

YOU DREAM, WE DISPLAY

2012-2013 LG Display Sustainability Report



ABOUT THIS REPORT

● This is LG Display's second corporate sustainability report since 2012. This was prepared to present its sustainability management status to internal and external stakeholders and meet the stakeholders' expectations and demands.

Reporting Period and Scope

● This report covers LG Display's performances and activities from January 1 through December 31, 2012, and some additional information from the first quarter of 2013 where it was deemed necessary. Quantitative performances for recent three years were presented to show time-series trends. The between-year variation data were based on the final date of each fiscal year (December 31), and more information on reporting period were specified where necessary.

We aimed to report all aspects of our head office in Seoul and domestic worksites in Gumi and Paju. We have five overseas worksites (Nanjing, Guangzhou, and Yantai in China, Poland, and Mexico); of these, Nanjing and Guangzhou worksites reported environmental and social performances and others reported economic performances. Overseas worksites were included in the reporting scope for the first time this year. We plan to report sustainability performances of all worksites at home and abroad in all aspects in the future.

Reporting Principle

● This report was prepared based on the GRI G3.1 Guideline. To read about our activities in the areas specified by the GRI, please refer to detailed guideline index on page 90. To enhance the credibility of the reporting process and information, LG Display conducted a third party assurance through an independent, specialized institution. The assurance report can be found on page 96.

For More Information

● Please visit the LG Display website (<http://www.lgdisplay.com>) for a view or download of our sustainability report. Please contact the following number for any inquiries and more details. We look forward to hearing various opinions from the stakeholders.

Social Contribution Team of LG Display

Tel. 82-2-3777-0892

e-mail csr@lgdisplay.com

MAJOR PERFORMANCE IN SUSTAINABILITY MANAGEMENT

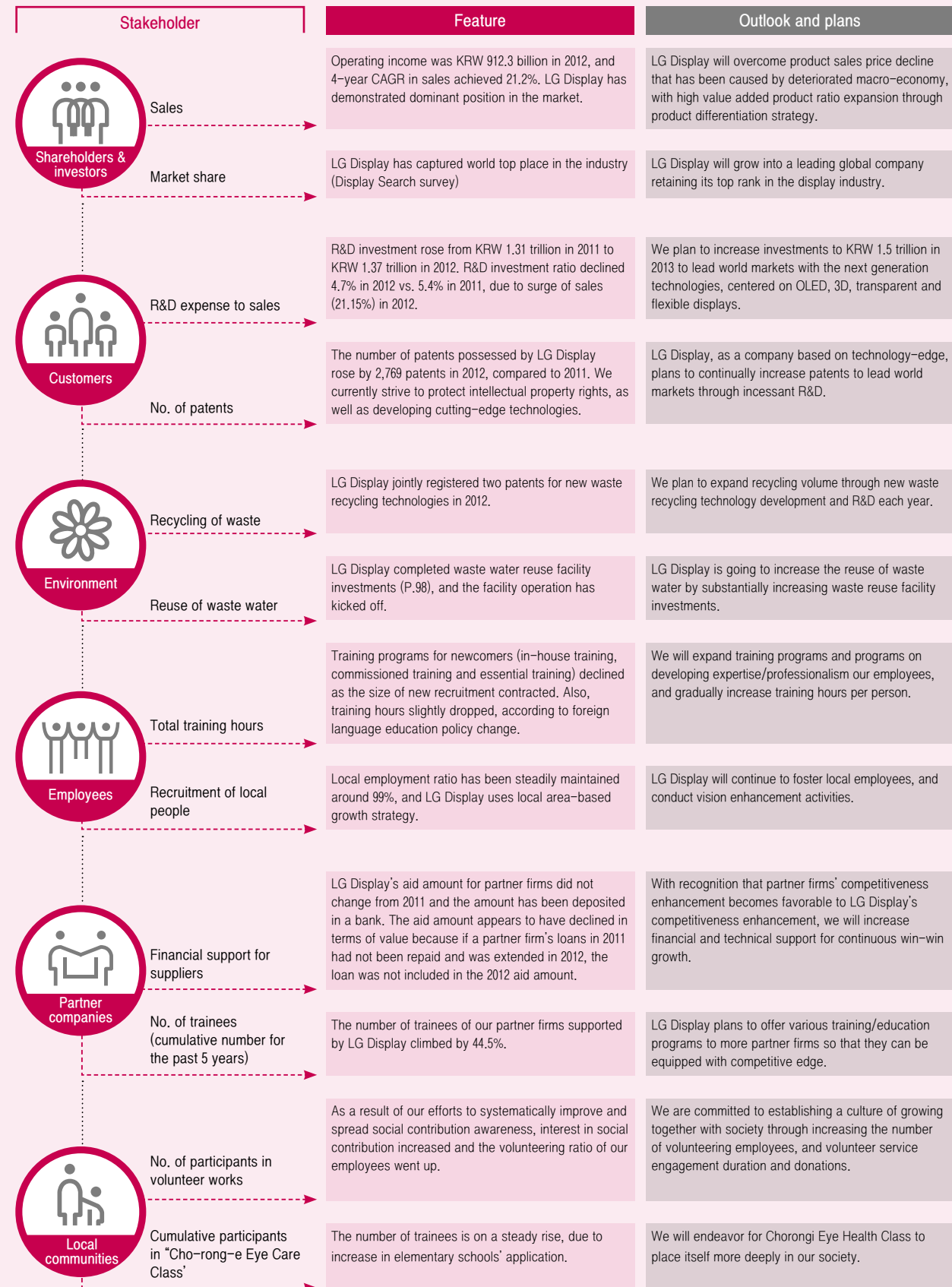
"We have to promote a business that can lead us to succeed and contribute to the society. Such business can continuously be crowned with success."

Quotations from Koo, In-hwoi, the founder of LG Group

● LG Display established significant goals to maximize the business value and maintain sustainability in creation of short-term revenue, which indicates business achievement of the year, and also in mutual growth with the society from the mid-to long-term perspective. Based on such ideas, LG Display has selected two indicators that show sustainability management of the business to each stakeholder and has continuously managed those indicators. This report is an integrated report, the new trend in information disclosure, and the report reflects the resolution and initiative of LG Display to accurately and concurrently deliver the financial and non-financial information to the stakeholders.

