



You Dream, We Display

2015-2016

LG Display Sustainability Report

About this Report

This report is the fifth issue of LG Display sustainability. LG Display issues this report to share with its achievement toward “Global No.1 Sustainable Company” with our stakeholders. We have organized this report around our corporate vision “You Dream, We Display” with the accomplishments related to sustainable management issues. LG Display plans to continue its annual report on sustainability as a communication channel to our stakeholders.

Reporting Regions and Period

Reporting regions include LG Display Korea (Seoul head quarter, Gumi, Paju) and LG Display China (CA, Nanjing, Guangzhou, Yantai) This report shows our sustainable management activities from January 1, 2015 to December 31, 2015 with the quantitative performance based on data gather over three years in order to present the trends more clearly. This report also includes a partial qualitative performance of early 2016.

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. 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.

The detail information of the assurance group is provided on page 78 of this report.

Further Information

LG Display Sustainability Report can be searched and downloaded from its website at www.lgdisplay.com in Korean, English, and Chinese. Please contact LG Display CSR Team for more information or inquiries.

LG Display CSR Team

Address : 128 Yeo-ui Daero, Yeong Deung Po Gu, Seoul, Korea

TEL : 02.3777.0865

EMAIL : csr@lgdisplay.com

Cover Story



LG Display is dedicated to make customers' lives more convenient and exciting through creating the best customers' values by all employees. Furthermore, LG Display is proactively taking its social responsibilities even from local neighbors to global environment. LG Display believes in making better life for customers, partner companies, and stakeholders with LG Display. The goal of LG Display's sustainable management is happiness of all of our stakeholders.

You Dream, We Display

LG Display SUSTAINABILITY REPORT 2015-2016

CONTENTS

SUSTAINABILITY GOVERNANCE

02	CEO Message
04	Messages from Management
06	Company Overview
08	LG Display Product Overview
10	Corporate Governance
12	Jeong-Do Management
14	Risk Management
15	Compliance
16	Information Security
17	Stakeholder Engagement
18	Sustainability Management Scheme
20	Creating Shared Value based on Business model
22	Materiality Assessment
24	LGD Highlights

SUSTAINABILITY ISSUES

Display the Better Future

28	01 Creating Innovative Value for the Future
33	02 Gaining Trust by Prioritizing Safety
38	03 Managing Environment for the Future Generation

Dream with Our stakeholders

43	04 Building a Mutually Cooperative Culture
49	05 Growing Together through Strategic Social Contribution
54	06 Creating Employees-oriented Value with a Joyful Corporate Culture

CHINA CSR PERFORMANCES

62	Sustainability Overview
64	LGDCA
65	Guangzhou Plant
66	Nanjing Plant
67	Yantai Plant

APPENDICES

68	CSR Quantitative Performances Economical Performances Environmental Performances Social Performances
73	GRI Index
77	UNGC
78	Third Party Assurance Report
80	Awards, Recognition and Membership
81	Contributions to Report Preparation

CEO Message

During the year of 2015, LG Display has remained our position as the advanced corporation in the global display industry through development of differentiated technologies and expansion of product portfolio in the aggressive competitiveness against Chinese and Taiwanese competitors and prolonged global economic recession. We also have secured our future growth drivers in automobile display market, lighting business and digital signage through investments in OLED sector, which is the display of the future generation.

LG Display has lead creating economic values by developing eco-friendly products and continuous energy reduction activities as well as creating economic values. In addition, we have practiced responsible management, which considers not only for our employees but also for employees in partner companies, through managing thoroughly fundamental risk factors to realize safe workplaces. Together with these activities, we have promoted win-win cooperation activities for the sustainable growth of our partner companies, and strengthened CSR risk management in our supply chain, including proactive responding to conflict minerals.

LG Display has promoted strategic social contribution activities that link to our businesses as a part of shared value creating activities for building mutually benefited society with our local communities. With the results of these efforts, LG Display has been listed in the Dow Jones Sustainability Asia Pacific Index for three consecutive years.

Even in the future LG Display will continue to pursue proactive communications with our stakeholders to develop the corporate sustainable development based on our management philosophies, value creation for the customers and human respect, and we will devote to be the more socially responsible company.

Wish your continuous interests and supports to LG Display. Thank you very much.

한상범

CEO and Vice Chairman of LG Display Sang-Beom Han

“

Dear respected stakeholder, thank
you deeply for your concord love and
encouragement to LG Display.

”



Messages from Management

"We will lead the global display market by strengthening the competitiveness of OLED as a source of the future growth"



Head of OLED Division / President **Sang-Deok Yeo**

***DoT(Display of Things):** Contrast to IoT (Internet Of Things), DoT represents display of any form available anywhere to eliminate the boundary between products in the industry.

The Era of DoT*(Display of Things) will open before us as displays become the main communicating channel between things and people in near future. Future industry with realistic visualization will not be restricted by the form of displays such as flexible or circular display. LG Display believes and invests in OLED technology as the most compatible resource for DoT era. LG Display will take a lead in the global display market with its competitive production capability for extraordinary products such as plastic and transparent OLED products.



"LG Display promises to show its relentless effort to make eco-friendly plants"

CPO (Chief Production Officer) / Executive Vice President **Cheol-Dong Jeong**

LG Display is practicing various efforts to regenerate itself as a sustainable corporate including strict safety management, innovative reduction of GHG emission, and water use reduction. LG Display has obtained international standard certifications in three categories of environment safety health to secure and further the safety of domestic workplace with its own safety culture. It is also taking a leading position in eco-friendly management through energy saving, reduction of GHG emission from manufacturing plants via factory gas reduction and substitution, and recycling system of waste water with to contribute to global drought. As a global leading corporate, LG Display will continue its sincere efforts to be a sustainable corporate that answers its stakeholders' demands.

"We promise to build sustainable corporate by taking its corporate social responsibilities based on cooperation of all employees and local community"



General operation management of Chinese subsidiaries / Executive Vice President **Yu-Seong In**

LG Display needs to contribute to the economy growth of local communities and taking its social responsibilities to become a sustainable corporate in China. Thus, LG Display provides safe and healthy working environment by implementing international safety & Health management system and protecting the employees' rights by complying with local safety and labor regulations. It is also trying to create mutual value with the local communities through communication and social contribution activities from each plant. LG Display promises to build a sustainable corporate by taking its corporate responsibilities based on cooperation of all employees and local communities.

“LG Display will create mutual social values that can be shared with the stakeholders”



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

LG Display tries to create mutual social values shared with its stakeholders. This means to provide good products and service to customers and create added value for local communities and country with employees, partner companies, and stakeholders. In order to achieve this, LG Display is widely taking its social responsibilities for local and global communities by conforming to standard and regulations for managing the safety and health, the working environment, controlling the conflict minerals supply, and even response to climate change. We will continue our virtuous cycle of working with the best and maintaining the corporate reputation to achieve global level of sustainability.



“We will focus all of the company's competencies to make a more sustainable company through systematic strengthening of financial and non-financial risk management.”

CFO(Chief Financial Officer) / Senior Vice President **Sang-Don Kim**

In order to operate a sound company, it is crucial to uphold our corporate social responsibilities to stakeholders and communities. LG Display has successfully managed financial risks, such as credit risk, interest rate risk, currency risk, and etc., and a variety of non-financial risks that are linked to various stakeholders. In particular, we regularly monitor and review fair trade operation of the Internal Transaction Committee. Also, we inspect the implementation of our risk management system in accordance with internal rules and government regulations through management audits and internal control reviews. We will continue to assert our responsibilities as a corporate citizen and become a more sustainable LG Display in order to be a world-class corporation.

“We will continue to show different efforts to provide differentiated products and technology for customers”



CTO (Chief Technology Officer) / Senior Vice President **In-Byeong Kang**

LG Display, is introducing differentiated product and technology including UHD HDR OLED TV, Circular plastic OLED, AIT (Advanced In-cell Touch), M+ to regenerate as a sustainable managing corporate with its global competitiveness. Moreover, LG Display is focusing on making future-oriented OLED beyond the expectation and nurturing valuable R&D employees through various programs including LGenius, Technical Talk, Techno and Conference. Based on these efforts, LG Display will make the new life with you. “You Dream, We Display.”



“We strive to be a well balanced corporate between leadership and followership.”

Head of HR Group / Senior Vice President **Seong-Min Kim**

There is human in the foundation of corporate. Thus, LG Display is trying to provide opportunities and joyful working environment to more employees as the HR's focus. LG Display offers opportunities for college undergraduates to experience related field work and to apply for employment after graduating. Furthermore, LG Display is creating joyful working environments based on 'Wellness, Family Friendly, Joyful Energy' and operating IDP (Individual Development Program) to contribute to consistent self-development and open communication that will lead to competency raise. LG Display will continue its effort to be a well balanced corporate between leadership and followership by supporting our employees' professionalism and passion.

Company Profile

Company Overview

LG Display is a global display panel manufacturing company that was established in 1987 by developing and producing TFT-LCD and related products. We are producing LCD and OLED panels in Gumi and Paju Plants in Korea, while China Guangzhou Plant is operating panel production lines, Plants in China and Poland are operating module production. We are also operating overseas sales offices in order to expand local markets efficiently. As of the end of 2015 we have around 50,000 employees worldwide.

Vision

LG Display's vision is 'You Dream, We Display'. The word 'You' refers to all our stakeholders, while 'Display' means LG Display's commitment that realizes the dreams of our stakeholders. LG Display will create a world that our stakeholders dream and talk through creative thinking and innovative technology.

Milestones

This is the history of LD Display.

“ You Dream,
We Display. ”



1985~1995	1997~2003	2004~2007	2008~Present
Establishment	Growth and Development	Extreme Challenge	Advancement
<p>1985 • Established Goldstar Software Co., Ltd.</p> <p>1987 • Began TFT-LCD R&D at Goldstar R&D Center</p> <p>1990 • Established Anyang R&D Center</p> <p>1993 • Launched LCD business division within Goldstar</p> <p>1995 • Changed the corporate name to LG Software Co., Ltd.</p> <ul style="list-style-type: none"> Began mass production of TFT-LCD at P1, the first fabrication plant, in Gumi, Korea First unveiled 9.5-inch LCD panel 	<p>1997 • Changed corporate name to LG Soft Co., Ltd.</p> <ul style="list-style-type: none"> Began mass production at P2 in Gumi, Korea <p>1998 • Changed the corporate name to LG LCD Co., Ltd.</p> <p>1999 • Launched LG Philips LCD Co., Ltd, a joint venture with Royal Philips Electronics</p> <p>2000 • Began mass production at P3 in Gumi, Korea</p> <ul style="list-style-type: none"> Developed the world's first 20.1-inch LCD panel for TVs <p>2001 • Developed the world's first 12.1-inch transfective LCD panel</p> <p>2002 • Began mass production at P4 in Gumi, Korea</p> <p>2003 • Developed the world's first 42 and 55-inch LCD panel for HD TVs</p> <ul style="list-style-type: none"> Began mass production at P5 in Gumi, Korea Began mass production at assembly plant in Nanjing, China 	<p>2004 • Staged ground-breaking ceremony for Display Cluster and P7 in Paju, Korea</p> <ul style="list-style-type: none"> Became the first Korean company concurrently listed on both the Korea Exchange (KRX) and New York Stock Exchange (NYSE) Began mass production at P6 in Gumi, Korea <p>2005 • First time passed the sales milestone of 10 million LCD TV panels</p> <p>2006 • Developed the world's first and largest 100-inch Full HD LCD panel</p> <ul style="list-style-type: none"> Staged opening ceremony for Display Cluster and P7 in Paju, Korea <p>2007 • Began mass production at assembly plant in Wroclaw, Poland</p> <ul style="list-style-type: none"> Developed the world's first 14.1-inch color flexible E-Paper Began mass production at assembly plant in Guangzhou, China 	<p>2008 • Changed the corporate name to LG Display Co., Ltd.</p> <p>2009 • Began mass production at P8 in Paju, Korea</p> <p>2010 • Began mass production at AP2, LTPS production line, in Paju, Korea</p> <ul style="list-style-type: none"> Began mass production of the world's first FPR (Film-type Patterned Retarder) 3D display <p>2011 • Developed the world's first 55-inch OLED TV panel</p> <p>2012 • Staged ground-breaking ceremony for the 8.5th Generation LCD panel plant in Guangzhou, China</p> <ul style="list-style-type: none"> Began mass production at P9, an LCD fabrication plant, in Paju, Korea Developed 'transparent and flexible displays' sponsored by the Ministry of Knowledge Economy Began mass production of the world's first 84-inch Ultra HD LCD panel for Interactive whiteboards <p>2013 • Began mass production of the world's first 55-inch OLED TV panel</p> <ul style="list-style-type: none"> Developed the world's narrowest 3.5mm bezel video walls Began mass production of the world's first 6-inch flexible OLED panel for mobile devices Developed the world's first 105-inch curved Ultra HD TV LCD <p>2014 • Began mass production at AP3, an LTPS production line, in Gumi, Korea</p> <ul style="list-style-type: none"> Developed the world's first 18-inch flexible and transparent OLED panels Developed the world's narrowest 0.7mm bezel FHD LCD panel for smartphones Began mass production at E4, an OLED production line, in Paju, Korea <p>2015 • Began mass production of 5.5-inch QHD LCD panel with AIT technology</p> <ul style="list-style-type: none"> Took over OLED lighting business from LG Chem Investment in P10, the World Largest OLED Producing Plant

Leading Global Markets

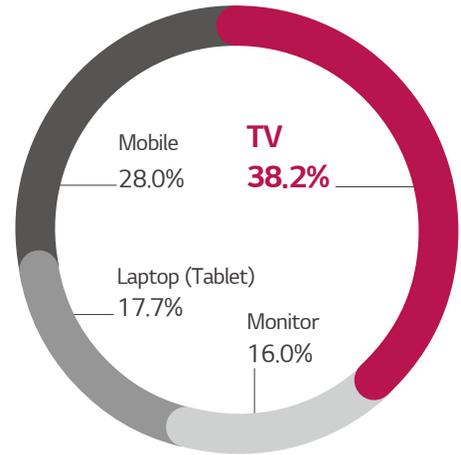
Business Performance | The revenue in 2015 reached KRW 28.3839 trillion, which is increased 7% YoY, from the differentiated product development, such as M+ UHD TV, IPS monitors, high resolution Mobile, etc. The operating profits reached KRW 1.6256 trillion, which is increased approximately 20% YoY, by increasing of high value-added product ratio based on our technology and product competitiveness.

Market Share | According to the IHS in 2016, we achieved the world no. 1 for the five consecutive years with 23.4% of global display market shares based on large-sized LCD shipments. LG Display will continue to keep the global leader's position with our best production competitiveness in LCD, OLED, LTPS, etc.

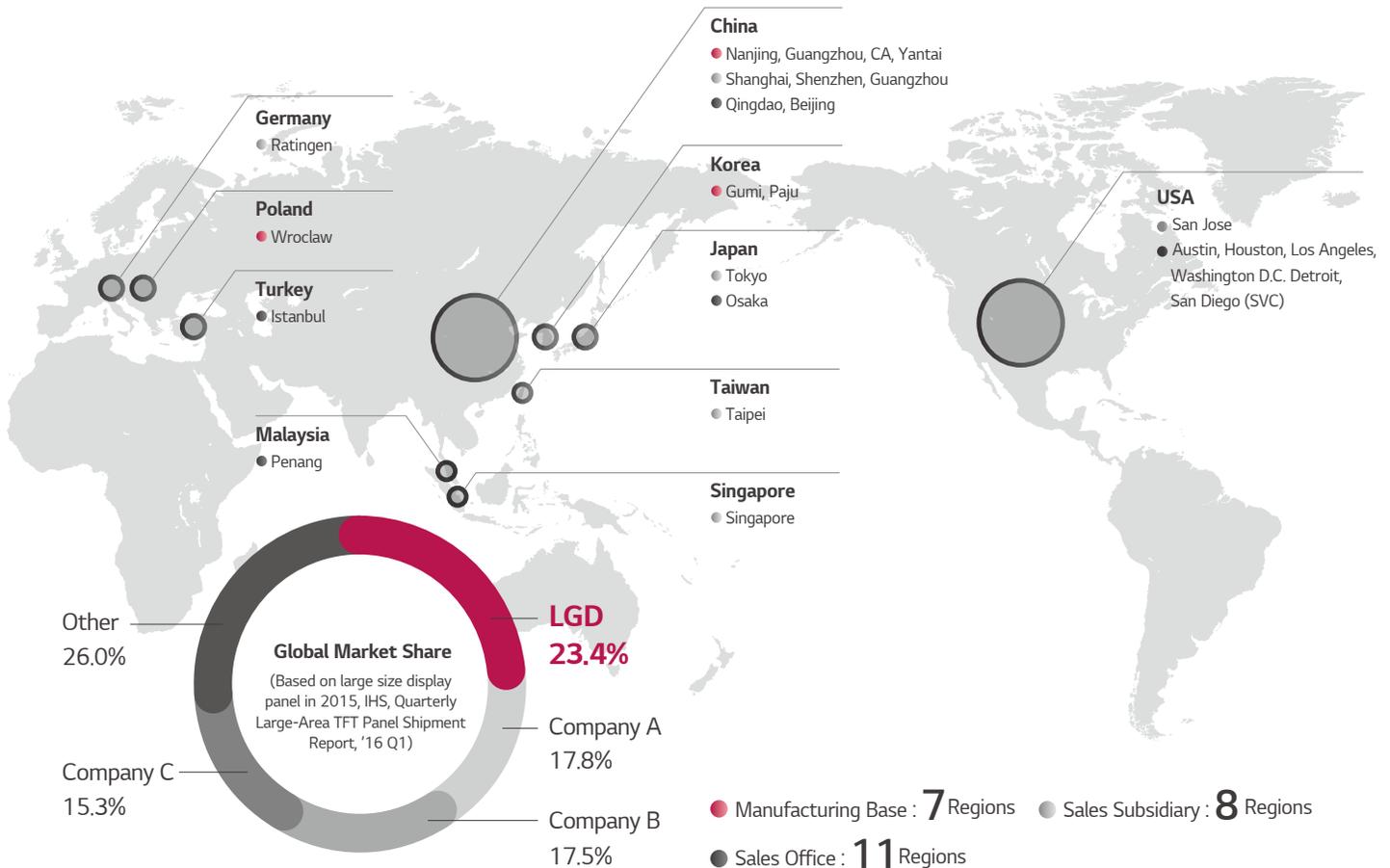
Global Network

Headquartered in Korea, LG Display operates a global network of 26 worksites composed of seven manufacturing bases, eight sales subsidiaries and 11 sales offices across the world. We practice customer satisfaction management by localizing manufacturing and distribution through our global network.

Operating Profit Ratio by Product



Revenue



LG Display Products

OLED

LG Display's OLED TV presents more vivid colors with precise color expression and perfect viewing angle by using differentiated WRGB 4 Color method, which does not require backlight.



TV

LCD

LG Display's UHD TV, which is based on M+ technology realizing brighter and excellent resolution and lowers power consumption, and Art Slim, the thinnest and lightest innovative product, provide differentiated values to our customers.



Notebook

Laptop Display

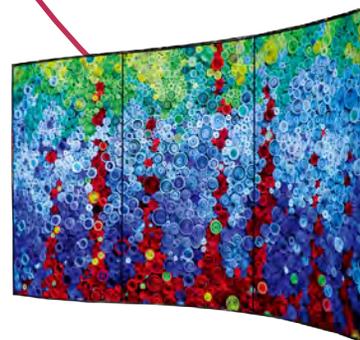
Not only high resolution picture quality based on AH-IPS but also low power consumption is realized, in particular, with the innovative design of Bezel, we provide smart user environments, such as light weight as well as low power consumption, to customers.



Commercial

Commercial Display

LG Display provides the most optimal technology for large displays that minimizes cut-off or distortion of images by realizing the world's narrowest bezel that. The bigger size of display can be used for places where mega-sized displays are needed such as airports and control rooms.





Transparent Display

LG Display applied the differentiated high-transmittance technology to improve the performance of transparent displays. Transparent displays can show products to be advertised behind the screen and run the video on the screen at the same time to catch the attention of consumers and maximize the effect of advertisements.

New



Flexible Display

Flexible Display offers differentiated design values, including 'Bendable, Foldable, Rollable' displays. And its 60% lighter compared to glass-based design provides portability and this display does not break easily even you drop it by accident.

Mobile



Mobile Display

Mobile Display enables users to enjoy brighter high resolution pictures and more life-like blue-ray videos with LG Display's AH-IPS technology and UV alignment and Quad-HD picture quality based on N-type Liquid Crystal technology.



Tablet Display

By inserting touch sensor inside of panel, LGD's original technology, no separate Bezel space is required. And with AIT technology that reduced thickness, thinner and lighter design and excellent touching feeling are provided to customers.

Auto



Auto Display

LG Display provides the various information to drivers and passengers with AH-IPS featuring high resolution, high luminance and wide viewing angle which is the display standard smart car trend.

LG Display

Corporate Governance

Structure of Board of Directors

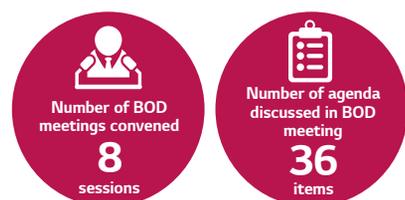
LG Display's Board of Directors consists of seven members: two executive directors, one non-standing director, and four outside directors. The BOD operates three committees: Audit Committee, Outside Director Nomination Committee, and Management Committee.

BOD Members

As of March 2016

Category	Name	Position
Non-standing director	Yu-Sik Kang	BOD Chairman, Vice President of LG Economic Research Institute
Executive director	Sang-Beom Han	Representative Director and CEO
Executive director	Sang-Don Kim	CFO
Outside director	Jin Jang	Professor, Department of Information Display, Kyung Hee University
Outside director	Joon Park	Professor, School of Laws, Seoul National University
Outside director	Sung-Sik Hwang	President of Samchully Co., Ltd.
Outside director	Guen-Tae Han	CEO of Hans Consulting

BOD Operational Performance of 2015



Activation of BOD

The BOD is a main decision-making agent for the company's important issues and performs check on major business issues of the company. During the year of 2015, the BOD had discussed total 36 items, including quarterly business performance reporting, appointment of the CEO, approval of POLED investment, and etc. LG Display will do our best to assist the BOD to be more active in order to reflect various stakeholders' opinions in our business operation.

Activities of BOD Sub-committees

We have operated sub-committees based on each director's expertise to expand the BOD's activities and to strengthen the BOD's expertise. The Audit Committee assesses internal audit and conduct auditing the company's accounting and businesses. The Outside Director Nomination Committee nominates outside directors who will be appointed at the General Shareholders' Meeting. And the Management Committee, which is composed of executive directors, are entrusted to deal with normal business issues and financial issues under a certain size in order to assist the BOD to focus on the more important agendas and to review them efficiently.

Formation of Sub-committees in BOD

As of March, 2016

Category	Composition	Name	Purpose of Committee	Activities in 2015
Audit Committee	Three outside directors	Joon Park Jin Jang Sung-Sik Hwang	Auditing the company's accounting and business and conducting evaluation of internal audit	5 times (Evaluation of operation of internal accounting management system, assessment of operating status of internal audit system, etc.)
Outside Director Nomination Committee	One non-standing director Two outside directors	Yu-Sik Kang Jin Jang Sung-Sik Hwang	Nominated outside director to appoint at the General Shareholders' Meeting	1 time (Agenda on outside director nomination)
Management Committee	Two executive directors	Sang-Beom Han Sang-Don Kim	Assist the management to perform business quickly and the BOD to focus on the more important agendas to assess them efficiently through entrusting the Management Committee with dealing with normal business issues and financial issues under a certain size	2 times (Issue of non-warranty bond, and etc.)

Appointment Procedure of Outside Director



Independence and Expertise of BOD

LG Display has four outside directors, accounting for more than half of the total seven board directors, in order to keep the independence of the BOD. Outside directors are nominated by strict reviews of the Outside Director Nomination Committee and approved by the BOD in accordance with relevant laws and regulations such as the Commercial Law. And then, appointed at the General Shareholders' Meeting. Also, LG Display selects outside directors who have expertise and experiences in various fields in order to support effective and efficient decision-making of the BOD as well as to ensure its high level of expertise.

Performance Assessment and Remuneration of BOD

The assessment of the BOD and management is conducted by evaluation of KPI based on the reviews of LG Display's mid-to-long-term business plans. According to the results of the evaluation, the remuneration of the directors is determined within the limit approved at the General Shareholders' Meeting.

