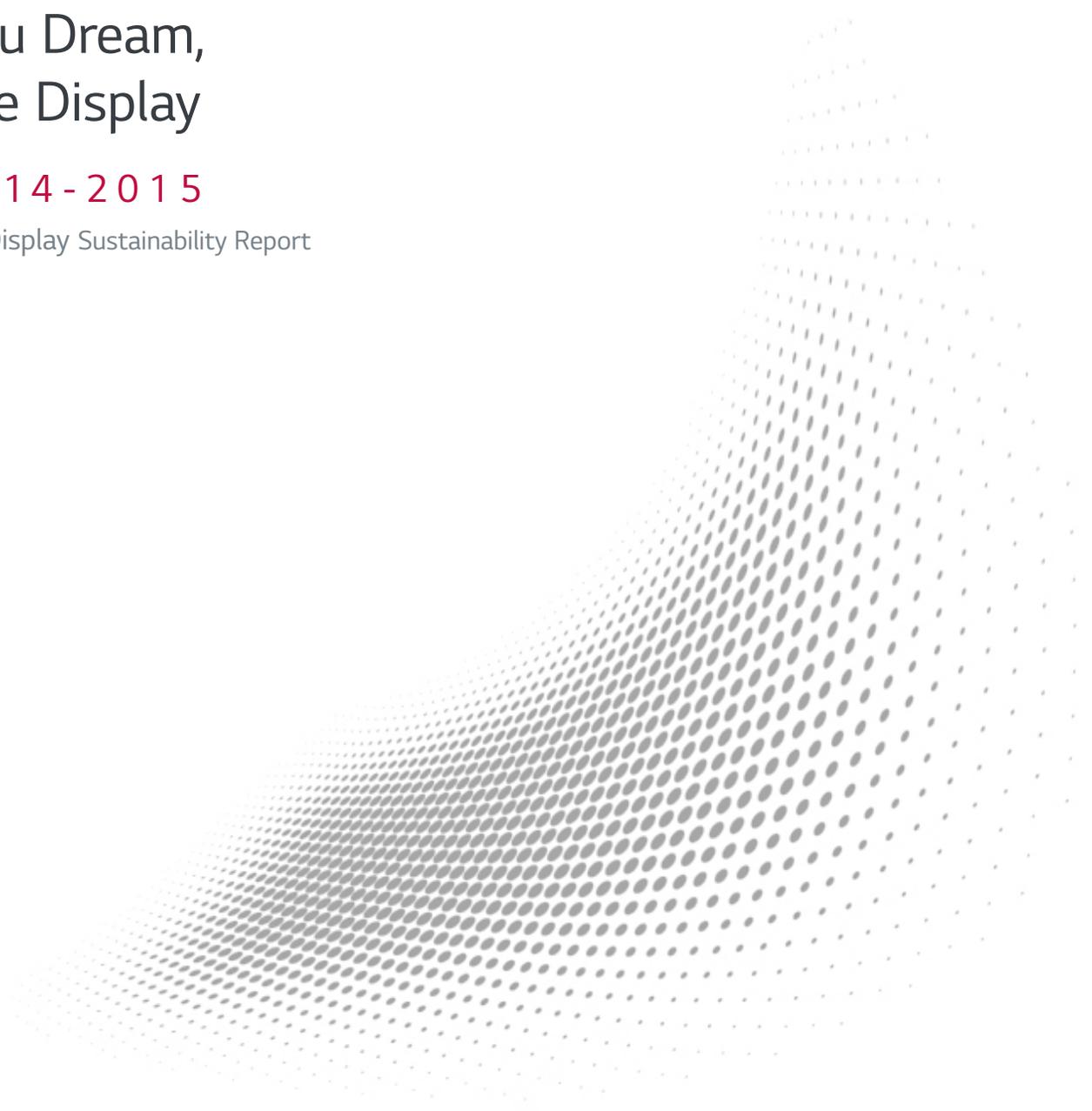


# You Dream, We Display

2014-2015

LG Display Sustainability Report



## About this Report

LG Display has annually published its sustainability report since 2011 as a communication channel to deliver its economic, environmental, and social performance to its stakeholders. The 2014-2015 Sustainability Report of LG Display was prepared in accordance with the standards and processes recommended in the Global Reporting Initiative (GRI) G4 Guideline.

### Reporting Period

The LG Display Sustainability Report covers our business activities during the period from January 1 to December 31, 2014, and some important management information that extends into Q1 2015. The quantitative performance indicators are based on data gathered over three years from 2012 to 2014, in order to show the trends more clearly. Data subject to changes during the year were reported as of the last day of the fiscal year (December 31), and notes on reporting periods were added when necessary.

### Reporting Boundaries

The LG Display Sustainability Report 2014-2015 was designed to cover our business activities at our Seoul Head Office and domestic worksites in Gumi and Paju. We also aimed to deliver more comprehensive reports including those on the performance of our overseas worksites in China (LGDC<sup>\*</sup>, Guangzhou, Nanjing and Yantai), and Poland (Wroclaw). We plan to report the sustainability performance of all worksites at home and abroad in all aspects going forward.

<sup>\*</sup> LGDC<sup>\*</sup> : LG Display (China) Co.,Ltd.

### Reporting Principle & Assurance

This report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines at the Core Level and part of the International Integrated Reporting Council (IIRC) framework. Please refer to the GRI Guideline Index on page XX to read about our activities in the areas specified by the GRI. Additionally, the credibility of the contents and the integrity of the data used in this report were verified by an independent and objective assurance group to ensure the reliability of the report.

### Further Information & Suggestions

You can search for and download LG Display's sustainability reports from its website at <http://www.lgdisplay.com>. Please contact our Social Contribution Team for more information or inquiries. We look forward to receiving various feedback from our stakeholders.

### LG Display CSR Team

Tel 02-3777-0865 E-mail [csr@lgdisplay.com](mailto:csr@lgdisplay.com)

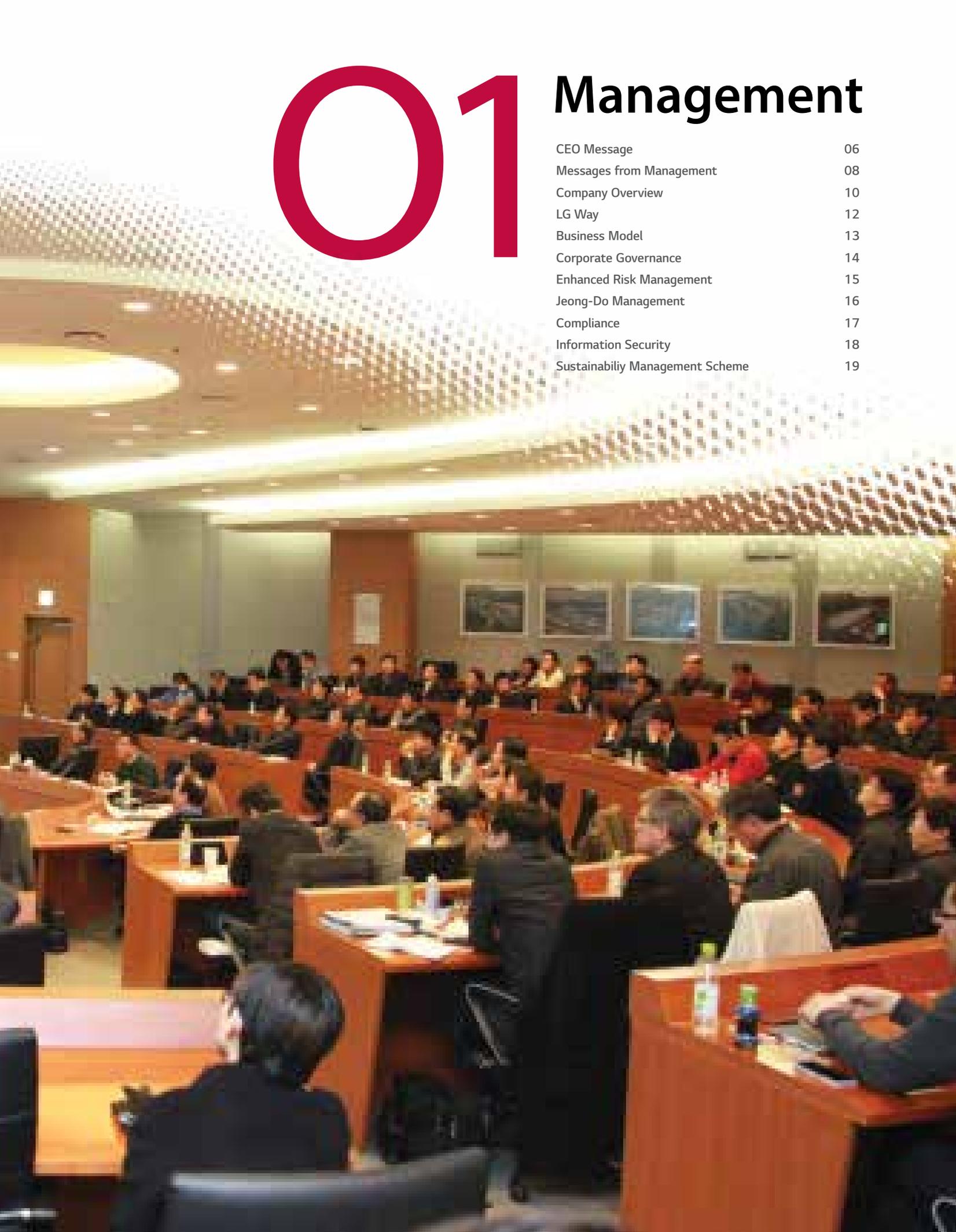
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# 01 Management

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## CEO Message

“ Dear Stakeholders,  
I would like to thank all our stakeholders for  
your continued support and trust in us. ”

In year 2014, despite the continued uncertainty in the global economy and the slow-down in the display market, LG Display successfully held onto its No. 1 position in the global display market. We solidified our market dominance in the large-sized TV panel market with the largest market share in the global UHD TV panel market, and secured future growth engine with the development of the thin and light LCD panels and flexible and transparent OLEDs.

Along with such solid business performance, we promote various activities on ethics management underpinned by Jeong-Do Management in our effort to fulfill our social responsibility as a responsible corporate citizen.

In addition, we continued to pursue low-carbon, green management initiatives in response to conflict minerals, GHG emissions reduction and energy-efficient, green product development, and accelerated the effort for shared growth with partners.

In addition, we have expanded stakeholder communication, maintaining communication with customers and local communities and operating customized mid- to long-term programs for local community engagement. Such efforts earned LG Display a spot on the Dow Jones Sustainability Index (DJSI World) for two consecutive years.



Looking ahead, LG Display will strive for a preemptive competitive advantage in core business areas, secure new growth engines through investments into next-generation technologies and proactively manage CSR risks so as to reinforce the framework for sustainable management.

Guided by our management philosophies of “Customer Value Creation” and “People-oriented Management,” we will remain committed to growing into a good corporate citizen that pursues sustainable growth even amid adverse business conditions through the combined effort of all employees. I hope that you will continue to support and encourage us as we march forward.

JUNE 2015  
CEO Sang Beom Han

한상범

## Messages from Management

**“Unless you set a limit yourself, technology is bound to develop endlessly, and a company should always prepare for the future with a long-term strategy.”**

Head of OLED Division |  
President Sang Deok Yeo



LG Display is taking on a long-term perspective and focusing on investing in OLED projects as we are convinced that there is a future in OLED technologies. When we decided to focus on the IPS (In-Plane Switching) technology\*, it did not draw much attention compared to the VA\*(Vertical Alignment) technology despite its high definition and wide view angle, owing to the high levels of difficulty in designing and processing. However, we made continuous efforts to add a differentiated value to the technology. The technology has been widely recognized by the market and it is now applied to a variety of electronic devices, such as laptops and smartphones.

We believe that the same will hold true for OLED technology in the near future. As to OLED TVs, we set the goal for the year of 2015 as ‘establishment of business foundation’ and ‘preparation for the future’ To this end, we will strengthen cost competitiveness by stabilizing the rate of production and the quality of products. We will also make proactive efforts to secure customers who will serve as a stable source of demand. In addition, we will strive to hire talented individuals with master’s and doctorate degrees to secure and foster human resources for R&D, which is our core capacity. Meanwhile, we will boost the execution capacity of LGenius and research expert programs in order to enable LG Display to maintain its leadership in the global display market.

\* **IPS and VA technologies** : LCD (Liquid Crystal Display) is divided into the three types of TN, IPS, and VA, depending on how the core material of liquid crystal is operated. In the case of the IPS technology, the liquid crystal is horizontally arranged while in the VA technology, the molecules of the liquid crystal are vertically arranged. The IPS technology produces a clear definition that remains uncompromised within the parameters of 178 degree viewing angles from right to left, top to bottom.



COP (Chief Production Officer) |  
Vice President Cheol Dong Jeong

**“Safety always comes first.”**

I believe that CSR activities should be a sincere effort to allow various stakeholders to feel that LG Display is a truly good company. With regard to the issue of safety and health, LG Display has continued to make advancement in hardware and processes, while pursuing a variety of activities to raise awareness of the employees. To this end, we promptly established and announced the ‘LGD Safety Rules’ based on 8 detailed action plans under the slogan of ‘Safety always comes first’ Furthermore, we have expanded the scope of safety management from manufacturing lines to the entire enterprise and partner companies and provided education programs tailored to the members of organization, whose tasks are directly related to safety issues. Each worksite of LG Display is certified with all three international standard certificates in the field of green business, namely in energy management system, environment health and safety. We are running the eco campaign that envisions cutting back on the power consumption by 20% from 2013 to 2015, in a bid to make our vision for eco-friendly management a reality. In order for LG Display to become a sustainable business operator, we need to minimize energy consumption and pollutant emissions while aligning the development direction of new products with ‘green’ management philosophy. Going forward, we will continue to make our ‘reaching out efforts’ to reassure our stakeholders that LG Display is engaging in CSR activities with true sincerity.



General operation management of Chinese subsidiaries | Vice President Yu Seong In

**“We will pursue CSR activities that actually benefit Chinese local communities.”**

The expanding share of Chinese market in LG Display's business operations coincides with the growing perception in China about the importance of CSR activities. Therefore, it is vital that we begin to work on establishing and pursuing a consistent direction of CSR activities. All CSR efforts need to be built around the activities that can make direct contributions to the local communities. To boost the effect of our efforts, we are planning to set the tone of our CSR theme based on the understanding of Chinese culture and monitor the results on a regular basis. We expect that such activities will serve as a foundation to improve our corporate value as well as the loyalty of our employees. Going forward, LG Display will continue to fulfill its responsibilities in China.



**“CSR is our ground rule.”**

Head of Management Support Group | Managing Director Bang Soo Lee

Our main clients are global companies. They expect high levels of CSR activities, and the global guideline of our industry is both clear and strict. Therefore, CSR activities play a crucial role in defining the corporate identity of LG Display. In other words, any CSR activity of LG Display needs to have its management policies reflected on it, and this is our ground rule. To this end, we put together a TF team and established a CSR system in 2014 in order to boost the execution capacity of our CSR activities, and we are expanding our channels with various stakeholders for direct communication. Just like the relationship between an opportunity and a crisis, CSR and risk management are the two sides of the same coin. Risks exist in all sectors of corporate activities, and a company pursues CSR activities to preempt such risks. I think a comprehensive approach is needed in dealing with various issues such as promoting eco-friendly management, securing price competitiveness, or minimizing harmful substances to minimize any adverse impact on various stakeholders.



Head of HR Group | Standing Director Seong Min Kim

**“In the display industry, human resource directly determines the company's competitiveness.”**

LG Display was able to grow into a global leader based on the concentrated efforts of its employees. Thanks to our 'energetic and healthy corporate culture', we were able to achieve successful results and introduce various display technologies for the first time in the global market. In particular, a sense of enterprise and indomitable spirit of our employees are one of the strongest advantages of LG Display. We are making multi-faceted efforts to pursue diversity. In order to foster talented female workers, we are promoting supportive programs, such as the maternity leave. Moreover, we are gradually increasing the number of female managers. We also strive to secure talented individuals with global capabilities. In the display industry, "human resource directly determines the company's competitiveness." We believe that a joyful work experience leads to joyful individuals. We will make efforts to foster an environment that will keep our employees motivated and energetic. I think that building a healthy corporate culture and creating a happy workplace are social responsibilities that a company needs to pursue in terms of HR management.

## Company Overview

### Vision

In LG Display's vision, "You Dream, We Display," the word "You" refers to all our stakeholders including customers, partners, and employees of LG Display, while "Display" signifies the realization of dreams that transcends the mere concept of showing. LG Display will create a world that people dream of through creative thinking and innovative technology.

## LG Display Brings your dreams to life

**Vision**  
**Goal**  
**Core Competencies**

**Core Values**  
**Right People**

### You Dream, We Display

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

### Global No.1 Display Company

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

Open communication, Proactive Collaboration, Change & Leap  
Passion, Professionalism, Teamwork

### Business Area

Technological advances have eliminated the boundaries in the applications of display technology, enabling LG Display to develop new products and venture into various new markets ranging from mobile displays to commercial displays. OLED TV is equipped with a self-illuminating display which beautifully delivers the natural color without any distortion from any angle. Also, with a full line-up of UHD, products of various sizes are introduced to the market, ensuring LG Display's leading position in the industry. As for the display products for PCs, we are increasing the sales of premium products. Additionally, based on a solid customer base, it has diversified its market segments by expanding into the professional/industrial display and optical/medical equipment markets. Going forward, LG Display aims to retain market dominance through continuous R&D and investment in next-generation display solutions.



OLED TV



LCD TV



Monitor



Laptop PC



Mobile



Transparent Display



Flexible Display



Tablet PC



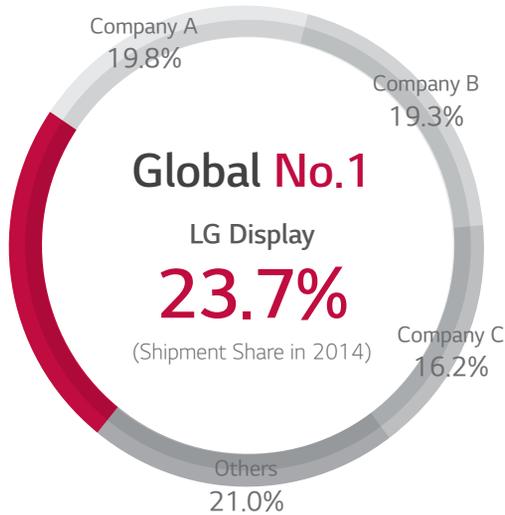
Auto Display



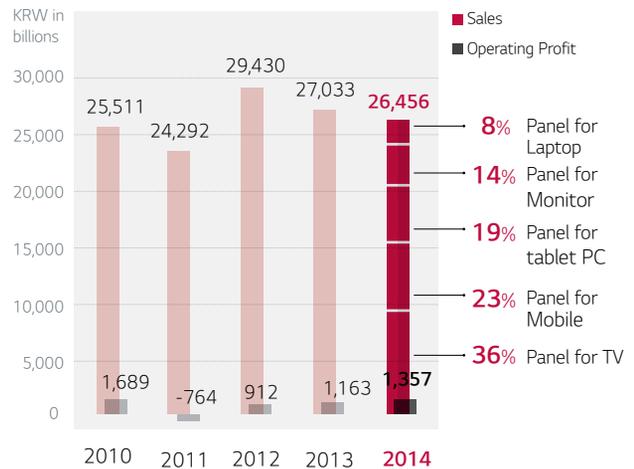
Professional & Industrial Display  
Optical and Medical Equipment

### Financial Performance

**Market Share** / According to a report released by market watcher DisplaySearch in first quarter of 2015, LG Display secured the No. 1 position in the global market for large LCD panels for four consecutive years with a market share of 23.7%. The company plans to further strengthen its competitive advantage in the premium market going forward.



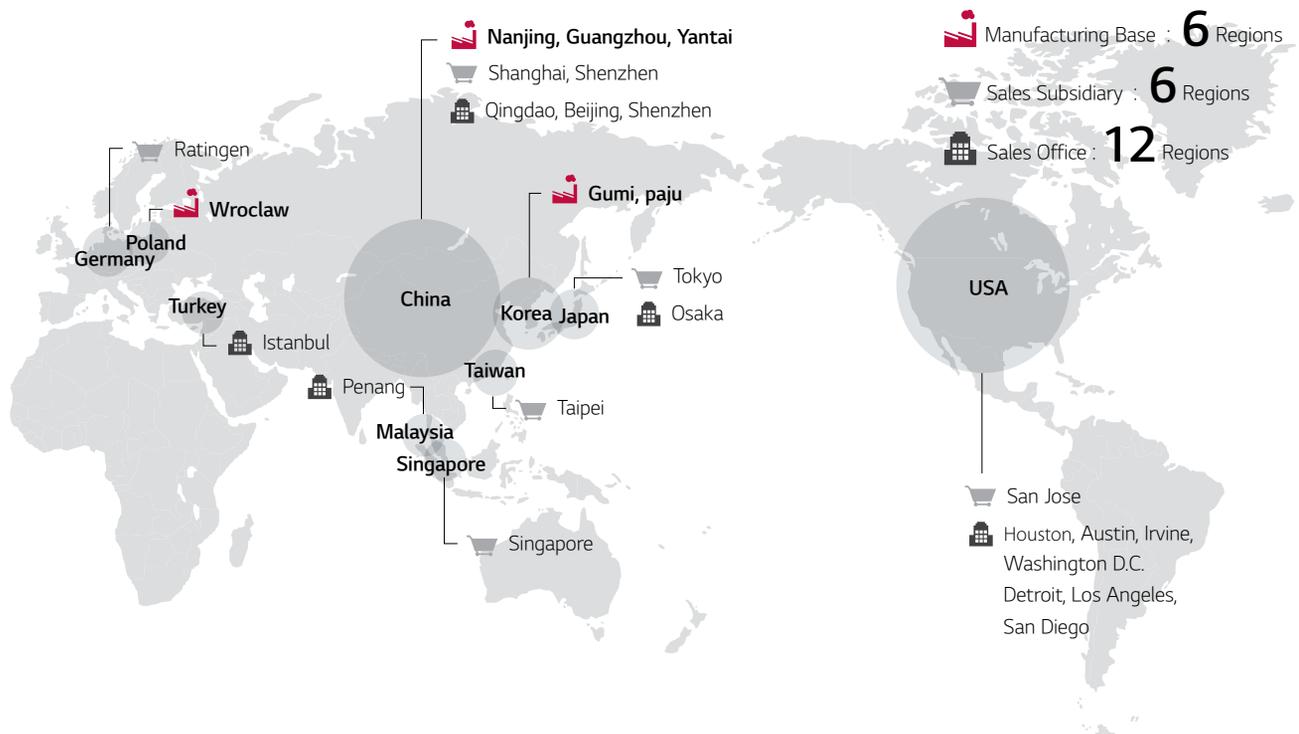
**Sales and Operating Profit** / In 2014, LG Display posted annual sales of KRW 26.5 trillion and grew its annual operating profit by 17 percent over the previous year, thereby making a re-entry into the "KRW 1 Trillion Operating Profit Club\*": Preparing for the future and further strengthening our business capabilities, we will remain focused on developing new products, including OLED and flexible displays, as a way to proactively respond to the fast-changing global market landscape.



\* KRW 1 Trillion Operating Profit Club : A group of companies whose operating profits surpass the KRW 1 trillion mark

### Global Network

Headquartered in Korea, LG Display operates a global network of 24 worksites composed of 6 manufacturing bases, 6 sales subsidiaries and 12 sales offices across the world. We deliver customer values which leads to customer satisfaction by maximizing our contact channels with customers and localizing manufacturing and distribution.



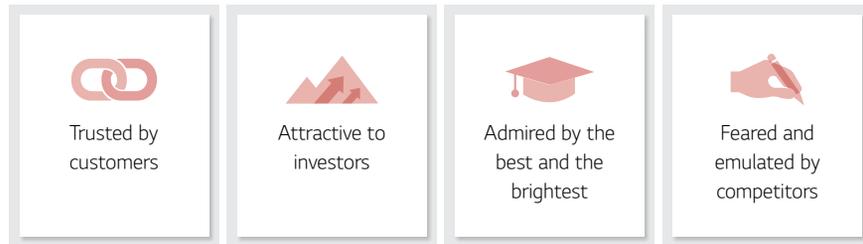
# LG Way

The "LG Way" is a guiding principle for every LG employee. At the same time, it is our unique belief in attaining the vision of becoming "No. 1 LG" through "Jeong-do Management" that is rooted in "Customer Value Creation" and "People-oriented Management".

**Vision**

No. 1 LG

"No. 1 LG" is the ultimate goal that all LG businesses strive to achieve. It shows our commitment to provide our customers and investors with unrivaled value and become a dominant leader in the global market, based on the market's trust and the admiration from youthful talents.



**Code of Conduct**

Jeong-Do Management

Jeong-Do Management is LG's unique code of conduct, pledging to pursue ethical management practices and constantly developing its business capabilities. Based on this unique application of ethics management, we strive to gain the complete trust of our customers and live up to the expectations of our stakeholders, which include employees, partners, shareholders and communities.



**Management Philosophy**

Customer Value Creation  
People-oriented Management

Our management philosophy, the origin of which can be traced back to the foundation of the company, has been perfected through decades of experience and serves as our unique management principle and the very reason of our existence.

