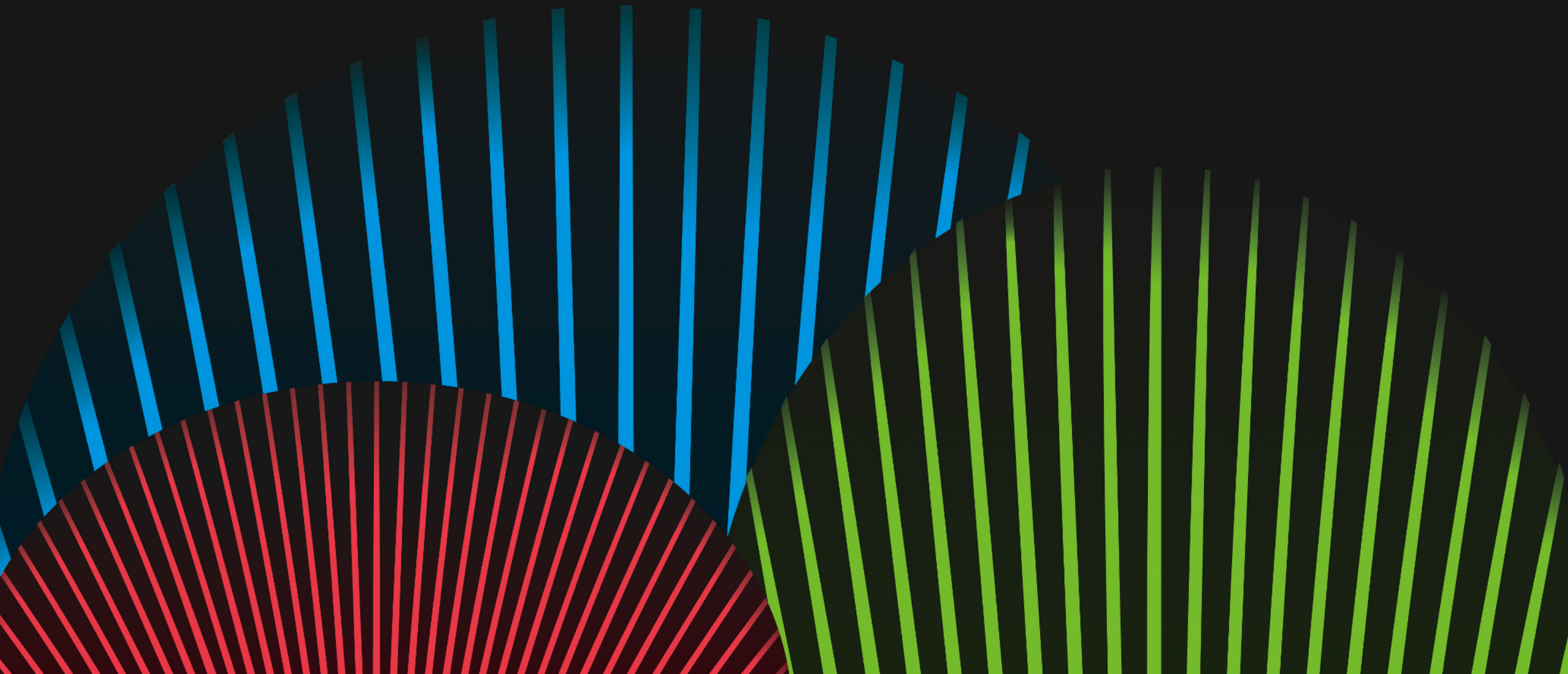
LG Display

LG Display 2023 ESG Report

TRUE DISPLAY FOR A SUSTAINABLE FUTURE



About This Report

Overview

This marks LG Display's 12th ESG report, representing our ongoing commitment to transparency and sustainability. We are publishing the ESG Report every year, and the most recent ESG Report(2021-2022) was published on July 2022. Through this report, we aim to share the initiatives and achievements we have carried out to achieve its sustainability goals over the past year. This report contains both quantitative and qualitative p erformance across the domains of environment, society, governance, and economy. This report also defines nine core areas of focus to achieve and highlights our dedication by looking into them in more detail. LG Display will continue to actively communicate with various stakeholders through the publication of ESG reports on a regular basis

Scope & Period

This report covers information on our domestic business sites, including our headquarters in Seoul, LG Science Park in Magok, Paju Complex, and Gumi, as well as our overseas operations in Guangzhou, China (GZ/CA/CO), Nanjing, China (NJ), Yantai (YT), and Haiphong, Vietnam (VH). These locations represent more than 75% of our business activities. Additionally, it includes our main ESG management performance from January 1, 2022 to December 31, 2022. To facilitate the identification of annual trends, quantitative performance incorporates data from the past three years. Some performances included in the report cover activities up until June 2023.

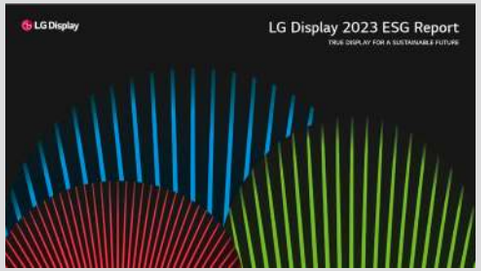
※ Business activities from Fuqing(L&T FJ) and Suzhou(Lehui) site is excluded in this report because those sites are joint ventures.

Principle

This report adheres to the Global Reporting Initiative (GRI) Standards and incorporates elements of the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

Assurance

This report has undergone independent assurance to ensure its reliability. **Independent Assurance Statement** can be found in **143p**.



Cover Story

This artwork is inspired by the three primary colors of light and the wavelength of light, which are fundamental elements of the display industry. It captures dynamic movement, symbolizing the concept of self-illumination that forms the basis of our OLED display technology.

Global Initiative Membership

CDP DISCLOSURE INSIGHT ACTION

Responsible Business Alliance
Advancing Sustainability Globally

For more information, please visit our website (www.lgdisplay.com).
For any inquiries regarding the ESG Report, please contact us.

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INTERACTIVE PDF

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CEO Message

July 2023
LG Display CEO Hoyoung Jeong

We will create a true display for a sustainable future.

I would like to appreciate our customers, partners, shareholders, and communities for their continued trust and support despite long-term downturn in macroeconomic conditions and changes in consumer trends. Also, I thank all of our employees for consistent performance and hardworking to achieve our goals.

Customer value innovation should be the foundation for all company activities, and very important in an environment where the market and management situation are more difficult and complex than ever before. Companies can grow and survive when they are constantly chosen by their customers. Therefore, LG Display strives to become a strategic partner who can proactively propose new values based on insights for customers and end-consumers. We are establishing a business structure that enables continuous growth and stable profit to this end.

LG Display's management goal and the purpose of business are to enhance corporate value based on customer value innovation and to increase the value of all stakeholders including our partners and employees. ESG management is the starting point and essential premise of this journey, and we are going forward to focus on the following three points to strengthen our ESG.

First, we commit to a carbon neutrality.

LG Display declared "Carbon Neutrality by 2050' in last April and claimed our willingness to actively participate in global cooperation to respond to the climate crisis. We will reduce gas emissions from the production process and accelerate replacing them for low-carbon gases with low global warming potential. In addition, we will continue to promote reducing the company's power consumption and transition to renewable energy.

In 2022, we earned 'Zero Waste to Landfill' certification, an international standard for resource recycling efforts on a corporate level. That brings us to receive the industry's first 'Carbon Footprint' from the 'Carbon Trust' established by the British government.

With the declaration of 'Carbon Neutrality by 2050', we will not only increase our social and environmental contributions as a global company, but also create greater synergies in terms of business by proactively responding to the eco-friendly demands for our customers.

Second, we will focus on human dignity in workplace.

Last year, we conducted a "Human Rights Impact Assessment" with all of our employees for the first time. Based on the results, we declared "human rights management policies" in ten sectors including Anti-discrimination, prohibition of forced labor, guarantee of fundamental labor rights, and safety and health in overall management activities. We will create an organizational culture that secures diversity and inclusiveness, raise employees' awareness of human rights management through prohibition of discrimination in the overall personnel system, and further strengthen management that respects human rights.
In recognition of this effort, manufacturing plant in Paju earned the highest rating of "Platinum" from the Global Standard for Responsible Business Alliance (RBA) in last June which evaluates ESG implementation. We will do our best to create a safe and respected workplace both in and out, supporting regular monitoring and improvement activities to establish a human rights management system and to prevent human rights violations.

Third, we will integrate ESG governance properly into our business.

In 2021, we established a governance framework by creating an ESG committee under the company's highest decision-making body, and formed division committees by sectors. As a result, C-Level executives are selected for each of the nine key sectors including climate response, Resource Circulation, workplace safety, and human rights management. We are also focusing on three sectional committees of environment, human rights, and governance while giving efforts to internalize ESG management into all business of the company. Accordingly, we accept ESG policies and guidelines that define principles and practices for establishing clear and sound governance to secure the independence of outside directors, and to enhance the expertise and diversity of the board of directors. Based on this advanced ESG governance system, we will set the right direction for the environmental and social sectors and make a quick decision for effective implementation.

LG Display recently established 'True Display for a Sustainable Future' as an ESG management slogan. Like this slogan, we will continue to focus on ESG management more sincerely than anyone else and strive for a sustainable future. This will improve the challenges that we are facing today.

Please continue to give us a lot of attention and encouragement. We look forward your interests to LG Display as we are making continuous efforts.

Business Philosophy

At LG Display, we are committed to our vision of becoming "The Best Display Solution Company" by offering innovative solutions that meet the evolving needs and dreams of our customers. As digital transformation and diverse lifestyles continue to shape the market, the demand for high-value-added products is on the rise. In line with this trend, we prioritize customer value in all our management endeavors to realize our vision of "You Dream, We Display." We will lead the display industry through customer-first approaches, open collaboration based on expertises, valuable insights, thorough planning/execution and agile response to environmental changes.

Vision

You Dream, We Display

Goal

The Best Display Solution Company

Our Approach

Insight Driven

With our expertise, we accurately perceive industry phenomena, environmental changes, and the essence of our work, allowing us to grasp their impact on our company and establish strategic alternatives.

Open Collaboration

We promote boundaryless collaboration to achieve higher goals.

Customer First

Customer value is our top priority in all decisions and tasks.

Agility

We identify changes and respond swiftly with effective countermeasures.

Thoroughness

We meticulously plan and execute to deliver the best outcomes.

Overview
CEO Message
Business Philosophy
Company Overview
ESG Strategy
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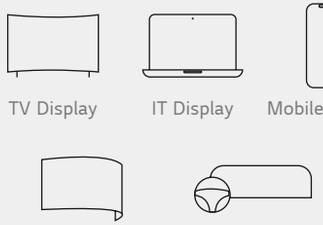
Company Overview

Since the development of TFT-LCD in 1987, LG Display has evolved into a global display company renowned for innovative technologies, including OLED and IPS, and strong production capabilities. While our product portfolio spans various sectors such as TV, IT, mobile, commercial, and automotive, we continue to push the boundaries of innovation with advancements in Cinematic Sound OLED, AR, and VR. With strategic collaborations and a strong presence in key markets such as North America, Europe, and China, we are dedicated to serving our customers closely. As we move forward, we will remain at the forefront of the global display market, delivering enhanced value to our customers through advanced technology and reliable production capabilities.

Major Products



Company	LG Display Co., Ltd.
Address	LG Twin Towers, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul
Main Business	Research, development, manufacturing, and sales of display and related products
CEO	Hoyoung Jeong
Date of Establishment	February 1985
Number of Employees	69,656

Unit: KRW billion | As of December 2022

Asset	Liabilities	Equity
35,686	24,367	11,319

ESG Strategy

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Insight Story
ESG is Everywhere

CPO |
Executive Vice President Jong Woo Kim

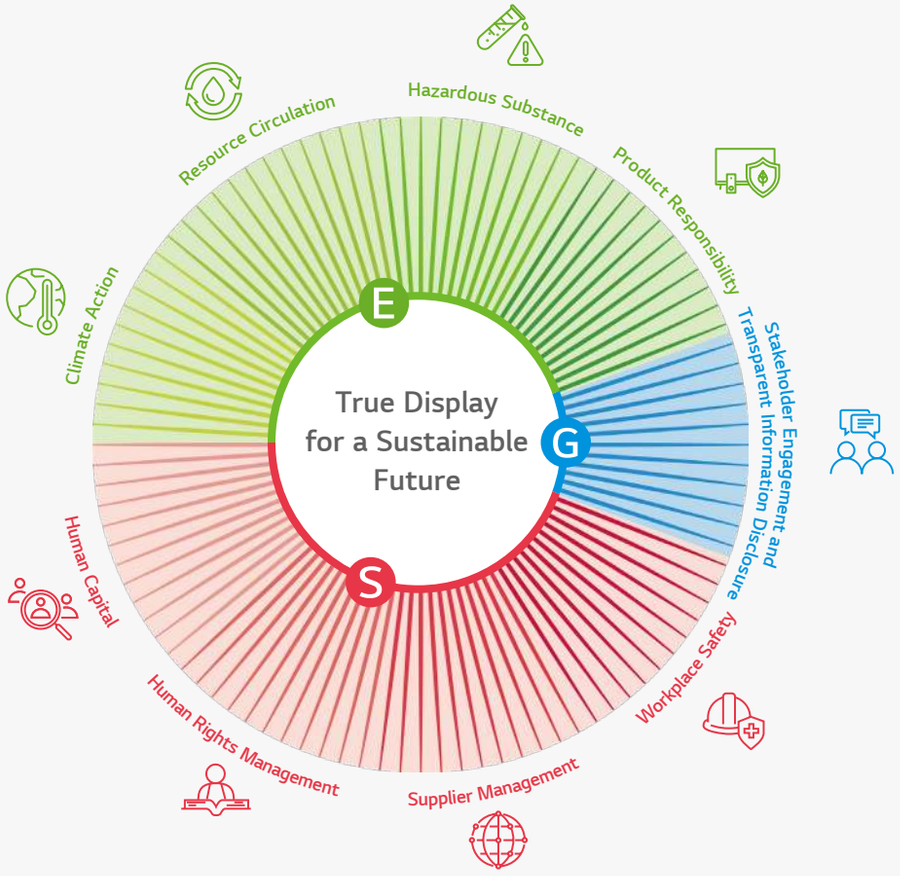
Insight Story
ESG is Everywhere

CFO |
Senior Vice President Sunghyun Kim

CSO |
Senior Vice President Hee Yeon Kim

ESG Management System

Based on the slogan "True Display for a Sustainable Future," LG Display has established core values that focus on environmental technology innovation, respect for human rights, and transparency and soundness. These core values have been translated into nine key areas: △Climate Action, △Resource Circulation, △Hazardous Substance, △Product Responsibility, △Workplace Safety, △Supplier Management, △Human Rights Management, △Human Capital, △Stakeholder engagement and transparent information disclosure.



ESG Management Strategy

We are committed to pursuing a better future through ESG management based on trust with our stakeholders. To ensure long-term and sustainable growth, we focus on key tasks that promote Ⓔenvironmental technology innovation, are guided by Ⓢour core value of respect for human rights, and Ⓖprioritize transparency and soundness in ESG management.

ESG Slogan	True Display for a Sustainable Future	
ESG Core Value	Environmental technology innovation	Respect for human rights
	• Climate action Reducing greenhouse gas emissions Transitioning to renewable energy • Resource Circulation Leading Resource Circulation through recycle and reuse • Hazardous substance Managing hazardous chemical proactively • Product Responsibility Leading the eco-friendly product market based on technological innovation	• Workplace safety Building a safe workplace • Supplier management Ensuring supplier ESG management • Human rights management Internalizing human rights • Human Capital Prioritizing employee development and happiness
	Transparency and soundness	
	• Stakeholder engagement and transparent information disclosure ESG due diligence & governance, risk, and compliance	

ESG Management Policy

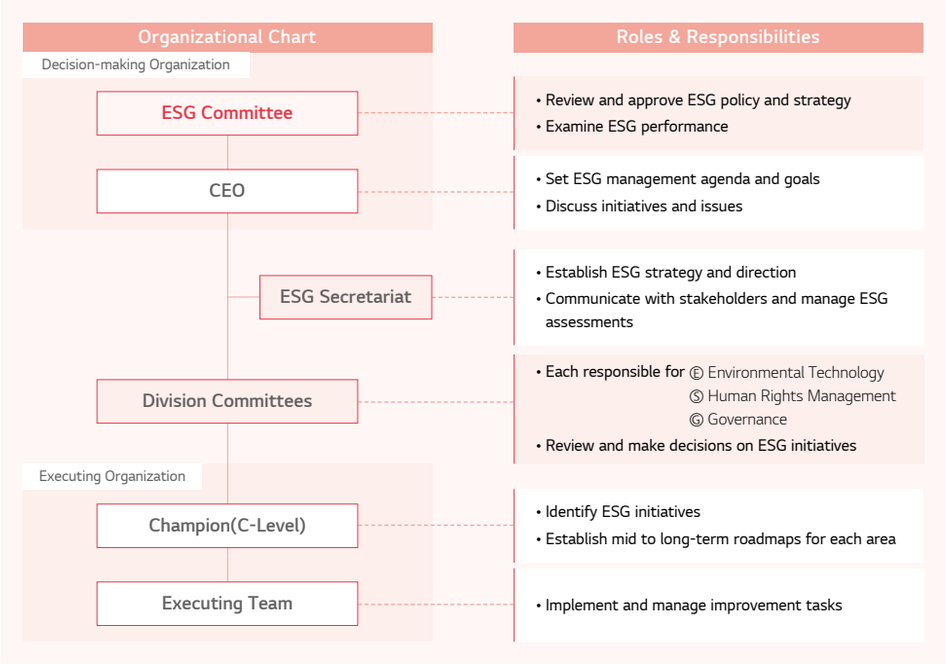
As a global leading company, LG Display is dedicated to earning the trust of stakeholders in all management activities and pursuing sustainable growth with society.

- We strive to create economic, social, and environmental value through stakeholder communication.
- We hold a deep respect for the dignity and value of our employees as human beings.
- We uphold a commitment to business ethics, including compliance with laws, international standards, and internal regulations, with unwavering honesty and fairness.
- We continuously strive to improve our safety, health, energy, and environmental management activities.
- We fulfill our social responsibilities to contribute to the sustainable development of our suppliers and local communities.

ESG Management System

We have established an ESG governance system that clearly defines the roles and responsibilities of our management. The ESG Committee, at the center of overseeing ESG issues, convenes at least twice a year to review and approve ESG policies, strategies, and performance. In 2022, we further enhanced our ESG management system by establishing three ESG division committees dedicated to ⒺEnvironmental Technology, ⓈHuman Rights Management, and ⒼGovernance. Each division committees meets at least four times a year to review ESG initiatives within their respective domains. To further enhance our execution capabilities, we have appointed Champions (C-level executives) for each of the nine key areas, developed detailed implementation plans, and established a mid to long-term roadmap. The ESG Secretariat, which supports ESG-related work across the company, formulates ESG strategies and maintains active communication with stakeholders.

ESG Governance Structure



THE TRUE STORY

INTERVIEW Doochul Moon, Chairman of the ESG Committee

Chairman Moon Doochul is an accounting professor at Yonsei University School of Business and has been an outside director of LG Display since March 2021. He is an ESG expert and holds important roles in organizations such as the Korea Exchange and Korea Technology Finance Corporation. As the chairman of LG Display's ESG Committee, he is responsible for promoting ESG management within the company.

Q. What do you think is the key to ESG management?

We believe that the key to ESG management lies in proactively addressing risks in the environmental, social, and governance fields and leveraging our strengths to achieve sustainable company growth. In line with this, LG Display identified nine key areas in 2021, considering our business characteristics and member consensus. We have established goals for each area, implemented regulations, and are actively monitoring our progress to internalize ESG management practices within the company.

Q. Please tell us about the goals of ESG management.

More than anything, LG Display's core goal of ESG management is to pursue value innovation for stakeholders not only through financial growth, such as sales and operating profit but also through the degree of impact on them and the fulfillment of social responsibilities.

Q. How do you define the role of the ESG Committee in achieving these goals?

The ESG Committee is at the core of LG Display's ESG management decision-making system, driving sustainable growth by integrating ESG activities with the company's mid to long-term strategy. We consider shareholder value, corporate social value, and the perspectives and needs of various stakeholders in order to effectively implement the goals of the nine core areas of ESG management. Ultimately, we strive to contribute to the growth of a company that spearheads global change and leads the Just Transition.

Q. What is LG Display's unique ESG strategy?

It's about "creating value by making a difference." We will enhance our disclosure system capabilities and promote the establishment of various communication channels. This will allow us to preserve our unique differences, create value, and effectively communicate our efforts and accomplishments on ESG issues to diverse stakeholders.

ESG Impact Highlight

Environmnet

Carbon Neutrality
By 2050

CDP Climate Change
IT sector Honors Club for 7 consecutive years

CDP (Water)
Awarded as a Excellent Company for 5 consecutive years

Zero Waste to Landfill
Gold Status for all domestic sites

Life cycle assessment (LCA)
21.5%

Transition to renewable energy
1,096 GWh

ISO14001
100% certification rate of all production sites

Social

Human Rights Management
Announced the Human Rights Management Policy

Win-Win Index
Awarded the "Best Grade" for 8 consecutive years

RBA VAP audit for Paju Complex
RBA Platinum Status

Effective Supply Chain Management
Conducted SAQ for 570 suppliers

ISO45001
100% certification rate for all production sites

Governance

The ESG slogan
'True Display for a Sustainable Future'

ESG Operating System
ESG Committee(biannually) and three division committees(quarterly)

Governance Charter
Introduced Corporate Governance Charter and Board Guidelines

Board Diversity
50% female outside directors

Compliance
Acquired the first ISO 37301 in the industry

Improved ESG Assessment
MSCI ESG Rating (AA)

Materiality Assessment

At LG Display, we recognize the importance of strategic management in addressing economic, environmental, and social issues related to our business operations for sustainable growth. Each year, we conduct a materiality assessment based on the Global Reporting Initiative (GRI) Standards.

In our 2023 ESG Report, we have introduced a financial materiality assessment to evaluate the potential financial impact on the company and an impact materiality assessment to assess our environmental and social impact. Through these assessments, we have conducted a double materiality assessment that considers both the significance of issues and their potential impact.

To identify the material issues related to our sustainability management activities, we analyze international standards, laws and regulations, benchmark leading companies, conduct media research, and gather opinions from stakeholders through surveys. We then apply international standards such as GRI and Dow Jones Sustainability Index (DJSI) to conduct an impact materiality assessment. Additionally, we utilize the European Financial Reporting Advisory Group (EFRAG) and Sustainability Accounting Standards Board (SASB) for the financial materiality assessment. This double materiality assessment categorizes each material issue into five levels: Low, Low-Medium, Medium, Medium-High, and High.

We are committed to actively managing the 10 key issues identified, addressing both financial and non-financial risks. We develop and execute annual plan to manage these material issues, and we ensure transparency by disclosing our activities and performance to stakeholders through the ESG Report.

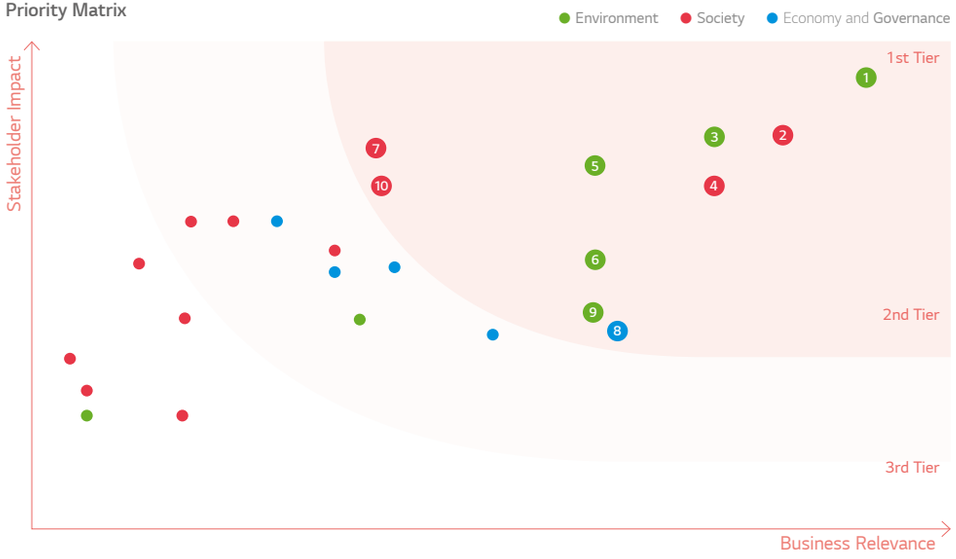
Double Materiality Assessment Process

Step 1 Identification	Form a pool of ESG issues	• Conduct an analysis based on global sustainability standards (GRI, UN SDGs[1], TCFD[2], SASB, etc.), evaluation indicators (KCGS[3], MSCI[4], DJSI, EcoVadis, etc.), and industry-specific issues to form a pool of 24 potential issues.
	Determine material issues through the priority matrix	• Analyze international sustainability disclosure and evaluation indicators • Review material issues of global industry leaders and comparable companies • Examine the media exposure of the company • Gather opinions from the stakeholders • Examine the companies mid to long-term sustainability management tasks
Step 2 Impact Materiality × Financial Materiality	Identify the company's impact on society and the environment (Inside-out)	• Identify potential/actual, positive/negative impacts, and causes and sources of impacts of the material issues according to international sustainability management standards and evaluation indicators.
	Understand the impact of material issues on your business (Outside-in)	• Analyze the financial impact of global industry leaders and comparable companies • Conduct Financial Materiality Assessment by ESG Experts and related-team - Direct and measurable impact - Impact of stakeholder awareness and society - Impact of government regulations and policy - Impact of new businesses and innovation - Impact of rules and competitors
Step 3 Double Materiality	Review and report on material issues	• Quantify the impact of each material issue and conduct a comprehensive evaluation • Review the material issues identified by the ESG specialized team and Board of Directors(ESG Committee) • Conduct performance management by each issue

1) **UN SDGs**: UN Sustainability Development Goals
2) **TCFD**: Task Force on Climate-Related Financial Disclosures
3) **KCGS**: Korea Institute of Corporate Governance and Sustainability
4) **MSCI**: Morgan Stanley Capital International

Materiality Assessment

Priority Matrix



Double Materiality Assessment Results

● Low ●◐ Low-Medium ●● Medium ●●◐ Medium-High ●●● High

Rank	Category	2022-2023 Material Issues (YOY)	Environmental and Social Impact	Financial Impact	Double Materiality
1	Environment	Climate action (▲1)	●●●	●●●	●●●
2	Society	Promotion of safe workplace and safety management (▼1)	●●●	●●○	●●◐
3	Environment	Waste management (▲3)	●●●	●●○	●●◐
4	Society	Enhancing supply chain sustainability (-)	●●●	●●◐	●●●
5	Environment	Water management (-)	●●●	●●○	●●◐
6	Environment	Hazardous substances management (▼3)	●●●	●●●	●●●
7	Society	Efforts to promote human rights management (▲3)	●●●	●●◐	●●◐
8	Governance	Strengthening stakeholder engagement (-)	●●●	●●○	●●◐
9	Environment	Development of products and services considering environmental and social values (▼2)	●●●	●●○	●●◐
10	Society	Employee skill development and key talent management (new)	●●●	●●◐	●●●

THE TRUE STORY

Measuring the impact of climate action and supply chain sustainability on society and the environment

Among the material issues, LG Display conducted specific measurements to assess the impact of climate action and Enhancing supply chain sustainability on society and the environment. We developed a methodology based on existing literature to analyze the economic value of social and environmental activities and established measurement indicators for converting them into monetary values.

From January 1 to December 31, 2022, LG Display created value through its climate action and supply chain sustainability activities as follows: Carbon emissions were reduced by 2,364,908 tons, leading to a reduction in social costs by 154.6 billion won. Furthermore, 114 billion won was provided to suppliers through the Mutual Technology Cooperation Fund and the Mutual Growth Fund, leading to an increase in production value by 220.8 billion won, the generation of 74.8 billion won of added value, and the creation of employment opportunities for 516 people.

Category	Climate Action	Enhancing supply Chain Sustainability
Impact value	Environmental value	Socio-economic value
Main activity	Reduction of carbon emissions	Mutual Technology Cooperation Fund & Mutual Growth Fund
Type	Benefit	Benefit
Calculation method	The social cost of carbon[1) 2) 3) 4) 5)]	Input-output[6)]model
Results	Reduced social costs through carbon reduction - 154.67 billion won	Economic value through financial assistance for suppliers - Increased production value: 220.87 billion won - Generated added value: 74.80 billion won - Employment opportunities generated: 516.4 people

※ The economic value of social and environmental activity has been verified by the ESG Center of Jipyong.

Value measuring methodology references

1) **Social Cost of Carbon** : The economic damages resulting from emitting one additional ton of carbon dioxide
2) The calculation was based on an annual average USD/KRW exchange rate of 1,292.2 won in 2022
3) Council, D. P. (2013). Technical support document: -technical update of the social cost of carbon for regulatory impact analysis-under executive order 12866. Environmental Protection Agency
4) Rennert, K., Prest, B. C., Pizer, W. A., Newell, R. G., Anthoff, D., Kingdon, C., ... & Errickson, F. (2022). The social cost of carbon: advances in long-term probabilistic projections of population, GDP, emissions, and discount rates. Brookings Papers on Economic Activity, 2021(2), 223-305
5) White House(2021) Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates under Executive Order 13990, Inter-agency Working Group on Social Cost of Greenhouse Gases, United States Government
6) Bank of Korea, 2019 Input-Output Table (Extended), June 21, 2021

Materiality Assessment

Double Materiality Assessment Results and Material Issue Management Measures

▷ Inside-Out ◁ Outside-In ● Low ●◐ Low-Medium ●● Medium ●●◐ Medium-High ●●● High

Top 10 Material Issues[1]			Impact Materiality					Financial Materiality	Double Materiality	Management Measures				
										Our Approach		Performance Management		
Topic		Description	Actual/ Potential	Positive/ Negative	Cause of influence (Scope[2])	Subject of influence	Impact Materiality	Financial Materiality	Double Materiality	Policy & Commitment	Action	GRI Index	KPI (2022)	2022 Progress
Climate Action	◁	Incurring costs from responding to tightening of greenhouse gas emission regulations	Actual	Negative	Operations (>50%)	Environment	●●●	●●◐	●●●	Carbon Neutrality by 2050 (p.18)	p.19-20, 57	GRI 302-1, 4 GRI 305-1,2,3,5	p.130-136	p.130-136
	▷	Generating direct and indirect greenhouse gas emissions from the production activities	Actual	Negative	Operations (>50%)	Environment								
Promotion of safe workplace and safety management	◁	Incurring expenses due to safety accidents in compliance with regulations	Actual	Negative	Operations (>50%)	Society	●●●	●●○	●●◐	Health and Safety Policy (p.33)	p.34-35, p.60-61	GRI 403-1,2,3,5,6,7,9	p.33	p.33
	▷	Minimizing negative impacts on employees, local communities, and suppliers through a safe operation	Actual	Positive	Operations (>50%)	Society								
Waste management	◁	Reducing waste disposal costs and increasing sales by preferring mid- to long-term waste reduction products	Potential	Positive	Operations (>50%)	Environment	●●●	●●○	●●◐	Waste Management Strategy and Objective (p.58)	p.55, 58	GRI 306-2,4,5	p.23	p.23
	▷	Generating waste in the production and consumption process	Actual	Negative	Operations (>50%)	Environment								
Strengthening supply chain sustainability	◁	Enhancing export competitiveness in response to export sanctions due to supply chain due diligence requirements, such as EU Corporate Sustainability Due Diligence Directive law	Actual	Positive	Supply Chain (>50%)	External staff	●●●	●●◐	●●●	Supplier ESG Management Policy (p.36)	p.37-41	GRI 308-1,2 GRI 414-1,2	p.38	p.38
	▷	Minimizing negative environmental and social impacts for the mutual growth with suppliers	Potential	Positive	Supply Chain (>50%)	External staff								
Water management	◁	Incurring costs and declining revenue due to water pollution in compliance with relevant laws and regulations	Actual	Negative	Operations (>50%)	Environment	●●●	●●○	●●◐	Water Management (p.58)	p.22, 58	GRI 303-3,5	p.22	p.22
	▷	Environmental impacts caused due to water emissions	Actual	Negative	Operations (>50%)	Environment								
Hazardous substances management	◁	Incurring legal and facility construction costs due to chemical leakage accidents	Potential	Negative	Operations (>50%)	Environment	●●●	●●●	●●●	Pollution and Hazardous Substances Management (p.25)	p.26	GRI 305-7	p.26	p.26
	▷	Minimizing hazardous substance leakage accidents through strict management	Potential	Positive	Operations (>50%)	Environment								
Efforts to promote human rights management	◁	Declining sales due to inadequate human rights management and related issues impacting customer acquisition	Potential	Negative	Operations (>50%)	Society	●●●	●●◐	●●◐	Human Rights Management Policy (p.42-43)	p.137-142	Non-GRI[3]	p.42	p.142
	▷	Creating social value through the promotion of human rights management and equal opportunities	Actual	Positive	Operations (>50%)	Society								
Strengthening stakeholder engagement	◁	Enhancing reputation and boosting sales through robust stakeholder engagement	Actual	Positive	Operations (>50%)	Society	●●●	●●○	●●◐	Stakeholder Engagement (p.48)	p.48-51	Non-GRI[3]	p.48	p.48
	▷	Demonstrating empathy for stakeholder needs and effective communication	Potential	Positive	Operations (>50%)	Society								
Development of products and services considering environmental and social values	◁	Enhancing reputation and increasing sales in response to growing customer demand for environmentally and socially conscious products	Actual	Positive	Products (>50%)	Customer	●●●	●●○	●●◐	Responsible Product Strategy (p.27)	p.28-31	GRI 301-1 GRI 302-1	p.31	p.31
	▷	Addressing environmental impact and social issues through the development of environmentally and socially conscious products	Potential	Positive	Products (>50%)	Customer								
Employee skill development and key talent management (new)	◁	Increasing productivity and sales by strengthening employee competencies and securing key talents	Actual	Positive	Operations (>50%)	Society	●●●	●●◐	●●●	Talent Development Strategy (p.65)	p.66-75	GRI 404-1 GRI 404-2 GRI 404-3	p.66	p.69-70
	▷	Enhancing competitiveness of the national industry by employee development activities	Potential	Positive	Operations (>50%)	Society								

1) Detailed initiatives and performance related to material issues are disclosed on the ESG Value and ESG Factbook pages.
2) Scope of business activity
3) The topic does not have a relevant GRI Index.

ESG Value

Enviroment
Social
Governance

Environment

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Product Responsibility 27

Environment

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Climate Action

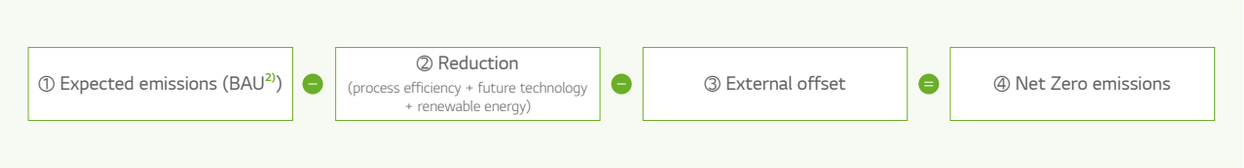
Climate action refers to the collective efforts aimed at addressing climate change, which is driven by the rise in greenhouse gas concentrations. The global community is actively working towards combating climate change through initiatives like the Kyoto Protocol and the Paris Agreement on Climate Change. LG Display is also committed to achieving carbon neutrality by 2050 through measures such as reducing greenhouse gas emissions, transitioning to renewable energy, and minimizing power consumption.

Reducing Greenhouse Gas Emissions

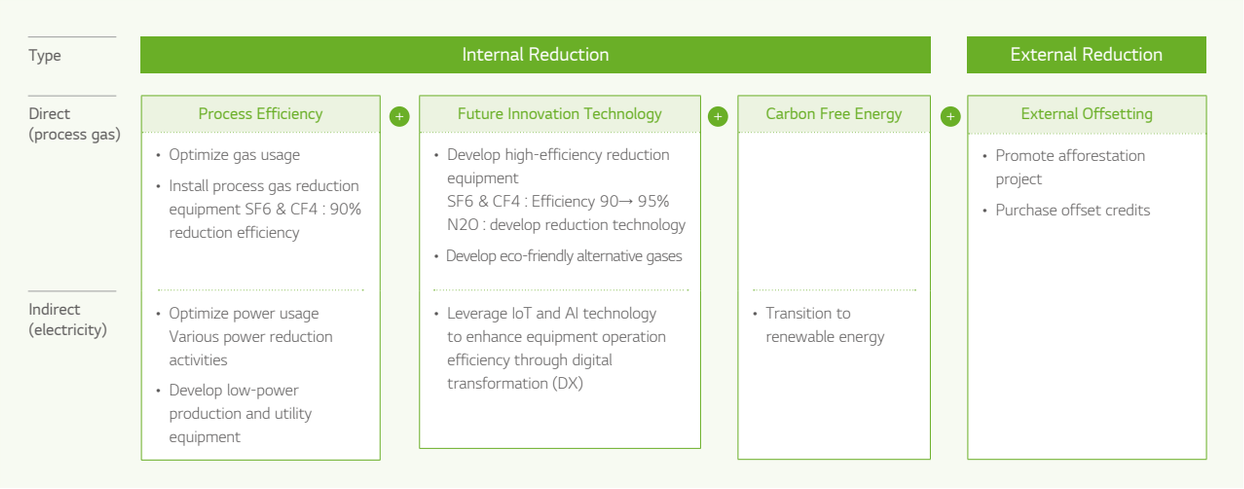
Net Zero[1] by 2050

In order to respond to climate change, a common task for mankind, LG Display held the ESG Committee in April 2023 to review and approve the 2050 Carbon Neutral Promotion Declaration. Our roadmap aims to achieve carbon neutrality by reducing Scope 1 (direct) and Scope 2 (indirect) emissions from all our business sites by 53% by 2030 and 67% by 2040 compared to 2018. It is in our plans to develop high-efficiency scrubbers, adopt low-carbon gas technologies, strengthen power-saving activities, and promote the transition to renewable energy to reduce greenhouse gases. To achieve carbon neutrality by 2050, we will externally offset residual emissions that are difficult to reduce internally. Through our ESG Governance, we will regularly monitor and report on our progress, strengthen execution capabilities, and continuously upgrade the roadmap.

Carbon Neutrality Overview



Major Reduction Measures



1) Reducing greenhouse gases as much as possible and offsetting any remaining emissions externally to achieve zero net emissions.

2) **Business As Usual** : A forecast of future greenhouse gas emissions that does not take reduction activities into account, which serves as the basis for calculating reduction targets.

Climate Action

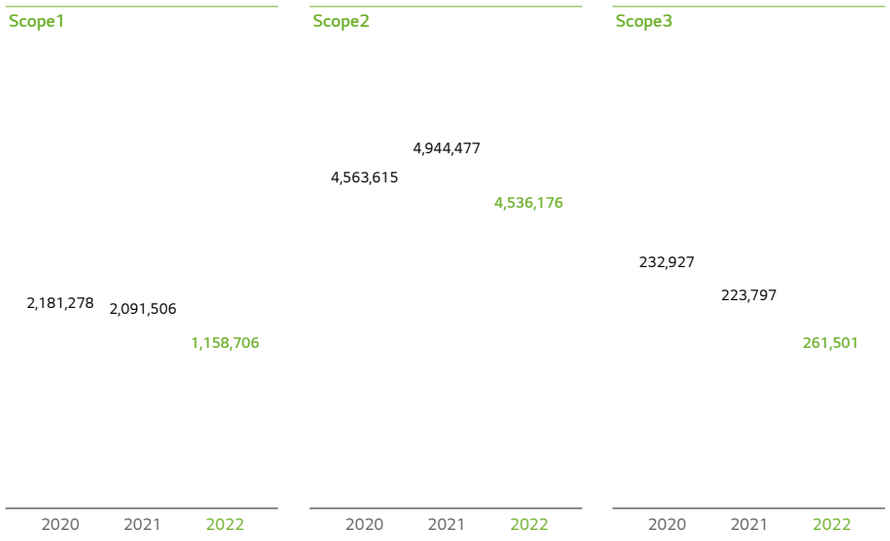
Reducing Greenhouse Gas Emissions

Managing Greenhouse Gas Emissions

We strive to accurately measure, manage, and verify greenhouse gas emissions as part of our commitment to achieving carbon neutrality by 2050. Since 2011, we have implemented the Greenhouse Gas and Energy Target Management System and participated in the Emission Trading System (ETS) since 2015. This includes third-party verification of Scope 1 and Scope 2 emissions at our domestic sites, and we are expanding these efforts to ensure the accuracy and completeness of emissions at our overseas sites. With the SEC's increased focus on climate information disclosure, including Scope 3 emissions, we recognize the importance of consistency and reliability in reporting emissions. To address this, we established an ESG indicator management system that includes greenhouse gas emissions. In addition, we undergo third-party verification and annually disclose information on emissions beyond our organizational boundaries (Scope 3).

2022 Greenhouse Gas Emissions

Unit: tCO_2eq



Investing in Process Gas Reduction Facilities and Developing High-Efficiency Reduction Technology

In order to reduce fluorinated gases (F-Gas) used in the dry etching process in our manufacturing operations, we have invested about 51 billion won since 2018 to install a Plasma Scrubber that can reduce emissions by over 90%. As a result, we have successfully reduced greenhouse gas emissions from this process by 1.52 million tons as of 2022. We are also collaborating with equipment manufacturers to develop high-efficiency emission reduction technology using catalysts and heat to maximize the reduction. Our goal is to achieve a reduction efficiency of more than 95% by 2030 and more than 99% by 2050. To address emissions from nitrous oxide (N2O) used in the deposition process, we have plans to develop reduction technologies by 2030 and establish facilities with a reduction efficiency of 80% or higher by 2050.

Greenhouse gas reduction facility

Developing Alternative Eco-Friendly and Low-Carbon Gases

As part of the government's national project to reduce greenhouse gases in the semiconductor and display sectors, we have initiated preliminary preparations in 2022, including consortium formation and project direction discussions. Our plan is to collaborate with process gas suppliers to develop eco-friendly and low-carbon alternative gases with a global warming potential (GWP) of 150 or less. By 2030, we aim to identify 10 candidate gases and replace 99% of the current gas usage with low-carbon alternatives by 2050.

Climate Action

Reducing Greenhouse Gas Emissions

Expanding and transitioning to Renewable Energy

LG Display is actively transitioning from fossil fuel-based electricity to renewable energy sources such as solar power, wind power, and hydropower. In line with the Korean renewable energy utilization program initiated in 2021, our domestic sites are shifting to renewable energy through the green premium program, while sites in China and Vietnam are adopting renewable energy through Renewable Energy Certificate (REC) purchases. In 2022, we converted 1,096 GWh of electricity to renewable energy, 19 times more than the previous year, resulting in 13% of the company's electricity being sourced from renewable energy and reducing greenhouse gas emissions by 620,000 tons. Moving forward, we plan to gradually expand our use of renewable energy through various options, including Power Purchase Agreements (PPAs)[1], with the goal of converting 100% of electricity consumption at our China and Vietnam sites to renewable energy by 2050.

Promoting Continuous Power Reduction Activities

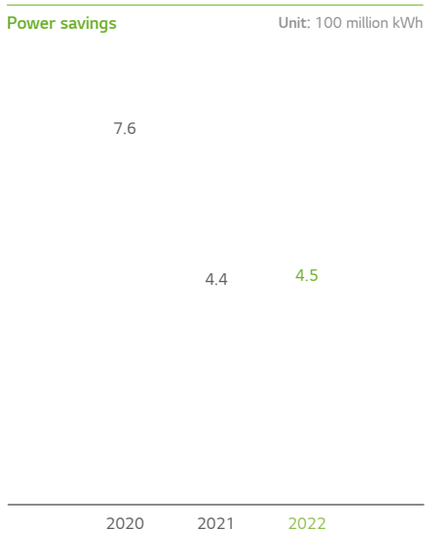
To promote effective energy reduction, we have established a dedicated organization focused on energy conservation. Through various initiatives such as utilizing waste heat from Clean Dry Air (CDA) compressors to improve refrigerator efficiency and manufacturing cold water, we were able to save 454 GWh of electricity in 2022 and reduce greenhouse gas emissions by 210,000 tons. As part of our efforts to enhance power-saving activities, we plan to develop CDA Smart Control for utility facility optimization, improve refrigerator smart control functions, and replace the high-power laser equipment and exposure meter of illumination systems to low-power and high-efficiency production equipment.

Power Usage and Savings in the Recent Three Years

Category	2020	2021	2022
Power usage (GWh)	8,958	9,720	8,436
Power savings (GWh)	762	437	454
Sales (KRW 100 million)	242,616	298,780	261,518
KRW (GWh/KRW 100 million)	0.037	0.033	0.032

※ The consumption of electricity excludes the conversion from renewable energy.

Power Savings Status and Greenhouse Gas Equivalents



1) PPA(Power Purchase Agreement) : An electricity purchase contract between a producer and a user, based on a mutually agreed period and price

Climate Action

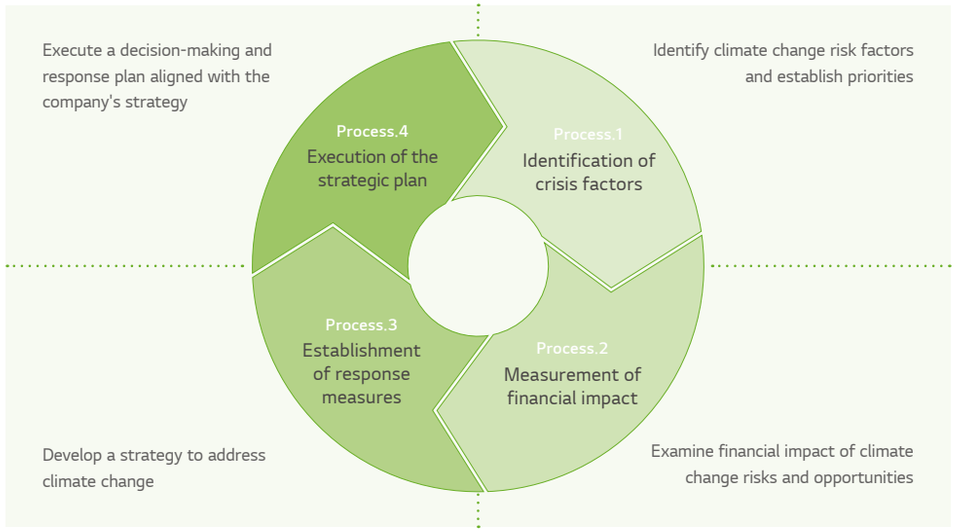
Climate Change Management System

Risk Identification and Assessment Process

LG Display actively identifies and addresses internal and external risk factors associated with climate change. We analyze and select company-wide risks related to the business environment, such as uncertainty, opportunity loss, casualties, and business interruption, and establish preventive measures.

To ensure effective management, we divide climate risks into transition and physical risk and employ a two-step approach. Firstly, the Climate Action Department monitors climate change-related risks and develops response plans. Then, the Compliance Division conducts an annual assessment of climate risks using a risk checklist and self-assessment sheet. Risk evaluations are reviewed for a minimum of six years. The evaluation and monitoring results conducted by the Climate Action Department are reported to the Chief Sustainability Officer (CSO). Matters significantly impacting our business strategy and finance are discussed in the ESG Committee, and major decisions are made accordingly.

Climate Change Risk Management Process



Climate Risks and Opportunities

The risks and opportunities posed by climate change are divided into two types: transition and physical. Recognizing the potential impact of both transition and physical risks on our business, we are committed to gaining a clear understanding of their financial implications through scenario analysis.

Types of Risks			Impact Period		Financial Impact	Response Measures	Opportunity Factors
			Short-Term	Mid to Long-Term			
Transition Risk	Policies and regulations	Strengthening greenhouse gas policies and regulations	V	V	• Increase in cost of purchasing emission permits • Increase in cost of greenhouse gas emissions debt • Increase in carbon tax costs	• Invest in greenhouse gas (GHG) reduction facilities and substitute for eco-friendly gases	• Gain profit from the carbon credit sales
		Rising electricity bills	V	V	• Increase in cost of products due to the increase in cost of electricity	• Reduce energy costs through power savings • Sign long-term fixed power purchase agreements (PPAs)	• Reducing carbon through PPAs
	Technology	Applying new eco-friendly technologies for GHG reduction		V	• Increase in R&D costs for low-carbon technology and facility conversion	• Develop low power and carbon technology • Develop eco-friendly materials and components	• Securing and diversifying alternative resources
	Market	Increasing demand from customers to reduce GHG	V	V	• Decline in sales due to failure to meet customer demands	• Develop a variety of the range of eco-friendly products with low-carbon technology	• Gaining a competitive edge by strengthening customer business
	Reputation	Increasing investors' interest in climate action efforts	V	V	• Decline in investments due to lower ESG ratings	• Fully disclose eco-friendly information activities and performance • Implement green finance, such as green bonds	• Expanding capital raising opportunities by securing investment
Physical Risk	Acute	Heatwave		V	• Increase in operating costs due to increased power usage of facilities such as refrigerators	• Reduce power consumption by improving refrigerator efficiency • Improve energy efficiency through the diagnosis of workplace facilities and processes	• Reducing costs by increasing energy efficiency • Improving consumer preference through low-carbon energy use
	Chronic	Rise of average temperature					

Resource Circulation

Resource Circulation involves implementing a multi-faceted business strategy for the Resource Circulation, including product design for recycling, establishing recovery systems, and increasing the use of recycled raw materials. LG Display strives to minimize waste generation and water usage in business operations and maximize the recycling of waste generated at our business sites to expand our Resource Circulation system.