* BOD remuneration limit: KRW 8.5 billion (Approved by the General Shareholders' Meeting 2015)

BOD Remuneration* As of December, 2015

Unit: KRW 1 million

Category	No. of Directors	Total Remuneration Paid	Average Remuneration per Director
Registered director	3	2,611	870
Outside director	0	57	57
Auditor	3	234	78
Total	6	2,902	

- * 1) Outside directors and the Audit Committee members are excluded in the registered executive directors
- 2) Outside directors are excluded the outside directors who are the members of the Audit Committee, and Mr. Kwon Dong-Il, an outside director resigned during his tenure as of 25 September 2015
- 3) No remuneration for Mr. Kang Yoo-Shik, a registered director
- 4) Average remuneration per person is divided the total amount of remuneration by average number of the BOD members of annually accumulated number of BOD members in the year of 2015

Remuneration Paid Per Director and Calculation Criteria* As of March, 2016

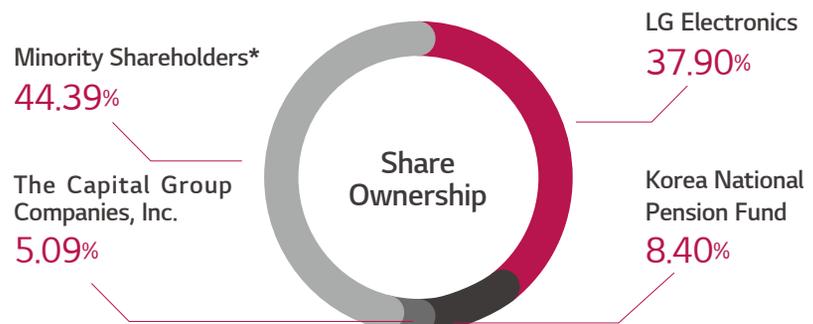
Unit: KRW 1 million

Name	Position	Total Remuneration Paid	Calculation Criteria
			1,177 Calculated according to the executive compensation regulations approved by the BOD
Sang-Beom Han	Vice chairman	2,017	840 The bonus was calculated by considering continued market leading position through continuous differentiated technology and product launching, contribution to profit improvement and strengthening of market position, and demonstrated leadership to achieve the company's management objectives.

* In accordance with the related law, the compensation for registered director, who receives more than KRW 500 million, is disclosed. In 2015, the chief financial officer, Mr. Kim Sang-Don, received a total of KRW 594 million: salary KRW 393 million and bonus 201 million. The bonus was provided for his achievements in making proactive efforts to establish enterprise wise risk management system and performance management system, and in consideration with his leadership in advancing core task process and infrastructure.

Shareholders Status

LG Display briefs our shareholders on the business status of the company at the annual General Shareholders' Meeting, and discloses our quarterly, half-yearly, and annual business performances on our company homepage. By doing so, we will continue to reflect proactively the various expectations and needs of our shareholders by communicating with the shareholders through diverse channels.



* 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 Korea Financial Supervisory Service's DART System (<http://dart.fss.or.kr>).

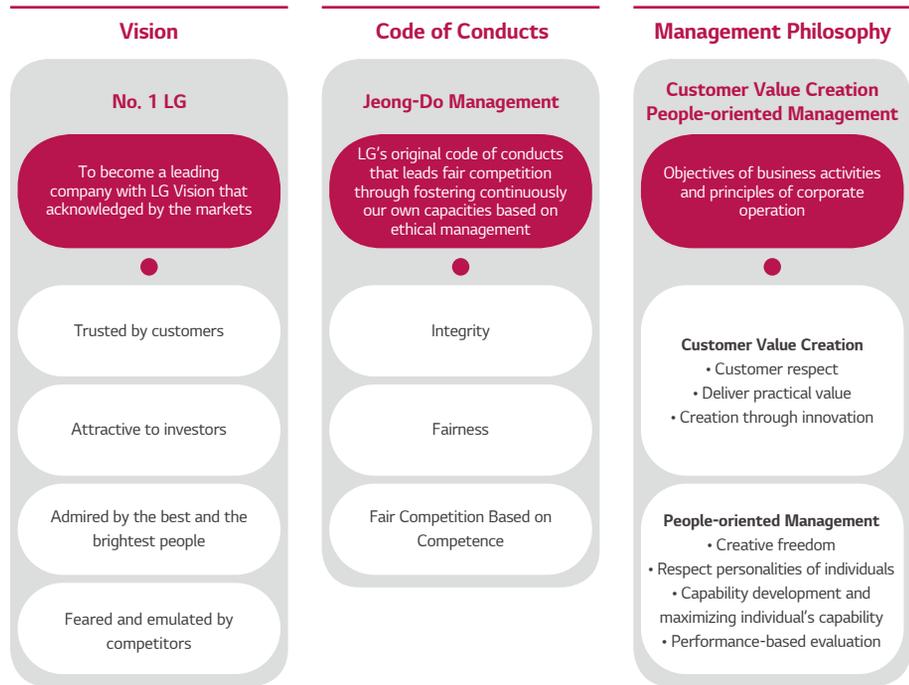
Jeong-Do Management

LG Way

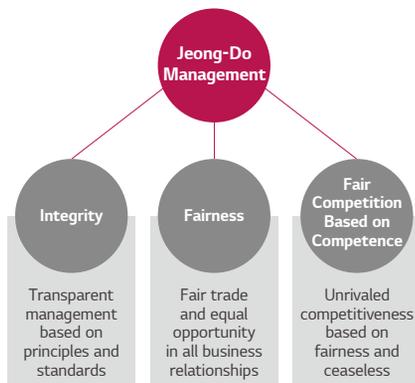


LG Way

The LG Way is a guidance for all LG employees. At the same time, it is our unique belief and philosophy in attaining the vision of becoming 'No. 1 LG' through 'Jeong-Do Management' that is rooted in 'Customer Value Creation' and 'People-oriented Management'.



Jeong-Do Management Operational System



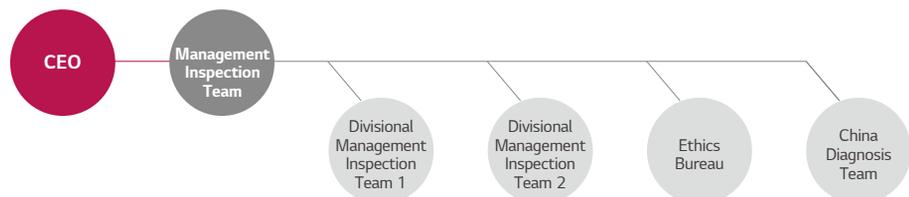
Jeong-Do Management Operational System

LG Display, as a corporate citizen, follows principles and standards to take responsibilities and duties for our society and practices Jeong-Do Management based on fair competition in accordance with unrivaled competence.

Jeong-Do Management Organization

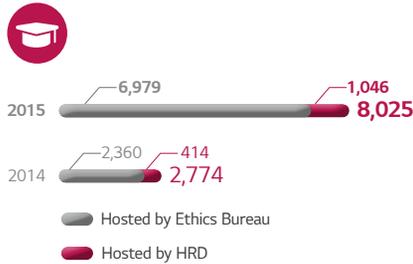
Divisional Management Inspection Team 1 and 2 inspect business processes either regularly or frequently and performs consultation activities to practice Jeong-Do Management. The Ethics Bureau investigates wrongful and fraud through reports or diagnosis and also carries out fraud prevention activities through Jeong-Do Management education and promotion. In addition, a Management Inspection Team in China provides localized education, promotion, process diagnosis, and report investigations to ensure Jeong-Do Management.

Jeong-Do Management Organization



Number of Jeong-Do Management Training Participants in 2015*

unit: person



* Conducted on domestic and overseas employees

Jeong-Do Management Internalization Activity

Jeong-Do Management Training

LG Display performs active training for employees to internalize Jeong-Do Management. The Ethics Bureau as an initiative spearhead practiced online trainings for every office employees and off the job trainings for promoted employees, organization leaders, and overseas assignees in 2015. In addition, we provided trainings that were tailored to different departments such as procurement, R&D, and manufacturing and also ensured practical internalization activities for Jeong-Do Management through training both supervisors and employees working in overseas subsidiaries.

Pledge of Jeong-Do Management Practice

Aiming to improve all employees' awareness of Jeong-Do Management as to business performance with customers, partner companies, and competitors, LG Display recommends all employees and the heads of partner companies to sign the 'Pledge of Jeong-Do Management Practice'. The pledge includes clauses stipulate that members are to follow LG Display's code of ethics and are required to practice Jeong-Do Management.

Jeong-Do Management Survey

LG Display conducts an annual survey on all employees to examine their practice of Jeong-Do Management and their awareness of Jeong-Do Management and also to bring about further improvements in deficient areas. We had conducted the survey for three weeks in June 2015 on domestic and overseas employees* and determined that the level of awareness of Jeong-Do Management has improved.

* Domestic office workers, technicians and overseas FSE, ISE, only including office workers



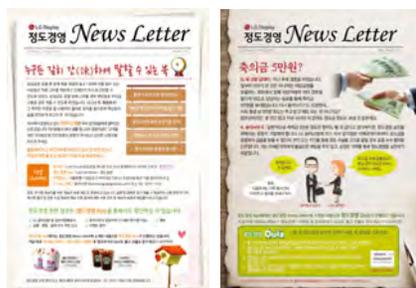
Kakaotalk LGD Sinmungo account

Jeong-Do Management Cyber Whistleblower System

In order to effectively practice Jeong-Do Management by preventing the violation of a code of ethics and eradicating corruptions, LG Display operates 'JeongDo Management Cyber Sinmungo,' our online anonymous whistleblower system. The identity or content of a whistleblower is protected by our safe security system, and the company clearly states that it takes measures for the whistleblowers not to have any disadvantage. In addition, it created the 'lgsd sinmungo' account on Kakaotalk for all employees to more easily report fraudulent acts. At the same time, in order to activate reports of the fraudulent acts, we reward whistleblowers and therefore contribute to eradication of corruptions.

Promoting Jeong-Do Management

LG Display consistently carries out public relations work which includes publishing corporate publications such as the company magazine and blog newsletter for staff members to recognize that the practice of Jeong-Do Management is not optional but compulsory and staff can participate in a wide array of promotional quizzes and events designed to raise awareness. Especially, the company has distributed the Jeong-Do Management newsletter published in Chinese since 2015 so that it can share the value of Jeong-Do Management and improve all local employees' ethics. Moreover, we developed a Jeong-Do Management application for all members so they can easily reference LG's code of ethics and a practical manual of LG's code of ethics.



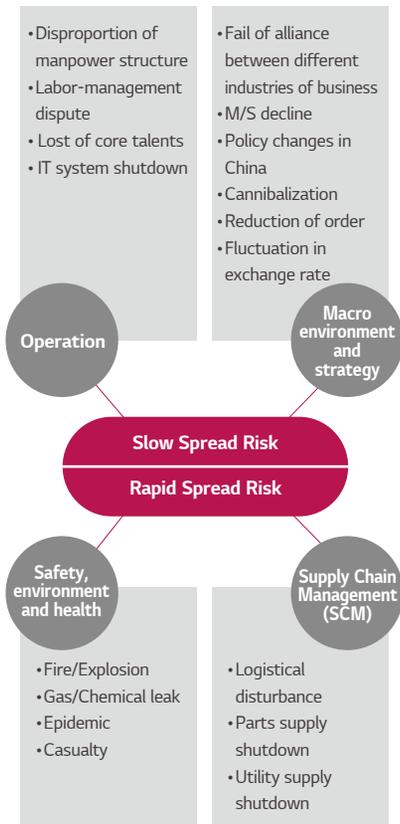
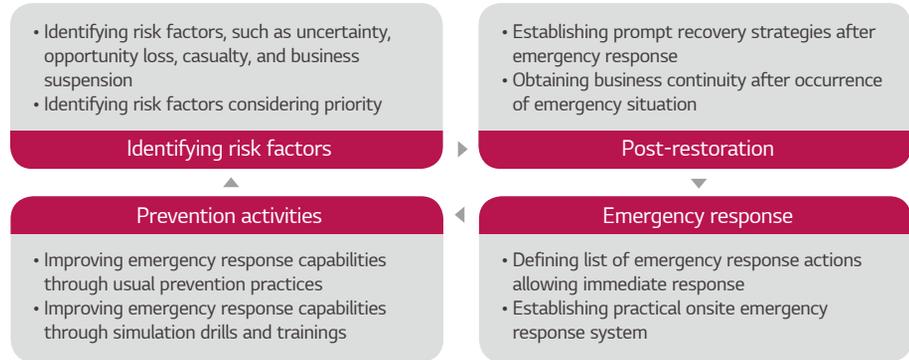
Jeong-Do Management Newsletter

Risk Management

Strengthening of Integrated Risk Management System

LG Display has initiated a corporate-wide effort to detect internal and external risks and taking prompt action on them. Particularly, we established an integrated risk management system through risk analysis by reclassifying existing risk categories and selecting core risks based on risk factors and magnitude.

Risk Management Process



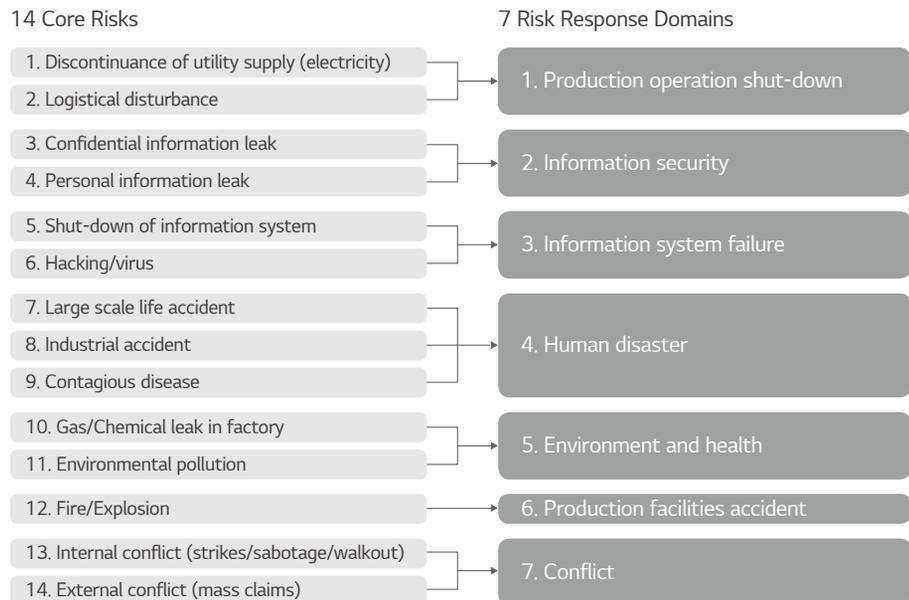
Risk Classification

LG Display manages risk categories by classifying them into either a rapid spread or slow spread risk, and the rapid spread refers to the risks occurring in the aspects of safety, environment and health and supply network management and we take prompt action on its occurrence. The slow spread is the risk taken place in operational/macro environment and strategic respects, and we have practiced regular monitoring perceiving the risk before it occurs.

Risk Management Manual

LG Display will develop a risk management manual based on scenarios reclassifying 14 core risks into seven risk domains so as to attune to a risk development process.

7 Risk Response Domains



Compliance

Compliance Management Activities

LG Display has operated a compliance management plan designed to improve compliance. The company manages compliance risks by identifying major risk categories such as Fair trade, human resources, intellectual property rights, environment, and safety assigning classifications through evaluating risk factors and significance, and by creating action plans. In addition, we perform systematic compliance management activities with thorough follow-up actions through continuous monitoring.

Compliance Officer System

LG Display operates a compliance control system aimed at devising a compliance control standard and appointing a compliance officer. We already completed forging the estimation and management of legal risks, restrictions on infringements, and an education system according to the compliance control standard, and therefore we also have performed compliance control activities. Furthermore, the company reports the evaluation results of compliance support system and validity of the monitoring system to the board of directors so that we can effectively manage the compliance control system.

Compliance Risks Management System



1 Risk Identification

Identify risks and categories that have possibilities of violating regulations in business process

2 Risk Assessment

Classify identified risks by assessing their probability and impact

3 Mitigation Planning

Establish a response plan and mitigation action plan to reduce risks

4 Monitoring

Implement a mitigation action plan and continuous monitoring

Establishing Employees' Awareness on Compliance

Compliance Training

LG Display implements a variety of compliance training programs in order to establish its employees' awareness on compliance. In 2015, we offered compliance training programs regarding our philosophy, system, and related activities to 454 entry level office staff and 63 experienced employees who were newly hired. In addition, we shared local regulations and critical compliance issues with managers in overseas subsidiaries. And we provided training on the Fair Subcontract Transactions Act to departments directly working with partner companies in order to prevent any potential dispute between the company and partner companies. LG Display will continue our efforts to improve employees' awareness on compliance through systematic and targeted compliance trainings.

Compliance Newsletters

Our monthly newsletters cover a range of domestic and overseas compliance issues and enactment or revision of major regulations. LG Display shares the newsletters with domestic employees and expats in overseas. Contents in the newsletters include definition of compliance issues, regulation trends of major supervisory bodies, work process complying with



Information Security Management

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. In order to prevent information leaks, we also annually offer information trainings for all employees and require them to sign the pledge of information security management practice. In addition, we provide annual security training to all employees and mandate them to sign on pledge on prevention of information leaks. Also we strive to lead security culture in what employees participate voluntarily and for that we are currently award CEO prizes to employees and departments with highly contributed to information security through reporting and suggestion.

Scope of Information Security Management

National Core Technology	Article 9 of the Act on Prevention of Divulgence and Protection of Industrial Technology 1. Compliance with Laws 2. CEO award 3. Technologies for the design, processing, and production of AMOLED panels 4. Images of pilot products 5. Products 6. Personal identifiers, general information, credit information, sensitive information, and visual information
Confidential Business Information	Article 2 of 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
Corporate Client Information	Product-related information protected by the NDA, including specifications, pilot products, images, prices, and production information
Partner Company Information	Technologies shared by partners and information on their businesses
Personal Information	Personally identifiable information as specified by the Personal Information Protection Act, such as personal identifiers, general information, credit information, sensitive information, and visual information

Shared Growth Program for Security Capacity

SMEs

- Security staff and organization setup
- Minimum infrastructure investment
- IT security solution investment

Government

- Solution infrastructure support from SME Technology Security Center
- Financial support for implementation of security infrastructure

LG Display

- Sharing of infrastructure and knowhow
- Security consulting services
- Education and promotional support

Strengthening Technological Controls against IT System Infringement

To be prepared against hacking to the company's system information leaks or system infiltration attempts, LG Display is conducting 24/7 real-time security controls, and managing information security risk factors identified through security vulnerability assessment. In addition, LG Display has isolated our business network from the internet network to safeguard critical information assets. Various security activities are performed by utilizing big data so as to cope with new threat from technology developments and changing business environment.

Privacy Protection

We operate privacy protection system at the enterprise level and conduct assessments on personal information security and regular inspections on vulnerabilities in order to preemptively respond to privacy risks. In addition, we have provided improvement guidelines to our supplier, which is in charge of managing LG Display's privacy information, after onsite inspection. We are also performing thorough preventive activities to comply with privacy protection law by adopting Personal Information Protection Solutions to avoid private information handling employees to hold unnecessary private information.

Shared Growth Program for Security Capability of Partner Companies

In 2014, LG Display was commended from the Minister of Trade, Industry & Energy for offering a workshop on consultation of 20 domestic partner companies and promoting the growth of 100 corporate security staff. In 2015, we performed a shared growth program for upgrading security capacity against LG Group's suppliers in Korea and Nanjing, China. We will provide our security programs to more suppliers in overseas production sites.

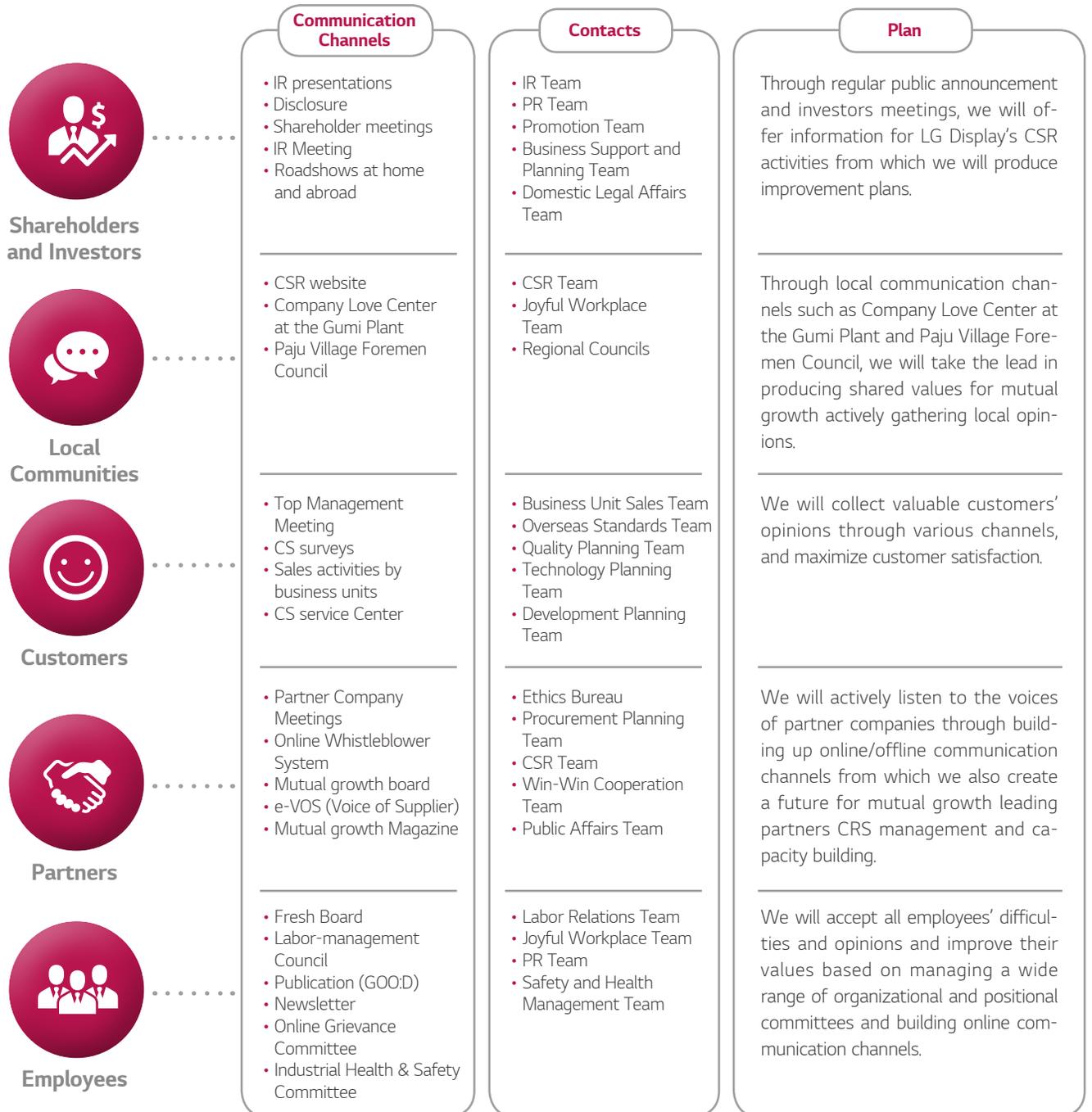


Security Capacity Training for Partner Companies

Stakeholder Engagement

Stakeholder Communication Channels and Expectations

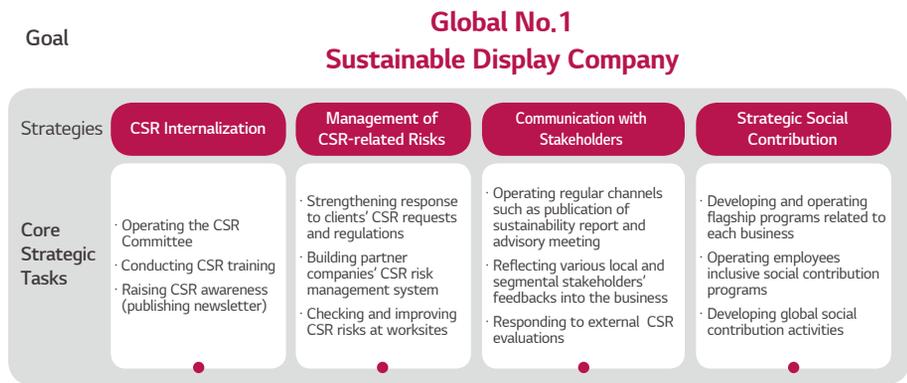
We define our stakeholders into five groups for our sustainability management: shareholders and investors, clients, employees, partner companies, and local communities. Through various tailored communication channels that are established, we consistently communicate with stakeholders identifying major issues related to sustainability, and fully reflect them in our management. We will have a great effort to be developed into a sustainable corporation by means of listening to the voice of each stakeholder.



CSR Management

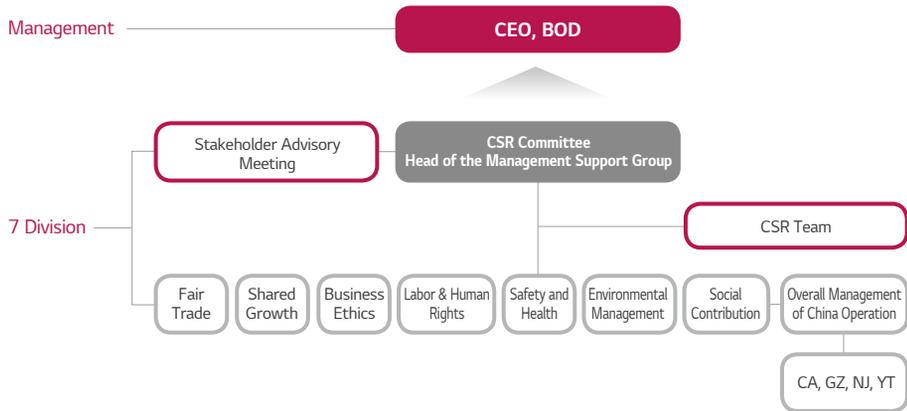
CSR Promotion System

LG Display has promoted CSR internalization, CSR related risk management, stakeholder communication, and strategic social contribution under our mission 'Contribute to sustainable growth and secure competitiveness of the company through through systematic CSR activities'. Through reflecting CSR perspectives across to our business activities, we will do our economic, environmental and social responsibilities as a global corporation and pursue sustainable growth for our company and local communities.