**Customer Value Creation**

- View customers as the starting point of every business activity and think from their perspective
- Deliver substantial value to customers and identify their latent needs
- Innovate to generate unique ideas and create unprecedented value

**People-oriented Management**

- Encourage the employees to continuously try out new ideas and approaches
- Respect the personalities of individuals, as well as their diversity, and provide them with opportunities to make the most of their potential
- Evaluate and reward employees fairly based on their capabilities and short-term and long-term performance

# Business Model

## Inputs

### Input Value

#### Financial

- Assets  
KRW **22,967** billion
- R&D Investment  
KRW **1,787.6** billion
- Average Factory Utilization Rate  
Gumi Plant **99.8%**  
Paju Plant **100%**  
Guangzhou Plant **100%**

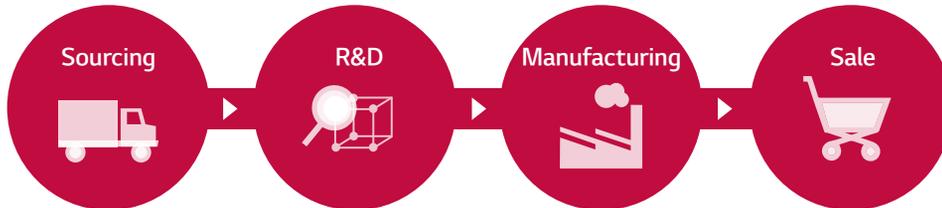
#### Environmental

- Environment Investments  
KRW **8.7** billion
- Energy Consumption at Domestic & Overseas Woksites  
**67,276** TJ
- GHG Emissions  
**7,548,019** tCO<sub>2</sub>eq

#### Social

- Total Labor Cost  
KRW **2,924.6** billion
- Benefits  
KRW **68.8** billion
- Social Contribution Expenses  
KRW **11.6** billion
- No. of Social Contribution Program Participants (duplicates allowed)  
**39,009** persons

### Business Model (Business Activities)



### Value Creation

## Outcomes

#### Financial

- Sales  
KRW **26,455.5** billion
- Operating Profit  
KRW **1,357.3** billion
- LCD Global Market Share  
**23.7%**
- Dividends  
KRW **178.9** billion

#### Environmental

- Green Prouct Certifications **7**
- Energy Intensity at Domestic & Overseas Woksites  
**0.25** TJ/KRW in hundred million
- GHG Reduction  
**376,913** tCO<sub>2</sub>eq

#### Social

- **No. 1** in Job Creation for Recent 5 Years (source : Analysis of 100 Top Job-creating Companies by the Federation of Korean Industries)
- Attrition Rate **4.8%** (average for large businesses : 9%)
- Flagship CSR Program  
**34** IT Power Plants
- No. of CSR Activities  
**2,906** Cases

## Corporate Governance

### Board of Directors

As of April 2015, the Board of Directors of LG Display consists of seven members – one nonstanding director, two inside directors and four outside directors. The BOD operates three committees: the Audit Committee\*, the Outside Director Candidates Recommendation (ODCR) Committee\*\* and the Corporate Governance Committee\*\*\*

#### BOD Formation

Category	Name	Position	Audit Committee	ODCR Committee	Corporate Governance Committee
Non-standing director	Yu SigKang	BOD Chairman, Vice President of LG Economic Research Institute		●	
Internal director	Sang Beom Han	Representative Director and CEO			●
	Sang Don Kim	CFO			●
Outside director	Jin Jang	Professor, Department of Information Display, Kyung Hee University	●	●	
	Dong Il Kwon	Professor, Department of Materials Engineering, Seoul National University			
	Joon Park	Professor, School of Laws, Seoul National University	●	●	
	Sung Sik Hwang	President of resident of Samchully Co., Ltd.	●		

\* Monitoring overall business management and accounting and conducting internal audits

\*\* Recommending outside director candidates for appointment

\*\*\* Deliberating on issues related to general management and financial affairs in order to enable the BoD to focus on more significant agendas and facilitate speedy business execution at management level

### Independence and Expertise of BoD

To support effective and efficient decision-making of the BOD as well as to ensure its high level of expertise, LG Display selects outside directors from a pool of reputable professionals in the fields of business management, law, corporate accounting and engineering. All four outside directors meet the qualification requirements stipulated by the Commercial Law and other relevant laws and regulations. At LG Display, outside directors are nominated by the ODCR Committee, approved by the BOD, and finally appointed at the General Shareholders' Meeting. None of the outside directors engage in any transaction with the company, nor do they have any conflict of interest with the company.

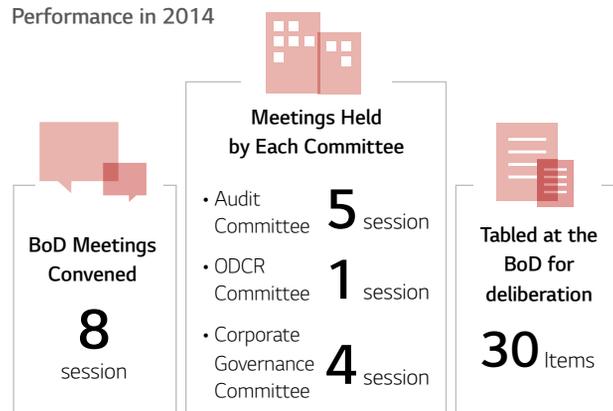
#### Outside Director Nomination Process



### Key BOD Agenda

In 2014, the BOD of LG Display considered 30 items in total, including the quarterly business performance reports, approval of the LG brand usage agreement, and approval of the OLED TV investment. Being the company's ultimate decision-making body, the BOD ensures that the interests of various stakeholders are represented in the company's management in the company's constant effort to fulfill its social responsibility.

#### Performance in 2014



## Performance Assessment and Remuneration

The remuneration of the BOD and the company's management is commensurate with the results of reviews on mid- to long-term management objectives as well as performance assessments. The remuneration of directors is determined within the limit approved by the General Shareholders' Meeting (KRW 8.5 billion).

### BOD Remuneration

Unit : KRW million

Category	No. of directors	Total remuneration paid	Average remuneration per director
Registered directors	3	1,907	636
Outside directors	1	66	66
Audit Committee members	3	198	66
Total	7	2,171	

\* No remuneration is paid to registered director You Sik Kang

### Remuneration paid\* and calculation criteria

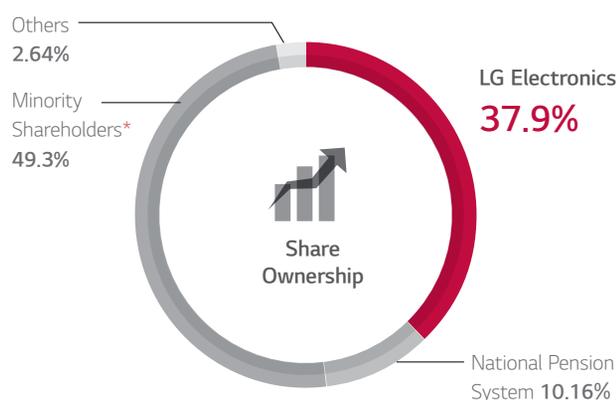
Unit : KRW million

Name (Position)	Total Remuneration Paid	Category (Remarks)
Sang Beom Han (CEO)	KRW 1,408 million	Base Salary - KRW 1,046 million (Calculated as per the company's executive remuneration policy approved by the BOD)  Incentives - KRW 362 million (Remuneration was calculated and paid in consideration of his performance, including the competitive edge in OLED market, business restructuring and enhanced EBITDA.)

\* Applicable only to registered directors with annual remuneration above KRW 500 million

## Shareholders

LG Display briefs its shareholders on the business status of the company at the annual General Shareholders' Meeting, and faithfully abides by its obligation to disclose its financial data to the Financial Supervisory Service, sharing its quarterly, half-yearly, and annual business performance reports on its website. By doing so, LG Display aims to identify the various needs of its shareholders through diverse channels and live up to their expectations.



\* Shareholders holding 1/100 or less of the total issued stocks

\* For further information on share ownership, please refer to the "Report on the Filing of Changes in Ownership of Block Shares" in the Financial Supervisory Service's DART System (<http://dartfss.or.kr>).

# Risk Management

## Financial Risk

LG Display classifies financial risks into four groups: credit risk, liquidity risk, market risk, and exchange risk.

Credit Risk	Exchange Risk	Liquidity Risk	Market Risk
Deciding on means of risk mitigation (i.e., third-party guarantee, insurance or factoring) based on credit limit adjustment and company analysis for each client	Hedging exchange risks by using the same currencies for both sales and purchases; utilizing forward contracts for trades with maturity shorter than a year; managing risk through adjusting discount levels of foreign currency-denominated trade receivables	Financing through external commercial borrowing or corporate bond issuance; and opening lines of credit with commercial banks	Maintaining market risk exposures within an acceptable level through managing variable / fixed debt ratio

## Non-financial Risk

At LG Display, non-financial risks are factors that can impact its business operation into fair trade, HR/labor, intellectual property, information security, environment/safety, product quality, and general matters. LG Display has established an integrated risk management system for each category to lay the groundwork for sustainability management. We promote non-financial risk management as an integral part of all of our business activities by gradually expanding its management scope to overseas subsidiaries. It has also established and distributed risk prevention guidelines throughout the company via various communication channels to ensure continuous and systematic risk prevention.

## Jeong-Do Management

### Operational Scheme

LG Display operates Management Diagnosis Team and Ethics Bureau to put Jeong-Do Management into practice in a systematic way. In 2014, we became the first entity in LG Group to establish a Management Diagnosis Team in China to ensure Jeong-Do Management is upheld and practiced in our Chinese worksites as well.

### Jeong-Do Management Education

The company conducts training on Jeong-Do Management that is closely related to the positions and job functions of its employees, aiming to raise their awareness on Jeong-Do Management and to internalize the company's values and its Jeong-Do Management commitment in all business activities. It also provides special lectures on an as-needed basis for organizations at risk of Jeong-Do Management violation or corruption.

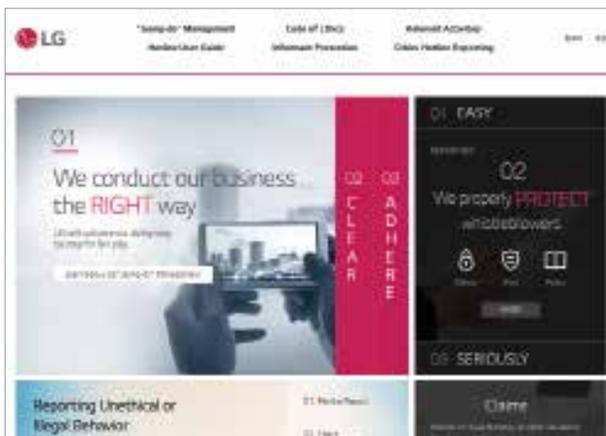
Target	Training
Employees	Build the basic knowledge on Jeong-Do Management and ethical standards
Organization Leaders	Promote the culture of Jeong-Do Management and foster leaders
Departments with External Contacts	Enhance the sensitivity of teams that are exposed to high risks of corruption
Overseas Assignees	Enhance the Jeong-Do Management mindset and share matters that must be noted during overseas assignments

### Pledge of Jeong-Do Management Practice

Aiming to improve its code of ethics compliance as well as its practice of Jeong-Do Management, LG Display requires all employees and the heads of partner companies to sign the "Pledge of Jeong-do Management Practice" upon joining the company and at times when they are promoted to a higher position. The pledge can be submitted online, and all submitted pledges are managed at a company-wide level. By signing the pledge, which specifies what is required of each individual when practicing Jeong-Do Management, members can show their commitment to joining the company's Jeong-Do Management efforts and also strengthen mutual trust.

### Jeong-DO Management Cyber Whistleblower System

In order to renew attention to Jeong-Do Management and to foster a zero-tolerance ethical culture, LG Display operates "Jeong-Do Management Cyber Sinmungo," our online anonymous whistleblower system. Any information indicating or insinuating the identity of a whistleblower is not disclosed without his or her consent, and the company clearly states that it will take full responsibility for undoing any disadvantages caused as a result of a failure in keeping a whistleblower's identity confidential. Whistleblowers are rewarded if their reports are confirmed to be true based on the calculation of the benefits and losses to the company.



LG Jeong-Do Management Webpage

### Jeong-Do Management Survey

LG Display conducts annual surveys on employees and partner companies on their awareness of the Jeong-Do Management. Jeong-Do Management is pushed forward by the management or the company to gather necessary information required for further improvements.

### Promoting Jeong-Do Management

To promote Jeong-Do Management, LG Display has renewed the bulletin board and implemented an application where various Jeong-Do Management activities are introduced and shared to encourage staff members in their day-to-day work. Staff can also participate in a wide array of promotional events designed to raise awareness.

## Compliance

### Achievement and Future Direction

In 2014, LG Display actively carried out a variety of activities designed to improve compliance. We created a global compliance management plan through system implementation and risk identification, and performed regular compliance checks and follow-up actions at domestic and overseas worksites. At the same time, we continued to increase compliance awareness among employees by distributing a multilingual version of our compliance guideline, publishing monthly newsletters, and providing training sessions on the Foreign Corrupt Practices Act (FCPA)\* for all employees exposed to high risk. In 2015, we remain committed to our goal of making compliance part of our organization's culture. To this end, we will engage in division-specific risk mitigation activities at overseas subsidiaries and continue to raise compliance awareness across the organization through providing an integrated compliance guideline, offering compliance training to an increased number of employees and adding new contents to training curriculum.

\* FCPA(Foreign Corrupt Practices Act) : a US law that prohibits bribery of foreign government officials

\*\* High-risk Group : Those directly or indirectly impacted by Foreign Corrupt Practices Act, including executives, project managers, and staff responsible for government relations, and permits/certification

### The Importance of Compliance Management

Compliance is the act of companies or employees following relevant laws, regulations, or internal policies. Compliance risk refers to the risk of a company violating the law either because the employees were not aware of the laws, regulations, or internal policies, or had violated them intentionally by pushing ahead with the work they were involved in. The bigger the influence of a company, the greater the impact its non-compliance or irregularities have on society. The corresponding damage affects not only the company but other stakeholders as well. With this understanding, countries across the world impose heavy obligations on companies in order to encourage transparent and sustainable management. In the same sense, law-abiding is required by companies through strict compliance management.

### Compliance Officer System

The Commercial Law in Korea requires all corporations which exceed a certain size to appoint a compliance officer who meets qualifications under the law to conduct compliance control aimed at preventing legal risks that may occur during business activities. Even before this requirement was stipulated by the Commercial Law, LG Display has organized a compliance team to be in charge of

monitoring and improving compliance management. A compliance control standard was devised according to the Commercial law, and a compliance officer system was introduced to better manage compliance risks in the company.

### Compliance Issue Management at Overseas Subsidiaries

Ever since the launch of its Overseas Compliance Project in October 2009, LG Display has been managing compliance risks at its overseas subsidiaries through a variety of compliance initiatives. Such initiatives include (1) monitoring legal regulations, government policies, and issues; (2) addressing critical issues; and (3) training compliance managers. Furthermore, to ensure compliance with the Foreign Corrupt Practices Act (FCPA) at its overseas subsidiaries, the company has implemented an advanced compliance system to detect and mitigate corruption risks by assessing the level of risk and corruption in a region and by assessing industry-specific risks.

#### "Bribery is not a difficult concept to understand."

It is well known that bribery weakens efficiency of the market economy and compromises fair competition in international trade. In response to this problem, the OECD has introduced global anti-corruption guidelines, including the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Korea, on its part, has introduced the Act on Combating Bribery of Foreign Public Officials in International Business Transactions, and is making concentrated efforts to abide by the Act. Countries across the globe, with the US on the lead, have reinforced and expanded the application of the Foreign Corrupt Practices Act which was first legislated in 1977. The Act not only regulates corruption occurring in domestic companies, but also that of foreign companies. As a listed company in the American Stock Exchange, LG Display is subject to anti-corruption laws of various countries, such as the American FCPA. The FCPA defines a bribe as "anything of value," which means that there is no standard regarding the amount or form of the bribe. Bribes can be in, but not limited to, the form of cash, travel tickets, entertainment tickets, sports items, luxurious gifts, job opportunities, or product discounts. LG Display employees are well aware of this fact --- "Bribery is not a difficult concept to understand."

### Publishing Compliance Newsletters

LG Display publishes Compliance Newsletters starting May 2014 with the aim at living up to its social responsibilities, retaining clients' trust and preventing potential conflict or sanctions. Covering the latest compliance trend of legal issues and informing the readers of the appropriate way of conducting business, Compliance Newsletters are used as the guidebook to entrench a culture of compliance across the organization by encouraging every employee to comply with legal and regulatory requirements.

## Information Security

### Security-first Culture

LG Display ensures secure management of various information that, if misused, can have direct impact on the company's core national technologies, confidential business information, and client information. LG Display complies with the information security-related laws and regulations, which include the Industrial Technology Drain Prevention Act and the Personal Information Protection Act.

### Scope of Information Security Management

<b>Core National Technology</b>	Article 9 of the Act on Prevention of Divulgence and Protection of Industrial Technology - Technologies for the design, processing, production, and operation of TFT-LCD panels beyond the 7th generation (1870×2200mm) - Technologies for the design, processing, and production of AMOLED panels ※ excluding the processing technology for module assembly
<b>Confidential Business Information</b>	Article 2 of the the Unfair Competition Prevention and Trade Secret Protection Act - Any information that is not publicly known and has independent economic value, such as technical or business information on production, sales, and other promotional activities, whose confidentiality has been maintained with considerable efforts
<b>Corporate Client Information</b>	Product-related information protected by the NDA, including specifications, pilot products, images, prices, and production information
<b>Partner Company Information</b>	Technologies shared by partners and information on their businesses
<b>Personal Information</b>	Personally identifiable information as specified by the Personal Information Protection Act, such as personal identifiers, general information, credit information, sensitive information, and visual information

### Technological Controls against Data Leakage and IT System Intrusion

To be prepared against hacking or information leakage/system infiltration attempts, LG Display ensures ongoing security monitoring at all times, and conducts security vulnerability assessments annually to identify and address risks. In addition, LG Display has isolated its business network from the internet network to safeguard critical information assets including national core technologies and client information. Various security activities are performed by utilizing security systems to monitor major data leakage routes and thwart any attempts in a preemptive manner.

### Personal Information Protection

We operate a personal information protection scheme at the enterprise level and conduct assessments on personal information security and regular inspections on vulnerabilities, in order to preemptively respond to risk factors regarding privacy concerns. In addition, we laid out guidelines for substantial improvement of privacy protection based on the 'field inspection on personal information protection', which was introduced for commissioned personal data processors\* in November 2014, with the aim of preventing business risks.

\* Commissioned personal data processors : parties commissioned with the undertaking and handling of personal data

### Shared Growth Program for Security of Partner Companies

With cooperative ties that bind companies into close relations, security management of individual entities is not sufficient in effectively preventing and blocking leakage of core information. Based on the understanding that the partner companies' independent effort to enhance security is important, LG Display is running a "Shared Growth Program for Security" for major partners which have source technology or are involved in joint development projects with government agencies.

### Shared Growth Program for Security

 SMEs	 Government	 LG Display
<ul style="list-style-type: none"> <li>• Security Staff / Organization setup</li> <li>• Minimum infrastructure investment</li> <li>• IT security solution investment</li> </ul>	<ul style="list-style-type: none"> <li>• Solution infrastructure support from SME Technology Security Center</li> <li>• Financial support for security infrastructure implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing of infrastructure and knowhow</li> <li>• Security consulting services</li> <li>• Education/promotional support</li> </ul>

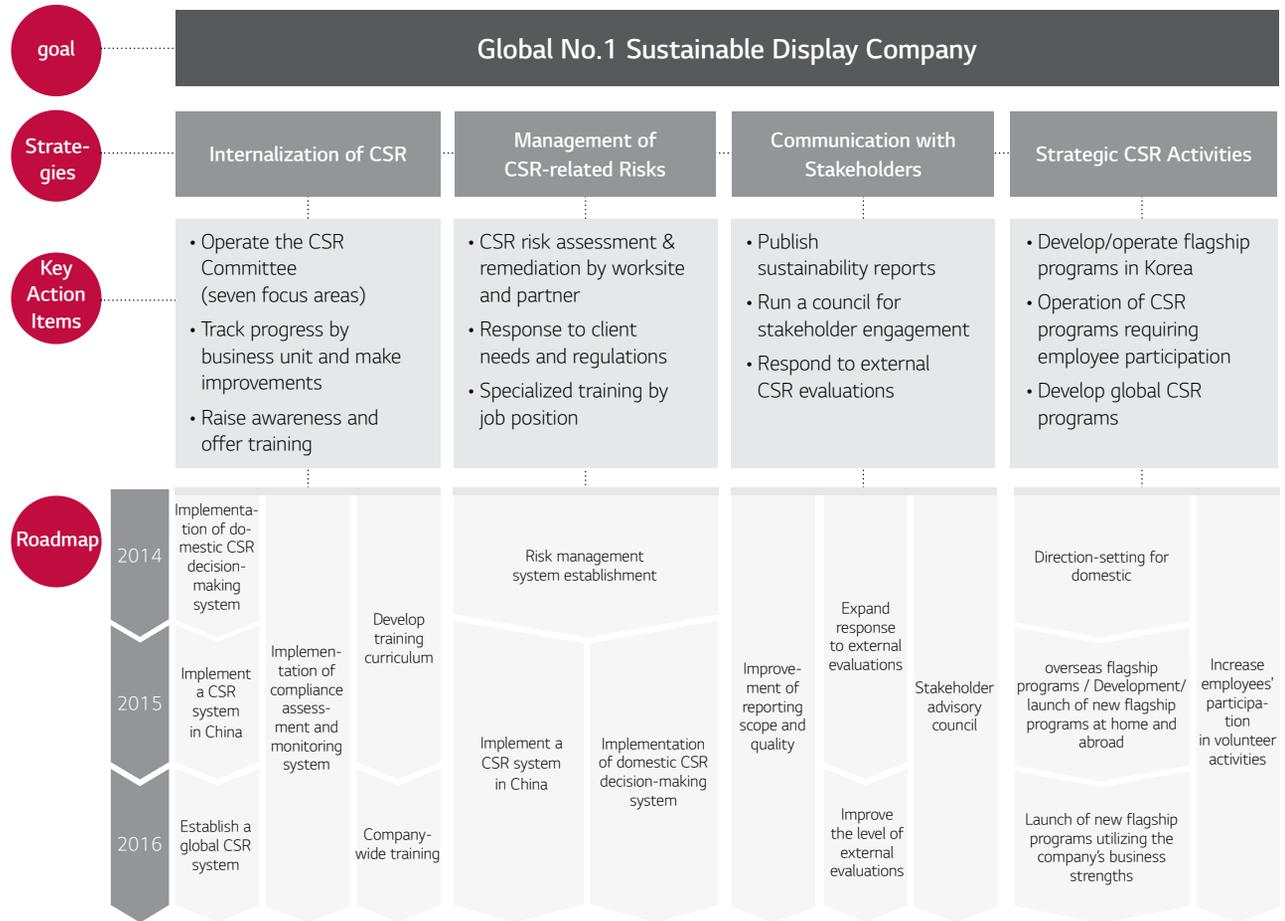


Ceremony of Shared Growth Program for Security

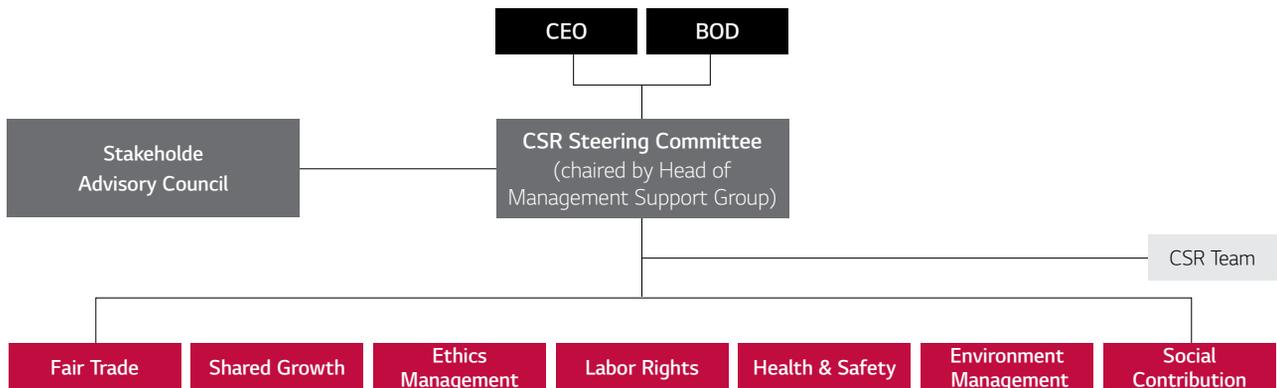
# Sustainability Management Scheme

LG Display strives to fulfill its economic, social and environmental responsibilities expected by our stakeholders, while pursuing sustainable development of the society we belong to. To achieve our goal, we derive strategic directions and key focus areas to engage in systematic CSR activities.

## Strategic Initiative and Roadmap



## CSR Committee

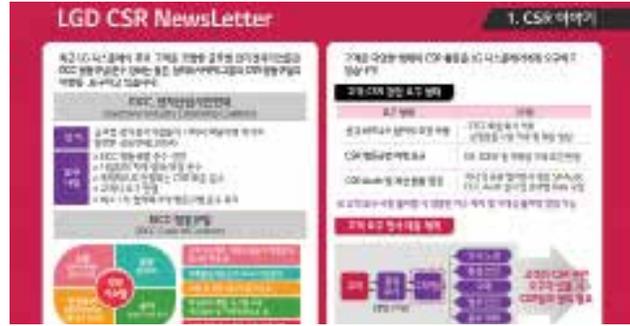


### Internalizing CSR

At LG Display, we operate CSR Committee to ensure an integrated and systematic implementation of sustainability management. The Committee serves as a control tower that identifies companywide CSR issues, defines the sustainability management direction and performs ongoing monitoring. In 2014, the Committee was convened to review documents, such as the sustainability management report, external CSR review ratings, and the internal self-assessment. The Committee also discussed improvement areas and progress. The Committee offers CSR training programs for employees to raise CSR awareness across the organization, and periodically publishes CSR Newsletters to communicate the company's CSR philosophy, key performances and social contribution activities.



CSR Committee



CSR Newsletter

### CSR Risk Management

**Need for Managing CSR Risks /** Electronic Industry Citizenship Coalition (EICC) is a coalition dedicated to electronics supply chain responsibility. The EICC Code focuses on five areas: labor, environment, health and safety, ethics and management system. Integrated in the supply networks of key clients that are members of the EICC\*, LG Display makes efforts to adopt and abide by the EICC Code voluntarily with key partner companies.

\* EICC Code of Conduct : Implementation Guideline for CSR Risk Management

**CSR Risk Assessment /** We surveyed all production worksites using the EICC checklist and conducted onsite assessment of the Chinese worksites. Identified non-compliance areas have been addressed through periodic check-ups. In 2015, we plan to improve the assessment tools to measure the actual progress by comparing the compliance level before and after remediation actions.

#### Risk Assessment Process and Results

EICC Self-survey	<ul style="list-style-type: none"> <li>Objective : Analyze anticipated risk by worksite</li> <li>All worksites at home and abroad</li> </ul>	<b>Labor</b> <ul style="list-style-type: none"> <li>Prohibition on consecutive work days (up to seven days)</li> <li>Prohibition on night work by minors</li> <li>Excessive work hours (60hr/week)</li> <li>Probation period not exceeding six months</li> </ul>
Onsite Assessment	<ul style="list-style-type: none"> <li>Objective : Review management status and derive improvement areas</li> <li>Scope : all worksites in China (Nanjing, Guangzhou, Yantai)</li> <li>Approach : A team of domain experts will be formed to perform onsite inspections against EICC Audit operational manual</li> </ul>	<b>Ethics</b> <ul style="list-style-type: none"> <li>Personal information protection for those disciplined</li> </ul>
Improvement Tracking	<ul style="list-style-type: none"> <li>Objective : Ensure improvement areas identified are addressed</li> <li>Approach : Relevant teams develop and execute an improvement plan / Improvement to be tracked on a monthly basis</li> </ul>	<b>Environment</b> <ul style="list-style-type: none"> <li>Separate handling of hazardous waste discharges</li> </ul>
		<b>Safety</b> <ul style="list-style-type: none"> <li>Keeping emergency exits at all times</li> <li>Conducting annual emergency evacuation drills</li> </ul>
		<b>Management System</b> <ul style="list-style-type: none"> <li>Requiring partners to observe EICC Code</li> </ul>

**EICC Compliance Education /** Prior to an onsite audit, we offer training sessions to frontline staff members on the EICC audit checklist and perform a trial audit, helping trainees learn about the audit and connect their understanding into work. LG Display's plan is to increase the level of awareness and expertise in CSR across its supply chain by expanding training opportunities for employees of LG Display and its business partners.