Water Resource Management

Securing Stable Water Resources and Utilizing Them Efficiently

Due to the nature of display industry, significant water usage is unavoidable in various processes, including cleaning. To ensure stable water resources, we are actively undertaking several measures. These include analyzing the entire water usage process, regularly assessing whether our business site is situated in a water stress or water risk area, and establishing a strategy to assess and respond to water resource-related risks. Moreover, we strive to maximize water use efficiency by minimizing overall water consumption and maximizing the reuse of wastewater generated during our production processes.

Reducing Water Consumption

We are implementing a range of water reduction measures to decrease water usage. To begin with, we conduct regular monitoring throughout the company, analyzing water consumption and wastewater generation for each process in order to identify opportunities for water reduction, including improvements in conditions and structures. These identified tasks are registered as key company objectives, and we track and manage water reduction performance on a monthly basis. As a result of these efforts, we successfully achieved 104% of our water consumption of 107 million tons, surpassing our 2022 target of 111 million tons.

Expanding Water Reuse

We are actively committed to reducing water consumption and expanding our capacity for water reuse. In response to the increasing demand from our key customers to minimize environmental impact, we have set a target of achieving a 207% reuse-to-withdrawal ratio by 2030. To accomplish this, we have implemented a wastewater reuse system at our business site, enabling the purification and reuse of low-concentration wastewater generated during our production processes. Since 2018, we have also collaborated with local governments on the Sewage Treatment Water Reuse Project, which involves utilizing domestic sewage from nearby areas as industrial water. As a result of these initiatives, we achieved a 174% utilization rate of reused water compared to water withdrawn at our domestic sites in 2022. At our Paju Complex, the treated wastewater is discharged into both the upstream and downstream section of the Manucheon and the reservoir, creating a natural ecosystem that supports various fish species such as Zacco Platypus, Crucian Carp, and freshwater eels, which are typically found in Grade 2 water.

Water Reuse at Manucheon in Paju

Resource Circulation

Waste Management

Waste Management and Recycling

At LG Display, we are dedicated to minimizing our environmental impact by effectively managing and reducing waste throughout our business operations. We focus on reducing the overall amount of waste generated and improving our manufacturing processes from product design to processing. To enhance waste recycling, we actively obtain circular resource recognition and waste recycling technology patents, and explore partnerships with recycling companies. In 2022, we achieved a waste generation rate of 109% with 250,997 tons, surpassing our target of 273,554 tons. Additionally, our domestic sites achieved a waste recycling rate of 99.5% in the same year. By 2030, we aim to pursue various initiatives that will enable us to attain a 100% recycling rate and obtain Zero Waste to Landfill (ZWTL) certification.

Expanding the reuse of product packaging materials

We have established a recovery process for product packaging materials, specifically for the recovery and recycling of Expanded Poly Propylene (EPP), Expanded Poly Styrene (EPS), Expanded Poly Olefin (EPO) boxes, leaflets, and pallets. These materials are used to package products such as TVs, monitors, and tablets.

Recyclable resource recognition

Our eight resources, which include Trays and vinyls, have received recognition as circular resources through the Recyclable Resource Recognition Program (RRRP)[1] under the Framework Act on Resource Circulation. We will continue to pursue this recognition and expand its scope, as it allows us to prevent the generation of approximately 1,000 tons of waste per year.

Use of recycled raw materials

Photo masks, which are essential materials in display manufacturing, are customized for each display product model. When a model is discontinued, the photo masks for that model may still be in stock. To promote Resource Circulation, we have identified a photo mask recycling company and are reusing the remaining photo masks.

1) A program that recognizes substances with low hazard and high utilization value as recyclable resources and exempts them from waste regulation

Resource Circulation

Managing Raw and Subsidiary Materials

Reducing the Use of Materials and Promoting Recycling Activities

LG Display is actively engaged in recycling initiatives to minimize the consumption of raw and auxiliary materials. To achieve this, we implement Cost Innovation (CI) activities within our regular processes. Specifically, we focus on optimizing process operations such as etching, stripping, and polyimide coating (PIC), ensuring efficient utilization of organic materials, and reducing the use of NF3 gas by extending the chamber cleaning cycle. We have also eliminated the EL cleaning process and reduced the use of raw materials by implementing EL-Less aligning agent. Furthermore, we recycle OLED organic materials that would otherwise be discarded and strive to reduce the unused retention rate of photo masks.

Eco-Friendly Transport Kit

We are actively promoting the adoption of clean technology in our transport kits used during various processes. The key focus of this technology is to reduce greenhouse gas emissions by incorporating plant-based biomaterials into transport kits that are traditionally made from 100% petrochemical-based raw materials. We have successfully developed a transport kit that contains more than 25% biomass and have completed the necessary process verification. We will continue to proactively respond to the regulations surrounding the use of plastic packaging materials by utilizing eco-friendly packaging materials, such as packaging kits and transport kits used during processing and shipping, and contribute to the Resource Circulation.

Eco-Friendly Product Kits

In the past two years, we have generated an economic value of approximately 42 billion won through the recycling of product packaging kits. These kits consist of cushioning materials used inside packaging to protect products from damage or deformation during shipping. To enhance the resource cycle for product packaging kits, we have implemented a recycling system, developed reusable packaging kits, from recovery to cleaning, inspection, and recycling. And we applied this system to all high-value-added products shipped from our factories. Since introducing the recycling system for product packaging kits on a pilot basis in 2013, by streamlining the entire recycling process and improving the durability of packaging materials, we have steadily increased the recycling rate. As of 2022, the recycling rate for recyclable packaging kits has reached 85%.

Recycled cell box

Recycled interleaving paper

Recycled tray

Hazardous Substances

Hazardous substances refer to toxic substances, restricted or prohibited substances or other that are harmful and cause air and water pollution. To reduce the use and emission of harmful substances, LG Display is conducting activities such as exploring alternative substances and optimizing air and water pollutant treatment facilities.

Managing Hazardous Substance Emissions

Pollution and Hazardous Substance Control Activities

To mitigate the environmental impact of pollutant discharge on the local community, we have established an internal target to manage air and water pollutants at 20% of the legal emission standard by 2050. Regular reports on pollutant discharge are provided to the relevant executives. Furthermore, all chemical substances introduced to our global business sites undergo pre-examination to ensure compliance with our internal standards, and regular training sessions are conducted for employees.

Managing Discharges of Water Pollutants

We recognize the crucial role of water resource management in mitigating the environmental impact on local communities at our sites. Chemicals and water pollutants used in all workplaces undergo primary treatment through the company's wastewater treatment facility, and the discharged wastewater is directed to the public wastewater treatment facility. To minimize the environmental impact, we set internal standards for water pollutant discharge concentration that are stricter than the legal requirements. The emissions status is regularly shared with relevant departments and executives through monthly workshops. Furthermore, we have implemented a pollutant discharge monitoring system to effectively manage pollutants in real time.

Air Pollutant Emission Management

We install optimal pollution prevention facilities to minimize exposure to air pollutants generated during processes. In the event of a failure, we have installed additional spare facilities to ensure the proper disposal of pollutants. Continuous improvements are made to processes and investments are made in facilities for efficient air pollutant treatment. We have established a real-time pollutant emissions monitoring system to strictly manage pollutants. In case of an emergency where pollutants exceeding legal standards are discharged due to sudden failure of prevention facilities or fire explosions, we immediately stop the discharge, report it to the institutes stipulated by laws, and take corrective measures such as analyzing potential causes.

THE TRUE STORY

Hazardous Substances Control Activities Case

LG Display is taking action from various angles to manage the discharge of air pollutants and water pollutants. We plan to continue working to minimize our environmental impact on our communities.

Voluntary Agreement for Reducing Fine Dust

To effectively address the issue of high fine dust concentration during the spring season, LG Display has entered into a Voluntary Agreement for Reducing Fine Dust with the Metropolitan Air Quality Management Office. As a result, we will adhere to emission allowance standards that are more stringent than the legal requirements for air pollutants until 2025. We also have plans to invest in the replacement of boiler low-NOx burners and upgrade air protection facilities to reduce emissions.

Wastewater Process Improvement Activities

We are actively engaged in various process improvement initiatives, with a focus on fluoride wastewater and organic wastewater, which are the most prevalent types of wastewater generated in the display industry. These activities include reducing the use of hydrogen fluoride (HF), exploring innovative treatment technologies, and implementing chemical substitutions. As a result of these efforts, the pilot test conducted at the P9 factory in Paju yielded a remarkable 25% reduction in fluorine emission concentration compared to previous levels and plan to continuously improve it.

Signing ceremony of the Voluntary MOU for Seasonal Management System of Fine Dust Reduction

Hazardous Substances

Managing the Use of Hazardous Substances

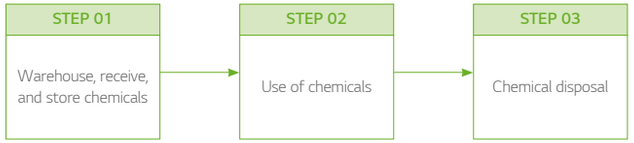
Chemical Management Process

At LG Display, we have implemented a comprehensive process to ensure the legality and compliance of chemical substances used in our operations. Prior to procurement, we conduct pre-examinations on all chemical substances at both domestic and overseas subsidiaries to assess their compliance with safety and environmental laws as well as our internal standards. Any products that do not meet the required standards are restricted from purchase. For chemicals imported to Korea, a separate import examination system is in place to verify compliance with relevant laws and regulations, such as the Chemical Substances Control Act and the Act on Registration and Evaluation of Chemicals. To reinforce our chemical management regulations, we have established mandatory guidelines for chemical product suppliers and provide regular training to ensure their adherence to these guidelines.

We have designated prohibited chemicals that may cause serious health disorders to workers in accordance with domestic laws and international agreements. We create a safe environment for workers' health by developing alternative substances, establishing principles for alternative substance management, tracking their use, and conducting on-site inspections.

In addition, we have implemented the Chemical Visibility Project to ensure consistent and visible management of chemical substances. The project aims to establish a system for monitoring the status of chemical substances in the workplace. The construction of the first phase commenced in 2022 and is scheduled to be completed by 2025.

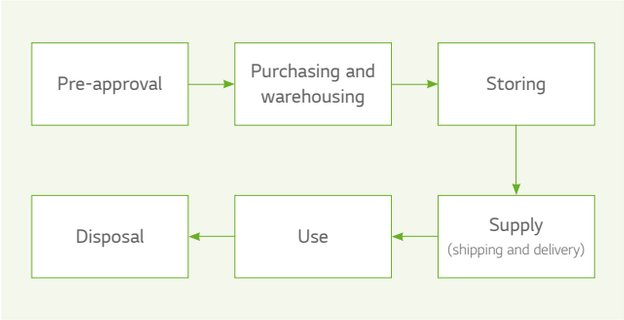
Chemical Handling Status by Step



Reducing the Use of Hazardous Chemicals

We conduct chemical statistical surveys, emission surveys, and performance reports in compliance with the Chemical Substances Control Act. The results of these surveys are disclosed publicly through the Chemical Substances Information System. Additionally, we actively promote the development of alternative materials and processes to minimize the use and emission of hazardous chemicals. In 2022, we achieved a 13% reduction in hydrogen fluoride (HF) usage by optimizing the chemical exchange cycle and number of processed, and analyzing various aerobic conditions. To transition to an eco-friendly stripper without hazardous chemicals like N-methylformamide (NMF) and methyl di glycol (MDG), we engaged in development activities including the review of alternative materials and evaluation of each supplier. Moreover, for certain product lines, we switched from a cleaning type to a post-calcined type of polymide (PI) material, eliminating the need for the cleaning process. This led to a reduction of approximately 3 liters of EL cleaning solution emissions per sheet of glass.

Chemical Substances Life Cycle



Reinforcing Chemical Accident Prevention and Training

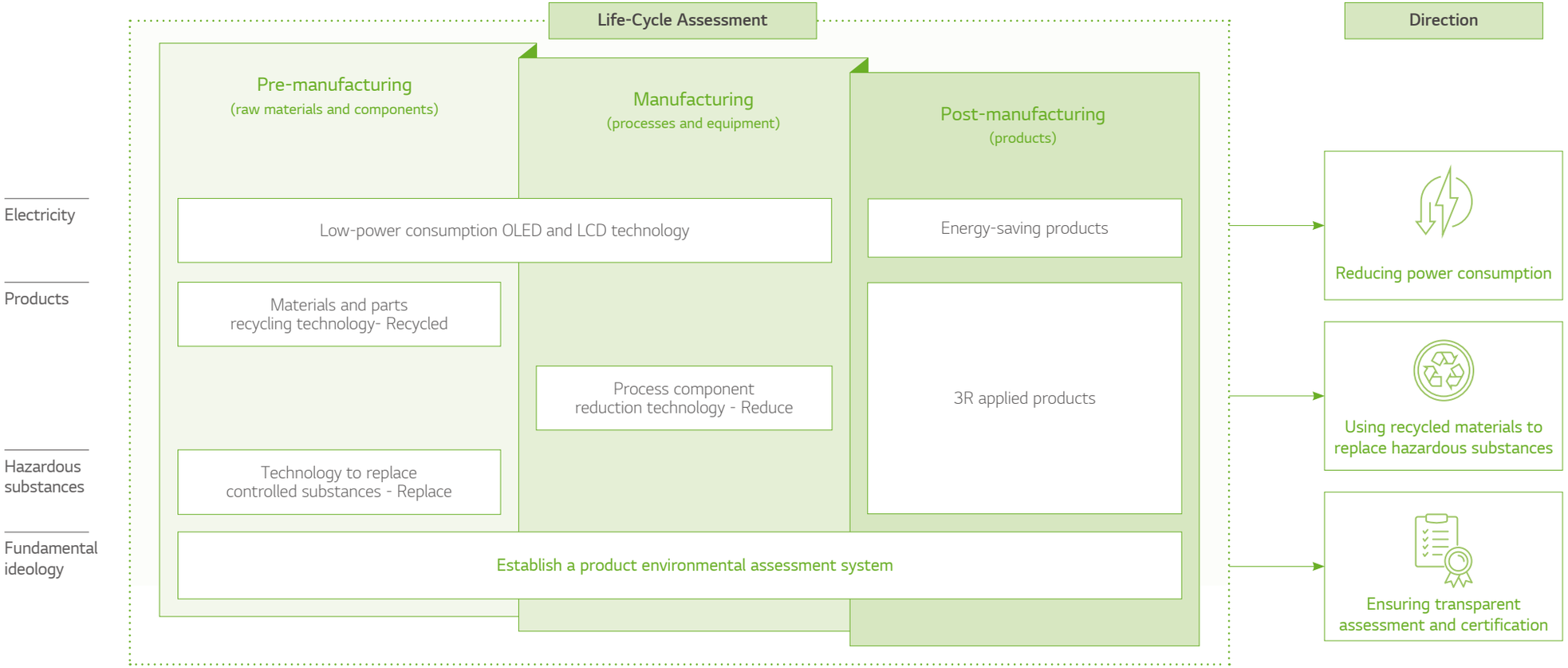
We prioritize the safety, health, and environmental well-being of our workers and the local community throughout the entire chemical handling process. We conduct regular inspections and implement 24-hour monitoring of our chemical facilities. Our integrated safety management system ensures that up-to-date material safety data sheets (MSDS) are readily available, providing comprehensive information on chemical handling. Real-time monitoring of our system and equipment, including pipes and valves, enables us to quickly detect any abnormalities through the use of Six Sigma, a statistical management technique. Furthermore, we have implemented measures to minimize damage and prevent chemical accidents, such as automatic shut-off valves when leaks are detected.

To enhance safety management and prevent work-related issues due to legal reasons, we have implemented a legal senior management system to monitor the status of our legal managers. In addition to the mandatory training on hazardous chemicals as required by law, we have developed separate basic and advanced training courses specifically focused on safe chemical usage and accident prevention. We regularly share chemical accident prevention and response plans with relevant organizations, nearby residents, and workplaces to ensure proactive measures are in place to prevent chemical accidents.

Product Responsibility

While our previous product development efforts have primarily focused on meeting client requirements, we acknowledge the increasing importance of ESG considerations in recent years. Customers are now placing greater emphasis on factors such as the transition to renewable energy and the use of eco-friendly materials, and the landscape is rapidly evolving with stronger regulations and shifting investment trends towards ESG. In light of these changes, LG Display recognizes product responsibility as a vital component of our environmental technology strategy. Our goal is to proactively develop eco-friendly products that address environmental concerns throughout the entire product life cycle while minimizing the use of new resources and harmful substances. Specifically, we aim to reduce power consumption, utilize eco-friendly materials, and ensure transparency and certification across all processes.

Direction of Product Responsibility



Product Responsibility

Developing Energy-Saving Products

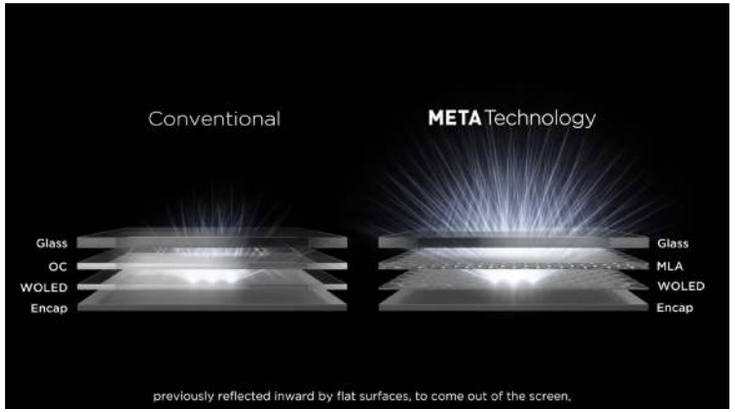
Energy-Saving Product Development Roadmap

We have established a mid to long-term roadmap and goals for developing products that can reduce power consumption during consumer use. To achieve this goal, we have identified low-carbon OLED technology, low-carbon LCD technology, and process and component reduction as our targeted areas for energy reduction. We plan to develop and enhance low-carbon products through high-efficiency OLED displays, high-density processes, energy-efficient algorithms, circuit technologies, and optimized panels such as driver ICs and T-Cons. Additionally, we will focus on improving transmittance and luminance efficiency in instruments and optics. Our objective is to achieve a 20% reduction in carbon emissions from consumer use by 2030 compared to 2020. We aim to implement these advanced technologies across our entire product lineup in the future.

Energy-Saving Products

In 2022, LG Display's automotive plastic OLED (P-OLED) and premium low-temperature polysilicon (LTPS) LCD panels received Eco Product certification from Societe Generale de Surveillance (SGS), a global inspection and certification organization headquartered in Switzerland. P-OLED panels utilize flexible plastic material instead of glass, resulting in lightweight and bendable displays without compromising image quality. The LTPS LCD technology offers larger sizes and higher resolutions compared to traditional LCDs. Our P-OLED panels for vehicles achieve a 39% reduction in power consumption compared to conventional devices by improving the luminous efficiency of organic components. This technology contributes to improved energy efficiency, making it particularly beneficial for electric vehicles where it can enhance mileage. Furthermore, the premium LTPS LCD panels enhance liquid crystal transmittance, resulting in a 17% reduction in power consumption and a 7.5% reduction in product thickness compared to conventional products. The reduction in backlight components also enhances resource efficiency.

At CES 2023, we unveiled our 3rd generation OLED TV panel, featuring significant advancements in luminance and viewing angle. With the implementation of Meta technology in large-size OLED panels, this new generation offers a 60% improvement in luminance and a 30% enhancement in viewing angles compared to previous models. Notably, it achieves the highest luminance level of 2,100 nits among all existing OLED TV panels while also improving energy efficiency by 22%. The Meta technology utilizes micro lenses and luminance enhancement algorithms to maximize the emission of light from organic materials, pushing the boundaries of traditional luminance and viewing angles. Initially, the Meta technology will be incorporated into our 4K 55, 65, and 77-inch panels as well as 8K 77 and 88-inch premium OLED TV panels, which are scheduled for mass production in 2023.



MLA: Brighter & Wider Light Technology

Inspired by the dragonfly's eyes, the Micro Lens Array (MLA) creates 5,117 microlens patterns per pixel, a total of 42.4 billion microlens patterns. The OLEDs are deposited on these lenses to provide breakthrough brightness (2,100 nits) by bringing internal light out of the screen. Also, the device efficiency has improved and can enjoy video with a brighter screen than before.

Measured on the 77-inch 4K display, under APL 3% and Half Luminance conditions.

Product Responsibility

Developing 3R Products

At LG Display, we prioritize resource utilization in our products by focusing on the 3Rs: recycling materials and parts, reducing process components, and replacing controlled substances.

Recycled Materials and Parts (Recycled)

Material and component recycling is an activity that applies material technologies to products to minimize environmental impact and improve energy efficiency, maximizing resource efficiency.

In 2022, our high-end LCD panels for IT displays under 27 inches, used in monitors, laptops, and tablets, obtained Eco Product certification from SGS. This certification recognizes our eco-friendly products' compliance with global environmental regulations and reduced use of hazardous substances throughout their lifecycle. Our IT LCD panels have received high recognition for their recycling rate, reduction of harmful substances, resource efficiency, and energy efficiency.

We have designed panels with easy part exchange and increased the use of metals like iron, achieving an industry-leading product recycling rate of about 80%. We comply with the EU's Restriction of Hazardous Substances Directive (RoHS), avoiding hazardous chemicals and conflict minerals, and minimizing the use of rare substances that can cause environmental pollution during mining.

In addition, we are actively increasing the use of recycled materials in our products by 30% in 2030 compared to 2020. Our plans include gradually increasing the application of recycled materials in optical raw materials such as guide panels, LGP, and cover plastics, using Post-Industrial Recycled (PIR) and Post-Consumer Recycled (PCR) sources, as well as using Bio and C-r in optical film sheets. For waste plastic products, we are developing depolymerization as a chemical treatment method to meet the increasing demand for recycled materials.

Reducing Process Components (Reduce)

Process component reduction aims to decrease the carbon footprint during the manufacturing stage, starting from raw material input to finished products. This involves strategies such as reducing the thickness of organic materials to shorten process time and using FSM materials and technology to reduce product weight. These tasks are currently being developed to effectively decrease carbon emissions.

Replacing Controlled Substances (Replace)

Replacing controlled substances is a technology aimed at minimizing the emission of hazardous substances generated from products. We are developing materials to replace regulated substances, such as lead-free parts and eco-friendly adhesives, as well as technologies to reduce volatile organic compounds (VoC)[1] in sheets and tapes.

1) **VoC(Volatile Organic Compounds)** : Organic compounds, which are easily volatilized into the atmosphere. Also, it is hazardous substances that cause air pollution and birdhouse syndrome.

Product Responsibility

Product Environmental Assessment System

Use and Management of Hazardous Substances in Products

LG Display established a hazardous substance management program and process to develop products that are not harmful to the human body and the environment. We will proactively respond to changes in global laws and regulations related to hazardous substances and make continuous efforts to make products that are safe for the human body and the environment.

Product Hazardous Substances Management Program

To address global product environmental regulations, we have implemented a proactive approach to identify and eliminate potential risk factors. Our management process is designed to ensure stability and compliance. We closely monitor regulatory trends and collaborate with external organizations to develop response strategies. Through collaboration with component suppliers, as well as our own development, purchasing, and quality departments, we have established effective management measures. Our hazardous substance management program encompasses four gate stages to meet the requirements of global product environmental regulations such as the EU's RoHS[1] and REACH[2] and fulfill customer demands regarding hazardous substances in our products.

Hazardous Substances Control Program

GATE 01 Supplier Registration
- Conduct an audit before registering a new supplier
- Inspect the hazardous substance response process

→ **Gate 02 Part Development**
- Conduct environmental evaluation of components before development
- Implement document review, XRF[3], and 3-step analysis

→ **Gate 03 Product Development**
- Conduct an environmental assessment of the model
- Implement product labeling (RoHS certification)

→ **Gate 04 Mass Production**
- Implement regular testing of components prior to mass production
- Conduct risk assessment for each level

Voluntary Substitution History and Plans for Hazardous Substances

Year	Main substances	Product type (part name)
2009-	Halogen(Br,Cl)	Medium→Small→Large
2010-	Arsenic	Small→Medium, Large
2017-	Beryllium	Small→Medium, Large
2022	RoHS exemption 7(C)-1 :P b	Small, Medium (Resistor)

Year	Main substances	Product type (part name)
2023	REACH SVHC : UV-328	Medium (Polarizer)
2025	VOCs	Medium (Polarizer, Optical Sheet)
2026	RoHS exemption 7(C)-1 :P b	All (Exciter)

Product Hazardous Substance Management System

We have implemented a robust product hazardous substances management system, classifying substances into three levels: A-I, A-II, and B. In addition to complying with global regulations on hazardous substances[4], we identify Level B substances that pose risks to human health and the environment. We focus on developing alternative technologies and components to replace these substances and implementing their use in our products. We plan to continue our voluntary reduction efforts aimed at gradually eliminating unregulated harmful substances.

Classification of Hazardous Substances in Products

Level A-I
The 10 substances prohibited by the EU RoHS directive and specified by specific clients. These include lead, cadmium, mercury, hexavalent chromium and compounds, PBB, PBDE, four phthalates[5], other brominated flame retardants, and other chlorine-based flame retardants.

Level A-II
The substances prohibited by laws and conventions besides Level A-I, and prohibited substances designated by clients such as PCBs, PCNs, asbestos, organic tin compounds, ozone-depleting substances, etc.

Level B
The substances that are not currently prohibited but are planned to be reduced and phased out in the future include volatile organic chemicals, RoHS regulatory candidates, substances covered by RoHS exemption clauses, REACH high-risk candidates, etc.

1) RoHS(The Restriction of the use of certain Hazardous Substances in electrical and electronic equipment) :
2) REACH(Registration, Evaluation, Authorization and Restriction of Chemicals) : the European Union's regulatory framework for the chemicals
3) XRF(X-Ray Fluorescence(Spectrometer)) : X-ray Fluorescence analysis equipment for hazardous substances
4) For IEC 62474, there is no obligation to disclose hazardous substances as they are below reporting standards.
5) DEHP, BBP, DBP, and DIBP

Product Responsibility

Product Environmental Assessment System

Conducting Life-Cycle Assessments

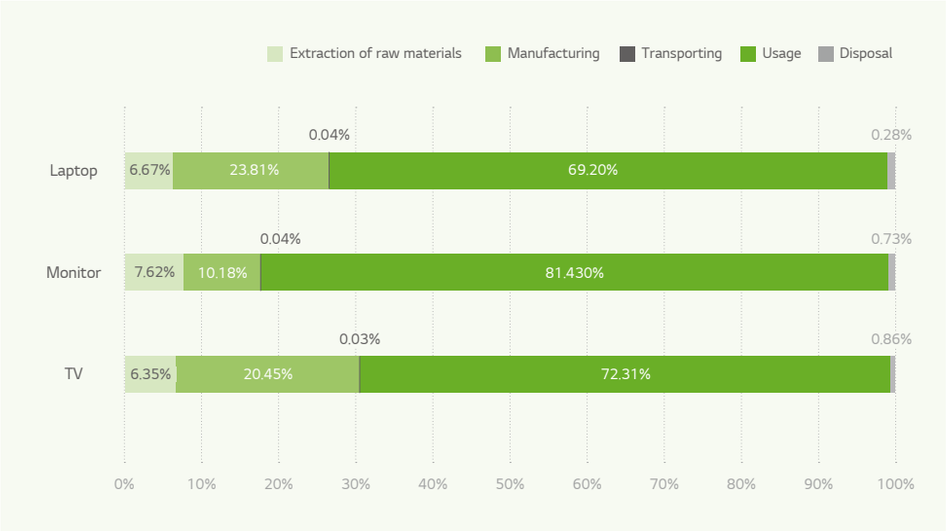
We evaluate the eco-friendliness of the entire product life cycle to produce sustainable products and utilize them for eco-friendly technology and product development. In 2021, we introduced the Life Cycle Assessment (LCA) based on the ISO 14040 series, which assesses six environmental impact categories: global warming, resource depletion, ozone layer depletion, acidification, eutrophication, and photochemical smog.

Through LCA, we analyze the environmental impact at each stage and strive to minimize it by developing process technologies and eco-friendly materials. In 2022, we completed LCA for 21.5% of our sold products, with a target of 40% in 2023. Moving forward, we plan to expand our product range and impact categories.

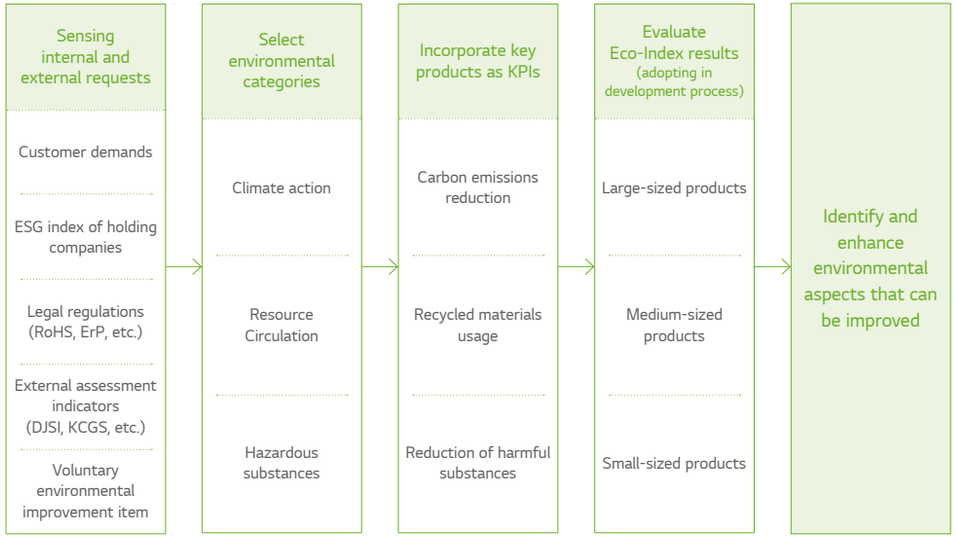
ESG Product Performance Indicator(Eco-Index)

With the advancement of ESG and the increasing complexity of product environmental regulations, customer demands for product responsibility have become more diverse. In response to these evolving requirements, LG Display has developed the ESG product performance indicator(Eco-Index), a tool that assesses the environmental performance of products using indices for different environmental areas. Based on the evaluation results, we identify and improve the environmental aspects that can be enhanced. We plan to continuously upgrade the Eco-Index to align with internal and external circumstances.

Carbon Footprint Calculation Results for Major Products



ESG product performance indicator(Eco-Index) Procedure



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Workplace Safety

Workplace safety entails promoting the workers' health and safety by establishing standards, clarifying responsibilities, preventing occupational accidents, and creating a pleasant work environment. LG Display is committed to building a safe and healthy workplace through the highest level of safety and environmental management practices globally.

Zero Safety Accidents

Health and Safety Policy

Our goal for health and safety is to build a safe and healthy workplace through the highest level of safety and environmental management practices globally. To achieve this, we have implemented a health and safety policy that ensures the well-being of our employees and suppliers. We minimize and control risks at all workplaces and prioritize fundamental health and safety management activities. We have established an integrated safety management system at a global level to prevent serious accidents. In addition, we set annual quantitative goals to improve performance indicators, and safety measures are mandatorily integrated into the key performance indicators (KPIs) of executives and supervisors. We closely monitor and comply with occupational safety and health regulations in all countries where our business sites are located. Furthermore, we promote the My Safety activity to foster a culture of personal responsibility for safety.

LG Display has established the position of Chief Safety & Environment Officer (CSEO) and implemented the Four Safety Management Innovation Measures. These measures encompass comprehensive safety evaluations, internalization of high-risk tasks, fostering safety and environmental experts, strengthening support for suppliers, and enhancing the authority and capabilities of safety organizations. Building upon our existing safety management system, we are dedicated to promoting an innovative voluntary safety culture through activities such as preventing serious accidents, establishing a regular diagnosis system, implementing a chemical substance management system, and improving emergency response capabilities.

Reducing Fundamental Risks in the Workplace

To reduce fundamental risks in the workplace, we identify risk factors before introducing equipment or starting work and implement reduction measures. When new equipment is introduced, we implement the Equipment Safety Certification System and review and evaluate their safety specifications that comply with global standards. We also reexamine compliance with safety specifications before introducing them into the workplace to minimize fundamental equipment risk factors. Furthermore, we constantly inspect equipment in operation to identify and improve risks, aiming to prevent accidents.

We conduct risk assessments for all tasks in the workplace with the participation of all employees. Through risk assessments, we identify and improve potential risk factors through regular and occasional evaluations, strengthening our workplace risk management. The results of these risk assessments are quantified and categorized into six risk levels. For risks classified as unacceptable, major, or serious, we implement action plans to prevent them. This may include prohibiting work until safety improvement and reduction measures are established, or conducting work only after confirming the absence of risks. In 2022, a total of 6,213 cases of unacceptable, major, and serious risks were identified and addressed. Currently, we are working on establishing a site-centered risk assessment system.

Safety Risk Assessment Process

Workplace Safety

Zero Safety Accidents

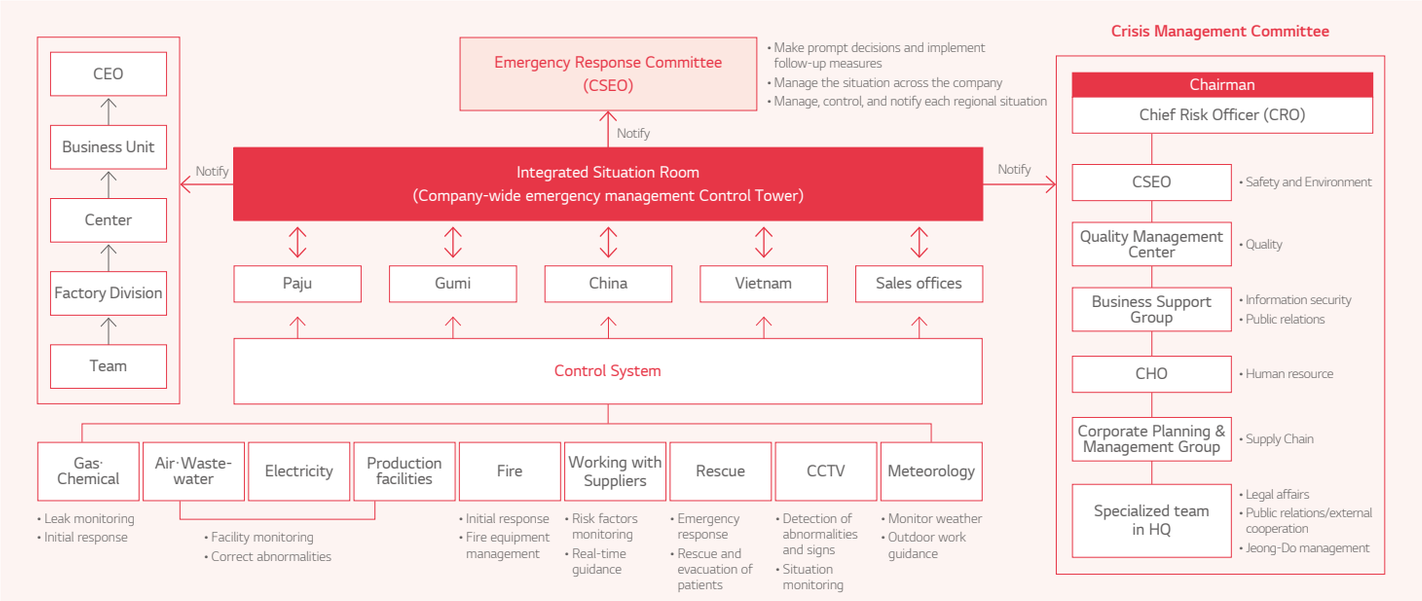
Emergency Response System

LG Display has implemented a comprehensive monitoring system in its Integrated Situation Room(so called control tower) to monitor firefighting equipment, utilities, meteorology, gas, and chemical information in real-time. This system enables quick notification and response in case of emergencies. We have established a two-way communication system and intelligent control system between work sites to enhance our emergency response capabilities. Additionally, we have set up emergency response standby bases and prioritized golden time management. To ensure all employees are well-prepared for disaster prevention, we provide fire extinguisher training to all members and implement training on initial emergency response for workers in hazardous areas. In the event of an accident resulting from a violation of LG Display's safety management standards and procedures, such as work-related injuries or illnesses, we conduct liability diagnosis and safety accident reviews to investigate the cause. Through these measures, we aim to prevent recurrence and ensure the thorough establishment and management of safety protocols.

Emergency Management System

Based on real-time monitoring, communication, and control capabilities, we operate a company control system for quick initial response and minimizing damage in case of emergency.

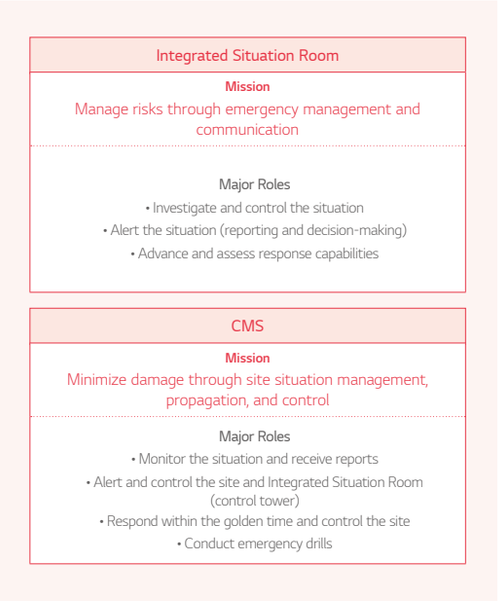
Operating System



Mission and Role

The Integrated Situation Room(hereinafter referred to as control tower) is overseen by the control tower director, and the situation control officer supervises the site control and monitoring system (CMS) and is in charge of controlling the situation and alerting relevant personnel across different sites in case of emergencies.

Mission & Role



Workplace Safety

Zero Safety Accidents

Innovating Safety Culture

We implement various programs to enhance the safety awareness of our members and aim to foster a voluntary safety culture where the desire to protect oneself and practice safe behavior becomes inherent. To accomplish this, we have established three goals and principles to progressively promote a safety culture: raising employee safety awareness, conducting activities focused on safety behavior, and creating an autonomous safety and environment system. To encourage safety-conscious behaviors that prioritize personal safety, we have introduced the "My Safety" initiative, which enables individuals to assess risk factors and protective measures independently before starting work.

In addition, we conduct regular safety culture training sessions to enhance safety awareness, communication, and leadership skills among all employees in the company. We aim to effectively communicate safety knowledge and information by installing banners displaying health and safety guidelines and safe behaviors throughout the workplace. We also utilize a safety culture letter in the form of a webcomic to further reinforce safety practices. Moreover, we actively collect feedback and suggestions from our employees through near miss reporting, safety shout-outs, and various idea submissions. We encourage active participation among our members by recognizing and rewarding best practices.

Reinforcing Safety Capabilities of Suppliers

We appoint safety officers responsible for work safety management through the training and evaluation of safety personnel from suppliers. We have implemented a competency evaluation system to ensure that only individuals with professional expertise can carry out safety management tasks. In 2022, we conducted 150 training sessions for safety officers. Furthermore, we have established a safety academy to support our suppliers in acquiring practical skills through hands-on training in safety and health, including safety stance experience, fire suppression drills, and CPR training, and emergency response in confined space.

Furthermore, we offer online safety training for all external individuals, including visitors and workers entering or exiting the workplace. Access to the workplace is restricted for workers who have not completed training on our Safety Rules, the Eight Life Rules, and safety standards beforehand.

Supplier Safety Management System

To enhance the safety of our suppliers, we have established a win-win cooperation foundation with both resident suppliers and external partners, implementing collaborative projects across various companies. In 2022, we received an A grade (excellent) rating, and in 2023, we are further promoting mutual cooperation safety activities with a focus on technical support for risk assessment, and identify and improve hazardous risk factors in the workplace. In addition, we include health and safety management responsibilities in contracts with equipment, facility, construction, and raw material suppliers. For high-risk suppliers, we conduct detailed safety evaluations and provide support to strengthen their safety capabilities and establish robust safety management systems.

Supplier Communication

Every year, LG Display recognizes and rewards outstanding performance in safety management, safety evaluation, and safety idea suggestions by selecting six top suppliers. To promote two-way communication with suppliers, we hold a safety council, BEST Club, safety management meetings, and smart safety suggestions once a month.

Supplier Management

Supplier management entails operating a sustainable supply chain system wherein suppliers adhere to LG Display's ESG Supplier Code of Conduct, which is based on global regulations and the RBA code of conduct. We conduct regular assessments of our suppliers' ESG capabilities and provide support activities such as education and funding to enhance their capabilities.

Establishment of ESG Management System

Supply Chain ESG Management Policy

LG Display has established the ESG Supplier Code of Conduct to ensure that all suppliers involved in product production establish a safe working environment and operate an environmentally friendly and ethical company where workers are respected. The ESG Supplier Code of Conduct is based on the Responsible Business Alliance (RBA) and clients' Supplier Code of Conduct. It covers areas such as labor and human rights, health and safety, environment, ethics, management systems, and conflict and responsible minerals. This code of conduct is annually reviewed and included in the standard contracts of suppliers. The detailed ESG Supply Chain Standards are published on the LG Display website and available in Korean, English, Chinese, and Vietnamese.

Major Category of LG Display ESG Supplier Code of Conduct

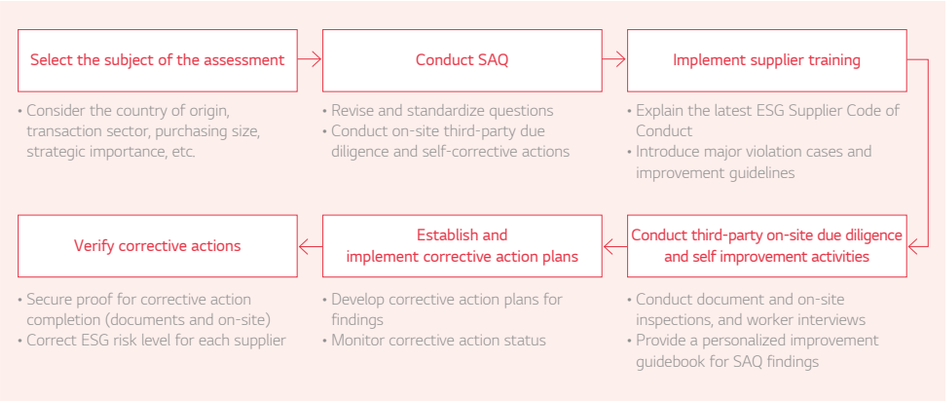
Labor and Human Rights	Freely Chosen Employment, Young Workers, Working Hours, Wages and Benefits, Humane Treatment, Non-Discrimination/Non-Harassment, Freedom of Association
Health and Safety	Occupational Safety, Emergency Preparedness, Occupational Injury and Illness, Industrial Hygiene, Physically Demanding Work, Machine Safeguarding, Food, Sanitation and Housing, Health and Safety Communication
Environment	Environmental Permits and Reporting, Pollution Prevention and Resource Reduction, Hazardous Substances, Solid Wastes, Air Emissions, Materials Restrictions, Water Resources and Storm Water Management, Energy Consumption and Greenhouse Gas Emissions
Ethics	Integrity Management and No Improper Advantage, Disclosure of Information, Intellectual Property, Fair Business, Advertising and Competition, Protection of Identity and Non-Retaliation, Privacy
Management System	Company Commitment, Management Accountability and Responsibility, Legal and Customer Requirements, Risk Assessment and Risk Management, Improvement Objectives, Training, Communication, Worker Feedback, Participation and Grievance, Audits and Assessments, Corrective Action Process, Documentation and Records, Supplier Responsibility
Conflict and Responsible Minerals	Responsible Sourcing of Minerals

Supplier ESG Assessment System

We have have reorganized a supplier ESG assessment system to proactively address potential ESG risks in the supply chain. The assessment process comprises several steps, including subject selection, self-assessment questionnaire (SAQ), third-party on-site due diligence, and self-corrective actions to ensure adherence to our ESG Supplier Code of Conduct. Findings from SAQ and due diligence are improved through corrective actions, and the completion of these corrective actions is additionally verified. The progress of this system is reported to the ESG Committee, which consists of the Board and management.

We are actively working to foster a mutual growth system with our suppliers. We have plans to enhance our support in improving and strengthening ESG capabilities of suppliers, as well as identifying their ESG risks. In 2023, we aim to leverage an IT system for ESG supply chain assessment, enabling suppliers to have better access to ESG-related information, facilitating efficient assessment and improvement processes, and enabling real-time monitoring of KPIs.

Supplier ESG Assessment Process



Supplier Management

Establishment of ESG Management System

Assessment Subject Selection

To strengthen supply chain responsibility, the number of suppliers undergoing ESG assessment has been increased compared to the previous year. A total of 829 raw materials and outsourcing suppliers have been selected based on criteria such as country of origin, transaction sector, purchasing size, and strategic importance. Among these suppliers, 570 companies directly involved in the product assembly process and having separate manufacturing facilities that may impact LG Display in terms of ESG issues have been categorized as key tier 1 suppliers[1]. These key suppliers are prioritized for ESG assessment. We plan to expand the scope of ESG assessment to include resident suppliers who provide services to us indirectly.

Self-Assessment Questionnaire (SAQ)

In 2022, LG Display successfully completed the SAQ for all 570 key tier 1 suppliers, achieving a 100% completion rate. To enhance participation, the SAQ was streamlined to consist of 90 questions, and the requirements of the Code of Conduct were presented in the form of case studies. The SAQ process was facilitated through an IT system, making it easier for suppliers to respond and improving accessibility. Additionally, specific ESG risk factors such as forced labor, child labor, working hours, and legal licensing were given increased weighting to ensure their immediate impact on SAQ results. Through these measures, we were able to identify 55 high-risk suppliers[2] who lacked adequate policies or procedures in the areas of environment and ethics.

Supplier Training

Prior to conducting on-site due diligence and engaging in self-corrective actions activities with our suppliers, we conducted six webinar sessions specifically for key tier 1 suppliers. These sessions were held separately for each country and involved a total of 359 companies and 467 participants. During the webinars, we provided training on various topics including ESG overviews and trends, the assessment process, the ESG Supplier Code of Conduct, major violation cases, and guidelines for improvement.

Third-Party On-Site Due Diligence and Self-corrective actions

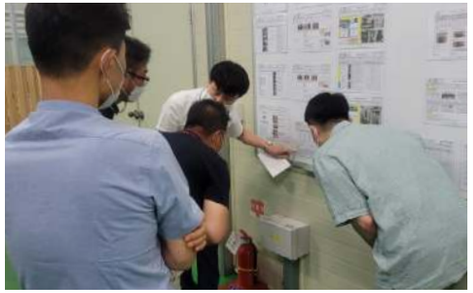
The third-party on-site due diligence process utilized the RBA due diligence methodology, which is based on LG Display's ESG Supplier Code of Conduct. This approach was employed to ensure the assessment results were more objective and comprehensive by thoroughly assessing the working environment of suppliers through the examination of documents, on-site inspection, and interviews with workers. A total of 56 suppliers, including 31 suppliers out of 55 high-risk suppliers and 25 medium and low-risk suppliers, underwent third-party on-site due diligence. The selection of medium and low-risk suppliers took into account factors such as core customers' care,, regional risk ratings, and due diligence history. In addition, 24 high-risk suppliers that were not included in the on-site due diligence engaged in self-corrective actions. These activities involved suppliers addressing the findings identified in the SAQ on their own, using an improvement guidebook provided by our internal experts.

Key and Core Suppliers and Proportion of Purchases

Category	Criteria	Number of suppliers	Proportion of purchases (%)
Tier 1 suppliers	Raw materials and outsourcing suppliers	829	100
Key tier 1 suppliers	Raw materials and outsourcing suppliers with manufacturing facilities	570	77
Core tier 1 supplier	Suppliers with high strategic importance	79	40.6

1) Excludes RBA member companies that have undergone official ESG assessment, semiconductor design suppliers (Fabless) that do not engage in direct manufacturing, and agents
2) Suppliers with an SAQ total score or sectional score less than 65

Supplier ESG on-site due diligence kick-off meeting



Supplier ESG on-site due diligence

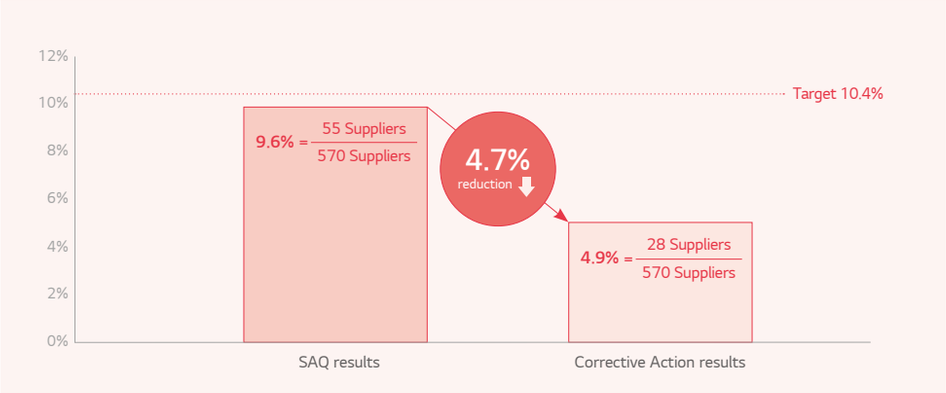
Supplier Management

Establishment of ESG Management System

Management and Results of Corrective Actions

The main findings identified through SAQ and third-party on-site due diligence included excessive overtime working hours, inadequate risk assessment, and lack of a business management system. We played a guiding role by conducting adequacy reviews based on our experience, taking into account the varying ESG levels of suppliers, and closely monitoring their progress on a 30-day basis. Once a supplier establishes and implements a corrective action plan, their ESG risk rating is calibrated through verification after the completion of the corrective actions within 90 days. As a result, we have surpassed our target by reducing the proportion of high-risk suppliers from 9.6% in the SAQ to 4.9%, and we are committed to further reducing it to less than 1% by 2025. Furthermore, suppliers with excellent ESG management receive additional points in regular supplier assessments, while deductions are made for those with poor management. Suppliers who refuse to participate in improvement activities without valid reasons, despite significant findings, may face contract termination.