Stakeholder	Indicator	Unit	2011	2012	Year-on-year
Shareholders & investors	Sales	KRW in billions	24,291.2	29,429.7	21.2%
	Market share	%	27.9	28.4	1.8%
Customers	R&D expense to sales	%	5.4	4.7	(13.0%)
	No. of patents	items	16,944	19,713	16.3%
Environment	Recycling of waste	tons	121,706	137,186	12.7%
	Reuse of waste water	Thousand tons	83,559	92,007	10.1%
Employees	Total training hours	Million hours	1.80	1.27	(29.4%)
	Recruitment of local people	%	99.5	99.5	0
Partner companies	Financial support for suppliers	KRW in billions	38.9	14.6	(62.5%)
	No. of trainees (cumulated for recent 5 years)	persons	3,895*	5,627	44.5%
Local communities	No. of participants in volunteer works	persons	21,321	25,465	19.4%
	Cumulative participants in 'Cho-rong-e Eye Care Class'	persons	11,956	18,597	55.5%

* The figure was revised by using the calculation method different from the previous report.



CONTENTS

Management	04	CEO Message
	06	Introduction to LG Display
	07	Vision & Governance
	10	Jeong-Do Management
	11	Compliance
	12	Integrated Risk Management & Information Security
	14	Stakeholder Engagement
<hr/>		
Focused Report	18	Global Top Honor
	22	Mutual Growth
	26	Value of Sharing
<hr/>		
Corporate Social Responsibility	30	Product
	34	Environment, Safety and Health
	48	Employees
	60	Partner Companies
	66	Local Communities
<hr/>		
Performance	78	Economic Data
	79	Environmental Data
	83	Social Data
<hr/>		
Appendix	90	GRI G3.1 Guideline
	96	Independent Assurance Report
	98	Awards and Association Membership
	99	Participants and Organization Chart



CEO MESSAGE



I would like to express my deepest gratitude to the stakeholders who have shown their interest and provided support and encouragement for LG Display to become the No. 1 global business.

Due to the lasting consequences of the global economic depression and excess supply in the display industry, 2012 was expected to be a challenging year. Nonetheless, LG Display proclaimed the idea of 'You Dream, We Display,' a new vision to be a future turning point, as a way to turn this crisis into an opportunity and realize changes and leaps through various innovative activities.

We have devoted efforts to secure high profitability through manufacturing high value-added products using differentiated technology, such as IPS and FPR 3D for smart devices, while leading the OLED display market based on the advanced OLED technical competence. As a result, we realized the monumental achievement of cumulative production of 1 billion large LCD modules in last September for the first time in the industry. Through such endeavor and achievement, we achieved the highest quarter sales for three consecutive quarters and accomplished the goal of becoming the 'Global No. 1' in the display market.

Such accomplishments by LG Display are the outcome of 'mutual growth' that has been sincerely promoted by our 'mutual growth management'. LG Display has supported and funded construction of infrastructure for partners while actively sponsoring capability reinforcement by providing expanded educational opportunities to the employees of partner companies. Especially, 'the benefit sharing system' has been implemented for the partners to grow as world-class suppliers. Moreover, in recognition of the efforts exerted toward mutual growth management, LG Display was appointed in 2012 as 'a business that practiced CSR for mutual growth.'

Meanwhile, LG Display is endeavoring to fulfill its social responsibility and roles as a corporate citizen that deserves the title of a global No.1 company. Various CSR activities including IT power plant project are promoted with NGOs to expand the educational opportunities for teenagers who are in challenging situation. The labor union is also actively participating in USR activities (Union Social Responsibility) by supporting scholarships to the children of fire officers and policemen who died in line of duty. Moreover, LG Display established 'Nanumnuri', an affiliate designed for the physically challenged, in April for the first time in the industry, and the institution has been operated to expand employment and independence of the physically challenged. From the environmental perspective, Green Management System was established to provide green consulting and incentive as part of the efforts to realize green growth together with the partners.

Dear stakeholders.

The faith and support you have given for the past year have been the great strength for LG Display to overcome the challenging market situation and prepare for a new leap. We expect various difficulties this year as well; however, we promise to exert our utmost efforts to live up to your expectations.

Thank you very much.