CSR Internalization

In 2015, the CSR Committee has shared CSR direction and core promotional tasks at the group and enterprise-wide level, and discussed the CSR self-assessment, improvement of CSR level, and other issues for domestic and oversea worksites. The Committee has supported sustainability related decision making, including reflecting the discussion results to overall business management by reporting the results to the management. Also, in order to responding proactively to increasing CSR requirements to the China subsidiaries, CSR network in each subsidiary was established and they have been cooperating with the LG Display headquarters.



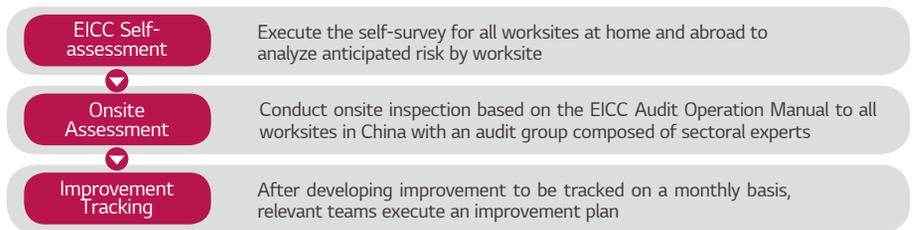
In addition, CSR and social contribution related training have been provided to promoted employees and new comers to enhance their CSR understanding. And through CSR newsletter, major CSR and social contribution activities are shared internally.

CSR Risk Management

Key clients of LG Display, as the EICC members, comply with the EICC Code of Conducts (CoC) and social responsibility implementations under the categories of labor · ethics · environment · safety · management system, which are required to global electronics companies to comply with by the EICC. Accordingly, LG Display has been performed preemptive CSR risk management activities by adopting and abiding by the EICC CoC with our key partner companies. Prohibition of child labor and discrimination and humane treatment related to respect of human rights in the labor area are particularly inspected and managed.

* EICC (Electronic Industry Citizenship Coalition) is a coalition dedicated to electronics supply chain responsibility.

Risk Assessment Process



Risk Assessment Results

	 Labor and Human rights	 Safety	 Environment	 Ethics	 Management System
Assessment results	<ul style="list-style-type: none"> Prohibition on consecutive work days (more than seven days) Excessive work time (60hr/week) Prohibition on night work by minors under 18 years' old Probation period not exceeding six months 	<ul style="list-style-type: none"> Keeping emergency exits clear at all times Continuous managing annual emergency evacuation drills 	<ul style="list-style-type: none"> Requiring separate handling of hazardous waste discharge 	<ul style="list-style-type: none"> Requiring privacy protection for disciplined employees 	<ul style="list-style-type: none"> Requiring partner companies to comply with the EICC Code of Conducts (CoC)
Corrective action	<ul style="list-style-type: none"> Managing weekly basis working hours 	<ul style="list-style-type: none"> Regular inspection of opening conditions of emergency doors Executing emergency drill 	<ul style="list-style-type: none"> Installation of separate discharge waste bins and training on separate discharge 	<ul style="list-style-type: none"> Privacy protection (non-disclosed management) 	<ul style="list-style-type: none"> Collecting agreements of the EICC CoC compliance

Stakeholder Communication

LG Display has reflected stakeholders' demands collecting through a variety of communication channels into our business activities. We have extended the scope of sustainability reporting, which is published every year, in China and Poland subsidiaries. By responding proactively to questions and demands from our clients, domestic and overseas CSR evaluation organization, NGOs and etc., we identify our stakeholders' expectations and take their demands as the opportunity for improving our sustainable management.

Sustainability Award Results

LG Display has been listed in the DJSI Asia Pacific Index for three consecutive years based on DJSI's evaluation on a company's economic, environmental, and social accomplishments. In addition, the company was also listed in 'Industry Mover' Index, which is awarded to a company within the top 15% of each industry in DJSI for the largest score increase compared to the previous year. Moreover, LG Display was selected as one of 'The Most Loved Korean Companies' for the third year of the award in 2015 for contributing to improvement of partners' sustainability. LG Display will continue to do our best to practice sustainability at the world leading level.



Creation of CSV Values on the LG Display's Business Model

INPUT ○

Category		2014	2015	Change
Creating Innovative Value for the Future	R&D Expenses	KRW 1.7876 trillion	KRW 1.5468 trillion	▼
	R&D-to-Sales Ratio	6.8%	5.4%	▼
	Government-sponsored R&D project expenses	KRW 16.32 billion	KRW 14.88 billion	▼
Gaining Trust by Prioritizing Safety	No. of safety self-assessment conduction	Improved and corrected 1,156 cases		-
	Enterprise wise safety inspection	Improved and corrected 1,705 cases		-
	Safety Experience Center training hours	Gumi 23,636 hrs / Paju 25,928 hrs		-
	Safety Schools training hours	Gumi 14,176 hrs / Paju doesn't operate regular training		-
Managing Environment for the Future Generation*	Use of Raw Materials			
	- Backlight	291,321,000	260,566,000	▼
	- Glass	94,619,379 m ²	96,500,167 m ²	▲
	- polarizer	690,204,000	673,125,000	▼
	- Drive IC	1,324,140,000	1,168,746,000	▼
	- Liquid Crystal	129,138 kg	130,093 kg	▲
	Energy consumption (incl. overseas worksites)	66,463 TJ	67,257 TJ	▲
	Energy intensity (incl. overseas worksites)	7.9 TJ/1000 glasses	7.8 TJ/1000 glasses	▼
Water usage	77,860,413 ton	76,978,322 ton	▼	
Building a Mutually Cooperative Culture	Financial support	KRW 12.99 billion	KRW 13.15 billion	▲
	Technology sharing performances (LG IP Sharing Platform)	257 cases	5,022 cases	▲
	Green SCM consulting	61 companies (accumulated)	67 companies (accumulated)	▼
	Conflict minerals management	Conflict minerals education and management system inspection against 1 st -3 rd tier suppliers		
Growing Together through Strategic Social Contribution	Social contribution investments	KRW 14.2 billion	KRW 16.3 billion	▲
	Social contribution participation rate (Except double counting)	46%	48%	▲
Creating Employees-oriented Value with a Joyful Corporate Culture	Salary	KRW 2.9246 trillion	KRW 3.1040 trillion	▲
	Employee benefits	KRW 68.8 billion	KRW 88.2 billion	▲
	Training hours per person	49.8 hours	51.9 hours	▲



* Some environmental data including energy usage, GHG emissions and waste discharges include overseas worksites

OUTPUT

DISPLAY
THE BETTER
FUTURE

DREAM
WITH OUR
STAKEHOLDERS

Category	2014	2015	Change
 Creating Innovative Value for the Future	Accumulated no. of patent of LGD	26,518 cases	28,811 cases ▲
	Sales	KRW 26.4555 trillion	KRW 28.3838 trillion ▲
	Operating profits	KRW 1.3573 trillion	KRW 1.6256 trillion ▲
	LCD global market share	23.7%	23.4% ▲
	Dividends	KRW 17.89 trillion	KRW 17.89 trillion -
	Industrial incident rate	0.006	0.009 ▲
 Gaining Trust by Prioritizing Safety	PSM Assessment	P Level (Gumi, Paju)	Maintained the Level (Gumi, Paju) -
	Symbiosis Safety Program	Maintained the Level (Gumi, Paju)	Re-certified (Gumi, Paju) -
	OHSAS 18001	Maintained the Level (Gumi, Paju)	Re-certified (Gumi, Paju) -
	KOSHA 18001	New certification (Gumi)	Maintained the Level (Gumi), Newly certified (Paju) -
	Safety Zone Certificate	Maintained the Level(Gumi), Newly certified (Paju)	Re-certified(Gumi), Newly certified(Paju) ▲
	 Managing Environment for the Future Generation*	No. of panel production (incl. overseas worksites)	8,425,000 glasses
GHG emissions (incl. overseas worksites)		8,096,156 tCO ₂ eq	8,023,727 tCO ₂ eq ▼
Amounts of GHG reduction		376,913 tCO ₂ eq	431,795 tCO ₂ eq ▲
Discharge of water pollutants (BOD, COD, SS)		47 ton/d	42 ton/d ▼
Water reuse rate		130%	137% ▲
Emissions of air pollutants (NO _x , SO _x , Dust)		158,167 kg	125,786kg ▼
Amounts of waste recycling rate (incl. Chinese plants)		87%	88% ▲
 Building a Mutually Cooperative Culture		Benefit Sharing System	22 cases
	Industrial Innovation Movement	16 cases	33 cases ▲
	GHG reductions from suppliers	937t	986t -
	CFS+Active smelters	76%	100% ▲
 Growing Together through Strategic Social Contribution	IT Power Plant, the representative social contribution program	34 plants (accumulated)	40 plants (accumulated) ▲
	No. of volunteering activities	2,862 cases	2,618 cases ▼
 Creating Employees-oriented Value with a Joyful Corporate Culture	New employment	376 persons	976 persons ▲
	Turnover rate	4.8%	3.5% ▼
	No. of complaints resolved	30 cases	73 cases ▲

Materiality Assessment

Materiality Assessment Process

Outline of Materiality Assessment

LG Display prepared this report in accordance with the four reporting principles of Global Reporting Initiative (GRI), one of the international standard guidelines for sustainability report: sustainability context, materiality, stakeholder inclusiveness, and completeness. Therefore, we conducted international sustainability standards analysis, benchmarking advanced companies, media research, and stakeholders' research. After that we identified material sustainability issues that are related to the company. We assessed materiality of these issues according to the GRI G4 Guidelines, and we selected final reporting issues through prioritizing process of the issues.

Step1 Developing the Issue Pool

Analyzing global initiatives including GRI G4 and ISO 26000

We created an issue pool through analysis of global sustainability initiatives, including GRI G4, DJSI, and ISO 26000.

Benchmarking Global Leading Companies

Important industrial issues were identified by benchmarking sustainability reports produced by domestic and overseas advanced companies.

Media Research

We listed up economic, social and environmental issues by analyzing 14,873 articles related to LG Display that are reported in media during 2015.

Stakeholder Survey

We conducted online survey against LG Display's internal and external stakeholders.

Step2 Assessing Material Issues

We evaluated material issues based on social concern and business impact through the reviews by sustainability experts and our management.

Social Concern

Impact of each sustainability issue affect to external stakeholders' activities and decision making and the stakeholders' interest on that issue

Business Impact

Prioritizing sustainability issues based on CSR strategy, media analysis, and industrial issues in order to identify connectivity between business strategy and CSR issues, and impacts to the company

Stakeholder Survey

LG Display conducted stakeholders' survey in order to reflect proactively their opinions, which impact significantly to LG Display's business, in our business and to resolve any core sustainability issues. Through the survey, we identified LG Display's CSR performance from internal and external perspectives and priority issues for sustainable management.

Internal / External Responding Status

Category	Respondents (No. of Person)
Total	3,290
Internal	3,240
Employees	3,240
Shareholders and investors	8
Clients	1
Governments and relevant organizations	2
External	26
Partner companies	26
Academic, research institutions, media, NGO	8
Others	5

Survey Contents

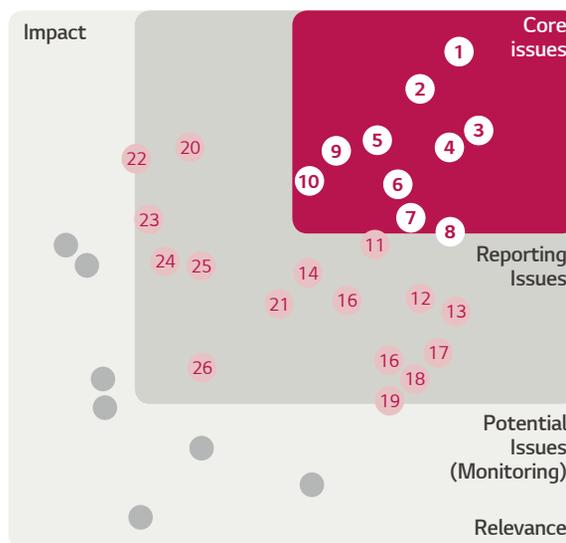


Step3 Selecting Core Issues (Materiality Assessment Matrix)

Materiality evaluation matrix was set by materiality aspect that is based on combination of social concerns of stakeholders and business impact regarding sustainability topic.

Core Issues

- 1 Creating economic performances through technological innovation, business competitiveness, and etc.
- 2 Efforts to spread a culture of occupational health and safety
- 3 Building a Joyful Workplace
- 4 Responding to climate change through managing and minimizing GHG emissions
- 5 Strengthening shared growth activities for partner companies
- 6 Strategic social contribution activities (linking to business strategies and considering characteristics of local communities)
- 7 Strengthening control of hazardous chemical substances discharges at worksites
- 8 Evaluating sustainability of supply chain and strengthening risks (enforcing conflict mineral management)
- 9 Conducting education program to strengthen employees' capacity
- 10 Developing eco-friendly products including high-efficient energy products



Result of Materiality Assessment

We have selected a total of ten core issues based on social concern and business impact, and have reported these issues in detail.

No.	Aspects	Core Issues	Reporting boundaries		Reporting chapters
			Internal	External	
1	Economic performance	Creating economic performances through technological innovation, business competitiveness, etc.	●	●	Display the Better Future #1
2	Occupational health and safety	Efforts to spread a culture of occupational health and safety	●	●	Display the Better Future #2
3	Employment	Building a Joyful Workplace	●		Dream with Our Stakeholders #6
4	Emissions	Responding to climate change through managing and minimizing GHG emissions	●	●	Display the Better Future #3
5	Procurement	Strengthening shared growth activities for partner companies		●	Dream with Our Stakeholders #4
6	Local communities	Strategic social contribution activities (linking to business strategies and considering characteristics of local communities)		●	Dream with Our Stakeholders #5
7	Effluents and waste discharges	Strengthening control of hazardous chemical substances discharges at worksites	●	●	Display the Better Future #3
8	Supplier Assessment for social and environmental practices	Evaluating sustainability of supply chain and strengthening supplier risk assessments (enforcing conflict mineral management)		●	Dream with Our Stakeholders #4
9	Training and education	Conducting education program to strengthen employees' capacity	●		Dream with Our Stakeholders #6
10	Products and services	Developing eco-friendly products including high-efficient energy products		●	Display the Better Future #1

2015 LGD Highlights



Achievement of KRW 1 trillion of Operating Profit for Three Consecutive Years

According to the performance announcement of the 4th quarter in 2015, LG Display has achieved more than KRW 1 trillion operating profit for three consecutive years. Even with the global recession and substantial growth of Chinese panel supply, LG Display has showed successful performance by expanding with differentiated products such as UHD TV, AIT, and IPS panels. LG Display will continue to create successful management performance and differentiated technologies to lead the market in 2016.



Achievement of No.1 Market Share in the UHD TV Panel Market

According to HIS, a market research institute, the market size of the UHD resolution TV LCD panels in the 4th quarter of 2015 is equivalent to 11,258,000 units. LG Display has taken the largest market share, 35%, with releasing 3,988,000 units during the same period. This performance was achieved by responding quickly to the customers' demands for various UHD panels, including 43-inch, 49-inch, and 84-inch with M+ technology.



The Best Corporate with Win-Win Growth Index

LG Display has been participating in different activities to strengthen its competitiveness under a philosophy of 'The partners' competitiveness is LG Display's competitiveness'. It had put in relentless efforts to be the No. 1 market leading partner through various supporting programs, including financial support, technology and training programs, and strengthening management competency. Based on its efforts, LG Display has been awarded as the best corporate in the Win-Win Growth Index evaluation held by the Korea Commissions for Corporate Partnership in 2014.



The Trade Day Award, 'Golden Tower Medal' Achieved

At the 51st Trade Day Award, the vice chairman Sang-Boem Han has received the Golden Tower Medal. His 33 year-long efforts and contribution for growing the semi-conductor and display industries to the global level have been recognized. His contribution also played an important part in localization of LCD production and changing the 3D industry by taking a lead of FPR (Film Type Patterned Retarder) 3D business. Mr. Han has mentioned that he will continue to contribute to "maintaining the reputation of Korea as the market leader in the display industry".



2015 'Happiness Sharing Company' Award from the Minister of Health and Welfare

LG Display has been awarded with the 'Happiness Sharing Company of 2015' award by the minister of Health and Welfare last August. This recognition was based on its previous efforts to take social responsibilities through various social contribution programs for the neglected local community groups by Paju Plant since 2006. LG Display always reminds itself about the mutual growth with the local communities and will continue its effort to share its growth the local communities.



Awarded the 3rd Loved Corporate of Korea Award by the Government

Last November, LG Display has been awarded with the president of Korea Chamber of Commerce and Industry (KCCI) Award under private enterprise category sponsored by the Ministry of Trade, Industry and Energy and the Small and Medium Business Administration. LG Display has been awarded for its great contribution to the partners' sustainability growth through various programs including Green Consulting to respond to the climate changes and reduction and regulation of the GHG emissions. We will continue to growth with society and recognized by the members of the society.



2015 Korea Technology Award, Prime Minister's Award

In December of 2015, LG Display has been awarded with the Prime Minister's Award at the 2015 Korea Technology Award sponsored by the Ministry of Trade, Industry and Energy. Through this award, LG Display shared its untraditional idea of ultra thin, ultra light plastic OLED designs and process technologies and took an official recognition of contributing to industry technology during 2015.



Signing of an MOU for 'Demonstration Project on the Management of Resource Circulation'

LG Display has signed a MOU for 'Demonstration Project on the Management of Resource Circulation' with Korea Environment Corporation and Ministry of Environment and proactively respond to recycling display industrial wastes. Through this MOU, Paju Plant has set up a recourse circulation goal until 2016 and practice by the detailed operating plan. Moreover, Paju Plant recycles more than 90% of the wastes and has received two 'Prime Minister's award for Resource circulating corporate' and continues to show its effort for environment protection.

SUSTAINABILITY GOVERNANCE

► **SUSTAINABILITY ISSUES**

CHINA CSR PERFORMANCES

APPENDICES

SUSTAINABILITY ISSUES

Display the Better Future

01

Creating Innovation
Value for the Future

02

Gaining Trust by
Prioritizing Safety

03

Managing the Environment
for the Future Generation



Dream With Our Stakeholders

04

Building a Mutually
Cooperative Culture

05

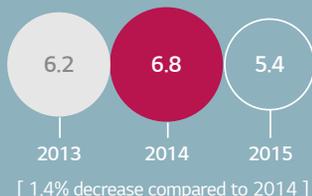
Growing Together with
Communities through
Strategic Social
Contribution

06

Crafting
Employee-oriented Values
with a Joyful Corporate
Culture

2015 Key Performances

R&D Ratio against Sales (%)



01

Display the Better Future

Creating Innovative Value for the Future



Industry Status of LGD

The worldwide display industry is witnessing pricing pressures as the global economy slows down and the number of Chinese suppliers increase. Therefore, domestic and international companies are steadily investing in creating innovative values and building intellectual assets. LG Display also recognizes these changes in the market and tries to secure market dominance by diversifying products via innovative technologies, such as flexible and transparent display.

LGD's Approach

- Organization of the CTO-oriented organization to strengthen R&D competitiveness
- Strengthening global patent competitiveness
- Securing drivers for future growth by developing new technologies, including flexible OLED and transparent OLED
- Diversification of R&D portfolio

LGD's Efforts

In 2015, LG Display has built a competitive edge by developing differentiated products, such as mobile LCD using AIT (Advanced In-cell Touch) technology, UHD HDR OLED TV, Wall Paper OLED, and large-sized OLED. In addition, we also continue to develop energy-saving, low-heat dissipating, and eco-friendly OLED lights.

Plan for the better LGD

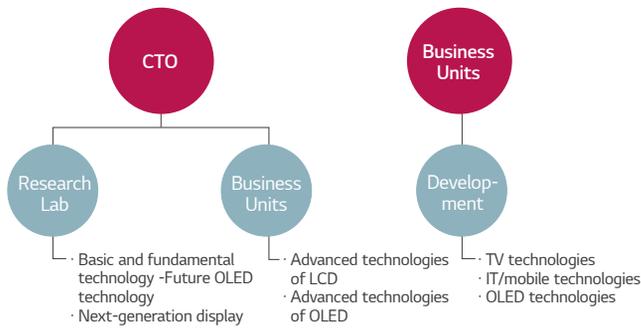
LG Display will continue R&D activities continuously to secure OLED future applied technology competitiveness. We also plan to gain greater market control with differentiated technologies for commercial and automobile displays.

Strengthening R&D System

Strengthening Strategy for R&D Competitiveness

LG Display R&D is focused on reality, ambience, and intelligence to identify needs of customers and develop technologies that deliver innovative values. The CTO-assigned research laboratories, and respective business units conduct research on fundamental technology, future technology of LCD and OLED, and next-generation display products. Additionally, business units in Paju and Gumi have also formed separate departments to drive the development of TV, IT, mobile, and OLED products.

R&D Organization



Technology Seminar of Chinese Patent Office

In October 2015, LG Display hosted a major technology seminar at Guangdong Evaluation Center with the support of the Chinese patent office to strengthen engagements in patent application, licensing, and protection of mobile technologies, such as AIT (Advanced In-Cell Touch). LG Display has bolstered patent competitiveness through 1,900 patent applications in China, which exceeds 30% of active overseas patent applications in the past five years.



Photo of Technology Seminar of the Chinese Patent Office

Management of R&D Performances

LG Display has strengthened competitiveness in R&D management and development of industry-leading technologies, including IPS based LCD, large-sized OLED, and AIT.

List of the World's Leading LGD Technologies

2013	<ul style="list-style-type: none"> Development of 55-inch curved OLED TV panel Development of 5.5-inch QHD LCD for smart phones Production of 6-inch flexible OLED smart phone panel Development of 105-inch curved LCD for UHD TVs
2014	<ul style="list-style-type: none"> Development of UHD M+ LCD for 42/49/55-inch TVs LTPS AH-IPS UV Alignment for smart phones and development of N-type LCD Development of 18-inch transparent OLED and flexible OLED Development and mass production of 1.3-inch circular plastic OLED panel
2015	<ul style="list-style-type: none"> Development of 55-inch Wall Paper OLED Development of 55-inch double sided OLED Development of 139-inch S-shape tile style double sided OLED

Patent Management

LG Display believes in the importance of strengthening and protecting advanced technologies, as well as developing differentiated technologies to lead future markets. Thus, we have successfully protected our intellectual properties by registering 13,909 domestic and 14,902 overseas patents as of 2015.

Patents held by LG Display unit: case



INTERVIEW

LG Display has successfully maintained its competitiveness in LCD products and large-sized OLED products against the aggressive investments and massive production scale of Chinese competitors. LG Display is also putting in great efforts to sustain its growing power and acquire future products by consistent development of new technologies in research and development. For the future, LG Display needs to dominate its market by developing new products blending with Internet of Things to create higher value added business as the era of aged society and super connected society* As the market gets oriented towards new customer demands, development of new products is required to respond to customer needs that are measured by various demand researches. It is now important for LG Display to gather the best candidates who can combine social science with technologies to develop suitable products that satisfy multicultural backgrounds and demands of customers, to satisfy foreign markets and break out of its traditional production focused paradigm.