Final Results of Supplier ESG Assessment



※ Proportion of high-risk suppliers in 2022 = High-risk suppliers/Key tier 1 suppliers

THE TRUE STORY

Best improvement practices for third-party on-site due diligence

Third-party on-site due diligences are conducted in collaboration with certified external organizations. Based on the results, suppliers make necessary improvements with LG Display's internal experts, and the best practices for improvement are reported to the management.

Overtime and Continuous Work Improvement Cases

We have implemented measures to restrict overtime working hours[1] and consecutive working days[2] per week in order to prioritize the health and well-being of workers. During the third-party on-site due diligence conducted in July 2022, non-compliance related to overtime and consecutive work days were identified at a Korea-based supplier. We provided support for improvement and training to address the issues arising from increased production volume and recruitment challenges. Subsequently, it was confirmed that the company transitioned to a shift system and adhered to proper working hour regulations.

Environmental Pollution Prevention and Resource Use Reduction improvement Cases

In September 2022, third-party on-site due diligence of a Korea-based supplier revealed that they did not have specific goals and activities in place to reduce the environmental impact of their manufacturing process. However, after providing them with explaining and sharing our own best practices, it was confirmed that the supplier has since developed their own environmental management plan. This plan includes targets for reducing waste, air pollution, wastewater discharge, greenhouse gas emissions, and water usage. The supplier also commits to regularly monitoring and improving areas that require attention. We will continue to support our suppliers in fulfilling their environmental responsibilities.

Mico Dongtan factory consulting

Mico Dongtan factory due diligence

1) 60 hours per week or not exceeding the legal limit (subject to stricter standards)
2) No exceeding six consecutive work days per week

Supplier Management

Enhancing Suppliers ESG Competency

Under the vision of "building a sustainable supply chain," LG Display expanded to include all raw materials and outsourcing suppliers. This is done to lower the barriers to entry and encourage participation. Considering the importance of management's willingness to improve when assessing suppliers' ESG, we provided ESG management training to the management of tier 1-3 suppliers, aiming to teach them the necessity of ESG practices. Additionally, we conducted training courses for employees of our suppliers in areas such as ESG Supplier Code of Conduct, environment, and safety to enhance their expertise. We have also established an online ESG training system to allow for competency development anytime and anywhere. We plan to continue creating diverse training programs to support tailored competency improvement for our suppliers.

Furthermore, we have appointed ESG officers in both domestic and overseas purchasing departments to train them as experts who can effectively assist our suppliers. Their responsibilities include delivering ESG trends and the Supplier Code of Conduct, as well as providing support in practical activities such as third-party on-site due diligence and corrective actions. In 2022, we collaborated with three suppliers who expressed their desire to establish an ESG management system and conducted ESG mutual growth programs. Through third-party on-site due diligence, we identified areas for improvement and worked collaboratively with our specialized departments to implement corrective actions. Those three suppliers assessed their key tier-2 suppliers using LG Display's assessment tools to share our expertise for promoting ESG management throughout the supply chain. Additionally, we established a consultative body consisting of the three companies, allowing them to benchmark each other's best practices and facilitate effective improvements through strong communication. Moving forward, we will continue our efforts to enhance ESG mutual growth activities by leveraging LG Display's capabilities, with the aim of expanding ESG management across the supply chain.

In response to stricter Korean government regulations and growing client demands for information disclosure regarding our suppliers, we implemented green supply chain management (SCM) consulting and carbon partnership certification projects as part of green shared growth. Green SCM consulting began in 2012 to support suppliers' environmental management by establishing a greenhouse gas inventory and providing energy-saving items.

Since 2012, we have enhanced the climate change response capabilities of a total of 94 cumulative suppliers. Out of these, 38 companies have been certified for carbon partnership. We also provide support to minimize the environmental impact of our suppliers. Suppliers with carbon partnership certification and those who received green SCM consulting are given additional points in regular purchase assessment.

THE TRUE STORY

Participating mutually beneficial ESG program

Insik Moon
CEO of HYUNWOO Industrial

HYUNWOO Industrial, founded in 1987, adopted a management philosophy of "embracing change for the best" and transitioned into a corporation in 1996. It is a mid-sized company that specializes in the production of printed circuit boards (PCBs). The company's main products includes printed circuit boards (PCBs) that manufactures automation, electrification, and modular components, communication boards, and automotive displays (Cluster, CID).

Q. Which LG Display's supplier support programs have you participated in 2022? And how did it help?

Among the various support programs, we participated in the manufacturing innovation, financial support, and ESG mutual growth programs. We have been participating in the manufacturing innovation program for five consecutive years, starting in 2018. Starting with the establishment of the energy management system (EMS) in 2018, we completed the integrated system in 2021 and applied it to our business sites in Vietnam. The program has been the foundation for HYUNWOO Industrial's transformation into a smart factory. Through the financial support program, we were able to secure capacity by improving productivity through the replacement of aging facilities. Finally, through participation in the ESG mutual growth program, we were able to objectively identify our ESG capabilities, enhance the areas that needed improvement, and check the ESG capabilities for the supply chain using LG Display's assessment tool. This has enabled us to establish an integrative system for managing ESG initiatives at the company level.

Q. Please tell us more about the ESG mutual growth program. What was the impact of the globally certified organization's on-site due diligence and our improvement support activities in 2022?

HYUNWOO Industrial was involved in carbon emission reduction activities by installing scrubbers and replacing high-efficiency motors in collaboration with national projects. However, shortcomings were identified in the social and governance aspects through third-party on-site due diligence, and it was challenging to determine the necessary improvements. Leveraging the opportunity of LG Display's ESG mutual growth activities, we successfully established an ESG organizational structure, clarified roles and responsibilities for ESG management, and made improvements to procedures and regulations, including Jeong-Do management, emergency response, and ESG risk management, based on LG Display's best practices.

Q. What are HYUNWOO Industrial's efforts to spread ESG management in the supply chain?

To promote the adoption of ESG management, we recognized the importance of having ESG expertise within our workforce. Therefore, we are actively investing in training and providing practical work experiences to cultivate ESG experts. With these trained experts, we conduct on-site due diligence to enhance ESG awareness among our tier 1 suppliers and throughout the supply chain. We are committed to further collaboration with LG Display to expand training programs and participation, enabling employees within the supply chain to grow as ESG experts. We aim to quickly spread ESG management practices across the entire supply chain.

Supplier Management

Conflict Minerals Management

Directions for Conflict Minerals Management

As a global company, LG Display is committed to fulfilling its social responsibilities and complying with laws across its supply chain. In alignment with the OECD due diligence guidelines, we have established Conflict Minerals Management Policy and actively seek to source minerals from conflict-free smelters. We diligently monitor and ensure that minerals associated with armed forces in conflict area are not utilized in the manufacturing and production of our products through our suppliers. As a proud member of the Responsible Minerals Initiative (RMI)[1], we remain dedicated to transparently managing the use of conflict minerals throughout our supply chain while upholding human rights and environmental standards.

Conflict Minerals Management Policy

We have implemented the Conflict Minerals Management Policy to ensure that conflict minerals are not present in our supply chain for the production of our products. This policy requires our suppliers to establish their own policies and procedures for managing conflict minerals, conduct investigations into the use of conflict minerals, and develop response plans to address any identified risks. Our aim is for our suppliers to source minerals exclusively from conflict-free smelters. To support this effort, we have established a task force team comprised of internal and external experts who are responsible for overseeing the implementation of the policy and ensuring adherence to management procedures. We will continue to actively engage in international activities to prohibit the use of conflict minerals by our suppliers and customers, and we are committed to fulfilling our social responsibility to protect human rights in the Democratic Republic of the Congo and neighboring countries.

1) An initiative that provides companies with responsible mineral sourcing-related management tools and resources
2) A process has been established by the RMI to ensure responsible minerals. Smelters that have been rejected by the RMAP are excluded from LG Display's supply chain

Conflict Minerals Management Policy

As a responsible corporate citizen, LG Display is committed to ensuring that minerals associated with armed forces in conflict area are not included in the supply chain of our products.

- We establish a conflict minerals business process to comply with international standards and laws regarding conflict minerals. We actively support efforts to prohibit the use of conflict minerals through the Responsible Minerals Initiative (RMI).
- We utilize the Conflict Minerals Reporting Template from RMI to identify the smelters' names and locations for tin, tantalum, tungsten, and gold used in our products.
- We require our suppliers to submit conflict minerals reports and provide written confirmation that they do not use conflict minerals.
- We will support our suppliers to purchase conflict minerals from smelters certified by the Responsible Minerals Assurance Process (RMAP)[2].
- Due diligence procedures will be established in accordance with the OECD Due Diligence Guidance. If necessary, they will be conducted on the procedures and data reported by suppliers regarding the use of conflict minerals.
- In accordance with relevant laws regarding conflict minerals, we will annually disclose the status of our use of conflict minerals externally. LG Display requires all suppliers to have a comprehensive understanding of U.S. laws and regulations related to conflict minerals and to strictly adhere to our Conflict Minerals Management Policy for consistent application throughout the sub-supply chain. Therefore, our suppliers must adhere to the following procedures.

LG Display mandates all suppliers to have a comprehensive understanding of the U.S. Conflict Minerals Act and to strictly adhere to their Conflict Minerals Policies to ensure consistent compliance throughout the entire sub-supply chain. Therefore, our suppliers must adhere to the following procedures.

- Suppliers must establish documented conflict minerals management policies and procedures to ensure that the products supplied to LG Display do not contain conflict minerals that support armed forces in the Democratic Republic of the Congo or neighboring countries.
- Suppliers are expected to make a sincere effort to identify the names and locations of all smelters in the supply chain from which conflict minerals are sourced.
- Suppliers must promptly complete and submit conflict minerals reports upon request from LG Display.
- Suppliers must promptly implement corrective measures if any risks are identified in the supply chain.
- LG Display reserves the right to suspend business with a supplier if it does not receive adequate information to confirm the use of conflict minerals, if the information provided by the supplier is found to be false, or if the supplier fails to take necessary enforcement measures when risks are identified in their supply chain. LG Display is committed to actively participating in international efforts aimed at prohibiting the use of conflict minerals with its suppliers and clients. By doing so, we aim to fulfill its social responsibility in protecting human rights in the Democratic Republic of the Congo and neighboring countries.

Supplier Management

Conflict Minerals Management

Main Activities and Plans to Manage Conflict Minerals

We share our Conflict Minerals Management Policy with suppliers and provide education on conflict minerals regulations. We adhere to international standards and guidelines, regularly investigate suppliers' use of conflict minerals, and incorporate the Conflict Minerals Management Policy into purchase contracts. Additionally, we have established the ESG Supplier Code of Conduct to encourage suppliers' active participation in prohibiting the use of conflict minerals. Our management scope includes not only tin, tungsten, tantalum, and gold (3TG), but also minerals such as cobalt, mica, aluminum, copper, lithium, and nickel. We conduct supply chain surveys and monitor the management status through ESG on-site due diligence.

By continuously assessing and monitoring the supply chain, our aim is to ensure minerals are sourced from conflict-free smelters. We actively engage with suppliers, communicate directly with smelters, and promote participation in the Responsible Minerals Assurance Process (RMAP). Furthermore, we will collaborate with stakeholders such as RMI, customers, suppliers, and governments to ensure responsible sourcing of minerals, avoid unethical minerals associated with human rights violations and environmental pollution, and eliminate minerals linked to armed forces in conflict area.

Conflict Minerals Management and Risk Improvement

We collect Conflict Minerals Reporting Templates (CMRTs) from our tier 1 suppliers, except for those with suspended transactions, to effectively manage conflict minerals and associated risks for all of our products (TV, commercial, IT, mobile, and automotive displays). Through CMRT consistency and reliability reviews and risk analysis, we identify smelters with potential risks and actively engage in risk management by requesting improvements and obtaining confirmations. For new suppliers, immediate improvement measures are taken if any risks are identified during registration. In 2022, we identified a total of 236 smelters in our supply chain and confirmed that all 236 smelters are certified under the RMAP. We will continue to set appropriate goals and manage our operations to ensure that 100% of participating smelters are RMAP-certified. We also provide accessible information, such as our Conflict Minerals Management Policy and usage status, on our website for anyone to review.

Detailed Activities

Supplier training	• 2013-14 : Conduct training on conflict minerals management and regulations for tier 1-3 suppliers • 2015-Present : Conduct additional training for suppliers if necessary
Refinery matching process	• Review smelter information by clients and suppliers • Conduct research on the product levels • Encourage refineries to participate on RMAP
Conflict minerals system	• Manage the use of conflict minerals • dentify risks and monitor areas that require improvement
Internal/external communication	• Join and participate RMI • Attend public-private enterprise forum conference • Establish hotlines • Operate councils for affiliates (LG Display, LG electronics, LG Chem, LG Innotek)

Human Rights Management

Human rights management involves creating a corporate culture that respects human rights through due diligence, remedial actions, and compliance with social responsibilities. LG Display is committed to internalizing a comprehensive human rights management system across all business sites, suppliers, and stakeholders, aiming for zero human rights risks and promoting a high level of respect in all business operations.

Establishment of Human Rights Management Policy and Direction

Human Rights Management Policy

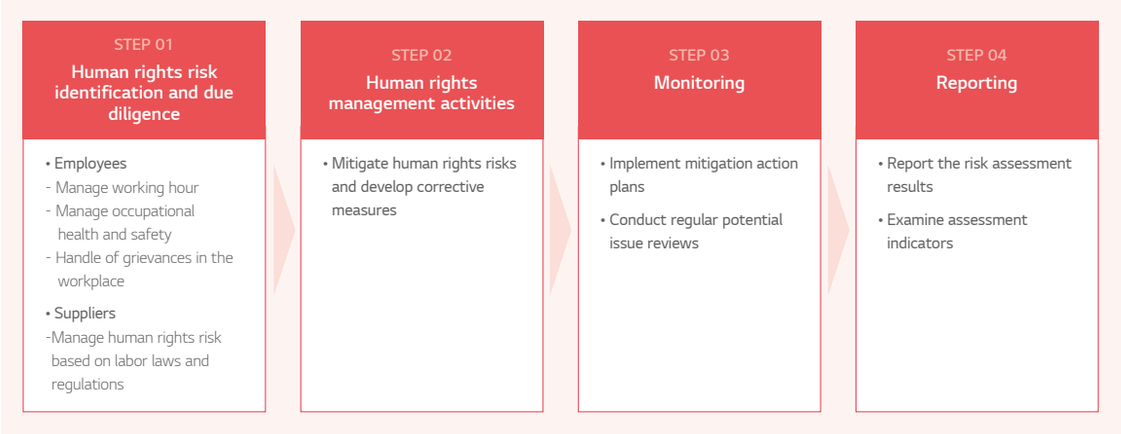
LG Display adheres to the standards and laws of international organizations concerning human rights and labor, such as the United Nations Declaration of Human Rights, the International Labour Organization (ILO) conventions, and the OECD guidelines for multinational enterprises. We have established human rights guidelines based on our management philosophy of respecting human beings and the spirit of Jeong-Do management. These guidelines prioritize the working environment of employees, legal freedom, and the respect of human dignity. We actively practice these guidelines with our suppliers. In 2022, our manufacturing bases and suppliers worldwide underwent audits in line with the requirements of the RBA[1)] and our customers and appropriate measures were taken to address identified risks.

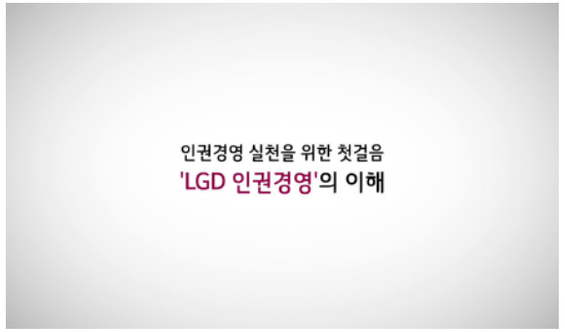
In 2022, we established a comprehensive human rights management system that encompasses various areas, including ①a human rights management policy covering 10 human rights areas, ②the formation of a human rights management committee for governance, ③the development of a checklist and process for human rights impact assessment, and ④the establishment of a process for remedying human rights violations. We also focused on promoting a culture of respect for human rights by providing human rights training to all employees across our locations. Additionally, we conducted training on disability awareness, diversity and inclusion, and preventing sexual harassment. Furthermore, we performed human rights risk assessments for all our business sites and suppliers, enabling us to identify and address any potential human rights risks in our management activities.

We proactively manage potential risks by conducting annual monitoring and promptly reporting any findings to the ESG Committee. To enhance the protection of human rights, we provide human rights trainings to all employees and ensure appropriate remedies for any violations that may occur.

1) Consistent and efficient industry-standard evaluation of labor, ethics, health, safety, and the environment is conducted based on codes of conduct, laws, and regulations for sustainability and social responsibility within the global supply chain

LG Display Human Rights Impact Management System





Training materials for human rights management system

Training materials for human rights management system

Human Rights Management

Establishment of Human Rights Management Policy and Direction

LG Display Human Rights Guidelines

Non-discrimination

We prohibit discrimination in all aspects of employment relations and strive to ensure diversity, respect, and expand inclusivity.

No sexual harassment and bullying

We prohibit sexual harassment and bullying, protect victims, and prevent incidents.

Wages and welfare benefits

We comply with legal standards for wages and benefits, and operate a fair and reasonable compensation system.

Adherence to working hours

We adhere to the regulations on working hours, rest hours, and holidays stipulated by law.

No forced labor

We strictly prohibit forced labor and ensure fair and transparent employment contracts.

No child[1] labor

We adhere to legal age requirements for employment and ensure compliance with relevant laws and regulations when hiring minors.

Guarantee of basic labor rights

We guarantee workers' rights to freedom of association and collective bargaining.

Protection of personal information

We operate personal information management standards and comply with related laws and regulations.

Health and safety

We establish a health and safety management system to prevent accidents and ensure compliance with related laws.

Supplier human rights management

We are committed to supporting our suppliers' human rights management system and efforts to prevent human rights violations.

1) The term "child" refers to someone who is under 15 years of age (or the age set by the laws of each country), or the age at which they complete compulsory education, or the minimum age for employment as determined by each country, whichever is higher.

Human Capital

Human capital is about valuing every individual's potential without discrimination and recognizing them as a crucial asset for our success. LG Display believes that talent is our greatest asset and we are committed to fostering a diverse and inclusive organization. We create an environment that respects different backgrounds and experiences, unleashes possibilities, and motivates our employees to excel.

Diversity & Inclusion

Diversity and Inclusion Expanding Policy

At LG Display, we strive to promote diversity and inclusion among our members. We aim to eliminate discrimination throughout our HR system and foster an organizational culture that values diversity and inclusion. Specifically, in the case of women employees, we endeavor to achieve goals of 35% of women employees, 15% of women in management positions, 20% of women in junior management positions, 15% of women in management positions in revenue-generating departments, and 35% of women in STEM-related positions by 2030.

Operation of Informal Groups

We encourage the formation of informal groups based on individuals' diverse interests, hobbies, and religious affiliations, providing support for their establishment. Currently, we have 101 informal groups with a total of 3,140 members in Korea and 33 overseas locations. These groups actively promote activities such as women's futsal, choirs and dance, etc.

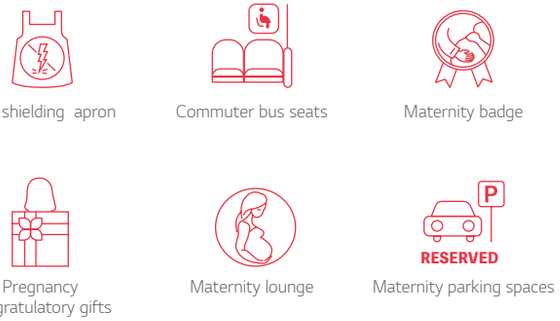
Maternity Care System

We offer various maternity care programs to support our employees in managing childbirth and childcare. This includes operating childcare facilities on our business sites, providing paid leave before and after childbirth, and supporting maternity leave for employees with a spouse who has given birth. In 2021, we extended parental leave to a maximum of two years, exceeding the legal standard of one year. Furthermore, we provide additional support by offering leave in proportion to the gestational age for the recovery of stillborn members or their spouses, promoting the overall well-being of our employees.

In addition, we offer support for employees undergoing infertility treatment by providing three days of paid leave per year. We also prioritize the health of pregnant employees by granting pregnancy checkup leave to ensure regular health checkups during pregnancy. Lastly, we recognize the importance of family care and provide options such as family care vacation days (up to 10 days of unpaid leave per year) and family care leave (up to 90 days) to assist employees in caring for their family members who require support due to illness, old age, parenting responsibilities, and other circumstances. In addition, to support work-family balance, we implement a childcare flexible work system, which is the LG Display's unique system. This system allows employees with children under sixth graders to work again after taking care their children before and after work.

Supporting Pregnant Employee (Domestic)

To create a supportive work environment for employees raising children and to provide comprehensive support for pregnant employees, we have implemented a pregnancy registration system and various programs that address the different stages of pregnancy, childbirth, and parenting. Additionally, we commemorate Pregnant Women's Day on October 10th each year, organizing events to raise awareness and foster understanding and empathy towards pregnant women.



Human Capital

Diversity & Inclusion

Supporting Pregnant Employee (Overseas)

In our overseas sites, we have implemented various systems to support pregnant employees and ease the challenges of childcare. We provide comprehensive time and attendance allowances, including pregnancy checkup leave during pregnancy and up to 10 days of paid leave per year for employees raising children aged 1-3.

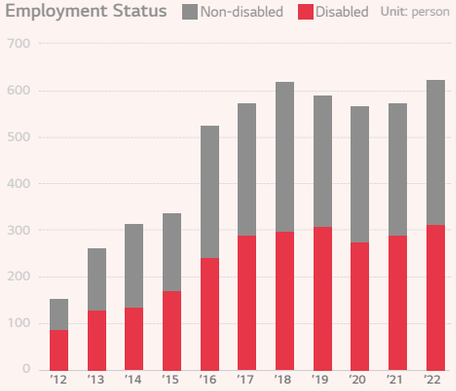
Category	Details
China	• **Pregnancy and childbirth** : Pregnancy checkup leave • **Childcare** : Parents of children under the age of 3 are granted 10 days of paid leave per year
Vietnam	• **Pregnancy and childbirth** : 6 months before and after childbirth (including holidays) 1) If an employee gives birth to twins or more, or two or more children, an additional month of leave is granted for each child 2) After 4 months, employees can request early return with company consent. 3) Quarterly pregnancy and childcare special lectures are conducted to provide care and support for female employees. • **Childcare** : If employees have children under 1 year of age, they have the option to 1) Reduce their daily working hours by 1 hour. 2) Substitute the accumulated shortened working hours with paid leave within the designated period.

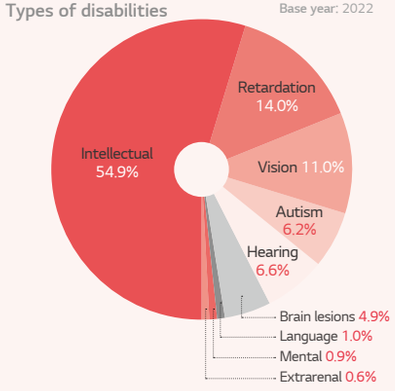
Quarterly childcare special lectures for female employees conducted at the Vietnam branch

Practicing Diversity and Inclusion Through Nanumnuri

In March 2012, we established Nanumnuri, a subsidiary business site dedicated to providing employment opportunities for persons with disabilities. The name "Nanumnuri," which means a world shared with persons with disabilities, reflects our commitment to creating an inclusive and happy society. Currently, Nanumnuri employs 614 individuals, of which 308 or 50% are persons with disabilities. When it was established, the number of disabled employees was 85. Now, the number has increased by 2.6 times, with 79% of them having severe disabilities. At our Paju Complex and Gumi sites, individuals with disabilities, including those with intellectual, visual, and hearing impairments, contribute to various roles such as baristas, health keepers, and cleaners. Moving forward, we will continue to facilitate communication and a sense of accomplishment for our employees with disabilities, while also exploring new job opportunities in areas such as fast-food franchises, convenience stores, and free coffee machine operations, etc.

Nanumnuri Status





Category	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22
Disabled	85	117	139	164	246	294	298	302	286	290	308
Non-disabled	64	157	172	162	293	282	312	289	275	279	306
Total	149	274	311	326	539	576	610	591	561	569	614
(Score)[1]	(131)	(187)	(219)	(254)	(398)	(478)	(493)	(508)	(490)	(500)	(530)

1) Severe is multiplied by 2, mild (female) is multiplied by 1, and mild (male) is multiplied by 0.5

Human Capital

Diversity & Inclusion

Nanumnuri Welfare System

For the well-being of our employees with disabilities, we have implemented various support programs. These include counseling services, assistance with essential food items like kimchi and rice, and improvement of housing conditions. We also prioritize health promotion initiatives, hobbies, and cultural experiences. In 2022, due to the impact of COVID-19, certain hobby, leisure, and cultural programs were temporarily suspended. However, as part of our ongoing efforts to enhance the living environment for employees with disabilities, we identified those in need of support and provided enhancements such as wallpaper coating, air conditioners, and hot water mats. In addition, for employees with disabilities facing high medical expenses, we cover medical costs and support leave of absence pay. We also upgrade amenities in restrooms, such as massagers and air purifiers, to ensure their comfort and well-being.

Disability Care Program

Medical expenses and leave benefits	• Coverage for personal medical expenses (an annual limit of 2 million won) • Leave of absence pay during sick leave (up to 3 months)
Cultural experiences	• Cultural relic visits, museum tour, wine making, watching plays and movies, etc.
Counseling	• Counseling → therapy → job adjustment → follow-up care
Housing improvement and kimchi and rice support	• Bakery, rice cake making, crafts, pottery class, etc.
Health promotion	• Yoga, stretching, pilates, badminton, physical education for persons with disabilities (new sports[1]), etc. • Virtual obesity program
Benefits	• Work guides, labor guides, and helper support for each type of disability • Support for medical expenses (up to 1 million won per year) and a leave of absence pay • Upgrade rest rooms and amenities (shoulder massagers, foot massagers, air purifiers, etc.) • Provision of health aids • Hanmaum sports event at Gumi and Paju • Outings and social events for each organization

1) Sports activities that are modified or combined that are inclusive and accessible to everyone, including individuals with disabilities, the elderly, and infants.

Nanumnuri Working Environment and Performance

Due to our efforts in creating job opportunities for individuals with disabilities, Nanumnuri has become a recognized standard workplace for persons with disabilities. We have received the Prime Minister's Award for Promotion of Employment of Persons with Disabilities, the Tin Tower Order of Industrial Service Merit, and have been selected as excellent employers for the employment of persons with disabilities and outstanding workplaces for health promotion activities. Notably, we are proud to be the first standard workplace for people with disabilities to receive recognition as an excellent workplace for health promotion activities. In addition, Nanumnuri operates various systems to support the smooth adaptation of disabled employees, including providing job training based on individual aptitude and offering individual mentoring for workers with severe disabilities and those who require additional time to acquire job skills. For instance, we have supported nine individuals to achieve baristas certification through job training specifically designed for disabled employees working in cafes.

In 2022, Nanumnuri achieved sales of 25.5 billion won. To further enhance the working environment for disabled employees, we reinvested a portion of the generated profits. We have implemented professional cleaning equipment for disabled employees working as cleaners, as well as unmanned ordering kiosks in cafes to alleviate their workload during busy hours.

We prioritize workplace safety and take proactive measures to ensure a safe environment. This includes installing braille blocks, automatic doors, and guided railings to eliminate obstacles. We obtained the KOSHA 18001 certification initially and later obtained KOSHA MS. We continuously update, review, and evaluate our safety and health management to maintain compliance.

Nanumnuri Cafe

Safety and health management system certification

Governance

Stakeholder Engagement 48

Stakeholder Engagement

LG Display values the opinions and demands of various stakeholders and recognizes communication as a social responsibility and a means to establish credibility. Our Board of Directors, management, executives, and employees are committed to actively listening and engaging in meaningful communication with all stakeholders.

Stakeholder Classification and Communication Channels

LG Display values the engagement of all stakeholders, including shareholders, investors, ESG evaluation agencies, customers, employees, suppliers, local communities, governments, and NGOs. We maintain open channels of communication with each stakeholder group to listen to their opinions and concerns. We follow our internal process to report the collected feedback to the ESG Committee and incorporate stakeholders' input into our decision-making for effective ESG management.

	Customers	Shareholders and Investors	Employees	Supply Chain	Community	The government and NGOs
Interests (Expectations)	Innovative technology and product development	Increasing shareholder value	Work-life balance	Mutual cooperation partnership	Global CSR investments	Empowering the display industry
	Providing customer satisfaction service	Generating stable revenue and dividends	Rewarding achievements	Technology financing	Offering CSR programs	Fair trade and shared growth
	VOC reflection	Transparent disclosure of information	Improving organizational culture	Supplier communication	Supporting vulnerable groups	Job creation
	Supplier ESG due diligence management	Climate action	Benefits	Supporting suppliers for ESG due diligence		
Communication channels	Customer satisfaction surveys	General meeting of shareholders	Town hall meetings	Shared growth portal	CSR portal	Industrial policy advisory
	Investigation of VOC	Company information sessions	Labor-Management Council	ESG-SCAS[1]	Organizations for vulnerable groups	Government pilot projects
	Exhibitions	Conference call	FB(Fresh Board) Council	Offline meetings	Local government offices	UNGC
	Customer meetings	Information disclosure	LG Way Survey			

1) ESG-Supply Chain Assessment System

Stakeholder Engagement

ESG Communications

We actively respond to stakeholder inquiries regarding ESG management. We plan to continue transparent communication through various channels such as our official website, phone inquiries, and investor relations (IR).

Customers	Investors	Shareholders	Consultancies	NGOs
Supply chain management (40 cases)	Respond to inquires (4 cases)	Inquiry letters (2 cases)	ESG strategy inquiries (1 case)	ESG management information (1 case)

ESG Information Disclosure

We have enhanced the transparency of our ESG management information by disclosing the outcomes of the ESG Committee, which is responsible for reviewing and approving ESG policies and strategies and monitoring progress. Through timely disclosures, we fulfill our obligations to stakeholders, build trust in the company, and meet their expectations. Furthermore, we have extended the scope of transparent disclosure to include not only the Korea Exchange but also the U.S. Securities and Exchange Commission (SEC).

Date	Disclosure details	
July 2022	Publication of the sustainability report	
October 2022	Outcomes of the second ESG Committee held in 2022	1. Establishment of human rights management system 2. Supply chain ESG due diligence status of customer and supplier 3. ESG slogan
April 2023	Outcomes of the first ESG Committee held in 2023	1. Declaration of carbon neutrality by 2050 2. Introduction of governance charter and guidelines 3. ESG report publication plan

※ Based on Korea Exchange (KRX) disclosure

Stakeholder Engagement

Stakeholder Engagement

United Nations Global Compact (UNGC) Activities

Through our membership in the UNGC, we seek to align our ESG management practices with global standards and share our expertise in this area. We are committed to actively engaging in working councils and mentoring programs to build consensus and promote ESG management. Additionally, we plan to participate in the Climate Ambition Accelerator (CAA) program, collaborating with diverse companies to accelerate our journey toward carbon neutrality. We strive to make meaningful contributions to the achievement of the UN Sustainable Development Goals (SDGs) across all aspects of our business operations.

Implementation of the UN SDGs

United Nations Sustainable Development Goals		Our Main Activities
1 NO POVERTY	End poverty in all its forms everywhere	• Establish the ESG Supplier Code of Conduct • Join RMI and established the Conflict Minerals Management Policy • Disclose conflict minerals report to the U.S. Securities and Exchange Commission (SEC) annually
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	• Implement Green Campaigner, a children's climate and environmental education program • Donate corn oil to the residents of villages around Yantai, China • Provide emergency relief for earthquake victims in T rkiye
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	• Declare the Human Rights Management Policy • Establish the health and safety management system • Cover medical expenses for employees and a subsidiary (Nanumnuri) • Provide eye health education and screening support for infants and children • Operate LGDream Fund, an online voluntary donation platform • Implement two-day Voluncation, a CSR subscription campaign
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Bridge the information gap by supporting IT power plants for childcare facilities • Provide financial support for the education of gifted youth from low-income families through scholarship associations • Help vulnerable group to achieve their dreams

United Nations Sustainable Development Goals		Our Main Activities
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	• Increase the proportion of female outside directors to 50% • Operate a maternity care system - on-site childcare facilities, up to 2 years of parental leave, infertility leave • Implement pregnant employee support programs
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	• Selected as a best-performing company by CDP in the water management sector • Reduce water consumption by improving process conditions and structure (about 15 million tons) • Implement a treated wastewater reuse project
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	• Transition 1,096 GWh to renewable energy • Save 454 GWh through power reduction activities
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Establish and comply with human rights guidelines • Operate family care vacation days and leave • Establish Nanumnuri to create jobs opportunities for persons with disabilities

Stakeholder Engagement

Stakeholder Engagement

United Nations Global Compact (UNGC) Activities

United Nations Sustainable Development Goals		Our Main Activities
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	• Invest 9% of R&D expenditure as a percentage of sales • Secure more intellectual property rights (cumulatively, 25,468 in Korea, 32,469 in overseas) • Sponsor the FISU World University Games hosted by the Korean Intellectual Property Office • Operate Dream Play, a startup discovery program • Operate Dream Challenge, an in-house venture nurturing program
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	• Provide pregnancy checkup leave for overseas locations • Provide paid leave support for overseas employees with children aged 1-3 years old • Carry out welfare activities of disabled employees (care programs, health promotion, and medical expenses support) • Operate the Mutual Growth Program for suppliers
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	• Implement housing environment improvement projects for disabled employees • Improve the home environment for the elderly with dementia • Establishment of the Local Safety Net
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	• Implement waste management throughout the entire lifecycle of the products • Achieve an 85% recycling rate through the packaging kit recycling system • Conduct life-cycle assessments, develop and evaluate ESG product performance indicators • Developing Energy-Saving Products • Provide environmental information on products (carbon footprint, TUV SUD, SGS Ecolabel, and green certification)
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	• Promote carbon neutrality by 2050 • Selected as the Carbon Management Honors Club for the CDP carbon management sector • Manage greenhouse gas emissions • Conduct climate risk management and climate scenario analysis

United Nations Sustainable Development Goals		Our Main Activities
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	• Maintain the discharge of water pollutants at 20% of the legally required level
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	• Conduct biodiversity conservation activities in Paju • Maintain the air emissions at 20% of the legally required level
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• Operate Jeong-Do Management System • Establish anti-bribery and corruption procedures • Improve the compliance risk management system
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	• Participate in various national programs • Participate in global initiatives such as UNGC, RBA, RMI, etc. • Conduct CSR activities through NGOs

Stakeholder Engagement

Establishment and Internalization of ESG Management Culture

We are actively engaging our employees in ESG management through various initiatives. To foster their interest and involvement, we organized an ESG slogan contest, which resulted in the participation of 300 employees. Additionally, we support the labor union's U-ESG activities, including blood donation and resource recycling. We continuously develop ESG activities that allow direct employee participation. Through regular updates on ESG management activities via internal communication channels like Empathy Plus, we are establishing a foundation for active employee engagement in ESG management.

Furthermore, we facilitate knowledge sharing and collaboration through voluntary seminars where teams can actively cooperate and exchange ideas. These seminars allow us to share management expertise and stay informed about the latest trends in each field, strengthening our competency as ESG management experts. We also organize the LGD ESG Festival, a platform where we share the direction of our ESG management with Champions (C-level executives) and encourage ESG activities among management organizations and task members.

Reliable Global ESG Ratings

Each year, we receive evaluations for our ESG management activities and disclosures from reliable global ESG rating organizations, and we advance our ESG management system based on the results.

ESG Ratings

• KCGS A rating	• MSCI AA rating (2021-22) The only display company worldwide to obtain this rating
• Ecovadis Gold rating Top 5% among global companies	• Sustainalytics ESG Risk Low Rating

Stakeholder Engagement

ESG Risk Management in Workplaces

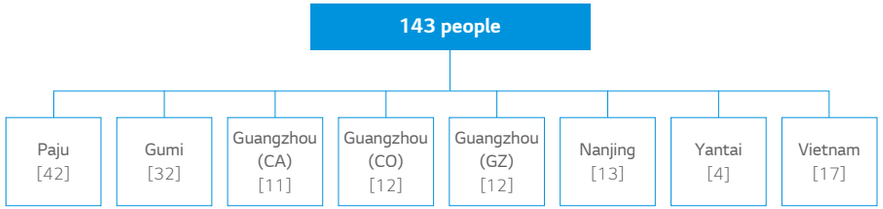
Complying with the RBA and Client's ESG Code of Conduct

As a member of the display industry, we are committed to minimizing the negative environmental and social impacts associated with our business operations. We actively manage ESG risks at our business sites by conducting regular monitoring of compliance with both the RBA and clients' Code of Conducts. In 2022, we built the Supply Chain Assessment System (ESG-SCAS) to transparently disclose reliable indicators of our ESG risk management. We conduct ESG due diligence and corrective actions on the supply chain of clients and our business sites in collaboration with site leaders, ensuring tangible proof of the findings. We will continue to enhance our sustainable supply chain by proactively addressing ESG risks through the collaboration of internal specialized organizations and overseas locations.

Compliance Management System

We fulfill our responsibilities as key participants in the global supply chain by diligently monitoring compliance with the RBA and clients' supplier codes of conduct and taking proactive measures to address any areas of non-compliance. Our evaluation areas encompass labor and human rights, health and safety, environment, ethics, and management systems, and we conduct third-party on-site due diligence to ensure comprehensive assessments. ESG due diligence/assessment team in LG Display oversees the management of ESG risks across all business sites and assigns personnel for each area to drive corrective actions, including training and monitoring. In 2022, we conducted due diligence of RBA VAP and corresponding methodologies for all eight business sites, resulting in our Paju Complex in Korea receiving the RBA VAP Platinum level. Going forward, we plan to obtain RBA VAP-certified ESG due diligence results for all eight factories.

ESG Risk Management Organization in each site



THE TRUE STORY

Paju Complex acquires the RBA VAP Platinum certification

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

LGDPAJU

245, LG-ro, Wollong-myeon, Paju-si, Gyeonggi-do, Korea , paju, , 413-779
South Korea

Completed the RBA Validated Audit Process, achieving PLATINUM Status closing all Priority, Major and minor findings, earning a score of 200.0

Validated Audit Report: VAR-20230420-KR-05B02-1
Audit date: April 20, 2023
Certificate issue date: May 6, 2023
Expiration date: September 21, 2024

Robert F. Lederer
CEO, RBA

Paju Complex acquires the RBA VAP Platinum certification

Q. How did the RBA audit begin?

We've received demands from global customers to comply with ESG requirements based on the RBA and conduct regular due diligence. Since conducting the first RBA[1] (formerly EICC) Validated Assessment Program (VAP)[2] audit for Paju Complex, Korea in 2016, we have continued to conduct inspections and make improvements on an annual basis.

Q. What were some of the challenges you faced during the audit?

In the past, there was no comprehensive audit that evaluated labor and human rights, safety and health, environment, ethics, and management systems, which made it challenging to request responses to each department. The most difficult and crucial task was to convince and communicate with people about the importance of LG Display conducting an RBA audit and meeting global standards that exceed domestic legal requirements. To comply with regulations on working hours and consecutive workdays, we had to undergo significant changes to the company's HR policy. Currently, we are in the process of system transformation through continuous communication between employees and management. This experience has heightened our sense of responsibility in all aspects of ESG and serves as a reminder that our work has a profound impact on the lives of our employees.

Q. Please tell us more about the process of obtaining the RBA VAP Platinum certification.

The journey of obtaining the RBA VAP Platinum certification started in 2016 with initial audits that received low scores, failing to meet customer demands. However, through annual audits and continuous improvement efforts, we were able to achieve the Silver level and maintain it, which is the minimum requirement of clients. To enhance our ESG competitiveness and become an exemplary case in the global supply chain, we set a goal to obtain the Platinum level, the highest level of the RBA VAP certification. Through active collaboration with relevant departments, we successfully obtained the Platinum level at our Paju complex.

Q. What are the plans for the future?

With the success of obtaining the first Platinum level, we approach this achievement with the mindset of starting anew. Our goal is to receive high-level ESG certification not only at our factory in Gumi, Korea in the latter half of this year, but also at overseas sites.

1) A global coalition for sustainable values across the supply chain, prioritizing workers, safety, and the environment
2) A due diligence program that assesses the ESG level of business sites in compliance with the requirements of the RBA Code of Conduct

Stakeholder Engagement

ESG Risk Management in Workplaces

ESG Assessment Results and Corrective Actions

Corrective actions are implemented within 90 days upon identifying findings through due diligence, and the progress of these improvements is monitored every 30 days. In cases where internal resolution proves challenging, consultation between the headquarters and relevant departments takes place, leading to policy upgrades and ongoing monitoring. In 2022, a total of 16 third-party on-site inspections were conducted for all eight business sites, and as a result, a total of 84 nonconformities were found. Out of these, action was taken to address 66 risks, while long-term corrective actions were established for 18 risks.

Third-Party On-Site Due Diligence Results

Category	Total		Priority Risks		Major and Minor Risks	
	All	Actions taken	All	Actions taken	All	Actions taken
Labor and Human Rights	33	21	1	1	32	20
Freely Chosen Employment	0	-	0	-	0	-
Young Workers	0	-	0	-	0	-
Working Hours	26	17	1	1	25	16
Wages and Benefits	5	3	0	-	5	3
Humane Treatment	0	-	0	-	0	-
Non-Discrimination/Non-Harassment	1	1	0	-	1	1
Freedom of Association	1	0	0	-	1	0
Health and Safety	38	36	1	1	37	35
Occupational Safety	10	10	0	-	10	10
Emergency Preparedness	20	19	1	1	19	18
Occupational Injury and Illness	3	3	0	-	3	3
Industrial Hygiene	1	0	0	-	1	0
Physically Demanding Work	0	-	0	-	0	-
Machine Safeguarding	1	1	0	-	1	1
Food, Sanitation and Housing	2	2	0	-	2	2
Health and Safety Communication	1	1	0	-	1	1
Environment	8	8	0	0	8	8
Environmental Permits and Reporting	0	-	0	-	0	-
Pollution Prevention and Resource Reduction	0	-	0	-	0	-
Hazardous Substances	5	5	0	-	5	5
Solid Wastes	0	-	0	-	0	-
Air Emissions	2	2	0	-	2	2
Materials Restrictions	0	-	0	-	0	-
Water Resources and Storm Water Management	1	1	0	-	1	1
Energy Consumption and Greenhouse Gas Emissions	0	-	0	-	0	-

Category	Total		Priority Risks		Major and Minor Risks	
	All	Actions taken	All	Actions taken	All	Actions taken
Ethics	1	0	0	0	1	0
Integrity Management and No Improper Advantage	0	-	0	-	0	-
Disclosure of Information	0	-	0	-	0	-
Intellectual Property	0	-	0	-	0	-
Fair Business, Advertising and Competition	0	-	0	-	0	-
Protection of Identity and Non-Retaliation	0	-	0	-	0	-
Privacy	1	0	0	-	1	0
Responsible Sourcing of Minerals	0	-	0	-	0	-
Management System	4	1	0	0	4	1
Company Commitment	0	-	0	-	0	-
Management Accountability and Responsibility	0	-	0	-	0	-
Legal and Customer Requirements	0	-	0	-	0	-
Risk Assessment and Risk Management	0	-	0	-	0	-
Improvement Objectives	0	-	0	-	0	-
Training	0	-	0	-	0	-
Communication	0	-	0	-	0	-
Worker Feedback, Participation and Grievance	0	-	0	-	0	-
Audits and Assessments	0	-	0	-	0	-
Corrective Action Process	0	-	0	-	0	-
Documentation and Records	0	-	0	-	0	-
Supplier Responsibility	4	1	0	-	4	1
Total (percentage of corrected risks)	84	66	2	2	82	64
	79%		100%		78%	

ESG Factbook

Environment	55
Social	60
Governance	84
Economy	97

Environmental Management System

Direction of Environmental Management Policy

At LG Display, we address climate issues and resource depletion through various initiatives such as energy reduction, efficiency improvement, water resource protection, and waste recycling. We prioritize minimizing environmental impact throughout the entire product life cycle and take a proactive stance in preventing environmental pollution. We invest in and promote eco-friendly practices within our supply chain and advocate for environmentally conscious management across the display industry. We actively support the energy and environmental improvement of our supply chain, including contractors and service providers, and encourage collaboration with third-party manufacturers, joint venture partners, and outsourcing partners to align with our policies. Since the establishment of Health, Safety, Energy, and Environmental Management Policies, we implemented an integrated standard system and provided environmental guidelines to minimize environmental impacts throughout our business processes.

Environmental Management Goals and Achievements

To effectively manage energy performance, we establish annual goals and regularly report on our achievements. We monitor our energy and environmental information through our internal Safety and Environment Portal to ensure transparency in environmental management system certification. Additionally, we developed and utilize a system for efficient performance management, allowing us to monitor the performance of each department. For departments that fail to meet their goals, we analyze the causes and implement improvement measures. In 2022, we achieved 11 out of 21 energy goals and 1,457 out of 1,511 departmental targets. We surpassed the energy savings target by 132.5%.

Environmental Management Policy

Work environment management	Led by our environment team, we have obtained ISO 14001 certification for all our manufacturing facilities, which enables us to effectively manage the environmental aspects of our production and business operations. This certification involves managing processes such as goal setting, training, record keeping, internal audits, and internal standards within each division.
Environmental regulation compliance	We not only comply with relevant laws and regulations for all corporate activities but also establish our own internal standards that are stricter than legal requirements. We have established an inspecting organization to ensure environmental compliance and manage risks regularly.
Selection and continuous evaluation of suppliers	To ensure a safe working environment, respect for workers, and uphold environmental and ethical standards, we have developed the ESG Supplier Code of Conduct for our suppliers and business partners involved in production. It is highly recommended for all suppliers to agree to and adhere to this code. Furthermore, we conduct annual sustainability assessments of our key suppliers to mitigate environmental risks throughout our supply chain.
Product and service development & logistics	We promote the development of clean production technology to minimize negative impacts on the environment. To achieve this, we actively contribute to the reduction of greenhouse gases throughout the entire life cycle of our products.
Waste management	We established waste management standards that cover the entire lifecycle of waste, from generation to final disposal. To ensure transparency in the waste treatment process, we have developed our own internal system to monitor it in real-time.
Production and maintenance	We have established an environmental management manual to minimize environmental pollution generated during the operation and maintenance of production facilities. Each year, we implement an environmental management system to gradually improve the environmental impact according to the PDCA cycle.
Environmental education	We provide appropriate education and training programs to enhance environmental awareness among our employees and mitigate the impact of our activities on the environment.
New projects	We utilize environmental management plans and conduct environmental impact assessments that incorporate detailed methods of environmental management prior to the initiation of any new project.
Due diligence prior to mergers and acquisitions	We conduct due diligence to identify environmental risks prior to engaging in mergers and acquisitions. We introduce and manage evaluations for each significant environmental aspect, and the results are considered as essential factors in the decision-making process.

Environmental Management System

Environmental Management Governance

Environmental Management Governance and Organization

To establish an environmental policy and implement an environmentally conscious management system, we have formed an ESG committee responsible for overseeing environmental policies and strategies, as well as reviewing performance regularly. In March 2021, we appointed a Chief Safety and Environment Officer (CSEO) to oversee domestic and overseas safety and environmental policies and inspections. Furthermore, we have expanded related departments and established an organizational structure to promote eco-friendly management. We continuously monitor progress by identifying tasks for each core area to improve environmental performance. Additionally, we are actively increasing the number of safety and environmental experts and operating a dedicated organization to maintain a precise and comprehensive management system.

Environmental Management System

We strive to minimize our environmental impact and conserve energy throughout our business operations by implementing an environmental and energy management. Our Health, Safety, Environment, and Energy Management Policies and manuals are regularly updated to align with global standards, and we receive annual follow-up and renewal audits. We have obtained ISO 14001 certification for all domestic and overseas production sites involved in the design and manufacturing of TFT LCD and OLED products, as well as ISO 50001 certification for selected domestic production sites and some overseas sites (CA, CO, NJ, and YT). We are committed to continue expanding our certification coverage in the future.

bsi.
Certificate of Registration
ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015
EMS 53062
...making excellence a habit.

ISO 14001 Certification

Environmental Management Activities

Environmental Regulation Compliance

To ensure effective environmental compliance, we employ specialized technicians in various environmental fields and install a range of environmental pollution prevention facilities to dispose legally. Additionally, we have established an internal inspection organization to manage environmental compliance risks and regularly assess compliance and risk status at both domestic and overseas sites. Before undertaking new projects, due diligence, acquisitions, and mergers, the heads of relevant departments review environmental requirements and legal standards pertaining to the preservation of the natural environment and ecosystems. If significant risks are identified in the environmental impact assessment, an environmental management plan is established. Thanks to these efforts, we have achieved a remarkable record of no environmental law violations in the last four years.

Violations of Environmental Compliance

Category	Unit	2020	2021	2022
Violations of Environmental Compliance	case	-	-	-
Penalty	KRW million	-	-	-

※ We have not incurred fines or penalties exceeding 10 million won.

Environmental Accident Response System

We have implemented emergency response guidelines to ensure effective and timely responses to emergencies. These guidelines include criteria for rating the severity of each environmental accident, an emergency communication system, operating standards for the emergency response committee, and specific response scenarios for different types of accidents. Through the guidelines, we aim to response rapidly and minimize the impact of emergencies.

Employee Training

We provide annual environmental training to enhance the environmental awareness and skills of our employees. We appoint an environmental officer for each team who receives training on various topics such as waste disposal procedures and reporting processes for imported chemicals. In 2022, a total of 1,066 training sessions were conducted. Additionally, we require factory workers who handle hazardous substances to undergo two hours of training per year. This training covers the proper use of hazardous chemicals, as well as response and evacuation measures in the event of chemical-related accidents.