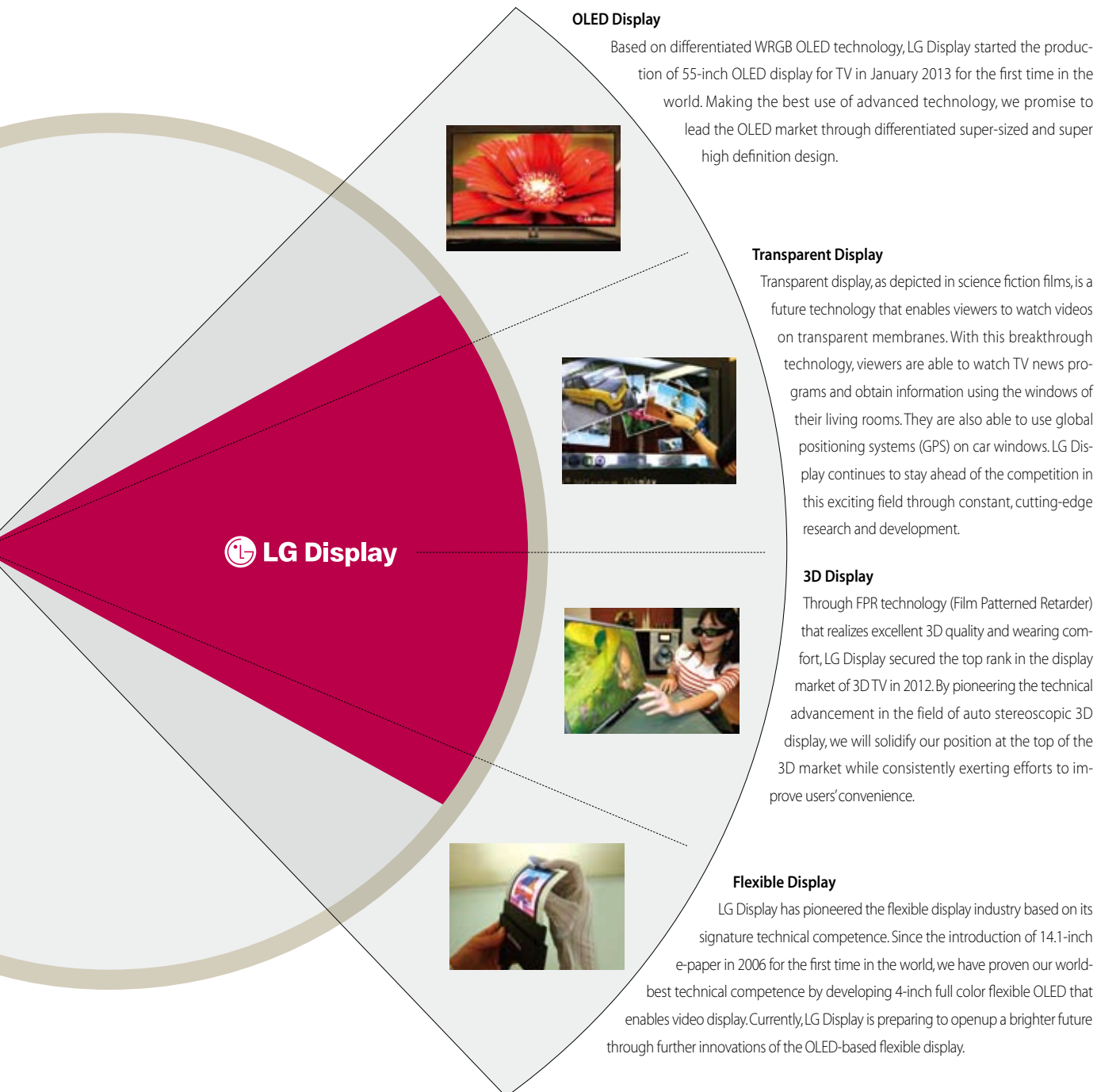
May 2013

Sang-Beom Han, President&CEO

INTRODUCTION TO LG DISPLAY

About Core R&D Projects

Next-generation technologies, such as OLED, 3D, transparent and flexible display, are the important drivers of LG Display's competence to lead the global display market. LG Display's sustainable development will be realized through innovating new technologies and exploring new market opportunities.



You Dream, We Display

VISION & GOVERNANCE

Vision

The vision of LG Display is "You Dream, We Display." People dream of the future and share their dreams with each other. LG Display listens to those dreams and brings them to life through creative thinking and innovative technology.

The future you dream of is possible with LG Display. Based on such vision, LG Display promises to fulfill its roles and responsibilities according to its goal of becoming the global No. 1 display business. The core competence and value of LG display reflect the social responsibility and keys to its business sustainability.

LG Display Brings your dreams to life

Vision	You Dream, We Display Always at your side, LG Display is here to turn the world you dream of into reality.
Goal	Global No.1 Display Company
Core Competencies	<ul style="list-style-type: none"> Strengthening Customer-oriented Marketing Capabilities Developing Market-leading Products and Technologies Constructing the Most Competitive Production System Building an Optimized Supply Chain Maximizing Management Efficiencies Creating an Organizational Culture that Aims to be No.1
Core Values	Open Communication, Proactive Collaboration, Change & Leap
Right People	Passion, Professionalism, Teamwork

The Keys to Sustainability

It not only exerts efforts for continuous R&D support to understand the customers' needs and be equipped with market-leading products and technical competence but also takes responsibility for its products based on positive contribution to the environment and society.	It intends to construct the production system that can secure sustainable competitive edge to be settled as the global No. 1 business.
It intends to contribute to the mutual growth with partners and expansion of CSR in the supply chain.	It intends to maximize management efficiency in terms of cost reduction while lessening the unnecessary use of materials and energy and minimizing the factors that cause pollution, thereby satisfying the objectives and social demand.
It aims at the business culture that not only creates a workplace where members want to work at but also promotes mutual growth of the employees and company, with the ultimate goal of gaining the preference of stakeholders.	It aims at the transparent and consistent communication with the employees and local communities.

Corporate Governance

The Chairman of the Board of Directors (BOD) in LG Display and Representative Director are separated and in accordance with the articles of association that clearly stipulated the procedure of appointing an outside director and related laws like the commercial law, more than half of the directors are selected as the outside directors to secure the independence and expertise of the BOD.

Board of Directors

As of May 2013, BOD consists of seven members, including two inside directors, one non-executive director, and four outside directors. Also in the BOD, there are three committees including the Audit Committee, the Outside Director Nomination Committee, and Corporate Governance Committee.

● **Independence and Expertise of the Board of Directors**

The BOD of LG Display separated the Chairman of the BOD and Representative Director to realize sound governance and transparent management system. The outside director is appointed in the general shareholders' meeting among those who are recommended by the Outside Director Nomination Committee to secure the independence of the BOD. For the purpose of securing effective and rational decision-making and expertise, the outside director is selected among those with extensive experience and specialized knowledge in broad areas including business administration, economy, and accounting. To ensure the independence of each committee, the ratio of the outside directors is maintained to more than two-thirds, except the Corporate Governance Committee. While abiding by the operation guidelines of each committee, LG Display ensures the transparency of their operations.

Board of Directors (As of March 21, 2013)

Classification	Name (gender)	Position	Committee		
			Audit Committee	Outside Director Nomination Committee	Management Committee
Inside Director	Sang Beom Han (Male)	CEO, Representative Director, LG Display			●
	James (Hoyoung) Jeong (Male)	Executive Vice President and CFO, Director, LG Display		●	●
Non-executive Director	Yu Sig Kang (Male)	Chairman of the BOD, Vice Chairman, LG Management Development Institute			
Outside Director	Tae Sik Ahn (Male)	Professor, Department of Business Administration, Seoul National University	●		
	Jin Jang (Male)	Chair Professor, Department of Information Display, Kyung Hee University	●	●	
	Dong Il Kwon (Male)	Professor, Department of Materials Engineering, Seoul National University		●	
	Joon Park (Male)	Professor, Graduate School of Laws, Seoul National University	●		

Operation of the Board of Directors

The BOD holds a regular meeting each quarter and in case of having an agenda, a temporary meeting is held. The BOD's role is to supervise the business management while delivering, seceding, and executing major management matters. Also, the BOD exerts efforts to reflect the stakeholders' opinion to the management.