* Super connected society: A society that shares information by internet that everything connected closely including human, things, animals, data and process through mobile devices, such as smart phone and wearable super small size computers

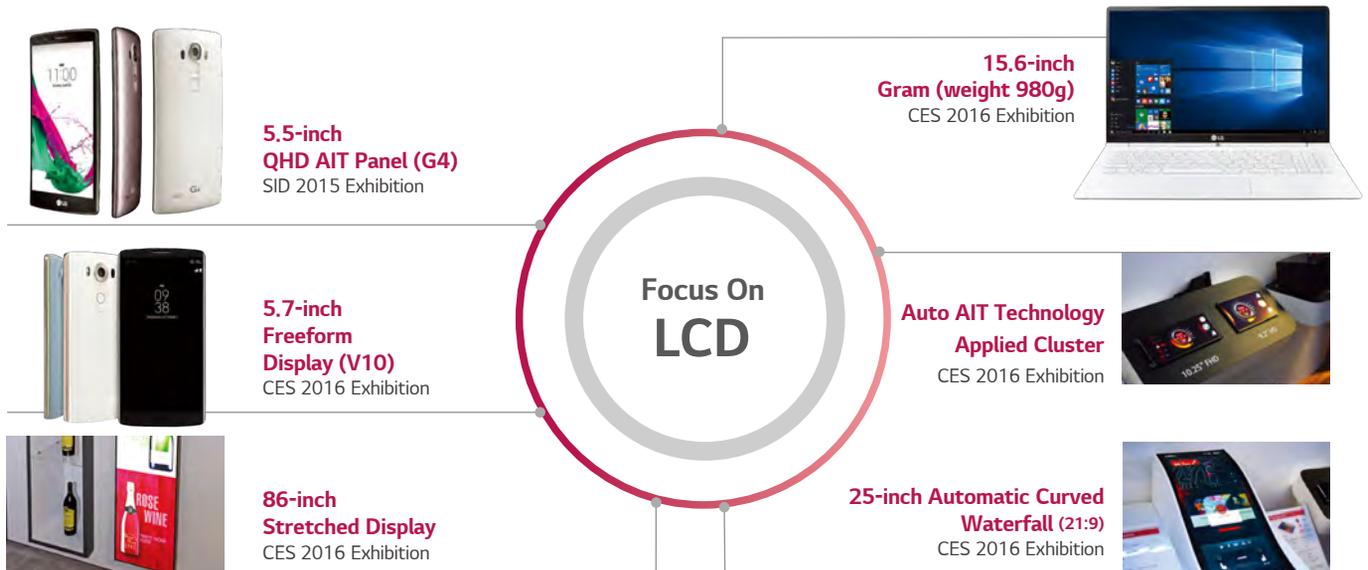
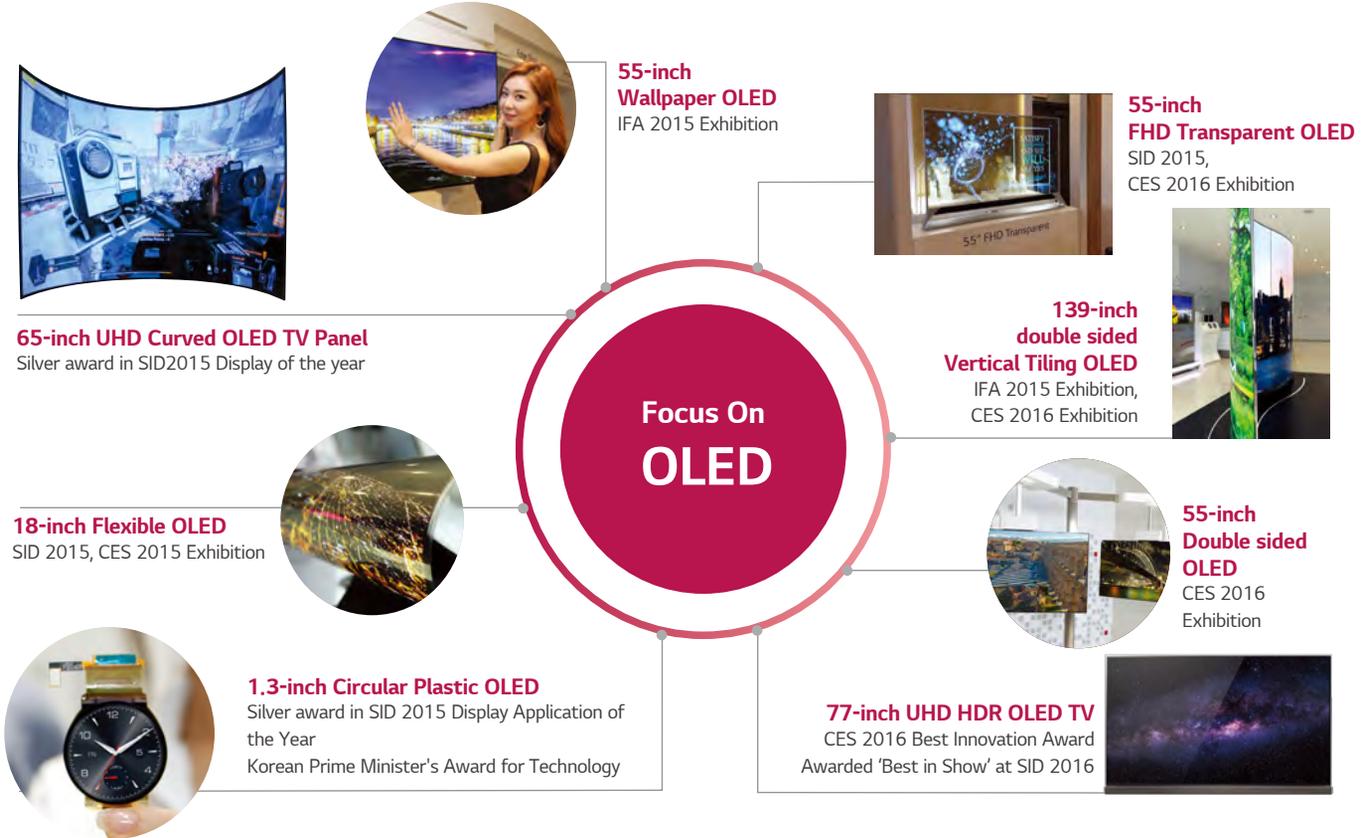
Professor Shin Doo Lee | Electronic Information Engineering Department, Seoul National University



Developing New Technologies Ahead of the Market

Product Innovation for Leading Market

LG Display has provided differentiated values to customers with various technologies and products such as IPS, AIT, and OLED as a leading display player. We lead the LCD market by developing differentiated products of IPS based Slim & Light UHD TV, large sized 21:9 Curved monitor, and by constructing AIT based product manufacturing system. As the world's first company to offer a 55-inch OLED TV in 2013, we have demonstrated our leading technologies by continuously developing products such as UHD OLED TV, plastic OLED smartphones, and wearable circular OLED panels.



Development of New Generation Technology

Plastic OLED

The best characteristics from OLED and plastic, including flexibility and glossiness of plastic, produces a combined structure that is highly impact resistant compared to glass OLED. By offering differentiated design factors using its plastic features such as 'Bendable, Foldable, and Rollable', it is catching attention as a future display material.



Smartphone Applied with Full HD Plastic OLED

G Flex 2 used a full HD plastic OLED which was launched after the world's first plastic OLED, G Flex. It is designed to enhance the user's convenience with improved visibility and curved bezel.



Launched Perfectly Round-shape Plastic OLED

Perfect circular plastic OLED display, G watch Urbane has proven its competitiveness and high-end technology by winning the Best of IFA 2014 Award and the Silver Award in SID 2015 Industrial Application. It has secured its competitiveness by combining OLED's robust feature and innovative design factor with stability and portability features of wearable devices.



Introducing the world's first 30R display

The unveiling of the world's first 18-inch HD flexible OLED panel with a curvature radius of 30R was lauded at the CES 2016. LG Display plans to achieve further differentiations in the mobile display market by utilizing the new form factor which can be delivered only by the flexible OLED.

Transparent OLED

LG Display has successfully developed a 55-inch Full HD OLED with over 40% transparency through application of transparent pixel construction technology. LG Display aims to obtain competitiveness of OLED application technology by succeeding in the development of over 40% transparency with a curvature radius of 100R on 60" UHD OLED panel through continuous development of OLED technology by 2017.



Development of Eco-friendly Products

As the market demand for eco-friendly products increases, conventional products that meet customer needs have lower demand in the market. Therefore, LG Display strives to develop eco-friendly products to meet their needs and become an eco-friendly company. In 2016, LG Display plans to develop eco-friendly OLED lights with efficient energy consumption and low heat dissipation followed by our M+ technology, UV Photo Alignment, and N-type Liquid Crystal technologies.

These do not contain any metals, such as lead or mercury that are harmful to the human body or the environment.



Blue-light free lights are considered people-friendly due to its lower eye fatigue property.



SPECIAL FOCUS

Diversification of Product Portfolio

Business Diversification Strategy

Commercial Display

Commercial displays are used for data transmission and advertisement in public spaces. LG Display has been expanding markets by introducing differentiated products, including the world's narrowest 3.5mm bezel video wall and 55-inch transparent OLED displays at the CES 2016. LG Display also plans to lead our market with differentiated products, including e-boards, video walls, large-sized screen, ultra-slim bezel, high illumination, and etc.



Automobile Display

Smart cars with multi-media displays are becoming more demanding in the market. Therefore, LG Display is increasing the automobile display market share by focusing on plastic OLED navigation and dashboard display with our outstanding technological prowess. Based on accumulated technologies in areas of large-sized OLED panel, LG Display will set vehicle lightings, which is foreseen to grow drastically in the near future, as a top priority market.



| Areas of Automobile Display

Room Mirror Display

- Display video taking by rear-view camera



Rear Seat Entertainment

- Displaying running status, simple navigation information
- Entertainment



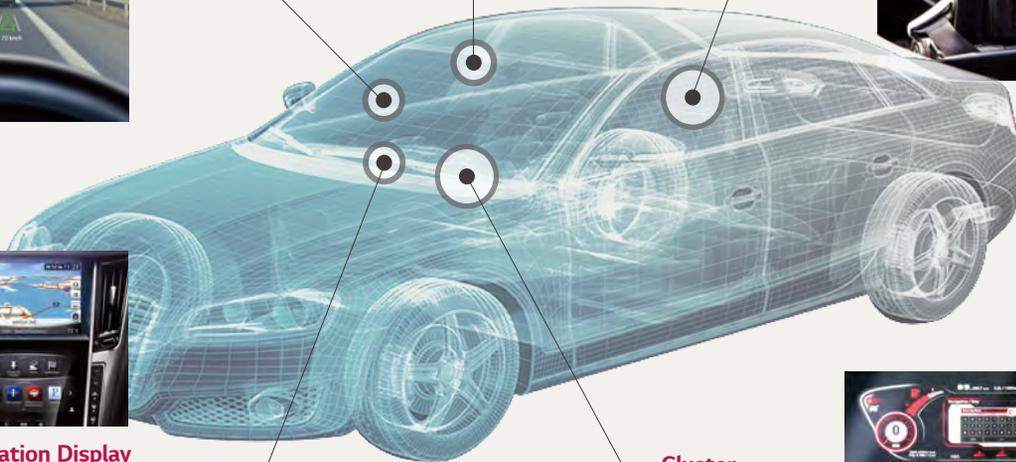
Head Up Display (windshield glass-transparent product, etc.)

- Running status, displaying simple navigation information



Center Information Display (Center screen)

- Increasing the display installation due to the spread of telecommunication infrastructure such as auto running information and entertainment



Cluster

- Displaying running status and motion information
- Increasing LCD installation due to information increase



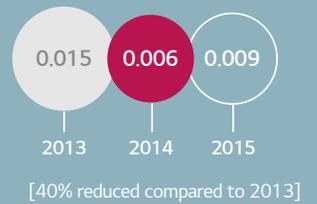
02

Display the Better Future

Gaining Trust by Prioritizing Safety

2015 Key Performances

Industrial Incident Rate (%)



Industry Status of LGD

International Organization for Standardization is currently developing ISO 45001 (Occupational Health and Safety Management System). Once established, it is expected to raise the safety & health management awareness level for upper management and employees regarding safety leadership and active participation, respectively. LG Display is committed to strengthening and formalizing our safety and health management system following footsteps of the global trend.

LGD's Approach

- Operation of safety and health task force
- Obtaining international certification for safety and health
- Establishment of LGD safety rules
- Implementation of training for safety and health

LGD's Efforts

LGD is operating safety and health management system by acquiring OHSAS 18001, KOSHA18001, high rating in PSM* assessment, and is building safe workplace by securing preemptive safety through an equipment safety certification. LGD has improved safety awareness level among employees with simulation based Safety Experience Center and Safety School for employees.

* Process Safety Management (PSM): A system for establishing overall safety management system to prevent serious incidents, such as disasters, fire, toxic substances leakage, and etc., in Korea

Plan for the better LGD

LGD plans to establish our own safety culture by evaluating current safety and health status and setting up improvement methods. We will also promote effective safety and health management activities by establishing job-oriented integrated safety and health system. And we will lead the world class level of safety and health management through preemptive safety risk management.



Strengthening of Workplace Safety & Health Management System

Building Safety and Health Management System

LG Display is committed to provide the world's best safe and healthy work environment to all employees and our business partners. We have attained fundamental safety as a whole and continue to build our own safety culture through various activities based on TDR and HRM Task (High Risk Management Task) that were established at the end of 2015.

Mission	
Obtaining a "Safe and Healthy Workplace" by implementing the world's best safety and health management system	
Roles	
Attaining fundamental safety and legal compliance	<ul style="list-style-type: none"> - PSM operation and securing safety for hazardous facilities - Analyzing regulations, limitations and the current trend, and preceding solutions - Identifying legal risk and continuous improvements
Building safety culture	<ul style="list-style-type: none"> - Establishment of employee safety and health policy and standards - Safety event/training/promotion for employees - Establishment of evaluation system for safety culture
Improving employee's health	<ul style="list-style-type: none"> - Prevention of occupational diseases - Medical examinations and care for employees with preconditions - Providing health promotion programs and medical SVC
Strengthening emergency response system	<ul style="list-style-type: none"> - Establishment and operation of the optimum disaster prevention programs - Establishment of emergency response system - Conducting training programs and fostering professional emergency drill trainers
Safety and health improvement for overseas corporations and partner companies	

Restructuring Safety and Health Organization

The safety and health organization is consisted of the safety and health Management Team, which is in charge of overall safety including establishment of safety management strategies and policies, and Paju and Gumi Safety and Health Teams. We have operated safety culture TDR in order to build LGD's original safety culture by enhancing employees' safety mindset through objective evaluation of our safety and health level and culture. We also have operated HRM Taskforce to prevent serious injuries by eliminating potential risks in high-risk tasks and equipment.

Certification of Safety and Health Management System

LG Display is operating safety and health management systems, including OHSAS 18001 and KOSHA 18001, in Gumi and Paju Plants in order to build safe workplaces. In 2015, Gumi and Paju Plants acquired an integrated certification of OHSAS 18001, and Paju Plant acquired KOSHA 18001 followed by Gumi Unit 4, 5 and 6. With relentless efforts to improve our working environment, Gumi Plant was re-certified for a Safety Zone Certificate.

Category	LGD Current Status				
	Region	Level	Latest Certification Date	Validation Period	
OHSAS18001 Certified	Unit 1		Integrated Certification	October 2015	3 years
	Unit 2,3				
	Unit 4,5,6				
KOSHA18001 Certified	Gumi	Unit 4,5,6	Certified	November 2014	3 years
	Paju			November 2015	
PSM Assessment	Unit 1		Passed	August 2014	4 years
	Unit 2,3			August 2014	
	Unit 4,5,6			September 2013	
Safety Zone Certificate	Gumi	Unit 4,5,6	Certified	June 2015	3 years
	Paju			October 2014	

Establishment of Safer Workplace through Responding to Safety Accident

In January 2015, an accident that a few of workers of LG Display Paju Plant and its supplier inhaled nitrogen gas during their maintenance work on process equipment occurred. LG Display has implemented a variety of responding activities by strengthening safety management system and spreading safety culture to prevent repetitive accidents at the worksites and strived to establish safer working environments.

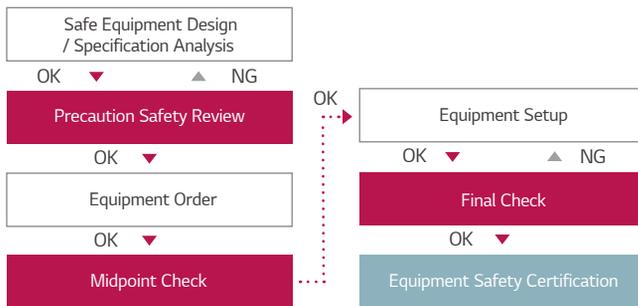
Strengthening Management System	Safety Inspection and Improvement Of Workplace	Completed corrective actions of special inspection from the Ministry of Labor and Employment Self-inspection of overall safety areas, including process, machines, fire fighting system and electricity/Improved 270 cases
	Strengthening Safety and Health Capacity	Hired more safety personnel and formed safety groups in each Plant Established organizations in charge of safety culture, serious disaster management
Spreading Safety Culture	Strengthening Management Commitment	Revised safety and health management guidelines and distributed Operate Safety Committee (C-Level) and Occupational Safety and Health Committee (Representatives of labor & management)
	Improvement of Employee Awareness	Provided safety training to all employees, including executives and supervisors
	Established Safety Day	Strengthening safety management activities under a them of 'Back to the Basic'

Raise the Confidence through Hardware Safety

Acquiring Confidence through Equipment Safety Certification

All new devices at LG Display are assessed against its own safety criteria, which reflects both domestic and international safety standards. These assessments have improved safety confidence in securing preemptive safety of equipment and managing unforeseen risk factors.

Equipment Safety Certification Process



Strengthening Hazardous Chemicals Monitoring

LG Display has strengthened our monitoring system for hazardous chemical substances and gas safety to prevent and respond quickly to any hazardous gas leaks. In particular, we have integrated process monitoring and disaster prevention system in our emergency response system to respond more quickly by strengthening management capacity and emergency response aptitude.

Five Objectives of Integrated Disaster Prevention System

Safety	Attain safety of control function service
Connectivity	More control through increasing connectivity among safety, production, and equipment
Integration	Strengthening management through integrated process monitoring
Response	Improving abnormal and emergency responses
Standardization	Standardizing control roles across the platform

Central Control Room

LG Display operates a central control room to monitor and respond to emergencies. The main control system is equipped to properly respond based on monitoring data received from fire alarm system, utilities, weather and gas and chemicals.

Major Monitoring System

- Fire alarm system
- Leak detecting sensor
- Utility check
- Elevator
- CCTV
- Weather observation system

Central Control Room

- Conduct main facility monitoring
- Emergency communication and control

Emergency Response

- Emergency Response Activity**
 - Fire suppression
 - Life rescue and first aid program
 - Chemical Substances Management Act for control of gas and chemicals
- Fire Safety Inspection**
 - Fire prevention program
 - Electric heating appliance inspection in winter time
- Notification of Abnormality**
 - Emergency alarm installation
 - Emergency broadcasting and sending text messages
- Situation Management and Control**
 - Central operations room function
 - Control the number of personnel (training)
- Emergency Vehicle Operation**
 - Fire trucks
 - Ambulance (first level emergency medical technician)
 - Rescuers

INTERVIEW

Not having much experience working with diverse employees could have been a risk factor for a global company like LG Display. However, LG Display can utilize this as an opportunity to form a new paradigm for its unique safety and health management system. LG Display must be able to establish a sound safety and health management system to continue its growth. To realize this plan, the company should establish safety and health standards beyond legal compliance based on entire employees' consents on top management's commitment. These standards will be shaped practically only when all employees participate in providing feedback and evaluation. It also requires setting up proper safety procedures and practices even for partner companies. LG Display is expected to grow as a world leading company through its proactive effort to build its own safety and health management system.

Ki-Sik Kim | Director of Safety and Health Policy Research Department, Korea Occupational Safety and Health Research Institute



Strengthen Risk Management through Spreading Safety Culture

Safety Culture Promotion

Fundamental Safety Principle

"No safety, No work"

It is LG Display's commitment and right to safety which is prioritized for all successful business achievement.

LGD Safety Rules

LG Display established LGD Safety Rules based on "No safety, No work" principle in order to spread safety culture among the employees as we recognize safe working environment is our best asset.

LGD Safety Rules

1. Report any unsafe condition to the central control room immediately.
2. Wear protective equipment during work.
3. Don't remove or disarm interlocks.
4. All work should be performed in teams of at least two persons.
5. Take security measures before working with flammable materials, at heights or in confined spaces.
6. Display MSDS (Material Safety Data Sheet) in Korean and attach warning labels on gas and chemical substances.
7. Keep fire extinguishing system, fireproof shutters, and emergency exits clear at all times.
8. Warm up and stretch before sporting events.

2016 Safety Culture Slogan

"SAFETY starts with YOU"

This was the initial slogan to build LG Display's original safety culture. It shows that safety starts with each member's own safety practice and it should advance forward to independence within Safety Culture Steps.

Safety Culture Steps



Employees' Safety Awareness Evaluation

LG Display has performed SCA* and ISRS** to review the employees' safety awareness level. LG Display strives to create a safe work environment by identifying the awareness of the employees through surveys and interviews and qualitative assessments on safety and health management system assessments.

* SCA (Safety Culture Assessment)

** ISRS (International Safety Rating System)

Establishment of Safety Day

After the nitrogen gas inhaling incident in January 2015 at LG Display Paju Plant, the company established a Safety Day (Jan. 12th), the incident day, to strengthen safety management of worksites. And the week of January 11th as a safety commitment period to promote different safety training programs under a theme with 'Back to the Basic'. We plan to continuously recognize the Safety Day and the safety commitment period as a part of our safety culture.



Back to the Basic

- CEO safety letter (Korean/Chinese/English)
- Safety promotion: large banners (5 sites), banners (52 banners), display of Let's System Pop-up and incident cases (14 pieces), Sympathy Plus (297 sites), safety announcement (3 times/day)
- Absolute compliance of safety regulation: work safety (abide by the manual), life safety
- Safety self-assessment (13 persons): checked 1,156 cases for improvement status, high-risk job monitoring
- Safety events with all employees
- Safety Wish Memo tree (operating in eight places): approximately 7,800 persons participated (1,560 people/day)
- Safety suggestions and photo competition: registered 177 cases

Example by Leaders

- Reflect on safety related agenda in weekly meeting: headquarters and 15 business units
- Companywide safety review: inspections by executives and designated areas (2 times) - discovered 1,705 violations

Safety Mindset

- Showing Safety Movie: San Andreas (2 times/day), 401 people watched
- CFR contest: a total of 48 teams with 96 participants
- Emergency response training program for industrial workers: Paju (P8), Gumi (P45)- a total of 2,607 participants
- Safety simulations for representatives of external suppliers: a total of 287 participants
- Special lectures on safety (Ministry of Labor, internal training): a total of 1,018 attendees (including managers from internal and external suppliers)

Compliance with Basic Safety Rules

- Commitment of upper management
- Remind and pledge by all employees

Strengthen of On-site Safety Training

Safety Schools

In an effort to create a zero-accident, zero-fatality workplace, LG Display has opened safety schools at Paju and Gumi Plants. The safety schools provide hands-on training programs for safety accident prevention and emergency response. In 2015, a total of 443 employees received safety training, for a total of 14,176 hours, at Gumi Plant Safety School to raise their safety awareness and secure emergency responding capabilities.



Safety Experience Centers

In 2014, LG Display has also opened Safety Experience Center to help the employees to recognize on-site safety needs. The Centers at Paju and Gumi Plants were established to educate employees about possible prevention measures regarding 12 hazardous and high risk factors in display manufacturing processes. In 2015, a total of 11,818 employees completed the training for 23,636 hours at Gumi Safety Experience Center while 12,964 employees completed the training for 25,928 hours at Paju Safety Experience Center.



Emergency Drills

LG Display conducts surprise emergency drills for all employees. Through repeated drills, we have enhanced fire safety awareness, drill participation rate, evacuation readiness, and response capabilities of employees. In 2016, LG Display will ensure continuously a safe working environment through internalizing emergency practice drills, conducting self-training programs, and fostering emergency response trainers.



Fire Suppression Fire Truck Response Rescue and First Aid Transport Patient to Ambulance

Employee Health Management

LG Display provides various health management programs to support all employees' health. LG Display offers annual medical examinations, including customized comprehensive checkup for employees who are 35 and older at our in-house clinic and health management centers. We also provide nursing rooms for pregnant and after delivery employees and various classes for future parents for our employees and partner companies' employees. All employees are able to check their physical strength, reflex, and flexibility at a physical health center and special lectures and consultations for any health concerns are provided.

Acquisition of Navi Certification in Gumi Plant

Gumi Plant has succeeded in obtaining Navi* certification by practicing various employee health promotion activities. It also has been awarded for 'the best health program' among Navi certified workplaces and presented its good practices of operating health care centers, including in-house clinic, Lovely Heart Center, and sports center, as well as health clinic programs, such as clinic services for obesity, smokers, and reducing alcohol intakes.

* Navi: one of Gumi's manufacturing facilities that satisfies all the qualifications including physical working condition and health condition for individuals.

LGD Medical Services

Category	List	Details
In-house clinic	General treatment	Consulting with medical specialists and prescription with medicines and medical supplies, special medical consulting, blood testing for employees with abnormal health condition
	Vaccination	Vaccination on hepatitis type A & B, and cervical cancer (30-50% discounts from retail price)
	Treatment with technical equipment	In-depth medical exams using ultrasound, electrocardiogram, intraocular pressure device, and etc.
	Physical therapy, kinesiatics	Prepared technical examination device and treatment equipment
	Others	Aptitude test for a driver's license
In-house clinic, Health Management Centers	Assessment of physical fitness	Comprehensive physical evaluation and consulting after testing six different physical fitness, including cardio endurance
	Health management (Health Management Center)	Providing first-aid and general medicines Consulting general health issues, caring employees with detected disease, Stop smoking and obesity clinic service

2015 Key Performances

Carbon Disclosure Project (CDP)
Carbon Management Special
Award
MOU for Pilot Project Resource
Circulation 2015

03

Display the Better Future

Managing Environment for the Future Generation

Industry Status of LGD

Since 2015, interests and responses from the world toward climate changes and environmental degradation have reflected through launching of GHG Emission Trading Scheme and signing MOU among member countries for reduction of GHG emissions at Conference Of Parties (COP21) in Paris. Even at domestic level, the recognition of harmful impact, necessary responses, and restricted action for environment from company are required as its CSR. Thus, LG Display is determined to fulfill our environmental responsibility via environmental-friendly management at global level.

LGD's Approach

- Implementation and certification of energy management system standards (ISO14001, ISO50001)
- Achieving 2,057 environmental objectives set by different departments (94% achieving rate)
- Practice of energy saving and GHG emission reduction activities
- Continued activities for biodiversity protection

LGD's Efforts

LG Display is taking a lead in responding to international environmental issues such as depletion of natural resources and climate changes by improving energy efficiency. LG Display has implemented energy management system standards ISO14001 and ISO50001 and invested GHG emission activities at Paju and Gumi Plants to further environmental-friendly management movement.

Plan for the better LGD

LG Display has developed a logic for verification index to conduct monthly review each department's achievements in effort to strengthen the implementation of energy management system standards efficiently. Also, LG Display has developed environmental-friendly technology, M+, to minimize the damage to global environment.



Building Environmental Management System

LGD Environment Management Response

LG Display is striving to maintain its environmental sustainability by implementing various environment protection programs beyond the basic regulation and restriction to minimize the environmental damage and energy consumptions. First, LG Display is doing its best to reduce GHG emission and minimizing carbon footprint along with maximizing the resource circulation by recycling water and waste material. Also, LG Display is contributing to environment protection by practicing 'one stream per one business' activity to preserve local biodiversity and environment.