Climate Action

Climate Action Direction and Targets

Climate Action Strategy

LG Display has set an ambitious target to attain carbon neutrality by 2050 as part of its commitment to combat the global climate crisis. To accomplish this goal, we are actively engaging in initiatives aimed at reducing greenhouse gas emissions. This includes making investments in emission reduction facilities, strategically transitioning to renewable energy sources, and developing low-carbon alternative gases.

In pursuit of our goal, we will actively engage in government policies related to climate issues and work to minimize gas usage in our production equipment. Investments in reduction facilities that effectively decompose and remove gases will be a key part of our structured reduction system. Additionally, we are focusing on developing low-power production equipment and utility technologies to further drive emission reduction. Our strategy also entails gradually shifting from thermal power generation to renewable energy sources, ensuring a sustainable and eco-friendly energy supply.

To truly achieve carbon neutrality by 2050, our plan includes the development of high-efficiency emission reduction technology for gas, aiming for a reduction efficiency of 99% or more. We will focus on exploring alternative low-carbon and eco-friendly gases. Furthermore, we intend to gradually expand direct power purchase agreements (PPAs) to ensure a stable and sustainable supply of renewable energy in the mid to long term. Regular monitoring and reporting on our progress toward carbon neutrality will be carried out through the ESG Committee.

Leading Global-level Climate Action

LG Display has received recognition for its exemplary carbon management practices through its participation in the Carbon Disclosure Project (CDP), a global authority on environmental information disclosure. We are proud to have been accepted into the prestigious Carbon Management Honors Club for four consecutive years (2017-2020) and the IT Sector Honors Club for seven consecutive years (2016-2022).

Joined CDP Honors Club

Climate Action Governance

Climate Action Framework

We are addressing climate change at the company level through the operation of a dedicated organization. In April 2021, we established the ESG Committee, which serves as the highest decision-making body on climate-related issues. Our environment management direction is centered around "creating eco-friendly value for our customers."

The ESG Committee holds semiannual meetings to establish mid to long-term goals for ESG management, assess progress and significant ESG-related risks, and formulate strategies. In our April 2023 ESG committee meeting, we focused on declaring our commitment to promoting carbon neutrality by 2050. We have developed a roadmap to achieve carbon neutrality, targeting a reduction of 53% by 2030, 67% by 2040, and 100% by 2050 compared to our 2018 baseline. To attain these goals, we will prioritize measures such as reducing carbon emissions, transitioning to renewable energy sources, and utilizing external offsets.

Resource Circulation

Water Resource Management

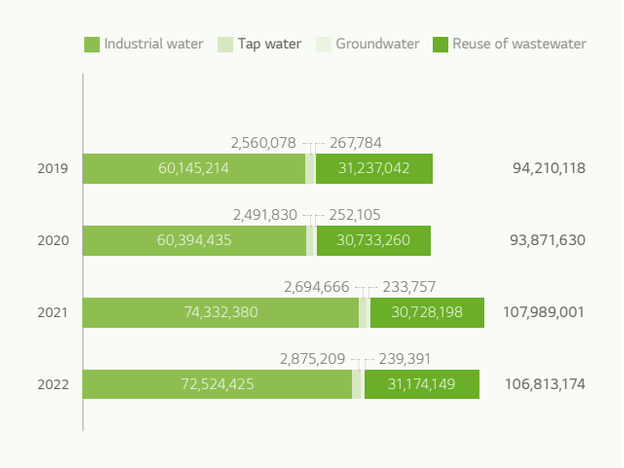
Directions for Water Management

LG Display acknowledges the importance of water resources to the environment and society. We carry out various activities to reduce and reuse water resources and have set a target of achieving a proportion of water reuse to water withdrawn of 207% by 2030. To achieve this target, we are actively investing in facilities and improve processes. As a company awarded for our water management efforts by Carbon Disclosure Project (CDP), we will continue striving for environmentally friendly water resource management.

Leading Global-level Water Resource Management

LG Display has been consistently acknowledged for its exceptional performance in environmental impact management, specifically in the water management category. We have received recognition from CDP for five consecutive years, starting in 2018.

Unit : ton



Waste management

Waste management Direction and Targets

To fundamentally reduce waste generation, we promote Resource Circulation throughout the entire life cycle of our products. To improve waste recycling and Resource Circulation, efforts are made to obtain circular resource certification and Zero Waste to Landfill (ZWTL) certification for each business site. In 2021, our YT site achieved a ZWTL platinum level, and in 2022, all domestic factories achieved a Gold level with a recycling rate of 95% or more, and the NJ site achieved a platinum level. In line with the government's waste policy, the circular resource certification system was introduced in 2022, and eight types of discarded trays and vinyl were certified as circular resources. The recycling system for waste generated in the production process and regular waste is being improved through analysis and segmentation activities at business sites. We strive to increase the waste recycling rate through various perspectives, including attending conferences and exhibitions to discover waste recycling technology patents and related technologies and companies.

ENVIRONMENTAL CLAIM VALIDATION SUMMARY

LG DISPLAY CO LTD

LG Display Paju Plant

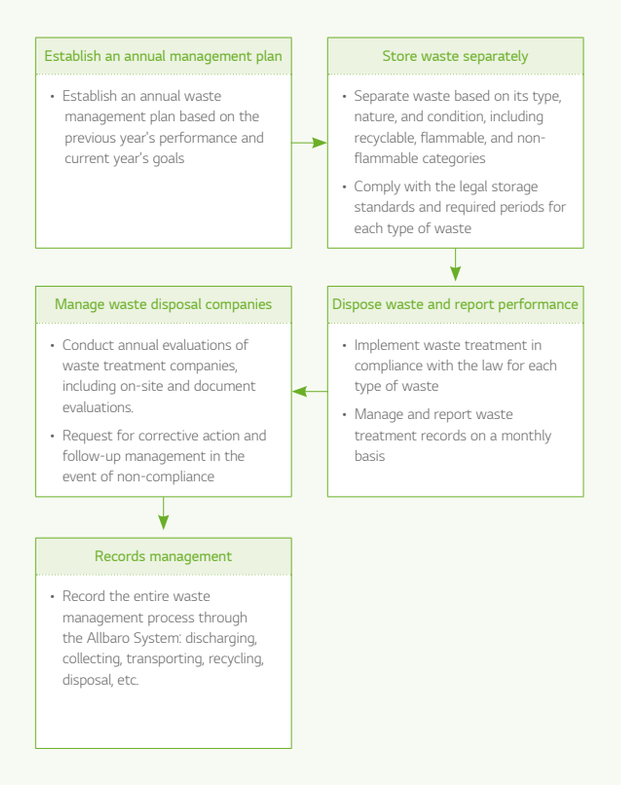
Report Number:
263588-4260
Validation Period:
05/16/2022 - 05/16/2023

Claim:
LG Display Paju Plant has achieved Zero Waste to Landfill Gold Operations, 98% diversion rate, with 4 % thermal processing with energy recovery.
Method:
Environmental Claim Validation Procedure (ECVP) for Zero Waste Classifications, UL 2799A First Edition, Dated July 20, 2018
Facility:
245, LG-ro, Wollong-myeon, Paju-si, Republic of Korea, 10845

Zero Waste to Landfill certification

Waste Disposal Process

We have developed our own real-time monitoring system and integrated it with the Korea Environment Corporation's Allbaro System to ensure transparency throughout the entire waste management process. To establish a Resource Circulation system, we are actively engaged in activities to minimize waste generation at all stages from the production to disposal processes, as well as to increase the recycling rate of generated waste.



Product Responsibility

Responsible Product Management

Product Eco-Friendly Certification

LG Display has obtained eco-friendly certifications for carbon footprint, hazardous substances, recycling, and green technology through third-party certification bodies to ensure customers are provided with products thathave reliable environmental information.

Product Carbon Footprint Certification

In 2022, we achieved an industry-first carbon footprint certification from Carbon Trust for OLED TV panels. This certification validates the greenhouse gas emissions throughout the entire product life cycle, following the global carbon emission calculation standard (PAS 2050). By 2023, our goal is to extend carbon footprint certification to our main product line, including display modules for monitors and laptops.

SGS certification

In 2022, we obtained the SGS Ecolabel for monitors, laptops, and automotive display modules. The SGS Ecolabel is granted after evaluating the hazardous substance management system in the product development and production process, as well as the recycling and use of hazardous substances in the product. We received our first SGS Ecolabel for OLED TV modules in 2017, and have since expanded the product range, acquiring additional certifications each year.

TUV SUD Certification

In 2021, we achieved an eco-friendly certification from TUV SUD for our excellence in resource circulation. This certification recognizes our commitment to resource recycling and the exclusion of certain harmful substances, aligning with the Waste from Electrical and Electronic Equipment (WEEE) regulation.

Green Certification

In 2021, our touchscreen technology (AIT and Advanced In-cell Touch) place inside touch sensing electrodes received green certification. This certification program evaluates and certifies the value and effectiveness of technologies that minimize greenhouse gas emissions and pollutant emissions by utilizing energy and resources efficiently.

Workplace Safety

Workplace Safety Management Policy and Governance

Health and Safety Management System

Since 2021, LG Display has appointed a Chief Safety and Environment Officer (CSEO) to enhance the authority and capabilities of the safety and environment organization. The CSEO is responsible for establishing safety and environmental policies, developing management systems, and acting as a control tower to oversee related activities and systems across all business sites. To ensure effective health and safety management, the Global Safety and Environment Center implements safety measures in various business departments and establishes safety management and emergency response systems for suppliers.

At LG Display, creating a healthy and safe work environment is a priority for us. We have implemented a safety and health management system at all our business sites in alignment with our Safety, Health, Energy, and Environmental management policies. This system is certified according to ISO 45001 standards, and we ensure its continuous effectiveness by undergoing a renewal process every three years. Regular internal and external audits are conducted to monitor compliance with the health and safety management system, and the results are reported to the CSEO for continuous improvement.

In addition, we conduct quarterly meetings of the occupational safety and health committee to address safety accident prevention and employee well-being, as well as to gather diverse perspectives. This meeting enables us to foster a healthier and safer workplace environment and cultivate a culture of autonomous safety and health practices. Any modifications to health and safety standards are implemented only after both labor and management representatives reach an agreement. We promote compliance with the revised standards to ensure the well-being of our workforce.

Safety Rules and the Eight Life Rules

We prioritize the prevention of serious accidents by implementing our Safety Rules and the Eight Life Rules. These rules specifically target eight high-risk tasks and aim to enhance safety awareness and prevent accidents among all employees and suppliers. Our Eight Life Rules Accident Prevention Plan includes periodic training, examinations, and continuous improvement of safety measures related to specific operations, such as safety devices, confined spaces, working at heights, electrical work, handling heavy goods, operating forklifts, fire, and handling chemicals. Furthermore, we actively seek out best practices to establish a safe working environment and foster a culture of safety.

LG Display Safety Rules

Fundamental rules for accident prevention

① Adhere to the Eight Life Rules under all circumstances.
② All work procedures must comply with safety measures.
③ Warm up properly before engaging in outdoor activities.
④ In case of an unsafe situations or accident, report it immediately to the Integrated Situation Room.
⑤ Provide risk information to suppliers and receive safety work permits before commencing work.
⑥ Wear the necessary personal protective equipment (PPE) during work.
⑦ Wear seat belts while driving and do not drive under the influence.

Eight Life Rules

Eight Life Rules for Serious Accident Prevention

① Safety gear must be worn at all times, and approval must be obtained if there is a need to remove or alter them.
② Work at heights must be carried out with fall prevention measures.
③ Implement measures to prevent deviation and tipping when handling heavy items.
④ Keep flammable materials away from work areas involving fire.
⑤ Measure oxygen concentration and harmful gases before and during confined space work.
⑥ Ensure the neutral wire condition before conducting electrical work.
⑦ Forklifts must comply with internal speed limits and operators must wear seat belts.
⑧ Implement leakage prevention measures, such as closing valves and removing residues, for chemical operations.

Workplace Safety

Workplace Safety Management Activities

'New Safety and Environment Portal' System

We aim to build a leading smart safety environment system by integrating digital and IT innovative technologies with safety and health management. The Integrated Safety Management (ISM) was established in 2016, and in 2023, we developed the New Safety and Environment Portal to manage all aspects of safety, health, environment, and chemicals. Through this integration, we plan to create an effective health, safety, and environmental management system.

We utilize the system to ensure compliance with health and safety laws, such as the Occupational Safety and Health Act, and to streamline safety and health activities. Additionally, we demonstrate effective workplace safety management through our chemical substance management system, accident history management, and health and safety compliance management. To foster a safety culture with active member participation, we aim to promote participatory safety activities by establishing integrated safety communication, sharing best practices, and implementing a safety point incentive system. Leveraging our existing IT system focused on management, we plan to expand it to include member participation, ultimately creating a leading smart safety, environment, health, and chemical management system.

Key Functions of the Integrated Safety Management System

Category	Functions
Health and Safety Information	Safety standards, guidelines, guides, etc.
Safety Management	Work permit status, dangerous work information, risk assessment database, safety officer certification
Safety Culture	Safety talk materials, employee shoutouts
Smart Safety Suggestions	Request for improvement of unsafe situations, safety-related idea suggestions
Accident history and statistics	Near-miss, accident reporting and analysis, accident trends and statistics
Training	Safety training and emergency drills and monitoring of progress
Chemical substance	Chemical substance status, MSDS
PPE[1]	Protective equipment purchasing, PPE distribution records
Legal Activity	Process safety management (PSM), safety management of hazardous machinery and dangerous goods

Key Functions of the New Safety and Environment Portal

Category	Functions
Safety	Work inspection, safety ideas and suggestions, safety points
Health	Appointment for check-up and comprehensive health check-up plan and results
Environment	Electricity, utility, gas operation monitoring
Chemical substances	Chemical substance visibility, status map, and regulated chemicals information

1) Personal Protective Equipment

Enhancing the Safety Capabilities of All Employees

We are implementing various activities related to occupational health and safety to ensure a safe working environment and fulfill our social responsibility as a trusted company. Through our integrated safety communication system including SMART safety recommendation, we actively gather feedback from employees regarding safety and health concerns, including any unsafe matters or suggestions. Additionally, we have established a best practice award and safety point incentive system to encourage voluntary participation among our employees and to proactively identify potential risk factors.

We also strive to strengthen the safety capabilities of our employees by providing various training. We regularly provide legally mandated training, including regular safety and health and supervisor training, and provide a total of 19 courses of specialized training for each position level and field. In addition, we offer site-centered programs through the Safety Experience Center[2], which provides a safety school and a VR virtual safety experience, to support the spread of safety culture. We also have established an IT-based competition-type first aid practice system to educate them on how to demonstrate cardiopulmonary resuscitation (CPR) and use automatic defibrillators (AEDs) to develop their ability to respond to emergencies. We provide appropriate personal protective equipment (PPE) for each job and provide emergency protective equipment in the workplace to further promote the safety of our employees.

Promoting Employee Health

We conduct various activities to promote the health of our employees. We prioritize their well-being by conducting regular health assessments, implementing preventive health policies, and enhancing our chemical management systems. In the event of cancer, rare and intractable diseases, or childhood illnesses among employees and suppliers at the worksite, we provide comprehensive support and compensation regardless of work-relatedness. Additionally, we have internal clinics and health rooms that offer medical services, including customized health checkups, follow-up care, and vaccinations. We investigate accidents, injuries, and work-related illnesses to identify root causes through trend analysis. We value the feedback from our employees and continuously strive to improve our medical services through regular surveys of medical facility satisfaction and the inclusion of related topics in the Occupational Safety and Health Committee's agenda.

2) Certified by Korea Occupational Safety and Health Agency

Supplier Management

Purchasing Policy and Process

Purchasing Policy

LG Display is committed to upholding social responsibilities and adheres to principles of fair trade and mutual cooperation. When registering and selecting suppliers, we follow transparent and fair examination standards and procedures, ensuring equal opportunities for all qualified suppliers. All transactions are conducted fairly in equal positions. Moreover, we manage supply chain risks by evaluating factors such as credit, reputation, supply chain management, ESG, and security. We actively support our suppliers by providing financial support and fostering technological cooperation, enabling them to gain a competitive edge in the long term.

Purchasing Status

We purchase raw materials worth approximately 13.2 trillion won from our domestic business sites[1] as well as six overseas production sites[2].

Site	Unit	2020	2021	2022
Korea	KRW 100 million	48,377	54,826	51,742
China	KRW 100 million	60,294	65,771	57,610
Vietnam	KRW 100 million	14,846	21,200	22,947
Total	KRW 100 million	123,517	141,797	132,299

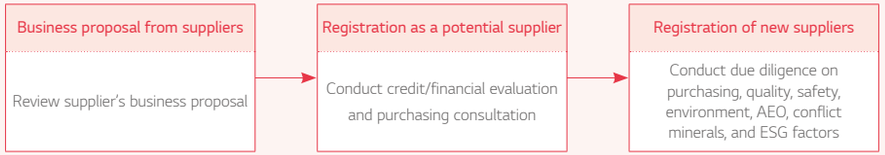
※ Based on the purchase price of mass-produced parts
※ All mass-produced and purchased parts by LG Display undergo a thorough eco-friendly document examination.

1) Paju and Gumi
2) Guangzhou (GZ, CA, CO), Nanjing (NJ), Yantai (YT) and Haiphong (VH)

Selection of New Suppliers

We operate a supplier portal (scs.lgdisplay.com), where any company wishing to do business with us can propose raw materials, equipment, and other items. If the company is determined to be competitive and meets our evaluation criteria, they will be given the opportunity to participate in the transaction. Along with the proposal, we examine the applicability, supply capacity, and management policies. If they are deemed suitable for participation in development, we register them as potential suppliers. Potential suppliers undergo due diligence on production matters such as purchasing, quality, and delivery time, as well as specialized departments such as safety, environment, and authorized economic operator (AEO). We began conducting additional ESG evaluations for new supplier selection in 2022 to minimize ESG risks in the supply chain and demonstrate ESG management.

New Supplier Registration Process and Evaluation Details



Regular Supplier Evaluation

We conduct annual evaluations of our suppliers with whom we have business transactions to ensure fair and transparent relationships and enhance purchasing competitiveness. These evaluations cover various categories, including quality, delivery time, and price. Additionally, we assess competitiveness factors such as development capabilities and productivity. Suppliers with outstanding results are granted opportunities for increased volume and priority on development. In the sustainability category, we are expanding the number of evaluation items, including labor, human rights, health, and ethics, with a specific focus on environmental and safety issues. This effort aims to strengthen the ESG competitiveness of our supply chain.

- Evaluation Item
  Performance evaluation: Quality, price, delivery, response, environment, safety, shared growth, ESG
  Competitiveness evaluation: Development power, productivity, quality, SCM, finance, price
- Rating : Excellent (A, B), inferior (C, D, E)

Supplier Management

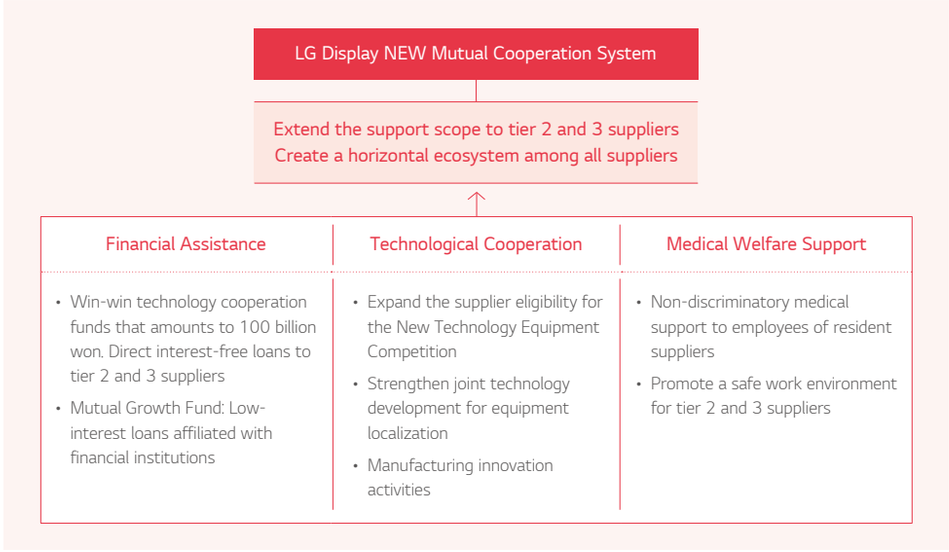
Mutual Cooperation Activities

Win-Win Strategy System

Growing together with various suppliers is vital for strengthening the competitiveness of the supply chain. At LG Display, we operate various mutual cooperation programs with open communication, active collaboration, change, and innovation as the core values. We focus on providing financial assistance, technological cooperation, and medical welfare support to secure the competitiveness of our suppliers. We also actively communicate with them through various online and offline channels.

Mutually beneficial cooperation strategy system

With our philosophy of "Our suppliers' competitiveness, our competitiveness," we actively promote shared growth activities. To foster a horizontal shared growth ecosystem, we have introduced a new mutual cooperation system, aiming to break down vertical barriers among tier 1, 2, and 3 suppliers. This system expansion includes the areas of finance, technology, and medical welfare, benefiting both tier 2 and 3 suppliers and enhancing the competitiveness of both our suppliers and us. Our continuous efforts to establish a mutually beneficial ecosystem have been recognized with the highest rating in the Win-Win Growth Index for eight consecutive years since 2014.



Shared Growth Agreements Between Suppliers

LG Display's Shared Growth Agreement is a commitment to mutual compliance with fair trade laws and fostering cooperation to establish an autonomous fair trade order. In 2022, we signed agreements with a total of 83 companies, actively participating in the promotion of shared growth. Furthermore, we have extended our efforts to include lower-tier suppliers by signing shared growth agreements between 19 tier 1 suppliers and 89 tier 2 suppliers. Through these agreements, we aim to support the growth of our tier 2 suppliers and foster mutual development.

Funding and Win-Win Payment System

We assist our suppliers in improving their financial soundness through various financial supports. We support the smooth operation of suppliers' funds through direct forms of funding, such as interest-free loans from win-win technology cooperation funds and early payments during holidays. We also provide low-interest loan products through indirect support, such as shared growth funds and network loans, along with various financial assistance methods encompassing both direct and indirect approaches. Since July 2015, we have implemented a win-win payment system[1], which facilitates the smooth collection of payments by tier 2 suppliers. We make efforts to ensure that the assistance received by tier 1 suppliers from us is effectively passed on to tier 2 and 3 suppliers, with their voluntary commitment to promoting the second and third waves of shared growth.

Cultivating Supplier-Led Technical Capabilities

With our technology strategy "Ignite innovation from suppliers," we promote technology innovation among suppliers beyond simple cooperation. In line with this belief, we have implemented various programs such as joint R&D, manufacturing innovation activities, and joint patent applications to cultivate the technical capabilities of our suppliers. In the case of joint R&D, we established roles and responsibilities to develop materials, construction methods, and facilities. In 2022, we conducted 18 joint R&D cases with suppliers. Through this, we supported joint patent applications for the excellent technologies of our suppliers to maintain technological competitiveness. Throughout 2022, we carried out technical guidance and corrective actions to enhance the manufacturing capability, quality, and productivity of our suppliers a total of 260 times.

1) A B2B payment system organized by commercial banks facilitates tier 1 suppliers to pay the purchase price to tier 2 suppliers based on receivables received from a large company

Supplier Management

Mutual Cooperation Activities

Supplier Medical Support

LG Display provides direct and indirect assistance for suppliers' business management, including medical welfare and health and safety corrective actions. We opened our company's medical facilities to suppliers, benefiting 417 employees from 164 resident suppliers in 2022. Additionally, we supported 37 suppliers in enhancing workplace health and safety through initiatives such as technical support for risk assessment projects and safety training.

Reinforcing Communication With Suppliers

The Shared Growth Portal is LG Display's unique online platform that facilitates active and transparent communication with suppliers. Through this platform, we engage with our partners for various purposes using channels such as the Shared Growth Board, e-VOS, and Shared Growth Voice. We value the opinions collected through the portal and take them into consideration for future shared growth activities. Additionally, we actively listen to the challenges faced by our suppliers through meetings. We organize events like the Mutual Growth Exchange Meeting at the beginning of the year and the manufacturing innovation sharing meeting at the end of the year to discuss the business plans and share achievements.

Shared Growth Portal

Enhancing Supplier Training Infrastructure

We provide complementary hands-on training courses to suppliers who have limited training infrastructure. Previously, these courses were offered offline only to tier 1 suppliers, but now we have expanded our support to include tier 2 and 3 partners by offering them online. Since October 2019, we have made online training available for free to small and medium-sized enterprises (SMEs) that are not LG Display suppliers. Our training courses are designed to provide practical assistance, and in 2022, 5,368 individuals from 104 companies successfully completed the course.

Technology and Financial support in 2022

Joint R&D	148 KRW 100 million
Original Trade Secret Proof Service	15 cases
Manufacturing Innovation Activities	260 times
Financial Support[1]	1,171 KRW 100 million

1) Subsidies for tier 2 and lower suppliers are calculated by doubling eligible expenses

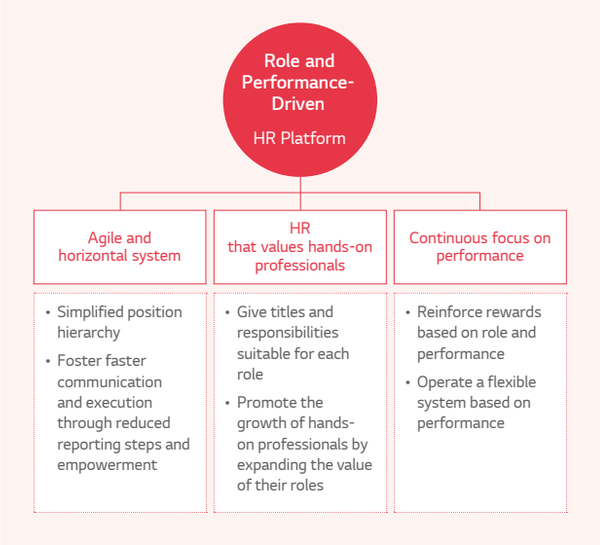
Talent Management

Human Resources Policy

Direction of HR Policy

At LG Display, we prioritize creating an agile and horizontal system that emphasizes role and performance. We value hands-on professionals and continuously focus on improving performance. Our goal is to ensure sustainable growth and enhance the business competitiveness of our team members while nurturing their expertise. In the talent acquisition process, we carefully select individuals who possess the necessary job expertise and the right attitude to help us achieve the vision and goals of LG Display. We are committed to open and transparent communication with applicants, ensuring equal and fair treatment without discrimination based on factors such as age, gender, ethnicity, race, religion, or region of origin. Furthermore, we regularly provide interviewer training through specialized organizations to ensure a high standard of recruitment practices.

HR principles



Talent Acquisition

Recognizing the importance of securing top talent to enhance our company's competitiveness, LG Display operates various programs to proactively recruit limited talents. We actively seek outstanding individuals, including new and experienced employees, as well as industry-academic scholars, to ensure timely recruitment. Our recruitment scope extends beyond R&D roles to encompass sales/marketing and staff positions, thereby attracting talent across all areas.

As a global company, we make concerted efforts to attract exceptional master's and doctoral candidates in the R&D field, both domestically and internationally, including the United States, Japan, and Europe. Adapting to the post-pandemic era, we conduct recruitment activities through a combination of online and offline methods, ensuring a smooth onboarding experience for applicants.

To foster talent for the next-generation display industry, LG Display established the employment-linked Department of Display Convergence Engineering at Yonsei University in December 2021, with the first batch of new students recruited in 2023. Through innovative technological advancements and convergence with various industries, we aim to effectively nurture core talents capable of leading the future display industry and enhancing the competitiveness of the Korean display industry. Our overseas branches also actively engage in securing exceptional talent, with employment linkage program agreements in place with renowned universities such as Vietnam National University (VNU) and the University of Science and Technology of Hanoi (USTH) in Vietnam.

Looking ahead, LG Display will continue its efforts to secure outstanding talent in a mid to long-term perspective, recognizing them as the driving force for our future growth, rather than simply meeting immediate manpower needs.

Building an Agile and and Horizontal System

We differentiate employee tracks based on growth potential, assigning them suitable titles and responsibilities that align with their roles. Through our role and performance-driven HR management approach, we strive to foster a more agile and horizontally structured system.

Position Hierarchy

Leader Track	
L2 Division Leader	Responsible for organizational management and performance
L1 Team Leader	Responsible for organizational management and member development

Expert Track	
F Research Specialist	Responsible for leading the company related to technology

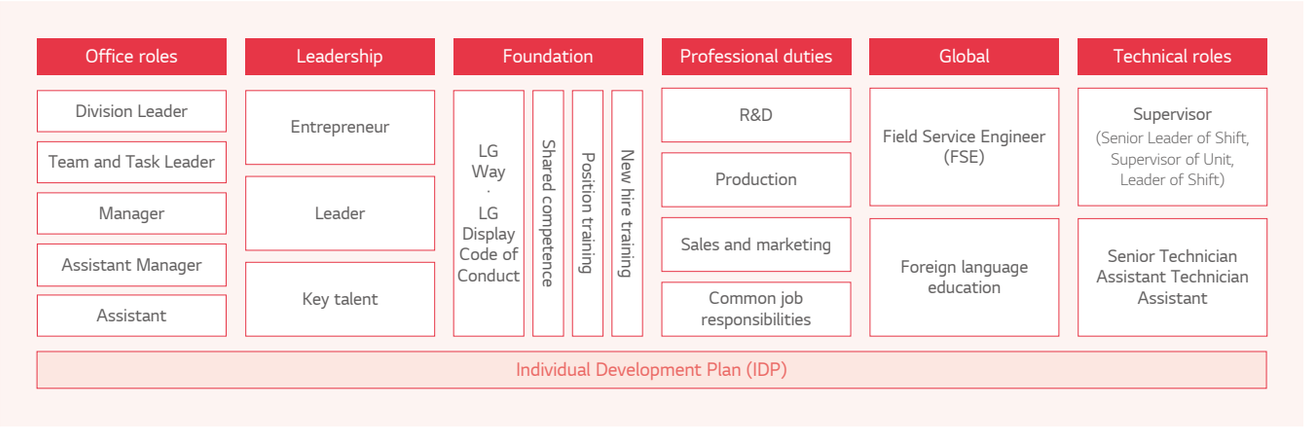
Professional Track			
P2 Manager	• Complete voluntary tasks that are focused on improvement • Value experts in specific fields • Foster effective communication and execution	P1 Assistant Manager	• Conduct independent tasks • Assist and carry out improvement tasks
		P1 Assistant	• Perform routine-based work during the skill development period

Talent Management

Talent Development System

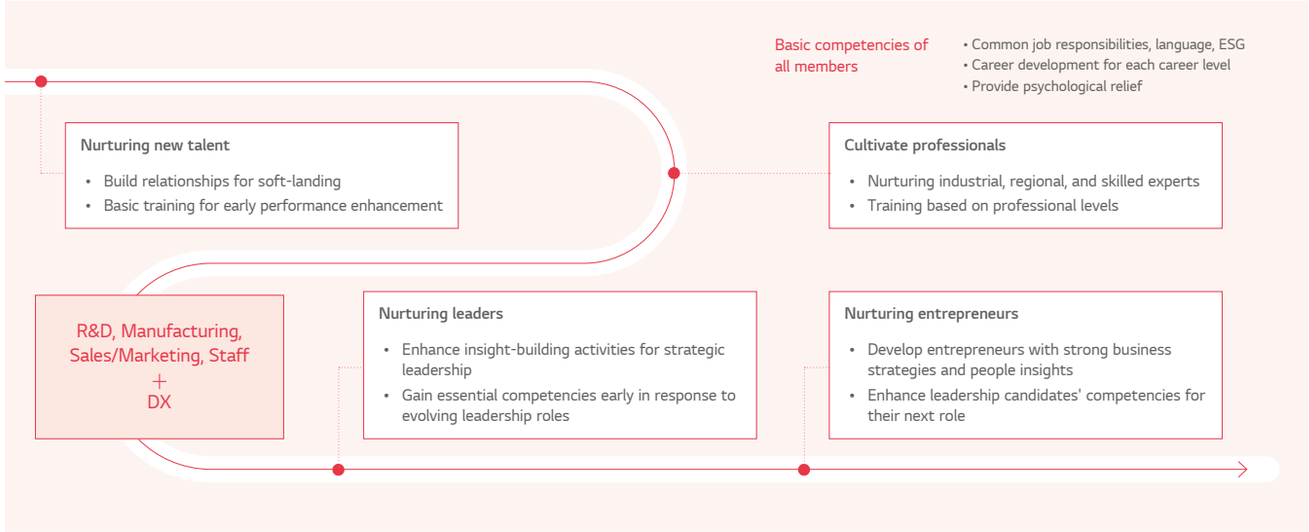
Talent Development Program

LG Display offers an effective expertise-focused training program aimed at securing the highest level of talent. Our goal is to nurture talent that will contribute to the achievement of "The Best Display Solution Company." Through our Insight Building Program, we aim to strengthen strategic leadership and contribute to the company's vision.



Talent Development Path

We operate various talent development programs to enhance organizational performance and cultivate the expertise of our employees. Based on the recognition that "employee growth propels organizational success," we support the establishment and execution of self-directed career roadmaps along the talent development path. We aim to assist employees in strengthening their capabilities and fostering growth, through a range of training programs focusing on nurturing new employees, experts, leaders, and entrepreneurs.



Talent Management

Talent Development System

Accelerating the Integration of New Employees

New employees at LG Display are offered a range of programs aimed at facilitating a soft-landing, fostering quick performance improvement, and accelerating their integration into the organization. These initiatives include a one-year integration acceleration roadmap that provides guidance and support. Additionally, through field-specific new hire training, Work Well Program, we assist new employees in developing essential job skills and practical knowledge. We also encourage self-reflection and the creation of a self-directed career development plan to nurture their growth as future display experts.

Expertise Enhancement through Field-Specific Job Training

Recognizing that the fundamental principle of customer value innovation is the growth of each member as the best expert, we have established the LGD Expert Academy, consisting of 20 expertise-based training systems for various job fields, including R&D, process equipment, production support, sales/marketing, and staff. Through this academy, we offer a range of educational programs and video learning content tailored to the specific professional knowledge and skills required in each field. We also strive to support our business departments by identifying and providing customized solutions for the development of job competencies within the organization.

Enabling Self-Directed Professional Growth Support

To foster the self-directed growth of our employees, we conduct professional reviews that provide feedback on individual job competencies and problem-solving capabilities. Building on this feedback, we offer personalized career roadmaps to guide individuals in developing themselves into experts. We have implemented diverse career design programs that empower employees to actively set their growth goals and career paths, creating an environment where they are encouraged to engage in voluntary professional development activities that align with their interests and aspirations. Furthermore, we leverage our internal group of expert researchers to share knowledge, provide guidance, and coach employees who aspire to excel in their respective fields.

Structured Training for Leadership and Entrepreneurial Development

We have established the LG Display Leadership program to cultivate leaders who drive continuous performance and customer value. Through a leadership survey and 360-degree feedback, we gain objective insights into employee capabilities and provide coaching and leadership skill development opportunities based on the results. Additionally, since members born in the 1990s make up about 30% of our workforce, we have been implementing Reverse Mentoring since 2019. This program involves new employees becoming mentors and executives becoming mentees to promote mutual understanding between generations and drive positive change in our work culture. This initiative contributes to organizational revitalization and managements' business insights discovery.

As part of our efforts to strengthen the competencies of leaders and successors overseas, we have developed and implemented the Global Talent Development (GTD) program to promote the development of ISE leaders. This program includes a long-term headquarters dispatch program that helps overseas leaders understand our company's business processes, build networks within the organization, and enhance their understanding and insight into leadership roles.

Talent Management

Talent Development System

Employee Competency Development Status

In 2022, we allocated a budget of 26.5 billion won (averaging 381,000 won per person) towards training expenses aimed at enhancing the competencies of our employees. This investment resulted in a cumulative total of 3.4 million training hours per year (averaging 49 hours per person). We are committed to ongoing investment and support for our employees' job competency development.

Training Hours by Position

Unit : hour

Category	Korea	China	Vietnam	Average[1]
Senior management level (Executive, Committee Member, Division Leader)	71.4	35.5	-	68.5
Middle management level (Head of Department, Team Leader, Leader of Shift, and Supervisor of Unit)	51.9	15.2	23.4	38.8
Junior level (Assistant Manager-Manager (Office), Assistant Technician - Senior Technician)	47.7	14.0	61.5	43.8
General Staff	116.1	30.0	57.7	53.4
Total	57.5	26.2	57.1	48.9

Training Hours by Gender

Unit : hour

Category	Korea	China	Vietnam	Subtotal
Male	1,437,861	391,453	795,159	2,624,474
Female	261,165	101,001	419,391	781,557
Total	1,699,025	492,454	1,214,551	3,406,030

Training Hours by Training Type

Unit : hour

Category	Korea	China	Vietnam	Subtotal
E-learning	948,789	12,184	24,691	985,664
Offline	140,930	480,270	1,189,860	1,811,060
Virtual class[2]	609,306	-	-	609,306
Total	1,699,025	492,454	1,214,551	3,406,030

1) Total training hours ÷ total number of employees
2) Real-time remote training using online video conferencing tools, such as Webex

Talent Management

Talent Development System

Employee Competency Development Program Designed to Contribute to Business Performance

Program	Benefits to the Business	Quantitative Impact on the Business	Program Completion Rate of Full-Time Employees
P-OLED/OLED School	As businesses transition from LCDs to P-OLED/OLED based on their needs, we offer comprehensive training and in-depth learning on the structure and processes specific to P-OLED/OLED. This training is designed to support individuals and organizations in adapting to the changes and performing their new responsibilities effectively. We offer comprehensive support for successful job transitions by providing in-depth learning on the light-emitting mechanisms, structural difference between LCD and OLED, and characteristics of manufacturing process, helping individuals understand the differences and process characteristics between the two.	As the transition from LCD to (P-)OLED becomes more prevalent, we have implemented a comprehensive technical training program in three stages: OLED introductory knowledge, process technology basics, and practical skill reinforcement. Each stage has been further divided into four tracks to facilitate a seamless transition. A total of 273 participants have attended the training, accumulating 8,216 hours of learning. The feedback has been overwhelmingly positive, with participants appreciating the in-depth knowledge and diverse insights into OLED products and process technologies provided at the beginning of their job (satisfaction score of 4.7 points, NPS 77%). Moreover, the expert Q&A sessions and networking opportunities have enabled them to gain practical business expertise and foster frequent communication with industry experts. Through this session, employees have developed the ability to independently solve problems they encounter during work.	273 people (FTE Completion Rate 100%) People subjected to take P-OLED/OLED School all completed
Strengthening the R&D in next-generation core technologies	We aim to accelerate the transformation of our business structure by developing differentiated OLED products and new technologies, while also focusing on securing competitiveness in the display market and enhancing customer value.	A total of 97 courses have been established as part of the next-generation display technology program, with a cumulative training time of 29,535 hours. The satisfaction survey results were high, indicating that the program provided valuable practical training in OLED technology across various areas such as OLED panels, circuits, instruments, optics, and devices (with a rating of 4.54 points and an NPS of 60.4%). In particular, the One Point Lesson Program for the Next-Generation Core New Technologies Project Team, consisting of six sessions, received excellent ratings from participants and project leaders, as it significantly enhanced their understanding of the main technical mechanisms and generated breakthrough ideas for key aspects of the projects (with a satisfaction score of 4.84 points and an NPS of 85.4%).	4,424 people (FTE Completion Rate 100%)
Six Sigma[1]	By implementing Six Sigma training and projects, we enhance our display panel quality management capabilities through belt certifications at each stage (GB-BB-MBB) Our aim is to minimize the cost of communication between Engineers, Process & Equipment Engineers, On-site Operators, and Sales/Marketing, and Customer Service to minimize the cost of communication involved in quality-related issues, leading to improved customer satisfaction.	A total of 1,781 cases, including defect improvement, have resulted in improved customer satisfaction through the completion of Six Sigma projects (GB: 690 cases, BB: 877 cases, MBB: 214 cases).	3,098 people (FTE Completion Rate 60.2%)
TRIZ[2]	Functional analysis and resolution of contradictions are utilized to address key business issues, specifically focusing on R&D-oriented tasks, as well as conducting domestic and international patent applications.	A total of 282 projects were undertaken in conjunction with the company's Tear Down & Redesign (TDR) and TRIZ Lv2 and Lv3 training programs, with 184 projects successfully completed, resulting in a project completion rate of 65.2%. Number of patent applications: In 2022, a total of 4,536 new patents were secured (2,372 domestic and 2,164 overseas), reflecting a 9.5% increase compared to the previous year's total of 4,142 patents in 2021.	1,065 people (FTE Completion Rate 20.2%)

1) A statistical problem-solving methodology that leverages data to identify key causes and determine optimal conditions.
2) A creative problem-solving methodology that identifies fundamental contradictions and generates solutions using algorithms derived from the analysis of millions of patents.

Talent Management

Talent Development System

Program	Benefits to the Business	Quantitative Impact on the Business	Program Completion Rate of Full-Time Employees
Strengthen the ability to utilize the Manufacturing Analysis System	By proactively identifying and addressing quality issues through the analysis of big data on processes and facilities, we aim to improve work lead time. We achieve this through various data integration analyses and the standardization of analysis processes for each business value chain.	Reduction of overtime hours by improving work efficiency: By reducing the average monthly overtime hours by 6.5% (from 12.2 hours to 11.4 hours), we have successfully reduced the annual overtime cost of domestic office technicians by 3.75 billion won.	2,428 people (FTE Completion Rate 72.8%)
Improving DX[1] capabilities	We aim to achieve operational excellence in R&D, manufacturing, SCM, and safety and environment through the application of AI and digital technologies. Our focus is on improving production efficiency by utilizing AI and big data analysis for manufacturing data, such as Multiple Award Schedule (MAS). Additionally, we drive business results by executing key projects related to digital transformation and promoting industry-academia collaborations through education and training programs.	Through the AI Expert Course, we completed 29 advanced problem-solving projects, such as identifying equipment defects using defect location data, efficient display vision inspection with unlabeled data annotation, and molecular design for new patents using reinforcement learning. Additionally, in collaboration with Yonsei University's Graduate School of Artificial Intelligence, we accomplished five projects through the LG Display AMP Course. These included the development of an OLED device forecast model and experimental design technique, as well as the creation of a deposition boundary detection technology for automating the evaluation of OLED deposition process results. These achievements have allowed us to establish an OLED automated performance prediction model and improve the efficiency of the deposition process evaluation. In 2023, we are currently working on six ongoing projects linked to our education and training program. These projects include the development of a Sequence Dependent Setup Scheduling Algorithm using Reinforcement Learning. To enhance our capabilities in AI/WS/HW algorithm development and big data analysis, we have established 17 training courses. Through these courses, we have selected and trained 229 R&D development personnel and 535 manufacturing engineers. This has significantly improved our ability to apply algorithms, resulting in reduced design time and improved accuracy in defect analysis during production (satisfaction score 4.7 points). To further strengthen our digital technology capabilities, particularly in artificial intelligence, we have expanded our e-learning programs. These programs, which include basic and advanced courses, are developed in collaboration with LG Group's AI researchers and experts from university AI departments. The basic e-learning programs have been completed by 1,166 individuals across 26 units, while the advanced programs have been completed by 561 individuals across 6 units. Member satisfaction with these programs has been consistently high (satisfaction score of 4.6 points).	3,407 people (FTE Completion Rate 26.6%)
EnDP[2]	Our aim is to support and enhance business and organizational operations by focusing on key areas that drive success. These areas include: 1) Trend Sensing 2) Customer Experience Innovation 3) Accelerating DX Business Performance 4) Leadership	Leaders' insight into the market, customers, and business has greatly improved. We have expanded our business beyond B2B to B2C, and we have reviewed and adjusted our strategies, work processes, and work culture to enhance our ability to create value for end consumers. As a result of the training, two individuals were promoted to executive director, and seven individuals were promoted to executive vice president.	124 executives out of 140 candidates (FTE Completion Rate 88.6%)
Accelerating the integration of new employees	We aim to achieve quick and smooth transition of new hires by focusing on job competencies and strengthen our brand image and recruitment competitiveness in the market, considering each job characteristics.	New Employee On-Boarding Program is designed to provide comprehensive training and support for new employees from group companies and their respective companies. It includes a range of courses tailored to each job, mentoring, and a six-month program. During the pandemic, the program was conducted online, but as the situation improved, it was transitioned to a more effective collective training method at the end of 2022. The program has been restructured based on the analysis of new employees' experiences to help them recognize and proactively address challenges. Results have shown that confidence tends to decline during the first two months of joining the company, but participation in the on-boarding program leads to restored confidence as new employees complete tasks and adapt to their peers. The Work Well Program, which provides in-depth on-boarding for each job, has received positive feedback with a satisfaction score of 4.67 and an NPS of 83% from 2,310 participants. Questionnaires and interviews conducted six months after completing the program revealed that 67% of respondents felt their competency had significantly improved, enabling them to perform their work effectively.	10,733 new employee based on new employees hired yearly (FTE Completion Rate 100%)

1) Digital Transformation
2) Entrepreneur Development Program

Talent Management

Human Capital Management Activities

Acquiring Top Talent and Supporting Smooth Transition (Soft-Landing)

LG Display places great importance on acquiring excellent talent as a means to enhance corporate competitiveness. To achieve this goal, we have implemented various proactive talent recruitment programs, targeting both new and experienced employees, as well as industry-academic scholars. Our focus extends beyond R&D roles to include sales/marketing, staff, safety, and environmental positions, ensuring the recruitment of outstanding individuals across all areas of expertise.

As a global company, we actively seek to attract exceptional master's and doctoral candidates in the R&D field from various regions, including Korea, the United States, Japan, and Europe. To adapt to the post-pandemic era, we utilize a range of online and offline channels for recruitment activities. We also take great care to ensure a smooth transition for new hires, offering thank-you gifts and welcome kits, and facilitating commuting and IT infrastructure setup on their first day.

To proactively address the challenges and convergence expected in the next-generation display industry, we have established employment-linked Departments of Display Convergence Engineering at prestigious universities such as Yonsei University Graduate School, Sungkyunkwan University Graduate School, and Hanyang University Graduate School. Through these collaborations, we aim to nurture key talents capable of driving future innovations and promoting convergence across industries, thereby enhancing the competitiveness of the Korean display industry. We will continue to actively partner with leading universities in Korea to secure exceptional talent.

In order to boost morale and foster a positive work environment, we organize events and programs tailored to the cultural context of each overseas branch. These initiatives aim to spread positive energy and create a sense of unity among our global workforce.

Assessing and Improving the Organizational Culture

We conduct regular assessments to ensure that customer value is effectively established in our organization, focusing on four aspects of employee well-being: job satisfaction, purpose, happiness, and stress. Based on these assessments, we identify areas for organizational improvement and provide support for change management activities such as workshops and coaching to implement practical improvements within each organizational unit. In 2022, we achieved an employee well-being assessment score of 83.8% among all employees in Korea.

Overseas Production Site Morale-Boosting Activities

To boost morale and spread positive energy, we operate events and programs tailored to each overseas site, taking into account the local culture.

Site	Activities
GZC	New Year events : New Year Tai Chi, poetry recitation Goddess Festival : Women's Day soap flower DIY Morale-boosting events : Mini-games, monthly random draws Spreading positive messages : Short positive message posts in the workplace along with our mascot
NJ	New Year's Day event : Lantern DIY Rocket delivery event : Gift delivery of letters of gratitude, encouragement, and praise among the members Happy Talk Compliment Event : Leader-led online shoutout event
YT	Children's Day: Employees' Children Drawing Contest (Theme : LG Display in My Heart) Heat Wave Care Program : Distribution of ice cream Valentine's Day event : Distribution of chocolates to all employees
VH	Children's Day: Employees' Children Photo and Art Contest The Masked Entertainer : Online employee dance contest Women's Day Cooking Contest : Raising awareness of Women's Day in Vietnam and showcasing talents through competitions and awards

Flexible Work Arrangements

We have implemented various systems to enhance employee job satisfaction and work engagement by promoting work-life balance. These systems include flexible work arrangements such as a selective working hour system, which enables employees to choose eight work hours a day within a 40-hour workweek, an alternative work schedule that allows for shortened working hours when necessary, and a remote work system that enables employees to work from home or remote offices. As of 2022, the average monthly remote work usage among office workers is 13.8%, and 153 employees are on an alternative work schedule.

In addition, we designate the day before and the day after holidays as recommended vacation days, creating a culture that encourages employees to freely utilize their vacation time. We also promote initiatives such as Team Leader Up-Day, where leaders take the lead in taking a monthly break to ensure proper rest and rejuvenation. We also offer one-year self-development leave and shortened work hours during pregnancy to support members who need extended time for personal growth and childcare. Furthermore, we provide an additional one-year parental leave in addition to the statutory parental leave to help employees balance their work and family responsibilities.

Talent Management

Human Capital Management Activities

Performance Management Process

We have implemented a structured performance management process to facilitate the development of our employees. This process involves setting goals through extensive discussions with leaders at the beginning of the year, providing mid-year feedback on at least two occasions, and conducting a year-end performance evaluation based on the feedback received. When assessing performance, we consider both the achievement of goals and the methods employed throughout the performance period. We also offer performance management guidance and coaching training to our leaders, enabling them to effectively monitor and motivate their team members' performance.