● **Performance of the Board of Directors**

From 2012 to March 2013 when the composition of the BOD was changed, the meeting of the BOD was held for 10 times to discuss about 52 agendas. Please refer to the business plan for further information on the individual agendas of the BOD.

● **Remuneration System**

The remuneration of the BOD and top management is commensurate with regular review on management objectives and performance assessment. The remuneration limit for directors is decided through the deliberation of the general shareholders' meeting.

● **Opinion Reflection Process of the Employees**

The employees of LG Display communicate with the board level through a system called 'Fresh Board.' (p.55)

The Committees under the Board of Directors

LG Display installed three committees in the BOD; the Audit Committee, the Outside Director Nomination Committee, and Corporate Governance Committee. Such committees are commissioned to improve the efficiency of decision-making while uplifting the transparency and independence of the BOD.

● **The Audit Committee**

The Audit Committee is composed of three outside directors. It intervenes in the audit process through quarterly activities of the Audit Committee while increasing transparency of the organization through audit on accounting and business execution.

To maintain its independence, all members of the Audit Committee are outside directors who are qualified in accordance with the commercial law. From 2012 to March 2013, the meeting was held 8 times and has delivered 34 agendas.

● **Outside Director Nomination Committee**

The Outside Director Nomination Committee consists of three people; an inside director and two outside directors appointed in the general shareholders' meeting. In case of the outside directors, they abide by the existing laws related to the appointment of an outside director as stated in the articles of association and all outside directors must meet the standards. There are a total of 4 outside directors including an audit commissioner. Once the nominees are recommended by the Outside Director Nomination Committee and approved by the BOD, the outside directors are appointed in the general shareholders' meeting.

● **Corporate Governance Committee**

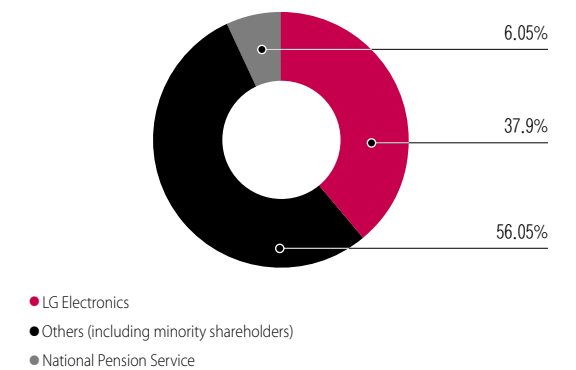
Corporate Governance Committee is composed of two inside directors. It deliberates issues entrusted by the BOD regarding the general management and financial affairs less than a certain scale, enabling the BOD to effectively deliberate more significant agendas while promoting speedy business execution among the management level.

Shareholder Structure

As the largest shareholder in LG Display, LG Electronics owns 135,625,000 common shares, accounting for 37.9% of the company's voting stock as of the end of 2012. Also, Sang Beom Han, the CEO of LG Display, currently holds 930 shares. The stockholder with more than 5% of the voting right besides the largest shareholder is the National Pension Service and it holds 21,633,625 shares (6.05%). The small-scale shareholders who own less than 1/100 of the total number of issued stocks possess 189,387,341 shares (52.9%). For further information, please refer to 'Report on the filing of changes in ownership of block shares' in the Financial Supervisory Service (<http://dart.fss.or.kr>).

Share Ownership

(As of December 2012)



Exercise of the Voting Rights of Stockholders

LG Display selected neither the concentrated vote system as stipulated in Clause 2, Article 382 of Commercial Law nor the write-in voting or electronic voting.

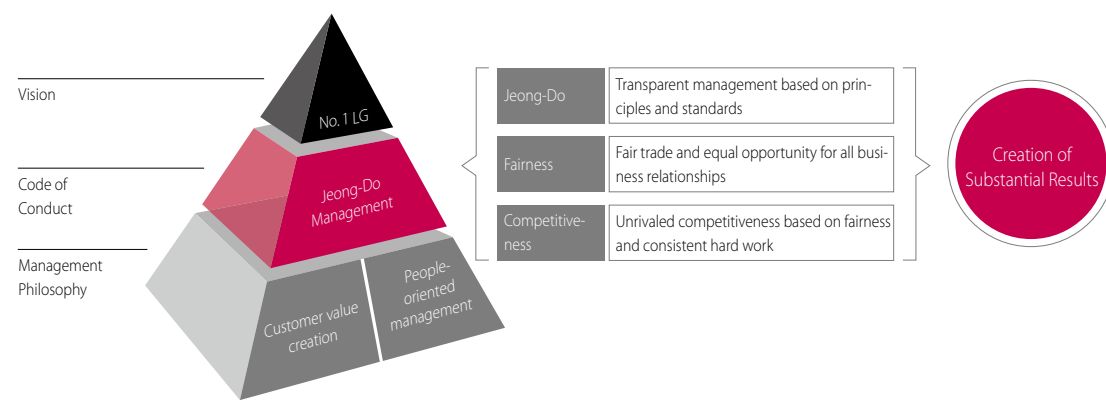
JEONG-DO MANAGEMENT

*Jeong-Do Management: Fairness and Jeong-Do

"Jeong-Do Management" is LG's unique code of ethics. LG's goal is to pursue long-term excellence through ethical management and fair competition. However, true Jeong-Do Management goes beyond professional ethics to emphasize the importance of achieving substantial results through competitiveness.

The LG Way

The LG Way represents LG's corporate culture, which is committed to the tenets of "customer value creation" and "people-oriented management" through the Jeong-Do Management code of conduct. Solidly anchored on the LG Way, LG can achieve its ultimate vision of becoming "No. 1 LG."