## Stakeholder Communication

By allowing stakeholders to access various channels, such as the Stakeholder Advisory Council meetings, client inquiry sessions, and external assessments, LG Display understands what consumers require and builds trust with its stakeholders by reflecting their opinion to the management. We intend to disclose our activities in the sustainability management report in a transparent manner.

### Stakeholder Advisory Committee

In November 2014, LG Display held a Stakeholder Advisory Council meeting to listen to the voices of external stakeholders. Looking ahead, we will continue to hold meetings periodically to ensure the opinions collected are reflected in our sustainability management report and our day-to-day CSR activities based on further review and discussion by relevant teams.

	Discussion	Action Plan
<b>Recommendations for CSR Activities</b>	<ul style="list-style-type: none"> <li>• Effort to expand the scope of GHG emissions management for further reduction</li> <li>• Seamless cross-functional cooperation coordinated centrally by the CSR organization</li> </ul>	Expand the scope to Scope 3 and strengthen cross-functional communication
<b>Sustainability Management Report review</b>	<ul style="list-style-type: none"> <li>• Securing genuineness: Issues the company faces and remediation efforts should be disclosed and shared</li> <li>• Specifying reasons for increased carbon emissions</li> <li>• The figures should show the company's global performance by encompassing all overseas worksites</li> </ul>	<p>Discussion underway between relevant teams to increase the scope of information disclosure</p> <p>Apply starting with the 2015 report</p>
<b>Direction for social contribution</b>	<ul style="list-style-type: none"> <li>• Activities targeting local communities rather than customers are more appropriate given the B2B nature of the business</li> <li>• The company would do well to focus on addressing one specific issue the society faces</li> </ul>	Launch local community-based programs where employees can participate
	<ul style="list-style-type: none"> <li>• Effort to focus on and address one specific social issue at the company level</li> </ul>	Review new programs designed to help remediate social issues
	<ul style="list-style-type: none"> <li>• Social contribution activities linked with the company's business or global operation help improve on negative impact</li> </ul>	Review underway of flagship programs for overseas worksites



#### Attendees

- ① Catholic University of Korea \_ Professor Joon Young Rha
- ② IMCSR\_ CEO Hyeon Lee
- ③ Korea Sustainability Investing Forum \_ Executive Director Chun Seung Yang
- ④ The Better Future, Chosun Ilbo \_ CEO Yin Jeong Heo
- ⑤ Community Relations Center \_ Head Tae Hyeong Yim
- ⑥ HR Administrative Support Group, POSCO\_ Director Jin Hong Kim

**Joining UN Global Compact /** LG Display joined the UN Global Compact (UNGC), an international compact for corporate social responsibility, in September 2014. UNGC was launched with the aim at promoting a balanced, sustainable growth for the world economy through forging a cooperative relation between the UN and businesses. UNGC has grown into the world's largest voluntary corporate sustainability initiative with 10 principles in the four key areas: human rights, labor, environment and anti-corruption. Becoming a signatory of the UNGC, LG Display publicly announced its continued commitment to enhancing sustainability management performance and fulfilling its CSR.

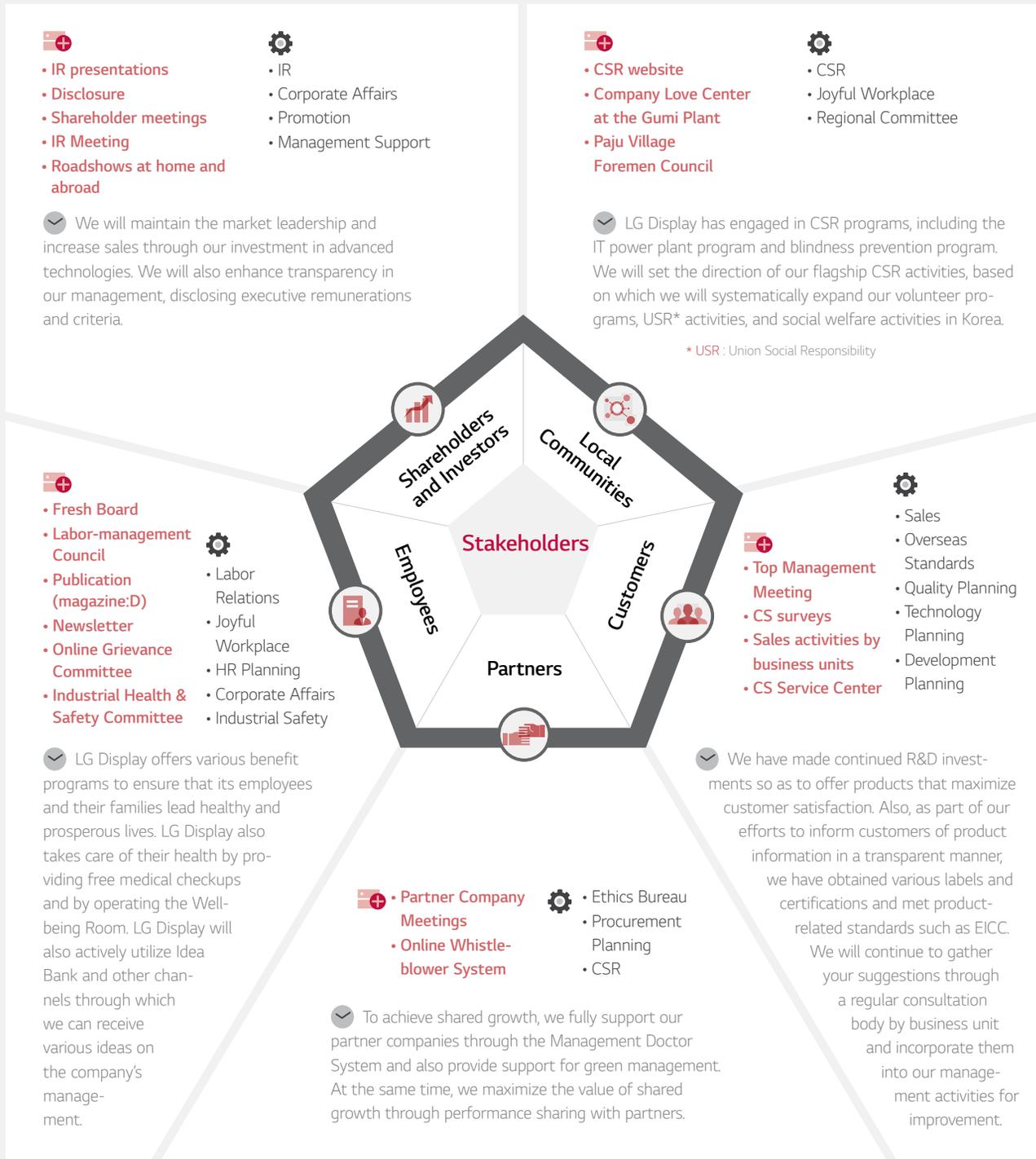
## Strategic social contributions

LG Display is running flagship programs and regional participation programs based on the voluntary engagement on the part of members of business and regional partners. We are providing the opportunities for healthy growth to the underprivileged, children, and youth through social contribution programs such as the IT Power Plant Program and blindness prevention activities. Moreover, we are invigorating organizational culture and implementing social responsibilities through various programs, such as the LG Dream Festival and the LGD Hope School, designed to engage employees. In 2014, an improvement plan was set up based on the overall evaluation on our programs. The plan was aimed at resolving social issues and harnessing LG's fortes. In 2015, we are planning to establish a flagship program for Chinese subsidiaries.

## Stakeholder Engagement

We define our stakeholders into five groups: shareholders and investors, clients, employees, partner companies, and local communities. Through various communication channels that are established, we listen to the voices of our stakeholders on the company's long-term direction for sustainability management. This report presents LG Display's response to the stakeholder needs and achievements.

Communication Channels Contacts Plan



## Materiality Test Process

The 2014-2015 Sustainability Report of LG Display was prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines and the integrated reporting framework requirements published in 2013 by the International Integrated Reporting Council (IIRC). The materiality assessment process is as below. The material issues selected will be further utilized to diagnose the sustainability management practices and identify future improvement areas.

### STEP 1. Developing the Issue Pool

We performed a variety of studies to identify most discussed issues relevant to sustainability management during the reporting period.

#### Media research

We searched 18,737 media reports on LG Display by media outlets at home and abroad throughout 2014. We then listed both positive and negative issues in the economic, environmental, and social fronts.



#### Sustainability management trend analysis

LG Display has reviewed the latest CSR trend and issues through analyzing global initiatives launched by international organizations, including UN Global Compact, GRI, ISO 26000 (guidance on social responsibility), Dow Jones Sustainability Index. We have also looked into sustainability reports issued by leading companies in the industry to understand the reporting trend of the industry.

#### Stakeholder surveys and interviews

We surveyed internal and external stakeholders to identify which issues they consider most material, and conducted interviews with key external stakeholders including those representing partners and local communities.

### STEP 2. Assessing Key Issues

We prioritized the 22 sustainability management issues derived from research based on the degree of interest perceived by internal and external stakeholders as well as their impact on the company's business operations.

#### Social Concern

We took into account the degree of interest external stakeholders have in a specific issue. We then analyzed the impact of each issue on the activities or decision-making process of stakeholders.

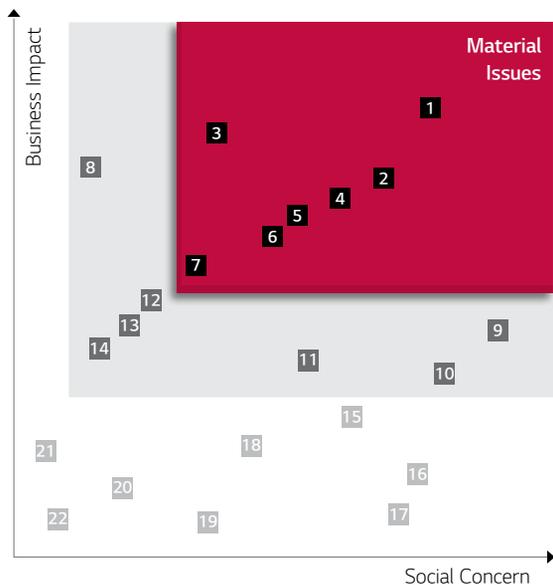
#### Business Impact

We prioritized the issues on the basis of our CSR strategy, media analysis and industry-specific issues to understand the correlation between our management strategy and CSR issues as well as their impact on our business operations.

### STEP 3. Selecting Core Issues

Based on the level of social concern and business impact of each issue, we have identified seven material issues that are covered in further detail in this report.

Materiality Matrix



1	Product Development and Innovation	12	Eco-friendly Product Development
2	Health & Safety	13	Customer Satisfaction Enhancement
3	Sustainability Management Scheme	14	Hazardous Substance Management
4	Workforce Diversity & Capacity Building	15	Ethics Management
5	Supply Network Management	16	Work-Life Balance
6	Shared Growth	17	Market Position of Products
7	Environment Management System	18	Greater Financial Stability
8	Stakeholder Communication	19	Awards & External Activities Relating to CSR
9	Respect for Human Rights of Employees	20	Local Community Development and Growth
10	Response to Climate Change	21	Corporate Governance and BOD
11	Social Contribution at Home and Abroad	22	Intellectual Property Rights



# Material Issues

# 02

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Issue 01

# Products

## Key Achievements in 2014

- Gold Award of "2014 Display of the Year" from SID
- Silver Award of "2014 Display of the Year" from SID Best in Show



## R&D/Sales Ratio(%)



## CONTEXT

While the market for traditional IT devices such as laptops and monitors is stagnant, smartphones continue to grow in tandem with the fast paced world of mobile technologies. The TV market posts continued growth led by emerging markets, and the trends are towards larger size panels and higher resolutions to meet the customer needs and wants. High-end markets including the one for mobile displays are expected to grow rapidly.



## APPROACH

The R&D organization of LG Display is made up of the CTO and respective business units. The CTO is in charge of conducting researches on fundamental technologies, advanced technologies and next-generation displays, while the business units are tasked with the development of TV, IT/mobile, and OLED products. As a member of the National R&D Roadmap Planning Committee, LG Display contributes to the planning of government-funded projects and engages in university-industry strategic collaboration initiatives to secure future source technologies.



## RESPONSE

LG Display continues its R&D efforts for OLED TV, plastic OLED, transparent displays, next-generation displays, etc. LG Display is also dedicated to developing power-saving, eco-friendly technologies for green product development. It also strives for unparalleled product quality based on the fail-proof quality assurance system that covers the entire manufacturing process, from development to production.



## NEXT STEP

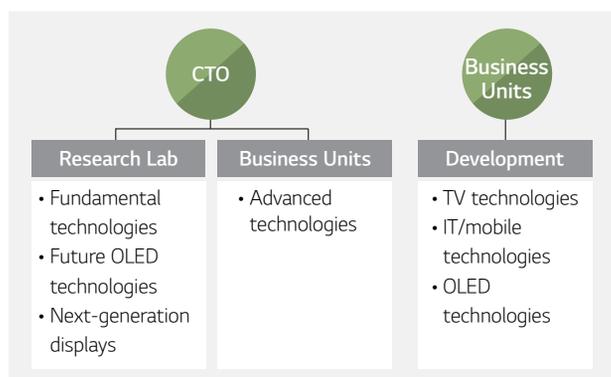
In 2015, LG Display will expand its market position in the OLED market through diversifying its product portfolio and strengthening production capability. In the LCD market, the company plans to leverage its differentiated technologies to solidify its market dominance and secure a platform for new businesses.

## R&D Efforts for Technology Innovation

### R&D Organization

The R&D organization of LG Display is made up of the CTO and respective business units. The CTO is in charge of conducting researches on fundamental technologies, advanced technologies and next-generation displays, while the business units are tasked with the development of TV, IT/mobile, and OLED products. All R&D activities conducted at LG Display are centered around three tenets: Reality, Ambience, and Intelligence. These tenets are also applied when each business unit identifies customer needs and develop technologies that deliver innovative customer value.

### R&D Structure



### Research Fellow / Expert Advisor Program

LG Display has expanded its research fellowship/expert advisor program since 2009 with the purpose of nurturing core technology talents. The program rewards employees, who made great contributions in improving the company's business performance with their research and competence, by providing them with executive-level treatments. This year we selected 13 FPR\* 3D and OLED panel experts, which increased the number of LG Display's fellow researchers and expert advisors on the program to 36. This expansion is expected to bring the company at a better position to focus on developing technologies and securing business competitiveness.

\* FPR : Film-type Patterned Retarder

### R&D Investment

We have invested more in R&D as a strategic move to maintain our market leadership. R&D to Sales ratio was increased from 6.2% in 2013 to 6.8% in 2014. This increase is largely attributable to the proactive R&D activities in OLED, the invention of next-generation technologies and products, and the increase in the average R&D resources at the same period.

### LG Display's Technology Prowess

LG Display has continuously developed and preempted industry-leading technologies, including IPS, AIT\* and 3D FPR. LG Display recently accelerated its effort to secure differentiated competitiveness by bolstering its technologies in OLED and UHD products. We consolidate our position as the market leader through engaging in new technology development and mass-production.

\* Advanced in-cell Touch

### World's First Technologies Developed by LG Display

2011	• Development of 55-inch OLED TV displays
2012	• Development of 5-inch FHD LCD for smartphones • Development of 84-inch UHD LCD
2013	• Development of 55-inch curved OLED TV panel • Development of 5.5-inch QHD LCD for smartphones • Production of 6-inch flexible OLED smartphone panel • Development of 105-inch curved LCD for UHD TVs
2014	• Development of UHD M+ LCD for 42-/49-/55-inch TVs • LTPS AH-IPS UV alignment for smartphones and development of N-type LCD • Development of 6-inch plastic OLED panel for smartphones • Development of 18-inch transparent OLED and flexible OLED • Development/mass-production of 1.3-inch circular plastic OLED panel

### Patent Management

LG Display is number one in the display industry in terms of its patent competitiveness, active engagement in patent application, analysis, litigation management, licensing, and purchase. We boast an extensive patent portfolio covering state-of-the-art technologies, such as the award-winning WRGB OLED (Patent Technology Award in 2014), and efficiently manage patents through an internal management system.

### Patents Held by LG Display

Category		2012	2013	2014
Accumulated Number of Patents	Domestic	8,982	11,779	13,164
	Overseas	10,731	12,040	13,354
	Total	19,713	23,819	26,518

# Core Products and Technology Innovation

## Increased Dominance in OLED Market

OLED TV / LG Display's OLED panel that employs WRGB\* together with oxide-TFT\*\* backplane ensures images are rendered with perfect blacks, infinite contrast ratio and exceptional picture quality. With no need for a large screen, backlight unit and liquid display, there is no danger of any light bleeding for a curved screen. The borderless design and ultra-thin form factor also enable innovative designs. 55-, 65- and 77-inch curved and 77-inch flexible ultra HD OLED TVs adopt the optimal radius of curvature to provide a uniform viewing distance across the screen when standing at the center of the screen. The screen also minimizes the image distortion and resolution reduction from increased viewing angle to offer the best viewing environment. Our technology leadership in large-sized OLED panels has been recognized in various global tradeshows and conferences, including the Consumer Electronics Show (CES) and Society for Information Display (SID).



55-, 65-, and 77-inch Curved and 77-inch Flexible UHD OLED TV

\* WRGB : White Red Green Blue    \*\* Oxide TFT : Oxide Thin-Film Transistor

## Key Achievements

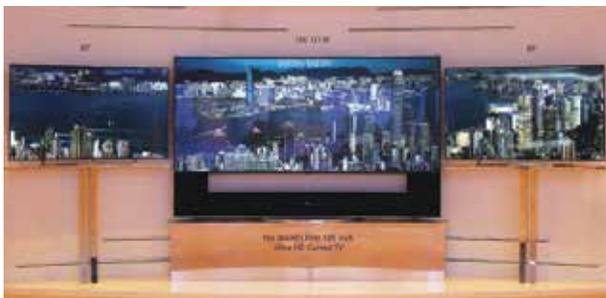


**Plastic OLED** / Combining the benefits of OLED and plastic, Plastic OLED comes in various forms, which include bendable, foldable, and rollable Plastic OLED. It is also 60% lighter than glass, which makes it more portable. Moreover, plastic OLED is more sturdy in that it does not break easily even when it is dropped.

<p>LG G Flex is the world's first mass produced device that uses flexible plastic OLED panel. The 6-inch, large-screen, curved display gives the user an additional level of immersion and it is designed for convenience and durability. The full HD display used for LG G Flex 2 is brighter, thinner and lighter than its predecessors.</p> 	<p>By unveiling the world's largest, 18-inch HD flexible OLED panel with a curvature radius of 30R, LG Display was lauded by the world for realizing a next-generation display. Our plan is to develop a transparent, yet bendable 60-inch display by 2017.</p> 	<p>In 2014, LG Display started the world's first volume production of circular plastic OLED displays. The circular display maximized the user friendliness with 57% larger screen area compared to the conventional square displays. With Always-On ambient mode with minimum power usage and ultra slim thinness of less than 0.6mm, the display currently leads the design innovation for wearable devices.</p> 
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**Differentiating LCD**

**LCD TV** / The market trends are moving towards large screen and high resolution due to the recent emergence of UHD displays. LG Display has demonstrated its industry-leading technologies by unveiling the 105-inch curved UHD TV of 11 million pixel. This product is five times that of a full HD TV. LG Display also presented a 98-inch 8K quad UHD TV that bears a resolution of 16 million pixels. Expanding the application of M+ and Art Slim technologies, the company delivers differentiated customer value, which allows users to consume less power without missing any of the fine qualities and designs of the product.



105-inch UHD curved LCD TV

**Mobile Displays** / LG Display developed the world's first 5.5-inch QHD AH-IPS LCD panel for smartphones. With more pixels and four times the image resolution of HD panels, it ensures high resolution images and videos of Blu-ray quality.



**Securing Market Leadership in New Business Areas**

**Auto Displays** / LG Display is a trusted display supplier for global car makers in Europe, Japan and the United States. With the goal of becoming No. 1 in auto display market in 2016, we will increase the application of In-Plane Switching (IPS), leverage differentiated technologies such as plastic OLED-based dashboard, and diversify our product portfolio.

**Commercial Displays** / Used for data transmission in public spaces, LG Display's portfolio of commercial display products differentiated products for different purposes, including the world's narrowest 3.5mm bezel video wall unveiled at ISE 2014, 98-inch large-size UHD display and 47-inch FHD transparent displays. In 2015, we plan to grow our market share by launching a next-generation video wall and e-boards of various sizes.



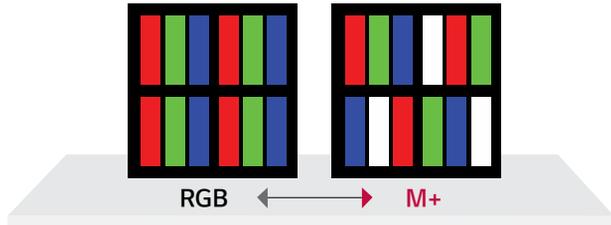
## Eco-friendly Technologies and Manufacturing

### M+ Technology

M+\* technology, which uses the unique algorithm of LG Display, achieves enhanced resolution and more efficient power consumption. The green technology makes a display 50% brighter than LCD, and reduces power consumption by 34% to achieve the same level of brightness.

\* M+ technology: It enhances light transmittance by adding one white pixel to red, green or blue sub-pixels.

### Fundamental Principles Underlying M+ Technology



### UV Photo Alignment and N-type LC Technology

LG Display enables vivid picture quality with high contrast ratio and low power consumption through improved transmittance ratio with its UV alignment technology for sophisticated display alignment and N-type liquid crystal technology.



### Developing Carbon Footprint Calculator

In 2014 LG Display performed R&D activities to develop an in-house carbon footprint calculator optimized to its business in its pursuit of environmentally-responsible and sustainable management. The calculator automatically estimates carbon footprint of a product when details of the energy, intensity of parts, active areas, and manufacturing process are entered. We will make sure that carbon footprint is utilized for green product evaluation and marketing activities so that it becomes a factor that determines a product's eco-friendliness.



Issue 02

# Safety & Health

## Key Achievements in 2014

Establishing LCD Safety Rules



### Industrial Incidents(%)



### CONTEXT

A string of workplace incident accidents occurred in 2014 in various industries including steel, transport and construction due to lack of safety protections. These incidents have served as a wakeup call for Korea and led many companies to implement much tougher security management plans.



### APPROACH

With the aim at protecting workers' health and safety and creating a safe work environment, LG Display has set up an executive-level industrial health and safety task force that reports directly to the CPO. We have also implemented the "LG Display Safety Rules" in an effort to establish a strong safety culture.



### RESPONSE

We assess equipment safety criteria and periodically examine work environment for occupational hazards in order to create safe workplaces. LG Display earned the highest rating of "P" in the Process Safety Management (PSM) assessment in 2014.



### NEXT STEP

LG Display will remain committed to creating safe and healthy work environments, carrying out scenario-based emergency drills and nurturing emergency response professionals.

## Worksite Safety & Health Management Scheme

LG Display strives to provide a safe and healthy work environment to all employees through relentless efforts. We operate an executive-level industrial safety and health task force that directly reports to the CPO.

<b>Safety &amp; Health Management System</b>	<ul style="list-style-type: none"> <li>Earning highest ratings in external safety assessments                             <ul style="list-style-type: none"> <li>PSM Assessment (P rating), Safety Promotion with Partners (A rating), Workplace with excellent health promotion practice, etc.</li> </ul> </li> <li>Acquiring OHSAS 18001</li> <li>Acquiring KOSHA 18001</li> <li>Acquiring Safety Zone Certification</li> <li>Conducting emergency drills for all employees</li> <li>Operating an in-house clinic and various health promotion programs</li> </ul>
<b>Safe Hardware Implementation</b>	<ul style="list-style-type: none"> <li>Ensuring equipment safety through safety certification checks</li> <li>Preemptively managing risk factors through risk assessment</li> <li>Designating prohibited substances within LG Display (1,227 types)</li> </ul>
<b>Safety Culture Promotion</b>	<ul style="list-style-type: none"> <li>Ensuring "safety leadership" through the executive-level consultation group</li> <li>Operating Safety Center / Safety School</li> <li>LGD Safety Rules</li> </ul>

### Emergency Drills

LG Display conducts surprise emergency drills for all employees. Through repeated drills, we have enhanced fire safety awareness, drill participation rate, evacuation, and response capabilities of employees. Going forward, as part of our commitment to ensuring a safe workplace, we will continue to conduct scenario-based emergency drills and nurture safety professionals.

#### Key Emergency Drills

Category	Description
Evacuation	<ul style="list-style-type: none"> <li>Evacuation in emergencies (fire/leak)                             <ul style="list-style-type: none"> <li>Evacuation of all premises including production sites, offices and company housing</li> <li>Understanding of time, route and means of evacuation</li> </ul> </li> </ul>
Response	<ul style="list-style-type: none"> <li>Emergency response                             <ul style="list-style-type: none"> <li>Response to chemical spills</li> </ul> </li> </ul>

Surprise Drill	<ul style="list-style-type: none"> <li>Surprise drill early in the morning</li> <li>Response to Gas leaks, chemical spills and fires</li> </ul>
Emergency Contact	<ul style="list-style-type: none"> <li>Emergencies in production sites</li> <li>Emergency contact list</li> </ul>

### Earning Highest Rating in PSM Assessment

In 2014, Units 1, 2 and 3 of Gumi Plant and Paju Plant were recognized as best worksites in safety management receiving the highest rating of "P" in the Process Safety Management (PSM) assessment.

Category	Gumi			Paju
	Unit 1	Units 2 & 3	Units 4, 5 & 6	
Rating	P	P	P	P
Date of Assessment	2014. 8	2014. 8	2013. 9	2014. 8

### Employee Health Promotion Activities

LG Display provides employees with annual medical examinations including the customized thorough checkup for employees who are 35 years old or above. LG Display also operates the in-house hospital and health center to provide various medical services including counseling on physical activities and health. Thanks to the aggressive efforts for employee health promotion, we received the Certificate of Outstanding Business for Health Improvement Programs from the Korea Occupational Safety and Health Agency.