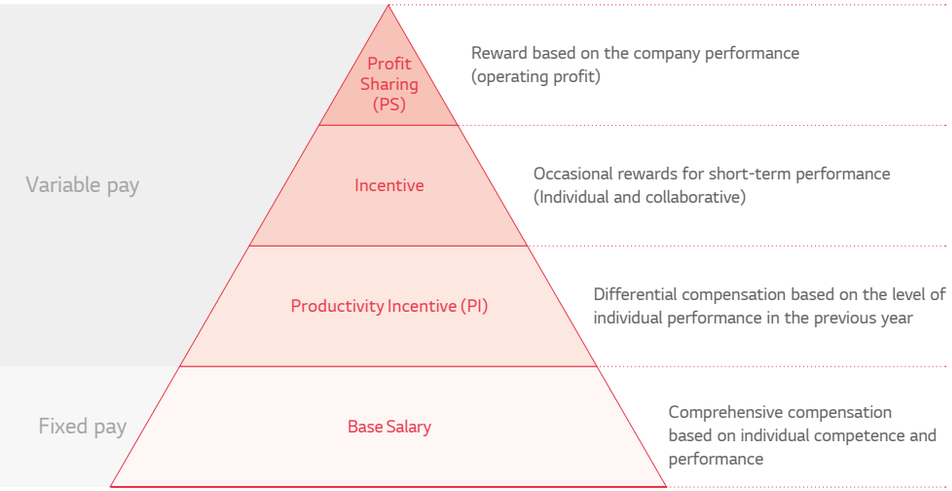
In addition, we have implemented processes that actively support the growth of our employees. We conduct Goal Sharing Meetings to ensure open communication with team members regarding the organization's strategy and objectives. We also hold Growth Parties to celebrate achievements and recognize individual performance and growth. Since 2021, we have introduced strengths-based peer feedback, which enables colleagues to receive comprehensive and constructive assessments from various perspectives to foster their development.

Compensation Based on Role and Performance

We ensure fair and reasonable compensation through a system based on individual roles and performance. The annual salary considers competitiveness, individual competence, and performance. Various variable pay systems are used to reward competency and motivate employees' performance improvement. In some cases, management leaders, who can best assess their members' performance, have the autonomy to reward high-performing personnel promptly.

To enhance understanding of performance pay standards, profit sharing is transparently communicated to all members through live meetings. Office workers receive Expertise Pay based on their individual expertise level to encourage professional growth. For management, compensation is determined by comprehensively evaluating long-term tasks lasting at least three years, considering task indicators and goal achievements annually. Our compensation system complies with relevant laws and regulations, ensuring that wages are not discriminated against based on gender, in line with the principle of equal work and equal pay.

Compensation System



Talent Management

Human Capital Management Activities

Welfare and Benefits

LG Display offers a range of welfare programs, including medical expense coverage and group insurance support, to empower employees and enhance their overall well-being. These programs aim to enable employees to lead healthy, prosperous, and stable lives, both at work and at home, thereby promoting improved work satisfaction and engagement.

Welfare benefit systems

Healthy Living	Medical expenses	Medical expenses for illness and injury of employees and their family members are covered
	Health checkup	Comprehensive health checkups are provided for employees and their family members
	Group insurance	Insurance payments are provided in the event of an employee's serious illness or disability
Supporting Recharge for members	Recreational facilities	Expenses for the LG Life Training Centers and nationwide accommodation are covered up to 150,000 won per year
	Self-development and recharge leave	Leaves are provided to allow members to focus on members' self-development and recharge
	Vacation	Summer vacations, holiday vacations, and family care leave are provided for employees
Personalized Welfare due to various employees' needs	Optional benefits	Benefit points are provided, which can be used based on individual needs
	Informal group activities	Activity fees for informal groups, such as sports, volunteer activities, and music, are provided. Complementary sports tickets (LG Twins and FC Seoul)
	Welfare facilities	Various internal conveniences, such as banks, convenience stores, cafes, etc., are available
	Employee discount	A 20% discount is offered on the purchase price of LG OLED TVs using our panels
	Long-term service	Rewards and family vacations are provided as support for long-term employees
	Base office and remote work	Base offices and remote work options are provided for employees with long commutes or those who prefer flexible working hours, such as working after working hour
	Organizational events	The cost of events such as outings and team-building activities is covered
Supporting Stable Life for members	Housing assistance	Various assistance programs are available to support stable housing - Loans and interest support for employees who need to purchase or rent a house - Operation of dormitories, private residences, business travelers' accommodations, etc. - Pay support for employees who have long commutes
	Commuting assistance	Commuter buses, shuttle service that connects to train stations and public transportation at regional bases
	Maternity care system	Fertility leave, leave of absence, maternity leave and parental leave, reduction of working hours for childcare, childcare facilities in the workplace operation
	Tuition and Laptop Assistance	Tuition assistance and laptop support are provided for employees' children.
	Congratulatory and condolences support	Pay and leaves are provided in case of employees' and their families' marriages, 60th birthdays, etc.
	Mutual aid	Assistance is provided in the event of the death of an employee through the participation of all employees in the funeral

Talent Management

Human Capital Management Activities

Happy workplace program

Based on LG's management philosophy of "Respect for Humanity," we are developing the Enjoyable Workplace Program to create a positive work culture where employees enjoy their work. We will continue our efforts to support the health and well-being of our employees, fostering a prosperous environment for both the company and its members to grow.

Enjoyable Workplace System

Vision	"You Dream, We Display"		
Mission	A workplace where members want to work and thrive.		
Focus Areas	Joyful Energy	Wellness	Family-Friendly
	Creating an energetic organizational atmosphere • Joyful leaders selected by each organization • Joyful Member (office roles) • Joyful Creator (technical roles) • Operate an happy workplace program based on employee participation	Increasing work efficiency through mental and physical stability • Operating counseling offices at each business site • Operating communication camps for each organization • Operating Mungyeong Healing Center • Operating massage parlor at each business site	Providing care for employees and their families throughout their life cycle • Operating care program tailored to each life cycle • Operating Maternity care programs
Goals and major programs	LG Way: Respect for Humanity		
Basic values	People-oriented	Creativity and autonomy	

Activating Organization (Joyful Energy) Program

The Joyful Energy Program aims to foster a pleasant working atmosphere by promoting vitality and teamwork within the organization. Through various on-site communication programs, we encourage sincere interactions between key executives and employees, as well as activities that foster companionship and boost morale. Each organization selects voluntary Joyful Members (office roles) and Joyful Creators (technical roles) who promote enjoyable activities tailored to the organization. They meet regularly to share ideas and implement them internally, creating a fun and lively organizational environment.

In 2022, we introduced a fashion styling program for employees, allowing them to explore their personal style and improve their fashion sense. This program not only enhanced their self-esteem but also positively influenced the company's image, contributing to the creation of a vibrant and enjoyable internal atmosphere.

Joyful Energy Program: Looking GooD Round 3

Talent Management

Human Capital Management Activities

Communication Program

At LG Display, we operate various communication programs to foster a culture of open communication and strong teamwork, which are key goals for our organization. These programs include Communication Camp, which offers group counseling on various topics and situations, as well as Mutual Empathy & Leader Empathy Program tailored to organizational transitions. Through these initiatives, we aim to enhance collaboration and communication by building strong connections and reducing psychological barriers among team members and between leaders and employees.

Family Friendly Program

We have implemented support programs tailored to each stage of employees' life cycles, from their entry into the company to their departure, in order to provide assistance to employees and their families. During the unmarried and wedding preparation periods, we offer lifestyle resources, while providing specific conveniences for women during the stages of marriage, pregnancy, and childbirth, such as celebratory gifts for pregnancy and aprons that offer protection against electromagnetic waves. For employees who are parents of infants and toddlers, we organize events and provide gifts on Children's Day, as well as arrange activities that can be enjoyed with their children through online videos. As their children progress through elementary, middle, and high school, we continue to support them by offering gifts for entrance ceremonies and encouraging their talents. In particular, in 2022, we created a virtual workplace in the metaverse as a Children's Day event, inviting the children of our employees to participate. This allowed us to foster interest and loyalty among all family members by providing an indirect experience of the company, even in the midst of a non-face-to-face era.

Furthermore, we prioritize the well-being of our employees during motherhood by providing various supports. This includes implementing a maternity registration system to actively care for and support pregnant employees, ensuring they can focus on their work while maintaining a stable environment for raising their children. We also offer maternity leave and incentives both before and after childbirth, as well as non-gender discriminatory parental leave for employees of all genders. Additionally, we operate nursing rooms and childcare facilities within the workplace to facilitate a convenient and supportive environment for working parents.

Metaverse virtual workplace organized on 2022 Children's Day

2023 elementary school entrance gifts

Wellness Program

We offer a range of programs aimed at enhancing the physical, mental, and social well-being of our employees, with the objective of improving their work efficiency through enhanced mental and physical stability. In response to the COVID-19 pandemic, we have provided various support measures and conveniences for employees who have tested positive, including virtual access to the Mungyeong Healing Center and online MBTI group counseling sessions, to assist employees in maintaining a healthy lifestyle. As the COVID-19 situation improves and enters a downward trend, we are planning to reopen the in-person counseling services at the Mungyeong Healing Center in July 2023. Additionally, we have introduced a new healing platform called "Art of Healing," which allows our members to access mental health resources and engage in self-healing at any time and from anywhere.

LG Display, the Best Workplace

We have received external recognition for our outstanding family-friendly organizational culture through various external awards. In 2017, we were honored with the Best Workplace in Korea award by Aon Hewitt, the world's largest HR consulting firm. Furthermore, we have achieved the Grand Prize for Family-Friendly Management for six consecutive years since 2015 at the Global Standard Management Awards hosted by the Korea Management Registrar (KMR), earning a place in the Hall of Fame in this category. Our commitment to family-friendly practices was also reaffirmed through the renewal of our certification by the Ministry of Gender Equality and Family in 2020, which will be maintained until 2023. We will continue our endeavors to foster a positive work culture and uphold our people-oriented management approach.

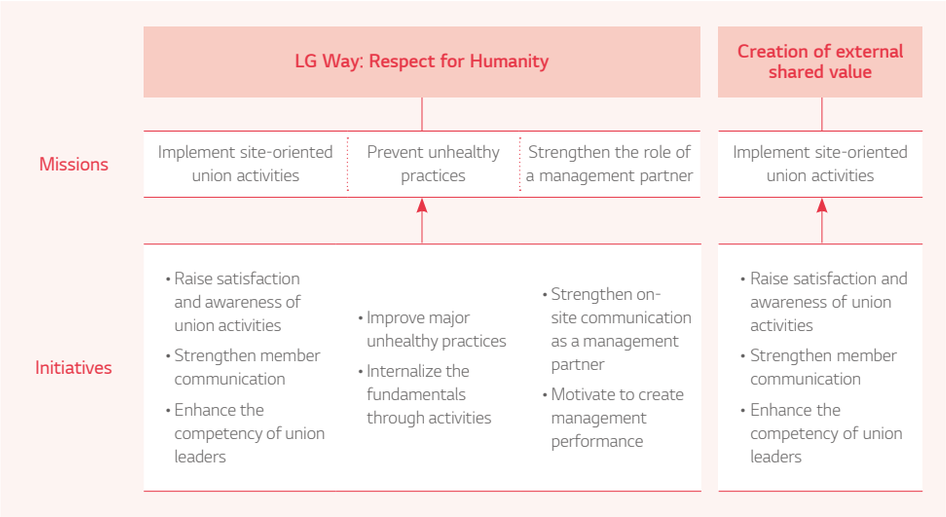
Labor-Management Relations

Developing a strong labor-management relationship is crucial for enhancing competitiveness. At LG Display, we prioritize continuous cooperation and communication between the company and its members to foster mutual trust and respect. By doing so, we aim to build a sound foundation for growth and fulfill our social responsibilities effectively.

Labor Union System

LG Display emphasizes the term "labor-management relations," instead of labor relations, to highlight the equal and collaborative partnership between workers and management. The labor union is dedicated to fulfilling four core missions and various detailed tasks, aiming to ensure organizational health and create shared value externally. Currently, as of December 2022, we have 16,125 unionized employees at domestic sites, accounting for 55.3% of the total workforce. The average percentage of unionized employees across the six oversea subsidiaries is 98.9%. Since 1995, we have successfully established a conflict-free agreement through effective communication and cooperation, setting a model for other companies in labor-management relations.

Labor Union Missions and Initiatives



Labor-Management Communication

Communication Activities to Secure Internal Soundness

• CEO Town Hall Meeting

We are actively promoting sincere and open communication between management and employees to foster a culture of strong teamwork and collaboration. Since 2022, we have been regularly organizing town hall meetings to facilitate dialogue and information sharing. Additionally, we have introduced town hall meetings that directly visit employees and departments based on their occupation, region, and position level, allowing for more targeted and focused discussions. Through these initiatives, we aim to cultivate a healthy and transparent communication culture by addressing management's messages and addressing any questions or concerns raised by employees in a timely manner.

• Labor-Management Council

We are creating a labor-management relationship that can grow together through information sharing and communication, based on good faith and sincerity with labor unions. We have formed a labor-management council composed of an equal number of representatives of workers and management, typically ranging from 3 to 10 people. Through the labor-management council, we discuss productivity improvement, performance distribution, recruitment and placement of workers, and management policies and performance. We conduct collective wage negotiations through the labor-management council in the first quarter of every year and continue to discuss improvements to resolve employee pain points through quarterly councils. The contents of the collective bargaining negotiated at the labor-management council apply to all employees(100%).

Labor-Management Relations

Labor-Management Communication

• Site-Oriented Communication

Our domestic labor unions held on-site meetings throughout the year 2022 to carry out site-oriented union activities, and we closely communicated with union members to address their grievances. Since the COVID-19 situation, we have promoted online communication activities, and now we hold both online and offline meetings to strengthen communication in line with the changing times and the sentiments of our members. In order to prevent unhealthy practices, on-site meetings were held to discuss workplace bullying, sexual harassment, verbal abuse and assault, and corruption. The union has also served as a channel for receiving and resolving such unhealthy practices. Specifically, the union has played an important role in disciplinary actions to protect victims and ensure appropriate consequences for the offenders. Lastly, we are conducting executive communication activities to strengthen our role as a management partner. In 2022, the union played a key role in encouraging sites to improve overall business performance.

Activities to Create External Shared Value

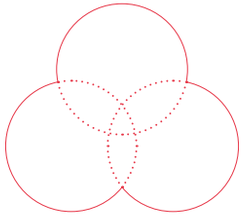
Our domestic and overseas labor unions have declared Union ESG (U-ESG) in 2022. U-ESG is a new concept developed from the advantages of the existing union social responsibility (USR) as the need for direct participation in ESG management activities by labor unions increases. U-ESG focuses on the participation and practice of its members. As a result, we continued to carry out the Love House Project to improve the living environment of vulnerable groups in the area, receiving positive reviews from the local community. This has increased the reputation of the union and the satisfaction of its members.

Labor unions of overseas branches also engage in various social contribution activities, maintaining friendly relations with the local community and striving to enhance the company's image. For example, the labor union of the Guangzhou branch carries out quarterly community environmental improvement volunteer activities, public service activities in the Mengjeon Nursing Home, visits to orphanages with gift deliveries, and donations of children's items. The labor union of the Nanjing branch holds donation events for special school students, while the labor union of the Yantai branch donates daily necessities during important holidays such as New Year's Day and Chuseok to maintain friendly relations with local residents. Leveraging the characteristics of the display industry, the Vietnamese labor union carries out the Eye Care Project for vulnerable elderly individuals, fully funding the cost of free eye examinations and surgeries. LG Display's domestic and overseas labor unions will continue striving to improve the image of the company and the unions through various social responsibility activities.

Improving the Organizational Culture Led by the Fresh Board

The Fresh Board (FB), which is a representative organization for office employees, plays a crucial role in enhancing communication between management and office employees, and spearheads the improvement of the organizational culture within the office. FB members are elected through direct and anonymous voting by their fellow employees, and they actively fulfill their role as internal communication facilitators driven by their passion and mission. All employees, except for leaders, have the opportunity to join FB, and it comprises staff members from various levels, including assistants, assistant managers, and managers. As of December 2022, FB consists of 775 active members, including 8 representatives from business departments, 27 representatives from centers and groups, 123 representatives from managers and factories, and 617 team representatives.

Roles of the Fresh Board (FB)



FBs actively engage in communication with management by listening to the genuine concerns and feedback of office workers, aiming to address their grievances in collaboration with the company. They serve as representatives for office workers, conveying their opinions regarding systems and organizational culture to the company. Simultaneously, FBs also act as a channel for public relations, effectively communicating the company's policies to employees while understanding the management landscape. FBs conduct regular suggestion and improvement activities through quarterly FB councils and monthly meetings, actively participating in initiatives to enhance the organizational culture and fulfill corporate social responsibility within the company.

Activating Labor-Management Communication Channels

We utilize multiple communication channels to gather feedback from our members. Alongside the quarterly labor-management council, we conduct workshops for staff members and monthly meetings to share updates on the company's management status and discuss significant improvement tasks.

Promoting Effective Gievance Handling System

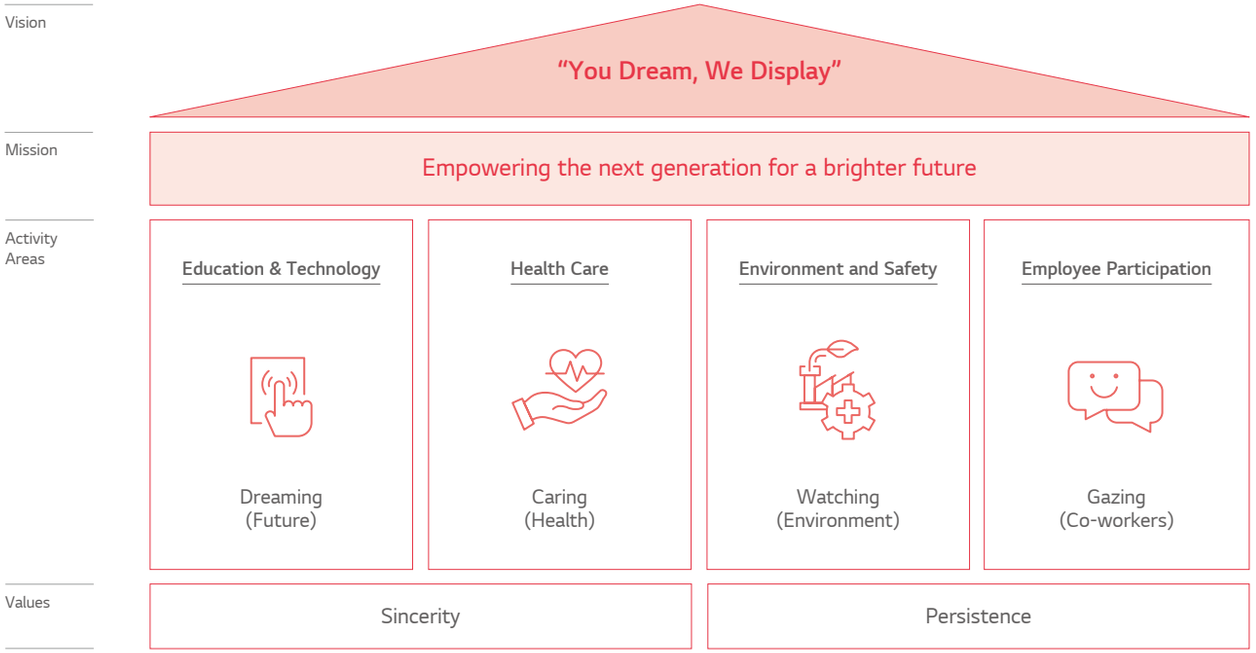
LG Display has implemented a comprehensive grievance handling system to address employee concerns regarding workplace bullying, sexual harassment, verbal abuse, assault, and corruption. The system ensures anonymity for reporting, and the grievance committee takes measures to safeguard the complainant's personal safety, preventing potential retaliation. We have established separate guidelines for preventing grievances that may escalate into societal issues, such as sexual harassment and bullying. Starting from 2022, we conducted a company-wide survey to identify and address employee grievances, regarding sexual harassment and bullying at work. We also actively conduct follow-up interviews to proactively resolve these issues.

Corporate Social Responsibility

As a trusted global company, LG Display is actively engaged in a range of corporate social responsibility (CSR) initiatives, aiming for mutual growth with the local community. We are carrying out various corporate social responsibility in the fields of education, technology, health, environment, and safety, representing IT power plants and eye health protection activity programs considering the characteristics of our business, and also conducting programs for employee participation. Upholding our mission of "Empowering the next generation for a brighter future," we remain committed to practicing social values and promoting respect and consideration among our employees.

Corporate Social Responsibility System

We carry out CSR activities aligned with the Sustainable Development Goals (SDGs)[1], specifically focusing on quality education, sustainable cities and communities, and climate action. We encourage all employees to participate in volunteer activities. And all employees actively participate in volunteer activities aimed at addressing social issues, such as supporting vulnerable youth, local community welfare, and environmental preservation. We leverage LG Display's unique strengths to develop CSR programs. To ensure transparency and efficiency in our CSR initiatives, we have established company-level and regional Social Contribution Steering Committees. These committees discuss annual CSR plans, directions, and budgets, and regularly assess regional business plans and outcomes. Since 2018, we have also operated the Donation Review Committee to enhance the external transparency of our donation activities. This committee evaluates the appropriateness of donation sources and usage plans for donations exceeding 10 million won.



1) Sustainable Development Goals

Corporate Social Responsibility

CSR Initiatives in Education and Technology

IT Power Plants for Childcare Facilities

IT Power Plant is a flagship CSR project by LG Display aimed at supporting the IT education environment for underprivileged children to bridge the information gap. In 2022, we enhanced the functionality of five existing facilities in Korea and identified an additional five sites for implementing IT education programs. Our goal is to operate a total of 58 facilities by the end of 2022 and continue strengthening our facilities in the future.

LGD Wings of Hope Club to support education for low-income families' talented youth

Since 2011, LG Display has been supporting talented youth in the arts and sciences who face financial challenges through the LGD Wings of Hope Club. This program is sponsored by the company's executives. In 2022, we collaborated with World Vision to support the aspirations of 16 young individuals. Since its inception in 2011, a total of 197 youths have pursued higher education in their respective fields and achieved outstanding accomplishments in various national and international competitions.

CSR Initiatives in Health and Safety

Eye Care Project

To raise awareness about the significance of eye health care among children around the age of eight, which is the age that completes one's vision ability, and their parents, we organized educational programs utilizing musicals for infants, toddlers, and lower elementary school students in areas with limited cultural and artistic resources. In 2022, a total of 3,200 individuals participated in these initiatives. Furthermore, we conducted eye screenings for approximately 700 preschoolers in ten medically underserved regions to facilitate early detection of eye conditions like strabismus and amblyopia.

Dementia-Safe Village and improving the life quality for the Elderly suffered by Dementia

To address the pressing issue of dementia, LG Display actively supports diverse initiatives aimed at prevention and care. Our efforts include projects dedicated to enhancing the living environment and safety infrastructure in dementia-safe villages and elderly homes specifically designed for individuals with dementia in Paju and Gumi. Our aim is to create a secure and conducive environment where the elderly with dementia can lead safe and healthy lives.

Community-Linked CSR Initiatives

Biodiversity Conservation Activity With Paju Korean Federation for Environmental Movement

As an initial measure to conserve biodiversity, LG Display established its first ecological exploration team in 2022 and has been engaging in regular activities. We emphasize the significance of environmental responsibility among our employees as corporate citizens and promote awareness about biodiversity. To achieve this, we provide support for monitoring and recording various animals and plants in Paju, collaborating with ecological experts.

Climate and environmental education for children, 'Green Campaigner'

In collaboration with the local education offices, we offer environmental education classes to elementary school students in Paju and Gumi. These classes aim to help students understand the causes, effects, and challenges associated with climate change. Through practical campaigns integrated into their daily lives, we empower the students to become advocates for environmental protection and the preservation of their rights.

Establishing the 'Local Safety Net' to create safety in local area

In collaboration with the police stations in Paju and Gumi, we have installed floor traffic lights and solar road studs in areas of concern for crime and traffic accidents. We also have distributed reflective cards to elementary school students and installed yellow footprints and logo projectors to contribute to the prevention of traffic accidents and crimes in front of the school. Furthermore, we support and provide education on residential firefighting facilities for rural villages located far from the fire station to help build a safe city.

IT Power Plants for Childcare Facilities

LGD Wings of Hope Talent Development Program

Eye Care Project

Dementia-Safe Village

Biodiversity conservation activities

Green Campaigner

Local safety net

Corporate Social Responsibility

Employee Participation CSR Activities - Domestic

Donating in-person and virtually through LGDream Fund

LG Display encourages employees to make voluntary donations through separate online and offline donation platforms installed in the workplace. In 2022, approximately 5,000 employees donated approximately 280 million won to share kindness with underprivileged children and vulnerable neighbors worldwide.

Providing Gift for underprivileged children, The Miracle of Christmas

During Christmas 2022, over 1,300 employees actively participated in a donation activity aimed at bringing hope to the lives of more than 1,200 children residing in orphanages nationwide. Heartwarming messages expressing gratitude for a memorable Christmas were received from the children who benefited from the gifts of hope.

CSR Subscription Campaign

We conduct a quarterly CSR Campaign that allows employees to experience and support social enterprise products that create employment opportunities for the underprivileged and promote environmental protection. In 2023, over 900 employees participated in the product subscription campaign of social enterprises to support socially vulnerable groups, including the homeless, deaf florists, and children who have been discharged from orphanages, to confidently stand on their own, while promoting eco-friendly consumption culture.

Linked to 2 days of vacation, Voluncation

LG Display has implemented a distinctive CSR program known as "Two-day Voluncation," where employees utilize their vacation time to engage in volunteer activities. In 2022, our team visited farmers in Inje, Gangwon Province, who faced labor shortages during the harvest season due to an aging population and declining workforce. Additionally, in May 2023, we organized an eye checkup and sports competition for elementary schools in the Seokmodo District of Ganghwa Province. These initiatives provided employees with the opportunity to volunteer and experience the warmth of local communities simultaneously.

ESG-Linked Employee Participation Activities

LG Display promotes several participatory ESG campaigns to encourage environmental protection practices among employees in their daily lives. These initiatives include the installation of smart recycling bins in the workplace, reducing the use of disposable items like paper cups and plastics, and implementing a Zero Waste campaign that promotes the adoption of eco-friendly products. Through these activities, we encourage our employees to gain ESG awareness and actively participate in voluntary activities.

LGDream Fund

Miracle of Christmas

CSR Subscription Campaign

Voluncation

Zero Waste Campaign

Corporate Social Responsibility

Employee Participatory CSR Activities - Overseas

Children's goods donation campaign in Guangzhou

The Guangzhou branch implemented a donation campaign with the theme "Spreading Warmth and Love to Children." This initiative was prompted by a request from Zhiming School in Huangpu District, Guangzhou, which expressed a shortage of uniform winter coats for 130 students. In response, the branch donated thick winter coats to ensure the students' warmth during the winter season.

CSR Activity at Mengjeon Nursing Home in Guangzhou

On October 24, 2022, our Guangzhou branch conducted CSR activities for over 50 elderly individuals at Mengjeon Nursing Home, a temporary shelter. In recognition of the facility's need for recreational amenities, we donated a much-needed manual mahjong machine to enhance their leisure options. Mahjong, being an indoor activity that can help prevent dementia in the elderly, brought joy and entertainment to their leisure time.

Special School Volunteer Activities in Nanjing

The Nanjing branch collaborated with the Korea Merchants Association and donated school supplies, sweets, and gift sets to Qisha District Special School. Members of the Nanjing branch and representatives from each company belonging to the Korea Merchants Association visited the school in person to donate items to the students and had a sympathetic time by having a meaningful conversation with the principal.

New Years Corn Oil Donation Activities in Yantai

The Yantai factory was constructed by acquiring land from neighboring villages, including the Namwu family and Lim Kwan Zhang. This acquisition had an impact on the livelihoods of the villagers, but the construction proceeded smoothly without difficulties due to cooperative efforts of the local government and the villagers. As a token of gratitude and to maintain friendly relations with the village in the future, we have been annually donating essential items to the villagers during significant holidays such as New Year's Day and Chuseok. In 2022, we delivered 980 cartons of corn oil for the New Year celebration.

Eye Care Project in Vietnam

We implemented the Eye Care project, providing free eye examinations and medication for approximately 500 elderly individuals residing in An D ng, Vietnam. Additionally, we fully funded cataract surgeries for 43 individuals who were diagnosed with the condition.

Children's Donation

CSR activity at Mengjeon Nursing Home

Special school volunteer activities

New Years corn oil donation activity

Eye Care Project

Information Security and Privacy

At LG Display, we recognize that protecting various information related to business operations, customers, and employees is vital to creating a sustainable company. We will continue our efforts to prevent security incidents, such as the leakage of industrial and personal information, through employee awareness-raising activities, regular security monitoring and inspections, and the operation of security systems.

Information Security Policy

We conduct security activities in accordance with the Information Security Management Policy. To protect the company's important information assets in management and technology, we have established information security standards and guidelines. All personnel involved in the company's business, including executives, employees, supplier members, and visitors, are strictly managed to adhere to the information security policy.

Information Security Management Policy

LG Display recognizes information security as an essential element of corporate management and is committed to practicing the following principles to ensure business continuity and build trust:

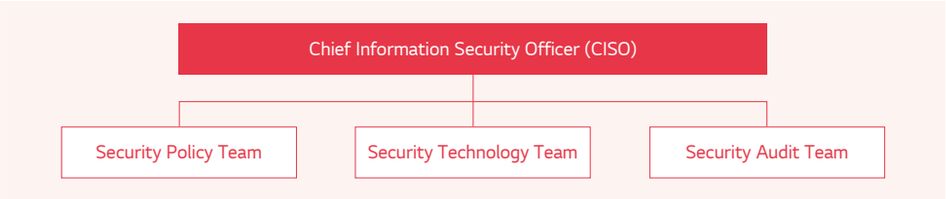
- All personnel who handle company information have the responsibility to comply with security policies and standards and actively protect the information.
- We promote the establishment of a sound security culture through training, inspections, and effective communication.
- We implement appropriate investments in security and ensure reasonable levels of control.
- We strictly adhere to security requirements as stipulated by laws and contracts.
- We collaborate with suppliers and continuously enhance our security system to maintain an equivalent level of security throughout the entire supply chain.

Company-wide Information Security Management System

We are committed to protecting not only trade secrets but also the information of various stakeholders, including national core technologies and customer information. We have implemented real-time security control throughout the year to be prepared for cyber breach attacks. Regular checks and measures are also taken to address security vulnerabilities in the company's IT system. In the event of a security incident, our security incident response team, comprising departments such as security and information system construction and operation, analyzes the damage and responds promptly. We also conduct security incident response drills at least once every six months to ensure a smooth response to security incidents.

Information Security Organization

To protect the information of the company and our stakeholders, we have appointed a Chief Information Security Officer (CISO) who oversees a dedicated security organization. The CISO is responsible for maintaining the overall security system of the company, which includes establishing information security goals and policies, identifying security risks, and formulating response measures. Additionally, we have established dedicated security organizations in our overseas branches to implement security management that is optimized for the respective corporate environments.



Information Security Certification

We have established an information security management system in accordance with ISO/IEC 27001, an international standard for information security management systems. Its effectiveness is objectively verified through annual certification audits.

DNV

MANAGEMENT SYSTEM CERTIFICATE

This is to certify that the management system of
LG Display Co., Ltd. Head Office
LG Twin Towers, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul, 07336, Republic of Korea
and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Information Security Management System standard:

ISO/IEC 27001:2013

This certificate is valid for the following scope:
The Information Security Management System(ISMS) is scoped to include all business processes conducted by LG Display. This is in accordance with Statement of applicability Version 5.0

ISO/IEC
Management Representative

ISO 27001 Certification

Information Security and Privacy

Information Security Activities

Information Security Incident Response

As we have operated a systemized and professional information security system, there have been no information security incidents at LG Display for the past three years. During the same period, we have incurred no fines or penalties due to security-related issues, and no customers have experienced data breaches as a result of cyber breaches such as hacking. We will continue to prioritize the prevention of information security incidents and make ongoing efforts to mitigate potential damages.

Disciplinary Actions for Security Violations

We operate a Security Three-Strike Out System that is cumulative and managed by individual to effectively manage minor security standard violations by employees, and if the cumulative number of individual violations reaches a total of three times in one year, disciplinary action is taken in accordance with the company's standards. In addition, if there is an intentional or significant violation of security standards, responsibilities such as personnel discipline are imposed severely.

Strengthening Supplier Security Management Capabilities

To improve the security management capabilities of our suppliers, we have been conducting a Security Competency Shared Growth Workshop for suppliers every year since 2014. In 2022, we held an online seminar on industrial technology leakage trends and protection measures for security team leaders and managers of 70 suppliers. Additionally, starting in 2022, we are providing security newsletters to executives of major suppliers to encourage interest and participation in security compliance.

Strengthening Security Ability and Raising Security Awareness Among Employees

We regularly conduct security awareness-raising activities to promote voluntary compliance with security regulations among employees. Each year, we provide security training e-Learning for all employees and distribute security notices called "Security of the Month" and "Empathy Plus." Additionally, we share security promotional videos through our official YouTube channel. To foster a shared understanding of security awareness and promote a healthy security culture, we designate the second Wednesday of July as LGD Information Security Day. On this day, various awareness-raising activities are conducted.

Information security promotional video

Privacy Policy

Privacy is one of the main risk areas for annual compliance checks and compliance training. LG Display's personal information protection management system applies to both domestic and overseas sites, joint ventures, suppliers, external personal information processing companies, and subcontractors. To protect the personal information of our employees, customers, and stakeholders, we have designated a personal information protection officer for each organization and established a Personal Information Handling Policy based on privacy-related laws. We ensure that employees and related officials thoroughly comply with the policy. We also distribute the Personal Information Protection Guide and conduct regular training to raise awareness among all employees about the importance of protecting personal information.

Privacy Management and Breach Prevention

When we require personal information for business purposes, we ensure to obtain consent from the individuals regarding the purpose of information collection, use, and retention period. To prevent any misuse or unauthorized disclosure of the collected data, we conduct yearly internal audits and biannual external audits. In case any security issues are identified, the company enforces a Security Three-Strike Out System and takes disciplinary actions based on the severity of the violation. Moreover, we are in the process of establishing an incident response system to promptly address and respond to any unexpected incidents of personal information leakage.

Information security training is also conducted annually to raise employee awareness about privacy management and proactively prevent data breaches. In 2022, a total of 29,848 employees completed personal information protection training, achieving a completion rate of 100%. Throughout the year, we did not receive any improvement requests or complaints from regulators or individuals regarding privacy matters, and no instances of using customer data for secondary purposes occurred. We remain dedicated to enhancing our privacy system to safeguard the personal information of our stakeholders, including employees and customers.

Board of Directors and Committees

LG Display is committed to establishing a transparent and sound decision-making system that revolves around an independent, expertise, and diverse board of directors. To ensure transparency and efficiency, we have established five committees that operate within the Board to create sustainable value and uphold the rights and interests of all stakeholders.

Board Composition

LG Display's Board of Directors has the authority to make decisions and control the company's major management matters in accordance with relevant laws and Articles of Incorporation. A total of seven board members, consisting of two inside directors, one other non-executive director, and four outside directors, perform management decision-making and supervision functions. No outside directors serve for more than six years in accordance with the law. In order to efficiently establish the internal accounting management system, the Chief Financial Officer(CFO), an internal accounting manager, participates in the Board as an inside director, strengthening the effectiveness of the internal accounting management system and the transparency of governance. In consideration of the changing business environment, the CEO serves as the chairman of the Board to enhance their expertise in the business.

Appointment of Directors

The directors of LG Display are appointed by voting of the shareholders at the general shareholders' meeting in accordance with the Commercial Act and the Articles of Incorporation. Inside directors and non-executive directors are appointed at the general shareholders' meeting through the board's vote, and outside directors are finally elected at the general shareholders' meeting after the recommendation of the Outside Director Nomination Committee and the board's vote. In the process, the Board of Directors and the Outside Director Nomination Committee ensure that each candidate is examined for their expertise, independence, and competency to perform their duties.

Board Members List

Category	Name	Gender	Date of birth	Appointment date	Term of office	Career	Expertise
Inside Director	Hoyoung Jeong	Male	Nov 1961	Mar 2020	Mar 2023-Mar 2026	• Current CEO of LG Display • COO & CFO of LG Chem • CFO of LG Electronics, LG Display, LG Household & Health Care	Business Management (General)
	Sunghyun Kim	Male	Dec 1967	Mar 2022	Mar 2022-Mar 2025	• Current CFO of LG Display • Financial Officer at LG Display • Financial Officer at LG Uplus	
Non-executive Director	Beom Jong Ha	Male	July 1968	Mar 2022	Mar 2022-Mar 2025	• Current Head of Management Support Division at LG • Finance Team Manager and Financial Management Team Manager at LG • Head of Diagnosis 2 of Jeong-Do Management Task Force at LG Chem • Financial Management Team Manager at LG Chem	
Outside Director	Doocheol Moon	Male	Nov 1967	Mar 2021	Mar 2021-Mar 2024	• Current accounting professor at Yonsei University School of Business • Member of the win-win profit-sharing system review committee • Vice President of Korean Association for Governmental Accounting	Finance and Accounting (Professor)
	Chung Hae Kang	Female	May 1964	Mar 2022	Mar 2022-Mar 2025	• Current professor at University of Seoul Law School • Vice President of Korean Environmental Law Association • Member of the National Environmental Dispute Resolution Commission • Attorney at Lee & Ko	Law (Professor)
	Jungsuk Oh	Male	Sep 1970	April 2022	Mar 2023-Mar 2026	• Current professor at Seoul National University Business School • Vice President of Korean Operations Research and Management Science Society • Outside Director of Hyundai Steel • Researcher at TriGem	Management Advisory (Professor)
	Sanghee Park	Female	Dec 1965	Mar 2023	Mar 2023-Mar 2026	• Current professor at the Department of Advanced Materials Engineering in KAIST • Current fellowship of the Society of Information Display (SID) • President of Korean International Display Society	Industrial Technology (Professor)

Board of Directors and Committees

Board Activities

The Board of Directors resolves major matters and supervises the execution of the duties of directors and management in accordance with relevant laws and internal regulations. We publish the regulations of the board of directors and committees to enhance transparency of board of directors. The management, including the CEO, reports to the board of directors at least once a quarter on major management issues such as business performance, prospects, and initiatives. Occasional board meetings are held when approval is required for significant matters. The Articles of Incorporation, the Regulation of the Board of Directors[1] and Committee Regulations stipulate that directors and members must be notified of the meeting information at least 12 hours in advance. However, LG Display notifies the directors and members three to seven days in advance, allowing sufficient time for consideration. LG Display operates in directions that all directors and members to attend board meeting, and the attendance rate of the board of directors in 2022 was 100% for inside directors and 84.1% for outside directors. To ensure the smooth performance of directors' duties and responsible management, the company has purchased executive liability insurance.

1) Article 30 of the Articles of Incorporation and Article 6 of the Regulations of the Board of Directors

2022 Board of Directors Meetings Status

Session	Date	Agenda		Attendance Rate	
		Type	Details	Inside Director	Outside Director
1st	01.26.2022	Report	Q4 2021 earnings report and 1 other	100%	75%
		Resolution	Approval of the 37th Financial Statements and 2 others		
2nd	02.17.2022	Report	Report on the results of the status evaluation of the operation of the internal accounting management system and 1 other	100%	75%
		Resolution	Approval of the Annual General Meeting of Shareholders		
3rd	03.23.2022	Report	Report on the resolutions of the Management Committee	100%	75%
		Resolution	Appointment of Chairman of the Board of Directors and 7 other		
4th	04.26.2022	Report	Q1 2022 earnings report	100%	75%
		Resolution	Approval of the Vietnam branch payment guarantee and 1 other		
5th	07.26.2022	Report	Q2 2022 earnings report	100%	100%
		Resolution	Appointment of members of the Related Party Transactions Committee and ESG Committee		
6th	10.25.2022	Report	Q3 2022 earnings report	100%	100%
7th	11.03.2022	Report	2022 Management Status Report	100%	75%
		Resolution	Approval of new technology investments		
8th	11.23.2022	Report	Annual report of Treatment of the retired executives and 1 other	100%	100%
		Resolution	Approval of 2023 bonds issuance limit and 6 others		
9th	12.23.2022	Report	Report on the resolutions of the Management Committee	100%	100%
		Resolution	Approval of P7 lease contract		
10th	12.30.2022	Resolution	Approval of executive disciplinary action	100%	100%

Board of Directors and Committees

Independence and Effectiveness

In accordance with the requirements for the independence of outside directors, we ensure that a majority (57%) of the board members are independent for effective supervision of management's duties. The Outside Director Nomination Committee conducts a comprehensive evaluation to verify the independence, expertise, and diversity of candidates for outside directors, ensuring the selection of suitable candidates. The ESG Committee meeting held in April 2023 has introduced guidelines for the independence of outside directors. Additionally, we consider other factors of independence not specified in these guidelines, such as following sentence. We allow outside directors to concurrently serve in one company excluding LG Display, as long as there is no competition with LG Display, and only within the scope permitted by our criteria, following to Commercial Act and related laws, for disqualification of outside directors to ensure their effective performance of duties.

Independence Factors of Outside Directors

LG Display comprehensively considers the following factors to determine the independence of outside directors:

- The outside director's employment history with the company for the past five years
- The outside director's immediate family members serving as executives of the company, parent company, or subsidiary for the past three years
- The outside director having a family member who receives payments from the company or its parent or subsidiary in excess of $60,000 in the current fiscal year or the last three fiscal years, except as permitted by SEC Rule 4200 definition
- The outside director having an employment relationship with the company's external auditor
- The outside director being an officer or employee of a corporation with which the company has entered into a consulting contract or a technical partnership agreement
- The outside director being an advisor or consultant to the company or its management
- The outside director being an officer or employee of a corporation with a total transaction performance with the company during the last three business years exceeding 10% of the company's total assets or sales
- The outside director having an affiliation with an important customer or supplier of the company
- The outside director having an affiliation with a nonprofit organization that receives a substantial contribution from the company
- The existence of a material interest in other matters to be decided by the Board of Directors

Diversity and Expertise

We aim to form a board of directors that prioritizes diversity and expertise, aiming to enhance corporate value, achieve sustainable growth, and protect shareholders' rights and interests. In April 2023, the ESG Committee introduced the Guidelines for the Board Expertise and Diversity, which emphasizes the importance of diverse expertise and does not impose restrictions based on gender, race, nationality, politics, or cultural background during the director appointment process and by appointing outside directors with various expertise in industrial technology, finance/accounting, law, management consulting, etc., it was declared that we would secure expertise in overall corporate management. As part of our commitment to diversity, we have appointed female outside directors in recent years, including a legal expert in 2022 and an industrial technology expert in 2023.

To enhance the expertise and accountability of our outside directors in their management activities, we organize annual workshops covering various topics such as the current status of major businesses, investment directions, industrial technology, product production processes, revised laws, and feedback from investors. We also facilitate visits for outside directors to our domestic and international business sites enabling them to gain a deeper understanding of the display industry, its technology, and its operational processes. As outlined in Article 12 of our Regulations of the Board of Directors, the Board may seek support from external experts through a resolution when deemed necessary.

Boards Skills Matrix

Type	Inside Director		Non-executive director		Outside Director		
	Hoyoung Jeong	Sunghyun Kim	Beom Jong Ha	Doocheol Moon	Chung Hae Kang	Jungsuk Oh	Sanghee Park
Industry and Economy						○	
Business Administration and Risk Management	○	○	○				
Finance and Accounting				○			
Technology, Digital, and Innovation							○
Law and Public Policy					○		

Board of Directors and Committees

Performance Evaluation and Compensation

Board Performance Evaluation and Remuneration

LG Display evaluates executive performance based on financial indicators such as sales and operating profit, and other indicators related to long-term tasks and business objectives. The remuneration of the management is determined according to position and duties, within the amount approved by the general shareholders' meeting, in accordance with the standards set by the board. Performance pay is granted upon board approval, taking into account financial resources and performance evaluation results. However, to ensure fairness and independence, outside directors do not receive performance pay, and their remuneration is not linked to performance evaluation. The remuneration of all outside directors is paid equally within the directors' remuneration limit approved by the general shareholders' meeting. We disclose the remuneration of all board members, including the CEO, in our business report. In 2022, the CEO's remuneration was approximately 25.6 times the average annual remuneration of employees.

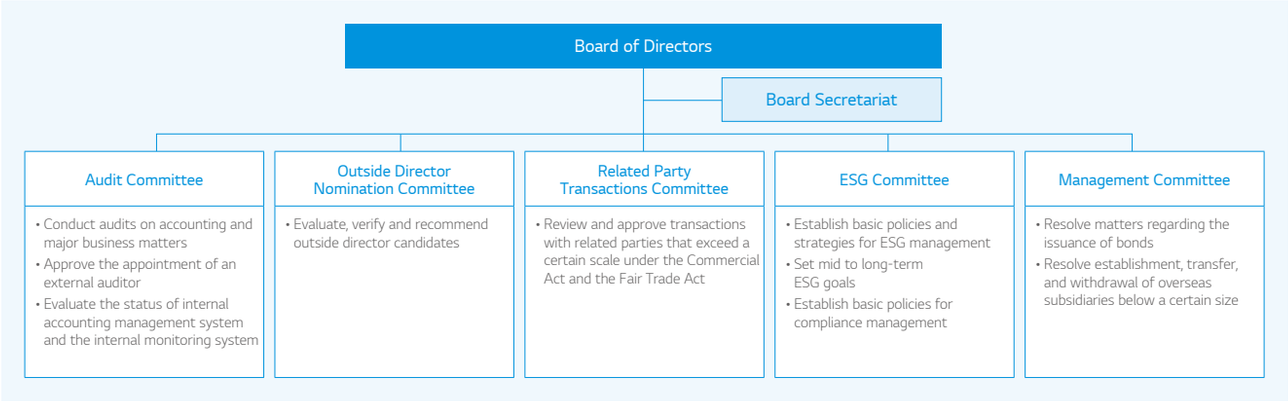
Executive Performance Evaluation and Remuneration

Executive performance is evaluated based on quantitative indicators, including the company's sales and operating profit from the previous year, as well as non-quantitative indicators such as the company's mid to long-term expectations, leadership, and contribution. Bonuses are paid within a range of 0-150% of the total remuneration amount. The calculation standards and methods for executive remuneration are transparently disclosed and implemented according to the board of directors' standards within the budget approved by the general shareholders' meeting, taking into account positions and responsibilities.

Quantitative indicators	Non-quantitative indicators
Sales, operating profit, etc.	Fulfillment of mid to long-term expectations, leadership, contribution to the company, etc.

Committees Within the Board of Directors

In accordance with Article 34 of the Articles of Incorporation and Article 11 of the Regulations of the Board of Directors, the board delegates authority to five committees, including the Outside Director Nomination Committee, the Related Party Transactions Committee, the ESG Committee, the Audit Committee, etc. Among these, the Audit Committee and the Outside Director Nomination Committee have been established mandatory to and in compliance with the law. The organization, operation, and authority of the committees are stipulated in the Committee Regulations enacted through the resolution of the board. The remaining committees, except for the Management Committee, ensure fairness and independence by mandating that at least two-thirds of their members be outside directors. The Management Committee is composed of two inside directors to ensure that the board can focus on more important matters effectively, as well as facilitate the prompt execution of the management's work.



● Chairman ○ Member

Type	Name	Gender	Expertise	Audit Committee	Outside Director Nomination Committee	Related Party Transactions Committee	ESG Committee	Management Committee
Inside Director	Hoyoung Jeong	Male	Business Administration				○	●
	Sunghyun Kim	Male	Business Administration			○		○
Non-executive director	Beom Jong Ha	Male	Business Administration		○			
Outside Director	Doocheol Moon	Male	Financial and Accounting (Professor)	●		○	●	
	Chung Hae Kang	Female	Law(Professor)	○	○	●	○	
	Jungsuk Oh	Male	Management Advisory(Professor)	○	○	○	○	
	Sanghee Park	Female	Industrial Technology(Professor)	○			○	

※ As of May 31, 2023 ※ The new chair of the Outside Director Nomination Committee will be selected at the next committee.

Board of Directors and Committees

Committees Within the Board of Directors

Audit Committee

In compliance with Article 542(11) of the Commercial Act, LG Display has established an Audit Committee as an internal audit organization. The Audit Committee is an independent entity consisting of outside directors who meet the qualifications set forth in the Commercial Act and the Articles of Incorporation. The committee is responsible for conducting audits of the company's accounting and significant business operations. It also approves the appointment of external auditors and evaluates the internal accounting management system and internal monitoring system.

The committee carries out its audit functions through an internal audit department staffed with experts, including certified public accountants and individuals with accounting experience. Furthermore, the committee members receive annual training to fulfill their responsibilities, and the role and activities of the audit committee are evaluated and enhanced through self-assessments to improve their expertise and to keep the management in check. The Audit Committee holds quarterly meetings, and in 2022, the attendance rate reached 95.8%.

Outside Director Nomination Committee

The Outside Director Nomination Committee nominates candidates for new outside directors and decides whether to re-appoint existing outside directors based on a comprehensive evaluation of their activities, considering factors such as their attendance rate at the board and expertise-based advice given during their three-year term. After undergoing an evaluation, verification, and examination process, the Outside Director Nomination Committee recommends suitable candidates for outside director positions. The final appointment of outside directors is made individually at the general shareholders' meeting. At LG Display, our current outside directors possess expertise in industrial technology, financial accounting, law, and management advisory. The Outside Director Nomination Committee convenes as necessary, and in 2022, the attendance rate was 67%.

2022 Audit Committee Meetings Status

Session	Date	Agenda		Attendance Rate
		Type	Details	Inside Director
1st	01.26.2022	Report	External audit progress report and 6 others	100%
		Resolution	Approval of audit services by external auditors and 2 others	
2nd	02.17.2022	Report	Report by the Audit Committee support tasks and 1 other	100%
		Resolution	Status Evaluation of the internal accounting management system and 1 other	
3rd	04.26.2022	Report	Report on the external audit progress and 4 others	75%
4th	07.26.2022	Report	Report on the external audit progress and 2 others	100%
5th	10.25.2022	Report	Report on the external audit progress and 2 others	100%
6th	11.23.2022	Resolution	Approval of the selection of an external auditor and 1 other	100%

※ Please refer to the business report from Mar 2023 for detailed information on the audit committee meeting.