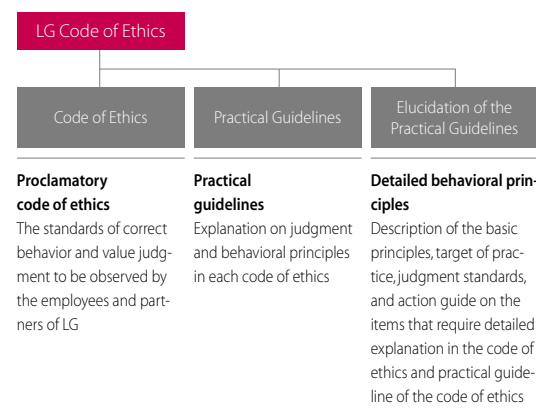
Expansion of Jeong-Do Management

LG Display published and distributed a booklet called 'The Employees' Guideline on Jeong-Do Management' to encourage the employees to actively participate in Jeong-Do Management. In addition, all employees who are newly recruited, promoted, or appointed to leadership positions must sign the "Jeong-Do Management Pledge of Practice," through which they renew and show their commitment to Jeong-Do Management.

Through 'Cyber Sinmungo,' which is an online whistle-blowing system, all stakeholders including employees are able to report violations against Jeong-Do Management, with the option of remaining anonymous. LG Display also operates a Jeong-Do Management Counseling Center that addresses inquiries from any stakeholder regarding Jeong-Do Management, providing clarifications as well as detailed countermeasures if necessary. The center also encourages employees to submit reports on any illegal acquisition of money, valuables, or offers of hospitality from stakeholders. In order to prevent such negative factors in advance, online education has been provided for the partners since March 2012 (p.63).

System and Composition of the LG Code of Ethics

The LG code of ethics presents the fundamental direction of the company's ethics management, one of the major branches of Jeong-Do Management. The code of ethics is composed of the practical guidelines that are the proclamatory code of ethics and elucidation of the practical guidelines that explains in detail the behavioral principles.



COMPLIANCE

Improvement and Management of Compliance

Since October 2009, LG Display has consistently resolved major risks to compliance in both domestic and overseas projects with the full cooperation of executives and employees at worksites. Moreover, those risks were classified into 'management improvement (Construction of management process)' and 'awareness improvement (Awareness reinforcement)' to carry out improvement and management measures. For the settlement of compliance control and its operation system, regular audit, self-assessment, and monitoring & reporting system were established. Besides this, the guidelines to reinforce awareness and spontaneous activities on compliance are provided as a part of the efforts for preventing compliance risk and its recurrence. With unwavering commitment, LG Display promotes and educates these guidelines for the betterment of the entire company.

Provision and Distribution of Compliance Guidelines

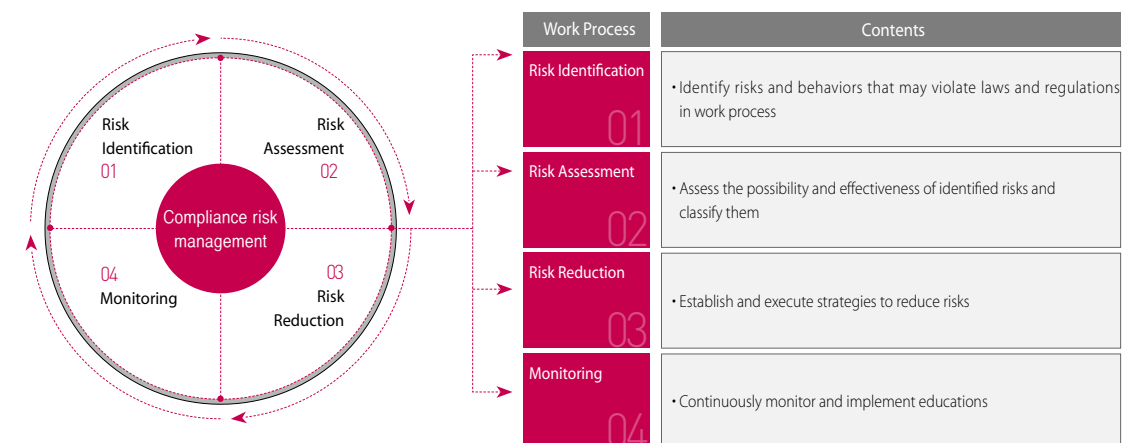
The significance of the compliance management in LG Display can be found beyond the mere avoidance of social sanction by observing the legal requirements. Rather, it intends to realize a healthy corporation in prevention of various illegal acts that may happen while executing the day-to-day operation. To settle such culture, a booklet with the basic principles to be observed was published and distributed to the employees. 'The Basic Guideline for Employees' is mainly composed of [Organization culture], [Employees' ethics], and [Compliance], and each part suggests detailed practical guidelines to be observed.



Countermeasures of the System Related to Compliance

Compliance assistants were appointed based on the requirements concerning 'obligation to implement a compliance assistant and compliance control activity.' Aiming at the integral system operation that linked the compliance management system with compliance control activity required in the revised law, LG Display is promoting compliance activities to establish its operation and management system through internal compliance check-up and regular report on compliance practice. In relation with 'the Foreign Corrupt Practices Act' of the U.S., LG Display is operating the bribery combat and anti-corruption program as a part of the efforts to reinforce the internal compliance management while providing the global guideline for the employees of the headquarters and overseas offices to maximize the effect of compliance management. In addition, the company conducts thorough inspection on the major risks, such as cartel, trade secrets, and Foreign Corrupt Practices Act (FCPA) and promotes corrective actions according to the inspection result. Meanwhile, the results on the overall compliance control activities are reported to the BOD.