Green Company Image



Performances of Environmental-friendly Management Promotion

Status of Domestic and International Environment Certification

Based on energy environment management regulation, LG Display has successfully structured environment management system for Gumi and Paju plants which were then certified under an international standard ISO14001. Also, LG Display has been recognized as a green company by the Ministry of Environment or Korea and obtained ISO50001 certifications for Gumi and Paju Plants additionally. In 2015, LG Display has won a special award of CDP from the CDP Association of Korea for its consistent effort of GHG emission reduction (industrial emission and energy saving) programs.



Environmental Achievement and Management Index

LG Display maintains environment achievement and minimizes corporate impact to environment by operating energy environment management system. All environment achievements are defined as company achievement and department achievement and categorized by management goal and operation goal. In 2015, 2,057 out of 2,178 department detail objectives for company goal have been achieved with 94% success rate. Also, LG Display has successfully saved 330 Million kWh by managing energy usage closely to practice 'Power Saving campaign1520' in 2015.

	Management Goal	Operation goal
Goal	1,819 cases	359 cases
Achieved	1,792 (99% achieved)	265 cases (74%)



INTERVIEW

LG Display makes joint efforts with Paju Korean Federation for Environmental Movement to preserve the habitat of golden frogs and winter migrating birds. LG Display is also providing various programs with local education offices to teach local children about biodiversity and ecology of frogs. These programs also include special lectures and field studies for the local community of Paju to raise the awareness of environmental value. LG Display also has structured various educational programs such as 'symposium for amphibian species habitat protection' and 'symposium for green frog protection in Suwon' with relative experts, organizations, corporations, and NGOs to educate the community about endangered species. We hope to see continuous effort from LG Display, with Korean Federation for Environmental Movement, to be a coexisting corporation with community through further environment protection movements.

Myoung-Hee Jeong | Korean Federation for Environmental Movement



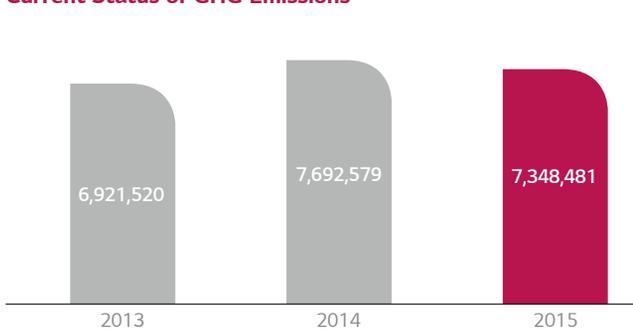
Response to Climate Change

LGD Responses Strategy for Climate Change

The negative impact of the resource depletion and the world climate change has been increasing for industries. LG Display has been trying to proactively respond and minimize the material and management risk caused by the climate changes. According to the GHG emission scheme, LG Display has also been receiving a third party evaluation for GHG emission and reporting to the government. Thus, LG Display has taken an action to strictly regulate carbon emission to comply with GHG emission scheme implementation since 2015 as a corporate citizen. Also, it has been continuously investing in new equipment for GHG emission reduction and energy saving.

Current Status of GHG Emissions

Unit : tCO₂eq

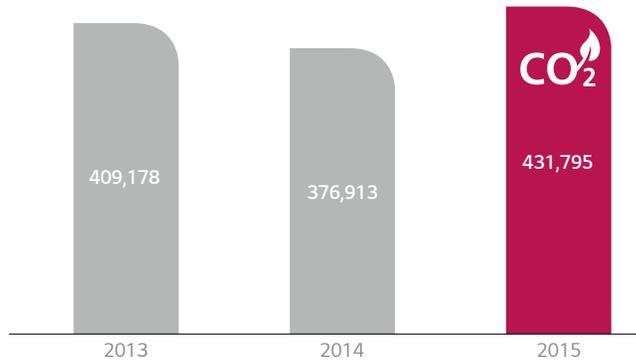


GHG Emission Reduction Activities

Since the government has enforced GHG Emission scheme in 2015, LG Display has been showing great effort to reduce GHG Emission by conserving energy and reducing gas emission from plants. Through various effort to reduce GHG emission including factory gas substitution and use reduction, LG Display has successfully reduced 430,000 tons of GHG emission, which is 98% reduction. Also, it consistently invested in plant energy saving activities (equipment replacement and improvement).

Reduced Amount of GHG*

Unit : tCO₂eq



* Performance of reduced GHG emissions by investing in seven core items, including equipment and process improvement at workplaces in order to reduce energy consumption in 2015.

Case Study of Energy Saving Achievement

LG Display is conserving energy effectively by optimizing facilities through changing and improving equipments. Gumi and Paju plants perform inspections for equipments, production processes, and energy consumption structure to find possible energy saving points. This contributes to energy conservation and GHG emission reduction by changing pump and compressor and installation of low energy consuming equipments. LG Display was able to save KRW 1.135 billion per year, 11,011MWh per year, by applying DI (De-ionized water system) reverse osmosis based pump and saved KRW 1.9 billion per year from installing high efficiency drying process vacuum pump. LG Display plans to further its energy saving movements by energy consumption inspecting for oversea plants and partner companies.



DI Reverse Osmosis Low Energy Pump



Low Electricity High Efficiency Drying Process Vacuum Pump

Minimization of Environmental Impact of Worksites

Strengthening of Environmental Pollutant Management

Strengthening of Hazardous Chemical Substances

LG Display is managing hazardous chemical strictly from the stocking to the wasting process to provide safety and healthy for its employees and partners. LG Display designed safety training courses for all employees of worksites, and for those in charge of treating and managing hazardous chemicals, as part of the effort to actively respond to the reinforced legislation from 2015. LG Display also tries to further the hazardous chemical safety management promotion through posters and other methods. It continues its best effort to maintain the safety and prevent chemical accident by operating 24-hour surveillance from the control tower.



Strengthening Wastewater Management

LG Display is enforcing 24-hour monitoring and managing wastewater and pollution produced from the plants to comply with environment protection laws. A rainwater utilization system was installed so the hazardous substance is distracted away from local streams and transferred into a wastewater treatment plant of LG Display's. Wastewater produced from the plants undergoes LG Display's own primary treatment to be sent to the local water reclamation plant to be released below the legal limit of pollutions. (50% below for Gumi plant, 70% below for Paju Plant) LG Display plans to continue its effort to minimize the pollution through various actions including wastewater monitoring with systematic management.

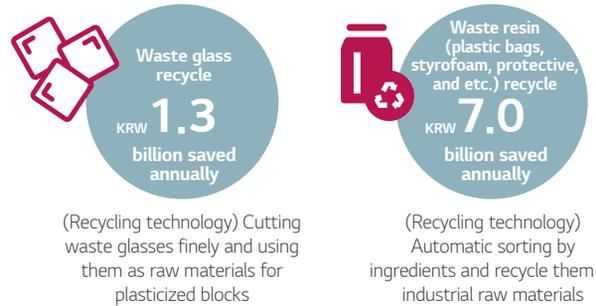
Air Pollutants Controlling

LG Display uses specialized treatment systems for air polluting substances according to each raw/subsidiary material of each production process. Also, LG Display enforces 50% of the legal standard density as its internal standard and continues to develop new technology to increase the efficiency of the pollution treatment and decrease the release of pollution.

Efficiency of Natural Resources

Increase of Waste Recycling

LG Display is taking its social responsibility to reinforce and maintain its resource circulation system to face the scarcity of coals and environmental risk. LG Display has signed MOU on a demonstration project for managing resource and made various efforts to minimize incineration or landfills of production wastes and instead recycles over 90% of waste glass and waste resin, waste papers, and other waste materials. LG Display also has developed advanced technology to make glass fiber paper into natural pulp, translating into high-value added recycling and better protection of natural resources.



Reduction of Water Consumption

LG Display is trying to decrease the difficulties of water supply through various activities. LG Display began investing in a wastewater reuse facility project worth KRW 100 billion since 2004 where, more than 50% of wastewater is reused in production or utility manufacturing process after undergoing treatments. LG Display is eliminating factors of risk based on the analysis and assessment of water consumption and reducing water use by enhancing equipment and process.



SPECIAL FOCUS

Minimizing Negative Environmental Effect from Worksites

Biodiversity Conservation

Weak biodiversity preventing strong sustainability can be an opportunity for new business development since biodiversity is the necessity for bionetwork and ecosystem. LG Display has been a responsible environmental-friendly company through employee training, habitat purification activities, and hosting a biodiversity conservation activity symposium.



Biodiversity Conservation Activities

Since 2013, LG Display has signed an MOU with Paju branch of Korean Federation for Environmental Movement to preserve biodiversity. LG Display also has been contributing to protecting the environment by preserving habitat of endangered golden frogs and assigning employees for Gongreung stream protection activity under the one stream per company. In addition, LG Display is also performing other activities for wetland protection, removal of invasive species, and feeding migrating birds.

Key activities in 2015	Dates
Migrating birds in Civil Control Line and feeding eagles (two times)	01 '15-02 '15
Monitoring amphibian species in BoGwang Temple and environmental clean-up activities (three times)	03 '15-05 '15
Monitoring amphibian species in Unjeong area and environmental clean-up activities	08 '15-08 '15
Monitoring amphibian species in Soryeongwon area and environmental clean-up activities	09 '15-09 '15
Symposium for biodiversity (amphibians) conservation	10 '15-10 '15
Monitoring migrating birds in Gongreung stream and Munsan stream and environmental clean-up activities	10 '15-10 '15
Monitoring migrating birds at Mt. Odu tower and Bahngujeong and environmental clean-up activities	12 '15-12 '15



Golden Frogs (2nd level endangered species) Protection

- Habitat research and protection
- Counting and protection of species

Wetland Habitat Protection

- Gongreung stream (Paju), Haepyeong (Gumi)
- Elimination of ecosystem disturbing plants
- Feeding and protecting migrating birds

2015 Biodiversity Conservation Symposium

In October 2015, LG Display hosted a Biodiversity Conservation Symposium near our Paju Plant. This symposium was co-hosted with the Korea Ministry of Environment, academic communities and NGOs and shared the current habitat condition and possible improvement methods by illustrating endangered species in DMZ and Gongreung stream protection activities.



04

Dream With Our Stakeholders

Building a Mutually Cooperative Culture

2015 Key Performances

Awarded as 'the Best' Win-Win Index

Conflict-free smelters*



Industry Status of LGD

A company's competitiveness nowadays depends on how strong the network with its partners and how it creates shared values efficiently. Therefore, many companies try to apply mutual developing management to support the partners' sustainable growth. LG Display should also create a fair trade culture and support programs to develop fair and healthy relationships with its partner companies.

LGD's Approach

- EICC assessment for partners and on-site inspections
- Operations of fair trade self-compliance program
- Implementation of four actions of mutual developing cooperation
- Conduct partner companies' capacity building programs

LGD's Efforts

LG Display is practicing various activities to create its mutual developing culture with the partner companies. It is creating a trust worthy fair trade culture by operating the mutual developing cooperation program. It is also doing its best in CSR management throughout the supplier network by establish code of conduct for partner companies and conduct on-site plant inspections.

Plan for the better LGD

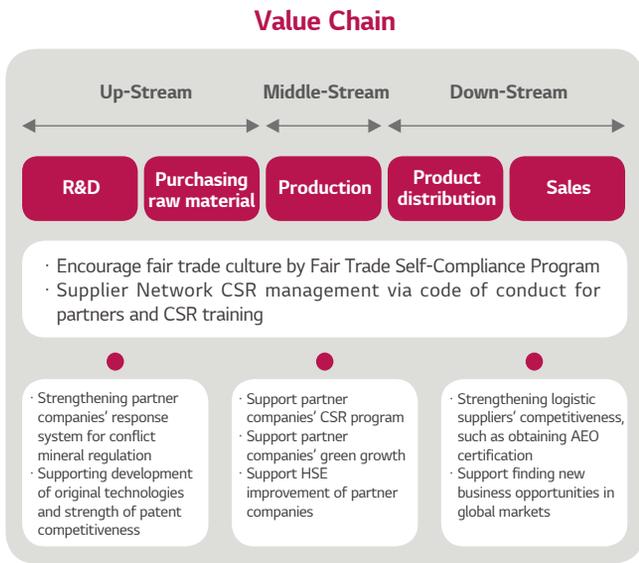
LG Display promises to build a global corporate culture that never violates any part of the Fair Trade Act under any circumstances by providing fair trade training and internal audits. Dealing with conflict minerals, LG Display will do its best not to source from any conflict smelters in the supplier chain.



Fair and Sound CSR Management

CSR Management throughout Supplier Network

LG Display is strengthening its risk management of supplier network for all processes in business from research and development to final sales. LG Display is systematically managing each stage related risks such as conflict mineral management in material purchasing process and labor, safety and health, environment protection in manufacturing process.



CRS Management throughout Supplier Network

Recently, client requests for EICC VAP (Validated Audit Process) and JAC* Audit have been increasing as a part of CSR risk management. LG Display has supported a third party audit fees for partner companies in Nanjing and Yantai to readily satisfy the request. After pre-inspection on partner companies, we share any findings need to be improved with the partner companies, and provide necessary technologies and know-how for corrective actions.

* JAC (Joint Audit Cooperation): an association of European telecom operators aiming to verify, assess and develop CSR guidelines

Code of Conduct for Partner Companies

LG Display has developed code of conduct for partner companies based on international standards like EICC and ISO26000 to satisfy client requests. LG Display and its partner companies are dedicated to protect all employees' labor and human rights, safety and health, environment, and ethics as their corporate social responsibilities.

- Labor rights and human rights**
Each partner of LG Display to committed to upholding the human rights of workers and treating them with dignity and respect. This applies to all workers including temporary, migrants, students, contracted employees, direct employees and any other type of workers
- Safety and Health**
Each partner companies cooperate with LG Display in designing safe processes and maintaining a healthy working environment in order to continuously ensure the quality of products and services.
- Environment**
Each partner companies of LG Display recognizes environmental responsibilities as critical factors in producing world class products and does its best to minimize adverse effects on community and environment from manufacturing process.
- 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 conflict minerals**
Each partner of LG Display shall have 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 Congo or adjoining country. Each partner shall exercises due diligence on the source and the chain of custody of these minerals and make their due diligence measures available to customers upon LG Display's requests
- Management system**
Each partner of LG Display shall adopt or establish a management system whose scope is related to the content of LGD's code of conduct for partner companies 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.

INTERVIEW

In this fourth generation of industrial revolution, LG Display should expand its supplier network and take its lead in creating and sharing the values of partners' strong competitiveness and safety and health management awareness as well as new age technologies. LG Display has showed its effort to encourage more direct communications with plants by opening a shared growth portal in 2014. I hope that LG Display continues to recognize and share sincere opinions to maintain its respectful relationships between LG Display, not in a superior position, and suppliers grow its importance in the long run, which is the fundamental element for success.

Young-Woo, KIM | Research Fellow, Korea Commission for Corporate Partnership



Building a Fair and Transparent Trading Culture

Fair Trade Self-Compliance Program

LG Display has implemented the fair trade self-compliance program to build a fair and transparent trading culture with its partner companies. This is an internal program to voluntarily comply with fair trade regulations in sales, marketing, manufacturing, purchasing, and judicial affairs. LG Display is practicing various activities to establish fair trade culture, such as assigning supervising personnel and making a written manual for fair trade self-compliance program.

Fair Trade Self-Compliance Program



Improvement of Partners' Safety and Health Management Capabilities

Operating Safety Audits for Partner Companies

LG Display is operating regular safety audits for partner companies to prevent any on-site accidents and prepare for any possible legal risks. In 2015, it performed safety inspections in 139 partner companies using LGD Safety Rating System. LG Display steadily supports our partner companies' safety management by providing training and technical support according to the partners' needs.



Safety and Health Management System Certification for Partner Companies

LG Display is dedicated to support partner companies to grow their safety and health management system. It first practiced KOSHA/OHSAS 18001 assessments for partner manufacturing companies with more than 100 employees and 18 partners have been certified as result. Also, coexisting safety programs for industrial incident prevention and shared development between LG Display and partner companies were recertified for both Gumi and Paju Plants in December 2015.

Strengthening of Partner Companies' Environmental Management

Practice of Green Shared Growth

LG Display has initiated the carbon partnership certification process and offered green supply chain management (SCM) consultation to the partner companies in order to enhance their response skills to reduction of GHG emission and energy regulation, and practice green growth. In 2015, LG Display has performed green SCM consultation for 67 partner companies and we have signed carbon partnership with 48 of them to continuously support their green shared growth.

Creating Environmental Shared Values

LG Display and our partners are moving forward to create shared values, such as developing electricity saving through waste heat recovery systems and waste glass recycling technologies.



CASE STUDY

Partner companies	Support Summary	Improvement Effect
Daejoo Machinery Co., Ltd.	CDA large-sized compressor Joint development for waste heat recycling system	Annual electricity savings KRW 760 million
Shinsung ENG Co., Ltd.	CDA large-sized compressor Joint development of air-flow refrigerated dehumidifier system	Annual electricity savings KRW 500 million
Yoojung Industry CO., LTD.	Obtained recycling technology for waste glass, containing film	Landfill unit cost KRW 28,000 /ton reduced
JEONG-KWANG SERVICE CO., LTD.	General heat exhaust Changed to Fan Impeller type	Annual electricity savings KRW 180 million

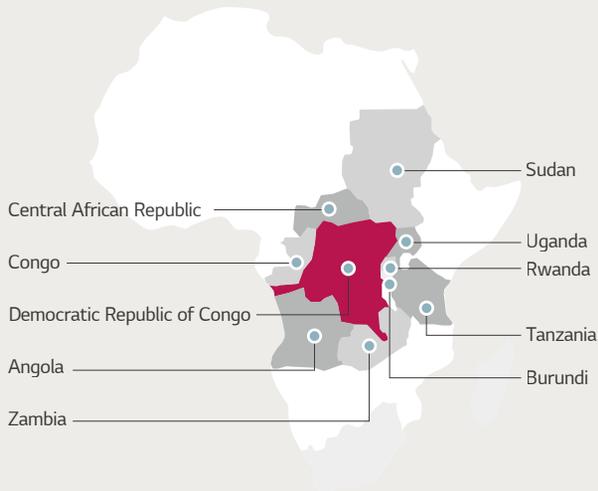
SPECIAL FOCUS

Responding to Conflict Minerals in Supply Chain

Background of Conflict Minerals

Conflict minerals refer to raw materials like tantalum, tin, gold, and tungsten from areas of conflict in Africa that finance violent rebel groups, who violate human rights by slavery, including child slavery. In 2010, the Obama administration signed the Dodd-Frank Wall Street Reform and Consumer Protection Act requiring all SEC (Securities and Exchange Commission) registered companies to report conflict minerals usage in order to prevent inflow of finance to the armed rebel groups from mineral mining.

* Conflict regions: Republic of the Congo and nine adjoining countries



Current Usage of Conflict Minerals

According to a survey of our supply chain conflict minerals footprint there are currently 182 smelters in use. By the effort of LG Display and our suppliers, we identified that our supply chain do not use four metals, including tantalum, tin, gold, and tungsten, from non-CFS* facilities.

* CFS: Conflict Free Smelters

Status of Current CFS Smelters

(As of disclosure standards in 2016)

Category	Tantalum	Tin	Tungsten	Gold	Total
CFS	34	53	19	74	180
Active	-	2	-	-	2
Non-CFS	-	-	-	-	-
Total	34	55	19	74	182
CFS(%)	100%	96%	100%	100%	99%
CFS+Active	100%	100%	100%	100%	100%

Management of Conflict Minerals

LG Display promotes a variety of responding activities for our entire supply chain to purchase the materials from conflict-free smelters.

Policy for Conflict Minerals Management

To be a law abiding and socially responsible corporate citizen, LG Display has established a strict management system. We have enacted work process and clarified role and responsibilities in each department to ban supply of conflict minerals associated with any conflict regions. LG Display and our suppliers publicly present this management system to ban any usage of conflict minerals worldwide in the future.

Conflict Minerals Policy

- Establishment of conflict minerals policy and procedure for suppliers
- Rational inspection process for origins of materials
- Establishment and implementation of risk response procedures
- Establishment and implementation of due diligence procedures based on OECD due diligence guidance

Managing Activities for Conflict Minerals

LG Display has actively collected data on conflict mineral usage and its origins by the international standards and guidelines. In 2015, LG Display developed its previous offline conflict mineral screening program into online system to collect information such as suppliers' conflict mineral information Conflict Minerals Reporting Template (CMRT*), real-time risk analysis, and selecting potential vendors for audit. By doing so, LG Display can monitor any involvement of non-CFS facilities and increase the confidence level in the information by consolidation.

* CMRT: Conflict Minerals Report Template

- Introduction of online integrated conflict minerals management system

- Conduct due diligence and provide training for suppliers training sessions on conflict minerals to 1st to 3rd tier suppliers and check their conflict minerals management system

- Strengthening internal and external communications
Opened a communication hotline for external stakeholders, and participated private enterprises' forums and conferences

- Encourage smelters to join CFSP

Consultative Body of Conflict Minerals

In order to respond proactively to conflict mineral regulations at the group level, four LG Group* companies holds regular meetings to share best practices of conflict minerals. The consultation body strives to reach 100% CFS smelters in the industry, by sending letters to encourage CFS certification among suppliers and smelters along with other methods in response to any conflicts.

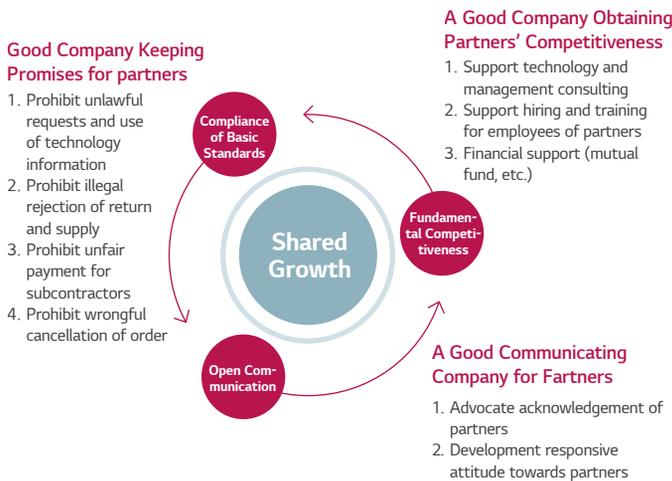
* LG Display, LG Electronics, LG Chemical, LG Innotech

Strengthening Competitiveness of Partner Companies

Strategy to Propel Shared Growth with Partner Companies

LG Display is determined to achieve our 'No.1 Supplier, No.1 LGD' goal by complying with standard regulations and being a 'Good Company Keeping Promises', a 'Good Communicating Company for Partners', and a 'Good Company Obtaining Partner Companies' Competitiveness' with our own fundamental competitiveness. LG Display believes that competitiveness of partners is the same as our own competitiveness focused on 'One Team' idea and tries to develop different types of partnership under predestined sodality culture.

"NO.1 Supplier, NO.1 LGD"



Open Communication with Partner Companies

LG Display is operating various communication channels utilizing the shared growth portal (winwin.lgdisplay.com), e-VOS (Voice Of Suppliers) and shared growth magazine. We have built 23 new businesses from 106 suggestions received through e-VOS in 2015. This open communication provides partner companies better chances to speak about grievances or suggestions.

Held Dream 2015 Shared Growth Seminar

LG Display held a seminar to share assignments for the future of shared growth under a slogan 'Past 29 years with partners and future 20 years with partners' with 52 partner company members in December 2015. During this seminar, LG Display looked back on the increase of productivity to consulting and training for partners in the past 20 years and shared future plans for mutual future growth.

Supporting Programs for Partner Companies

Financial Supporting Programs

LG Display provides financial supporting programs to offer financial stability for partners with different financing companies. The Company provides many different loan programs including 'mutual growth fund,' 'credit line account,' and 'network loan' to help meet manufacturing costs. In addition, LG Display has provided great supports for technology research, human resources, higher productivity, expansion of foreign markets, GHG reduction, and energy saving through Choongbuk Creative Economy Innovation Program to support Technology Guarantee Fund and Credit Guarantee Fund to practice the Fair Trade Commission's special supports and 'Shared Growth Investment Source' for large to medium companies.

Financial Supporting Performance

Unit: KRW 100 million



Technical Support Program

Confidential Business Document Prove Service / LG Display has implemented Confidential Business Document Prove Service of Korean Institute of Patent Information to help in proving the ownership and source of the legitimate confidential document when required and to prevent any wrongful use or ownerships. This program provides the partners protections against any wrongful information leak and technical assets.

Performance Sharing / LG Display cooperates with partners to achieve accomplishments and divide the benefits as agreed in advance under the Benefit Sharing program. The benefits may be in various forms including cash payments, long-term contracts, number of outlets, and R&D prototypes

Industrial Innovation Practice / LG Display is operating an industrial innovation practice system to improve the working environment and production process for second and third tier suppliers. When requested, LG Display and our first tier supplier support 100% of the consulting cost and perform on-site assessment with the innovation task force team. By promoting confirmed innovative activities based on diagnosis, LG Display supports the manufacturing technology developments for suppliers.

Implementation of Win-Win Pay System

Win-Win Pay System is a payment system that allows first tier suppliers of a large company to pay purchases with the large company's credit to second and third tier suppliers so that they can convert credit to cash rapidly to avoid cash crunch. LG Display has implemented this Win-Win Pay System since July of 2015 and remitted KRW 831.4 billion to 277 suppliers. Through this system, we support actively the bill collection for the second tier partner companies.