### Comfortable Working Environment

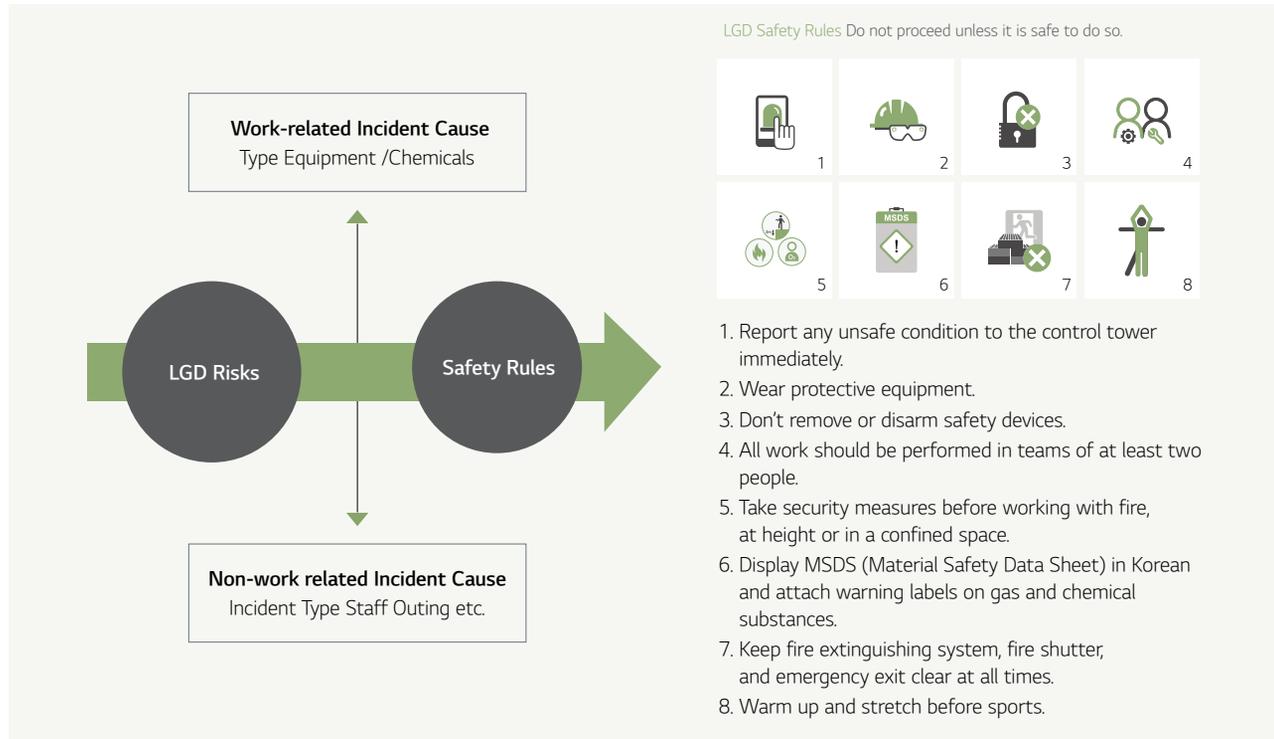
LG Display contracts third parties to measure the harmful elements in working environment twice each year. We also engage in various activities to prevent musculoskeletal disorders, take care of workers' exposure to heat, and conduct in-house inspection of local ventilation systems so that all employees work in a comfortable environment.

### Equipment Safety Certification Process

At LG Display, all new devices are assessed against its own device safety criteria, which reflects both domestic and international safety standards. We also carry out the activities to enhance the safety of equipment already in operation in order to

### LGD Safety Rules

LG Display newly established and distributed “LGD Safety Rules” to bring about tangible changes in safety awareness and behavior among employees and create a unique safety culture. LGD Safety Rules were derived based on the risks innate to the industry and company. It was also derived based on the causes and types of previous accidents.



### Safety Management Competition for Partners

With the aim to expand the safety management activities to partners, LG Display organized the first safety management competition for partners in 2014. This competition was designed to share best practices in workplace safety promotion and thereby raise awareness and enhance safety management among partner companies. Going forward, we will continue to support partners to provide a safe working environment until safety management entrenches as part of LG Display's corporate culture.

### Opening Safety Center

In an effort to create a zero-accident, zero-fatality workplace, LG Display opened Safety Centers at Paju Plant and Gumi Plant and thereby enhanced in-house training for safety accident prevention. The Safety Center has audio-visual classrooms and a lab where staff can learn about hazards, risks, and prevention measures. In order to spread a safety culture across the supply network, we plan to offer safety training to resources of partner companies as well as all employees of LG Display.



Safety Center

### Response to Nitrogen Gas Leak Accident in Paju Plant

An accident occurred in the Paju plant in January 2015, where employees of LG Display and partner companies inhaled nitrogen gas during maintenance of processing equipment. LG Display will make the best effort to strengthen safety management standards and employee training in order to prevent recurrence.



Issue 03

# Employ-ees

## Key Achievements in 2014

No. 1 in Job Creation in Recent 5 Years

(100 companies for job creation in 2014 by the Federation of Korean Industries)



## Attrition Rate(%)

8.8

6.1

4.8



2012

2013

2014



### CONTEXT

Businesses pay more attention than ever to securing, nurturing and retaining core talents at a time when global competition is intensifying. LG Display introduces its vision, next-generation growth engines, and major technological innovations through holding LGenius programs and Technical Talk meetings.



### APPROACH

LG Display operates a variety of programs to secure talented employees with global competency and expertise, including LGenius Program to nurture outstanding students into R&D leaders of the future and differentiated competency building programs for employees. We strive to create a joyful environment through various benefits that can help employees relax and focus on their work.



### RESPONSE

Designed to nurture all employees into experts in their respective fields, the career development program of LG Display is diversified into each job level and field. Our compensation scheme ensuring compensation commensurate with performance boosts motivation and keeps employees focused on their goal.



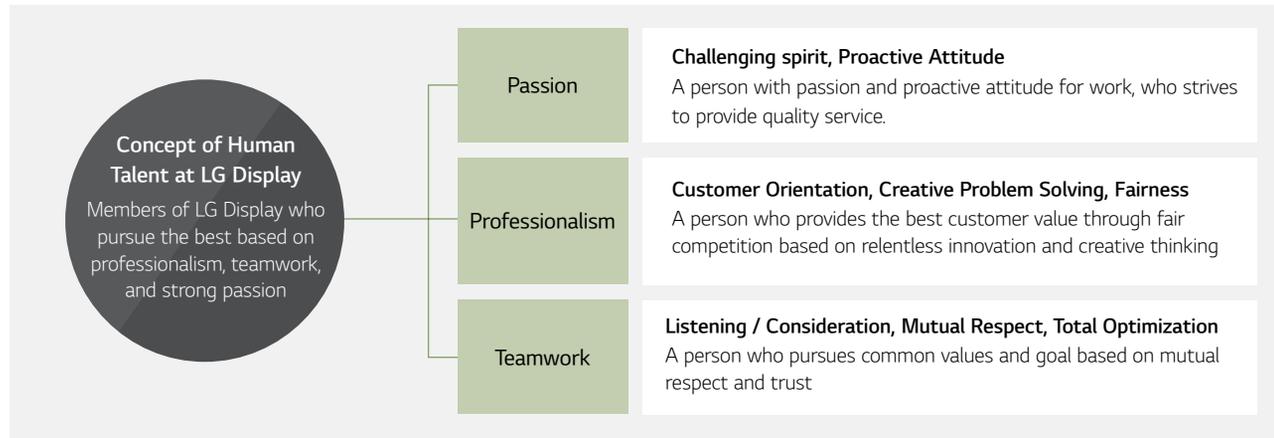
### NEXT STEP

LG Display adopted human rights guidelines to spearhead the effort for human rights promotion in workplace and conducted various education programs to raise employee awareness of human rights through various education programs. Furthermore, we have included human rights protection in the supplier selection assessment criteria, and thereby expanded the scope of human rights protection to the entire supply network.

# LG Display's Right People and Effort for Talent Development

## LG Display's Right People

LG Display focus on uncovering and nurturing talent, which is key to securing competitiveness and market leadership. We especially operate various programs that are geared to find and develop R&D resources. LG Display favors workers who endeavor towards the best, based on their professionalism, teamwork, and strong passion. We will make continued efforts to secure and develop talented people based on the three values: professionalism, passion, and teamwork skills.



## Talent Programs

**LGGenius Program** / Named by combining "LG Display" and "genius," the "LGGenius" program is designed to nurture outstanding students into R&D leaders of the future. The program allows students to prepare for their career at the company in advance by exposing them to LG Display's corporate culture and work. This program effectively reduces their learning curve after they join the company. Through the program, students are provided with tuition fee support and allowances, internship experience at LG Display, an opportunity to pursue a graduate degree, one-on-one mentoring, the opportunity to take courses on display R&D, and an offer to join the company after graduation.

**Technical Talk** / LG Display holds "Technical Talk" seminars, where the company invites undergraduate students to our worksites and provide them with job counseling and overview of the display industry and technologies. Instead of visiting students on campus, we invited students to our sites this year so that students can get to better know about the industry and technologies by having hands-on experience.



LGGenius Program



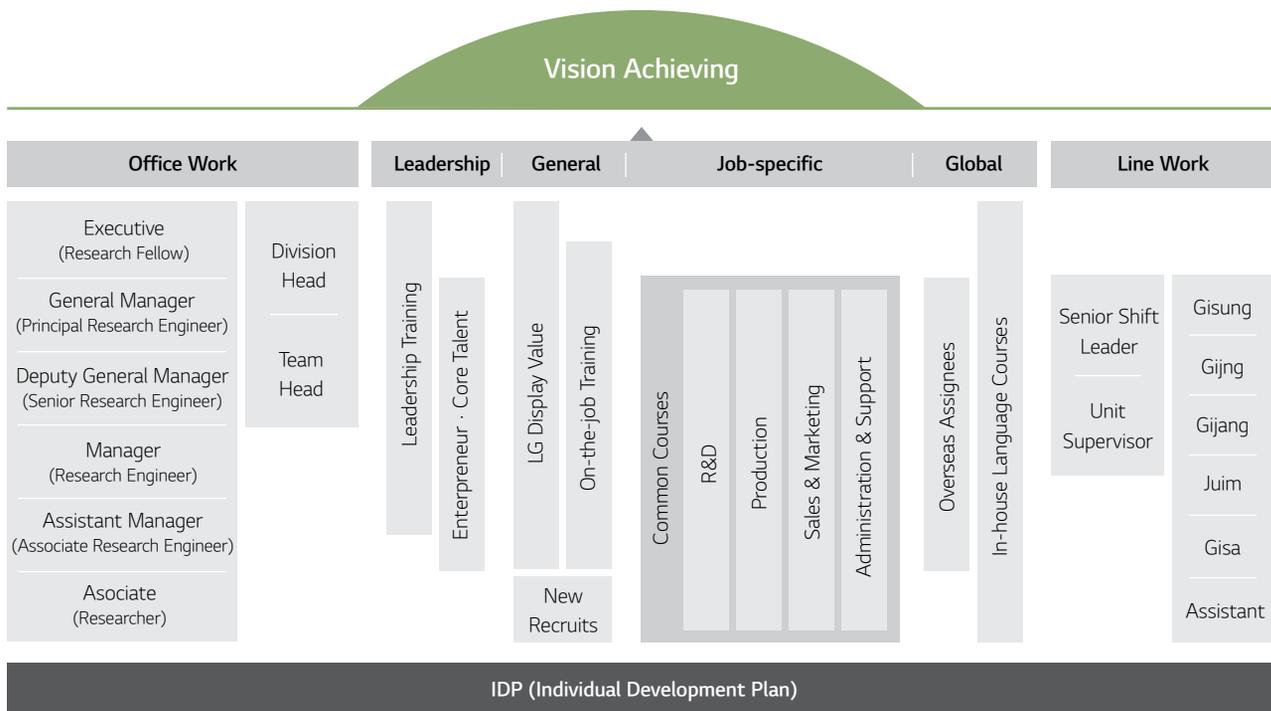
Technical Talk

# Talent Nurturing

## Talent Nurturing Program

LG Display offers differentiated talent development programs that are geared toward skillset development and capacity building. With the goal of fostering global core talents for LG Display, we also provide language and job-specific courses and opportunities to acquire a global mindset. In our continued effort to become a true market leader, LG Display will work with each and every member, helping them develop and make full use of their capabilities.

### Talent Development Scheme



**IDP(Individual Development Plan)** / Members of LG Display strive to build their capabilities and the values the company is looking for in the right people. We operate the Individual Development Plan (IDP) program to support capability building and continuous career development of individual employees. The IDP is basically a career-building process where employees evaluate their own capabilities, establish a self-development plan to build their career and improve their capabilities, receive career coaching from their line manager, and materialize / execute their plans. The plan also furthers mutual understanding among employees and reinforces individual capabilities from a long-term perspective, thereby contributing to the fundamental competitiveness of the company.

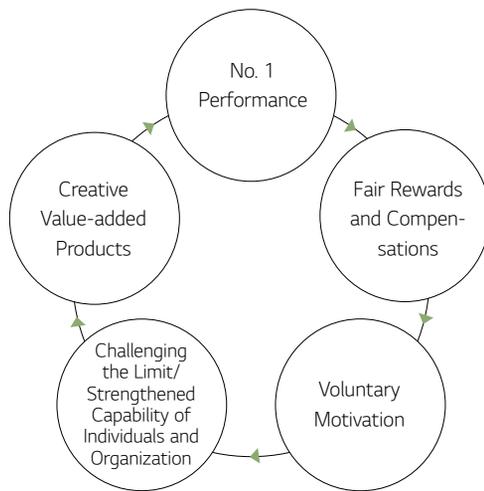
### IDP Process



### Fair Compensation

LG Display offers compensations and rewards commensurate to the performance of individual employees as a way to improve motivation and teamwork, which will eventually bolster the organization’s capability. All compensations are given fairly based on the wage system. The rewards system reflects the needs of employees to maximize effects and employee satisfaction.

#### Compensation



### Leadership Development

LG Display operates a leadership development process that is aimed at maximizing its core competence by nurturing future leaders. We define the “LG Display leadership qualities” and “leadership competencies” required of each rank, and conduct regular leadership competence evaluations. We will continue to offer a range of leadership development programs that enable the self-assessment of employees’ leadership potential and style.

### On-the-job Training

LG Display offers a variety of on-the-job training programs that are customized to the respective fields and duties. In-depth courses for on-the-job training that are designed to offer accumulated knowledge and technologies within the respective business units are available. In particular, to foster OLED experts who will lead future / strategic businesses, we provide training at all skill levels, and run OLED schools to help new and displaced workers to get used to their positions.

## Respect for Human Rights

The code of ethics, which presents the basic direction of the company’s management principle of Jeong-Do Management, highlights the corporate responsibility to respect human rights. We have adopted strict and clear human rights guidelines on the work environment, legally-protected freedom, and respect for humanity, and are making jointed efforts to abide by the guidelines with our partners. LG Display will remain committed to supporting and respecting human rights and improving the quality of life and work morale of employees in our journey to become a good company respected by all stakeholders.

#### LG Display's Human Rights Policy

Guideline	Description
Respect for Human Rights	All employees should be treated with the respect they are entitled to as human beings, and all efforts should be made to prevent inhumane treatment.
Prohibition of Forced Labor	Employees' mental or physical freedom should never be restrained unjustly for the purpose of subjecting them to involuntary work.
Anti-child Labor	Hiring children under the age of 15 is prohibited, while adolescent workers aged under 18 should be protected from exposure to high-risk tasks that may threaten their safety or health.
Anti-discrimination	Discrimination based on gender, race, nationality, disability, religion, union activities, and any other grounds is strictly prohibited.
Work Hours	Work hours should not exceed the limit established by the labor regulations and laws of the respective country or region.
Wages & Benefits	All employees’ wages should be higher than the minimum wage prescribed in the labor regulations and laws of the respective country or region.
Freedom of Association	Employees should be given opportunities to communicate with one another, and the freedom of association must be guaranteed. Union membership and activities cannot be used as reasons for disadvantageous treatment.
Compliance with Labor Laws	All work conditions should comply with the labor regulations and laws of the respective country or region.

### Expanding Human Rights Protection Efforts to Partners

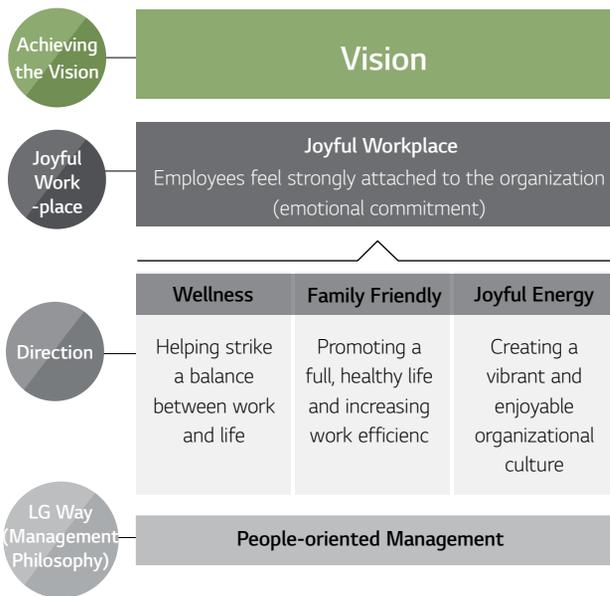
LG Display, which puts human resources as the most valuable asset of the organization, strives to fulfill its obligations as a truly globalized market leader, by strictly observing the labor standards set by the UN and International Labour Organization (ILO)\*, and by adhering to regulatory / legal requirements of the respective region. LG Display operates various training programs designed to improve human rights awareness, and incorporates human rights protection into its evaluation criteria for selecting partner companies for the promotion and protection of human rights.

\* ILO : International Labour Organization

## Benefits and Work & Life Balance

### Joyful Workplace

As part of LG Display's unique corporate culture that is rooted in the people-oriented management philosophy of the "LG Way," Joyful Workplace is centered around three key concepts: Wellness (promoting a full, healthy life and increasing work efficiency), Family Friendly (helping strike a balance between work and life) and Joyful Atmosphere (creating a vibrant and enjoyable organizational culture).



**Wellness** / For any business looking for sustainable growth, it is important to help employees maintain physical and mental fitness. LG Display, in this regard, is very keen on providing support so that all employees can execute operations with positive energy and greater efficiency. For employees' physical wellness, we offer yoga classes, fitness programs, and massage therapies, to name a few. Mental wellness promotion programs are also available, including one-on-one/group counseling, stress relief programs and meditation programs.

**Family Friendly** / 'Based on one of LG Display's management philosophies, which is epitomized by the saying, "When one's home is happy, all goes well," we offer various care programs that not only help employees maintain happiness at home and balance work and life, but also improve their focus on work. In 2014, we organized a family camping festival for employees and their family members so that they can enjoy a time for family gathering. In addition, the care programs that we provide are designed to correspond to each of the five steps in the lifecycle to better reflect their needs.



Gumi Plant's Family Camping Festival

### Joyful Workplace Lifecycle-based Care Programs

Category	Key Programs
Throughout the Lifecycle	<ul style="list-style-type: none"> <li>• Leader's Special Day Gift</li> <li>• Bring your parents to work day</li> </ul>
Marriage Preparation / Period for Singles	<ul style="list-style-type: none"> <li>• Wedding car for workplace couples</li> <li>• Leisure resource book publication</li> </ul>
Period of Pregnancy and Childbirth	<ul style="list-style-type: none"> <li>• Childbirth gifts</li> </ul>
Period of Infant Care	<ul style="list-style-type: none"> <li>• Family month events in May</li> <li>• Bring your kids to work day</li> </ul>
Period of Elementary and Secondary Education	<ul style="list-style-type: none"> <li>• Gifts to children entering elementary school</li> <li>• Special lectures for students preparing for high school</li> <li>• Gifts to students for college entrance exams</li> </ul>
Period of Children's Independence and Retirement Preparation	<ul style="list-style-type: none"> <li>• Silver care program Happy 100</li> </ul>

**Joyful Energy** / An enjoyable corporate culture starts with a vibrant and healthy environment. Joyful members designated for each division champion various activities that are aimed at fostering an energetic atmosphere and promoting cross-functional communication and VOE (Voice of Employees) sharing. Our motivational programs include Dream Tree Program where the company encourages and support the dreams and visions of individual employees, end of year farewell event and CEO's inspiration program.

## Labor-Management Relations

### Mutually Beneficial Industrial Relations

Instead of the conventional term, “labor–company relations,” charged with negative connotations such as conflict and vertical relationships, LG Display adopted the term “Labor-Management Relations” to describe the company’s exceptional labor relations based on mutual trust and respect. Based on such a notion, LG Display and the Labor Union of LG Display maintains an exceptional industrial relation, working hand in hand to discuss plans of improving the company’s competitiveness and leading the market. In addition to the quarterly labor-management council meetings, the Management and representatives from the Labor Union also convene meetings when they are required and when there occurs material changes to the company’s business or policy.

### Employee Communication and Engagement Channel

**Labor Union** / The Management and Labor Union of LG Display engage in ongoing communication through diverse channels, such as labor-management council meetings, working-level workshops, and monthly review meetings. Throughout such channels, opinions on the management environment, areas requiring improvement and labor issues are discussed. The Labor Union of LG Display furthurs its USR (Union Social Responsibility) activities to lead the labor movement paradigm changes and fulfill its social responsibilities. In 2014, union members visited a vocational rehabilitation facility for the disabled to participate in volunteer work and engaged in overseas volunteer programs in Cambodia and Mongolia. These events have set a good example of mutually beneficial labor-management relations.

**Fresh Board** / The Fresh Board (“FB”), a consultation body for the company’s junior officers, is an essential communication channel that listens to grievances and challenges employees

face. At FB, employees communicate with the management of the company. The FB Committee members and management holds quarterly FB conferences to deliver opinions of working-level employees to the company, and share updates on the company’s policies and current management status. LG Display plans to deepen employee engagement through FB conferences and use employee feedback to create a joyful workplace.

**Subgroups by Job Rank** / There are different subgroups by job rank, respectively for office workers and engineers, to gather feedback from employees of all ranks, facilitate communication within the organization, and form a sound organizational culture. The subgroups also contribute to the development of local communities through actively taking part in CSR activities.

### Handling Employee Grievance

LG Display has employee grievance handling procedure, allowing employees to report workplace problems and grievances, including sexual harassment, verbal/physical abuse, and unreasonable practices. The company reviews grievance reports submitted and provides feedback to help solve the problems. Grievance handling is closely aligned with our Joyful Workplace initiative, which we pursue to help address work-related concerns, improve concentration at work and create a vibrant environment.

#### Grievance Handling Process



### USR Vision





Issue 04

# Supply Chain



### Key Achievements in 2014

Technology Sharing:  
257 domestic &  
int'l patents shared



### Conflict-free Smelters\*(%)



\* LG Display has been working to increase the share of CFSs (Conflict Free Smelters) through various activities since 2013, and tantalum is all sourced from CFSs in 2014.



### CONTEXT

Win-win cooperation between SMEs and large companies is gaining in importance and increasingly becoming a management strategy for ensuring sustainable growth in the 21st century. Large businesses view win-win cooperation as a long-term investment tool instead of subsidies for partners. SMEs, on their part, make efforts to strengthen their competitiveness to continue the cooperative ties. An increasing number of businesses are successful increasing shared values through cooperation and adopting win-win cooperation with partners as part of their management strategy.



### APPROACH

For ensuring voluntary compliance with fair trade, LG Display undertakes a variety of activities that are geared to promoting fair and free transactions and building mutual trust and cooperation between businesses. In addition, we established the Supplier Code of Conduct in 2014 for efficient CSR management throughout the supply network, and are conducting onsite CSR inspection into overseas worksites.



### RESPONSE

LG Display provides partner companies with technological, financial and HR supports to build mutual trust, a key to the win-win cooperation. Additionally, with the objective of expanding the scope of CSR management to the entire supply chain of LG Display, we periodically conduct onsite CSR inspections and relevant training sessions in order to increase social responsibility awareness among business partners.



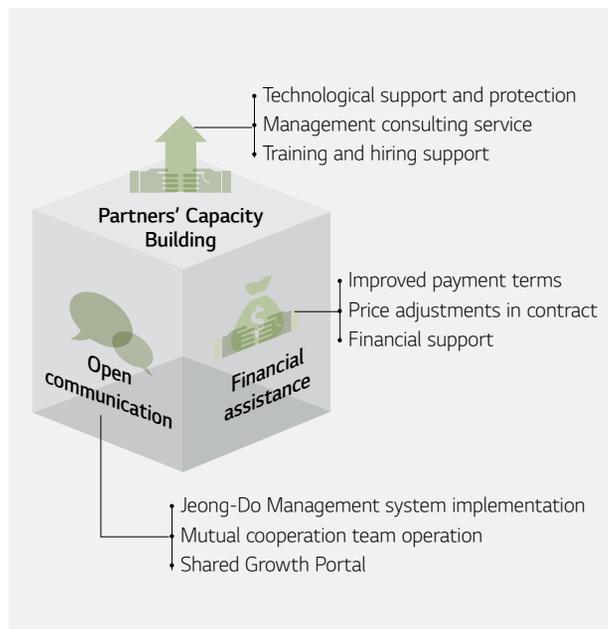
### NEXT STEP

LG Display runs fair trade risk prevention programs, and continuously engages in education, inspection and remediation activities for probable risks that are likely to be observed in internal audits.

## Shared Growth

### Shared Growth with Partners

LG Display is actively taking part in activities for shared growth with partners, aiming high while growing together. We provide capacity building programs including those on funding support, educational support, and management support, all of which are designed to strengthen the fundamental competitiveness of partners. We spare no effort in supporting our partners to become market leaders. In addition, we make decisions on the direction of our efforts on shared growth during exchanges with partners doing our best to promote constructive development.



**Shared Growth Portal** / Shared Growth Portal / With the intention to strengthen communication with partners in order to foster shared growth, LG Display opened a shared growth portal ([winwin.lgdisplay.com](http://winwin.lgdisplay.com)) in 2014. As the portal facilitates communication and serves as an excellent venue for reporting problems and sharing opinions of the field, it allows partner companies to freely propose ideas for new technology or express complaints. The portal introduces information of various programs on funding, technology, education, and management, which are utilized by the partners in order to enhance their competitiveness.

### Partner Support Programs

**Technology Escrow\*** / Under the technology escrow system, partner companies register their core technologies with the Foundation for Cooperation Between Large Companies and SMEs as a proof of their technology development. LG Display fully funds the registration cost as this system is effective in protecting confidential information or new technologies that are not patented and kept as a trade secret.

\* **Technology Escrow** : Placing technology data in safekeeping with a reliable third-party with escrow facilities to secure it. This allows SMEs to reduce risk associated with technology leak, and large corporations to keep their access to an escrowed technology even in the event of bankruptcy of an SME owning the technology.

**Financial Support to Partners** / LG display helps partner companies gain competitiveness by providing financial support, based on alliances with financial institutions. Examples of support programs include the Shared Growth Fund, which provides loan with low interest rate to partners, Network Loan, which supports the production capital in the form of a minus account, and the Win-win Guarantee program, in which the guarantee institutions provide credit guarantee to the partner recommended by LG Display while financial institutions provide funding support.

**Industrial Innovation Movement 3.0** / Through this program, LG Display and first-tier suppliers provide assistance to second-, third-, or lower-tier suppliers (subcontractors) so that they can voluntarily innovate their work environment and production processes. LG Display dispatches expert human resources and partly bears costs for the thorough inspection of the suppliers' production sites; encouraging innovation across the general field of process, management, and technology.

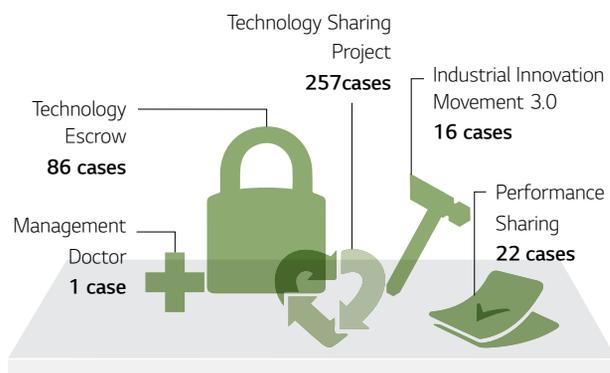
**Equipment Technology Contest** / LG Display invites participants from universities, research institutes, and small and medium-sized equipment companies to hold an EquipmentTechnology Contest for innovative ideas on new technologies. The objective of the contest is to maintain LG Display's dominance in the market and leadership in the field of differentiated future technologies. As the contest is open-ended, new ideas are always welcome, and LG display provides full or partial support regarding the equipment development cost.