2022 Outside Director Nomination Committee Meetings Status

Session	Date	Agenda		Attendance Rate		Resolution
		Type	Details	Inside Director	Outside Director	
1st	01.26.2022	Report	Appointment of the chair of the Outside Director Nomination Committee	100%	50%	Approved
		Resolution	Report on multiple candidates for new outside directors			-
2nd	02.17.2022	Report	Approval of recommendation to nominate outside director candidate	100%	50%	Approved

Board of Directors and Committees

Committees Within the Board of Directors

ESG Committee

The ESG Committee was established in April 2021 with the aim of enhancing ESG management and fostering sustainable long-term growth through effective ESG practices. The committee is responsible for discussing and approving fundamental policies and strategies related to ESG, establishing mid to long-term ESG goals, and assessing the planning and implementation of ESG management activities. ESG Committee meetings are conducted semiannually, and in 2022, the participation rate was 100% for inside directors and 80% for outside directors.

2022 ESG Committee Meetings Status

Session	Date	Agenda		Attendance Rate		Resolution
		Type	Details	Inside Director	Outside Director	
1st	04.26.2022	Resolution	ESG follow-up status and action plan and 1 other	100%	75%	Approved
		Report	Environmental management plans			
2nd	10.26.2022	Report	Establishment of human rights management system and 2 others	100%	100%	Approved

Management Committee

The Management Committee was established to optimize the decision-making process and enable the Board to concentrate on crucial matters by assuming responsibility for daily management affairs and financial matters below a certain threshold. It is comprised of two inside directors who deliberate on various topics, including bond issuance and decisions related to overseas subsidiaries, branches, factories, offices, and other significant facilities below a certain size. The Management Committee convenes whenever necessary, and the attendance rate in 2022 was 100%.

2022 Management Committee Meetings Status

Session	Date	Agenda		Attendance Rate	Resolution
		Type	Details		
1st	01.25.2022	Resolution	The 44th-1st and 44th-2nd non-guaranteed bond issuance	100%	Approved
2nd	12.23.2022	Resolution	Approval of the closure of P7 factory	100%	Approved

Related Party Transactions Committee

The Related Party Transactions Committee was established in July 2021 with the objective of promoting fairness and transparency in transactions, by enhancing the company's oversight of internal transactions among affiliates. The committee is responsible for reviewing and approving transactions with related parties that exceed a certain threshold, in accordance with the provisions of the Commercial Act and the Fair Trade Act. The committee then reports the outcomes of these reviews to the Board. The committee convenes semiannually as scheduled, but it can also hold additional meetings if needed. In 2022, the attendance rate for the committee was 100% for inside directors and 86.8% for outside directors.

2022 Related Party Transactions Committee Meetings Status

Session	Date	Agenda		Attendance Rate		Resolution
		Type	Details	Inside Director	Outside Director	
1st	03.15.2022	Resolution	Approval of the chances in LG trademark use agreement	100%	67%	Approved
2nd	04.26.2022	Resolution	Appointment of the chair of the Related Party Transactions Committee and 1 other	100%	67%	Approved
3rd	06.09.2022	Resolution	Report on H1 2022 related party transactions performance and 1 other	100%	100%	Approved
4th	11.18.2022	Resolution	Approval of transactions with related party and 5 others	100%	100%	Approved
5th	12.23.2022	Resolution	Approval of P7 lease contract	100%	100%	Approved

Protection of Shareholder Rights

LG Display aims to protect shareholders' rights by openly sharing information about its business activities and shareholders' meetings. In January 2021, an electronic voting system was introduced to listen to the opinions of minority shareholders. Shareholders' meetings are conducted annually, and carefully scheduled to avoid concentration on specific dates. In addition, a dividend policy for the 2021-2023 fiscal year has been established to provide predictability and transparency to shareholders and investors. LG Display remains committed to protecting shareholders' rights and enhancing shareholder value through ongoing efforts.

Shareholder Composition and Status

As of the end of 2022, LG Display has a total of 357,815,700 common shares issued. Preferred shares have not been issued, and there are no non-voting shares such as treasury shares or shares restricted from exercising voting rights by law. We follow a single voting right system with one voting right per share of common share. Our largest shareholder is LG Electronics, holding 135.625 million shares, which accounts for 37.9% of the total outstanding shares. Other significant shareholders include the National Pension Service (5.4%) and BlackRock (3.0%). The CEO of LG Display holds shares equivalent to 0.24 times their annual remuneration, while other executives hold shares equivalent to 0.42 times the average annual remuneration. The founders collectively hold 5.32% of the total shares.

Shareholders' Share Ownership Status (As of December 31, 2022)

	Shareholders' Names	Number of shares owned (shares)	Percentage of ownership (%)
Top 5	LG Electronics	135,625,000	37.9%
	National Pension Service	19,362,894	5.4%
	BlackRock	10,668,006	3.0%
	CITI BANK [ADR DEPT]	8,337,244	2.3%
	VANGUARD	4,405,038	1.2%
Registered executive	Hoyoung Jeong (CEO)	15,000	0.0%

※ LG Display does not hold any golden shares for government agencies as of December 31, 2022
※ The stock ownership status of the National Pension Service is as of April 24, 2023

Dividend Policy

We consider various factors such as management performance, cash flow, investment, and financial structure when determining dividends, aiming to enhance shareholder value and provide returns to shareholders. As part of our commitment to shareholders, we have established and disclosed a dividend policy for the 2021-2023 fiscal year. However, in the 2022 fiscal year, we incurred a net loss for the year due to challenging business conditions, which prevented us from distributing dividends.

2021-2023 Fiscal Year Dividend Policy

- We aim to maintain a dividend ratio of 20% based on our consolidated net income.
- The aforementioned dividend policy is subject to potential changes based on various factors, including changes in the business environment and market conditions.
- The specific details regarding dividends for each fiscal year will be determined through the board of directors and regular general shareholders meeting.
- Consolidated net income is calculated based on the parent company's equity and does not include one-time non-regular income.

Shareholder and Investor Communication

Two weeks prior to the general shareholders' meeting, general matters related to the general meeting of shareholders, the date, venue, and agenda are announced through the LG Display website and the Data Analysis, Retrieval, and Transfer System (DART). We provide comprehensive information on corporate management, shareholder composition and status, and financials on our Korean and English websites, as well as through electronic disclosure systems such as DART and KIND, and the U.S. Securities and Exchange Commission (SEC) disclosure system.

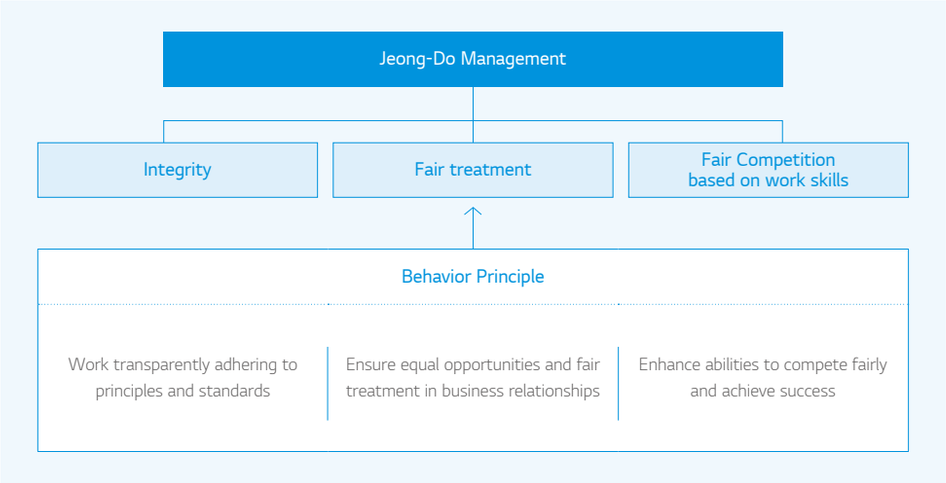
To foster communication with shareholders and investors, we actively engage in various Investor Relations (IR) activities. With the exception of the Cold Period(a restricted period that is not permitted to communicate externally before the earnings announcement), we conduct a range of IR activities including small shareholders meetings, business site visit events, quarterly earnings briefings, and regular non-deal roadshow (NDR) briefings. These activities aim to enhance shareholders' understanding of LG Display's operations and performance. In 2022, we held an average of 8.7 IR meetings per week, both in person and virtually.

Jeong-Do Management

Jeong-Do Management is LG's distinctive guiding principle that emphasizes fair competition through ethical management practices. In addition, we strive to secure transparency in corporate management by establishing a Jeong-Do Management organizational system, conducting related education and cultural dissemination activities, and operating a Jeong-Do Management violation reporting system. We will continue to uphold our honor and pride by faithfully practicing the spirit of Jeong-Do Management while simultaneously enhancing the company's fundamental competitiveness.

Jeong-Do Management Policy

As a guiding principle of our management philosophy, Jeong-Do Management consists of three behavior principles: integrity, fair treatment, and fair competition based on work skills. Through these principles, LG Display aims to create value for customers and practice management that respects people.



LG Code of Ethics

LG has established and shared a code of ethics that serves as the standard for right behavior and value judgment, which all employees must comply with in order to practice Jeong-Do Management. The LG Code of Ethics consists of the declaratory Code of Ethics and the Practice Guidelines, which present specific principles of conduct. We operate relevant regulations and systems based on these guidelines.

SECTION 1
Responsibilities and Obligations to Customers
- Respect for our customers
- Creation of value
- Provision of value

SECTION 2
Fair Competition
- Contributing to the development of society
- Environment protection

SECTION 3
Fair Trade
- Equal opportunity
- Fair trade procedure
- The pursuit of mutual development

SECTION 4
Basic Ethics of Employees
- Basic ethics
- Completing the mission
- Self-development
- Fair performance of duties
- Avoiding conflicts of interest with the company

SECTION 5
Responsibilities to Employees
- Respect for people
- Fair treatment
- Fostering creativity

SECTION 6
Responsibility to the Nation and Society
- Rational business operation
- Protecting shareholders interests
- Contributing to the development of society
- Environment protection

Jeong-Do Management

Jeong-Do Management Activities

Jeong-Do Management Training

LG Display conducts Jeong-Do Management training tailored to each job and position in order to cultivate and internalize Jeong-Do Management knowledge among employees at the company-wide level. These training sessions are provided through online and offline sessions, and tailored to suit the specific roles and positions of our staff, including new hires, experienced employees, managers, and those working overseas. The training is conducted biannually in Korea and annually in China and Vietnam.

Spreading Jeong-Do Management culture

In order to promote understanding and encourage employee participation in Jeong-Do Management, we conduct various promotional activities through channels such as company magazines, newsletters, and blogs. Since 2015, we have been distributing Jeong-Do Management newsletters in local languages at our overseas business sites to share the values and enhance ethical awareness among overseas employees. Furthermore, we have developed our own Jeong-Do Management application, enabling employees to conveniently access and review the Code of Ethics anytime, anywhere, as well as communicate with the Jeong-Do Management Department.

Operation of Jeong-Do Management Portal

We operate the Jeong-Do Management Portal to support our employees to make the right decisions from the perspective of Jeong-Do Management. The portal provides access to Jeong-Do Management principles, including the Code of Ethics, as well as various resources such as the Jeong-Do Management newsletter. Our employees can check various contents such as newsletters, and carry out consultations related to Jeong-Do Management, voluntary reporting, and reporting of sexual harassment, bullying, or corruption in the workplace more easily and conveniently. We plan to systematically and continuously develop all activities to prevent violations of Jeong-Do Management in advance and to correct and improve wrong work practices.

Jeong-Do Management Organization

LG Display has established a dedicated Jeong-Do Management organization to promote ethical management throughout the company. The Ethics Bureau plays a crucial role in investigating reported corrupt acts and conducting evaluations. They also provide Jeong-Do Management training and engage in promotional activities to prevent unethical behavior. The Business Consulting Team 1 and 2 are responsible for evaluating business processes and providing management consulting. The assessment teams in China and Vietnam operate separately and strive to enhance awareness of Jeong-Do Management and create a culture of Jeong-Do Management among employees at overseas sites. They conduct on-site investigations into corruption, process diagnoses, and provide customized training tailored to each location.

Pledge to Jeong-Do Management

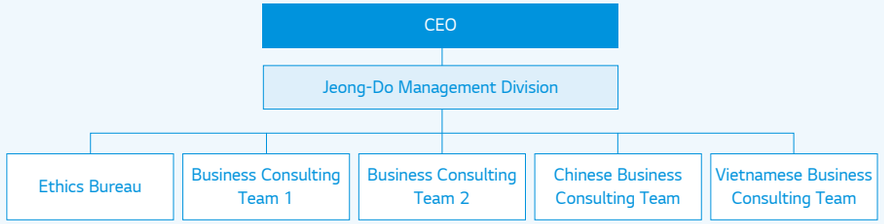
To ensure that all employees understand and adhere to the principles of Jeong-Do Management in their daily work, we annually request them to make a pledge to commit to practicing Jeong-Do Management. This pledge serves as a personal commitment to abide by the company's code of ethics and uphold the principles of Jeong-Do Management. In 2022, a total of 28,124 employees expressed their commitment by writing the pledge. Our suppliers that engage in transactions with LG Display also participate in Jeong-Do Management by signing a similar pledge upon entering into a transaction contract with us.

Reporting System and Protection System for Jeong-Do Management

We have implemented various reporting systems, including a cyber reporting system, to proactively prevent violations of the Code of Ethics and combat corruption. We also engage in activities to address any grievances that suppliers may have during transactions. We strictly ensure the protection of the complainant's identity and report details through measures to completely prevent any harm to the complainant. In the event of any disadvantage, we make it a priority to restore the damage or provide appropriate compensation. Moreover, we have implemented an Anti-corruption Reporting Reward Program to incentivize employees and external complainants, aiming to practically eliminate corrupt behaviors and promote an environment for reporting corruption.

Practices Subject to the Cyber Reporting System

1. Receiving gratuities from stakeholders.
2. Unfair equity participation in suppliers.
3. Lack of transparency in the selection of suppliers.
4. Illegal or unfair use of company assets.
5. Manipulation of documents and false reporting
6. Sexual Harassment and bullying
7. Other violations of the Code of Ethics



Risk Management

LG Display is committed to ensuring the stability of its business operations by proactively identifying and addressing various risks that may arise in the course of business activities and corporate operations. We categorize risks by area and function, such as finance, compliance and ethics, ESG, and business operations. Through this approach, we enable the relevant business departments to actively identify and manage risks, thus implementing effective risk management practices.

Risk Management Governance

At LG Display, we proactively identify and manage internal and external risks at departments in charge of each area and function, such as finance, compliance, ethics, ESG, and business activities. Our relevant departments conduct risk analysis and assessment to derive issues and develop countermeasures. We are committed to promptly responding to the rapidly changing business environment through department-led risk identification and management.

Risk Management Activities

LG Display actively monitors each department and manages risks related to business operations, such as production shutdowns and delays in technology development, as well as risks related to business management, such as workplace safety accidents and confidential information leaks. Key potential risks are selected based on their likelihood and business impact. The company identifies and manages factors that contribute to long-term growth and financial performance. Risks associated with stable business operation and reputation, such as safety, finance, compliance, and environment, are included in the KPIs of executives and relevant departments for more proactive management. Regular education and training are provided to employees to establish a risk management culture, emphasizing the importance of risk management in their daily lives through emails and internal promotional videos.

Category	Major Risk
Production shutdown	• Utility supply interruption (electricity) • Logistics disruption
Information security	• Leakage of key technology and key trade secrets
Information system failure	• Information system shutdown • Hacking and virus
Environment and health	• Gas and chemical leakage in factories • Environmental pollution • Climate action

Category	Major Risk
Safety accidents	• Major casualties • Occupational accidents • Infectious diseases
Production infrastructure accidents	• Fire explosion
Stakeholder conflict	• Internal conflicts (labor disputes, sabotage, strikes) • External conflicts (large-scale claims)

Potential Risks

We have identified potential risks that are expected to have a significant impact on the stability and sustainability of our business. Our plan is to analyze the business impact of each potential risk and implement response activities to effectively mitigate these risks.

Category	Risk	Business Impact	Response Measures
Business manage-ment	Financial risk	• Sudden changes in interest rates, exchange rates affect business profitability	• Perform continuous response to foreign currency position management and exchange risk measurement
	Information leakage	• Leakage of confidential information may encroach on the OLED market • Decline in corporate competitiveness	• Conduct education and publicity activities for employees on the necessity of thorough information management • Establish a monitoring system for employees' unusual behavior
	Environment and safety accidents	• Loss of employee engagement and trust due to unsafe working environment • Loss of reputation from customers, investors, and communities	• Take improvement measures in safety management for employees • Advance regular environmental safety monitoring system
	Risk of heatwaves	• Increased operating costs due to increased power usage of facilities such as refrigerators	• Reduce power consumption by improving refrigerator efficiency • Improve Energy efficiency through diagnosis of workplace facilities and processes
Business operations	Supply chain issues	• Bottleneck due to US-China conflict, COVID-19, etc. • Human rights violations in the supply chain and the impact of conflict minerals pose a risk of sanctions to key stakeholders	• Establish a proactive response system by expanding the scope and target of supply chain due diligence • Expand the scope of partners for competency reinforcement training
	Delays in the development of eco-friendly technologies	• Failure to meet customer requirements for eco-friendly technology impacts orders • Decline in market competition for eco-friendly technologies	• Expand R&D investment to foster businesses that will drive the future market • Recruit key talent to lay the foundation for rapid technology development
	War provocation by North Korea	• Destruction of major facilities in Paju and Gumi • Suspension of logistics processes such as airports and ports • Restriction of business activities due to death or evacuation of employees	• Establish a phased response plan in case of emergency • Establish a stable operation plan for domestic and overseas production • Find alternative transportation routes and methods • Establish employee protection plan

Crisis management

LG Display is committed to enhancing its crisis response capabilities, such as responsibilities, authorities, and processes, by maintaining an effective crisis management system and related organizations. We proactively identify and prepare for potential crises that may arise in our management activities. In the event of a crisis, we have established a prepared system for swift and transparent communication, preventing its escalation and ensuring prompt restoration. Furthermore, we strive to prevent crises from occurring in the first place by implementing proactive measures.

Crisis Management Principles

LG Display continuously enhances its crisis management system, guided by the principle of "prompt and systematic responses to overcome crises to secure stakeholder trust and early restoration of business activities." In line with this principle, employees diligently carry out their roles and responsibilities in crisis management, including strict adherence to the following policies.

Crisis Management Policy

- We prioritize life and safety in all circumstances.
- We respond quickly with clear standards and procedures, and share and spread information transparently.
- In the event of an accident, the relevant organizations, including the Accident Management Division, proactively respond to minimize damage and bring the situation to a swift recovery.
- We conduct preventive activities for the types of incidents and enhance our crisis response capabilities through regular education and training.
- We continuously maintain the crisis management system to ensure its effectiveness in response to changes in the internal and external environment.

Crisis Management Organization and Intensive Management

LG Display operates the Crisis Management Committee, which is a meeting body that manages and supervises the company-wide risk management system and consists of subcommittees by area and specialized organizations at the HQ. In the event of an accident or crisis, we promptly form an emergency response committee tailored to the specific type and situation, with relevant executives at its core. This enables integrated command and situation management at the company level, facilitating early recovery.

To ensure effective management of incidents, we have identified specific incident types that require company-level attention and intensive management. As a result, we have established dedicated divisions for each area to oversee their management. These divisions actively engage in preventive activities and continuously enhance our crisis response capabilities through repeative drills and training sessions. Our goal is to consistently assess the target and scope of management in accordance with internal and external business conditions while strengthening our ability to execute crisis management with a preventive and prepared mindset.

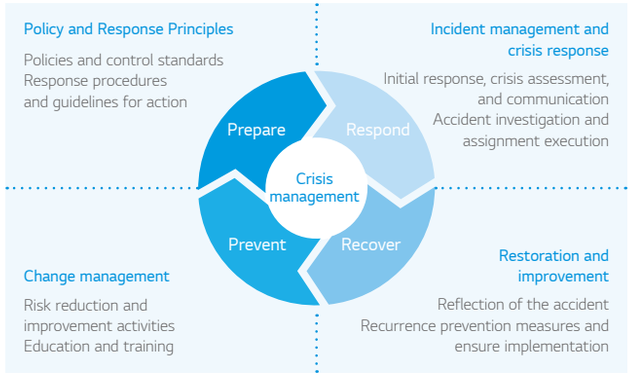
Incidents that Require Intensive Management

Area	Incident type
Safety and environment	Safety accidents, chemical leaksfiresexplosions, infectious diseases, occupational diseases,violations of laws and regulations
Quality	Product performance issues
Information security	Trade information leakage, breaches, IT system disasters
Public relations	Unfair trade (including abuse of power)
HR and labor relations	Sexual harassment and bullying
Supply chain	Raw material supply constraints, transportation restrictions and suspensions, production suspensions

Crisis Management Response Procedures

We conduct crisis management and incident response through procedures such as sign detection, crisis judgment, the establishment of response plans, implementation of inspection, and change management based on the types of accidents. When detecting signs and trends of crises, we prepare for them through inspection and precautionary measures. In the event of an accident or crisis, we quickly recognize the situation through simultaneous incident propagation and reporting, and identify damage impacts and potential issues to determine whether there is a crisis. Then, in accordance with the principle of prioritizing human life, we promptly respond initially and take measures to prevent the spread of the damage and secondary damage. In addition, we identify the root cause through objective accident investigation and establish and implement crisis response action items, including measures to prevent a recurrence. Finally, we check and conduct change management until full recovery phase.

Crisis Management Process



Compliance

Compliance System

Compliance Management

With the growing demand for transparency and fairness in corporate management worldwide, compliance management has emerged as a critical element in determining a company's global competitiveness. In this business environment, LG Display is promoting compliance management to establish a foundation for survival and practice sustainability management. In 2022, we emphasized the significance of compliance management to all stakeholders, including our employees, through a CEO message. We remain dedicated to monitoring and evaluating compliance risks, conducting training programs, and becoming a trusted company among diverse stakeholders while enhancing corporate value.

Compliance Risk Management System

In accordance with the Commercial Law, we identify, analyze, and evaluate all applicable laws and regulations for its business activities, assess potential risks related to business operations and organizational functions, and implement control measures to mitigate compliance risks. We conduct annual evaluations of our compliance control system and report the results to the Board of Directors to ensure continuous improvement in compliance risk management. Furthermore, taking into account recent court precedents of each country recognizing the monitoring obligations of directors in compliance matters, we have conducted an evaluation of our compliance management system based on the Evaluation of Corporate Compliance Programs (ECCP)[1] in the United States and implement to enhance its effectiveness.

Key Management Areas

1) Guidelines established by the U.S. Department of Justice for corporate compliance frameworks, which play a significant role in determining the prosecution and sentencing of corporate crimes

Compliance Activity

Compliance Risk Monitoring and Inspection

Every year, we select major risks based on the likelihood and impact of occurrence for effective compliance risk management. We also conduct compliance inspections and training for the selected risks. In 2022, we implemented precision monitoring using the latest inspection methodologies to further strengthen compliance risk management. Additionally, we conduct voluntary compliance inspections through the Compliance Portal to promote compliance risk management among employees. In 2022, we carried out voluntary compliance inspections for Korean and Chinese sites and completed improvement tasks based on the inspection results. Moving forward, we plan to expand compliance inspections through the Compliance Portal to all domestic and overseas sites.

Sanctions and Reward

All employees at LG Display are required to adhere to work-related laws and regulations in the performance of their duties. Non-compliance is not tolerated under any circumstances, and the company enforces disciplinary actions and penalties in accordance with established compliance control standards in the event of a compliance violation. Additionally, we have implemented a reward system to recognize and incentivize employees who demonstrate steadfast adherence to relevant standards, thereby contributing to the prevention and reduction of company losses. In this regard, Article 23 of the Compliance Control Standards (Employee Rewards) stipulates that compliance officers may propose rewards or promotions for those who are deemed to have contributed to the prevention and reduction of damages to the company by faithfully complying with the compliance control standards. Our environmental, safety, and health organizations have specific compliance-related objectives, and rewards are tied to the achievement of those goals.

Compliance Management System Certification

In 2022, LG Display achieved a significant milestone by becoming the first company in the global display industry to obtain ISO 37301 certification. ISO 37301 is an international standard established by the International Organization for Standardization (ISO) in April 2021, which validates the effectiveness of a company's compliance policy and risk management system at a global level. Our ISO 37301 certification encompasses all domestic business sites and covers key areas such as fair trade, anti-corruption, corporate governance, product quality, and human resource management. This certification recognizes our commitment to implementing effective compliance management practices and enhances the transparency and reliability of our management activities for all stakeholders, including customers.

bsi.
Certificate of Registration
COMPLIANCE MANAGEMENT SYSTEM - ISO 37301:2021
...making excellence a habit.

ISO 37301 Certification

Compliance

Compliance Activity

Establishing a Culture of Compliance

Training

LG Display places great emphasis on compliance training to ensure that all employees are well-equipped to identify and address legal risks associated with their work. Topics such as anti-corruption, fair competition, and conflict of interest are covered in these training sessions. In response to the increased demand for online training following the COVID-19 pandemic, we have expanded the scope of online compliance training. In 2021, online compliance training was conducted for all office workers in Korea, followed by global office workers in 2022, and in 2023, we are conducting online compliance training[1] and job-specific training[2] for all employees worldwide. In addition to online training, we will expand customized training for departments with major risks to strive for job-specific compliance risk management.

Newsletters and Legislation Monitoring

We share compliance newsletters with employees across the company on various topics to naturally internalize compliance management within the organization. We monitor monthly revision trends of domestic and foreign laws and regulations to ensure quick incorporation into business procedures, which are then shared through an easily accessible compliance portal for all employees.

Guidelines

Our business operations are guided by compliance guidelines in fields such as fair trade, anti-corruption, human resource management, and safe environment. These guidelines provide clear direction to employees on identifying potential legal risks during their job performance and acting appropriately in such situations.

Anti-bribery and anti-corruption Policy

Anti-bribery and anti-corruption Management Activities

LG Display, as a company listed in both Korea and the United States and operating globally, complies with anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. We strictly prohibit bribery or corruption and have established pre- and post-bribery control procedures to manage corruption risks and maintain the trust of our stakeholders. We have developed global guidelines for bribery and corruption prevention, which outline the requirements for compliance by employees. Every year, all employees are required to complete a pledge to comply with anti-bribery laws and undergo relevant compliance training. To ensure ongoing compliance, voluntary compliance inspections are conducted annually under the supervision of the Compliance Department to identify any related risks. Given that bribery and corruption risks have a significant impact on corporate compliance management, we remain vigilant in managing these risks effectively.

1) Detailed topics include anti-corruption, fair competition, anti-harassment and discrimination, prohibition of use of undisclosed information, conflict of interest, international sanctions, intellectual property protection, information protection, and reporting of violations
2) Cartel prevention training before dispatching expatriates, purchase subcontracting risk training, etc.

Financial Stability

LG Display drives market leadership by continuously developing innovative products, leveraging its differentiated technology and reliable production capabilities. In particular, according to the business structure advancement strategy, while maintaining a strong focus on the B2B sector to ensure stable business operations, we are strategically rationalizing operations and emphasizing high-value-added areas in the B2C sector, which is susceptible to supply and demand fluctuations. Additionally, LG Display actively explores innovative approaches and creative initiatives to tap into emerging markets and identify potential customer opportunities. With a commitment to creating a growth engine for our management activities, we strive to generate consistent profits by innovating customer value, and discovering future growth engines, accelerating the transitions of our business structure towards OLED technology.

Sales

In 2022, the market experienced a decline in consumer sentiment due to the challenging macroeconomic environment, resulting in a slump in demand for major product lines. This had a significant impact on the high-end TV and IT sectors, where LG Display holds strengths. In addition, panel prices continued to decline throughout the year, further worsening the market situation in the display industry. Consequently, our annual sales in 2022 decreased by 12% year-on-year to 26,151.8 billion won, with overseas sales accounting for 97.4% of the total.

Recognizing that an unfavorable market environment may be prolonged, we prioritize business structure advancement and financial soundness recovery to prepare for the future, and are concentrating our internal capabilities on this. As part of this effort, we are focusing on enhancing our B2C businesses, which are sensitive to fluctuations in supply and demand, such as LCD TVs, by shifting towards high-value areas and developing a more rational operating system that can respond effectively to market volatility. Additionally, we are expanding our B2B businesses, including Auto and P-OLED Mobile, which provide a stable business operation through close collaboration with clients on investment, logistics, and pricing. In 2022, the proportion of sales from these B2B businesses increased to 30%, and we anticipate it to reach the early 40% mark in 2023 and exceed 50% in 2024. Moreover, we are continuously developing emerging market products with high growth potential, such as transparent OLED and gaming, by exploring creative and diverse approaches to identify potential customers.

As a result of our business structure transformation, the proportion of OLED sales, including medium and small-sized products, has grown from 32% in 2021 to 40% in 2022, and we anticipate it to exceed 50% in 2023. Along with intensive self-rescue efforts to recover a stable profit structure, we will promote major tasks to advance its business structure, strengthen business competitiveness and accelerate innovative growth.

Sales Performance

Unit : KRW 100 million

Business division	Type of sales	Product	Type	2020	2021	2022
Display	Product sales	Display panel	Overseas	233,118	292,042	256,507
			Domestic	9,053	6,207	6,679
			Total	242,170	298,249	263,186
	Royalty revenue	LCD and OLED technology patents	Overseas	142	140	124
			Domestic	0	0	0
			Total	142	140	124
	Other sales	Raw materials, parts, etc.	Overseas	235	273	234
			Domestic	68	119	103
			Total	303	392	337
Total			Overseas	233,495	292,455	256,865
			Domestic	9,121	6,325	6,782
			Total	242,616	298,780	263,647

※ 2020 financial statements are revised as the changes in accounting policies are retroactively applied
※ Sales are categorized as either overseas or domestic based on the destination. In 2022, the total sales were 26,151.8 billion won, but the above data excludes 213 billion won from currency futures derivatives hedging losses reclassified as sales for cash flow hedging of expected export transactions.

Financial Stability

Business Performance by Business Division

LG Display has made the decision to downsize its LCD TV business, which has been impacted by oversupply in the market. Sales of OLED TV sets, which experienced significant growth in 2020-2021, also slowed down in 2022 due to various factors such as the Russo-Ukraine war, interest rate hikes, and inflation, which led to weakened consumer sentiment. As a result of lower demand and reduced LCD sales prices, the TV business experienced a 26% decline in sales compared to the previous year.

In contrast, the sales of IT devices saw a significant increase in 2020 and 2021, driven by the shift to telecommuting and online classes due to environmental changes triggered by the COVID-19 pandemic. However, in 2022, consumer confidence weakened due to the macroeconomic environment worsened, and the impact of COVID-19 weakened, leading to a reversal in the growth of IT device sales. LG Display's IT business sales decreased by 10% year-on-year, influenced by lower demand, inventory reduction policies in the downstream industry, and declining panel prices. Despite these challenges, LG Display maintained a relatively high market share in the high-end market by offering differentiated products based on advanced technologies like oxide TFT, IPS, and high-resolution displays.

On the other hand, mobile and other product sales experienced a 3% year-on-year growth, driven by the smartwatch and automotive segments. The auto business, in particular, emerged as a new growth engine, with a 20% increase in sales compared to the previous year. The proportion of sales from the auto segment within the company also grew from 5% in 2021 to 7% in 2022.

In response to the rapidly changing market environment, LG Display is adjusting its business structure and increasing the focus on B2B segments that offer relatively stable operations and relatively low volatility. The company plans to target new markets by leveraging its strengths in gaming and transparent panels, and aims to strengthen its product portfolio to establish a stable profit structure.

Sales by Product

Unit : KRW 100 million

Category	2021	2022	Variation	YoY
TV	94,662	69,753	-24,909	-26%
IT	124,587	111,979	-12,608	-10%
Mobile	79,531	81,915	2,384	3%
Total	**298,780**	**263,647**	**-35,133**	**-12%**

※ Sales are categorized as either overseas or domestic based on the destination. In 2022, the total sales were 26,151.8 billion won, but the above data excludes 213 billion won from currency futures derivatives hedging losses reclassified as sales for cash flow hedging of expected export transactions.

Share of Sales by Product

Category	2021	2022	Variation
TV	31.7%	26.5%	-5.2%p
IT	41.7%	42.5%	0.8%p
Mobile	26.6%	31.0%	4.4%p

Tax

LG Display ensures compliance with tax laws and regulations, both at its headquarters and across its various overseas business sites. We actively identify, address, and manage tax-related risks, including tax avoidance and revenue transfer, while faithfully fulfilling our tax obligations.

Tax Management Policy

As a responsible global company operating in eight countries, including Korea, LG Display has implemented tax management policies that prioritize compliance and transparent management practices. Our goal is to proactively address potential risks that may arise from variances in tax laws and interpretations between countries, ensuring responsible tax practices through compliance with laws, timely filing, payment, and effective risk management.

Regulation Compliance

- LG Display complies with the tax laws and regulations of the countries where it operates, acting in accordance with its tax management policy and emphasizing a spirit of compliance.
- We establish and apply a transfer pricing (TP) policy that aligns with global standards, taking into account the functions and risks associated with each legal entity.
- We strictly prohibit income transfers between countries through exploiting tax structure differences, refrain from engaging in tax avoidance transactions and utilizing tax havens, and uphold the principles of taxpayer responsibility and good faith.
- We do not engage in unjustified tax reduction or utilize tax structures without commercial substance.

Tax Payment

- All transactions are reported and taxes are paid within the legal deadlines of each respective country.
- Upon request from the tax authorities of each country, we promptly provide relevant facts and evidence to the extent allowed by law.

Risk management

- We prioritize early identification of tax issues to mitigate and resolve uncertainties.
- We employ tax experts who possess knowledge and understanding of LG Display's business, allowing us to recognize variations in tax laws across different countries and proactively mitigate tax risks.

Tax Management Activity

Management Method

We conduct various transactions in various countries and operate specialized departments to respond to the changing international tax environment. In order to proactively manage and minimize tax risks, we establish internal regulations and processes and actively engage tax experts in each country when necessary. In the event of changes in related laws, such as the announcement of revised tax laws or the creation of precedents, we monitor the applicable contents for the company and address potential risks in advance. Intra-Group transactions are conducted based on the Arm's length price principle, which is regularly updated to reflect changes in the business environment. Furthermore, we provide timely information to tax authorities upon request and actively work towards their resolution.

Disclosure of Corporate Tax History

We disclose our business reports and audit reports through the Data Analysis, Retrieval, and Transfer System (DART) to ensure transparent disclosure of information. These reports provide detailed information on local site names, major activities, and revenues, with the exception of corporate tax expenses. We also regularly disclose our tax-related obligations, including effective tax rates, through the business report and annual report (Form 20-F) submitted to the SEC. To ensure transparent disclosure of tax information, important tax returns undergo a final review by the company's internal and external accounting firms.

Corporate Tax Expense Status

Unit : KRW Million

Category	2019	2020	2021	2022
Pre-tax profit	(3,344,242)	(602,446)	1,718,885	(3,433,370)
Corporate tax expenses	(472,164)	(526,299)	385,341	(237,785)
Effective tax rate	-	-	22.42	-

※ The effective rate cannot be calculated due to deficits in 2019, 2020, and 2022

Number of employees

Unit : person

Country	Number of employees	Country	Number of employees
Korea	29,274	Germany	65
China	21,117	Japan	68
Vietnam	18,903	Taiwan	90
United States	110	Singapore	29
		Total	69,656

※ Based on employees working in the tax jurisdiction as of December 31, 2022

R&D and Quality Management

LG Display strives to lead the market by developing innovative products with advanced technology and stable production capabilities. Through organizational restructuring in response to changes in the business environment, we are striving to strengthen core competencies and preoccupy future business opportunities. We aim to achieve sustainable profitability by delivering value to customers, transitioning towards OLED, and seeking new growth opportunities.

Research and Development System

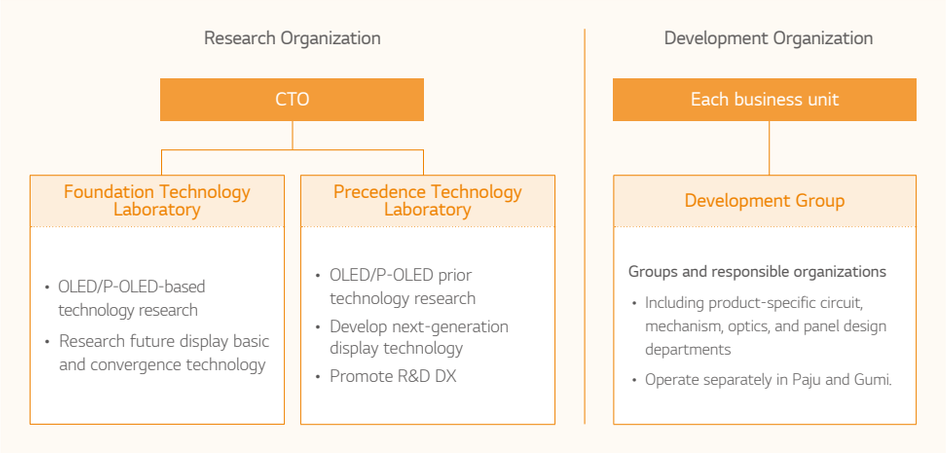
R&D Strategy System

LG Display leads the global market through creative and innovative products, new and future technologies, and timely development of differentiated product technologies that can drive market trends. Thorough R&D activities on new models and technologies enable us to create customer value and develop products with high yield, high quality, and high profitability. Our R&D organization comprises research institutes and development organizations. Under the supervision of the Chief Technical Officer (CTO), the research institutes conduct technology research and development to enhance current business competitiveness and prepare for the future through future foundation technology research and prior technology research. The product development organizations, dedicated to each product line such as TV, IT, and Mobile, operate separately in Paju and Gumi to lead the development of products tailored to their respective characteristics.

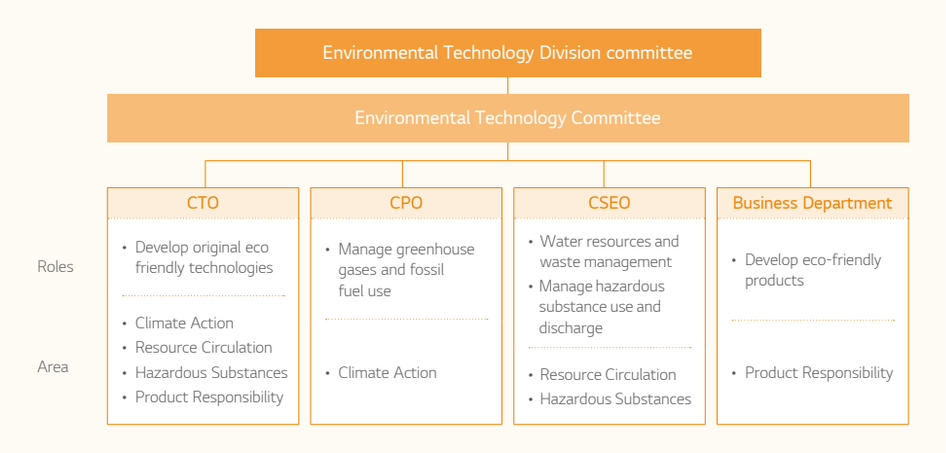
Environmental Technology Strategy System

We strive to ensure eco-friendly products and manufacturing competitiveness by minimizing negative environmental impacts from the raw materials stage and actively contributing to greenhouse gas reduction through technological advancements. To achieve this, we have implemented a performance evaluation system for environmental technology tasks and strengthened our environmental technology risk management function. The environmental technology area is classified into four categories: climate action, resoure circulation, hazardous substances, and product responsibility. We assign champion organizations to each area to oversee task identification and management. Furthermore, the Environmental Technology Committee and Division committee facilitate decision-making on common issues and strategies among organizations through a dedicated promotion system.

R&D System Organization Chart



Environmental Technology System Organization Chart



R&D and Quality Management

Research and Development Activities

Eco-friendly OLED display

Starting with the OLED TV panel in November 2020, our P-OLED for vehicles was certified as an eco-friendly product by SGS in Switzerland in December 2022. As OLED displays prioritize reducing harmful substances, enhancing resource efficiency, and promoting recyclability, they are considered eco-friendly products. We are dedicated to strengthening our business foundation and exploring new markets with a focus on customer value through business transformation. In the large-sized displays, we are focusing on mainstreaming OLED through differentiated products such as OLED.EX and Cinematic Sound OLED, and are leading the expansion into new business areas such as transparency and games. In the small-sized displays, we are increasing our production capacity and ensuring stable operations for sixth-generation P-OLED-based smartphone displays. Additionally, we are actively promoting the expansion of our OLED business in automotive displays.

R&D Performance

Research project	Details
Developed the world's first OLED TV 97-inch product	Flat and bendable TVs that cater to diverse needs, providing a wide range of form factors for enhanced versatility
Developed the world's first product with META technology (Gaming: 27-inch to 45-inch, TV: 4K 77, 65, 55-inch, 8K 77-inch)	Entering the gaming monitor market through the development of META OLED technology and strengthening its flagship leadership in the premium TV market 1) Gaming (27 inch and 45 inch) : High-PPI MNT luminance performance based on META technology, provides high-speed drive (240Hz), high-speed response (0.03ms), and optimized display for gaming through curved technology 2) Large TV (4K·8K): The world's highest performance of luminance and viewing angle with META technology

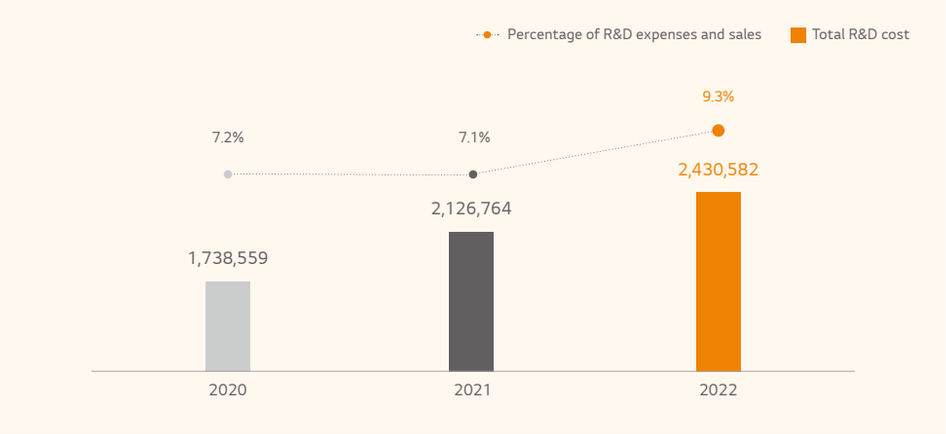
※ Source : 2022 Business Report

Investment in R&D

Our R&D expenditure accounts for approximately 9% of sales, enabling us to continually create customer value through effective R&D activities for new products and technologies. With a competitive R&D system, we lead the display industry by delivering differentiated value in various product areas, including TV, IT, mobile, and automotive/industrial applications, utilizing OLED and TFT-LCD technologies.

R&D Expenses

Unit : KRW million/%



Intellectual Property Rights Status

LG Display has actively acquired patents for R&D technologies to ensure technological competitiveness in products like OLED and LCD. In 2022, we obtained 2,372 domestic patents and 2,164 overseas patents. As of December 31, the total number of accumulated domestic patents reached 25,468, while overseas patents amounted to 32,469.

R&D and Quality Management

Research and Development Activities

Sponsoring Campus Patent Universiade (CPU) Competition

LG Display serves as a sponsor company for the Campus Patent Universiade (CPU) competition organized by the Korean Intellectual Property Office. This sponsorship aims to nurture intellectual property talent required by businesses and contribute creative ideas to the industry. LG Display actively participates in developing questions, judging, and providing award support in the competition to foster human resources in universities linked to our industrial field.

In 2022, LG Display presented three questions in different sectors of the competition. These questions covered topics such as establishing a product commercialization strategy using Flexible Vibration Module (Cinematic Sound OLED), patent analysis related to low-temperature polycrystalline oxide (LTPO) display and soluble display technology, and developing a strategy for building a comprehensive patent portfolio. As judges, we reviewed the answers submitted by various leading universities, shared various ideas to undergraduate and graduate universities, and had valuable interactions with students and educational institutions. We also included the competition questions in the CPU Practice Guidebook, published by the Korea Invention Promotion Association targeting students, to facilitate student participation.

Furthermore, LG Display selected and supported 10 outstanding teams from the CPU competition, including recipients of the Minister of Science and ICT Award, Excellence Award, and Encouragement Award. We also offered opportunities for college students to enter the workforce through the CPU Recruitment Service, which provides preferred employment options at CPU sponsoring organizations.

In 2022, two of our new employees were winners of the 2019 CPU competition and they are currently contributing their talents at LG Display. Going forward, we will continue to collaborate with the Korean Intellectual Property Office and The National Academy of Engineering of Korea to actively support the development of exceptional talents in the field of intellectual property.

2022 Campus Patent Universiade award ceremony

2022 Campus Patent Universiade awards ceremony poster

R&D and Quality Management

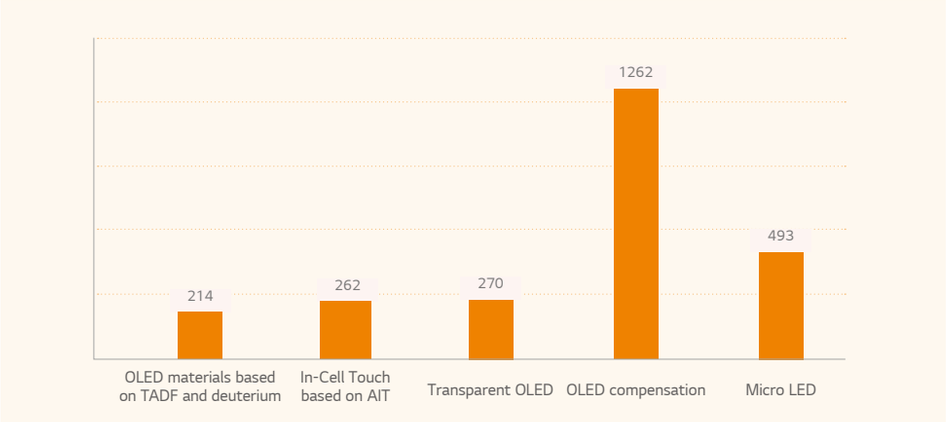
Research and Development Activities

Competitive Environmental Improvement-Linked Technology Patent

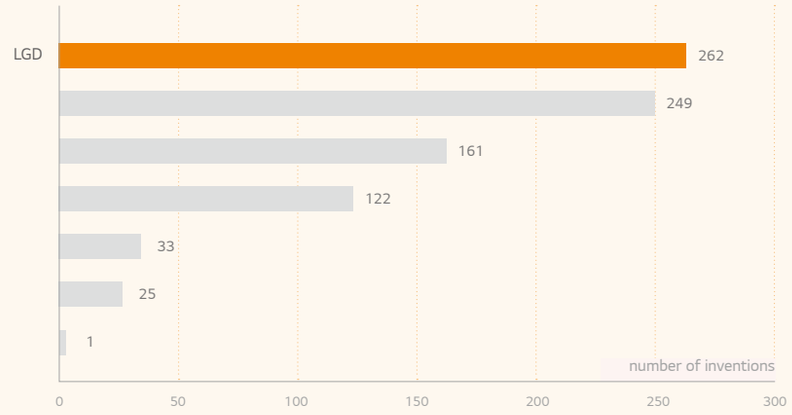
In order to establish our position in the display industry, we engaged an external consulting firm to assess the competitiveness[1] of five promising technology areas.[2] These areas were identified based on their potential to address key factors such as reducing hazardous substances, improving lifespan and durability, reducing power consumption, enhancing ease of repair, safe disposal of process residues, recycling, and resource conservation.

The analysis revealed that LG Display ranked highest in the in-cell touch technology category in terms of securing quantitative patents, which enables resource savings and power consumption reduction through internalized functions. We also achieved top rankings in the category of OLED materials and transparent OLED technology. In terms of patent strength, as evaluated by the Derwent Strength Index (DSI) conducted by the external consulting firm, LG Display excelled in the Micro-LED technology category, known for its potential to reduce harmful substances and enhance longevity and durability. We also demonstrated strength in OLED materials, In-Cell Touch, and OLED compensation technologies.

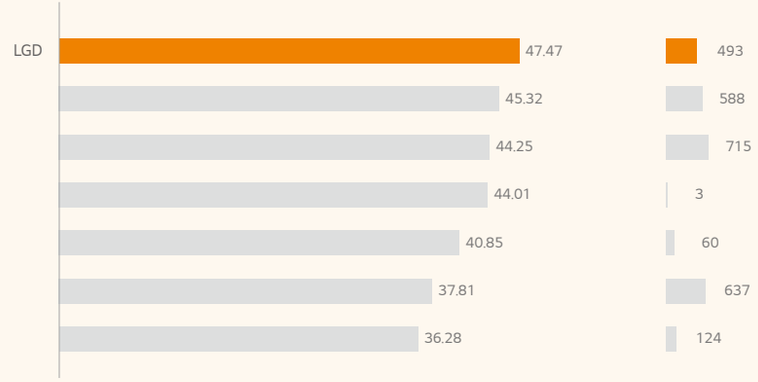
Through this comparison with other companies, we identified areas that require improvement regarding patent acquisition in OLED materials, transparent OLED, and micro-LED technology, and we remain committed to enhancing our efforts in these areas. Going forward, we plan to establish a virtuous cycle that considers environmental factors not only in the R&D but also in the realm of patents, through regular evaluations.



In-Cell Touch based on Competitor's Volume for AIT
Inventions filled, 2012-2022



Portfolio's Strength(DSI) Score for Micro LED
Average DSI per assignee ; Sorted by highest to lowest



1) Major display manufacturers worldwide applied for patents in the above five technology fields between 2012-2022
2) OLED Material, In-Cell Touch, Transparent OLED, OLED Compensation, Micro-LED

R&D and Quality Management

Quality Control Strategies

Direction of Quality Control

Ensuring product quality is key to enhancing market competitiveness. To achieve the goal of being the global leader in quality and driving customer value innovation, LG Display has implemented a quality promotion strategy and established a distinct quality assurance system to facilitate quality improvement initiatives. We have dedicated organizations that specialize in quality management and have established an integrated quality workflow system supported by a computer system. This enables us to maintain and enhance product quality standards while ensuring efficient quality control processes.