Strengthening Partner Companies' Competitiveness

LG IP (Intellectual Property) Sharing Platform / LG Display is taking the responsibility of building the LG IP sharing platform as one of the 4 themes of the Choongbuk Economic Innovation Center operated under the government's lead. In 2015, LG Display has shared a total of 5,022 patents, 4,907 domestics and 115 overseas, for IP Pool operation. LG Display also contributed to the enhancement of small and medium business industrial technical competitiveness by sharing IP professional personnel, and held a competition of shared patents and patent commercialization.

Competition of New Technology Machines / LG Display sponsors an exhibition for a total of 200 institutions, including universities, research institutes, and small and medium business, and full or partial development costs for their innovative ideas on new technologies of machine development.

Management Support Program

LG Display is operating a Management Doctor Program, which provides the partners literary consulting by the Federation of Korean Industry to strengthen management competitiveness, machine business foundation development, and implementation of effective management method. This program also provides after management and mentoring services as well as sharing management experience for partner companies. Furthermore, it is building the future of shared green growth through green SCM consulting along with GHG reduction and saving energy inventory using carbon partnership certification program.



Support Training for Partner Companies (Safety)

Training Support Program

LG Display has established a shared growth academy to provide training for the partners with weaker education infrastructure to develop higher quality manpower and competencies at no cost. The training program is divided into in-house learning, e-learning, and on-site learning and includes 6 Sigma, leadership, duty training, language, and OA related training.

Achievement of 2015 Shared Growth Program

/ Based on Shared Growth Program Signed Companies



95 cases

Prove System for Technology Documentation



4 cases

LG IP Sharing Platform



33 cases

Industrial Innovation Movement



19 cases

Benefit Sharing Program

Achieved 'the Highest' Grade of Win-win Shared Growth Index

LG Display has achieved the highest grade of Win-win Shared Growth Index of the Korea Commission for Corporate Partnership for our huge efforts in developing mutual culture by pledge to fair trade treaty. In addition, we have been announced as a respective business model as one of 12 companies, with our cooperating case with PoongWon Precision at 'the announcement for respective companies with fair trading practice' held by Fair Trade Commission.

Evaluation Process of Win-Win Shared Growth Index

Fair Trade Commission
Implementation assessment
'Fair trade and shared growth MOU'



Korea Commission for Corporate Partnership
'Small-medium business level inspection'



National Commission for Corporate Partnership
The Highest Grade of 'Win-Win Shared Growth Index'



05

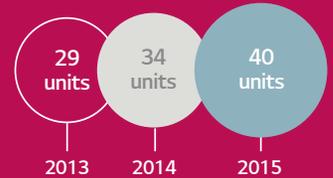
Dream With Our Stakeholders

Growing together through Strategic Social Contribution

2015 Key Performances

2015 Sharing Happiness Award
Awarded by the Minister of
Health and Welfare of Korea

Status of IT Power Plant Accumulative Operation



Industry Status of LGD

Recently, many companies have been trying to improve their financial status along with their social status to be more socially responsible with the corporate management. Therefore, cases of combining business models and strategic social contribution are growing in numbers. LG Display also strives to do our role as a corporate citizen and pursue corporate sustainable growth through promoting business related strategic and systematic social contribution as well as continuing our traditional social contribution activities.

LGD's Approach

- Operation of an activating system for participation of all employees in social contribution activity
- Promotion of business related strategic social contribution activities
- Implementation of USR (Union Social Responsibility) activity

LGD's Efforts

With all our employees' proactive participation, LG Display has been able to practice various social contributions such as children and youth fostering projects, which provide healthy growth opportunities to them, partnership volunteering for local communities, IT Power Plant, our strategic social contribution activity. Also, LG Display continues to strive to be an increasingly global contributing company through overseas volunteering activities.

Plan for the better LGD

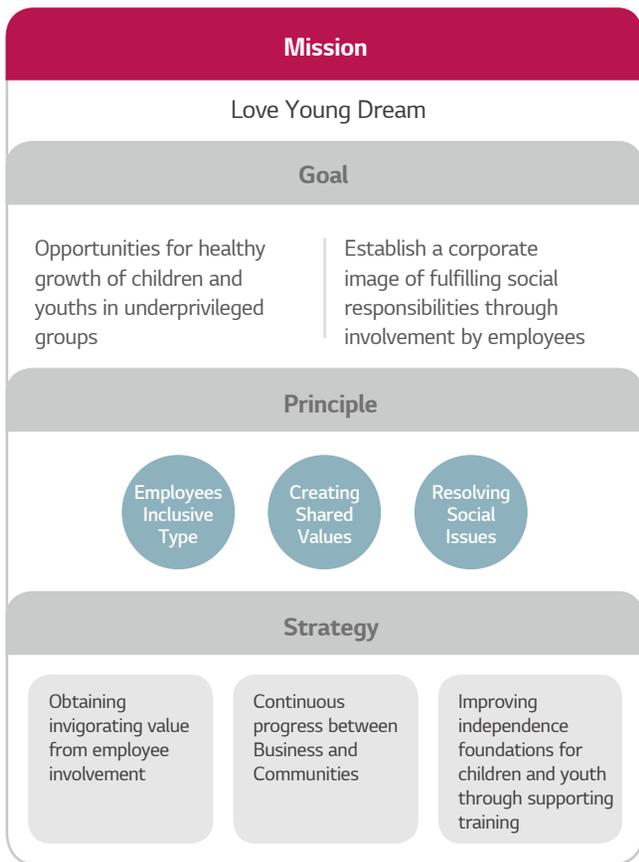
LG Display believes in CSV and is determined to steadily contribute to creating Corporate Social Values utilizing display products. We will create community shared value by expanding IT Power Plant 2.0 program and supporting digital signage to traditional market.



Establishment of LGD's Social Contribution System

LGD's Social Contribution System

LG Display has established a social contribution system to increase our social contribution activities under the mission of 'Love Young Dream' and provide children and youth growth opportunities and encourage involvement of employees in social contribution activities to be more practical corporate citizen. We are determined to resolve social issues through business connected official social contribution activities to fulfill social responsibility as a corporate citizen.



Invigorating Social Contribution Culture

Specialized Homepage for Social Contribution

LG Display is operating a specialized homepage* only for social contributions alone. This functions as a communication channel and shares news, thank-you letters, and has an employees-only section to encourage easy involvement of all employees. Employees can easily apply for voluntary work or donations and manage individual involvement in social contribution activities on-line.

* LGD social contribution homepage: <http://love.lgdisplay.com>

Encouraging System and Campaign

LG Display encourages employees' involvement through rewards, including award from the CEO, badges given according to number of hours volunteered, and a year-end donation party. We are also building an active social contribution culture by giving lectures on donations, social contribution campaigns and activities.

Monthly Operating Committee for Social Contribution

LG Display holds monthly committee meetings consisted of managers of each layer to practice truthful social contribution activities. This effort helps the transparent operation and dissemination of social contribution activities and culture.

LGD Social Contribution Volunteer Group Chart



* Acronym for Informal Group, an in-house club



INTERVIEW

LG Display needs to gather more experts in social contribution to deal with size and severity changing CSR issues. A global corporation such as LG Display often finds itself involved in global issues like natural disasters or relief operations of refugees. This is due to the fact that the company has various business relationships in many different countries around the world. Thus LG Display aims to be a good example with its current direction of social contribution activities, which are driven voluntarily by employees and the labor union. The company is also contributing to global society to fulfill its CSR. LG Display is highly expected to further develop their social contribution as they have been doing so for IT power plants and signage for traditional street markets.

Dea-Suk, Kwak | Director of Community Relations Center



Employees Participating in Social Contribution Activities

Enterprise-wide Social Contribution Activities

Relay Volunteering by Groups

LG Display has set up a 'relay' volunteer system where the volunteering activities can be passed from one group to the other to provide all employees chances to participate and share grateful feeling. In 2015, a total of 79 groups of industrial workers volunteered in painting walls in under developed neighborhoods and creating picnics and kits for under privileged children. We plan to expand the 'relay' program to spread a culture of sharing.



Donation: LGDream Fund, Christmas Miracle

LG Dream fund is a charity program, which builds direct sponsorship between underprivileged children, both in domestic and overseas localities, and LG Display employees every month. Sponsorship and fund are increasing every year since LG Dream Fund program shares a detailed result monthly and semi-annually to keep its transparency. LG Display has also been performing 'Christmas Miracle' program which matches each child from 200 low-income families with each Santa employee to make the Christmas wish or gift of children come true. We plan to continue with these programs to increase voluntary charity programs through active movements.

Performance by LG Dream Fund



Community Care Contribution Activities

Gumi: Santa in May

The Gumi Plant prepared gifts for children of low-income families on Children's Day under 'Santa in May' program. About 200 employees gathered gifts for 1,400 children of low-income families from 48 children's centers in the city of Gumi. We are determined to reach out to those who are neglected in our society.



Paju: Family Volunteers

The Paju Plant operates family volunteer programs during every vacation season, which gives employees and their family members an opportunity to recognize the value of family and sharing. In 2015, about 100 employees and their families volunteered to help with cabbage gardening and other miscellaneous chores at the job-training center for the disabled. We plan to continue this type of neighborhood care program every year for people in need.



Revitalizing Involvement of Employees in Social Contributions Activities

USR Social Contribution Activities

LG Display Labor Union announced its commitment of growing as a corporation citizen to conduct open communication without any restriction for managers or workers and practice various USR activities at the Union's Social Responsibility (USR)* kick off ceremony in 2014.

* USR (Union Social Responsibility): Social responsibility activities of LG Display's labor union to promote social responsibility as a labor union

Volunteering at Job Training Center for Disabled

The labor-management council member and 80 employees volunteered at the job-training center for the disabled, 'Gyonam Uhyooji Dongsan', in Paju city to volunteering. The participants had an experience to share a meaningful time with disabled job trainees through pepper harvesting.



Kimchi Sharing Event

Since 2010, LG Display has held the annual event of 'Kimchi Sharing.' Required ingredients were purchased from the job-training center for the disabled, Gyonam Uhyooji Dongsan and Moonsan Farming Association operated by local senior citizens to support the local economy and provide kimchi to people in need. In 2015, about 10,000 stalks of kimchi cabbages has been made and delivered by 300 employees and Mr. Han Sang-Beom, the CEO of LG Display. LG Display promises to continue to deliver courage and hope to the marginalized people in our communities as a corporate citizens' responsibility.



LGD's Social Contribution around the Globe

USR Overseas Volunteer Activities

Since May, a total of 357 LG Display employees have visited Siem Reap, Cambodia in ten separate trips to renovate public facilities for children. This included renovation of elementary schools, restrooms, libraries, and water tank systems to provide a healthier learning environment for children.



CSR Overseas Volunteer Activities

Beside the USR's overseas volunteering, in October 120 additional excellent volunteers from LG Display visited Vietnam to provide help in the underprivileged areas. They visited dilapidated Daori Middle School and built restrooms, a mini soccer field, and a library. The volunteers also visited Hahnbe Rehabilitation Center for the disabled and spent time with the disabled children, who were unable to leave the facility. The CSR Overseas Voluntary Group will continue to share with their neighbors in need.

Letter from the principal of Daori Middle School

Daori Middle School is the poorest school in Ly Nhan District Vietnam but has many brightest children. I truly appreciate your help for our school. It has left such a thoughtful impression of employees of LG Display on students, teachers, and parents through the help they have shown in person as well as the funds. We promise to put this help into good use for children's better learning environment of children.



SPECIAL FOCUS

LGD Strategic Social Contribution

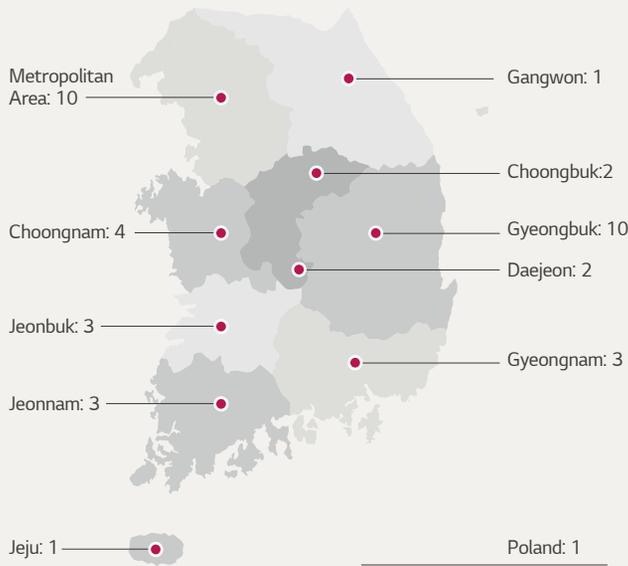
Business Related Social Contribution

IT Power Plants

LG Display is operating IT Power Plants to support technology needs for the children from low-income families and provide multi-media appliances and interiors for public facilities for children. Since the 1st IT Power Plant opened in 2008 till LG Display has built a total of 40 IT Power Plants at various locations with the support of the Korea National Association of Children Welfare. This helped in providing a better learning environment for 2,377 children.

Current Situation of IT Power Plants

unit: No. of location



From 2016, LG Display plans to develop the IT Power Plant 2.0, which focuses on independent education for youth released from foster care facilities. We plan to offer effective training through online and offline programs utilizing G pads to encourage active participations.



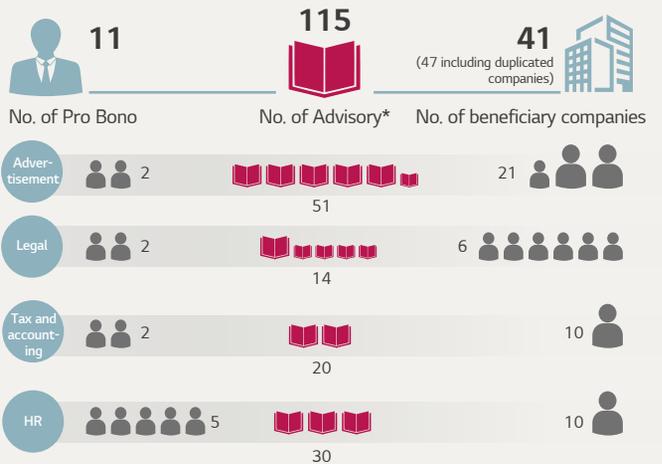
Digital Signage Supply for Traditional Markets

LG Display is initiating a supporting program to supply customized digital signs for the traditional markets for revitalization of small local businesses. LG Display is providing a digital sign at the gate of Paju Moonsan Traditional Market for visitors to search for information regarding shops, events, and local facilities. We plan to continue further development of supporting programs to coexist with small local businesses.



Pro Bono Volunteer Team

LG Display has formed the 'LGD Pro Bono Volunteer Team' with SESNET, a social enterprise firm, to practice corporate social mentoring in June 2015. We hope this team will be the stepping-stone to the future development that can be achieved only with long-time experience and high cost. The team has been divided into Marketing, Legal, HR, and Accounting teams through training and consulting in respective areas in 2015. We plan to raise the number of members to increase the practical contributions of social corporate influence in 2016.



* Number of advisory was calculated as number of attendants in the training x number of class (2 or 3 classes)



2015 Key Performances

Obtained 2015 Family-friendly
Company Certification

06

Dream With Our Stakeholders

Creating Employee-oriented Value with a Joyful Corporate Culture.



Industry Status of LGD

Global leading corporations are focused on gathering and training highly qualified candidates to strengthen its competitiveness. LG Display also practices "Human assets are company's future" idea and trying to gather more highly qualified R&D candidates to strengthen its competitiveness.

LGD's Approach

LG Display has been thriving to strengthen the competitiveness by raising the quality of R&D human resources through Technical Talk and LGenius programs. Also, LG Display has achieved Family-friendly Company Certification from the Korea Minister of Gender Equality and Family.

LGD's Efforts

LG Display is operating various activities to build mutual culture with its partner companies. It is building trusted and healthy trading culture by implementing Fair Trade Self-Compliance program. LG Display is also putting its best effort to its CSR management by providing a code of conduct and CSR work site assessments for its partner companies.

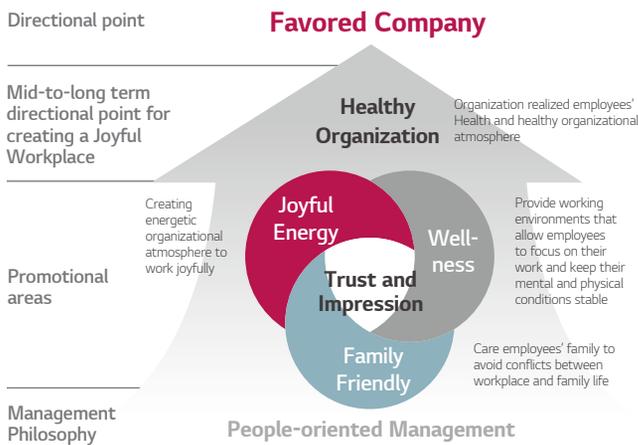
Plan for the better LGD

LG Display plans to continue to create higher value in employees by providing various competency development programs. LG Display also is dedicated to respect and follow Human Rights Standards for the partner companies as a global leading corporation.

Realization of Sustainable Organizational Culture

Creating Organizational Culture of Joyful Workplace

LG Display is striving to build appreciative working environment based on 'Human-oriented management' for its employees. LG Display plans to become a 'Favored Company', 'Healthy organization' (healthy working environment for healthy employees), founded in three categories, including Wellness (Physical and mental wellness), Family-friendly (Family friendly environment), and Joyful Energy (Active atmosphere).



Wellness

In order to maintain continuous growth of an organization, it must obtain mental and physical health of employees as foundations for high productivity. LG Display is supporting for the employees to maintain positive energy at work and increase productivity. LG Display is operating fitness, massage room, and yoga class for physical health of the employees and counseling, stress management, and meditation programs for mental health.



Family Friendly

LG Display believes in 'happy home, happy life' philosophy and trying to create family friendly corporate culture. LG Display has identified five stages of employee life cycle from single life to retirement and recommends different resolutions for each stage to help life balance of employees.

Program for Each Stage of Life Cycle

Stages	Main programs
For all stages	Leader's Special Day Gift Heart touching events for parents
Single and pre-marriage	Wedding Car service for In-house couples Small weddings
Marriage and pregnancy	Gift for new born
Infant and baby care	May the Family Month event Field trip to parents' work place
Children and youth parenting	Gifts for first day of elementary school Special classes for high school students College admission wish gifts
Separate from children and prepare retirement	Happy 100-year-old program

Joyful Energy

Healthy corporate culture requires energetic atmosphere along with individual health. LG Display is trying to raise the comradeship and motivation among employees with various programs including 'Dream Tree' that supports employees' dreams, year ending events to share appreciation between coworkers, and Encouragement from CEO with direct word of encouragement for employees. LG Display also operates activities to create cheerful work with selected team leaders, Joyful Member of cheerful work program.



INTERVIEW

LG Display is consistently developing various programs every year to create Joyful Workplace for our employees. Especially, we are trying to listen to the voice of employees and learn their needs through the JM (Joyful Member) program. In order for LG Display to regenerate as a sustainable corporate with competitiveness, it has to create the right environment for mutual growth between the corporate and employees and increase of passion and dedication from the employees. To create the right environment, there should be continuous open communication, considerations for employees, voluntary and fair corporate culture, as well as setting up examples by management. Healthy corporate culture is equivalent to competitiveness. I expect to see progress of strategic activities, not a one-time or pretentious, to build healthy corporate culture for a long run.

Yoo Kyung-Jin | OLED Light Marketing Team Assistant Manager Twin Representative of Joyful Member



Realization of Innovative Organizational Culture

Respect of Human Rights

LG Display complies with the UN Declaration of Human Rights, International Labor Organization (ILO), and any other international human right advocates around the world. LG Display with our partners are doing so by following the Human Rights Manual which provide guidelines regarding working environment, guarantee of legal freedom, and respect of human dignity founded on human-oriented management and business ethics. LG Display is determined to fulfill our social responsibility for human rights as a global corporate citizen.

LGD Human Rights Guideline

- Respect of Human Rights** — The best effort not to create any inhumane treatment for all employees.
- Prohibit Forced Labor** — No employee can be forced into working against his or her will under physical or mental restraint.
- No Child Labor** — Prohibits any labor by children under 15 and youth under 18 years old excluded from unsafe and unhealthy duties.
- No Discrimination** — No discrimination against one's gender, ethnicity, nationality, disability, religion or labor union involvement.
- Working Hours** — Comply with legal working hours under local regulations.
- Payment and Benefits** — Comply with minimum wages according to the local regulations.
- Freedom of Association** — Prohibit any unfair treatment for joining Workers' Alliance by open communication between management and employees.
- Complying Labor Law** — Comply with labor condition in accordance with local labor laws

Human Rights Protection for Partner Companies

Human rights protection issue does not only affect one business but other partners as well. LG Display recognizes the risks of this influence and is trying to protect human rights for partners.

Fair Compensation for Employees

LG Display believes in the value of human resources and provides incentives for excellent performance. LG Display strives to increase its competency by rewarding fair incentives to build stronger motivation and achievement for employees.

Compensation System

- PS(Profit sharing) — Rewarded according to the company performance
- Vision Incentive — Rewarded according to excellent performance
- PI(Personal Incentive) — Rewarded according to individual performance
- Salary according to Market Value — Set according to individual value and competency

Settling Gender Equality Culture

Obtained Family-friendly Company Certification

LG Display practices 'Happy home, Happy life' philosophy by offering various family-friendly programs, including heart touching with parents' events and field trips to mom and dad's work program. As the result of LG Display's great efforts, we have achieved Family-friendly Company Certification* by the Korea Ministry of Gender Equality and Family in December, 2015.

* Family-friendly Certification System: award for the best company with best family friendly programs including maternity leave, parenting, flexible hours, and fixed working hours according to assessment.

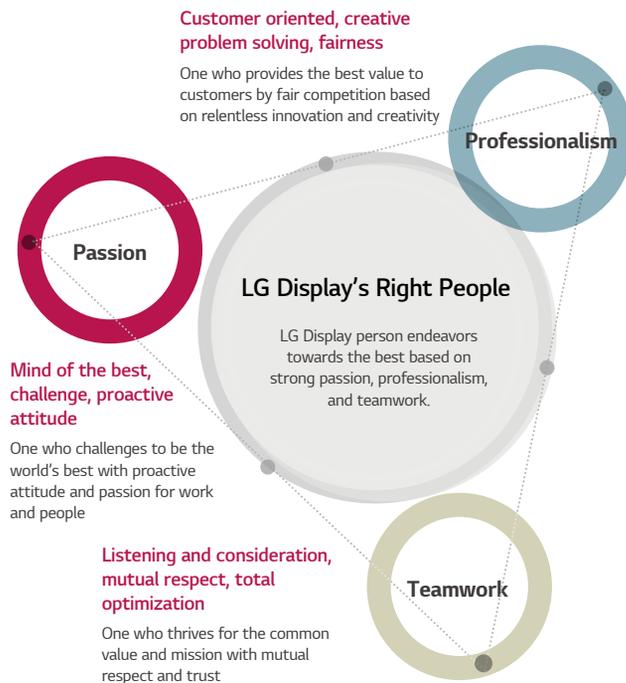


Attracting and Nurturing Talents

Valuable Employee Recruiting Strategy

LG Display's Right People

LG Display's right people are defined as 'someone who thrives to be the best by presenting his or her professionalism and teamwork founded on his or her passion.' LG Display is growing our competency by recruiting excellent talents, who can maximize his/her abilities to follow 'member's competitiveness is the corporate competitiveness' philosophy. Especially, LG Display is operating various programs to obtain more valuable R&D members for stronger future foundation.



LGD Talents Charter

- 1 Under the idea of high value asset in outstanding individuals, LG Display is doing the best to create the condition for the members to perform their best and to give corresponding acknowledgement and treatment for Global No. 1 performance.
- 2 LG Display recruits and trains the qualified candidates for to be LG Display person.
- 3 LG Display supports its members to be equally respectful and considerate for each other to prove their self-determination and creativity.
- 4 Members are to be the best by challenging the extreme goals without fearing failures.
- 5 Try to make the atmosphere of wanting to go to work in the morning and working with pleasure.

Talent Attracting Program

LGenius Program

LGenius is a combination word of LG Display and Genius, and is a recruiting program to attract R&D talents. LG Display searches for the best candidates from laboratories and relative departments of universities. And we sponsor the candidates with tuition, allowances, conference attending expenses as well as one on one mentoring with LG Display researchers until their graduation to help them concentrate on the researches.



Technical Talk

LG Display invited science major seniors from colleges to hold a special seminar about recruiting of future R&D personnel. The seminar included consulting by experienced employees about recruitment and job descriptions and also offered Show Room Tour at Paju Plants. This seminar also provided special lectures for each specific majors and helped participants to understand the overall industry and technology.