**Management Doctor** / In the management doctor program, a group of advisors from the Federation of Korean Industries provide management consultation to partner companies on building a foundation for mid- to long-term growth, introducing efficient management methods, or improving management performances. Designed to nurture the management competitiveness of partners, the program recommends strategies to foster competitiveness in each field based on a comprehensive diagnosis, which consists of the analysis of the companies' strength and weakness. The program also comes with post-management and mentoring services.

**Performance Sharing** / LG display cooperates with partners to achieve accomplishments and divide the benefits as agreed in advance under the performance sharing program. The benefits can come in various forms including cash payment, price protection, purchase protection long-term contract, increase in trade volume, joint patent, and division of sales revenue.

**Technology Sharing Project** / LG Display is pushing for a "Technology Sharing Project," which is designed to improve the availability of idle patents by transferring their ownership for free to SMEs seeking to utilize the patents. For this, we entrusted the Korea Institute for Advancement of Technology (KIAT) with a total of 257 patents including 141 domestic and 116 overseas patents, and shared 35 patents to seven partner companies free of charge. The patents in question involve the technologies of display equipment such as sealing, inspecting, and cleaning equipment, as well as the patents of our domestic and foreign affiliates that can be instantly commercialized, making contributions to commercializing the technologies of SMEs.

#### Shared Growth Programs and Achievements

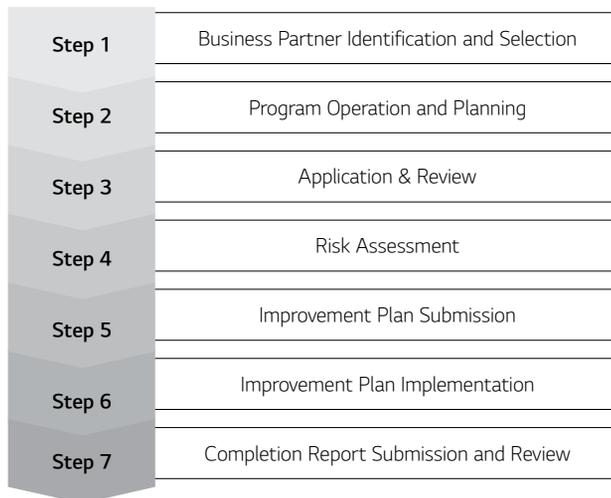


#### Support to Partners for Environment / Safety Management

LG Display recognizes environmental safety/health as a major factor of corporate management, and fulfills social responsibilities regarding green environment safety and health-related management. We contributed significantly to reducing the accident rate and raising safety awareness by improving the safety and health of partners' worksites based on continuous expansion of business. In 2014, a safety management contest was held with an aim to encourage partners to improve their management capabilities and raise awareness about safety management.

**Sustainable Cooperation Program** / 'With the implementation of the "safety/health cooperation project" which is designed to improve safety/health of worksites and provide technological support, we are making efforts to enhance safety in partners' work environment to match the level of LG Display. We are devising measures for improvement based on risk assessment, in order to prevent industrial accidents and create a safe working environment.

#### Process of Health • Safety Cooperation Program



## Fair Trade

### Creating a Culture of Fair Trade

LG Display is undertaking various activities designed to encourage voluntary compliance with fair trade practices in order to enable companies to engage in fair and free trade, and to build mutual trust and a framework of cooperation. To this end, we are implementing risk prevention programs on fair trade. We also conduct internal inspections while continuously implementing educational programs, inspections, and improvement activities to monitor risk factors with high levels of breach probability.

#### Excerpts from CEO Notes in April, 2014

In doing business, getting the best result is important, but what matters more is whether our success is a result of fair competition. In that regard, our company has made a continued effort to implement various programs to encourage voluntary compliance with fair trade practices, such as education programs, legal advisory, and risk inspection/improvement programs to allow our employees to fulfill their tasks in compliance with fair trade laws. Furthermore, I would like to ask all employees to keep in mind the principle of mutual trust and consider your clients, affiliates, and partner companies as equals. Let us all work towards becoming the best through our efforts only and through fair competitions.

### Fair Trade Self-Compliance Program

LG Display pursues transparent management and fair competition, and it is accordingly making an earnest effort to become a trustworthy business operator. The Fair Trade Self-Compliance program is designed to make companies voluntarily abide by the regulations on fair trade. It provides clear guidelines to prevent breach at an earlier stage. Through the adoption of the program, LG Display is pursuing proactive prevention activities to create the culture of fair trade.

#### Compliance Program



## CSR Management throughout Supplier Network

As a B2B business, LG Display recognizes the importance of CSR management throughout the supplier network for global supply network engagement, and implements a wide range of activities aimed at promoting CSR awareness and managing associated risks.

### Code of Conduct for Partners

LG Display has developed the code of conduct for partners based on the EICC Code and client needs, and forged a consensus around it with partners. LG Display and its key partners remain committed to complying with the laws and regulations of the regions they operate and fulfilling its social and environmental responsibility.

Labor rights and human rights	Each partner of LG Display is committed to upholding the human rights of workers, and treating them with dignity and respect. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.
Health & Safety	Each partner of LG Display cooperates with LG Display in designing safe processes and maintaining a healthy work environment in order to ensure continued quality of products and services and efficiency of production. Each partner also makes efforts to create a safe and healthy work environment for all its workers in accordance with local laws and regulations.
Environment	Each partner of LG Display recognizes environmental responsibility as a critical factor in producing world class products and does its best to minimize adverse effects on the community and environment in manufacturing operations.
Ethics	Each partner of LG Display is to uphold the highest standard of ethics in all business dealings, and should not engage in any forms of corruption, extortion, embezzlement, or bribery.
Responsible Sourcing of Minerals	Each partner of LG Display shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Each partner shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon LG Display's request.
Management System	Each partner of LG Display shall adopt or establish a management system whose scope is related to the content of this Code, and the management system shall be designed to ensure compliance with applicable laws, regulations and customer requirements as well as conformance with this Code. Each partner should also facilitate continual improvement.

### CSR Presentation Sessions for Partners

We held two CSR presentation session in Gumi and Seoul to introduce the code of conduct for partners helping them learn about CSR requirements and proactive management of CSR risks.

### CSR Risk Management of Partners

EICC self-survey and onsite CSR inspection were carried out on key partners to identify CSR risks. The onsite inspection included both paperwork and fieldwork based on the EICC Code and audit requirements for clients. Improvement areas were derived and best practices and client needs were shared as a result. For the Nanjing subsidiary where client companies requested the report of the EICC Audit, LG Display has conducted a three-party audit with Nanjing partner companies which fall into the range of the Nanjing subsidiary's supply chains. As a follow-up measure, we supported and managed the establishment of measures to resolve the issues that were pointed out.

### Onsite CSR Inspection Results

Category Key Improvement Areas	
Labor	<ul style="list-style-type: none"> <li>• Preventing interns from doing overtime work</li> <li>• Observing the regular work hours</li> <li>• Having in place workforce management policy, system and procedures</li> </ul>
Health & Safety	<ul style="list-style-type: none"> <li>• Displaying personal protective equipment in chemicals warehouse</li> <li>• Identifying /managing workplace risk factors</li> <li>• Managing chemicals in workplaces</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Ensuring periodic environmental impact assessment</li> <li>• Recording and tracking hazardous waste discharges</li> <li>• Assessing service providers for hazardous waste discharge</li> </ul>

### Receiving AA Grade for Compliance Program

In August 2014, LG Display earned the AA grade in Compliance Program (CP) with the final endorsement of the Ministry of Trade, Industry and Energy. A CP participant is a trader with the capacity to comply with export control by classifying their own items, checking the validity of end-user, thoroughly reviewing transaction details and conducting regular audits. Benefits a CP participant can enjoy include fast-track processing of export applications and exemption from the need for supplementary documents. The AA grade of LG Display was largely attributable to the operation of strategic goods management process and system and internal training programs.

### Certification of Highest Grade by AEO

LG Display is certified with AAA, the highest grade granted by the Customs Service to the Authorized Economic Operators (AEO). The AEO certification indicates that the company is officially recognized with its credence and safety by the Customs Service among the logistics agents involved in the transfer of cargo, such as exporters, importers, customs brokers, forwarders, warehouses, or cargo-handling agencies. The certification applies not only to the Korean customs but also to the foreign customs offices that signed the AEO Mutual Recognition Agreement. The AEO certification is establishing itself as an institution of countries with advanced customs offices, and it is posed to expand globally into the BRICs nations as well as other emerging economies. At the final stage of deliberation, LG Display received excellent evaluations on multiple fronts such as the operation of a systematic item classification for the entire manufacturing subsidiaries and the establishment of an advanced and safe supply chain by overseas subsidiaries through AEO certifications. We were able to attract new clients and maintain our business with the supply chain partners and AEO-certified partner companies through the AEO certification.



AEO-certified Importer / AEO-certified Exporter

### AEO Certification Criteria

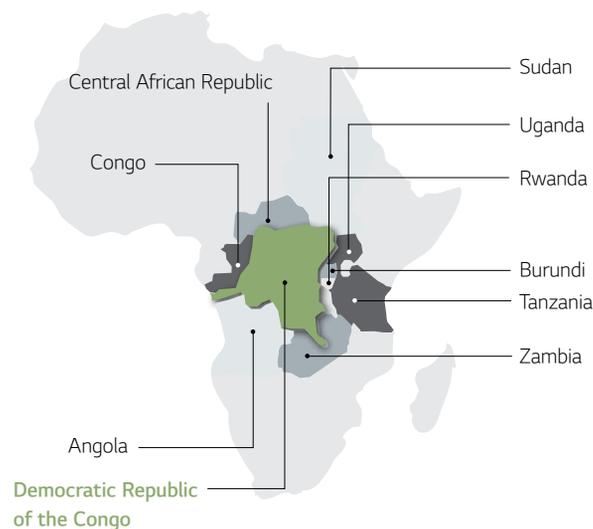


## Conflict Minerals

### Conflict Minerals

Conflict minerals refer to natural resources like tantalum, tin, tungsten and gold extracted in conflict zones - most representatively, the Democratic Republic of Congo (DRC) and its adjoining countries. There are concerns that the conflict minerals indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses including child labor. In response to these concerns, the U.S. Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. Section 1502 of the Act requires all companies listed on the U.S. stock exchange to conduct due diligence to determine if the products they manufacture contain conflict minerals, disclose the mine of origin and their supply chains, and report the results to the Securities and Exchange Commission (SEC).

#### Conflict Zones: DRC and 9 adjoining countries



### Conflict Minerals Management Policy

LG Display has established the conflict minerals management policy in order to ensure legal compliance and fulfill its social responsibilities. Aimed at preventing minerals from armed forces in conflict zones from entering LG Display's supply chain, the policy requires business partners to:

- establish policies and processes on conflict minerals;
- define the process of tracking the origins of minerals;
- develop and implement a contingency plan; and
- establish and implement due diligence plans as per the OECD due diligence guide.

LG Display has publicly announced that it will actively participate in international efforts to prohibit the use of conflict minerals based on its policy, together with partner companies.

### Response to Conflict Minerals

In order to look into the use conflict minerals in its supply chain, LG Display actively engages in activities to track the origins of minerals in accordance with international standards and guidelines.

- Partner training and due diligence
  - Conducting conflict minerals training and management system monitoring for 1st- & 3rd-tier partners
- Conflict mineral management system implementation
  - Raising credibility of information managed, tracking conflict minerals by customer/product
- Encouragement for smelters to join CFSP\*
- Operation of a LG Group-wide consultative body for response to conflict minerals
- Strengthening of internal/external communication
  - Sharing partners' policies and taking part in public-private forums and conferences

\* CFSP : Conflict Free Smelter Program

### Use of Conflict Minerals

LG Display surveyed its suppliers to check if conflict minerals are used in its supply chain, and discovered that 247 smelters source minerals originated from conflicted areas. That said, continued efforts of LG Display and its suppliers have paid off, as seen in the fact that tantalum is all sourced from CFSs (Conflict Free Smelters).

#### Smelters Using Conflict Minerals

Category	Tantalum	Tin	Tungsten	Gold	Total
CFS	36	36	15	66	153
Active	-	13	16	6	35
Non-CFS	-	25	2	32	59
<b>Total</b>	<b>36</b>	<b>74</b>	<b>33</b>	<b>104</b>	<b>247</b>
CFS(%)	100%	49%	45%	63%	62%
CFS+Active(%)	100%	66%	94%	69%	76%

### Future Plan

LG Display will make every effort to ensure that the entire supply chain sources minerals from CFSs within 2015. To this end, we will raise awareness of regulations on conflict minerals and encourage voluntary compliance through due diligence and training. Moreover, LG Display will do our best to prohibit the use of conflict minerals throughout our supply chain by requiring those uncertified smelters to commit to the Conflict Free Smelter Program (CFSP). We will also actively work with clients, business partners, government authorities and the academia to coordinate a national response to the issue of conflict minerals, and live up to our social responsibilities by not using any of those minerals.



Issue 05

# Environment

## Key Achievements in 2014

Prime Minister Award  
as Leader in Resource  
Circulation



### Recycling Rates of Domestic Sites(%)



### CONTEXT

As the industrial structures are growing more complex and sophisticated, the impact on the environment is also growing big and wide-spread across all the other sectors. The governments around the world are strengthening their regulations to cope with international environment issues such as climate change, environmental degradation, and depletion of national resources and the greenhouse gas emissions scheme was implemented starting 2015 to impose emission quotas, increasingly demanding that companies take more responsible actions and responses for the environment. LG Display, a green company that has acquired all four certifications relating to green management, plans to introduce energy saving performance indicators as a way to enhance the operational efficiency of the energy management system.



### APPROACH

LG Display groups the risk factors accompanying climate change into regulatory, physical, or other factors, and develops a response plan depending on the severity of each issue. We have made investments into facilities for reducing GHG emissions and energy consumption, and implemented a proactive response system against the uncertainties around climate change, allowing waste water recycling and redundant raw materials sourcing system.



### RESPONSE

In order to conform to the United Nations Framework Convention on Climate Change (UNFCCC) and GHG/ Energy Target Management System, LG Display has acquired energy management systems standard ISO 50001, and implemented energy saving projects at the Gumi and Paju plants. Furthermore, we make a preemptive effort to prevent contamination accidents with a system of monitoring water quality 24/7.



### NEXT STEP

LG Display is an eco-friendly, green business that is certified with all four major certificates in green management. Going forward, we will computerize environmental data and introduce energy saving performance indicators as a way to enhance the operational efficiency of the energy management system.

## Climate Change

### Climate Change Response Framework

LG Display groups the risk factors accompanying climate change and carbon management into regulatory, physical, or other factors. As the regulatory and physical risks of climate change are on the rise, social responsibilities required of companies which omit significant amount of carbon are increasing. Risks on how a company's inappropriate response might undermine corporate reputation are also increasing. Amid such circumstances, LG Display is participating in external evaluation including the CDP and DJSI on climate change response and carbon management, and disclosing information in a transparent manner via various channels such as the sustainability report.

**Implementation of GHG Emissions Trading Scheme** / Under the GHG Emissions Trading Scheme which was launched in January 2015, the government set the total amount of allowable greenhouse gas emissions for each company and companies that need higher costs for GHG mitigation may buy emissions permits in the market, whereas companies that need relatively lower costs for mitigation may sell extra emissions permits. LG Display expects to gain profits by selling the additional permits to be earned from its participation in the CDM project.

\* CDM : Clean Development Mechanism

**Scope 3 Emissions Management** / LG Display manages Scope 3 GHG emissions as well, by tallying GHG inventory from logistics and employees' business trips into the total emissions.

### Climate Change Response

LG Display is implementing various activities to cut GHG emissions. In 2014, LG Display successfully reduced up to 376,913 tCO<sub>2</sub>eq of GHG emissions by improving systems and boosting the efficiency of operation. We plan to gradually increase the amount of reduction by unearthing new ideas and strategies. LG Display is focusing efforts to cut GHG emissions and generate profit through the trading of acquired carbon credit. As a result, we developed an alternative gas application technology to the SF<sub>6</sub>, which significantly contributed to reducing GHG emissions and cutting costs.

### Power Saving 1520 Campaign

In a bid to become a company with the least power consumption, LG Display has been implementing a "Power Saving 1520 Campaign," which calls for a reduction of power usage by 20% by 2015. To accomplish this goal, we are fixing parts that lead to power loss in production equipment, replacing existing equipment with high-efficient devices, and promoting energy-saving activities in everyday life. In addition, there is an

idea contest for saving energy and a corresponding incentive system, designed to promote power reduction at the enterprise level.

### Establishment of a Manwoo-stream Environment Committee

Reflecting on the increasing interest and demand from local residents on environmental issues, LG Display established a Manwoo-stream Environment Committee in December 2014, to facilitate preemptive response in the face of traffic or safety accidents on the roads adjacent to the Manwoo-stream. The committee reviews optimal solutions for major issues, discuss detailed plans, and make decisions regarding measures to reduce wet fog over the Manwoo-stream area.

### Climate Change Response Efforts of Partners

While providing Green consulting to partner companies, LG Display built a carbon partnership in order to spread the efforts regarding environmental conservation, and to support the green win-win initiatives. LG Display provides support for the partners to preemptively respond to GHG regulations through Green consulting, which involves the establishment of the GHG inventory and energy diagnosis. In addition, a carbon partnership certification is granted to partners which have fully completed the Green SCM consulting program, and additional incentives are provided upon regular post management and purchase, all part of the effort to bolster green win-win initiatives. We have provided technological support and comprehensive inspection on environmental management to our partners since 2013, with an aim to nurture their response capabilities with regards to environmental regulations.

#### Carbon Partnership Process



## Renewable Energy Production with Partner Companies

LG Display began producing renewable energy through cooperative ties with its partner (Serveone). Solar power generators were built on the idle rooftop space of the Gumi and Paju plant through cooperation with the partner, with plans to sell all of the generated electricity to KEPCO. This will create a rent profit of KRW260million annually, and contribute to resolving environmental challenges by generating eco-friendly renewable energy.



Solar power generators

## Signing of an MOU for “Demonstration Project on the Management of Resource Circulation”

LG Display signed an MOU on a demonstration project for managing resource circulation in May 2015, with hopes to advance the resource circulation activities and contribute to the development of the national system of resource circulation. The LG Display Paju plant will set goals regarding resource circulation until 2016, devise specific action plans, and implement them as pursuant to the MOU. The LG Display Paju plant makes multi-faceted efforts to minimize incineration or landfills of production wastes, and instead recycles over 90% of waste organic solvent, waste glass, waste papers, and other waste materials. As a result, the plant received the Prime Minister Award as a leading company of resource circulation twice in 2011 and 2014, in an initiative spearheaded by the Ministry of Environment. Highly recognized as a worksite with excellent resource circulation, the Paju plant was selected as a demonstration project site.



MOU Signing Ceremony for Management of Resource Circulation Demonstration Project

## Technology Development of Reusing Natural Pulp from Waste Papers

Uncontaminated glass fiber papers generated during LCD production are processed into recycled pulps in the same method applied to ordinary waste papers. LG Display found a partner which can help develop advanced technologies of reusing waste glass fiber papers, and conducted a joint project.

As a result, the glass fiber papers were successfully made into natural pulp, translating into high-value added recycling and better protection of natural resources with the glass papers replacing imported materials used to make natural pulp. LG Display and the partner company acquired joint patent for the recycling technology, further expanding cooperation and shared growth.

## LG Display's Effort for Biodiversity Protection

With the destruction of the ecosystem becoming more severe by the day due to industrialization, LG Display is taking part in activities to conserve biodiversity as a responsible corporate citizen. The Paju plant signed an MOU with Paju Korean Federation for Environmental Movement to make joint-efforts on a monthly basis, to preserve the habitat of golden frogs, which are on the verge of extinction, and protect the wetlands of Gongreung-stream in Paju. Starting with the golden frogs, LG Display plans to expand the scope and extent of its environmental conservation activities, and actively contribute to the protection of our environment.

## Water management system

LG Display makes preemptive effort to prevent contamination accidents with a system of monitoring water quality at all times. A rainwater utilization system was installed so that when chemicals are discharged, hazardous substance is directed away from rivers and transferred into a wastewater treatment plant. Wastewater discharged from the Gumi plant undergoes primary treatment to be sent to the local water reclamation plant before being discharged into the Nak-dong river. The contaminant concentration of the wastewater is strictly maintained below 50% of the legal requirements. As for the wastewater discharged from the Paju plant, it is sent to local water reclamation plants after primary treatment, and finally used to maintain the water level of the Manwoo stream.

## Reducing Water Consumption and Promoting Water Reuse

LD Display is eliminating factors of risks based on the analysis and assessment of water consumption and reducing water use by enhancing equipment and process. Such effort has not only reduced water consumption but also lowered the need to further invest in water use and wastewater treatment facilities. LG Display aims to maximize the efficiency of water usage with effective facilities for reusing wastewater. Furthermore, LG Display began investing in a wastewater reuse facility project worth billions of KRW in 2004, in order to preemptively respond to the global issue of water shortage. More than 50% of wastewater is reused in the production or utility manufacturing process after undergoing treatment.

## Hazardous Substance Management

### Preemptive Response to the Chemicals Control Act

The existing Toxic Chemicals Control Act was amended and reinforced into the Chemicals Control Act, which took effect on January 1, 2015. This Act puts a stronger emphasis on the worksites' accountability regarding chemical accidents and includes an evaluation system on the effects of external risks in order to establish a framework for accident prevention and response. In addition, it has stricter requirements on the safety procedures of suppliers treating hazardous chemicals. In response to the amendments, LG Display devised a set of guidelines for worksites to follow, including the establishment of a systematic reporting system for chemical accidents, standards for treating hazardous chemicals, and rules for equipping the worksites with protective gear and requiring workers to wear them. Moreover, LG Display designed safety education courses for all employees of the worksites, and for those in charge of treating and managing hazardous chemicals, as part of the effort to actively respond to the reinforced legislation.

### Categorization Legal Requirements

#### Chemicals

- Implementing incident reporting process
  - in the event of injuries, fatalities or environmental impact beyond the worksite
  - in the event of leaks/spread of toxic chemicals of more than 5l or 5kg

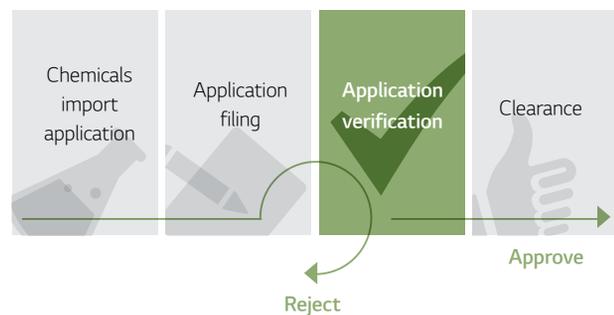
#### Hazardous Chemicals (Toxic substances, substances requiring preparation for accidents, prohibited substances, etc.)

- Worksite permission
  - : Off-site Risk Assessment / Risk Management Plan
  - Reporting of contractors engaging in hazardous chemicals treatment
- Clear definition of hazardous chemicals treatment standards and the standard for wearing & displaying of protective equipment
- Safety training on hazardous chemicals
  - General training for all employees
  - Trainee-specific training (those dealing with chemicals and managers)

### Enhanced Chemical Management System and Process

The Act on Registration, Evaluation, etc. of Chemicals, which was introduced in January 1, 2015, requires new chemicals or existing chemicals designated and announced as subject to registration, to be registered for hazard review or risk assessment before being imported. As an importer of chemicals, LG Display enhanced its chemical import process and customs clearance system in order to apply for registration on each of the chemicals used in its products before they are imported. LG Display strictly abides to the reinforced legislation by having relevant teams review and approve the reports beforehand.

#### Application Review Process



### Support for Safe Chemicals Management for Glass Slimming Companies

With the aim of strengthening chemicals management process of glass slimming companies and preventing serious incidents, LG Display visits the chemical treatment facilities, shares information and recommendations for improvement, and follows up on action items. For four slimming outsourcing companies that handle toxic substances including HF, we checked their response to, and preparations for, new and revised regulations on chemical substances, identified potential risk factors and shared knowhow and remediation actions, supporting the partners to implement a stable chemicals management system. We have also set up a regular communication channel among the partners facilitating information sharing. We will continue to perform inspections and provide technological support in our effort for green and shared growth with our partner companies.



Issue 06

# Local Communi- -cation

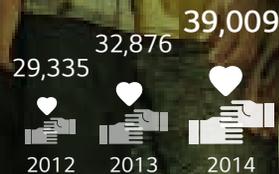


## Key Achievements in 2014

Flagship CSR Program  
**34** IT Power Plants  
(Cumulative)



No. of Social Contribution Program  
Participants\*(Person)  
\* duplicates allowed



### CONTEXT

The market's changing perception on CSR activities calls for companies not only to yield economic results but also to fulfill responsible activities as a corporate citizen. CSR activities are expanding to answer the growing demand of the times, and more companies are sharing corporate profits with their societies. Recently, companies are trending towards 'strategic CSR activities,' which not only fulfill the original purpose of making contributions to society but also allow the results of CSR activities to benefit corporate management in turn.



### APPROACH

LG Display strives to provide opportunities for healthy growth to the underprivileged, children, and youth with potential, invigorate organizational culture by inducing participation of employees, and fulfill its corporate social responsibilities. To this end, the company is pursuing social contribution activities based on the two main pillars that are flagship programs and employee participation.



### RESPONSE

Under the slogan of 'Love of Young Dreams,' LG Display has made a sustained effort to pursue social contribution activities in various sectors in a strategic manner with its corporate characteristics taken into consideration. We are linking businesses with local communities while encouraging voluntary participation of our employees through a set of activities that can harness the core capacities of LG Display, such as the IT power plant program, blindness prevention activities, and overseas volunteer programs for exemplary employees.