LG Display's Compliance Process



INTEGRATED RISK MANAGEMENT & INFORMATION SECURITY

Integrated Risk Management

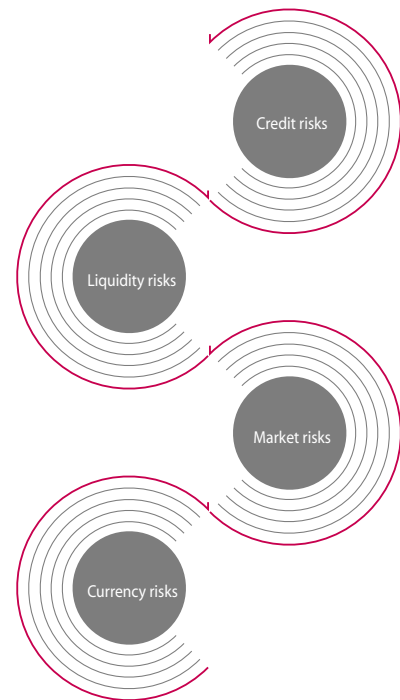
LG Display determines the financial and non-financial factors that pose risks to its management activities and manages them accordingly.

Financial Risks

Financial risks are managed by classifying them into credit risks, liquidity risks, market risks, and currency risks.

Classification and Countermeasures of Financial Risk

LG Display has historically met its cash requirements for investment expenditures because it has had sufficient cash flow from operations, and debt and equity financing. If the company is unable to generate adequate cash flow to meet its capital requirements from operations, it may rely on other financing sources, such as external long-term borrowing and offering of corporate bonds. In addition, the company maintains lines of credit with various banks.



The majority of the company's clients are electronic appliance manufacturers that are engaged in global markets. Not only does company adjust credit limits throughout its relationship with each client, but it also analyzes each new client quantitatively and qualitatively before deciding whether to utilize third-party guarantees, insurance, or factoring as appropriate.

Being exposed to currency risks on sales, purchases, and borrowings that are denominated in currencies other than the Korean won, LG Display hedges such risks by using the same currencies in both sales and purchase. To defend against other currency risks, the company uses forward exchange contracts, with most having a maturity of less than one year from the report date. It also deals with currency fluctuations by adopting policies to adjust discount levels for foreign-currency denominated receivables.

Market risk is defined as the threat of potential loss on gains from, or fair value of, financial instruments held by the company, according to market indicators such as foreign exchange and interest rates or equity prices. LG Display manages market risk exposures within acceptable parameters through the management of variable/fixed debt ratio.

Non-financial Risk

LG Display broadly controls potential non-financial risks in fair trade, personnel management, labor, intellectual properties such as copyrights and patents, information protection, environment and safety, and product quality. The company manages non-financial risks in four steps: the identification of potential risks caused by legal disputes or regulatory violations that arise during normal operations; assessment of the probability and consequences of risk events; provision of mitigation strategies and plans; and monitoring of follow-up processes. Since October 2009, LG Display has addressed potential legal liabilities that may arise in major non-financial risk areas. The company continues to improve the efficiency of its risk management through prevention programs and to extend its management targets to include overseas subsidiaries. It also provides guidelines for each area and revitalizes communication with the employees through on- and offline bulletin boards and letters, reinforcing their awareness of risk management.

Information Security

LG Display has consistently executed security-related activities to satisfy the requirement on internal and external confidentiality by complying with 'the Industrial Technology Outflow Prevention and Protection Law' and 'Personal Information Protection Act.' It also makes every effort to fulfill its obligations to protect the confidentiality of communications with its corporate clients. LG Display practices comprehensive information security in several areas, including IT, human resources, and physical control. These activities enable the company to prevent leakage of internal data on production, core technologies, and business strategies, as well as information on clients, partner companies, and individuals. The company systematically analyzes its physical control systems and IT infrastructure, during which it considers client requests. It also provides special security training sessions for core business units in sales, R&D, production, and quality control.

Information to be Protected by LG Display

1. Company information

1) Core national technologies

- According to Article 9 of 'the Industrial Technology Outflow Prevention and Protection Law,' the core national technologies are announced as follows.
- Technology for designing, processing, production, and operation of TFT-LCD panel beyond the 7th generation (1870x2200mm) (Excluding the processing technology for module assembly)
- Technology for designing, processing, and production of AMOLED panel (Excluding the processing technology for module assembly)

2) Confidential business information

- In accordance with 'the Unfair Competition Prevention and Trade Secret Protection Act,' the information that is not publicly known and has independent economic value. Technical or business information on production, sales, and other promotional activity whose confidentiality has been maintained with considerable efforts
- All information related to technologies, strategy, marketing, unit price, business performance, etc.

2. Corporate client information: Product-related information according to contract/NDA* conclusion (Information on specification, test product, image, price/production, etc.)

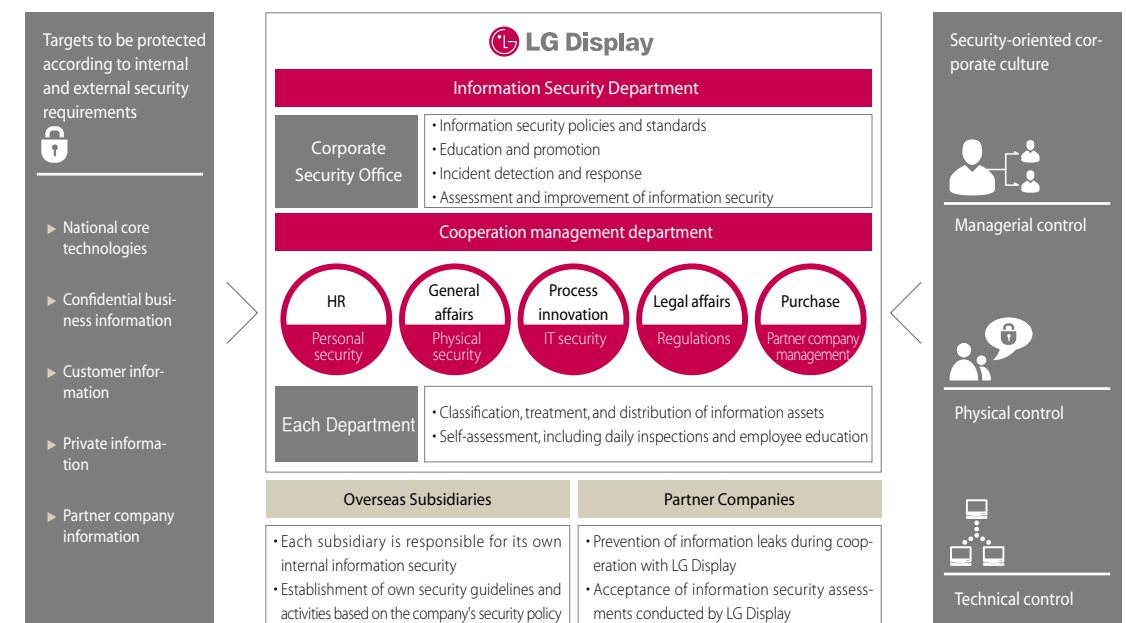
* Non-Disclosure Agreement, secrecy agreement

3. Personal information: Personally Identifiable Information that is stipulated in the Personal Information Protection Act (Identifiable information, contact information, sensitive information, video information, etc.)