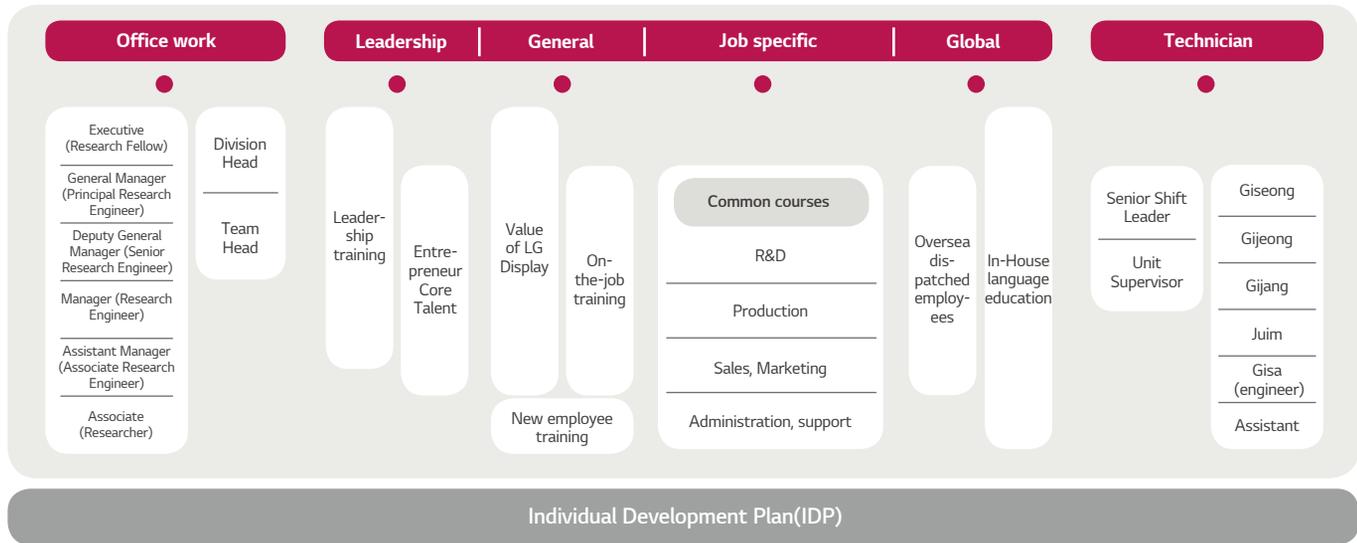


Attracting and Nurturing Talents

Talent Nurturing Program

LG Display is determined to develop and strengthen employees' competence and skills through differentiated and professionalized programs. LG Display is striving to grow world market leading individuals by providing specialized programs for each field along with language learning programs.

Vision Achievement



Strengthening Employees' Competencies

Leadership Development

To answer to the changing trend of corporate leaderships, LG Display is operating its own processes to strengthen the leadership. LG Display's leadership development process is aimed at 'maximizing its core competence by leaders' and defines the 'LG Display Leadership Qualities' at each rank, and conduct regular leadership competence evaluations. LG Display will continue to offer a range of leadership development programs that enables the self-assessment of employees' leadership potential and style.

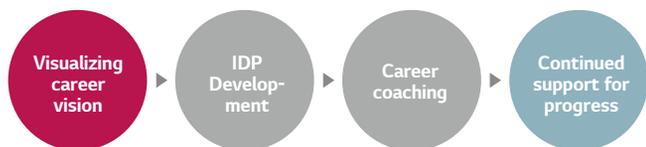
On-the-job Training

LG Display provides a variety of training programs that are specialized for the respective fields and duties with accumulated knowledge and technologies in depth. LG Display is also fostering OLED experts at all skill levels including new and displaced employees through an 'OLED school'.

Individual Development Plan (IDP)

LG Display supports capability building and continuous career development of individual employees through IDP, where employees can evaluate their own capabilities and weakness to improve self-development with mentoring from their leaders. The IDP also furthers individual capabilities and visions with intimate career coaching from their line manager, thereby contributing to the fundamental competitiveness of the company.

IDP Process



Build Healthy Labor-Management Relations

Win-Win Labor-Management Culture

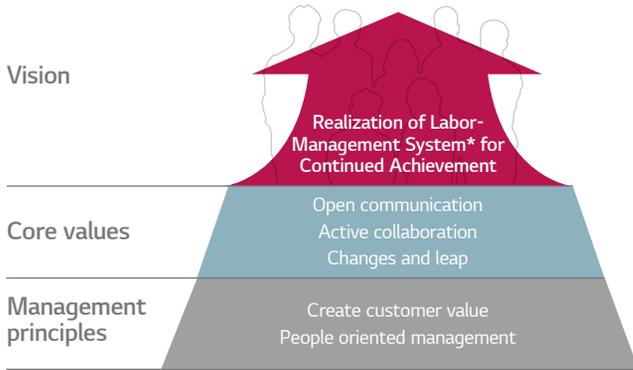
LG Display has adopted a term 'Labor-Management Relation' to describe its exceptional relation based on mutual trust and respect. Based on such a notation, LG Display and our labor union maintain an exceptional collegial relation, working hand-in-hand to discuss plans of improving the company's competitiveness in the market.

Establishing the Best Labor-Management System

In 2015, LG Display's own labor-management system has been reported in the Labor-Management Newsletter, as the best system with the most harmonized relations based on mutual trust and respect. LG Display has established the labor-management system that contributes to social development by enhancing the quality of our members based on a vision of 'Realization Common Goods for Continued Achievement', which follows our management principles and core values.

LG Display in 20 Years, and Persisting for Another 100 Years

"Best Labor-Management" Vision System



* Gaining world-class competitiveness, enhancing life quality of the members, contributing to social development

Invigoration of Labor-Management Communication

LG Display is listening to valuable opinions from our employees through various channels. The management and labor union representatives convene in quarterly labor-management council meetings and share the company's management status and improvement issues through working-level workshops and monthly review meetings.

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. The FB Committee members and management hold quarterly FB conferences to deliver opinions of junior employees to the company, and share updates on the company's policies and current management status.

Subgroups by Job Position

There are different subgroups by job position, respectively for office workers and engineers. These subgroups gather feedbacks from employees of all ranks, facilitate communication within the organization, and form a sound organizational culture as well as contribute to the development of local communities through actively taking part in CSR activities.

Employee Grievance Policy

LG Display has an employee grievance handling procedure that allows employees to report workplace issues, including sexual harassment, verbal/physical abuse, and unreasonable conduct. The company reviews submitted grievance reports and provides feedback to help solve the problems. The grievance can be submitted with or without a name and the grievance handling committee investigates the issue and promises the confidentiality of reporting person's identity.

Grievance Handling process



USR (Union Social Responsibility) Activity

The labor union of LG Display furthers its USR activities to lead the labor movement paradigm and fulfill its social responsibilities. LG Display thrives for continued development of its labor union and better company image by contributing to company's competitiveness and creating mutual values through USR activities.



SUSTAINABILITY GOVERNANCE

SUSTAINABILITY ISSUES

► CHINA CSR PERFORMANCES

APPENDICES



LG OLED TV

CHINA CSR PERFORMANCES





Sustainability Overview



Business Achievements

LG Display has been targeting the Chinese market by establishing an 8.5 generation LCD Plant in Guangzhou. The company has initiated local production to lower distribution costs, save on tariffs, and to increase local sales. The 8.5 generation LCD Plant recently doubled its production from 60,000 units per month to 120,000 per month to respond quickly to demand. Through various efforts, LG Display has increased 2015 revenue, KRW 19.3754 trillion, by 22% over last year in the Chinese market. LG Display aims to continue to secure its leading position in China through assorted efforts.



CSR Activity Achievements

- LGDCA:** Acquired certification as the first Green Manufacturing Plant and also acquired seven other international standard certifications (ISO 50001, ISO9001, ISO14001, OHSAS18001, and etc.)
- Guangzhou Plant:** Accumulated module production KRW 300 million
- Nanjing Plant:** 2015 Jiangsu provincial award – recognition for contribution to local community
- Yantai Plant:** Awarded the Best CSR Company in 2015

Jeong-Do Management

LG Display has established own Management Diagnosis Team in China to ensure the awareness and practice of Jeong-Do Management within the plants in China. The Management Diagnosis Team of China reports on the status of Jeong-Do Management practices in each plant. The team also diagnoses issues related to Jeong-Do Management and provides solutions for each plant to educate and promote Jeong-Do Management to all employees. LG Display will try to take a lead in building a healthy corporate culture with transparency based on Jeong-Do Management.



Empathy Plus_Chinese version



LG Public Safety_Chinese version

Jeong-Do Management Promotion

The Management Diagnosis Team of China issues and distributes its weekly 'Jeong-Do Management Notice' to all employees in China to promote Jeong-Do Management. Also, 'Jeong-Do Management Empathy Plus', and the newsletters written by the Ethics Bureau in the HQs in Korea have been translated into Chinese and distributed to each subsidiaries in China for the convenience of the employees in China. In addition, 'LG Public Safety' promotion materials and 'LG Code of Ethics' have been translated and distributed to increase the awareness of Jeong-Do Management among employees in China.

Jeong-Do Management Education

LG Display supports its new hires to build their Jeong-Do Management from the outset, before their placements, by increasing their awareness of Jeong-Do Management through education programs. We also performed offline training programs for office workers and plant supervisors in four manufacturing plants and two retail sites in China in 2015. We will continue our proactive efforts to raise the awareness of Jeong-Do Management among its employees.



3,099 persons

2015 Jeong-Do Management Program Trainees

Environment and Safety Performances

Activities for Supporting Safety Management

LG Display is increasing the competence of safety management of the Chinese plants through regular safety management support programs. LG Display tries to not only perform beyond local safety standard and regulations but also tries to exceed international corporate CSR assessments, group safety inspection practice status assessments, and safety management audits of overseas suppliers. The Korean headquarters of LG Display plans to extend and enhance its safety management system to plants in China through continuous capacity strengthening activities.

2015 LGDCA Safety Management Support Activities



Environmental Management Activities

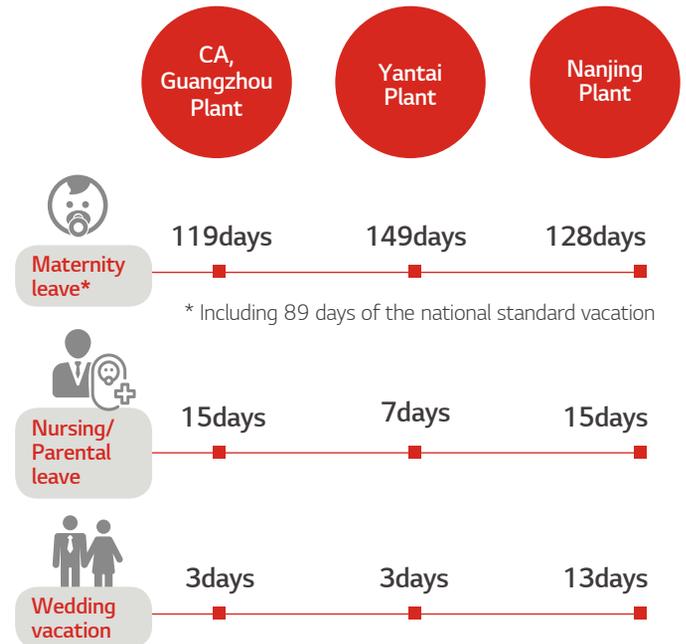
LG Display is proactively responding to the local eco-friendly regulation by acquiring international standard certification and concentrating on eco-friendly competence. LG Display has shown its efforts to contribute to the environment and build eco-friendly working environment, by applying suitable strategies for each plant and successfully acquiring international standard certifications, including Energy Management System (ISO50001) and Environmental Management System (ISO14001). LGDCA has acquired seven international standard certifications. Based on these achievements, LGDCA passed all 32 requirements of six areas under the Green Manufacturing Plant certification system*, including compliance of environmental regulations, energy and resource management, and producing eco-friendly products, and has become the first in China to acquire the Green Manufacturing Plant certification. Other plants are also proactively practicing eco-friendly management through various efforts, including changing to LED lights, improving production process, reducing GHG emissions, as well as recycling water and waste materials.

* Green Manufacturing Plant certification system: an eco-friendly industrial policy initiated by the Chinese government, aiming to promote eco-friendly practices throughout the product lifecycle ranging from production and use, to disposal while following environmental regulations and various management indices.

Social Performances

Vacation Support in Each Subsidiary According to the Family Planning Policy

According to the 'Two-Child Policy', the Chinese government enacted 'Family Planning Law' on December 27, 2015, and each local government has proceeded related legislation at a local level. Accordingly, LG Display has guaranteed employees' legal vacations and leaves in accordance with local laws by establishing vacation policy complying with the Family Planning Law.



Promoting Activities of Social Contribution

LG Display is taking the lead in creating shared value with local communities through various activities. LGDCA promotes social contribution by environment purification campaigns and volunteer work with special education school students close to Guangzhou Plant and Yantai Plant. The Nanjing Plant also gives donations to under privileged communities. LGDCA pledges to build mutual culture with the local communities through active communication.



LGDCA

Eco-Friendly Management

LGDCA has implemented an eco-friendly production strategy from the start and has acquired seven international standard certifications including ISO 50002 for energy management, ISO 14001 for environmental management, and OHSAS 18001 for Safety and Health. Based on these achievements, LGDCA has also been certified for compliance of environmental regulations, energy/resource management, sound eco-friendly performance indicators, and for manufacturing eco-friendly products, and has also acquired the 'green manufacturing plant' certification. LGDCA has also established an award program wherein the best suggestion with savings of CNY 50,000 per year or more is chosen for a cash prize. Furthermore, plants and dormitories have contributed to saving CNY 790,000 per year by changing 24,000 lights to LED lights.



2015 Outstanding Energy Saving Items Award ▶

Safety and Health Management

LGDCA is promoting fundamental industrial disaster prevention by building best safety systems and health enhancement programs to create a safe and healthy working environment. LGDCA is also practicing on-site safety for the GP2 construction site by setting up various programs including a responsibility system, gas/chemical 'turn-on focused management,' and use of certified production equipment. LGDCA also performs emergency drills for gas leak and explosion situations, and has set up emergency responding centers and control towers to prepare for any possible industrial disasters. Every 12th of the month is set as the 'Safety Day' to promote and train for safety of employees.

Social Contribution Activities

LGDCA tries to further its social contribution based on three different areas i.e. environment, education, and welfare. Regarding the environment, the company promotes various environment clean-up campaigns with local organizations and partners. LGDCA also donates equipment to local schools for education. LGDCA's employees visit senior centers to support neglected communities in the area. LGDCA has started special programs for out-of-town construction workers called 'Giving Cool,' to provide recreational games and snacks, thereby creating a friendly working environment.



Giving Cool Activity ▶

Joyful Workplace

LGDCA is trying to satisfy the employees through various programs under categories of Joyful Energy, Harmony, and Wellness. Thus, appointed 'Joyful Members' communicate with other employees to share ideas and accomplishments through regular meetings. In addition, the new 'Chinese & Korean Culture Golden Bell' provides an opportunity for Chinese and Korean employees to build better cross-

cultural understanding. It also shows additional efforts to create a better workplace by providing medical checks and health related lectures as well as a monthly 'compliment relay' event for employees.



◀ Chinese & Korean Culture Golden Bell



INTERVIEW

Zhou Juyen | Senior Engineer



Through the family invitation program in LG Display, my family had a chance to understand and visit my workplace. We were able to build closer relationships and teamwork among employees through kickball tournaments. Furthermore, LG Display is providing well-structured support programs internally and externally for employees to pursue further self-improvements and professional developments. I hope LG Display continues its support to maintain a good working environment for its employees.

Il Myoung Jin | Former Senior Manager of the Environmental Management Department



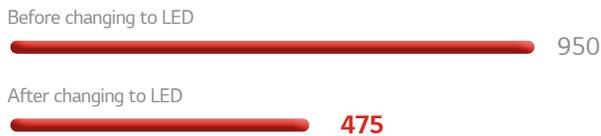
Awareness of environmental responsibility, implementation of environment recovery technology, and utilizing environmental management are important factors for all environment related work. Besides obtaining the green manufacturing plant qualification, various other system certifications such as ISO 14001, and product certifications like RoHS and carbon footprint inspection are required by national and community organizations. LG Display has shown its advanced competence in energy saving, pollution reduction, environment conservation, and cost reduction. Thus it should further its effort to raise the awareness and participation of employees for environment conservation.

Guangzhou Plant

Eco-friendly Management

The Guangzhou Plant has created an eco-friendly working environment by changing to LED on the G1 site. It has also successfully achieved substantial savings, operating expense dropped from CNY 950,434 to CNY 475,007, by changing to mercury-free and energy saving LED lights. The company plans to continue other efforts to improve the environment through G2 reconstruction projects, waste material and air pollution disposal processes.

Operating cost comparison for before and after LED Unit: KCNY



Safety and Health Management

Guangzhou Plant has formed a safe production committee for safety inspection of the Plant, management, and maintenance team to create practical and safe production. It also performs safety related training and fire drill on a monthly basis. The company is determined to promote higher safety awareness in employees and build a safe working environment.

Fire Drill ▶



Social Contribution Activities

Employees from the Guangzhou Plant has visited designated Luogang Special Education Schools under the 'Share Hearts and Touch Hearts' motto, and has donated stationery and goods for educational activities. The employees in Guangzhou Plant have also visited senior centers and performed a variety of volunteering to share joys with local senior citizens. Guangzhou Plant will continue its efforts in visiting local communities to improve communication and to build mutual success.



Volunteering at Jimyeong Special Education School ▶

Joyful Workplace

The Guangzhou Plant holds regular events inviting families of employees to promote more communication between employees and their families. In 2015, the Plant offered longer visitation hours to offer families of employees see their working environment and thus create a family friendly culture. The plant has also established various programs like 'Sunrise' to share new year resolutions, and has increased communication channels to encourage communication between different employees and to protect employees' rights.

◀ Family Inviting Event



INTERVIEW

Jang Hong | Assistant Supervisor



I am satisfied with the support from the company for creating an appreciative working environment and self-development opportunity for employees. The company is especially caring for the improvement of the physical and mental health of employees through monthly events. I hope to see continuous improvement for shared spaces and more development opportunities for individuals.

Ryu Chang Yun | Manager



The Guangzhou Plant is dedicated to improve the safety awareness level of employees and the entire organization by participating in government directed platforms and safety drills. The plant should further its effort to be more proactive in responding to any danger by creating a safer working environment according to its site, members, and equipment.

Nanjing Plant

Eco-friendly Management

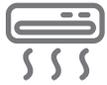
Energy Saving Activity

The Nanjing Plant is practicing various activities to optimize energy saving based on eco-friendly management. It has successfully reduced energy costs by installing LED lights in more than 90% of facilities including offices, warehouses, and production lines, and modifying CDA trap and wet film humidifier for air conditioners. As result, it received a CNY 20,000 award from the Chinese government and an Energy Management System certificate.



900 KCNY/year

Cost saving from CDA Trap change



1,060 KCNY/year

Cost saving from modifying humidifier of air conditioner

Safety and Health

The Nanjing Plant shows its dedication to create a safe and healthy working environment through various activities. The plant developed programs to improve the awareness level of employees for safety and prevent traffic/industrial accidents around sites in 2015. Furthermore, it requested a signed safety contract from its partners, and conducted safety trainings and inspections on a regular basis to enhance its safety management. The plant has changed from annual inspection to quarterly inspections so it can timely evaluate hazardous material management system and minimize any adverse impact on employee health.

Public Announcement Material for Traffic Accidents ▶



Social Contribution Activities

The employees of Nanjing Plant have been sharing donated clothes and sport goods with the underprivileged local communities as well as blood drives. The Nanjing Plant also provides various programs for children of out-of-town employees such as providing free lunches and hosting field trips to Nanjing museums. The plant also shows its support for neglected communities by visiting senior centers. It is dedicated to support and share mutual values with local communities through various activities.

Free Lunch for Out-of-town Employees' Children ▶



Joyful Workplace

The Nanjing Plant is trying to monitor and support the mental and physical health of employees and to strengthen the bond and teamwork in the organization through various communicating programs such as 'Town meeting,' 'Happy lunch,' and counseling office. The employees have also built a 'Tree of hope' for Christmas with recycling cardboard, and held 'Dance talent show' and bus tour during Chinese New Year for those who were not able to travel to their hometowns.



Building a 'Tree of Hope'



INTERVIEW



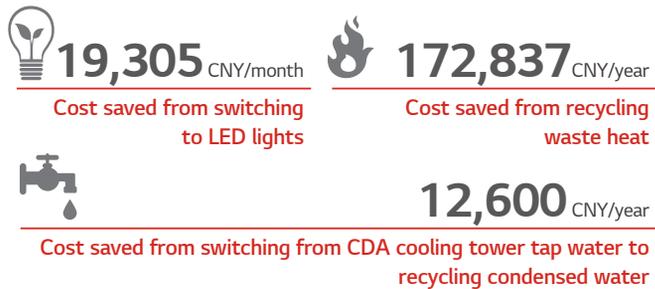
Jang Choon | Investment PO Management Officer

It is more important to form various communicating channels between employees to build trust and an appreciative work culture. The Nanjing Plant is supporting its employees by providing communicating channels where everyone can equally share their grievances. The Nanjing Plant is expected to create mutual growth with the employees by offering systematic training programs.

Yantai Plant

Eco-friendly Management

The Yantai Plant is operating eco-friendly management through various energy saving activities including switching to LED lights and recycle of waste heat. Part of indoor and outdoor lights for the Yantai Plant have changed to LED light to improve intensity and save energy cost. We have also saved steam energy in winter time through recycling coolant waste heat from Comp System effectively. Moreover, the Yantai Plant successfully changed tap water from Y2 CDA cooling tower to recycling condensed water to save water usage in winter time.



Safety & Health Management

The Yantai Plant is offering various safety & health training programs to nurture the safety awareness and improve emergency responding skills among employees. In 2015, Yantai plant also has conducted traffic safety and fire drill trainings taught by local experts and local fire department professionals. It also established its own power, electricity, and safety drills under environment safety management. Furthermore, it contributes to the partners' safety by holding monthly meetings and inspections of ten partners.



Emergency Drill ▶

Social Contribution Activities

The Yantai Plant is actively pursuing social contribution by supporting environment, education, and local communities under the theme of public welfare and love. In 2015, the Yantai plant employees volunteered for local parks and environment protection activities to contribute to the local environment. Moreover, we have shared sincere involvement and mutual growth with the local community through various activities including visiting Yantai local special education school to volunteer for cooking class with students and donating school equipment as well as visiting senior center to donate various household items.



◀ Visit Yantai Special Education School

Joyful Workplace

Yantai Plant is striving to achieve One Family based on three factors including true communication, happy environment, and social contribution to build joyful working environment culture. For this, it has offered various activities including Children's Day event, Family Invitation to create family-friendly culture, Korea-China cross culture marathon, as well as Sports Day for the local employees to raise their teamwork strength. Also, it provided an opportunity for all employees to come together during Chinese New Year celebration.



Cross Culture Marathon ▶

INTERVIEW

Lang Lai Ei | Yantai Plant Cell Production Section Chief



LG Display Yantai plant is systematically offering joyful workplace program according to individual's characters. Through its mentor-mentee program, active conversation between ranking, and high quality training, we were able to strengthen the team work and improve the work quality. We hope to continue to offer more programs to raise the belongingness among our employees in the future.

Lee Jang Hwa | Yantai Special Education School Assistant Manager



Social contribution activities are considered to be a part of industry culture and scheme as a requirement for a people-oriented corporate. Thus, I would like to say 'thank you' to the LG Yantai plant and the employees for their support our school with building a learning environment and providing school supplies.