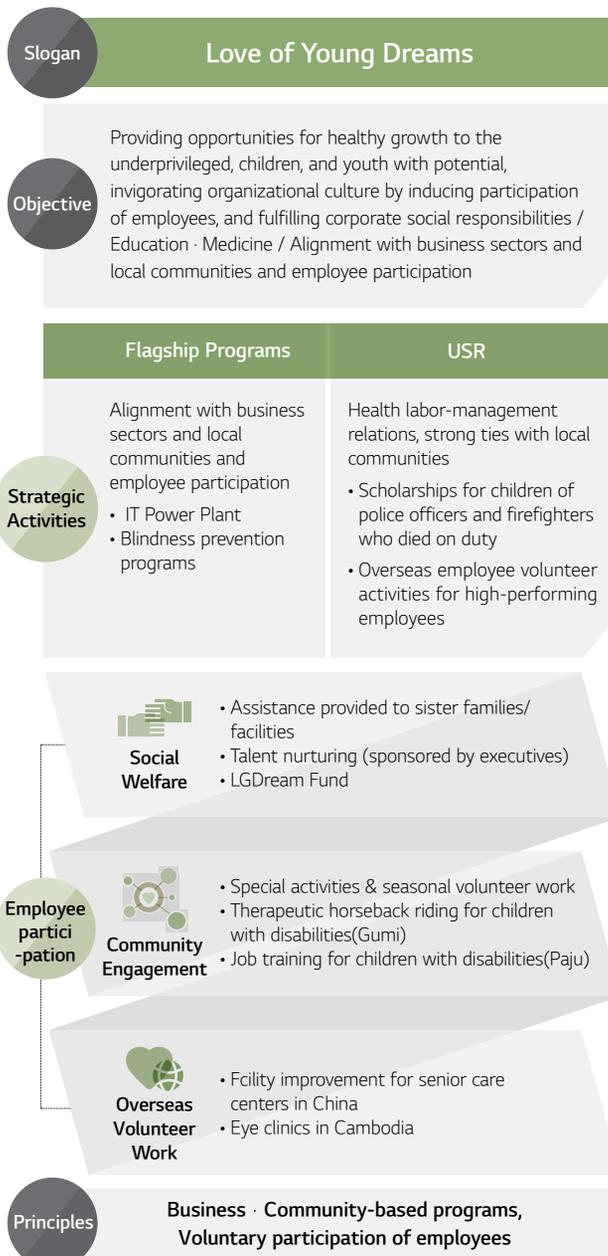
### NEXT STEP

In order to boost the execution capacity of the IT power plant, which is one of our main social contribution activities, we are planning to launch an IT university volunteer corps in conjunction with adjacent universities to promote more systematic and continuous education programs.

## CSR Implementation Scheme

Based on its slogan, 'Love of Young Dreams,' LG Display is fulfilling its social responsibilities through education and public health projects. We are linking businesses with local communities while encouraging voluntary participation of our employees through various activities such as the IT power plant program, blindness prevention activities, and overseas employee volunteer programs for innovation leaders so as to give courage and hope to the marginalized and underprivileged in local communities.

### CSR Programs



## Flagship CSR Programs

### IT Power Plant

Since 2008 when the IT power plant program was first launched, LG Display has helped out the children from underprivileged families through IT education projects designed to address digital divide and provide learning environment. By 2014, a total of 34 IT power plants were established including 33 locations in Korea and one in Poland, where more than 2,000 children and residents enjoy the concomitant benefits. This opened up a new horizon of communication for many of the students who once had a hard time in studying and communicating for the lack of personal computers and internet environment, enabling them to understand about the world better and dream bigger. LG Display will focus not only on facility investments but also on promoting systematic and continuous education programs by launching an IT university volunteer corps in tandem with adjacent universities.

Category	No. of IT Power Plants	Region
2008	2	Gyeongbuk1, Gyeonggi(Paju)1
2009	7	Gyeongbuk2, Gyeonggi2, Jeonbuk1, Chungnam1, Poland1
2010	3	Gyeonggi2, Gyeongbuk1
2011	6	Seoul1, Gyeongbuk2, Gyeongnam1, Jeonnam1, Gangwon 1
2012	5	Dajeon2, Jeonbuk1, Jeonnam1, Chungnam1
2013	6	Seoul1, Gyeongbuk2, Jeonbuk1, Chungnam1, Jeju1
2014	5	Gyeongbuk1, Gyeongnam1, Chungbuk1, Chungnam1, Incheon1
Total	34	Gyeongbuk9, Gyeongnam2, Gyeonggi5, Jeonbuk3, Jeonnam2, Chungbuk1, Chungnam4, Daejeong2, Incheon1, Jeju1, Gangwon1, Overseas1, Seoul2



IT Power Plant

### Low-vision Children's Summer Camp

From 2008 to 2014, LG Display hosted summer rehabilitation camps to provide low-vision rehab programs for low-vision children and their siblings. The summer camp in 2014 was co-organized by the Korea Foundation for the Prevention of Blindness, and the students made fond memories participating in various activities designed to inspire interesting perspectives on the world and energize themselves by improving the sensitivity of all senses including vision under the theme of 'Awakening Your Five Senses.' The camp consisted of various programs such as 'Learning Sand Art' for tactile and visual stimulation, 'Making Ocarina' for acoustic stimulation, and 'Experiencing Cookie Clay' for the improvement of gustatory senses.



Low-vision Children's Camp

### Cho-rong-e Eye Care Class

LG Display has conducted 'Cho-rong-e Eye Care Classes' since 2008 to provide eye care education sessions for the children who are still in growth period. The program adopts the form of a musical play, teaching the children daily habits on promoting healthy vision, providing tips on preventing blindness, and implementing programs that help children to understand the visually challenged. Furthermore, we are pursuing continuity of educational effect by having the children keep 'Eye-care Journals' so as to induce the child participants to practice what they learned here in their daily lives. As of November, 2014, a total of 8,080 students participated in the eye care classes for over 44 sessions.

#### Cho-rong-e Eye Care Classes

Year	No. of Classes	Participants
2009	7	746
2010	32	3,934
2011	48	7,276
2012	36	6,641
2013	40	6,511
2014	36	6,777
Total	199	31,885



Cho-rong-e Eye Care Class at Dongho Elementary School, Seoul

## USR (Union Social Responsibility)

### USR Overseas Volunteer Programs

Under the slogan "We bring light to shine through the darkness," employees of LG Display Paju plant visited the capital of Cambodia, Phnom Penh, and nearby villages for volunteer programs aimed at promoting eye health of local residents. LG Display's labor union spearheaded the programs, thereby realizing the social responsibilities of unions. A hospital storage room was remodeled to become an ophthalmic clinic, serving both as a doctor's office and an optician's shop. Employees visited villages where there were no doctors to diagnose or treat patients in need of support for visual health, dental care, or internal medicine. Korean ophthalmologists sponsored by LG Display joined the program to perform surgery on about 20 patients suffering from severe cases of eye disease, helping them to recover their eyesight. Furthermore, the volunteer team donated 150 solar powered lanterns to light up the homes of people who had thus far lived in the darkness.



Ophthalmic Clinic in Cambodia (USR)

Meanwhile, employees of the LG Display Gumi plant visited underdeveloped regions of Mongolia to provide help for the construction of a tree nursery and an educational center for residents. The volunteer team went to the village of Jargalant, about one hour apart from the Mongolian capital Ulaanbaatar, to participate in activities aimed at supporting the self-sufficiency of residents and promote sustainable green environments. These activities included the project of planting 10,000 pine seedlings, and block paving the road for the central hall, which will be used as an educational center. As a corporate citizen, we are going to reach out across the world to anyone who is in need, promote the spirit of giving and sharing, and realize the social responsibilities of unions.



A visit to a Mongolian Family

### USR in Job Rehabilitation Center for the Disabled

The employees of LG Display took part in volunteer activities in the Kyonam Dongsan, a job rehab center for the disabled located in the city of Paju. Gathering and packaging potatoes with disabled workers, members of the Labor-management-Council and employees joined together in spending a meaningful time at the center. We plan to conduct various USR activities in a creative and practical manner, in order to fulfill our role as a responsible corporate citizen, as we interact and grow hand-in-hand with the society.



Labor-Management Council's Social Contribution

### Kimchi Sharing Event

LG Display held the fifth annual event of "Kimchi Sharing" in December 2014. Ingredients for the Kimchi including napa cabbage, radish, and red pepper flakes were bought from the Kyonam Dongsan, a job rehabilitation center for the disabled, and the Moonsan farming association which is operated by senior citizens. Approximately 250 employees processed over 5,000 heads of cabbages to make kimchi and delivered them to approximately 40 welfare facilities including the Paju Children Center and Senior Welfare Center, and 230 under privileged households. It was a volunteer program which assisted those in need and boosted the regional economy at the same time. We hope that the Kimchi sharing will help poverty-stricken families weather through the harsh winter, and pledge to continue to make efforts for a brighter world filled with warmth and compassion.



Kimchi-making

## Social Contribution Activities Tailored to Regions

### Activities of Kyoung-buk Council in 2014

LG Display is conducting a wide range of activities in order to emerge as a region-friendly company based on regional investment and social contribution in Gumi.

Key Tasks	Community engagement event	22nd LG Mothers' Volleyball Tournament LG Love Sharing with college entrance examinees "Happy Day" 14th LG Dream Festival
	Communication with community	Improving corporate image through promoting brand LG in community events and other gatherings
	LG Affiliate/Social contribution activities	Community CSR activities in cooperation with other LG affiliates Public relations
Description	<ul style="list-style-type: none"> <li>Regional festivals and events</li> <li>Commemoration for the victims of Sewol Ferry accident and festival for sharing and harmony</li> <li>Culture festival for citizens and students</li> <li>Foundation Day event and culture booth</li> <li>Career searching/culture experience for college entrance examinees, Love for Neighbors event</li> <li>Special lectures / Intramural talent shows/ Kimchi sharing</li> </ul>	

### Sharing Activities for the Chuseok Holidays

The employees of the LG Display Gumi plant held sharing activities for Chuseok, in order to share love with those who are marginalized from the society during one of the biggest holidays of Korea. The workers went to the Gumi social welfare center located near the LG Gumi plant, and spent a meaningful time making rice cakes with the senior citizens and keeping their company. In addition, they delivered self-made rice cakes, lunch boxes, and daily necessities to the elderly living alone near the welfare center. Meanwhile, the volunteer team from the LG Display's head office put together a 'Nutritious gift bag for Chuseok' filled with holiday food, fruits, and snacks, and delivered them to the senior citizens living in Yeongdeungpo. An Onnuri gift certificate which can be used in nearby markets was included in the bag, hoping to contribute to the regional economy consisting of small shop owners. LG Display will continue to exert effort in devising various ways to help the underprivileged based on sharing and volunteer work, and create a society where everyone can be happy.



Sharing Activities for the Chuseok Holidays

### The Miracle of Christmas

For the 'Miracle of Christmas, Santa's Hope Project,' LG Display collected letters containing Christmas wish lists from children living in poverty near the worksites of Seoul, Paju, and Gumi. The employees then delivered presents they prepared themselves to about 200 children. The 'Miracle of Christmas' project was first introduced in 2010 with a mission of giving hope to children living in financially challenged homes. As the project is not a donation which helps a random group of beneficiaries but rather lets the employees learn about who they are actually helping, it is an extremely rewarding experience. Employees participating in the project give not only presents but also dreams, hopes, and happiness to the children.



The Miracle of Christmas

### 2nd Class of the Dream School

Employees of the LG Display Paju plant have participated in the dream school program since 2013 as part of their social contribution activities, providing counseling and career advice to students in Paju. Employees with work experience in various sites meet with students who are struggling with career decisions to share experiences and give sincere advice, thereby supporting them to follow their dreams. The mentoring programs are operated for five months, matching one mentor per two mentees to provide not only career or academic counseling but also opportunities of university visits or cultural experiences. Employees actively take part in the career education programs in order to present diverse experiences to teenagers living in marginalized regions, creating a relationship of shared growth with the regional economy and pioneering into a new field of social contribution.



LG Display Dream School

### The LG Basketball Cup

As part of the effort to strengthen cooperation between overseas subsidiaries and local communities, LG Display began holding regular basketball games between the Stanford University and UC Berkeley in San Jose(California, USA), where the US subsidiary is located, since 2014. By promoting friendly relations between the LG Display's head office, employees of the US subsidiary, student basketball players, and their families, LG Display is showing dedicated efforts as a member of the local community.



### The 1<sup>st</sup> LG Basketball Cup



November 8th, 2014



The LG Basketball Cup

## Stakeholder's Interview



Town Chief Gi Sang Lee, Walong Town, Paju City, Gyeonggi Province, Korea

Located in Walong town, Paju, Gyeonggi Province, LG Display is making significant economic contributions to the local community. The company is also pursuing activities that can actually benefit the local communities by opening a market dealing in local specialties within the Paju plant and by using only locally grown rice for its cafeteria supplies. In addition, various programs have been implemented, such as a portrait photo service for senior residents and volunteer activities to help farming families during farming season. For such reasons, the residents of Walong town have very special affection towards LG Display. It would not make much sense if LG Display sought to win the heart of consumers across the world without winning the heart of the locals first. In this regard, it would have been better if we had heard the recent nitrogen gas leak accident and the company's response directly from the company, rather than through media coverage. With the establishment of the Paju Advisory Council in 2014, which unified the communication channels with the local residents, we hope that they will make varied efforts to promote transparent communication with the local people and contribute to the development of our community in the mid- to long-term.



Director Jong Bae Kim, Gumi CCI

Having forged special ties with the city of Gumi, LG Display has made many contributions to reviving the local economy for a long time. While there are many large companies operating their plants in the city, it is LG Display that is hiring the most number of local residents. The company is also pursuing many social contribution programs without much fanfare that are tailored to the characteristics of the local community, and we feel that they are working for the development of Gumi with true sincerity. LG Display reaches out first before being asked of what the residents need, which has earned the company significant trust from the local community. Despite the nitrogen gas leak incident earlier this year at the Paju plant, stakeholders in local communities have unwavering trust in the ESH management system of LG Display. Furthermore, I think the company is making contributions not only to the local community but also to the national economy as it has successfully achieved specialized localization. I think if LG Display harnesses its experiences of specialized localization here in Gumi, it will be very conducive for the company to establish a global worksite with as much success.



Director Hye Gyeong Lee, Korean Association of Child Welfare

Ill-equipped without computer or other proper facilities necessary for their studying, children in social welfare facilities were faced with a lack of motivation and poor academic performance. Thanks to the ties with LG Display we could join the IT Power Plant program, and have created computer rooms at 33 sites across the country, helping students from marginalized groups do better at school and communicate with the wider world. LG Display reached out to those in need, and shared dreams and hopes with them. The Korea National Association of Child Welfare (KNACW) will continue to work with LG Display to further develop and expand on the IT Power Plant program, mobilizing undergraduate volunteers, providing IT courses, and replacing obsolete PCs. I hope KNACW and LG Display continue to work hand in hand to promote children's rights with the higher goal of nurturing children into productive and contributing members of society.



# Corporate Social Responsibility in China

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03

领袖关怀



Yantai  
Nanjing  
Guangzhou

# Special Page LGDCA



LGDCA

### The first overseas panel plant, LGDCA (LG Display China Co., Ltd.)

LG Display has established a global manufacturing system through localized production based on module plants in Nanjing(China), Guangzhou(China), Yantai(China), Wroclaw(Poland), and Reynosa(Mexico). This means that while the panels, which are the core technology of LCD production, are produced domestically, only the back-end process involving modules takes place in local sites. Panels show common characteristics of an equipment industry, such as high investment cost. Furthermore, as the government designates it as a core industry, government approval is needed before a plant can be constructed overseas. The approval of the Chinese government is required as well in order to receive investment in China, as well as a number of other negotiations. Despite such difficulties, LG Display pushed on with its efforts to construct a CA panel plant in order to consolidate the company's leadership within the Chinese market, amid the Chinese government's decision to raise tariffs from 3% to 5% and increase the self-sufficiency rate of LCD panels from 60% in 2014 to 80% in 2015, in order to better protect its LCD industry.



Exhibition Room at LGDCA

### Optimal Conditions of LGDCA for Logistics and Close-range Support

As TV client companies in China are located in the Guangdong province including Shenzhen, the LGDCA was built in Guangzhou to optimize logistics and close-range support. This location can save logistics costs and tariffs through local production, and enhance customer satisfaction by providing on-site services and support. In addition, the nearby Guangzhou module plant can create synergy effects by sharing operation expertise and experiences. The fact that the LGDCA is the only overseas plant with an exhibition room is another distinctive feature. Customers can observe various business divisions of LG Display in this room, and neighboring schools even use it for science education. As such, the exhibition room is a popular attraction not only to customers but also to the local community.



LGDCA Plant Launch

### Accomplishing Yield Goal in Short Period

The LGDCA accomplished a high goal of production capacity and yield in a short period of time. Pre-emptive management of risks that can occur during plant operation was a major factor of success. As equipment management is of the utmost importance in manufacturing panels, production data on problems that may arise in the facilities was collected and organized, based on the needs of the LGDCA. The production data, which included up to 15,000 cases for each of the equipment class, was used to preemptively analyze risks and make preparations. Technology verification was consistently conducted before the launch of the plant, and a computer system was set up so that even in automatic mode, operational activities can be monitored whenever necessary. To equip resources with the skillsets required, we provided engineers and maintenance resources/implementers with training for eight months and six months, respectively, before the production line started the operation.

### First "Green Manufacturing Plant" in China

First "Green Manufacturing Plant" in China / The 8.5 generation LGD plant was accredited as a "green manufacturing Plant plant" for the first time in China, as a result of the LGDCAs active participation in China's eco-friendly policies. The green manufacturing Plant certification system is an eco-friendly industrial policy initiated by the Chinese government, aiming to promote eco-friendly practice throughout product lifecycle ranging from production, use, to disposal. It also includes observation of environmental regulations, and various management indices. Upon introducing this system initially in the electronics industry, the Chinese government plans to expand it across all industries by 2030. The LGDCA focused on eco-friendly production strategies early on from the design phase of the 8.5G LCD production plant, and applied systems that meet international standards. As a result, we acquired seven international standard certifications in a short period of time, such as the ISO50001 certification for energy management, ISO14001 certification for environmental management, and the OHSAS18001 certification for health and safety management. Based on such achievement, we passed all six areas and 32 requirements under the green manufacturing Plant certification system, including the establishment of basic equipment, compliance of environmental regulations, energy/resource management, establishment of management systems, manufacturing of eco-friendly products, sound eco-friendly performance indicators, and other factors related to international standard certifications. Consequently, LGDCA became the first in China to acquire the 'green manufacturing Plant certification'.

Green Manufacturing Plant Certification



Energy Management ISO 50001	Environment Management ISO 14001	Safety Management OHSAS 18001	Quality Management ISO 9001	RoHS GB / T 26125, 26572	Carbon Footprint PAS 2050	GHG Emissions ISO 14064-1
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## Interview with the head of LG Display's Chinese subsidiary

### The leadership of LG Display for sustainable management



Jeong Gon Shin,  
Head of Nanjing  
subsidiary

I believe that complying with laws and responding to customer demands are the most critical in enhancing sustainable management of the Nanjing subsidiary. The Nanjing subsidiary closely abides by the Chinese government's Labor Law with regards to underage workers or working hours, and laws related to environment and safety. We operate our business strictly within the boundaries of laws and principles. In addition, we make the best of our efforts to respond to additional customer demands by employing part shift schedules or working on weekends. As for some demands from client companies involving the ban on underage workers' night work or extended working hours, I believe that a more flexible policy is needed for workforce management. LG Display will continue to formulate and expand a cooperative labor-management relationship for value creation, which will eventually help achieve the production capacity and business profile required of the Nanjing subsidiary.



Jung Beom Heo,  
Head of Guangzhou  
subsidiary

The Guangzhou subsidiary of LG Display accomplished every production and quality objective during 2014 on the back of enthusiastic support of the employees, and made effort to resolve problems that were pointed out in customer demand surveys. will make concerted efforts to become a "Clean, Safe, and Professional Company," which is the management direction for 2015. Employees will abide by principles, and managers will set good examples in order to enhance the creative values of LG Display. The Guangzhou subsidiary provides many educational programs to enhance business capabilities of partners and promote shared growth. In addition, various activities to raise safety awareness are being conducted for the employees to immediately respond to emergency, such as fire or accidents. There are plans underway to improve offices and cafeterias to provide a clean and comfortable work environment. Furthermore, programs that visit families of exemplary workers to boost their sense of pride are provided in order to create an enjoyable and happy workplace. The Guangzhou subsidiary strives to become a more competitive organization, identifying the root cause and tackling the fundamental problem whenever it is faced with a challenge.



Min Soo Park,  
Head of Yantai  
Subsidiary

As the head of the Yantai subsidiary, I believe that creating economic value and actively pursuing social responsibilities are the top priorities. Communication with local residents and employees is essential given the regional characteristics of China. The Yantai subsidiary strives to promote a one-family culture where the diversity of our employees is fully respected, in order to better understand their culture and lifestyle. We are successfully realizing the one-family organizational culture based on our efforts to create a company aspiring to become No.1, promote communication between people, and foster a culture full of warmth, in order to become a workplace that employees want to come to every morning. I will continue to do my best to make Yantai subsidiary an exemplary case for good company culture in China.

## Safety & Health

### ★ LGDCA

**Safety & Health Promotion Activities and Improvement Areas** / The LGDCA established an on-site safety management system in 2014 to enhance stability during the initial stage of new plant construction. As a result, we achieved zero-incidents, zero-fatalities in worksites. The LGDCA will exert effort to establish an optimized safety system and prevent fundamental causes of accidents, with a long-term goal to create a safe and healthy workplace. We are committed to enhancing the health of our employees, which will lead to improved productivity and business performances.

**Safe Production Committee** / A Safe Production Committee was established in June 2014 to hold monthly meetings on safety-health issues and make relevant decisions. The committee is composed of the Chairperson (head of the plant), two managers, seven representatives of workers, and seven representatives of the company. The committee pursues the establishment of a safe workplace based on on-site communication.

### Safety & Health Awareness Raising Activities

Category	Activities
Employee safety training	<ul style="list-style-type: none"> <li>• Monthly Safety &amp; Health training</li> <li>• Manager training</li> <li>• Special training</li> <li>• Quarterly evacuation drill</li> </ul>
Health promotion	<ul style="list-style-type: none"> <li>• In-house clinic / Physiotherapy Room</li> <li>• Psychological test and counseling for short-term assignees and FSE</li> <li>• Medical examination for ISE</li> </ul>

### ★ Nanjing subsidiary

**Safety & Health KPI** / With the development of a safety · health KPI, the Nanjing subsidiary consistently checks the level of achievement against the set goals. In 2014, the Nanjing subsidiary successfully enhanced safe management of plants, strengthened security management, upgraded security-related facilities, and improved operation efficiency.

### ★ Guangzhou subsidiary

**Conducting Safety Education** / The Guangzhou subsidiary provides systematic safety education in order to raise the safety awareness of workers and to prevent safety accidents. In particular, employees are educated on the proper ways to handle hazardous or dangerous materials during work to prevent any safety accidents from occurring. Furthermore, the subsidiary provides safety training that is tailored to different positions and departments. Based on effective safety management practices and safe environment policies dissemi-

nated from the company's head office, we strive to create a safe and pleasant work environment in all of our overseas subsidiaries.

### Safety & Health Promotion Activities of Guangzhou subsidiary

Direction	Action Items
Prevention of industrial accidents and reinforcement of safety management framework	<ul style="list-style-type: none"> <li>• Establish a safety accident prevention system</li> <li>• Reinforce regulations on construction safety management</li> <li>• Carry out regular preventive activities, such as safety inspections and training for each department</li> <li>• Establish a standard on wearing protective equipment</li> </ul>
Rule-based implementation of safety and fire fighting system	<ul style="list-style-type: none"> <li>• Full-time compliance with EHS regulations, including OHSAS 18001 standards</li> <li>• Improve the results of system assessments by customers and the head office</li> <li>• Maintain a good relationship with the government and maximize the use of resources</li> </ul>
Reinforced prevention of law violation	<ul style="list-style-type: none"> <li>• Prevent violations in relation to safety, fire fighting, and the environment through management activities</li> <li>• Launch PR activities on in-house safety regulations</li> </ul>
Prevention of leakage of important assets	<ul style="list-style-type: none"> <li>• Reinforce personnel access management</li> <li>• Enhance the security and monitoring system</li> <li>• Control employees' access authority</li> </ul>

### ★ Yantai subsidiary

### Legal & Regulatory Compliance

#### Key Changes to Laws & Regulations and LG Display's Response

New / Revised Article	Description	Improvement
Article 4	• A company shall standardize and enhance the level of safe production	• Online registration and relevant tasks are in progress as requested by Yantai Safety Authority
Article 19	• For ensuring safe production, a company shall clearly define the responsible parties as well as assessment criteria for safe production system	• Assessment criteria for safe production have been established
Article 21	• A staffing company shall conduct safe production training for in-house subcontract workers	<ul style="list-style-type: none"> <li>• Training for subcontract workers has been included</li> <li>• Workers' right has been revised in the subcontract agreement</li> </ul>

**Major Safety Education** / The Yantai subsidiary provides a diverse range of safety education to train employees to effectively respond to safety accidents. Educational videos on various incidents and accidents are used to raise awareness about the importance of accident prevention.

## Safety Training

Title	Trainee	Description	Hours
New hires training	New hires	<ul style="list-style-type: none"> <li>• Production safety / health management</li> <li>• Public health / fire safety</li> </ul>	8 hours/year
Regular safety training	Frontline engineers	<ul style="list-style-type: none"> <li>• Safety and Health / fire safety</li> <li>• Safe handling of chemicals</li> </ul>	2 hours/month
Special (job-specific) safety training	High-risk operators	<ul style="list-style-type: none"> <li>• Production / fire prevention / health</li> <li>• Special equipment (e.g., forklift)</li> <li>• Electrical safety</li> </ul>	16 hours/year
Safety training for managers	Safety supervisors	<ul style="list-style-type: none"> <li>• Roles &amp; responsibilities of supervisor</li> <li>• Safe production</li> <li>• Firefighting devices</li> </ul>	16 hours/year
Safety training for partners	Safety champion at partners	<ul style="list-style-type: none"> <li>• Production safety / health</li> <li>• fire safety / contract management</li> </ul>	2 times/yea
Safety training for vendors	vendor resources	<ul style="list-style-type: none"> <li>• Basic compliance with safety rules</li> <li>• Cautions for those working with fire</li> </ul>	2 hours/year
Safe environment training	Safe environment staff	<ul style="list-style-type: none"> <li>• Firefighting / electricity / facility safety</li> </ul>	1.5 hours/year
Safety promotion activities	All employees	<ul style="list-style-type: none"> <li>• External speakers invited</li> <li>• firefighting / traffic / health / police</li> </ul>	3 times/year

**Emergency Drill** / The Yantai subsidiary held a fire fighting technology contest in June 2014 at its worksite, with an aim to improve the workers' emergency response capabilities and create a safe workplace. A total of 42 employees participated in the contest in teams of two, to receive training on using fire extinguishers, connecting hoses to a fire hydrant, and wearing oxygen masks. The contest improved workers' response to fire-related accidents and raised fire safety awareness by awarding those who showed exemplary performance.



Emergency drills

## Employees

### Respect for Employees Human Rights

**Prohibition of Child Labor and Guarantee of Voluntary Work** / LG Display's Chinese subsidiaries strictly follow the LG Group's HR policies as well as the relevant regulations in China. As per the country's law on the minimum age of employment, they do not hire workers younger than 15 years of age; when they hire workers who are 18 years old or younger, they abide by all related regulations and laws and do not assign them to dangerous work that may threaten their health or safety. At the same time, the subsidiaries guarantee their employees' right to make voluntary decisions in relation to work, and under no circumstances do they subject them to forced labor.

**Freedom of Association and Ban on Discrimination** / LG Display's subsidiaries in China guarantee the freedom of association of all their employees, based on the autonomous and smooth communication emphasized by the company's head office. Furthermore, employees are not subject to discriminatory treatments when it comes to employment, promotion, compensations, and training opportunities on grounds of their race, color, age, gender, sexual orientation, nationality, disabilities, pregnancy, religion, political inclination, union membership, or marital status.