Quality Assurance Strategy

We continue to advance our quality assurance system based on desirable quality standards and systems in order to innovate customer value. In particular, we strive to provide the best quality and service to our customers through five quality promotion strategies: establishing an advanced quality verification system, advancing the development quality verification process, improving quality work based on digital transformation (DX), establishing an active customer response system, and implementing a continuous improvement system for quality costs. In 2023, we will focus on securing quality competitiveness, establishing a differentiated quality assurance system, and promoting quality improvement activities in our B2B business, specifically in the PO Phone and watch products.

Quality Control Organization

Dedicated Quality Control Organization

We operate dedicated quality control organizations for each product, production stage, and region to ensure quality and provide customer satisfaction. We also have a advanced development quality organization to ensure the perfection of quality in new technologies and optimize inspection and test standards. Furthermore, we strengthen the quality management system at all of our business sites and improve process efficiency to optimize quality costs and delivery times.

Headquarters	Overseas
Quality Management Center (advanced quality, quality innovation)	Guangzhou Quality Department (TV, Monitor)
Large Display Quality Division	Nanjing Quality Department (Laptop, Tablet, Auto)
Medium-Small Display Quality Division	Vietnam Quality Department (TV, S/Phone, S/Watch, Auto)
Auto Quality Department	Yantai Quality Team (S/Watch)

Quality Control Activities

Establishment of Quality Visibility System (QVIS)

We have implemented an integrated Quality Visibility System (QVIS) to detect and address quality issues more efficiently. This system allows us to iidentify the cause of quality issues through real-time anomaly detection and cause tracking in all areas, from system-based development to mass production. By doing so, we minimize the cost of quality loss and continuously enhance customer satisfaction with our quality response. QVIS was focused on the mass production area until 2022, but starting from 2023, we are expanding its implementation to include the development area.

Operation of Quality Management System Based on Standards and Audits

We have established the implementation standards of the quality management system and prepared a standardized guide. We enforce the creation of implementation guides and standardized registration, and we share them with the entire company through the internal standard management computer system. We always maintain and manage the latest version of these documents. Furthermore, we have established our own quality assurance system to provide implementation guidance. We promote a higher standard of the quality system through regular execution checks and pre-quality audits.

International Quality System Certification

To promptly address customer demands and adapt to market dynamics, we obtained international quality standard certifications and continuously update them. These certifications have allowed us to implement a standardized global quality management process, ensuring consistent quality for both domestically manufactured and overseas-produced products. Our Paju site holds ISO 9001 (Quality Management System) certification, while the Gumi site is certified with ISO 9001 (Quality Management System) and IATF 16949 (Automotive Quality Management System). Both sites undergo annual follow-up audits, and the certifications are renewed every three years.

ISO 9001 for Paju Complex

ISO 9001 for Gumi factory

IATF16949 for Gumi factory

Management Innovation

LG Display aims to secure future growth engines through innovation activities based on tasks and employee participation. We will continue striving to innovate in all aspects of our business through the participation of various stakeholders.

Management Innovation Activities

TDR Activities

At LG Display, we follow a unique system called tear down and redesign (TDR). This innovative approach involves bringing together experts from various fields to work on a specific project for a certain period of time, aimed at solving specific problems. Through TDR activities, we achieve results in various areas, including the development of innovative products, advancements in new technologies, and improvements in quality and productivity. Every year, we utilize TDR activities to apply new technologies and processes, demonstrating digital transformation and taking the lead in the market. We pursue challenging goals that go beyond general improvement.

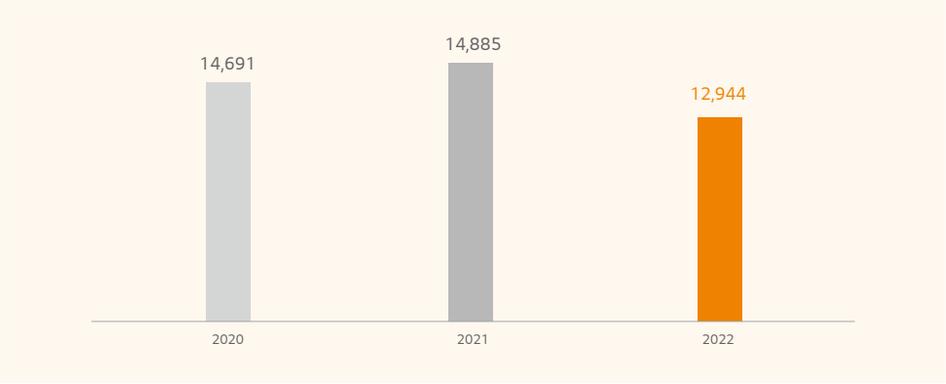
In 2022, we carried out 28 TDR activities and achieved significant milestones, such as enhancing OLED TV image retention, developing new oxide devices, and creating foldable 17-inch products. To prepare for the future, we are expanding our focus on OLED and working on the development of IT OLED, transparent displays, and micro LED, which represent the next generation of display technologies and products. Our commitment to continuous innovation allows us to maintain leadership in the display market.

Employee Suggestion Program

At LG Display, we operate the Employee Suggestion Program based on the belief that each idea brings together great innovation. Awards are given for excellent ideas and suggestions to encourage active employee participation. As a result, more than 12,000 suggestions are registered and improved every year, resulting in cost savings of approximately 40 billion won. Additionally, the Idea Bank compiles a database of best practices, allowing all employees to use past examples as references when solving problems. Through this system, we promote continuous internal improvement activities, enabling individuals and organizations to develop and change themselves.

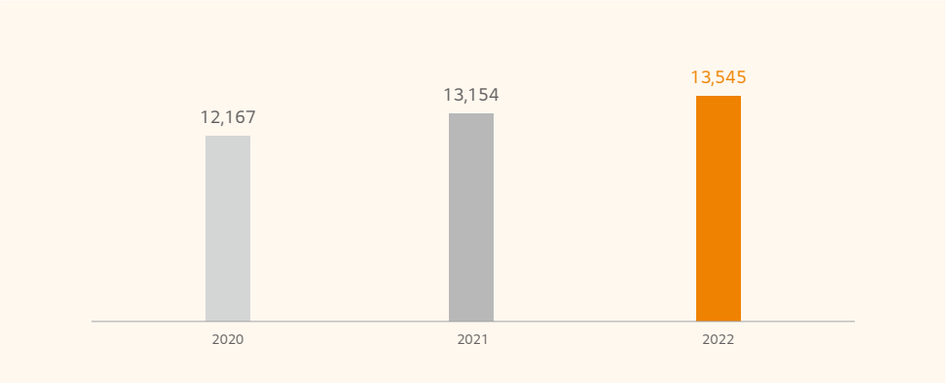
Number of Suggestion Registrations

Unit : case



Number of Idea Bank Registrations (Cumulative)

Unit : case



Management Innovation

Management Innovation Activities

Accelerating startup company, Dream Play Program

Dream Play is a program that discovers startups with innovative technologies in the display industry and nurtures partners who will lead the future display industry together with us. Participants are provided with opportunities to carry out proof of concept (PoC)[1] collaboration tasks with our R&D departments and receive technical mentoring. We also support PoC verification costs of less than 100 million won and facilitate follow-up business collaborations and equity investments.

Since its introduction in 2018, Dream Play has selected and nurtured 13 companies in the first year, 5 companies in the second year, 4 companies in the third year, and 4 companies in the fourth year. These partnerships have resulted in new technology linked to current business, equity investments and further cooperation in the development of new technologies for next-generation displays. In the fourth year, which started in January 2022, the program expanded its focus to various display applications and successfully selected four companies. It aimed to discover business partners and explore new markets.

In December 2022, we comprehensively evaluated corporate capabilities, business feasibility of PoC tasks, and collaboration effects, and discovered four additional companies in the 5th term. The fifth year's recruitment field includes eco-friendly materials, parts, and equipment technologies. Startups with material regeneration technology were chosen, and the program was officially launched on March 3. Together with LG Display's collaboration department, we will develop a PoC collaboration task to be carried out until the Demo Day in November 2023. In addition to technical collaboration, we plan to provide follow-up support measures such as personalized nurturing programs and direct and indirect investments with the Gyeonggi Center for Creative Economy & Innovation, a public accelerator, so that startups can quickly commercialize their technology. We will continue to support the growth of startups and expanding opportunities for mutual growth through the operation of Dream Play.

Fostering in-house Ventures, Dream Challenge Program

We have implemented the Dream Challenge, a solution for early verification of new business portfolios and an internal venture development program, twice as of February 2022. The Dream Challenge operates as autonomous ventures based on participants' new business ideas, aiming to secure new growth engines and foster creative technology entrepreneurs and build an innovative organizational culture. In addition to providing commercialization funds, we also offer unconventional conditions such as exclusion from work during the program, performance compensation for commercialization within the company, financial support through equity investment in the event of a spin-off, and return to the company within three years after the spin-off.

Since its introduction in 2018, four teams (12 people) in the first year have been active as internal ventures, and the final two teams have been spun off in February 2020 and developed into venture companies. The four teams (10 people) in the second year, selected in collaboration with Dream Play in November 2020, have completed prototype production and market evaluation by November 2021, and the final one team has succeeded in commercializing within the company. Subsequently, in February 2022, it became a spin-off company to verify the possibility of opening up new markets. All three spin-off companies have achieved stable initial settlement and continued growth through LG Display's strategic investments, and the spin-off companies have created 28 new jobs for 20 youth as of December 31, 2022.

Currently, we are suspending operations and improving the program. We will continue to operate the Dream Challenge program to foster an environment where employees freely propose creative ideas while the company makes the ideas come true, to discover new growth engines in an adventurous organizational culture.

1) Pre-validation process based on the belief that design concept, product, and technology can address specific organizational challenges, even before they are available on the market

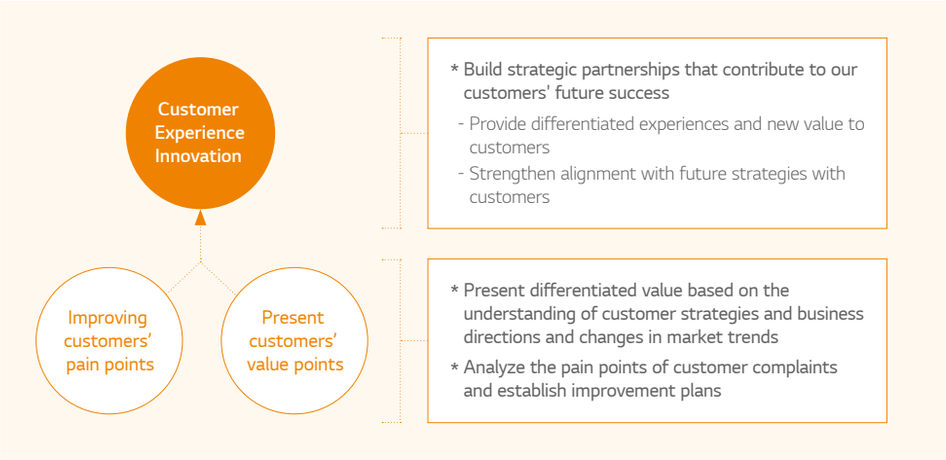
Customer Value

LG Display is committed to consistently creating new values and opportunities for our customers. Our goal is to promptly address diverse customer needs, identify their pain points, and uncover unique value propositions. Through these efforts, we aspire to go beyond customer satisfaction and build a genuine and heartfelt connection with our customers.

Customer Value Innovation

Customer Value Innovation Activities

LG Display sets the standard for all business and decision-making on customers based on the core principle that all management activities start and end with the customer. We clearly identify and improve customer pain points and needs. Additionally, we are actively engaged in customer value innovation activities that provide new customer experiences through proactive suggestions. First, we are improving the quantity and quality of Voices of Customer (VOCs) by diversifying collection channels to listen to the diverse voices of our customers. Based on collected VOC, we derive customers' core pain points and promote structural and effective improvement activities to strengthen our competitiveness. In addition, we analyze customers' future business strategies, discover potential needs of customers by detecting market trend changes at an early stage, and conduct consumer research to derive balanced insights from a B2B2C perspective, and propose value points where both companies can collaborate. Through this, we aim to establish a virtuous cycle of customer experience innovation that expands customer value.

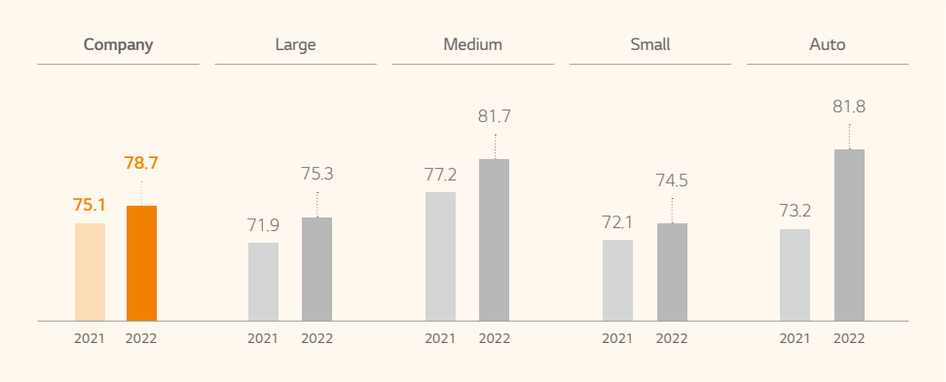


Customer Satisfaction Surveys

We have been conducting regular customer satisfaction surveys since 2020 to obtain an objective evaluation of our business from the customer's perspective. These surveys assess customer satisfaction with our company and its competitiveness compared to other companies. The survey results are shared with the relevant departments to identify and address areas for improvement. Over the past three years, we have conducted customer satisfaction surveys with 16 major clients. In 2022, the satisfaction level reached 78.7%p, representing a 4.8 percentage point increase compared to 2021. This improvement is attributed to our collective efforts in addressing key areas for systematic and organizational improvement identified in the 2020-2021 survey. However, we are committed to continuous improvement and aim to be recognized by our clients as their strategic partner. We will use the survey results and maintain a positive and open attitude to guide our future direction.

Customer Satisfaction Survey Result

Unit : %



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Economic Data

Financial Stability

Financial Status

Category	Unit	2020	2021	2022
Asset	KRW billion	35,066	38,155	35,686
Liabilities	KRW billion	22,335	23,392	24,367
Capital	KRW billion	12,731	14,763	11,319

Financial Status

Category	Unit	2020	2021	2022
Sales	KRW billion	24,262	29,878	26,152
Cost of goods sold	KRW billion	21,626	24,573	25,028
Gross profit	KRW billion	2,635	5,305	1,124
Operating profit	KRW billion	(36)	2,231	(2,085)
EBITDA	KRW billion	4,098	6,731	2,472
Net income before corporate tax	KRW billion	(602)	1,719	(3,433)
Net income	KRW billion	(76)	1,334	(3,196)

Contributions and Other Spending

Category	Unit	2020	2021	2022
Trade associations/tax-exempt organizations	KRW	623,520,462	831,672,472	916,469,471

Top Policy Contributors

Category	Unit	2020	2021	2022
Korea Chamber of Commerce and Industry	KRW	154,980,000	192,600,000	237,600,000
Korea Display Industry Association	KRW	268,000,000	240,000,000	285,000,000
Korea Enterprises Federation	KRW	-	70,000,000	72,100,000
RBA	KRW	-	54,499,200	55,291,500
The National Academy of Engineering of Korea	KRW	50,000,000	50,000,000	100,000,000
Korea Listed Companies Association	KRW	15,130,000	-	-
VESA	KRW	4,913,412	-	-

※ The provision of political funds is prohibited in accordance with relevant laws, such as Article 32 of the Political Funds Act.

Economic Data

Tax Policy

Corporate Tax Expenses

Category	Unit	2020	2021	2022
Pretax income	KRW million	(602,446)	1,718,885	(3,433,370)
Corporate tax expenses	KRW million	(526,299)	385,341	(237,785)
Effective tax rate	%	-	22.42	-

Local Branch Name, Main Activities, and Sales

Branch	Location	Main Activity	Unit	2020	2021	2022
LG Display America, Inc.	San Jose, USA	Sales of display products	KRW million	11,383,528	13,585,364	13,071,380
LG Display Germany GmbH	Ashborne, Germany	Sales of display products	KRW million	1,440,763	2,107,714	1,786,103
LG Display Japan Co., Ltd.	Tokyo, Japan	Sales of display products	KRW million	1,923,132	2,332,536	1,740,626
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	Sales of display products	KRW million	1,453,734	2,171,271	2,061,856
LG Display Nanjing Co., Ltd.	Nanjing, China	Production of display products	KRW million	1,487,428	1,892,179	2,004,475
LG Display Shanghai Co., Ltd.	Shanghai, China	Sales of display products	KRW million	814,964	934,122	736,004
LG Display Guangzhou Co., Ltd.	Guangzhou, China	Production of display products	KRW million	2,506,152	3,371,505	3,063,485
LG Display Shenzhen Co., Ltd.	Shenzhen, China	Sales of display products	KRW million	580,638	530,023	886,333
LG Display Singapore Pte. Ltd.	Singapore	Sales of display products	KRW million	1,176,876	2,049,047	1,859,992
L&T Display Technology (Fujian) Limited	Fuqing, China	Production and sales of LCD module and monitor set	KRW million	1,168,972	1,307,982	1,358,301
LG Display Yantai Co., Ltd.	Yantai, China	Production of display products	KRW million	966,393	630,996	487,990
LG Display (China) Co., Ltd.	Guangzhou, China	Production and sales of display products	KRW million	1,907,421	2,175,878	1,921,939
LG Display Guangzhou Trading Co., Ltd.	Guangzhou, China	Sales of display products	KRW million	1,372,006	1,535,452	593,539
LG Display Vietnam Haiphong Co., Ltd.	Haiphong, Vietnam	Production of display products	KRW million	1,829,840	2,592,983	2,672,155
Suzhou Lehui Display Co., Ltd.	Suzhou, China	Production and sales of LCD module and monitor set	KRW million	531,464	614,070	621,616
LG Display High-Tech (China) Co., Ltd.	Guangzhou, China	Production and sales of display products	KRW million	1,280,924	2,817,308	2,766,043

※ Source: Refer to the business report on DART

R&D and Quality Management

R&D Investments

Category	Unit	2020	2021	2022
R&D expenses	KRW million	1,738,559	2,126,764	2,430,582
R&D spending as a percentage of sales	%	7.2	7.1	9.3

Government R&D Subsidies

Category	Unit	2020	2021	2022
Governmental subsidies	KRW million	118,341	85,983	57,503

Number of Patents

Category	Subcategory	Unit	2020	2021	2022
Domestic	New acquisition	number	1,727	1,763	2,372
	Cumulative	number	21,350	23,109	25,468
Overseas	New acquisition	number	2,787	2,379	2,164
	Cumulative	number	28,002	30,380	32,469

Customer Value Innovation

Customer Satisfaction Measurement

Category	Unit	2020	2021	2022
Satisfaction rate	%	72.1	75.1	78.7
Data coverage	%	80	80	80

Environmental Data

Climate Action

Scope 1 Greenhouse Gas Emissions (Domestic and Overseas)

Category	Unit	2020	2021	2022
Domestic	tCO_2eq	2,073,959	1,967,656	1,048,030
Overseas	tCO_2eq	107,219	123,850	110,677
Total	tCO_2eq	2,181,178	2,091,506	1,158,706
Data coverage	%	100	100	100

Scope 2 Greenhouse Gas Emissions (Domestic and Overseas)

Category	Unit	2020	2021	2022
Domestic	tCO_2eq	2,674,248	2,816,059	2,792,652
Overseas	tCO_2eq	1,889,367	2,128,418	1,743,524
Total	tCO_2eq	4,563,615	4,944,477	4,536,176
Data coverage	%	100	100	100

※ Domestic emissions are calculated in accordance with the guidelines of the emissions trading system statement, while overseas emissions are calculated based on the ISO-14064 (2006) guidelines.

Scope 3 Greenhouse Gas Emissions (Domestic)

Category		Unit	2020	2021	2022
Employee business travel[1]		tCO_2eq	1,808	1,913	5,144
Transportation of products[2]	Export	tCO_2eq	1,323	2,482	1,929
	Import	tCO_2eq	705	745	559
Purchased products and services[3]		tCO_2eq	208,591	210,912	248,454
Processing of sold products[4]		tCO_2eq	20,500	7,744	5,416
Subtotal		tCO_2eq	232,927	223,797	261,501

1) Emissions generated during domestic employee travel, specifically aviation and vehicle emissions, were calculated using a distance-based calculation method. The emission factors from the low-carbon green event guidelines (2008) were applied for the calculation.
2) Emissions generated during the logistics process of domestic business sites for imported and shipped products were calculated using a distance-based calculation method.
3) Emissions from 36 companies certified as carbon partners among LG Display's domestic partners were calculated using the supplier data collection calculation method.
4) Emissions were calculated through LG Electronics' emission factor per cost using a cost-based calculation method.
※ Data was calculated based on the scoring methodology presented by CDP.

Environmental Data

Climate Action

Energy Consumption Within Business Sites

Category		Unit	2020	2021	2022
Direct energy (LNG)	Domestic	TJ	1,065	1,534	1,575
	Overseas	TJ	412	422	435
Direct energy (other)	Domestic	TJ	149	144	297
	Overseas	TJ	55	75	83
Indirect energy (electricity)	Domestic	TJ	55,042	58,828	58,337
	Overseas	TJ	9,404	10,491	7,731
Indirect energy (steam)	Domestic	TJ	412	421	385
	Overseas	TJ	130	137	137
Subtotal	Domestic	TJ	56,668	60,927	60,595
	Overseas	TJ	10,001	11,124	8,386

※ Domestic emissions are calculated in accordance with the guidelines of the emissions trading system statement, while overseas emissions are calculated based on the ISO-14064 (2006) guidelines.

Energy Intensity (Domestic and Overseas)

Category	Unit	2020	2021	2022
Energy consumption	TJ	66,669	72,051	68,981
Production performance	Glass ceiling	6,815	8,124	6,390
Energy Intensity	TJ/Glass ceiling	9.8	8.9	10.8

Energy Consumption (Domestic and Overseas)

Category	Unit	2020	2021	2022
Total non-renewable energy consumption	MWh	8,958,198	9,776,804	8,646,254
Total renewable energy consumption	MWh	-	57,200	1,095,890
Data coverage	%	100	100	100

Pollution and Hazardous Substance Management

Air Pollutant Emissions (Domestic and Overseas)

Category		Unit	2020	2021	2022
NOx	Domestic	kg/yr	103,125	109,337	148,998
	Overseas	kg/yr	12,672	12,000	43,982
	Subtotal	kg/yr	115,797	121,337	192,980
SOx	Domestic	kg/yr	18,891	19,035	28,907
	Overseas	kg/yr	6,799	5,948	7,032
	Subtotal	kg/yr	25,690	24,982	35,939
Dust	Domestic	kg/yr	104,995	50,152	29,561
	Overseas	kg/yr	9,398	6,269	3,527
	Subtotal	kg/yr	114,393	56,420	33,088

※ Data were revised due to data errors and changes in the calculation method for 2020 overseas emissions compared to the previous year.

Direct Volatile Organic Compound (VOC) Emissions

Category	Unit	2020	2021	2022
Direct VOCs	ton	10.03[1)]	16.60	32.63

1) Data was re-entered due to a handwriting error.

Water Pollutant Emissions (Domestic and Overseas)

Category		Unit	2020	2021	2022
Biochemical oxygen demand (BOD)	Domestic	Ton/d	11.6	14.0	10.2
	Overseas	Ton/d	0.3	0.7	0.5
	Subtotal	Ton/d	11.9	14.7	10.7
Chemical oxygen demand (COD)	Domestic	Ton/d	6.9	9.5	10.2
	Overseas	Ton/d	3.2	1.7	1.4
	Subtotal	Ton/d	10.1	11.2	11.6
Suspended solids (SS)	Domestic	Ton/d	4.0	7.6	4.2
	Overseas	Ton/d	0.4	0.8	0.7
	Subtotal	Ton/d	4.4	8.3	4.9

※ Data were revised due to data errors and changes in the calculation method for 2020 overseas emissions compared to the previous year.

Environmental Data

Water Management

Total Water Withdrawn by Source (Domestic and Overseas)[1)]

Category		Unit	2020	2021	2022
Industrial water	Domestic	million m³	33.17	40.13	40.74
	Overseas	million m³	27.23	34.21	31.79
	Total	million m³	60.39	74.33	72.52
Tap water	Domestic	million m³	1.36	1.34	1.48
	Overseas	million m³	1.13	1.36	1.39
	Total	million m³	2.49	2.70	2.88
Reclaimed sewage water	Domestic	million m³	30.73	30.73	31.17
	Overseas	million m³	-	-	-
	Total	million m³	30.73	30.73	31.17
Withdrawal (total municipal water supplies)	Domestic	million m³	65.26	72.19	73.39
	Overseas	million m³	28.36	35.56	33.18
	Total	million m³	93.62	107.76	106.57
Water withdrawn (fresh groundwater)[2)]	Domestic	million m³	0.25	0.23	0.24
	Overseas	million m³	-	-	-
	Total	million m³	0.25	0.23	0.24
Discharge (fresh groundwater)	Domestic	million m³	0.25	0.23	0.24
	Overseas	million m³	-	-	-
	Total	million m³	0.25	0.23	0.24
Total net freshwater consumption	Domestic	million m³	65.26	72.19	73.39
	Overseas	million m³	28.36	35.56	33.18
	Total	million m³	93.62	107.76	106.57
Discharge of wastewater	Domestic	million m³	62.41	70.14	70.55
	Overseas	million m³	24.23	30.39	28.87
	Total	million m³	86.64	100.54	99.43
Data coverage		%	100	100	100

1) Data for overseas industrial water and tap water in 2021 was recalculated due to changes in the data calculation logic.
2) All groundwater is discharged for landscaping purposes.

Water Reuse Rate (Domestic and Overseas)[1)]

Category			Unit	2020	2021	2022
Wastewater reuse	Domestic		Ton	29,053,148	28,122,779	25,132,226
	Overseas		Ton	7,503,439	8,517,437	8,593,448
DIR	Domestic		Ton	43,296,974	45,577,380	44,828,340
	Overseas		Ton	10,531,467	12,140,167	11,521,136
Sewage reuse	Domestic		Ton	30,733,260	30,728,198	31,174,149
	Overseas		Ton	-	-	-
DI wastewater reuse	Domestic		Ton	25,819,764	26,560,589	26,902,969
	Overseas		Ton	4,804,966	6,069,957	10,115,779
Subtotal	Domestic		Ton	128,903,146	130,988,946	128,037,683
	Overseas		Ton	22,839,872	26,727,561	30,230,364
Reuse Rate	Reuse Rate	Domestic	%	197	181	174
		Overseas	%	81	75	91
Data coverage			%	100	100	100

1) Data for overseas wastewater reuse and DI wastewater reuse in 2021 were recalculated due to errors in the previous overseas data.
※ The goal of improving the reuse rate of water is set as the management's KPI and is being managed and utilized for reward.

Environmental Data

Waste Management

Waste Generation and Disposal Status (Domestic and Overseas)

Category			Unit	2019	2020	2021	2022
General waste	Recycled		ton	42,974	43,007	60,658	99,844
	Non Recycled	Incinerated	ton	2,936	4,040	6,082	3,498
		Landfilled	ton	3,142	3,553	734	678
	Subtotal		ton	49,052	50,601	67,475	104,020
Hazardous waste	Recycled		ton	96,690	106,629	118,919	126,408
	Non Recycled	Incinerated	ton	16,018	5,853	2,283	3,841
		Neutralized	ton	1,611	4,396	888	2
		Landfilled	ton		0	16,522	16,726
	Subtotal		ton	114,318	116,878	138,611	146,977
Total			ton	163,370	167,479	206,086	250,997
Recycling rate (domestic + overseas)			%	85.5	89.3	87.1	90.1

※ Data was revised due to data errors and changes in the data classification criteria.

Waste With Energy Recovery

Category		Unit	2019	2020	2021	2022
General waste	Recycled	ton	2,906	2,438	2,995	3,246
	Non Recycled	ton	706	855	1,132	429
	Subtotal	ton	3,612	3,293	4,127	3,675
Hazardous waste	Recycled	ton	322	256	307	278
	Non Recycled	ton	188	194	229	238
	Subtotal	ton	509	450	536	516

Waste Incinerated Without Energy Recovery

Category	Unit	2019	2020	2021	2022
General waste	ton	2,230	3,185	4,950	3,069
Hazardous waste	ton	15,830	5,660	2,054	3,603

※ Both general and hazardous wastes are non-recycled wastes.

Eco-Friendly Products

Environmental Labels and Declarations

Category		Unit	2020	2021	2022
Type II	ISO 14021	%	-	14.0	14.90
Type I	ISO 14024 / WWF / Energystar / LEED	%	10.8	16.3	36.5

※ Independent environmental labels such as ISO 14024 or WWF, as well as country-specific/international labels like Energy Star, LEED, and BP.

Product Raw Material Consumption (Domestic and Overseas)

Category	Unit	2020	2021	2022
Backlight	thousand	106,779	89,686	61,260
Glass	m²	69,783,260	82,526,719	64,105,273
Polarizer	thousand	406,397	420,318	343,921
Drive IC	thousand	1,026,040	1,195,874	970,396
Liquid Crystal	kg	84,613	95,537	74,167

Life Cycle Assessment (LCA)

Category	Unit	2020	2021	2022
Full LCA	%	-	3.5	21.5

Environmental Data

Climate Change Strategy

Financial Risks of Climate Change

Category	Unit	2020	2021	2022
Risks driven by changes in regulation	KRW	-	29,315,792,277,000	25,443,673,748,862
Estimated financial implications of the risk before taking action	KRW	-	29,315,792,277,000	25,443,673,748,862
Average estimated time frame for financial implications of this risk	year	-	8	7
Estimated costs of these actions	KRW	-	60,800,000,000	17,760,000,000
Risks driven by change in physical climate parameters or other climate-change related developments	KRW	-	2,987,804,300,000	2,615,178,100,000
Estimated financial implications of the risk before taking action	KRW	-	2,987,804,300,000	2,615,178,100,000
Average estimated time frame for financial implications of this risk	year	-	8	6
Estimated costs of these actions	KRW	-	178,400,000,000	60,000,000,000

Financial Opportunities of Climate Change

Category	Unit	2020	2021	2022
Estimated annual financial positive implications of this opportunity	KRW	-	12,000,000,000	27,472,845,528
Average estimated time frame for positive financial implications of this opportunity	year	-	5	4
Estimated current annual costs associated with developing this opportunity	KRW	-	10,000,000,000	10,168,000,000

Emissions Reduction Targets (Absolute)

Category	Unit	2020	2021	2022
Percentage of emissions within scope	%	-	100	100
Base year emissions	calendar year	-	2014	2018
Base Year emissions	tCO_2eq	-	8,148,522	8,000,000
Year of target establishment	year	-	2016	2023
Reduction rate from the base year	%	-	90	100
Target year	year	-	2050	2050
Emission reduction achievement rate	%	-	17.6	28.8

Climate Change Impacts

Category	Unit	2020	2021	2022
Estimated total annual CO_2 reductions	tCO_2eq	-	1,751,591	2,346,908
Total annual investments	KRW 100 million	-	52.8	57.2
Total expected annual cost savings	KRW 100 million	-	350.3	560.7
Average payback period	year	-	8	7

Social Data

Health and Safety

Fatalities and Lost Time Injury Frequency Rate (LTIFR) - employees/partners

Category	Unit	2020	2021	2022
Accident Rate	%	0.02	0.016	0.018
Fatalities (employees)	person	-	-	-
Fatalities (partners)	person	-	2	-
LTIFR (employees)	case/a million working hours	0.099	0.119	0.169
LTIFR (partners)	case/a million working hours	0.354	0.383	0.301

※ LTIFR: The number of lost time injuries per 1 million hours worked.
※ The existing data has been recalculated due to variations in the timing of government approval for the number of occupational accident injuries.

Supply Chain Management

Supplier Status By Type

Category	Unit	2020	2021	2022
Tier 1 suppliers	company	98	575	829
Critical tier 1 suppliers	company	27	84	79
Critical tier 2 suppliers	company	0	0	15
Critical tier 1 purchase ratio	%	-	36.1	40.6

KPIs for Supplier Screening

Category	Unit	2020	2021	2022
Tier 1 suppliers	company	98	575	829
Significant tier 1 suppliers	company	27	84	570
Significant tier 1 purchase ratio	%	-	36.1	77.0
Significant tier 2 suppliers	company	0	0	15
Total number of significant suppliers	company	-	84	585

KPIs for Supplier Assessment and Development

Category		Unit	2022		
			Tier 1 Supplier	Tier 2 Supplier	Total
Scope and Progress of the Supplier Assessment	Total number of suppliers assessed via desk assessments/ on-site assessments	company	570	15	585
	Percentage of significant suppliers assessed	%	100	100	100
	Number of suppliers assessed with substantial actual/ potential negative impacts	company	55	5	60
	Percentage of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	%	9.6	33.3	10.2
	Number of suppliers with substantial actual/potential negative impacts that were terminated	company	28	5	33
Scope and progress of suppliers with corrective action plans	Total number of suppliers supported in corrective action plan implementation	company	80	0	80
	Percentage of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	%	145.4	0	133.3
Scope and progress of the capacity building programs	Total number of suppliers in capacity building programs	company	570	15	585
	Percentage of significant suppliers participated in the capacity building programs	%	100	100	100

Social Data

Supply Chain Management

Supplier Sustainability Risk Assessment

Category			Unit	2020	2021	2022
Formal risk identification process	Number of suppliers assessed in the last 3 years	Tier 1 suppliers	company	-	84	570
		Critical non-tier 1 suppliers	company	-	-	15
		Target	%	-	100	100
		Year of achievement	year	-	2022	2022
	Percentage of suppliers assessed in the last 3 years	Tier 1 suppliers	%	-	14.6	68.8
		Critical non-tier 1 suppliers	%	-	-	100
		Target	%	-	Conducted a pilot	100
		Year of achievement	year	-	2023	2022
Sustainability with high-risk suppliers	Number of suppliers with high sustainability risk	Tier 1 suppliers	company	-	20	55
		Critical non-tier 1 suppliers	company	-	-	5
	Percentage of suppliers with high sustainability risk	Tier 1 suppliers	%	-	3.48	9.6
		Critical non-tier 1 suppliers	%	-	-	33
	Percentage of suppliers proven to have high sustainability risk after the improvement verification	Number of suppliers	company			28
		Percentage of suppliers	%			4.9

※ We set improvement goals for suppliers with sustainability risk and incorporate them as KPIs of the CPO and the head of the Purchasing Group. These KPIs are utilized for reward.

ESG Integration in SCM Strategy

Category	Unit	2020	2021	2022
Percentage of ESG factors reflected in overall assessment to integrate sustainability into supplier selection and retention decisions	%	-	5.0	5.0
Supplier categories the weight factor is being applied			All suppliers	All suppliers

Conflict Minerals

Category	Unit	2020	2021	2022
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas	%	0.0	0.0	0.0
Percentage of verified conflict-free products	%	100	100	100

Transparency and Reporting

Category		Unit	2020	2021	2022
Geographical spread	Korea (Paju, Gumi)	KRW billion	4,838	5,483	5,174
	China (GZ, CA, CO, NJ, YT)	KRW billion	6,029	6,577	5,761
	Vietnam (VH)	KRW billion	1,485	2,120	2,295
	Poland[1)]	KRW billion	-	-	-
Spend value	Subtotal	KRW billion	12,352	14,180	13,230
Number of suppliers		number	224	240	234
Type	Panel parts	KRW billion	6,957	7,484	6,625
	Circuit components	KRW billion	2,964	4,014	4,174
	Instrument parts (including packaging)	KRW billion	2,430	2,682	2,430
	Subtotal	KRW billion	12,352	14,180	13,230

1) Business operations were discontinued in Poland in 2019.
※ It is based on the purchasing price of the main raw materials, specifically the raw materials specified by the vendor in the business report.

Proportion of Spending by Local Suppliers at Manufacturing Bases

Category	Unit	2020	2021	2022
Korea	%	66	63	61
China	%	54	58	61
Vietnam	%	41	30	25

Social Data

Human Resource Management

CEO-to-Employee Pay Ratio

Category	Unit	2020	2021	2022
CEO Compensation	KRW	1,317,000,000	1,340,000,000	2,403,000,000
Employee Compensation	KRW	70,000,000	78,000,000	94,000,000
Ratio	times	18.8	17.2	25.6

※ The data is derived from the data disclosed on the business report.

Employee Compensation by Gender

Category		Unit	2020	2021	2022
Executive level (base salary only)	Male	KRW	304,871,739	310,341,000	323,357,938
	Female	KRW	270,000,000	320,500,000	334,008,000
Executive level (base salary + other cash incentives, such as bonus)	Male	KRW	349,985,275	363,029,000	375,517,485
	Female	KRW	310,004,000	380,506,000	404,016,000
Managerial positions (base salary)	Male	KRW	78,331,208	83,522,124	87,244,681
	Female	KRW	74,428,837	78,384,697	83,208,853
Managerial level (base salary + other cash incentives, such as bonus)	Male	KRW	84,842,513	90,609,077	94,666,436
	Female	KRW	81,167,697	85,734,112	91,059,207
Non-managerial level	Male	KRW	53,818,459	56,952,711	60,287,384
	Female	KRW	44,926,123	50,511,144	54,444,269

※ LG Display adheres to the principle of equal pay for equal work and ensures there is no wage gap between men and women. The wage gap between men and women is a consequential difference that arises based on the proportion of employees according to their length of service.

Employee Status

Category		Unit	2020	2021	2022
Domestic	Male	person	22,472	23,812	24,761
	Female	person	4,064	4,376	4,805
	Subtotal	person	26,536	28,188	29,566
Overseas	Male	person	21,605	25,770	24,222
	Female	person	15,219	16,749	15,868
	Subtotal	person	36,824	42,519	40,090
Domestic and overseas	Male	person	44,077	49,582	48,983
	Female	person	19,283	21,125	20,673
Total		person	63,360	70,707	69,656

Social Data

Human Resource Management

Employee Diversity

Category		Unit	2020	2021	2022
Gender ratio of employees	Male	%	69.6	70.1	70.3
	Female	%	30.4	29.9	29.7
	Subtotal	%	100.0	100.0	100.0
Percentage of females in managerial positions		%	11.0	10.9	11.6
Percentage of females in junior managerial positions		%	14.5	14.5	15.4
Percentage of females in executive positions		%	7.1	6.3	5.7
Percentage of women in managerial positions in revenue-generating departments		%	9.4	9.3	9.9
Proportion of female in STEM[1]positions		%	26.5	29.1	28.0
Korea	Compared to the total number of employees	%	42.6	40.7	43.5
	Compared to total managerial positions	%	52.1	53.9	50.4
China	Compared to the total number of employees	%	35.7	34.2	29.4
	Compared to total managerial positions	%	31.5	29.4	27.1
Vietnam	Compared to the total number of employees	%	21.3	24.8	26.7
	Compared to total managerial positions	%	15.5	15.7	21.6
Other	Compared to the total number of employees	%	0.4	0.3	0.4
	Compared to total managerial positions	%	0.9	1.0	0.9
Age	30 years and under	%	48.8	49.4	46.2
	31-50 years	%	46.3	46.0	49.1
	Over 50 years	%	1.3	1.5	1.9
	Other[2]	%	3.6	3.0	2.7
Persons with disabilities[3]	person	person	713	723	765
	Ratio	%	2.7	2.6	2.6
Veterans[4]	person	person	284	282	276
	Ratio	%	1.1	1.0	0.9

1) Related to science, technology, engineering, and math.
2) The information is unavailable due to the deletion of personal information of retired employees.
3) Number of employees with disabilities(Converted)/Total number of employees in domestic business sites
4) Number of veterans/Total number of employees at domestic business sites
※ New data was collected from 2020 due to changes in data calculation standards.

Employee Recruitment

Category			Unit	2020	2021	2022
Employee Recruitment	Office		person	266	1,549	2,042
	Technical		person	-	1,026	1,569
	Gender	Male	person	183	2,071	2,790
		Female	person	83	504	821
		Subtotal	person	266	2,575	3,611
	Age	30 years and under	person	167	2,201	2,782
		31-50 years	person	75	358	808
		Over 50 years	person	2	16	21
		Other	person	22	-	-
		Subtotal	person	266	2,575	3,611
Internal Recruitment Rate[1]			%	32.3	27.8	33.1
Average cost of recruitment			KRW	6,394,834	1,775,505	907,848

1) Percentage of open positions filled by internal candidates.
※ Among the recruitment data, the category has been changed.

Average Years of Service

Category	Unit	2020	2021	2022
Average years of service	year	11.6	11.5	11.6

Social Data

Human Resource Management

Employee Training and Development (Domestic and Overseas)

Category	Unit	2020	2021	2022
Total number of employees participated in trainings	person	64,012	72,895	79,951
Total training hours	hour	2,884,055	3,334,495	3,406,030
Average training hours for employees	hour	45.5	47.2	48.9
Total investment in employee training	KRW 100 million	141.6	220.2	265.5
Average expenses in employee training	KRW	223,542	311,485	381,229

※ The number of employees who completed the training, including retirees and new employees.
※ The scope of the report has been redefined to include overseas business sites.
※ The average training hours, total investment in education and training expenses, and average training expenditure for employees in 2022 were calculated based on a total of 69,656 employees.

Employee Training (Domestic and Overseas)

Category		Unit	2022
Total training hours	Executives/ Division Leaders	hour	12,470
	Office roles	hour	1,603,698
	Technical roles	hour	1,789,862
	Subtotal	hour	3,406,030
Number of employees	Executives/ Division Leaders	person	190
	Office roles	person	19,565
	Technical roles	person	49,901
	Subtotal	person	69,656
Training hours per employee	Executives/ Division Leaders	hour	65.6
	Office roles	hour	82.0
	Technical roles	hour	35.9
	Subtotal	hour	48.9

※ The scope of the report has been redefined to include overseas business sites.

Social Data

Human Resource Management

Employee Turnover

Category		Unit	2019	2020	2021	2022
Total turnover rate		%	13.3	2.6	3.1	7.1
Gender	Male	%	8.8	2.3	2.8	6.8
	Female	%	32.3	4.2	4.6	8.2
Age	30 years and under	%	20.8	6.1	9.1	22.9
	31-50 years	%	10.8	1.9	1.9	3.2
	Over 50 years	%	18.7	3.8	6.2	6.2

Category		Unit	2019	2020	2021	2022
Voluntary retirement rate		%	1.9	1.8	2.7	5.7
Gender	Male	%	1.9	1.7	2.4	5.7
	Female	%	2.1	2.6	4.2	6.0
Age	30 years and under	%	4.6	4.9	8.9	19.6
	31-50 years	%	1.1	1.3	1.6	2.6
	Over 50 years	%	0.4	0.3	1.0	1.2
Data coverage		%	100	100	100	100

※ The above data represents the number of individuals who left or retired, excluding cases of voluntary retirement.

Social Data

Human Resource Management

Types of Performance Evaluation

Category	Unit	2020	2021	2022
Employees subject to performance evaluation	person	26,285	26,234	27,565
Management By objectives (MBO)	%	98.7	92.1	89.3
Multi-rater feedback	%	8.6	36.6	40.8
Ranking based on comparative analysis among employees in the same position	%	97.0	89.7	86.5
Multi-rater feedback (office roles)	%	18.1	87.3	83.3

Employee engagement trend

Category	Unit	2020	2021	2022
Average score for employee well-being	%	81.2	82.9	83.8
Data coverage	%	100	100	100

※ The scope of the data is 100% of the surveyed employees.

Number of Pension Subscribers

Category	Unit	2020	2021	2022
Defined benefit (DB)	person	26,628	26,222	26,818
Defined contribution (DC)	person	85	125	700

Parental Leave Utilization and Return Rate

Category	Unit	2020	2021	2022
Parental leave	person	799	985	1,126
Employees who returned after parental leave	person	784	939	1,094
Return-to-work rate	%	98.1	95.3	97.2
Employees with one year of service after being reinstated	person	276	442	436

Human Rights Management

Human Rights Assessment and Commitments

Category		Unit	2020	2021	2022
Internal management activities	Total percentage assessed in the last 3 years	%	89.6	90.5	88.3
	Percentage of sites assessed where risks were identified	%	34.6	24.1	40.5
	Percentage of where risk was identified (B) where mitigation measures were applied	%	100.0	100.0	99.0
Contractors and tier 1 suppliers	Total percentage assessed in the last 3 years	%	-	27.4	29.8
	Percentage of sites assessed where risks were identified	%	-	70.0	56.4
	Percentage of where risk was identified (B) where mitigation measures were applied	%	-	100	100

Human Rights Training

Category			Unit	2020	2021	2022
Training hours	Collective training	Sexual harassment prevention training	hour	-	-	-
		Other training	hour	12	123	-
	E-learning	Sexual harassment prevention training	hour	25,789	26,584	59,870
		Jeong-do management course	hour	24	12,053	407
Number of training recipients	Collective training	Sexual harassment prevention training	person	-	-	-
		Other training	person	1	4	-
	E-learning	Sexual harassment prevention training	person	25,789	26,584	29,046
		Jeong-do management course	person	-	28,093	368

※ The number of employees who completed the training, including retirees and new employees.

Social Data

Human Resource Management

Labor Unions and Collective Bargaining Memberships (Domestic and Overseas)

Category			Unit	2020	2021	2022
Domestic		Number of members	person	15,315	16,167	16,125
		Number of employees eligible for membership	person	27,011	28,188	29,171
		Membership rate	%	56.7	57.4	55.3
Overseas	CA	Number of members	person	-	2,132	1,776
		Number of employees eligible for membership	person	-	2,132	1,776
		Membership rate	%	-	100.0	100.0
	CO	Number of members	person	-	2,414	2,051
		Number of employees eligible for membership	person	-	2,419	2,051
		Membership rate	%	-	99.8	100.0
	GZ	Number of members	person	-	5,441	4,220
		Number of employees eligible for membership	person	-	5,502	4,220
		Membership rate	%	-	98.9	100.0
	NJ	Number of members	person	-	7,928	7,878
		Number of employees eligible for membership	person	-	8,590	7,902
		Membership rate	%	-	92.3	99.7
	YT	Number of members	person	-	3,065	2,194
		Number of employees eligible for membership	person	-	3,251	2,403
		Membership rate	%	-	94.3	91.3
	VH	Number of members	person	-	17,465	20,895
		Number of employees eligible for membership	person	-	17,467	21,106
		Membership rate	%	-	100.0	99.0
	Domestic + Overseas	Number of members	person	-	54,612	55,139
		Number of employees eligible for membership	person	-	67,549	68,629
		Membership rate	%	-	80.8	80.3

※ New data was collected from 2021 due to changes in data calculation standards.

Filing and Handling Grievances

Category		Unit	2020	2021	2022
Number of social impact-related grievances		case	39	60	36
Number of grievances being handled		case	-	17	-
Number of grievances that have been handled		case	39	43	36
Types of disciplinary action	Reprimand	person	-	-	-
	Probation	person	-	-	1
	Suspension	person	-	-	2
	Demotion	person	-	-	-
	Recommended resignation	person	-	-	1
	Termination	person	-	-	-
	Non-disciplinary action	person	-	-	32
	Subtotal	person	-	-	36

Social Data

Human Rights Management

Human Capital Investment

Category	Unit	2019	2020	2021	2022
Total revenue	KRW	23,475,567,000,000	24,261,561,000,000	29,878,043,000,000	26,151,781,000,000
Total operating cost	KRW	2,005,731,000,000	1,572,951,000,000	1,852,452,000,000	1,826,719,000,000
Total employee-related expenditures	KRW	657,253,000,000	405,665,000,000	519,521,000,000	506,347,000,000
Human Capital ROI	%	33.7	56.9%	54.9%	49.0%
Total number of employees	person	60,429	63,360	70,707	69,656

Corporate Social Responsibility (CSR) Activities

CSR Performance

Category			Unit	2020	2021	2022
Percentage of expenditure by type of philanthropy		Charitable donations	%	20.1	26.5	38.5
		Community investments	%	64.3	62.9	43.9
		Commercial initiatives	%	15.6	10.6	17.6
		Subtotal	%	100.0	100.0	100.0
CSR costs		Cash donations	KRW million	1,960	2,488	2,711
		Volunteer hours (excluding weekends)	hour	98	105	84
		Item donations	KRW million	20	49	496
		Business expenses (operating expenses)	KRW million	191	283	52
		Subtotal	KRW million	2,269	2,925	3,342
		CSR investment	KRW million	2,171	2,820	3,253
Participation in social contribution	Number of CSR programs	Volunteer service	number	272	190	219
		Donation	number	98	100	98
	Number of employees participated in CSR (including duplicates)	Volunteer service	person	1,374	1,560	893
		Donation	person	46,488	50,263	41,778
	LGDream Fund		KRW million	244	313	341
	Employee volunteer hours	All	hour	3,172	3,252	2,594

Governance Data

Jeong-Do Management

Application Percentage of Code of Conduct

Category		Unit	2020	2021	2022
Employees	Application percentage	%	100	100	100
Contractors, suppliers, and service providers	Signature/Digital approval	%	100	100	100
Subsidiaries	Training	%	100	100	100
Joint venture (10% or more shares)		%	0	0	0
Jeong-Do Management training	Proportion of Jeong-Do management training provided	%	100	100	100
	Total hours of Jeong-Do management training training	hour	17,748	41,660	34,469
	Total recipients of Jeong-Do management training	person	23,209	63,974	35,389

Anti-competitive Practices

Category	Unit	2020	2021	2022
Total amount	KRW	-	-	-
Ratio to sales	%	-	-	-

Jeong-Do Management Violations and Disciplinary Measures

Category		Unit	2020	2021	2022
Case		case	-	-	-
Reports		case	79	71	120
Disciplinary measures		person	51	33	132
Types of violation reports	Corruption	case	-	28	35
	Others[1)]	case	-	43	85
	Total		0	71	120

1) HR violations, unfair trade, conflict of interest, money laundering or insider trading, etc.