APPENDICES

CSR Quantitative Performances

Economic Performances

R&D Investments

Category	Unit	2013	2014	2015
R&D Expenses	KRW million	1,674,780	1,787,593	1,546,840
R&D-to-Sales Ratio	%	6.2%	6.8%	5.4%

Government-sponsored R&D project expenses

Category	Unit	2013	2014	2015
In a government-funded project	KRW 100 million	152.5	163.2	148.8

Financial Status

Category	Unit	2013	2014	2015
Assets		21,715	22,967	22,577
Liabilities	KRW billion	10,918	11,184	9,872
Capital		10,797	11,783	12,704

Financial Performances

Category	Unit	2013	2014	2015
Sales		27,033	26,456	28,384
Cost of sales		23,525	22,667	24,070
Gross profit on sales		3,508	3,789	4,314
Operating profits	KRW billion	1,163	1,357	1,626
EBITDA		4,998	4,850	5,001
Net income before income taxes		830	1,242	1,434
Net profits		419	917	1,023

Environmental Performances

Use of Raw Materials (Domestic and Overseas)

Category	Unit	2013	2014	2015
Backlight	1,000	271,694	291,321	260,566
Glass	m ²	86,574,350	94,619,379	96,500,167
polarizer	1,000	652,323	690,204	673,125
Drive IC	1,000	1,295,768	1,324,140	1,168,746
Liquid Crystal	kg	122,696	129,138	130,093

Water Withdrawals by Source at Domestic Worksites*

Category	Unit	2013	2014	2015
Domestic worksites	Industrial water	75,084,925	75,570,215	74,879,544
	Residential water	2,166,580	1,910,559	1,713,179
	Underground water	420,894	379,639	385,600
	Subtotal	77,672,399	77,860,413	76,978,322

* In 2014, figure has been revised due to parts of data error

Water Reuse Rate

Category	Unit	2013	2014	2015	
Domestic worksites	Volume of water reuse	ton	97,138,928	101,236,797	105,473,313
	Reuse rate *	%	125%	130%	137%

* Standard for water reuse rate calculation: Reuse rate= volume of reuse / volume of new water input x 100

※ new water input is a total amount of industrial water, residential water and groundwater

Discharge of Water Pollutants (Domestic)

Category	Unit	2013	2014	2015
BOD	ton/d	14.8	23.3	25.7
COD	ton/d	10.3	15.2	9.4
SS	ton/d	6.2	8.4	6.8

Energy Intensity at Domestic and Overseas Worksites*

Category	Unit	2013	2014	2015
Energy consumption	TJ	66,082	66,463	67,257
Manufacturing performance	1,000 glasses	7,670	8,425	8,609
Energy intensity	TJ/1,000 glasses	8.6	7.9	7.8

* In 2014, figure has been revised due to parts of data error

GHG Reduction (Domestic)

Category	Unit	2013	2014	2015
Domestic worksites	tCO ₂ eq	409,178	376,913	431,795

Energy Consumption at Worksites (Domestic and Overseas)*

Category Account	Unit	2013	2014	2015	
Domestic worksites	Direct energy	LNG	1,319	1,103	1,184
		Bio Energy	-	-	-
		Others	230	-	200
	Indirect energy	Electricity	59,384	58,178	58,560
		Steam	159	187	202
	Subtotal	TJ	61,092	59,468	60,146
Overseas worksites	Direct energy	LNG	63	229	122
		Bio Energy	-	-	-
		Others	16	17	0
	Indirect energy	Electricity	4,872	6,654	6,899
		Steam	39	95	90
	Subtotal	TJ	4,990	6,995	7,111

* Energy consumption is calculated based on description of 'GHG Energy KPI'

GHG Emissions (Domestic and overseas Worksites)

Category	Unit	201	2014	2015	
Domestic worksites	Scope1	4,035,534	4,851,770	4,503,003	
	Scope2	tCO ₂ eq	2,885,986	2,840,809	2,845,479
	Subtotal		6,921,520	7,692,579	7,348,481
Overseas worksites*	LGDCA		-	249,879	452,537
	Nanjing		118,502	102,999	119,141
	Guangzhou	tCO ₂ eq	36,230	32,903	49,174
	Yantai		22,928	16,699	43,095
	Poland		1,191	1,097	11,298
	Subtotal		178,851	403,577	675,245

* GHG emissions from electricity in overseas worksites are calculated by using emission coefficient of each region (applied since 2015)

Scope 3 GHG Emissions by Domestic Worksites

Category	Unit	2013	2014	2015	
Upstream	Employees' business travel	tCO ₂ eq	-	3,871	4,180
Down-stream	Goods transportation	Ship-ping	-	4,933	2,176
		Im-port	-	2,107	4,678

Amounts of Waste Discharging and Recycling Rate (Domestic and Overseas)

Category	Unit	2013	2014	2015	
Domestic worksites	Hazardous Wastes	Pro-cessed	939	808	1,293
		Recycled	73,545	79,552	125,513
	General Wastes	Incineration	799	1,067	1,062
		Landfill	39,250	11,280	11,142
		Recycled	55,478	30,378	38,106
	Recycling rate	%	72%	89%	92%
Overseas worksites*	Hazardous Wastes	Pro-cessed	62	2,376	7,872
		Recycled	-	1,166	9,026
	General Wastes	Incineration	335	225	339
		Landfill	2,367	3,439	4,024
		Recycled	7,391	15,415	24,823
	Recycling rate	%	72.8	73.3	73.5

* The waste data of the overseas worksites is added and calculated only the Chinese subsidiaries

Emissions of Air Pollutants (Domestic)

Category	Unit	2013	2014	2015
Nox	kg/yr	83,421	35,885	31,506
Sox	kg/yr	68,306	17,638	19,161
Dust	kg/yr	151,837	104,644	75,119

Social Performances

Employee Data

Category	Unit	2013	2014	2015	
Domestic worksites	Male	persons	23,851	23,449	23,885
	Female		9,884	9,079	8,725
Overseas worksites	Male	persons	8,281	8,461	9,940
	Female		9,189	8,432	7,731
Female workforce ratio	%	37.2%	35.4%	32.7%	

New Employment and Employee Turnover Rate

Category	Unit	2013	2014	2015	
New Employment	Office	New	727	311	497
		Experienced	79	74	191
	Production Line	New	487	65	479
		Experienced	73	-	-
Turnover rate	%	6.1%	4.8%	3.5%	

Minority group

Category	Unit	2013	2014	2015	
Disabled (including Namumnuri)	Number	persons	415	492	529
	Ratio	%	1.2%	1.5%	1.6%
Patriots & veterans	Number	persons	317	333	342
	Ratio	%	0.9%	1.0%	1.1%

Annual Average Training Hours per Employee

Category	Unit	2013	2014	2015
No. of trainees	persons	34,501	33,018	32,646
Total training hours	hours	1,450,000	1,113,270	1,626,283
Annual average training hours per employee	hours	42	34	50

Labor Union Membership

Category	Unit	2013	2014	2015
No. of labor union members	persons	22,828	21,938	21,703
No. of labor union target	persons	33,646	32,528	31,332
Participate rate	%	67.8%	67.4%	69.3%

Number of Employees Covered by Corporate Pension Plan (Domestic)

Category	Unit	2013	2014	2015
Defined benefit (DB)	persons	32,609	32,528	32,286
Defined contribution (DC)		7	7	5

Local Procurement Ratio of Major Worksites*

Category	Unit	2013	2014	2015
Korea		84%	80%	72%
China	%	100%	79%	67%
Poland		100%	95%	94%

* In 2014, figure has been revised due to parts of data error

Number of staff who received regular performance evaluation (Domestic)

Category	Unit	2013	2014	2015
Employees subject to regular performance evaluation and career development assessment	persons	33,646	32,528	31,332
Employee ratio subject to regular performance evaluation and career development assessment	%	97.9%	98.0%	94.7%

Use of Parental Leave

Category	Unit	2013	2014	2015
No. of employees on parental leave		394	543	1,084
No. of employees returning to work after parental leave	persons	266	342	725
No. of employees still employed in the company 12 months after the end of parental leave		146	241	253

Industrial Incidents*

Category	Unit	2013	2014	2015
Industrial Incident Rate	%	0.015%	0.006%	0.009%

* Subsection 1, Article 3 of the Regulations on Industrial Incident Statistical Calculations of the Ministry of Employment and Labor: Incident rate= (No. of the injured / No. of employees) ×100

Number of Complaints Received through Official Grievance Channels

Category	Unit	2013	2014	2015
No. of complaints received	cases	27	30	74
No. of complaints resolved		27	30	73*

* One anonymous complaint was received in 2015 and the content was unclear, therefore, the case was not investigated

Social Contribution Investment & Participation

Category		Unit	2013	2014	2015
Social contribution investments	Corporate Donation*	KRW million	18,511	14,184	16,327
Social contribution participation	No. of Social Contribution Programs	Volunteering	2,050	2,862	2,618
		Donation	31	44	44
	No. of Participants (double counting allowed)	Volunteering	28,198	33,843	31,541
		Donation	4,678	5,166	5,619

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

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

Category		Unit	2013	2014	2015
Training hours	In-person training	Anti-sexual harassment training	46,898	20,541	31,518
		Other training*	6,818	2,943	3,763
	Online training	Anti-sexual harassment training	17,375	13,250	10,750
		Jeong-Do Management course	609	1,820	10,898
Number of employees trained	In-person training	Anti-sexual harassment training	31,446	20,541	21,012
		Other training*	2,782	1,273	569
	Online training	Anti-sexual harassment training	11,583	13,178	10,750
		Jeong-Do Management course	609	364	10,898

* Other trainings include Anti-sexual harassment training, Jeong-Do Management course, Fair trade training, and etc.

GRI INDEX

GENERAL STANDARD DISCLOSURE

● : Full / ◐ : Half / ○ : Not / N/A : Not Applicable

Aspect	G4	Indicators	Reporting level	page	Remarks	
Strategy and Analysis	G4-1	Provide 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	●	2-3		
	G4-2	Provide a description of key impacts, risks, and opportunities	●	2-5, 28		
Organizational Profile	G4-3	Report the name of the organization	●	6		
	G4-4	Report the primary brands, products, and services	●	8-9, 30-32		
	G4-5	Report the location of the organization's headquarters	●	0		
	G4-6	Report 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	●	7		
	G4-7	Report the nature of ownership and legal form	●	11		
	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●	7		
	G4-9	Report the scale of the organization	●	6-7, 69, 71		
	G4-10	1) Report the total number of employees by gender (employment contract/ employment type/ employees and supervised employees/region) 2) Report the scope of duties of workers except permanent employees 3) Report any significant variations in employment numbers	●	71		
	G4-11	Report the percentage of total employees covered by collective bargaining agreements	●	71		
	G4-12	Describe the organization's supply chain	●	43-48		
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●		▶ In December 2015, OLED lighting business has been moved from LG Chemical to LG Display, and the related economic performances are described in this report	
	G4-14	Report whether and how the precautionary approach or principle regarding sustainability issues is addressed by the organization	●	14, 19		
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	●	77		
	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	●	80		
	Identified Material Aspects And Boundaries	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents or report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	●	69, Refer to the Securities Report (page 43-45)	
		G4-18	Explain 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		List all the material Aspects identified in the process for defining report content	●	22-23		
G4-20		For each material Aspect, report the Aspect Boundary within the organization	●	22-23		
G4-21		For each material Aspect, report the Aspect Boundary outside the organization	●	22-23		
G4-22		Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	69-72	▶ Some changed data of environmental and social performances are described separately in each topic as a reference	
G4-23		Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	0		
Stakeholder Engagement	G4-24	Provide a list of stakeholder groups engaged by the organization	●	17		
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage	●	17		
Report Profile	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	●	17		
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report 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) for information provided	●	0		
	G4-29	Date of most recent previous report (if any)	●	0		
	G4-30	Reporting cycle (such as annual, biennial)	●	0		
	G4-31	Provide the contact point for questions regarding the report or its contents	●	0		
	G4-32	If received external assurance regarding the 'in accordance' option the organization has chosen, the GRI Content Index for the chosen option, and the report, refer to the external assurance report	●	0		
	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report, the scope and basis of any external assurance provided, 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 organization's sustainability report	●	0, 78-79		

GRI INDEX

● : Full / ◐ : Half / ○ : Not / N/A : Not Applicable

Aspctet	G4	Indicators	Reporting level	page	Remarks
Governance	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	●	10-11, 18	
	G4-38	Report the composition of the highest governance body and its committees	●	10-11	
	G4-39	Report whether the Chair of the highest governance body is also an executive officer	●	10	
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members (including independence, expertise, diversity)	●	10-11	
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behaviors such as codes of conduct and codes of ethics	●	12	
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	●	12-13	
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity (escalation through line management, whistleblowing mechanisms or hotlines)	●	13	

SPECIFIC STANDARD DISCLOSURE

Aspctet	G4	Indicators	Reporting level	page	Remark
Economy					
Economic Performance	DMA	Disclosures on General Management Approach	●	28	
	EC1	Direct economic value generated and distributed	●	20-21, 69	
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	40	
	EC3	Coverage of the organization's defined benefit plan obligations	●	71	
	EC4	Financial assistance received from government	●	69	
Procurement Practices	DMA	Disclosures on General Management Approach	●	43	
	EC9	Proportion of spending on local suppliers at significant locations of operation	●	71	
Enviroment					
Emissions	DMA	Disclosures on General Management Approach	●	28	
	EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	●	40, 70	
	EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	●	40, 70	
	EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	●	70	
	EN19	Greenhouse gas (GHG) emission reduction	●	40, 70	
	EN21	NOx, Sox, and other significant air emissions	●	41, 70	
Effluents and Waste	DMA	Disclosures on General Management Approach	●	28	
	EN22	Total water discharge by quality and destination	●	41, 69	
	EN23	Total weight of waste by type and disposal method	●	41, 70	
	EN24	Total number and volume of significant spills	●		▶ No discharge of serious hazardous substances in the reporting year
	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	●	42	
Products and Services	DMA	Disclosures on General Management Approach	●	28	
	EN27	Extent of impact mitigation of environmental impacts of products and services	●	28	
Environmental Assessment of Suppliers	DMA	Disclosures on General Management Approach	●	43	
	EN32	Percentage of new suppliers that were screened using environmental criteria	●	44-45	
	EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	●	44-45	

● : Full / ◐ : Half / ○ : Not / N/A : Not Applicable

Aspcet	G4	Indicators	Reporting level	page	Remark
Society					
Labor Practice and Good Quality of Job					
Employment	DMA	Disclosures on General Management Approach	●	54	
	LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	●	71	
	LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	●	55-56	
	LA3	Return to work and retention rates after parental leave, by gender	●	71	
Occupational Health and Safety	DMA	Disclosures on General Management Approach	●	33	
	LA5	Percentage of total workforce represented in industrial health and safety committees that help monitor and advise on occupational health and safety programs	●	34	
	LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	●	33, 71	
Training and Education	DMA	Disclosures on General Management Approach	●	54	
	LA9	Average hours of training per year per employee by gender, and by employee category	●	71	
	LA10	Programs for skills management and lifelong learning that support the continues employability of employees and assist them in managing career endings	●	57-58	
	LA11	"Percentage of employees receiving regular performance and career development reviews, by gender and by employee category"	●	71	
Society					
Local Communities	DMA	Disclosures on General Management Approach	●	49	
	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	49-53, 62-67	
	SO2	Operations with significant actual and potential negative impacts on local communities	N/A		

Aspcet	G4	Indicators	Reporting level	page	Remark
Economy					
Indirect Economic Impacts	EC7	Development and impact of infrastructure investments and services supported	●	49-53	
Environment					
Materials	EN1	Materials used by weight or volume	●	69	
	EN3	Energy consumption within the organization	●	69-70	
Energy	EN5	Energy intensity	●	69	
	EN6	Reduction of energy consumption	●	40, 64-67	
Water	EN8	Total water withdrawal by source	●	69	
	EN9	Water sources significantly affected by withdrawal of water	●		▶ No water sources significantly affected by withdrawal of water
	EN10	Percentage and total volume of water recycled and reused	●	69	
Biodiversity	EN11	Operational sites owned leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	42	
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●	42	
	EN13	Habitats protected or restored	●	42	
	EN14	Total number of IUCN Red List Species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	●	42	No violaitons of environmental law and regulations
Compliance	EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●		▶

GRI INDEX

● : Full / ◐ : Half / ○ : Not / N/A : Not Applicable

Aspctet	G4	Indicators	Reporting level	page	Remark
Society					
Labor Practice and Good Quality of Job					
Diversity and Equal Opportunity	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	●	71	
Supplier Assessment for Labor Practices	LA15	Significant actual and potential negative environmental impacts for labor practices in the supply chain and actions taken	●	44-45	
Labor Practices Grievance Mechanisms	LA16	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	●	59, 71	
Human Rights					
Investment	HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	●	72	
Non-discrimination	HR3	Total number of incidents of discrimination and corrective actions taken	●		▶ No discrimination case in the reporting year
Freedom of Association and Collective Bargaining	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	●	59	
Child Labor	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	●	56	
Forced of Compulsory Labor	HR6	Operations and suppliers identified as having significant risk for incidents of forced labor or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	●	56	
Assessment	HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	●	19	
Supplier Human Rights Assessment	HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	●	44-45	
Human Rights Grievance Mechanisms	HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	●	59, 71	
Society					
Anti-corruption	SO3	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	●	12-13	
	SO4	Communication and training on anti-corruption policies and procedures	●	13, 72	
Product Responsibility					
Product and Service Labeling	PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	◐	28-32	
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●		▶ No violation
Marketing Communications	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	●		▶ No violation
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●		▶ No complaint received
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●		▶ No penalty received

UNGC

LG Display has been committed to upholding the 10 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.



United Nations Global Compact

UN Global Compact Index

Category	Principle	Actions Taken	Page
Human Rights	1. Support and respect the protection of internationally proclaimed human rights	· Implemented 'LGD Human Rights Guidelines' and 'Supplier Code of Conduct' to ensure basic human rights and labor rights for employees in LG Display and partner companies	44, 55-56
	2. Non-complicity in human-rights abuses	· In-house training on sexual harassment prevention and human rights	
Labor	3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	· Guarantee Freedom of association and the right to collective bargaining · Establishment of System for 'No. 1 Labor-Management Vision' and pledge of labor-management harmony	44, 56, 59
	4. Elimination of all forms of forced and compulsory labor	· Compliance with ILO regulations and UN Global Compact principles · Implemented 'LGD Human Rights Guidelines' and 'Supplier Code of Conduct' to ensure basic human rights and labor rights for employees in LG Display and partner companies	
	5. Effective abolition of child labor		
	6. Elimination of discrimination in respect of employment and occupation	· Ban on gender-based discrimination in wage, assessment or promotion and equal employment opportunity · Providing fair employment opportunity through fair recruitment process	
Environment	7. Support a precautionary approach to environmental challenges	· Certification of Energy and Environmental Management System and its operation (ISO14001, ISO50001)	38-42
	8. Undertake initiatives to promote greater environmental responsibility	· Promotion of energy reduction and GHG reduction and continuous activities for bio-diversity conservation	
	9. Development and diffusion of environmentally friendly technologies	· Development of eco-friendly products (M+, UV alignment, N-Type Monitor, OLED Lights, etc.)	
Anti-corruption	10. Work against corruption in all its forms, including extortion and bribery	· Promoted signing on Jeong-Do Management Pledge to employees in LG Display and supplier companies · Conducted Jeong-Do Management training to enhance employees' awareness on ethics	12-13

Third Party Assurance

DNV GL BUSINESS ASSURANCE

INDEPENDENT ASSURANCE STATEMENT

No.: AS_ PRJC-544009-2016-AST-KOR

2015-2016 SUSTAINABILITY REPORT OF LG Display

Introduction

LG Display Co., Ltd. ("LG Display") commissioned DNV GL Business Assurance Korea Ltd. ("DNV GL"), part of DNV GL Group, to undertake independent assurance of 2015-2016 Sustainability Report (the "Report"). The directors of LG Display have sole responsibility for the preparation of the Report. The responsibility of DNV GL in performing the assurance work is to the management of LG Display in accordance with the terms of reference. DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith.

Scope of assurance

The scope of assurance includes a review of sustainability activities and performance data from LG Display over the reporting period from 1st January to 31st December 2015. This also includes:

- Evaluation of adherence to Accountability principles provided in AA1000 Accountability Principles Standard (APS)2008
- Evaluation of the principles for defining the sustainability report content and quality in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 4.0
- Evaluation of the process for determining material aspects for reporting and the management approach to material issues and the process for generating, gathering and managing the quantitative and qualitative data in the Report.

Basis of our opinion

We've performed our work using AA1000AS (2008) and DNV GL's assurance methodology VeriSustain^{TM1}, which is based on our professional experience and international assurance best practice. The moderate level of assurance with Type 1 was applied to the assurance engagement. The audit was carried out in June 2016. We undertook the following activities as part of the assurance process:

- challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls;
- interviewed representatives from the various departments at Head quarter in Seoul and at Paju Factory;
- conducted document reviews, data sampling and interrogation of supporting databases and associated reporting systems as they relate to selected content and performance data;
- reviewed the outcomes of stakeholder consultation report and the materiality assessment report.

Limitations

The engagement excludes the sustainability management, performance and reporting practices of LG Display's subsidiaries, associated companies, suppliers, contractors and any third-parties mentioned in the Report. DNV GL did not interview external stakeholders as part of this Assurance Engagement. Economic performance based on the financial data is cross-checked with internal documents, the audited consolidated financial statements and the announcement disclosed at the websites of Korea Financial Supervisory Service (<http://dart.fss.or.kr>) and LG Display (www.lgdisplay.com) within the reporting scope. These documents, financial statements and the announcements are not included in this Assurance Engagement. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at high levels in the organization were applied to test the data consolidation process. The baseline data for Environmental and Social performance are not verified, while the aggregated data at the corporate level are used for the verification. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

¹ The VeriSustain protocol is available upon request at www.dnvgl.com

Conclusion

On the basis of the work undertaken, nothing comes to our attention to suggest that the Report does not properly describe the adherence to the AccountAbility Principles as set forth in AA1000APS (2008). Further opinions with regards to the adherence to the Principles are made below;

The Foundation Principle of Inclusivity

LG Display has identified 5 stakeholder groups such as Shareholder and Investors, Local communities, Customers, and Suppliers, Employees. Various channels are used to engage stakeholders by respective business units. The Report describes the communication channels with respective stakeholders, the organization responsible for the communication and communication plan.

The Principle of Materiality

LG Display has conducted materiality assessment to prepare the Report. The relevant issue pool is formed by analysing the key issues from the global sustainability initiatives and standards, the topics that industry peers consider material and the subjects covered by media for the year ending 31 December 2015. The issues in the pool are rated for the prioritization. The audit team has reviewed the materiality assessment process and confirms relevant material issues prioritized from the process are addressed in the Report.

The Principle of Responsiveness

Material issues selected through the materiality assessment process cover economic, environment and social impacts of sustainability aspects. The report presents the sustainability management system including CSR strategy and performance, and CSR governance of LG display. Key performances in 2015 in association with material issues determined by materiality assessment help the stakeholders understand the effectiveness of LG Display's sustainability management. In addition, the stakeholders can observe the sustainability performance trends with quantified data for last 3 years.

Report Quality (Accuracy and Reliability)

The verification of high level data was performed on sampling basis. Any errors and misstatements identified during the engagement were corrected prior to the Report being published. To improve the accuracy and reliability, we recommend that LG Display develop the documented procedure to gather and compile the performance data and implement internal verification during the internal audit in accordance with certified management system.

Opportunity for improvement

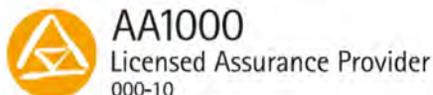
The following is an excerpt from the observations and opportunities reported to LG Display's management. However, it does not affect our conclusions on the Report, but is provided to encourage continual improvement.

- We noted that some environmental and social data sets within the reporting boundary are gathered mainly from the factories in Korea. We recommend that LG Display improve the data gathering process to meet the principle of completeness.

Competence and Independence

DNV GL Business Assurance is part of DNV GL Group and a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. Our environmental and social assurance specialists are present in over 100 countries. The assurance work was performed by independent team which meets DNV GL's competence requirements. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

June 2016
Seoul, Korea



A handwritten signature in black ink, appearing to read 'In Kyoon Ahn'.

In Kyoon Ahn Country Representative
DNV GL Business Assurance Korea Ltd.

Awards, Recognitions and Memberships

Awards

No.	Award & Recognition	Organizer	Year
1	World Health Day "Hidden Man of Merit Citation" by Prime Minister	Ministry of Health & Welfare	2013
2	AAA Certification, AEO, Authorized Economic Operator	Korea Customs Service	
3	Korea Green Management Excellence Award, Environment Minister's Citation	Ministry of Environment	
4	National Display R&D Project Workshop, Award from Minister of Trade, Industry & Energy	Ministry of Trade, Industry & Energy	
5	77" UHD Curved OLED Display, Award from Minister of Trade, Industry & Energy 2014	Ministry of Trade, Industry & Energy	
6	Citation by Chairman of Fair Trade Commission for excellent performance in shared growth agreements	Fair Trade Commission	
7	Citation from Prime Minister as a Resource Recycling Leading Company Ministry of Environment	Ministry of Environment	
8	Citation on Industrial Technology Security Day	Ministry of Trade, Industry & Energy	
9	G Flex (adopting flexible plastic OLED), Gold Display Application of the Year Award		
10	55" Full HD Curved OLED TV, Silver Display Application of the Year Award	SID	2014
11	55", 65" and 77" UHD Curved OLED TV, Best In Show		
12	KAIST Intellectual Property Award	Korea Patent Attorneys Association, KAIST, Korean Association of Intellectual Property Services	
13	Listed in East Asia 30	Hankyoreh Economic Research Institute	2015
14	The Trade Day Award, Gold Tower Order of Industrial Service Merit (CEO) from the Ministry of Trade, Industry and Energy for his 'Contribution to Trade Promotion'	Ministry of Trade, Industry & Energy	
15	The 1st 'Happiness Sharing Company' Minister Award from the Minister of Health and Welfare	Ministry of Health & Welfare	
16	Winner of Family-friendly Management Award Sponsored by the Korea Management Association Quality Assurance	Korea Management Association Registration Inc.	
17	Winner of the Korea Chamber of Commerce Chairman Award at the 3rd Korea Loved Corporate of Korea Award Sponsored by the Ministry of Trade, Industry and Energy	Ministry of Trade, Industry & Energy	
18	Winner of the Prime Minister's Award at the Korea Technology Award (Development of the World First Round Plastic OLED Display) Sponsored by the Ministry of Trade, Industry and Energy	Ministry of Trade, Industry & Energy	

Memberships

Category	Associations and Organizations	Category	Associations and Organizations
1	Federation 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		

Contributors to Report Preparation

Worksite	Team
Domestic Worksites	Compliance Team
	IR Team
	OD CoE
	Procurement Planning Team
	Gumi Green Team
	Domestic Legal Affairs Team
	Technology Planning Team
	Technology Cooperation Team
	Labor-Management Cooperation
	Public Affairs Team
	Security Strategy Team
	Safety and Health Management Teams
	Win-Win Technology Team
	Ethics Bureau
	Joyful Workplace Team
	Paju Green Team
	Quality Planning Team
Corporate Affairs Team	

Worksite	Subsidiary	Team
Overseas Worksite	LGDCA	HR
		Safety
		Procurement
		Environment
		Management Diagnosis
	Management Support	
	Nanjing	HR
		Safety
		Procurement
		Environment
		Management Support
	Guangzhou	HR
		Safety
		Environment
		Management Diagnosis
		Management Support
	Yantai	HR
Safety		
Procurement		
Environment		
Management Support		



This report is printed on FSC™ (Forest Stewardship Council) certified paper with soy ink.