### Welfare & Benefits

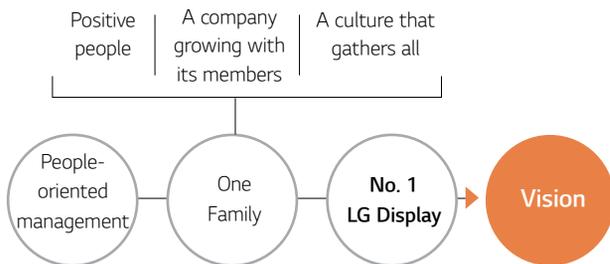
LG Display offers a wide range of welfare programs that are tailored to the circumstances in China.

Category	Description
Health	Regular Health checkups Regular health checkups are provided to all employees to keep them health
	Health center The in-house health center enables employees to receive free treatment
	Medical expenses subsidy Medical expenses are provided up to a certain amount in the event of unexpected accidents or diseases caused by personal reasons
Livelihood	Dormitories and shuttle bus service In-house dormitories and shuttle bus service for commuting are provided free of charge to ensure the shuttle bus employees' comfort and stability service
	Guaranteed leave Employees receive a certain number of days of paid leave in accordance with the labor law and other related regulations
	Support for family events A certain amount of congratulatory/condolence money is provided for the employees' family events
Others	Free courses Courses on investment techniques, Korean, and other topics that reflect the employees' needs are provided free of charge
	Support for club activities Physical and financial support is provided to various in-house clubs to increase communication among employees and encourage wholesome hobbies

## Joyful Workplace

**Joyful workplace scheme** / The Chinese subsidiaries of LG Display strive to realize a 'No.1 LG Display' and achieve corporate visions through activities that focus on three areas: a company where talents can grow, employees filled with positive mindsets, and a culture that unites people together.

### Joyful Workplace Scheme



### ★ LGDCA

**Chinese New Year Event** / In February 2014, the LGDCA held a special event with Chinese traditional performance to celebrate together Chinese New Year, the biggest holidays in China. 1,300 employees and their family members gathered for the event, experiencing each other's food and culture.



Chinese New Year Event

**Badminton Games** / The LGDCA held badminton games for the employees in June 2014, with an aim to consolidate exchange between different departments and promote an enjoyable work culture. The games, which were held throughout the month, boosted the health and fitness of employees and enhanced satisfaction of leisure activities.



Badminton Games

### ★ Nanjing subsidiary

**Children's Day Event** / The Joyful Workplace team and the Nanjing subsidiary council organized an event for Children's day in May 2014. 500 families took part in various activities during a three-hour-long event held in the company gym. There was a meaningful program for experiencing Korean traditional food, designed to promote cultural exchange between Korea and China.



Children's Day Event

**Bus Service for Employees to Go Home on Chinese New Year** / Chinese New year is one of the most important holidays in China throughout the year. The Nanjing subsidiary arranged special buses to safely send employees back home to their families, especially for those who failed to get tickets due to a busy work schedule. There were a total of 37 buses provided, filled with snacks, which enabled 1,032 employees to safely visit their homes and their families.



Bus Services on Chinese New Year

### ★ Guangzhou subsidiary

**Delivery of Thank-you Letters** / The Guangzhou subsidiary delivered letters of thanks to the families of employees who received individual awards during the New Year kick-off meetings, as part of its family-friendly management policies which are based on the belief that a happy family can make all go well.



Guangzhou subsidiary Thank-you Letters

**Invitation of Families of Employees** / The Guangzhou subsidiary held an event to invite family members of employees living in nearby cities. There were various programs including the city-tour of downtown Guangzhou, visit of the worksites, and participation in events provided for the families, which strengthened relationships with the company and consolidated a sense of unity and bond between family members.



Invitation of Families of Employees



**Compliment campaign between employees** / The Yantai subsidiary holds a compliment campaign in order to facilitate communication between employees and to create a joyful atmosphere at the workplace. Employees can post compliments of other workers on the compliment boards which are installed within the workplace, and share their good deeds with everyone.



Compliment campaign

## Eco-friendly management



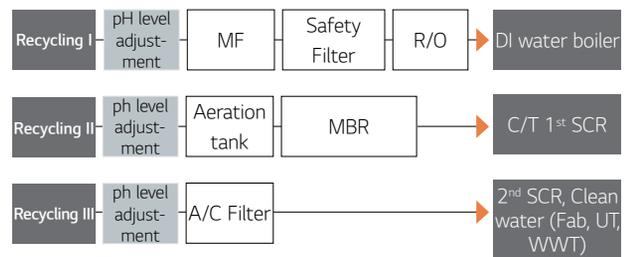
**Application of LED Lamps** / From the initial stage of construction, the LGDCA was built to be an eco-friendly energy establishment by applying LED lamps to its plants. Unlike fluorescent lights, LED lamps are eco-friendly products that are both mercury-free and CO2-deductible. LED lamps are excellent in clarity and visibility, and they are also immune to safety hazards as they do not fragment in a fall. Thanks to the LED lamps, the power bill has been cut by 3,515,297MWh a year. The LGDCA is planning to replace 27,000 lights at its plants and dormitories with LED lamps by the second half of 2015.



Inside an Office of LGDCA with LED Lights in Place

**Water Recycling System** / The LGDCA is running a waste water recycling system. In a bid to cope with water insufficiency in a proactive manner, we are saving water resources by retrieving the waste de-ionized water discharged from facilities and reusing it for other processes.

### Water Recycling Facilities



- MBR(Membrane Bio-Reactor)
- R/O(Reverse Osmosis)
- A/C Filter(Activated carbon Filter)
- MF(Membrane Filter)

★ Nanjing subsidiary

**Acquisition of ISO 5001 Certification** / The Nanjing subsidiary has acquired ISO 5001 certification, an international management standard system certified by the International Organization for Standardization (ISO). We will strictly comply with government regulations, and make an effort to save energy and increase energy efficiency.



ISO 50001

★ Guangzhou subsidiary

**Promotional Activities for Energy Saving** / The Guangzhou subsidiary is preserving the environment through various promotional activities focused on saving energy resources. Our activities include attaching awareness stickers at the dormitories, cafeterias, and restrooms, and installing banners and signs within our business areas. With the environment and energy department at the center of our efforts, we are promoting awareness on the importance of energy saving by sharing tips with our employees that they can practice in everyday life such as switching off unused lights, unplugging cords, closing doors, and saving water.



"Turn off the Light" Sticker

★ Yantai subsidiary

**Activities to Cut Energy Use** / During the year of 2014, the Yantai subsidiary implemented various energy saving campaigns such as replacement of LED lamps, recycling of residual heat, optimized operations of heating and cooling, and the use of remodeled dish washers. As a result, we were able to slash the energy cost by 3,348,187 yuan. The subsidiary will improve its energy equipment and facilities to maximize energy efficiency, thereby practicing energy saving and environmental protection in a more proactive manner.

Activities	Unit	Progress
Water saving		927,390
Saving from dish washer replacement and steam recycling		293,300
LED lamp installation	CNY	435,040
Saving from optimized operation of heating and cooling		587,175
Optimized operation of idle facilities		819,060
Others		286,222

## Communities

★ LGDCA

**Events to promote social contributions** / The LGDCA invited 28 community leaders to its worksite, shared the results of its CSR activities, and sought ways to fulfill social responsibilities for the neighboring local communities together with them. The LGDCA is planning to pursue various activities so that it can make contributions to the local communities with local residents.



LGDCA Social Contribution Activities

★ Nanjing subsidiary

**Volunteer work at nursing homes** / Two dozens of employees at the Nanjing subsidiary visited nursing homes in the neighborhoods and took part in volunteer work for the seniors with physical challenges by caring for the elderly and keeping their company. We are doing our best to observe Chinese culture which place a high value on respecting the elderly and fulfilling our social responsibilities.



Volunteer work at nursing homes

**Volunteer work at orphanage** / The employees at the Nanjing subsidiary visited an orphanage in the local community to participate in volunteer work. We donated televisions and daily necessities and practiced the spirit of sharing by playing clay with the children and decorating their bedrooms. It was a great opportunity to take care of the children born to the marginalized families in local communities and to communicate with them.



Volunteer Activity at Orphanage

**Charity bazaar** / The employees at the Nanjing subsidiary held a charity bazaar in order to help local communities. The entire proceeds worth 9,228 yuan went to the unprivileged living in nearby local communities. The subsidiary and its employees will continue to pursue activities to share with its local neighbors.

**Museum tour for the children of migrant workers** / Twice a year, the Nanjing subsidiary invites the children of migrant workers to its showroom to let them experience cutting-edge display technologies such as 3D TVs and OLED effect. We guide the students to visit Nanjing Science and Technology Museum and encourage them to develop an academic interest as well. The Nanjing subsidiary will provide various academic opportunities for the children so that the workers can feel at ease and focus on work.



Museum tour for the children of migrant workers

**Guangzhou subsidiary**

**Street sweeping** / The employees at the Guangzhou subsidiary have spearheaded the effort to make our streets clean by cleaning up the roads in the vicinity of its business areas and pursuing various cleanup activities. As a responsible corporate citizen, we will make an effort to boost the awareness on environmental protection and contribute to the development of local communities.



Street sweeping

**Tree planting** / The Guangzhou subsidiary's tree planting initiative was a responsible step to address the growing social issue of environmental degradation and a decision to contribute to the vision of low-carbon, green growth. It was a unique volunteering activity designed to engage more employees and give them a chance to think about the importance of nature

again. To promote environmental preservation, the Guangzhou subsidiary is planning to pursue various activities to cut greenhouse gas emissions and preserve the ecosystem.

**Yantai subsidiary**

**Activities of Yantai Subsidiary in 2014** / The Yantai subsidiary is pursuing various CSR activities with the social conditions of local communities taken into consideration. We are polishing our corporate image through sincere activities and pursuing sustainable management by strengthening partnership with government organizations.

Provision of care for the underprivileged	<ul style="list-style-type: none"> <li>• Yantai special education school</li> <li>• Visits to nursing homes</li> <li>• Visits to the families of employees with financial trouble</li> <li>• Volunteering</li> </ul>
Donations	<ul style="list-style-type: none"> <li>• Mandatory blood donation</li> <li>• Donation to poverty areas in mountains</li> <li>• Donation to disaster-stricken areas</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>• Medical examination</li> <li>• Visits to underprivileged groups in local communities</li> <li>• Visits to neighboring towns during national holidays</li> <li>• Free lectures on health for local communities</li> </ul>
Environmental protection	<ul style="list-style-type: none"> <li>• Forestation of the LG Display Forest</li> <li>• Cleanup activities for public facilities and sea waste</li> </ul>

**CSR Performance of Yantai Subsidiary**

Category	Unit	2012	2013	2014
No. of participants in CSR activities	Persons	15	65	655



Provision of school supplies for the nearby elementary schools

## Supply Chain

### Fair Trade

**Establishment of Ethical System** / LG Display is making the best effort to run ethical business and practice Jeong-Do Management by adhering to global standards, including the protection of private information, and complying with the domestic laws of the countries concerned. LG Display will provide its employees with systematic education programs on corporate ethics and strive to establish the principles of Jeong-Do Management as a fundamental corporate culture for its Chinese subsidiaries through various PR activities.

**Conducting Jeong-Do Management Training** / Our Chinese subsidiaries have incorporated Jeong-Do management into their compulsory training programs for new hires to clearly disseminate the principle. Through our well-thought-out training programs new employees learn the seemingly unfamiliar concept of Jeong-Do management and establish the ethical way of thinking and behavior.

 Nanjing subsidiary

**Pledge for the Observance of the Basic Principles** / The Nanjing subsidiary took the pledge from its employees for the observance of the basic principles. It has highlighted the leaders' role of leading the others by example and encouraged employees to abide by the basic principles of compliance.

 Yantai subsidiary

**Distribution of Ethics Guidebook** / The Yantai subsidiary distributed to all employees a guidebook containing the ethical codes of conduct based on Jeong-Do management. Containing the responsibilities and duties for our customers, fair competition and trade, and responsibilities for the country and society, the guidebook is an easy guide for staff who can align their way of behavior with the codes of conduct and practice Jeong-Do management in their day-to-day work.

### Interview with Chinese partners



Sang Ho Park,  
Head of Nanjing  
subsidiary, Yangji  
Electronics

The Nanjing subsidiary of Yangji Electronics has specialized in the display backlight for vehicles. It has maintained a business partnership with LG Display since 2006, and it was designated as an excellent partner at the Dream Shared Growth, a performance sharing event held in 2014. Yangji Electronics is encouraging its field workers to foster multi-tasking capabilities through education programs. We hire Chinese employees who studied in Korean universities and make sure to train them first before dispatching them to Nanjing, thereby serving as a link between the Korean resident employees and the local people in China. This allowed us to deliver the requests from LG Display to the entire organization faster than any other competitor through the assistance of Chinese Korean experts, and our customer responsiveness has improved as much. Every Tuesday, LG Display conducts 5S evaluations on its partner companies with regard to the environment/safety support activities, and each partner gets feedbacks in the form of scores. If LG Display shares its know-hows on the processes and manuals of CSR evaluation and environmental safety assessment, small-and medium-sized partner companies will be able to learn advanced management skills and upgrade their business quality at the same time.



Sun Woo Nam,  
Head of Guangzhou  
subsidiary, Newoptics.

Newoptics is a manufacturer of electrical and electronics parts. The company produces back light units for LCD TVs. We provide outsourcing services for the manufacturing of modular products at LG Display's manufacturing plant in Guangzhou. As new models are launched, it has become very important for the partner companies to meet a set of criteria in satisfying quality expectations. LG Display shares with partners preliminary plans on the issues regarding the quality or manufacturing of new models, and it deals with issues through immediate responses, receiving various support that are aimed at boosting productivity. Newoptics is engaged in a variety of activities to secure competitiveness. The company adopted performance-based wage system for office workers and production line workers to boost the motivation of employees, and it achieved a zero defect objective and increased the production volume through the tailored establishment of KPI for individual employees. We believe that such a virtuous circle will directly translate into the competence of LG Display, and we will pursue various activities and do our best to achieve shared growth with LG Display.

**Selected among China's 10 strongest Businesses in Corporate Culture Competitiveness** / The Yantai subsidiary was selected as one of the 10 strongest businesses in China in Corporate Culture Competitiveness at the 2014 Chinese Corporate Culture Convention. The subsidiary has no record of violation of state laws or regulations in the recent two years and has spread its corporate culture to all its employees through various promotional and educational activities. In recognition of its contribution the Yantai subsidiary was selected among the 10 most culturally influent companies, securing the leadership in the field of corporate culture.



Award for Corporate Culture Competitiveness



Won Sik Lee,  
Head of Guangzhou  
subsidiary, Daeseong Gas

Daeseong Gas is a partner of LG Display supplying nitrogen and other special gases for its panel production process. Being a high-pressure gas producer, my company faces many difficulties in establishing subsidiaries in foreign countries. LG Display has provided help for us both directly and indirectly in dealing with some of the difficulties, and it made us feel that they consider their partner companies as true global business partners. Furthermore, LG Display has frequently provided information on safety and environment regulations, and it has also conducted regular supervisions once a week so that its smaller business partners can preemptively respond to the regulations that are strictly emphasized by the Chinese government. Some of the common concerns of the partners operating overseas will be to secure professional workers and receive management support for large investments. The competence of partners in terms of human resources affects the competence of contractors like LG Display in terms of quality control. We place a great importance on job training, keeping in mind that our competence determines the competence of our partner companies. One thing I hope is for LG Display to provide more management support to its partners and establish a more stable business structure so that its partners can better maintain their business competitiveness in overseas markets.



Gi Joo Cho,  
Head of Yantai subsidiary,  
Hui Seong Electronics

The Yantai subsidiary generates the second largest sales revenue within the areas of our business operation. In other words, the subsidiary has a huge economic effect. Hui Seong Electronics receives both direct and indirect help from LG Display as one of its primary partners. Everyday, we hold meetings on technological development, education, and HR support in conjunction with our counterparts from LG Display. In particular, we received technical assistance in setting up a process at the Yantai plant in June, last year. Here at Hui Seong Electronics, we are making contributions to the development of local communities by visiting nursing homes and orphanages, planting trees, and providing schools with class equipment. At an early stage, we did not have much information about the city, and the infrastructure established by LG Display paid off handsomely. However, given the volatile nature of our business that makes it difficult to predict the mid- to long-term demand, efficient management of resources and workers has always been challenges for us. I ask for a continued support and cooperation from LG Display in the technology and HR fronts as we jointly seek to build a mutually-beneficial cooperative relationship.

# Corporate Social Responsibility in Poland



### Head of Polish subsidiary Jeong Woong Yeo

I believe that CSR activities start from keeping the basics and principles. All decisions executed at the Polish subsidiary should be based on the principles of localization, not the standards of Korea. In other words, the resident workers need to learn how to boost the performance of other employees and make themselves resourceful to the local people instead of sticking to their Korean ways. I think that the caliber of a leader can be gauged by looking at how wisely he weathers through the times of a crisis. In addition, an organization yields the best results only when it can operate organically and naturally. To this end, detailed considerations need to be taken for each individual employee, and when such small changes accumulate, we can pursue CSR activities more naturally in the end.

### Bridgehead to Europe Polish subsidiary

Established in September 2005, the Polish subsidiary aims to secure competitiveness in the European market and is facing robust challenges and vibrant changes. Located in Wroclaw that boasts one of the highest levels of human resources in Poland, the subsidiary manufactured its first LCD module in December 2006. The subsidiary has continued to advance afterwards. In July 2008, the subsidiary reached a cumulative mark of 5 million in manufacturing and sales, and it set a new record of 10 million units merely ten months later. The subsidiary has played a major role in carving out a market share in the European TV market by reaching the milestone of 40 million in production and sales as of June 2012.



Polish subsidiary



### Joyful Workplace

The Joyful Workplace initiative at the Polish subsidiary derived from 'Human-oriented Management', one of the management philosophies of LG Group. We believe that fostering an energetic corporate culture is a source of fun, and we work towards striking a sound balance between mental, physical, and social elements, so that our employees can focus on work better.

### Directions and Key Achievements

<ul style="list-style-type: none"> <li>• Presentation sessions held</li> <li>• Satisfaction survey conducted</li> <li>• Company newsletters published</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly themes</li> <li>• Company outings</li> <li>• Cooking festivals</li> <li>• Sporting events</li> <li>• Family-oriented events for employees and children</li> </ul>
<ul style="list-style-type: none"> <li>• Contribution &amp; donation programs</li> <li>• Social contribution programs</li> </ul>	<ul style="list-style-type: none"> <li>• Month of Safety event</li> <li>• Health promotion program</li> </ul>

### Grant Program

Under Grant Program, LG Display provides financial support to employees who reach out to local communities. Based on the notion that local employees understand the needs and wants of their local community best, we have launched the program. Anyone in LG Display can apply for the Grant Program, and applications are screened internally twice a year to select a total of six initiatives designed to contribute to local community development. In November 2014, we supported Club of Model Making, an organization based in Dzieroniów, Poland, offering a space for students participating in the organization to design, make, and test fly model aircraft, as well as equipment and other supplies needed.



Support for Club of Model Making

### Month of Safety Event

During March, which is designated as a month of safety, various events related to safety regulations and a safety quiz contest were held to raise the safety awareness of employees. Safety guidelines were devised and a promotional video on safety was aired to further bolster safety awareness.



Safety Event

# Performance & Appendix



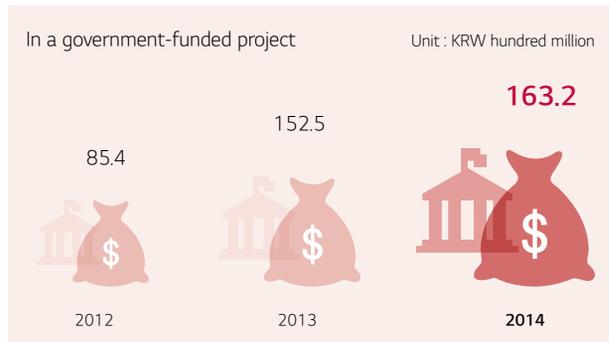
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## Economic Data

### R&D Investments

Category	Unit	2012	2013	2014
R&D Expenses	KRW in million	1,372,787	1,674,780	1,787,593
R&D-to-Sales Ratio	%	4.7	6.2	6.8

### Government-sponsored R&D project expenses\*



\* participating organizations in the consortium conduct R&D with government subsidies, based on the direction of R&D put forth by LG Display. However, as LG Display is expected to benefit from the outcome of the project, a government-funded project refers to all the contributions of the consortium and the government subsidies directly granted to participating organizations. As such, relevant data has changed from that of last year's report.

## Environmental Data

### Green Product Certification (RoHS, Carbon Footprint)



### Use of Resources at Domestic Worksites

	Unit	2012	2013	2014
Backlight	thousand	307,782	271,694	291,321
Glass	m <sup>2</sup>	89,911,228	86,574,350	98,240,683
Polarizer	thousand	693,596	652,323	690,204
Drive IC	thousand	1,444,083	1,295,768	1,324,140
Liquid Crystal	kg	126,022	122,696	129,138

### Water Withdrawals by Source at Domestic Worksites

	Unit	2012	2013	2014
Industrial water		76,760,228	75,084,925	76,071,329
Residential water	ton	2,235,056	2,166,580	1,917,412
Underground water		346,112	420,894	383,461

### Water Recycling Rate\*

	Unit	2012	2013	2014
Reusing Rate	%	115	125	130
Reused Water		92,006,999	95,711,255	101,236,796
Water Newly Supplied	ton	80,156,957	76,465,506	77,860,413

\* Figures of previous years have been changed in line with the new method of water recycling rate calculation based on reused water/water newly supplied

## Emissions of Air Pollutants by Domestic Worksites

Type	Unit	2012	2013	2014
NOx		47,455	83,421	35,885
SOx	kg/yr	49,938	68,306	17,638
OthersPersistent organic pollutants		110,577	151,837	104,644

## Discharge of Water Pollutants by Domestic Worksites\*

Type	Unit	2012	2013	2014
Total discharge	ton/yr	75,235,370	71,242,941	72,457,159
Water quality				
BOD		14.9	14.8	23.3
COD	ton/d	9.1	10.3	15.2
SS		5.2	6.2	8.4

\* The increase in emissions is largely attributable to the production increase

## Waste Generation of Domestic and Overseas Worksites\*

Entity Classification	Discharge Method	Unit	2012	2013	2014
Paju / Gumi	Hazardous wastes	Processed	1,104	939	808
		Recycled	105,905	73,545	79,552
	General wastes	Incineration	765	799	1,067
		Landfill	42,934	39,250	11,280
		Recycled	58,045	55,478	30,378
Ocean dumping	10,253	9,660	0		
Recycling rate	%	71	72	89	
LGDCA	Hazardous wastes	Processed	0	0	2,367
		Incineration	0	0	28
		Recycled	0	0	1,166
	General wastes	Incineration	0	0	0
		Landfill	0	0	218
		Recycled	0	0	4,331
		Ocean dumping	0	0	0
Recycling rate	%	0	0	68	

Entity Classification	Discharge Method	Unit	2012	2013	2014
Nanjing	Hazardous wastes	Processed		32	60
		Incineration		0	0
		Recycled		0	0
	General wastes	Incineration	ton	1,368	335
		Landfill		1,620	1,638
		Recycled		2,891	2,052
Ocean dumping		0	0		
Recycling rate	%	48	46		
Guangzhou	Hazardous wastes	Processed		4	2
		Incineration		0	0
		Recycled		0	0
	General wastes	Incineration	ton	0	0
		Landfill*		700	496
		Recycled		3,593	3,939
Ocean dumping		0	0		
Recycling rate*	%	84	89		
Yantai	Hazardous wastes	Processed		0	0
		Incineration		1	6
		Recycled		0	0
	General wastes	Incineration	ton	0	0
		Landfill		95	233
		Recycled		1,024	1,400
Ocean dumping		0	0		
Recycling rate	%	91	85		
Wroclaw	Hazardous wastes	Processed		0	0
		Incineration		0	0
		Recycled		101	11
	General wastes	Incineration	ton	716	375
		Landfill		153	114
		Recycled		2,287	2,045
Ocean dumping		0	0		
Recycling rate	%	73	81		

\* Figures of 2013 were recalculated using revised calculation criteria

\* Data collection scope : Domestic and overseas worksites

## Energy Consumption at Domestic and Overseas Worksites \*

Category	Account	Unit	2012	2013	2014
Paju / Gum	Direct energy	LNG	1,504	1,319	1,103
		Biofuel	28	0	0
		Others	TJ	210	230
	Indirect energy	Electricity	59,238	59,384	58,178
		Steam	197	159	0
LGDCA	Direct energy	LNG	0	0	43
		Biofuel	0	0	0
		Others	TJ	0	0
	Indirect energy	Electricity	0	0	1,223
		Steam	0	0	0
Nanjing	Direct energy	LNG	10	12	11
		Biofuel	0	0	0
		Others	TJ	0	0
	Indirect energy	Electricity	1,509	1,296	1,177
		Steam	121	12	79
Guangzhou	Direct energy	LNG	56	35	159
		Biofuel	0	0	0
		Others	TJ	0	0
	Indirect energy	Electricity	3,727	3,385	4,051
		Steam	0	0	0
Yantai	Direct energy	LNG	20	13	13
		Biofuel	0	0	0
		Others	TJ	16	16
	Indirect energy	Electricity	82	87	115
		Steam	34	27	16
Wroclaw	Direct energy	LNG	3	3	3
		Biofuel	0	0	0
		Others	TJ	0	0
	Indirect energy	Electricity	134	104	88
		Steam	0	0	0

\* Data collection scope : Domestic and overseas worksites

## Energy Intensity at Domestic and Overseas Worksites \*

	Unit	2012	2013	2014
Energy consumption	TJ	66,889	66,082	67,276
Manufacturing performance	thousand glasses	7,853	7,670	8,425
Energy intensity*	TJ/thousand glasses	8.5	8.6	8.0

\* For manufacturing performance estimation, the total area of all glasses manufactured was divided by the area of a single 8th generation glass

## GHG Emissions by Domestic Worksites

Category	Unit	2012	2013	2014
Total GHG emissions		6,161,151	6,921,656	7,537,108
Scope1	tCO <sub>2</sub> eq	3,284,122	4,035,498	4,696,481
Scope2		2,877,029	2,886,159	2,840,627

\* The increase in emissions is largely attributable to the production increase

## Scope 3 GHG Emissions by Domestic Worksites

Category	Unit	2014
Employees' business travel		3,871
Goods transportation	Shipping	4,933
	Import	2,107

## GHG Emissions by Overseas Worksites

Category	Unit	2012	2013	2014
LGDCA		-	-	249,879
Nanjing		136,922	118,502	102,999
Guangzhou	tCO <sub>2</sub> eq	56,043	36,230	32,903
Yantai		105,028	22,928	16,699
Wroclaw		1,244	1,191	1,097

## GHG Emission Reduction by Domestic Worksites

Category	Unit	2012	2013	2014
GHG emission reduction	tCO <sub>2</sub> eq	928,211	409,178	376,913