Board of Directors and Committees

Board Efficiency

Subcategory	Unit	2020	2021	2022
Average board attendance rate	%	95.2	100	89.4
Minimum meeting attendance rate	%	100	100	100
Average attendance rate of outside directors	%	100	100	84.1
Members with no more than four other jobs	person	5	5	5
Number of other jobs limited for all directors	number	1	2	2
Number of board meetings held	time	7	8	10

※ As of 12.31.2022

Average Tenure on the Board of Directors

	Appointment date	Based on days
Hoyoung Jeong	03/20/2020	3.4
Sunghyun Kim	03/23/2022	1.4
Beomjong Ha	03/23/2022	1.4
Doocheol Moon	03/23/2021	2.4
Jeonghye Kang	03/23/2022	1.4
Jeongseok Oh	04/26/2022	1.3
Sanghee Park	03/21/2023	0.4
Average tenure		1.6

※ As of 12.31.2022

Governance Data

Protection of Shareholder Rights

Shares Owned by Management

Category	Unit	2022
CEO	times	0.24
CPO	times	0.42

Shares Owned by Founders

Category	Unit	2020	2021	2022
Percentage of founder shares	%	5.88	5.32	5.32

Reporting and Disclosure of Violations

Category		Unit	2020	2021	2022
Total number of reported cases	Number of environmental law violations	case	-	-	-
Reported violation status	Penalties	KRW	-	-	-
Measures taken for proven cases	Information security and cyber security incidents	case	-	-	-
	Number of customer information breaches	case	-	-	-
	Number of customers affected by the company's data breach	person	-	-	-
	Total amount fines or penalties paid for information breach or cyber security incident	KRW	-	-	-
	Government regulators responsible for customer information protection	number	-	-	-
	Third-party organizations responsible for customer information protection	number	-	-	-

GRI Index

General Disclosures

GRI STANDARD 2022	Note	
GRI 1: Foundation 2021	Statement of use	LG Display reports the sustainability management performance for the period from January 1, 2022, to December 31, 2022, by applying the GRI standard.
	GRI 1 used	GRI 1: Foundation 2021
	Applicable GRI Sector Standards	As of December, 31st 2022, LG Display's sector standards are currently unavailable due to GRI Sector does not disclose Electronics Sector standards, which is LG Display's sector that is divided by S&P 500 and MSCI standards.

GRI STANDARD	Code	Description	Page	Note
GRI 2: General Disclosures 2021	2-1	Organizational details	6, 90	
	2-2	Entities included in the organization's sustainability reporting	2	Business Report p.3, 7, 30~31, 320
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information		Redisclosed data included in footnotes
	2-5	External assurance	143~145	
	2-6	Activities, value chain and other business relationships	6, 36~41	Business Report p.11~12
	2-7	Employees	118	
	2-8	Workers who are not employees		Business Report p. 315
	2-9	Governance structure and composition	84	
	2-10	Nomination and selection of the highest governance body	84, 86	
	2-11	Chair of the highest governance body	84	
	2-12	Role of the highest governance body in overseeing the management of impacts	10~11, 89	
	2-13	Delegation of responsibility for managing impacts	10~11, 89	
	2-14	Role of the highest governance body in sustainability reporting	10~11, 89	
	2-15	Conflicts of interest	86, 89	Corporate Governance Report 25-26, 55
	2-16	Communication of critical concerns	34, 93	
	2-17	Collective knowledge of the highest governance body	86	Business Report p.295
	2-18	Evaluation of the performance of the highest governance body	87	
	2-19	Remuneration policies	87	Business Report 315~319
	2-20	Process to determine remuneration	87	Corporate Governance Report 32-36, 61
	2-21	Annual total compensation ratio	118	
	2-22	Statement on sustainable development strategy	4, 8~9	
	2-23	Policy commitments	43, 139, 140	
	2-24	Embedding policy commitments	137~141	
	2-25	Processes to remediate negativeimpacts	93, 94	
	2-26	Mechanisms for seeking advice and raising concerns	92	
	2-27	Compliance with laws and regulations	56, 126	
	2-28	Membership associations	2, 49, 137	
	2-29	Approach to stakeholder engagement	48~50	
	2-30	Collective bargaining agreements	76, 77	
Material Topic and Topic Standard				
GRI 3: Material Topic	3-1	Process to determine material topics	13	
	3-2	List of material topics	14	
GRI 3: Material topic 1 (Climate action)	3-3	Management of material topics	15	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	112	
	302-4	Reduction of energy consumption	20	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	20, 111	
	305-2	Energy indirect (Scope 2)	20, 111	
	305-3	Other indirect (Scope 3) GHG emissions	20, 111	
	305-5	Reduction of GHG emissions	19	
GRI 3: Material Topic 2 (Promotion of safe workplace and safety management)	3-3	Management of material topics	15	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	60	
	403-2	Hazard identification, risk assessment, and incident investigation	33	
	403-3	Occupational health services	61	
	403-4	Worker participation, consultation, and communication on occupational health and safety	61	
	403-5	Worker training on occupational health and safety	61	
	403-6	Promotion of worker health	61	
	403-7	Workers covered by an occupational health and safety management system	35	
	403-9	Work-related injuries	116	
GRI 3: Material Topic 3 (Waste management)	3-3	Management of material topics	15	

GRI Index

General Disclosures

GRI STANDARD	Code	Description	Page	Note
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	23	
	306-4	Waste diverted from disposal	114	
	306-5	Waste directed to disposal	114	
GRI 3: Material Topic 4 (Supply chain sustainability)	3-3	Management of material topics	15	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	36~38, 62, 116~117	
	308-2	Negative environmental impacts in the supply chain and actions taken	38, 116~117	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	36~38, 62, 116~117	
	414-2	Negative social impacts in the supply chain and actions taken	38, 116~117	
GRI 3: Material Topic 5 (Water Resource management)	3-3	Management of material topics	15	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	113	
	303-5	Water consumption	113	
GRI 3: Material Topic 6 (Development of products and services considering environmental and social values)	3-3	Management of material topics	15	
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	112	
GRI 3: Material Topic 9 (Development of products and services considering environmental and social values)	3-3	Management of material topics	15	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	114	
GRI 3: Material Topic 10 (Employee skill development and key talent management)	3-3	Management of material topics	15	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	120	
	404-2	Programs for upgrading employee skills and transition assistance programs	66~70	
	404-3	Percentage of employees receiving regular performance and career development reviews	122	

Economic

GRI STANDARD	Code	Description	Page	Note
GRI 201: Economic Performane 2016	201-1	Direct economic value generated and distributed	97~98, 109	
	201-2	Financial implications and other risks and opportunities due to climate change	115, 130~136	
	201-4	Financial assistance received from government	110	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	62, 117	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	91~92, 95~96, 125	
	205-3	Confirmed incidents of corruption and actions taken	125	
GRI 207: Tax 2016	207-1	Approach to tax	99	

Environmental

GRI STANDARD	Code	Description	Page	Note
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	22, 58	
	303-2	Management of water discharge-related impacts	22	
GRI 306: Waste 2020	306-3	Waste generated	114	

GRI Index

Social

GRI STANDARD	Code	Description	Page	Note
GRI 401: Employment 2016	401-1	Benefits provided to full-time employees that are not provided to temporary or part-time employees	119, 121	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	73	
	401-3	Parental leave	122	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	119	Website
	405-2	Ratio of basic salary and remuneration of women to men	118	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	36~38, 52~53	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	79	
GRI 415: Public Policy 2016	415-1	Political contributions	109	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	83, 126	

SASB Index

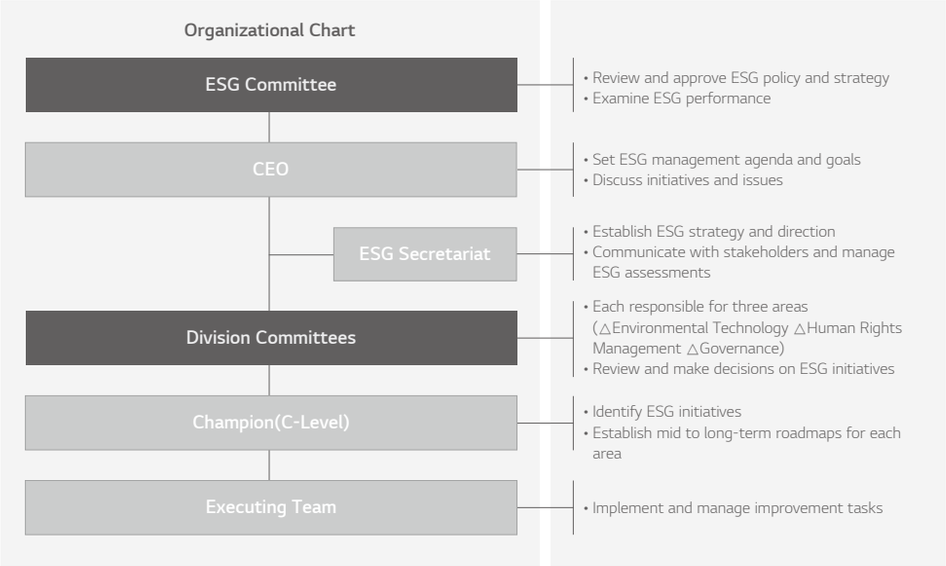
Topic	Accounting Metric	Category	Unit of Measure	Code	Report	Page
Product Security	Approaches to identifying and addressing data security risks associated with products	Discussion and analysis	N/A	TC-HW-230a.1	Information Security and Privacy	82, 83
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic composition of (1) management, (2) technicians, and (3) all other employees	Quantitative indicators	%	TC-HW-330a.1	Social Data	118, 119
Product Lifecycle Management	Percentage of products by sales that contain IEC 62474 declarable substances	Quantitative indicators	%	TC-HW-410a.1	Product Responsibility	30
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT or equivalent registration	Quantitative indicators	%	TC-HW-410a.2		
	Percentage of eligible products, by revenue, meeting ENERGY STAR criteria	Quantitative indicators	%	TC-HW-410a.3		
	Weight and recycling rate of recovered end-of-life products and e-waste	Quantitative indicators	ton(t), %	TC-HW-410a.4	Resource Circulation	23
Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative indicators	%	TC-HW-430a.1	Supplier Management	37, 38
	Percentage of Tier 1 supplier nonconformities with (1) RBA Validated Audit Process (VAP) or equivalent and (2) (a) Priority nonconformities and (b) Relevant corrective actions for other nonconformities	Quantitative indicators	%	TC-HW-430a.2	Supplier Management	37, 38
Material Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and analysis	N/A	TC-HW-440a.1	Supplier Management	37 ~ 41

TCFD Report

Governance

Governance Structure

Roles & Responsibilities



ESG Core Areas

Board Oversight of Climate Change-Related Risks and Opportunities

In April 2021, LG Display established the ESG Committee, the highest decision-making body that oversees ESG policies and strategies including climate chage-related matters. The committee supervises the overall operation and direction of ESG including climate change by prioritizing the creation of eco-friendly value for the customer base in the environmental field. It comprises four outside directors and one inside director (CEO) and convenes semiannually. The committee held semiannually and sets mid to long-term goals for ESG management, monitors progress and performance, evaluates major ESG-related risks and response plans, and makes decisions on implementation strategies. In April 2023, we held an ESG committee meeting to review and approve the declaration promoting carbon neutrality by 2050. We have established a roadmap to achieve carbon neutrality, which includes reducing emissions by 53% in 2030, 67% in 2040, and 100% in 2050 compared to 2018. Our plan to achieve carbon neutrality involves reducing carbon emissions, transitioning to renewable energy sources, and utilizing external offsets.

Management's Role in Assessing and Managing Climate Change-Related Risks and Opportunities

Our management maintains a continuous examination and management of risks and opportunities associated with climate change. To promote carbon neutrality, the CEO and Chief Sustainability Officer (CSO) oversee mid to long-term greenhouse gas reduction goals, tasks(including monitoring of target achievement levels), and climate change issues. Additionally, the CEO and CFO are responsible for managing investments related to greenhouse gas reduction, the sale of surplus emission credits, investments in transitioning to renewable energy, and other capital-related matters. Climate change-related matters are thoroughly reviewed and reported to the ESG Committee, and the decisions made are then incorporated into our business plans and policies.

TCFD Report

Governance

Risks and Opportunities

LG Display detects internal and external risk factors of climate change and responds promptly to proactively manage risks. The risks and opportunities posed by climate change are divided into two types: transition and physical. Recognizing the potential impact of both transition and physical risks on our business, we are committed to finding opportunity factors and gaining a clear understanding of their financial implications through scenario analysis.

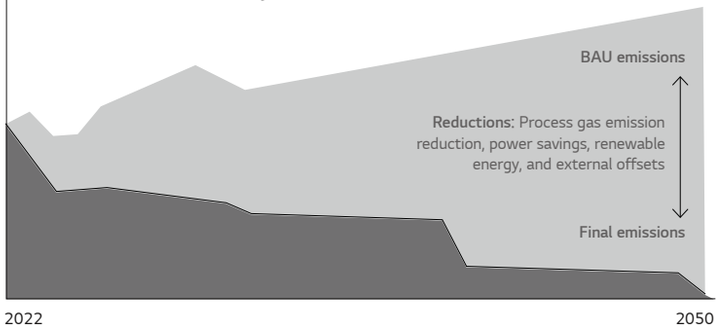
Type of Risks			Impact Period		Financial Impact	Response Measures	Opportunity Factors
			Short-Term	Mid to Long-Term			
Transition Risk	Policy and regulation	Strengthening greenhouse gas policies and regulations	V	V	• Increase in cost of purchasing emission permits • Increase in cost of greenhouse gas emissions debt • Increase in carbon tax costs	• Invest in greenhouse gas reduction facilities and substitute for eco-friendly gases	• Generating revenue from the sale of surplus credits
		Rising electricity bills	V	V	• Product price increases due to the rising of electricity cost	• Reduce energy costs through power savings • Sign long-term fixed power purchase agreements (PPAs)	• Reducing carbon through signing renewable energy PPAs
	Technology	Applying new environmental technologies to reduce greenhouse gas emissions	-	V	• Increase in R&D costs for low-carbon technology and facility conversion	• Develop low power and carbon technology • Develop eco-friendly materials and components	• Securing and diversifying alternative resources
	Market	Increasing demand from customers to reduce greenhouse gas emissions	V	V	• Decline in sales due to failure to meet customer demands	• Develop a variety of the range of eco-friendly products with low-carbon technology	• Gaining a competitive edge by meeting customer demands
	Reputation	Increasing investors' interest in climate action efforts	V	V	• Decline in investments due to lower ESG ratings	• Fully disclose eco-friendly information activities and performance • Implement green finance, such as issuance of green bonds	• Expanding capital raising opportunities by securing investment
Physical Risk	Acute	Heatwave	-	V	• Increase in operating costs due to increased power usage of facilities such as refrigerators	• Reduce power consumption by improving refrigerator efficiency • Improve energy efficiency through the diagnosis of workplace facilities and processes	• Reducing costs by increasing energy efficiency • Improving consumer preference due to low-carbon energy use
	Chronic	Rise of average temperature					

TCFD Report

Risk Management

Climate Change Scenarios

We analyzed climate change scenarios based on the impact of risks and opportunities on the company. The scenario for transition risk was based on the Net Zero 2050 scenario of the Network for Greening the Financial System (NGFS), while the scenario for physical risk was based on the Shared Socioeconomic Pathway (SSP) used in the Intergovernmental Panel on Climate Change's (IPCC[1]) Sixth Assessment Report.

Risk type	Scenario Type	Scenario
Transition Risk	Net Zero 2050	To align with the global movement to address the climate change crisis, Korea declared its commitment to carbon neutrality by 2050 in October 2020 and introduced a carbon neutrality scenario along with refined and legislated related laws and regulations. In addition, global carbon regulations, such as the EU carbon border tax and the requirement for carbon emissions disclosure, are becoming stricter. LG Display has adopted and analyzed the Net Zero 2050 scenario developed by the NGFS to align with domestic and international climate action trends and meet stakeholders' carbon reduction expectations. In this scenario analysis, Scope 1 and Scope 2 emissions were analyzed for both domestic and overseas business sites, while Scope 3 emissions were excluded as they accounted for less than 40% of the total emissions based on the Science Based Targets initiative (SBTi). Taking into account the environmental and technical characteristics of the display industry, we have developed a production volume plan that predicts expected emissions (BAU[2]) from 2023 to 2050. This plan reflects the trend towards declining production of LCDs, the plan to cease production by 2030, and projections of increased emissions from the expanded production of OLEDs by 2050. Our carbon emission structure is categorized into process gas emissions (F-Gas and N2O) and electric power consumption. Reduction tasks and goals were defined by specialized organizations in each field based on the current level of process gas and power reduction technologies. To reduce process gas emissions, we are planning to develop and implement a highly efficient scrubber capable of reducing F-Gas by 99% and N2O by 80% by 2050, aligning with the advancements in reduction technologies within the semiconductor display industry and relevant research institutes. In terms of power savings, we plan to reflect the expected reduction target by 2050 through regression analysis based on past performance, and expand it to about four times the amount reduced by 2022. We also plan to expand the adoption of renewable energy sources in line with the demands of our core customers and stakeholders. Our transition portfolio will diversify from green premiums to PPAs to facilitate the addition of renewable energy sources. After implementing internal reduction measures, such as process emission reduction activities, power saving, conversion to renewable energy, we have set the ultimate goal of achieving carbon neutrality by 2050 through the purchase of offset credits to compensate for the residual emissions that are technically challenging to reduce. Reduction targets based on this scenario have been reported and made through the ESG Committee and are included in this ESG Report. To support the reduction target for carbon neutrality, we plan to allocate resources for technology development and investment in all fields. From 2018 to 2022, a total of 51 billion won was invested to reduce F-Gas emissions, and we will continue investing in emission-reduction technologies for technology development and application until 2050. In 2023, approximately 5 billion won was spent on the purchase of the green premiums and Renewable Energy Certificates (RECs), accounting for 13% of the renewable energy transition has been made, and it is gradually expanding until 2050. By 2050, the annual average renewable energy cost is expected to exceed 50 billion won based on current unit prices. In accordance with the demands of stakeholders (customers, consumers, investors, NGOs, etc.), companies are changing to environmentally friendly, and technologically, the need for low-carbon and eco-friendly products is gradually increasing. This is reflected in the R&D budget to enhance eco-friendliness across all product lines, and we have received carbon footprint certification for OLED 65-inch products based on life cycle assessment (LCA). **The Path to Carbon Neutrality** 

1) Intergovernmental Panel on Climate Change (IPCC) : an international consultative body under the United Nations to assess risks associated with climate change globally and find international measures
2) **Business As Usual** : A forecast of future greenhouse gas emissions that does not take into account reduction activities, which serves as the basis for calculating reduction targets.

TCFD Report

Risk Management

Risk type	Scenario Type	Scenario	
Physical risk	SSP 1-2.6 SSP 5-8.5	Due to climate change, the average global temperature is rising, and the frequency of natural disasters such as heatwaves, tidal waves, and floods is increasing. The IPCC's sixth assessment report analyzed scenarios using the SSP framework, considering 27 extreme climate indices from 2021 to 2100. LG Display identified heatwaves and the rise in average temperature as factors that have a significant impact on the company. Risk and opportunity factors were analyzed based on the heatwave and average temperature increase in the SSP1-2.6[3] and SSP5-8.5[4] scenarios. A detailed climate change scenario for South Korea, with a resolution of 1 km, was calculated using the SSP greenhouse gas concentration forecast and the implementation of climate change adaptation measures. When comparing and analyzing the SSP1-2.6 scenario and the SSP5-8.5 scenario, the analysis of the number of heatwave days showed a slight difference of 1.0 days in the early stage. However, it is predicted that the number of heatwave days will increase significantly in the late stage, reaching a maximum of 55.4 days. Additionally, the average temperature is expected to increase by 0.2°C in the early stage and up to 4°C in the late stage.	As a result, the increase in the number of heatwave days and the rise in average temperature is expected to lead to higher power consumption and increased costs for facilities, such as refrigerators, used in the manufacturing process. To mitigate the impact of these physical risks, LG Display is actively promoting energy-saving activities and the use of renewable energy sources. This includes investments in high-efficiency facilities, energy-saving measures through process optimization, and improvements in the efficiency of DX-based facility operations.

Analysis of Heatwave Days Based on SSP Scenario

Based on SSP 5-8.5

	Scenario	Number of Heatwave Days
Early stage (2021-2040)	SSP 1-2.6	16.8 days
	SSP 5-8.5	17.8 days
Middle stage (2040-2060)	SSP 1-2.6	22.0 days
	SSP 5-8.5	37.1 days
Late stage (2081-2100)	SSP 1-2.6	24.2 days
	SSP 5-8.5	79.6 days

2021 2100

Average Temperature Analysis Based on SSP Scenario

Based on SSP 5-8.5

	Scenario	Average Temperature
Early stage (2021-2040)	SSP 1-2.6	13.2℃
	SSP 5-8.5	13.4℃
Middle stage (2040-2060)	SSP 1-2.6	13.5℃
	SSP 5-8.5	14.8℃
Late stage (2081-2100)	SSP 1-2.6	14.2℃
	SSP 5-8.5	18.2℃

2021 2100

3) The scenario assumes the development of renewable energy technologies will minimize the use of fossil fuels and achieve eco-friendly and sustainable economic growth.
4) The scenario focuses on the rapid development of industrial technology and assumes a high use of fossil fuels, as well as the expansion of urban sprawl.

TCFD Report

Risk Management

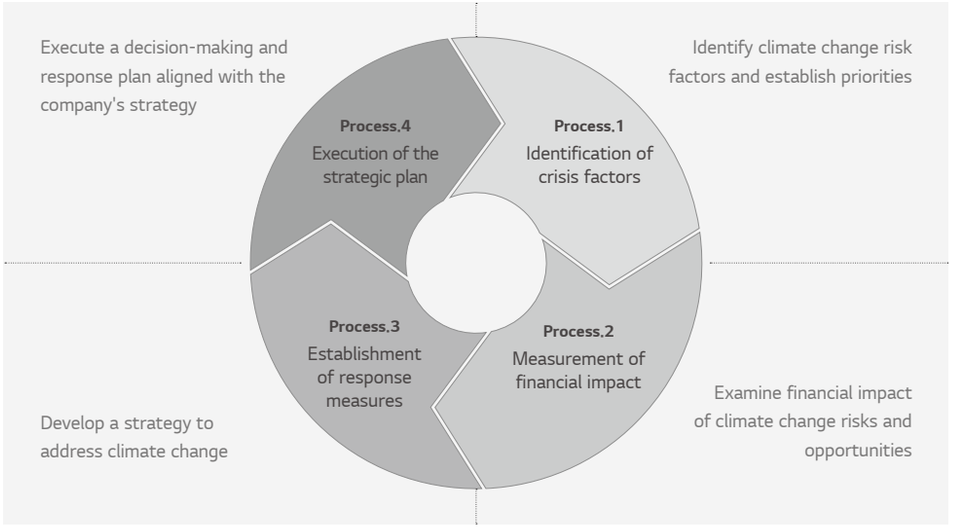
Organizational Process for Identifying and Assessing Climate Change-Related Risks

LG Display lists internal and external risk factors and identifies/evaluates key risks according to financial and business impact, while preventing and managing major risks, based on global trends, management insights, stakeholder surveys, and evaluation criteria from our global compliance program[1]. Major risks are evaluated based on their financial and business impact to proactively prevent their occurrence. To manage compliance risks in the environmental sector, we have engaged experts in each field and established a dedicated evaluation organization. We continuously monitor compliance and risk status across all our operations.

Before implementing new businesses, acquisitions, or mergers, relevant department heads conduct thorough reviews of environmental regulations and legal standards and preserve the natural environment and ecosystems. If significant risks are identified during environmental impact assessments, we develop and implement environmental management plans.

Climate change presents two main types of risks: transition risks and physical risks. To effectively manage these risks, we employ a two-step approach. Firstly, the Climate Action Department, within the external cooperation/ESG Division, examines climate change-related risks and develops response plans. The Climate Action Champions oversee the monitoring of these risks. Secondly, the Compliance Division identifies and assesses risks related to climate change annually by using a risk checklist and self-assessment sheet. Risk evaluations are reviewed for a minimum of six years. The evaluation and monitoring results conducted by the Climate Action Department are reported to the CSO. Matters that significantly impact our business strategy and finance are included on the agenda of the ESG Committee, and major matters are finalized through decision-making. We will continue to strengthen our monitoring and evaluation system to effectively manage the impact of climate change risks.

Risk Management Process



1) The detailed evaluation metrics of ISO 37301 (Revised in 2021) Fair Trade Commission Compliance Program, based on U.S. Department of Justice Corporate Compliance Program Evaluation Standards

TCFD Report

Metrics & Targets

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

LG Display continues to manage greenhouse gas emissions, energy usage, and reduction efforts in order to effectively respond to climate change and work towards achieving carbon neutrality by setting mid to long-term goals.

Scope 1,2 Greenhouse Gas Emissions

		Unit	2020	2021	2022
Domestic	Scope 1	tCO_2eq	2,073,959	1,967,656	1,048,030
	Scope 2	tCO_2eq	2,674,248	2,816,059	2,792,652
Overseas	Scope 1	tCO_2eq	107,219	123,850	110,677
	Scope 2	tCO_2eq	1,889,367	2,128,418	1,743,524
Subtotal	Scope 1	tCO_2eq	2,181,178	2,091,506	1,158,706
	Scope 2	tCO_2eq	4,563,615	4,944,477	4,536,176

Scope 3 greenhouse gas emissions

		Unit	2020	2021	2022
Employee travel [1]		tCO_2eq	1,808	1,913	5,144
Transportation of products [2]	Export	tCO_2eq	1,323	2,482	1,929
	Import	tCO_2eq	705	745	559
Purchased products and services [3]		tCO_2eq	208,591	210,912	248,454
Processing of products sold [4]		tCO_2eq	20,500	7,744	5,416
Subtotal		tCO_2eq	232,927	223,797	261,501

1) Emissions generated during domestic employee travel, specifically aviation and vehicle emissions, were calculated using a distance-based calculation method. The emission factors from the low-carbon green event guidelines (2008) were applied for the calculation.
2) Emissions generated during the logistics process of domestic business sites for imported and shipped products were calculated using a distance-based calculation method.
3) Emissions from 36 companies certified as carbon partners among LG Display's domestic partners were calculated using the supplier data collection calculation method.
4) Emissions were calculated through LG Electronics' emission factor per cost using a cost-based calculation method.
※ Data was calculated based on the scoring methodology presented by CDP.

Greenhouse Gas Reduction

	Unit	2020	2021	2022
Reduction	tCO_2eq	1,436,426	1,708,567	2,346,908

Energy Consumption Within Business Sites

			Unit	2020	2021	2022
Domestic	Non-renewable energy	Electricity	TJ	55,042	58,828	58,337
		Fuel	TJ	1,214	1,687	1,873
		Steam	TJ	412	421	385
	Renewable energy	Electricity	TJ	-	549	3,776
	Subtotal		TJ	56,668	60,836	60,595
Overseas	Non-renewable energy	Electricity	TJ	9,404	10,491	7,731
		Fuel	TJ	467	496	518
		Steam	TJ	130	137	137
	Renewable energy	Electricity	TJ	-	-	2,529
	Subtotal		TJ	10,001	11,124	8,386

TCFD Report

Metrics & Targets

Greenhouse gas reduction targets and related outcomes for climate change risk, opportunity management

1) Carbon neutrality by 2050

LG Display has set a goal to achieve carbon neutrality by 2050 to participate in global climate action efforts. We have established a roadmap to achieve carbon neutrality by reducing greenhouse gas emissions by 53% in 2030, 67% in 2040, and 100% in 2050 compared to 2018. As of 2022, 2.35 million tons were reduced by investing in greenhouse gas reduction facilities, strengthening power reduction activities, and expanding renewable energy conversion. To achieve the goal of carbon neutrality by 2050, the following actions are planned for the mid to long-term: ▲Actively participate in and respond to government policies related to climate change ▲Invest in gas reduction facilities used in production facilities and develop high-efficiency (reduction efficiency of 95% or more) emission reduction technology and low-carbon gas substitution technology ▲Develop low-power production equipment and utility technology ▲Continuous development of eco-friendly products.

2) Transition to renewable energy

In 2021, we initiated the transition to renewable energy by purchasing 57 GWh of green premium[1]. In 2022, our domestic sites purchased the green premiums, while our Chinese and Vietnamese sites purchased 1,096 GWh of renewable energy, amounting to 13% of the total electricity consumption of the company. This represents a significant increase of 19 times compared to the previous year. By 2025, our goal is to convert 2,736 GWh of renewable energy, which will account for 38% of the company's electricity consumption. We plan to expand the adoption of renewable energy through various measures such as the green premiums, Renewable Energy Certificates (RECs)[2], and Power Purchase Agreements (PPAs)[3].

1) The program organized by KEPCO that enables customers to purchase renewable energy by paying a premium on their existing electricity bill.
2) Indirect purchase system for renewable energy certificates
3) Direct purchase contract system for renewable energy between power generation companies and companies

Human Rights Management Report

I. Report Overview

UN Guiding Principles Reporting Framework

Category	Reporting Framework	Details	Link
Governance of Respect for human rights	A1 Policy commitment	What does the company say publicly about its commitment to respect human rights?	P.138
	A2 Embedding respect for human rights	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	P.141
Defining the focus of reporting	B1 Statement of salient issues	Salient human rights issues associated with the company's activities and business relationships	P.141
	B2 Determination of salient issues	Describe how the salient human rights issues were determined, including any input from stakeholders.	P.139-140
	B3 Choice of focal geographies	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	P.139-140, 141
	B4 Additional severe impacts	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	P.141
Management of salient human rights issues	C1 Specific Policies	Does the company have any specific policies that address its salient human rights issues?	P.141
	C2 Stakeholder engagement	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	P.139-140
	C3 Assessing impacts	How does the company identify any changes in the nature of each salient human rights issue over time?	P.141
	C4 Integrating finding and taking action	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	P.141
	C5 Tracking performance	How does the company know if its efforts to address each salient human rights issue are effective in practice?	P.141
	C6 Remediation	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	P.142

Human Rights Management Report

Metrics & Targets

At LG Display, we are dedicated to upholding human rights and treating all stakeholders, including customers, partners, local communities, and employees, with respect and dignity. As a global corporate citizen, to practice human rights management, we are committed to supporting and adhering to various international standards concerning human rights, labor, environment, and anti-corruption. These standards include the UN Universal Declaration of Human Rights, the UN Global Compact, the UN Guidelines for the Implementation of Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Declaration, as well as the labor laws of each country.

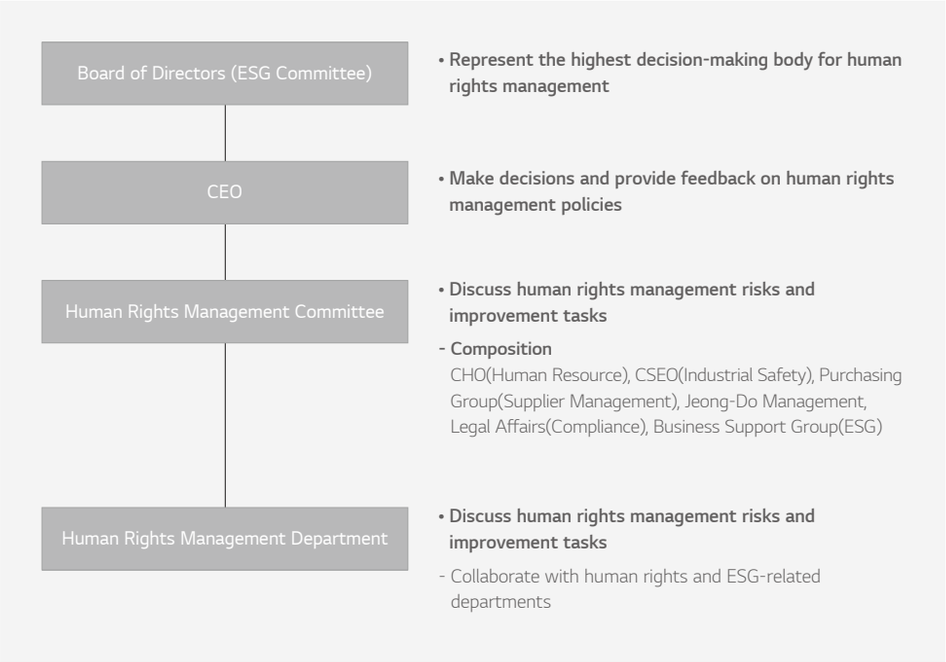
To communicate our achievements and commitment to human rights management with all stakeholders including domestic and international business sites, customers, and suppliers, we have made the decision to publish a dedicated Human Rights Management Report as part of our 2023 ESG Report. In this report, we outline our human rights policy across 10 key areas, including non-discrimination, no forced labor, no child labor, guarantee of basic labor rights, prevention of sexual harassment and bullying, fair wages and benefits, adherence to working hours, protection of personal information, health and safety, and supplier human rights management.

Through this year's report, we aim to disclose our human rights governance, policy, and management system in alignment with the United Nations Guiding Principles (UNGP) Reporting Framework for Human Rights. Specifically, we provide insights into the main findings of the Human Rights Impact Assessment conducted in 2022 and offer information on LG Display's human rights management practices through various communication channels.

Ⅲ. Human Rights Management System

1. Human Rights Management Governance

We have established a separate Human Rights Management Committee to demonstrate our commitment to human rights management, effectively carry out human rights management activities, and continuously improve our practices.



Human Rights Management Report

Ⅲ. Human Rights Management System

2. Human Rights Management Policy

We have established a human rights management policy that outlines the standards and guidelines for companies and employees to adhere to in each of the 10 human rights management areas. These standards are based on global guidelines such as the OECD Guidelines for Multinational Enterprises, Global Reporting Initiative, ILO Fundamental Conventions, UN Global Compact 10 Principles, RBA, etc. Currently, the human rights management policy is being implemented at our Paju, Gumi, Yeouido, and Magok sites in Korea. We also have plans to extend the policy to our 11 overseas sites, including Guangzhou, Yantai, and Nanjing sites in China, Haiphong in Vietnam, and locations in the United States, Europe, Germany, Shanghai/Shenzhen in China, Japan, Singapore, and Taiwan in the future.

1. Non-discrimination

We prohibit discrimination in all aspects of employment relations and strive to ensure diversity, respect, and expand inclusivity.

- We do not discriminate against individuals based on their race, ethnicity, nationality, gender, religion, disability, social status, etc.
- During the recruitment process, we do not include any requirements unnecessary for the job.
- During the recruitment process, we refrain from asking personal questions unrelated to their ability to perform their duties, such as their physical condition, hometown, and family matters.
- We do not discriminate in employee welfare programs, training, promotion, retirement, or dismissal without justifiable cause.
- We provide equal workplace accommodations for all employees, including non-full-time workers, without discrimination.
- We provide equal opportunities for female workers to showcase their abilities and work in diverse positions.
- We strive to expand work opportunities for persons with disabilities

2. No sexual harassment and bullying

We prohibit sexual harassment and bullying, protect victims, and prevent incidents.

- We establish systems to protect workers from sexual harassment and workplace bullying.
- We conduct regular training on sexual harassment and bullying.
- We provide guidelines on the prevention of sexual harassment and bullying to workers and make every effort to prevent them.
- We operate a reporting channel for anyone who becomes aware of sexual harassment or bullying to report it.
- We promptly investigate reports of sexual harassment and bullying.
- We take appropriate measures to protect victims or reporters of sexual harassment and bullying.
- If sexual harassment or bullying is confirmed, appropriate disciplinary action will be taken against the offender.

3. Wages and benefits

We comply with legal standards for wages and benefits, and operate a fair and reasonable compensation system.

- We comply with the minimum wage laws of each country where the business is located.
- We pay the amount specified in the contract along with the payslip on the specified date.
- We accurately calculate regular working hours and overtime hours and pay statutory wages accordingly.
- We provide welfare benefits, such as social insurance and paid leave, as stipulated by law.
- We strictly prohibit any deductions or reductions in wages and monetary discipline without reasonable cause.
- We operate a fair compensation system that is based on competence and performance.

4. Adherence to working hours

We adhere to the regulations on working hours, rest hours, and holidays stipulated by law.

- We adhere to legal working hours through attendance management standards.
- We verify working hours accurately through the attendance management system.
- We comply with the legal working hours and rest hours.
- We comply with the legal holiday regulations.

5. No forced labor

We strictly prohibit forced labor and ensure fair and transparent employment contracts.

- We strictly prohibit all types of forced labor as a policy.
- We do not engage in any practices that force workers to work against their will, including assault, intimidation, imprisonment, slavery, trafficking, or any other means that unjustly restrict their mental or physical freedom.
- We provide transparent explanations of working conditions in employment contracts.
- We strive to include a clause prohibiting forced labor in contracts with labor suppliers.
- Except for reasons such as safety and information protection, the freedom of movement of workers in the workplace shall not be unreasonably restricted.

Human Rights Management Report

Ⅲ. Human Rights Management System

6. No child labor

We adhere to legal age requirements for employment and ensure compliance with relevant laws and regulations when hiring minors.

- We do not hire persons below the legal minimum age of employment.
- When employing minor workers who have reached the legal minimum employment age, we adhere to statutory working hours and ensure they are not assigned to jobs that are hazardous to their health, safety, morality, or well-being.

7. Guarantee of basic labor rights

We guarantee workers' rights to freedom of association and collective bargaining.

- Workers have the freedom to form or join labor unions voluntarily.
- The company will engage in consultations with trade union representatives or authorized labor union representatives in good faith.
- The company will strive to implement collective agreements established through collective bargaining.
- We respect the right of workers to peaceful assembly.
- We will not dismiss or disadvantage an employee for joining or attempting to join a labor union or engaging in labor union activities.

8. Privacy

We operate personal information management standards and comply with related laws and regulations.

- We comply with laws and regulations related to personal information.
- We establish standards for collecting and managing personal information.
- We respect employee privacy and take necessary measures to protect personal information during the collection and storage process.
- Personal information shall not be used for purposes other than those agreed upon by the employee.
- We proactively identify and evaluate risk factors that may lead to the leakage of personal information and implement appropriate controls.

9. Health and safety

We establish a health and safety management system to prevent accidents and ensure compliance with health and safety laws.

- We comply with health and safety laws.
- We assess and prevent potential safety hazards.
- We establish an efficient health and safety system to manage workplace risks.
- We conduct regular training on workplace health and safety.
- We conduct regular health checkups to promote worker health.
- We measure and improve the working environment to protect worker health from harmful substances and create a pleasant working environment.

10. Supplier human rights management

We are committed to supporting our suppliers' human rights management system and efforts to prevent human rights violations.

- We make efforts to include provisions for human rights protection in contracts with our suppliers.
- We conduct regular assessments of our suppliers' human rights protection status and incorporate the findings into our selection process.
- We make every effort to exclude unethical suppliers involved in human rights violations from our supply chain.
- We support suppliers in establishing human rights management systems and preventing violations.
- We demand that our suppliers fulfill their obligations to protect human rights.

Type	Employees	Suppliers	Customers	Communities
	(Including children, indigenous people, and migrant workers)			
1. Non-discrimination	○	○	-	○
2. No forced labor	○	○	-	○
3. No child labor	○	○	-	○
4. Guarantee of basic labor rights	○	○	-	○
5. No sexual harassment and bullying	○	○	-	○
6. Wages and benefits	○	○	-	-
7. Adherence to working hours	○	○	-	-
8. Privacy	○	○	○	-
9. Health and safety	○	○	○	-
10. Supplier human rights management	○	○	-	-

※ Distribution of stakeholders affected by major human rights management issues

Human Rights Management Report

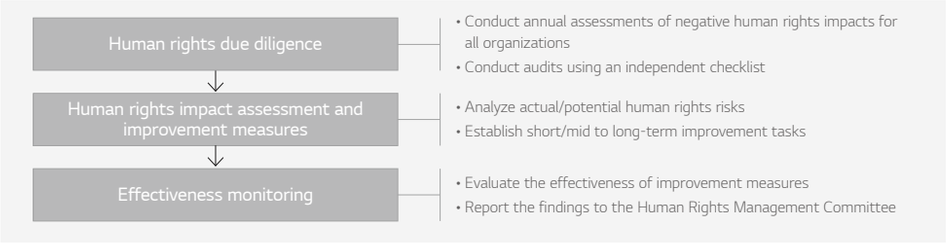
Ⅲ. Human Rights Management System

3. Human Rights Management Process

We have established a human rights impact assessment process to prevent human rights risks. Through this process, we identify and assess any potential negative human rights impacts on all stakeholders, including employees, women, children, suppliers, third-party contract workers, and local communities.

1) Human rights due diligence using the LGD's own human rights impact assessment checklist

We developed over 80 evaluation checklists, referencing laws, regulations, and global guidelines, to identify and assess negative human rights impacts.



2) Efforts to internalize the commitment to respect human rights

In 2022, we introduced an internal human rights training program that was tailored for all employees. This program covers various aspects of human rights, including prevention of workplace sexual harassment and bullying, disability awareness, and compliance risk.

Human Rights Training Curriculum				Number of training recipients (accumulative recipients per year)			Training hours (hour)		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Understanding LG Display's human rights management	10	5	15	29,937	39,925	69,862	14,969	19,963	34,932
Disability awareness training	14	0	14	29,340	-	29,340	29,340	-	29,340
Compliance training (office roles)	3	8	11	12,033	3,687	15,720	12,033	3,687	15,720
Workplace sexual harassment and bullying prevention training	40	0	40	116,063	14,397	130,460	61,267	27,486	88,753
Total	67	13	80	187,373	58,009	245,382	117,609	51,136	168,745

Ⅳ. Human Rights Impact Assessment Results

From January to October 2022, LG Display conducted a comprehensive Human Rights Impact Assessment across its global business sites. The identified risks were categorized as Priority, Major, and Minor to determine their significance and urgency. The human rights impact assessments were conducted in 15 regions, including the domestic business sites in Paju/Gumi/Yeouido/Magok, China's Guangzhou, Yantai, and Nanjing business sites, Vietnam's Haiphong business site, the United States, Europe, Germany, China's Shanghai/Shenzhen, Japan, Singapore, and Taiwan sites. Overall, the results of the Human Rights Impact Assessment demonstrated a high level of human rights management. However, certain areas requiring improvement were identified, such as supplier human rights and safety standards implementation at overseas sites. Immediate measures were taken to address these deficiencies, including Tear Down and Redesign (TDR) operations to prevent risks in specific areas. We have also conducted an internal assessment of labor rights at its new business location, the H3 factory in Vietnam. We diligently follow a risk management process, including self-inspections using checklists aligned with Responsible Business Alliance (RBA) standards and conducting on-site inspections at all overseas business sites and suppliers visited by in-house experts.

Initiative to address major human rights issues such as workplace sexual harassment and bullying

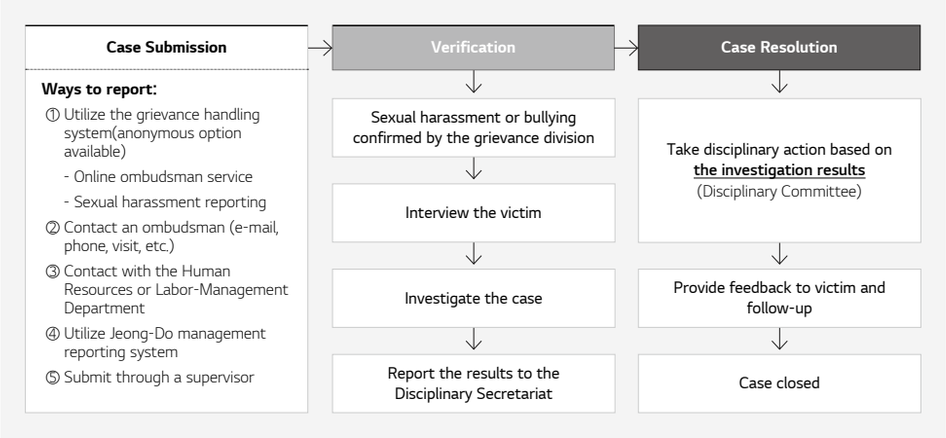
In order to take preemptive measures against sexual harassment and bullying in the workplace, which are becoming social issues. LG Display organizes a separate TDR and conducts a survey of all employees annually using LGD's own questionnaire developed with the advice of experts about the situation of damage or witnesses. In 2022, three disciplinary actions were taken, and we will continue to carry out various activities aimed at preventing such issues and ensuring swift action.

Human Rights Management Report

Ⅳ. Human Rights Impact Assessment Results

Grievance Handling Procedure

LG Display has established various grievance-handling methods to facilitate employees in reporting human rights risks. We mandate that the results of the investigation be reported within 20 days of filing the report. In 2022, 36 human rights-related grievances were filed, and 100% of the cases were handled. We adhere to the principle of zero tolerance for human rights violations, prioritize the protection of victims, and provide support to ensure no penalties for reporting.



	Domestic	Overseas	Total
1. Non-discrimination	-	-	-
2. No forced labor	-	-	-
3. No child labor	-	-	-
4. Guarantee of basic labor rights	-	-	-
5. No sexual harassment and bullying	31	4	35
6. Wages and benefits	-	-	-
7. Adherence to working hours	1	-	1
8. Privacy	-	-	-
9. Health and safety	-	-	-
10. Supplier human rights management	-	-	-
Total	32	4	36

Ⅴ. Future Plan

We are expanding the scope of our human rights policies and management systems to include a wider range of stakeholders. Our aim is to continuously enhance workplace human rights through the human rights identification process. In alignment with the UNGP Reporting Framework for Human Rights and related frameworks, we will assess our human rights policies and progress, and work towards sustainable human rights management.

Independent Assurance Statement

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

Introduction and Objectives of Work

BSI Group Korea (hereinafter "the Assurer") was requested to verify LG Display 2023 ESG Report (hereinafter "the Report"). This assurance statement applies only to the relevant information included in the scope of the assurance. LG Display is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide LG Display Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of LG Display.

Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018 and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report. Type 2 was limitedly verified against the topic standards below, based on the data and information provided by the reporting organization.

- GRI Topic-specific Standards: 301-1, 302-1, 302-4, 303-3, 303-5, 305-1~3, 305-5, 305-7, 306-2, 306-4~5, 308-1~2, 403-1~7, 403-9, 404-1~3, 414-1~2

Scope

The scope of assurance applied to the Report is as follows;

- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assesstion included in the report, such as sustainability management policies and strategies, goals, projects, and performance, and the report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review

The following contents were not included in the scope of assurance.

- Financial information in Appendix
- Index items related to other international standards and initiatives other than the GRI
- Other related additional information such as the website, business annual report.

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Limitation

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Independent Assurance Statement

Assurance Opinion

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

- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

LG Display defined customers, shareholders/investors, employees, supply chain, community and the government/NGOs as key stakeholders groups, and operated communication channels for each stakeholder group for engagement. LG Display reflected key issues drawn through stakeholder channels in sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

LG Display established the strategy related to sustainability management and established the process to derive reporting issues. LG Display identified financial and social/environmental impacts and derived 10 material issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

Responsiveness: Responding to material sustainability topics and related impacts

LG Display established the management process for material issues determined by the materiality assessment, implemented a response plan for each issue to appropriately respond to the derived material issue that reflects the expectations of stakeholders. LG Display disclosed the process including policy, indicator, activity and response performance on material issues in the Report.

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

LG Display established the process to identify and evaluate the impact on organizations and stakeholders related to material issues. LG Display used impacts, risk and opportunity factor analysis results for material issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

Assurance Opinion

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

- LG Display has expanded the scope of management, collection, and reporting of sustainability issues about the global operations include domestic and main overseas operations. It may be helpful to advance sustainability management system by improving the data collection process and management process, and enhancing the integrity of the data collection through internal verification, taking into account the country-specific regulations and the requirements of key stakeholders where overseas operations are located.
- LG Display has operated its own advanced enterprise-wide due diligence processes, including risk management processes, crisis management processes, and compliance processes to identify social and environmental impacts and risks. It may be helpful to integrate and manage key issues derived from each process and to specify plans and strategies for key sustainability issues such as social and the environmental.

Statement of independence and competence

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

Independent Assurance Statement

Evaluation against GRI 'In Accordance' Criteria

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by LG Display, the sector standard was not applied.

Universal Standards
2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

Topic Standards
201-1~2, 201-4, 204-1, 205-2~3, 207-1, 301-1, 302-1, 302-4, 303-1~5, 305-1~3, 305-5, 305-7, 306-2, 306-4~5, 308-1~2, 401-1~3, 403-1~7, 403-9, 404-1~3, 405-1~2, 407-1, 413-1, 414-1~2, 415-1, 418-1

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27/06/2023
S. H. Lim / BSI Group Korea, Managing Director

Greenhouse gas Verification Opinion

Verification Objective

LG Display's 2022 Scope 3 GHG Emissions

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

Verification Scope

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

Verification level

Limited Level of Assurance

Data Verified

LG Display's annual Scope 3 GHG emissions related to purchased goods and services, upstream transportation and distribution, business travel, processing of sold products in domestic business sites in 2022 are as follows.

Unit : ton CO2-e/yr

Scope3 Category	Purchased goods and services	Upstream transportation and distribution	business travel	processing of sold products	Total Emissions
Annual emissions in 2022	248,454	2,487	5,144	5,416	261,501

Verification Criteria and Protocol

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

- Guidelines for reporting and certification of emissions from the greenhouse gas emission trading system (Ministry of
- Environment Notice No. 2022-279)
- The GHG Protocol of the WBCSD/WRI WBCSD/WRI Technical Guidance for Calculating Scope 3 Emissions (version 1.0)
- BSI Greenhouse Gas Emission Verification Scheme

Verification Opinion

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

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

bsi.

Issue : 19/06/2023
For and on behalf of BSI
Managing Director Korea, **SeongHwan Lim**

LG Display