※ There is no claim raised regarding leakage of personal information.

4. Partner company information: Partners' technology shared with the company and information on partner businesses

Information Security Management System



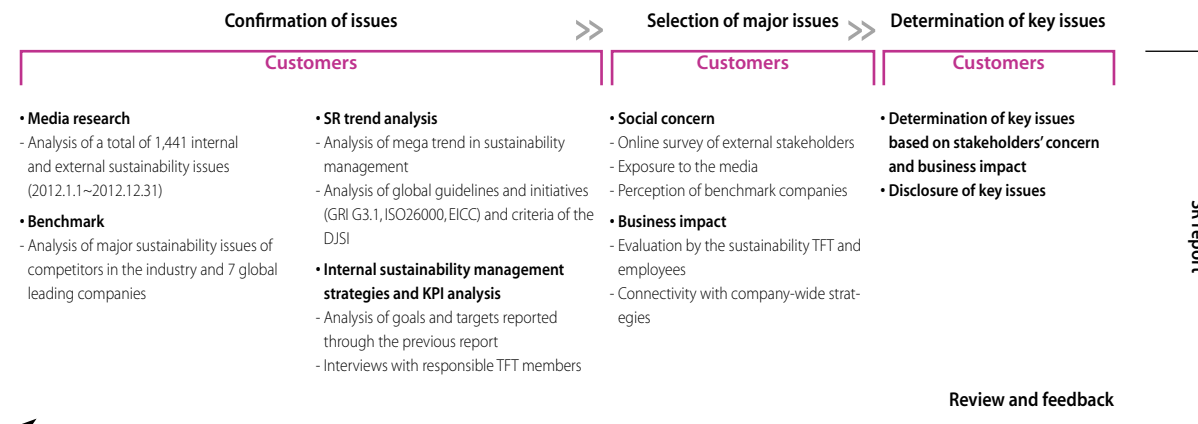
STAKEHOLDER ENGAGEMENT

Sustainability management report serves as the communication channel that primarily reports the information needed by the stakeholders in and out of the company. LG Display defines the group of major stakeholders as all individuals or organizations that have indirect and direct influence to the company's business. Stakeholders are categorized into stockholders, investors, client companies, employees, partner companies, and regional communities. LG Display has consistently promoted a variety of communication activities that meet the characteristics of the stakeholders to help establish the long-term direction of various projects while selecting the major contents to be reflected in this report. Regarding the stockholders' demand for the previous year, this report presents in a transparent manner the activities and achievements realized by LG Display.

<p>Shareholders and investors</p> <p>Communication channel</p> <ul style="list-style-type: none"> IR presentations Disclosure Shareholder meetings <p>Expectation</p> <ul style="list-style-type: none"> Long-term growth Profit creation and distribution Transparent disclosure <p>LG Display's responses</p> <ul style="list-style-type: none"> Sales increase and reinforcement of market leadership (p.iii) Transparent BOD operation (p.08) 	<p>Customers</p> <p>Communication channel</p> <ul style="list-style-type: none"> Top management meeting CS survey Sales activities of business units, CS service office <p>Expectation</p> <ul style="list-style-type: none"> Smooth communication with customers Higher R&D competency Product quality and safety improvement <p>LG Display's responses</p> <ul style="list-style-type: none"> Identification of improvements and feedback through the top management meeting (p.33) Continuous R&D investment (p.31) Obtainment of labeling and certifications (p.33) Response to related standards including EICC 	<p>Employees</p> <p>Communication channel</p> <ul style="list-style-type: none"> Fresh Board Labor-management council magazine: D & The LGD Weekly (newsletter) Online grievance committee Industrial Safety and Health Committee <p>Expectation</p> <ul style="list-style-type: none"> Improvement of organizational culture Proactive participation in corporate management Cooperative labor-management relations Better employee welfare and benefit programs Enhancement of employee health and safety <p>LG Display's responses</p> <ul style="list-style-type: none"> Operation of the Idea Bank (p.55) Supports for healthy, affluent, and stable lives (p.54) Medical checkups for employees and preparation of the Well-being Room (p.46)
---	--	--

Decision-making Processes for Reporting

GRI (Global Reporting Initiative) that provides global standards of sustainability management report suggests principles reporting to select major issues and compose report in accordance with the following processes. Sincerely reflecting the decision-making process for GRI reporting, this sustainability report is composed to secure sustainability context, materiality, completeness, and stakeholder inclusiveness.