## Social Data

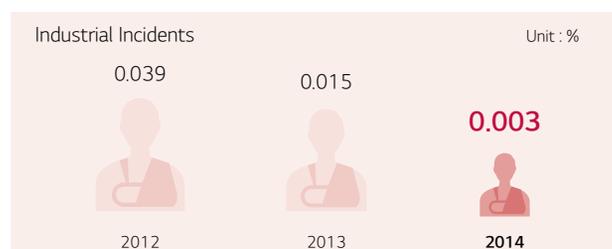
### Employees Data

Category	Unit	2012	2013	2014
Domestic	Male	24,066	23,851	23,449
	Female	10,679	9,884	9,079
Overseas	Male	9,993	8,281	8,461
	Female	10,883	9,189	8,432

### New Employment

Unit	2012	2013	2014	
New Employment persons	Office workers	325	2,264	727
	Line workers	487	311	65
Experienced	Office workers	57	236	79
	Line workers	73	74	0

### Industrial Incidents



### Employee Turnover Rate

Category	Unit	2012	2013	2014
Employee Turnover Rate	%	8.8	6.1	4.8

### Female Employees

Unit	2012	2013	2014	
Female workforce ratio	%	38.8	37.2	35.4

### The Ratio of Entry-level Wage by Gender Compared to Local Minimum Wage

Category	Unit	2012	2013	2014
Male	%	277.7	276.9	279.5
Female		272.7	276.2	264.3

### Annual Average Training Hours per Employee

Category	Unit	2012	2013	2014
Annual Average Training Hours per Employee	Hours	36.5	41.9	33.4
Total Training Hours	Hours	127ten thousand	145ten thousand	110ten thousand
No. of Trainees at Domestic Worksites	persons	34,745	34,501	33,018

### Social Contribution Investment & Participation

Category	Item	Unit	2012	2013	2014
Social contribution investments	Corporate Donation*	KRW	15,300,189,800	16,266,981,600	11,597,381,520
Social contribution participation	No. of Social Contribution Programs	Volunteering	1,810	2,050	2,862
		Donation	31	31	44
	No. of Participants (double counting allowed)	Volunteering	25,465	28,198	33,843
		Donation	3,870	4,678	5,166
Voluntary Donation Amount**	KRW	- 77,697,830	- 114,482,740	- 121,320,850	

\* Corporate Donation : Sum of donations recorded under "Corporate Donation" account \*\* Amount donated by employees (excluding matching grants)

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

HR Education Program	Type	2012		2013		2014	
		Classification	Person	Person	Person	Person	Person
Anti-sexual harassment, Jeong-Do Management and Fair Trade Modules included in the training for new hires	Collective education	Office	368	720	505	2,815	
		Line	2,414	553	64	128	
Building pleasant and healthy corporate culture (prevention of sexual harassment)	Collective education		1,162	31,446	20,541	20,541	
Prevention of sexual harassment at work	e-Learning		11	11,583	13,178	13,250	
Jeong-Do Management course	e-Learning		10,461	609	364	1,820	

## Social minority

		Unit	2012	2013	2014
Minority group	Disabled (Nanumnuri included)	persons	325	415	492
	Share	%	0.9	1.2	1.5
	Patriots & veterans	persons	319	317	333
	Share	%	0.9	0.9	1.0

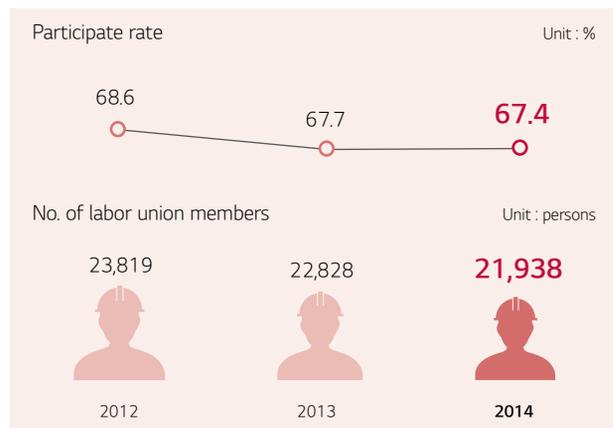
## No. of Employees Covered by Corporate Pension Plan

		Unit	2012	2013	2014
Defined benefit (DB)	persons		32,726	32,609	32,528
Defined contribution (DC)			4	7	7

## Number of staff who received regular performance evaluation



## Labor Union Membership



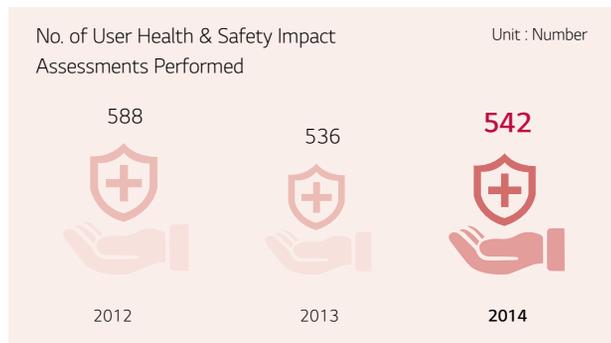
## Use of Parental Leave

※Restricted to domestic worksites

		Unit	2012	2013	2014
No. of employees on parental leave			312	394	543
No. of employees returning to work after parental leave	persons		134	266	342
No. of employees still employed in the company 12 months after the end of parental leave			71	146	241

## Other Data

QUIN(Quality Information Network)\* No. of Models requested in the system / assessed for safety standards and certified



\* LG Display's Quality Management System

## Local Procurement of Major Worksites

		Unit	2012	2013	2014
Local procurement policy & practice	Korea		86	84	85
	China	%	98	100	100
	Poland		100	100	100

## Reports of Human Rights Issues &amp; Grievances

		Unit	2012	2013	2014
Total no. of complaints reported in relation to labor practices			12	27	30
No. of complaints being dealt with	cases		-	-	-
No. of complaints resolved			12	27	30

# GRI G4 Guidelines

## Standard Disclosures

● Fully Reported    ◐ Partially Reported    ○ Not Reported

Category	Indicators	Core	Contents	Reporting	Page	Third-party Assurance
Strategy and Analysis	G4-1	●	A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	●	6-7	●
Organizational Profile	G4-3	●	The name of the organization	●	10-11	●
	G4-4	●	The primary brands, products, and services	●	10-11	●
	G4-5	●	The location of the organization's headquarters	●	10-11	●
	G4-6	●	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	●	10-11	●
	G4-7	●	The nature of ownership and legal form	●	14-15	●
	G4-8	●	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●	10-11	●
	G4-9	●	The scale of the organization	●	10-11	●
	G4-10	●	The total number of male and female employees by employment contract, employment type, and share of employees and supervised workers, total workforce by region and gender, work scope of non-regular workers, and any significant variations in employment numbers	●	72-73	●
	G4-11	●	The percentage of total employees covered by collective bargaining agreements	●	72-73	●
	G4-12	●	The organization's supply chain	●	40-45	●
	G4-13	●	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●	2	●
	G4-14	●	Whether and how the precautionary approach or principle is addressed by the organization	●	15,19	●
	G4-15	●	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	●	82	●
	G4-16	●	Memberships of associations (such as industry associations) and national or international advocacy organizations	●	82	●
	Identified Material Aspects and Boundaries	G4-17	●	Any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	●	See Business Report
G4-18		●	The process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content	●	22-23	●
G4-19		●	All the material Aspects identified in the process for defining report content	●	22-23	●
G4-20		●	The Aspect Boundary within the organization for each material Aspect	●	22-23	●
G4-21		●	The Aspect Boundary outside the organization for each material Aspect	●	22-23	●
G4-22		●	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	N/A	●
G4-23		●	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	N/A	●
Stakeholder Engagement	G4-24	●	List of stakeholder groups engaged by the organization	●	22-23	●
	G4-25	●	The basis for identification and selection of stakeholders with whom to engage	●	22-23	●
	G4-26	●	The organization's approach to stakeholder engagement (by type and by stakeholder group)	●	22-23	●
	G4-27	●	Key topics and concerns that have been raised through stakeholder engagement, and the organization's response, and the stakeholder groups that raised each of the key topics and concerns	●	22-23	●
Report Profile	G4-28	●	Reporting period (such as fiscal or calendar year)	●	2	●
	G4-29	●	Date of most recent previous report	●	2	●
	G4-30	●	Reporting cycle (such as annual, biennial)	●	2	●
	G4-31	●	The contact point for questions regarding the report or its contents	●	2	●
	G4-32	●	The 'in accordance' option the organization has chosen (Core vs Comprehensive) and the GRI Content Index for the chosen option, and the reference to the External Assurance Report, if the report has been externally assured	●	2	●

● Fully Reported   ● Partially Reported   ○ Not Reported

Category	Indicators	Core	Contents	Reporting	Page	Third-party Assurance
Report Profile	G4-33	●	The organization's policy and current practice with regard to seeking external assurance for the report, the scope and basis of any external assurance, the relationship between the organization and the assurance providers, and whether the highest governance body or senior executives are involved in seeking assurance for the sustainability report	●	2	●
Governance	G4-34	●	The governance structure of the organization, including committees of the highest governance body and any committees responsible for decision-making on economic, environmental and social impacts	●	14~15	●
	G4-36		Executive-level positions with responsibility for economic, environmental and social topics	●	14~15	●
	G4-38		The composition of the highest governance body and its committees	●	14~15	●
	G4-39		Whether the Chair of the highest governance body is also an executive officer	●	14~15	●
	G4-40		The criteria used for nominating and selecting highest governance body members	●	14~15	●
	G4-41		Processes for the highest governance body to ensure conflicts of interest are avoided and managed	●	N/A	●
	G4-42		Executive-level roles in setting purposes, values, and strategy	●	N/A	●
	G4-43		The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	●	14~15	●
	G4-46		The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	●	14~15	●
Ethics and Integrity	G4-56	●	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	16~17	●

### Specific Standard Disclosures

● Fully Reported   ● Partially Reported   ○ Not Reported

Aspect	Material	Indicators	Contents	Reporting	Page	Third-party Assurance
<b>Economic</b>						
Economic Performance	●	DMA	General Management Approach	●	26	●
	●	G4-EC1	Direct Economic Value Generated and Distributed	●	13	●
	●	G4-EC2	Financial Implications and Other Risks and Opportunities for the Organization's Activities Due to Climate Change	●	46	●
	●	G4-EC3	Coverage of the Organization's Defined Benefit Plan Obligations	●	73	●
	●	G4-EC4	Financial Assistance Received from Government	●	70	●
Indirect Economic Impacts		DMA	Management Approach for each Aspect	●	26	●
		G4-EC7	Development and Impact of Infrastructure Investments and Services Supported	●	50-54	●
<b>Environmental</b>						
Materials		DMA	General Management Approach	●	46	●
		G4-EN1	Materials Used by Weight or Volume	●	70-72	●
		G4-EN2	Percentage of Materials that are Recycled Input Materials	●	N/A	●
Energy	●	DMA	Management Approach for each Aspect	●	46	●
	●	G4-EN3	Energy Consumption within the Organization	●	70-72	●
	●	G4-EN4	Energy Consumption outside the Organization	●	N/A	●
	●	G4-EN5	Energy Intensity	●	70-72	●
	●	G4-EN6	Reduction of Energy Consumption	●	70-72	●
	G4-EN7	Reductions in Energy Requirements of Products and Services	●	N/A	●	

Aspect	Material	Indicators	Contents	Reporting	Page	Third-party Assurance
Water	●	DMA	General Management Approach	●	46	●
	●	G4-EN8	Total Water Withdrawal by Source	●	70-72	●
	●	G4-EN9	Water Sources Significantly Affected by Withdrawal	●	N/A	●
	●	G4-EN10	Percentage and Total Volume of Water Recycled and Reused	●	70-72	●
Emissions	●	DMA	Management Approach for each Aspect	●	46	●
	●	G4-EN15	Direct GHG Emissions	●	70-72	●
	●	G4-EN16	Indirect GHG Emissions	●	70-72	●
	●	G4-EN17	Other Indirect GHG Emissions	●	70-72	●
	●	G4-EN18	GHG Emissions Intensity	●	70-72	●
	●	G4-EN19	Reduction of GHG Emissions	●	70-72	●
	●	G4-EN20	ODS Emissions	●	70-72	●
	●	G4-EN21	NOX, SOX, and Other Significant Air Emissions	●	70-72	●
Effluents and Waste	●	DMA	Management Approach for each Aspect	●	46	●
	●	G4-EN22	Total Water Discharge by Quality and Destination	●	70-72	●
	●	G4-EN23	Total Weight of Waste by Type and Disposal Method	●	70-72	●
	●	G4-EN24	Total Number and Volume of Significant Spills	●	N/A	●
	●	G4-EN25	Weight of Transported, Imported, Exported or Treated Waste Deemed Hazardous under the Terms of the Basel Convention Annex I, II, III, and VIII, and Percentage of Transported Waste Shipped Internationally	●	N/A	●
	●	G4-EN26	Identity, Size, Protected Status, and Biodiversity Value of Water Bodies and Their Habitats Significantly Affected by the Organization's Discharge of Water and Runoff	●	70-72	●
Products and Services	●	DMA	General Management Approach	●	46	●
	●	G4-EN27	Extent of Impact Mitigation of Environmental Impacts of Products and Services	●	43-47	●
	●	G4-EN28	Percentage of Products Sold and Their Packaging Materials Reclaimed by Category	●	N/A	●
<b>Social</b>						
Labor Practices and Decent Work						
Employment	●	DMA	Management Approach by Aspect	●	34	●
	●	G4-LA1	Number and Rates of New Employee Hires and Employee Turnover by Age, Gender and Region	●	72-73	●
	●	G4-LA2	Benefits Provided to Full-time Employees only (not to Temporary or Part-time Employees) by Significant Locations of Operation	●	38	●
	●	G4-LA3	Return to Work and Retention Rates After Parental Leave, by Gender	●	72-73	●
Occupational Health and Safety	●	DMA	Management Approach by Aspect	●	31	●
	●	G4-LA5	Percentage of Total Workforce Represented in Industrial Health and Safety Committees that Help Monitor and Advise on Occupational Health and Safety Programs	●	72-73	●
	●	G4-LA6	Type of Injury and Rates of Injury, Occupational Diseases, Lost Days, and Absenteeism and Total Number of Work-related Fatalities, by Region and Gender	●	72-73	●
Training & Education	●	DMA	General Management Approach	●	34	●
	●	G4-LA9	Average Hours of Training per Year per Employee by Gender, and by Employee Category	●	72-73	●
	●	G4-LA10	Programs for Skills Management and Lifelong Learning that Support Continued Employability of Employees and Assist Them in Managing Career Endings	●	36-37	●
	●	G4-LA11	Percentage of Employees Receiving Regular Performance and Career Development Reviews, by Gender and by Employee Category	●	72-73	●

Aspect	Material	Indicators	Contents	Reporting	Page	Third-party Assurance
Supplier Assessment for Labor Practices	●	DMA	Management Approach for each Aspect	●	40	●
	●	G4-LA15	Significant Actual and Potential Negative Impacts for Labor Practices in the Supply Chain and Actions Taken	●	41-43	●
Labor Practices Grievance Mechanisms	●	DMA	Management Approach for each Aspect	●	34	●
	●	G4-LA16	Number of Grievances about Labor Practices Filed, Addressed, and Resolved through Formal Grievance Mechanisms	●	74	●
Human rights						
Human Rights Investment		DMA	Management Approach for each Aspect	●	34	●
		G4-HR2	Hours of Employee Training on Policies or Procedures Concerning Human Rights Relevant to Operations, and the Number of Employees Trained	●	72-73	●
Non-discrimination		DMA	General Management Approach	●	34	●
		G4-HR3	Total Number of Incidents of Discrimination and Corrective Actions Taken	●	N/A	●
Freedom of Association and Collective Bargaining		DMA	Management Approach for each Aspect	●	34	●
		G4-HR4	Operations and Suppliers Identified in which the Right to Exercise Freedom of Association and Collective Bargaining May be Violated or at Significant Risk, and Measures Taken to Support These Rights	●	39	●
Child Labor		DMA	General Management Approach	●	34	●
		G4-HR5	Operations and Suppliers Identified as Having Significant Risk for Incidents of Child Labor, and Measures Taken to Contribute to the Effective Abolition of Child Labor	●	N/A	●
Forced Labor		DMA	General Management Approach	●	34	●
		G4-HR6	Operations and Suppliers Identified as Having Significant Risk for Incidents of Forced Labor, and Measures Taken to Contribute to the Elimination of All Forms of Forced Labor	●	N/A	●
Supplier Human Rights Assessment	●	DMA	Management Approach for each Aspect	●	40	●
	●	G4-HR11	Significant Actual and Potential Negative Human Rights Impacts in the Supply Chain and Actions Taken	●	43-44	●
Society						
Local Communities	●	DMA	Management Approach by Aspect	●	50	●
	●	G4-SO1	Percentage of Operations with Implemented Local Community Engagement, Impact Assessment and Development Programs	●	51-54	●
	●	G4-SO2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	●	N/A	●
Anti-corruption	●	DMA	Management Approach by Aspect	●	16-17	●
	●	G4-SO3	Number AND Percentage of Operations Assessed for Risks Related to Corruption and the Significant Risks Identified	●	16-17	●
	●	G4-SO4	Communication and Training on Anti-corruption Policies and Procedures	●	16-17	●
	●	G4-SO5	Confirmed Incidents of Corruption and Actions Taken	●	N/A	●
Anti-competitive Behavior	●	DMA	Management Approach by Aspect	●	16-17	●
	●	G4-SO7	Number of Legal Actions for Anti-competitive Behavior, Anti-trust and Monopoly Practices and Their Outcomes	●	N/A	●
Product and Service Labeling	●	DMA	Management Approach by Aspect	●	26	●
	●	G4-PR3	Type of Product and Service Information Required for Labeling and Percentage of Significant Product and Service Categories Subject to Such Information Requirements	●	28-30	●
	●	G4-PR4	Number of Incidents of Non-compliance with Regulations and Voluntary Codes Concerning Product/Service Information and Labeling, by Type of Outcomes	●	N/A	●
	●	G4-PR5	Results of Surveys Measuring Customer Satisfaction	●	N/A	●

## UN Global Compact

LG Display has been committed to upholding the ten principles of the United Nations Global Compact (UNGC) in the four areas of human rights, labor standards, the environment, and anti-corruption. We produce an annual Communication on Progress (COP) on the progress that has made, and will continue to launch various activities that abide by the UNGC principles going forward.

### UN Global Compact Principles and LG Display's Actions

Category	Principle	Actions Taken	Page
Human Rights	1. Support and respect the protection of internationally proclaimed human rights	In-house training on sexual harassment prevention and human rights	37-38
	2. Noncomplicity in human-rights abuses	Employee benefits to help balance work and life	
Labor	3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	Freedom of association and the right to collective bargaining	39
	4. Elimination of all forms of forced and compulsory labor	Compliance with ILO regulations and UN Global Compact principles	
	5. Effective abolition of child labor		
Environment	6. Elimination of discrimination in respect of employment and occupation	Ban on gender-based discrimination in wage, assessment or promotion and equal employment opportunity through online application submission	46-49
	7. Support a precautionary approach to environmental challenges	Establishment and implementation of environment management policy	
	8. Undertake initiatives to promote greater environmental responsibility	Signing of toxic chemical management agreement	
Anti-corruption	9. Development and diffusion of environmentally friendly technologies	Development of eco-friendly, high-efficiency products	16-17
	10. Work against corruption in all its forms, including extortion and bribery	Employees' voluntary compliance pledge and education on ethics management	

# Third Party Assurance Report

To the Stakeholders of LG Display

The Korea Productivity Center ("the KPC" or "the assurance provider" hereafter) was commissioned to perform a third party assurance engagement of the "2015 LG Display Sustainable Management Report" ("the Report" hereafter) by LG Display. The KPC presents its findings as follows.

## Responsibility and Independence

The responsibility for the information and statements included in the Report lies solely with LG Display. The KPC is responsible for the assurance findings generated in the Report. As an independent assurance provider, the KPC was not engaged in the preparation of the Report in any other way and does not have any interest in LG Display in a way that may hamper its independence as an assurance provider.

## Assurance Standards

The KPC performed a Type 1 moderate level assurance engagement in accordance with AA1000AS (2008)<sup>1)</sup>. Following these assurance standards, the KPC verified the Report against principles such as inclusivity, materiality, and responsiveness in accordance with AA1000APS (2008)<sup>2)</sup>. In addition, the KPC verified whether the Report complied with the GRI G4 Guidelines.

1) AA1000 Assurance Standard (2008): A global assurance standard developed by Accountability that provides methods for the reporting on an organization's management of sustainability issues beyond financial indicators including its adherence to the Accountability Principles Standard and the reliability of its sustainability performance information.

2) AA1000 Accountability Principles Standard (2008): A global assurance principles developed by Accountability that provides a framework for the AA1000 standards.

## Limitations

This assurance engagement covers LG Display's 2014 performance in accordance with the assurance standards stated above. The KPC verified the financial data through financial statements and publicly announced materials. In addition, the KPC verified the environmental and social performance data by performing a Type 1 and sample-based moderate level assurance engagement. On-site inspections were limited to LG Display's corporate headquarters in Seoul, Korea. It should be noted that the results may change in cases in which additional verification processes are carried out.

## Assurance Methods

The KPC adopted the following methods in assuring this Report.

- The KPC verified whether the Report met the requirements of the Core Option of the GRI G4 Guidelines.
- The KPC verified whether the Report abided by the principles that concern the report content and quality in accordance with the GRI G4 Guidelines.
- The KPC, based on media research and benchmarking analysis, reviewed whether major issues were selected and described appropriately in this Report.
- The KPC verified the appropriateness of the report content, and any errors regarding the representation of such content, through comparative analyses made with other sources.
- The KPC conducted on-site inspections to verify the evidence of major data and information as well as internal processes and systems.

## Findings

The KPC believes that the Report is a sincere and fair representation of LG Display's sustainability management initiatives and achievements. The KPC verified that the Report satisfies the requirements of the Core Option of the GRI G4 Guidelines.

• **Inclusivity: Shareholder Engagement** LG Display categorizes its stakeholders into five groups, investors, customers, employees, suppliers, and local communities, in compliance with the Principles of Inclusivity. The KPC verified that LG Display clearly defined the communication channels and expectations of each group and gathered the opinions of its stakeholders through active

interaction and dialogue, through which the direction of long term sustainable management is being set.

**Materiality: Selection and Reporting of Key Issues** LG Display has proceeded with the GRI G4 Guideline, industry characteristics indicator, benchmarks of similar companies, etc., based on the issues of the last report. By visiting overseas affiliates and conducting interviews, LG Display has gathered a pool of issues raised by the opinions of global industry sites. Through the materiality evaluation, the influence on the organization and the influence on the decision making processes of the stakeholder were combined, and their order of priority determined. Along with the 2014 performance, the future objectives regarding the determined 7 key issues have been treated in the Reported in a balanced way.

**Responsiveness: Organizational Response to Issues** The KPC verified that the Report properly demonstrates LG Display's awareness of the key issues that would impact stakeholder judgment of its performance and that it undertook measures to resolve such issues. LG Display is disclosing its sustainable management vision, promotion organization, and annual promotion plan through the Report, while stakeholders are making detailed proposals on future strategies and promotion plans through the stakeholder participation page.

## Recommendations

KPC highly rates the range of endeavors and achievements made by LG Display to advance its sustainability and presents the following recommendations to enhance LG Display's future reports and its level of sustainability management.

- Sustainable management strategies and related, detailed activity objectives need to be proposed in order to systematically drive sustainable management. The KPC suggests that LG Display identify and consistently manage tasks and key performance indicators (KPI) based on the system in order to drive focused sustainability management and produce standardized reporting on its sustainability management activities and achievements. It is further recommended to consider measures to report these transparently through this Report.
- The range of this Report includes the environment performance data of 5 overseas affiliates in China and Finland. It is recommended that, in the future, the verifications and integrated data management not be limited to the environment field but also include the general, social field.

It can be difficult to represent the opinions of the entire group of stakeholders through surveys and employee interviews. It is recommended that an objective, quantified evaluation and management program be established in order to objectively verify that the collected opinions of each stakeholder group represent the opinion of the entire group.



June, 2015  
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The Korea Productivity Center Sustainability Management Center is an assurance agency officially certified by Accountability, which established AA1000 (international standards for stakeholder engagement and assurance), and is qualified to perform independent assurance engagements. Our Assurance Committee is comprised of competent experts who have ample experience in sustainability management consulting and assurance and have completed the relevant professional training.

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## Awards, Recognitions and Memberships

### Awards & Recognitions

No.	Award & Recognition	Organizer	Date
1	11th Korea Safety Contest, Presidential Award (Gumi Plant)	Safety & Certification Association	
2	2012 Investment Attraction Award, Grand Prize (Gumi Plant)	Gyungbuk-do	
3	Family-friendly Management Award, Prime Minister's Award	Ministry of Gender Equality and Family	2012
4	Korea World-class Product Award for WRGB OLED Panel	Ministry of Knowledge Economy	
5	SID Best in Show: 55" FHD 3D OLED Panel	SID	
6	World Health Day "Hidden Man of Merit Citation" by Prime Minister	Ministry of Health & Welfare	
7	AAA Certification, AEO, Authorized Economic Operator	Korea Customs Service	
8	Korea Green Management Excellence Award, Environment Minister's Citation	Ministry of Environment	
9	National Display R&D Project Workshop, Award from Minister of Trade, Industry & Energy	Ministry of Trade, Industry & Energy	2013
10	Listed in DJSI Asia Pacific Index	Dow Jones, RobecoSAM	
11	77" UHD Curved OLED Display, Award from Minister of Trade, Industry & Energy 2014	Ministry of Trade, Industry & Energy	
12	Citation by Chairman of Fair Trade Commission for excellent performance in shared growth agreements	Fair Trade Commission	
13	Citation from Prime Minister as a Resource Recycling Leading Company Ministry of Environment	Ministry of Environment	
14	Citation on Industrial Technology Security Day	Ministry of Trade, Industry & Energy	
15	G Flex (adopting flexible plastic OLED), Gold Display Application of the Year Award	SID	2014
16	55" Full HD Curved OLED TV, Silver Display Application of the Year Award	SID	
17	55", 65" and 77" UHD Curved OLED TV, Best In Show	SID	
18	KAIST Intellectual Property Award	Korea Patent Attorneys Association, KAIST, Korean Association of Intellectual Property Services	
19	Listed in DJSI Asia Pacific Index	Dow Jones, RobecoSAM	
20	Listed in East Asia 30	Hankyoreh Economic Research Institute	

### Memberships

No.	Associations and Organizations	No.	Associations and Organizations
1	Federatin of Korean Industries	12	Paju Fire Safety Association
2	Korea Chamber of Commerce and Industry	13	Industrial Health Association
3	Korea Display Industry Association	14	Korea Association of Occupational Health Nurse
4	Korea Printed Electronics Association	15	Korea Information Display Society
5	Korea International Trade Association	16	High Touch Industry Association
6	Fair Competition Federation	17	Korea Association for Industrial Technology Security
7	Korea Listed Companies Association	18	UN Global Compact
8	Korea Investor Relations Service	19	Korea Intellectual Property Association
9	Nano Technology Research Association	20	Korea Invention Promotion Association
10	Consortium of Semiconductor Advanced Research	21	International Trademark Association
11	Korea Industrial Safety Association		





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