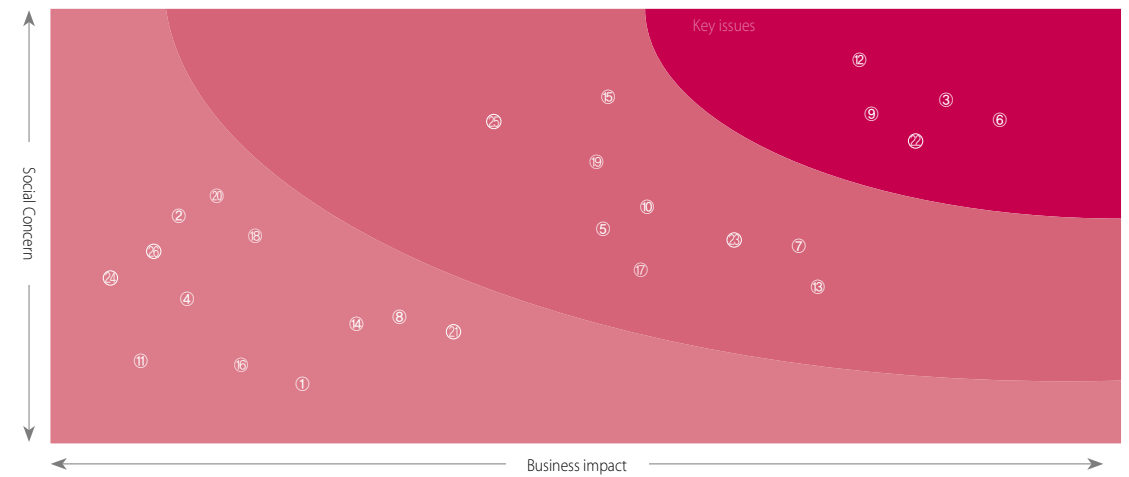


<p>Partner companies</p> <p>Communication channel</p> <ul style="list-style-type: none"> Partner company meetings Management consultation center Online whistle-blower programs <p>Expectation</p> <ul style="list-style-type: none"> Management support and education for partner companies Fair performance sharing with partner companies <p>LG Display's responses</p> <ul style="list-style-type: none"> Management Doctor system for partner firms (p.62) Green SCM consulting program (p.65) Performance sharing with partner companies (p.25) 	<p>Local communities</p> <p>Communication channel</p> <ul style="list-style-type: none"> Social contribution website Company love center at Gumi plant Village foremen council <p>Expectation</p> <ul style="list-style-type: none"> Strategic social contribution activities Investment in regional communities Local CSR activities by overseas subsidiaries <p>LG Display's responses</p> <ul style="list-style-type: none"> Establishment of IT power plants and work with visual disabilities (p.68) Subsidiary for the disabled (p.26) USR activities (p.75) Voluntary works of employees (p.71)
---	--

Determination of Contents

Through the process of major issue selection, a total of 26 issues were derived and each issue was prioritized depending on social concern and business impact. The major issues of sustainable management that were derived according to significant assessment were reflected in this report. Especially, it was understood that creation of sustainable profit, management of domestic and foreign risks, use of sustainable resources and energy, innovative management (R&D), and mutual growth management were most highly recognized.

Materiality Test Matrix



Major issues

① Global initiative	⑩ Response to climate change	⑲ Improvement of quality of employees' life
② Corporate governance	⑪ Biodiversity	⑳ Communication among employees
③ Internal and external risk management (p.12)	⑫ Sustainable resources and energy use (p.39)	㉑ Fair transactions
④ Ethical management	⑬ Development of sustainable products	㉒ Mutual growth (p.61)
⑤ Stakeholder engagement	⑭ Safety and health in the worksite	㉓ Expansion of the sustainability of partner companies
⑥ Creation of sustainable income (p.i)	⑮ Environmental management system	㉔ Job creation
⑦ Customer satisfaction	⑯ Labor-management relation	㉕ Contribution to local communities
⑧ Market environment changes	⑰ Development and training of the talent	㉖ Investment in local communities
⑨ Innovative management (R&D) (p.31)	⑱ Diversity of employees	

SECTION 1

FOCUSED REPORT

LG Display aims to become the global No. 1 display company. From creative thinking and technical innovation to mutually beneficial cooperation with partner companies and CSR activities, it intends to pioneer the future as the beautiful No. 1 business.



Report 1. Global top honor
Report 2. Mutual growth
Report 3. Value of sharing

p.18
p.22
p.26



LG Display demonstrated the best technical competence through countless awards and favorable reviews from authoritative experts and consumers in 2012.

FOCUSED REPORT

GLOBAL TOP HONOR

LG Display, the Global No. 1 Business

01

"The No.1 Global Business"



The number 1 implies the first rank, sole existence, and pioneer. LG Display accomplished a variety of topnotch and pioneering achievements in 2012 such as securing the

No.1 position in the world's large LCD market. '1' is a very familiar number to LG Display that pioneers the global market with the pride as the No. 1 global business.

The Global Stature of LG Display Witnessed in CES

Consumer Electronics Show (CES), the world's largest major technology-related trade show, was held for 13 days from January 8, 2013 in Las Vegas, U.S. Under the discerning eyes of experts and enthusiasts in the field of electronic products, the brand that had been the center of attention was LG Display as it presented an array of compelling and innovative products.

The two noticeable trends in the CES 2013 were the display products that emphasized super high-definition and the compelling electrical products with innovative design. Especially, TV products that were highlighted by the technical expertise of domestic businesses had been featured as the major topic of the CES 2013. And at the center of it all, there was LG Display.

The Optimum Products Shown in the CES 2013

LG Display presented a comprehensive lineup of products that reflected all three trends of the display industry; namely 3D, smart, and design. This was the clear expression of LG's confidence and pride to conquer the entire display market including TV, IT, and mobile industry.



Fox TV in the U.S. : Introduced ULTRA HD of LG Display in the 'Good Day at 7AM'
"Amazing definition compared to the reality"

● Curved WRGB OLED

Curved WRGB OLED is an upgrade version of 55" WRGB OLED, which was selected as the best product in the CES 2012. In particular, a sense of immersion was further improved by the natural curve at both edges. The participants who experienced the curved product recognized the advanced OLED technology of LG Display and expressed their approval by saying that 'it was the display they have never experienced.'

● ULTRA HD

In the definition area of the CES 2013, it was possible to witness the opening of the ULTRA HD era. LG Display drew attention through its selection of large-sized ULTRA HD products. ULTRA HD realizes super high-definition that has never been experienced through 8.0 megapixel (3840x2160), which is four times higher than the existing full HD. In line with this, the FPR 3D technology was applied to introduce more realistic and immersive TV products.

Having impressed the audience by its product's overwhelming size and exceptional definition, LG Display was able to confirm its dominance in the ULTRA HD market, which will become the standard of the future premium TV.

● Minimalism, the Innovation in Design

Another theme of the CES 2013 was 'design.' LG Display presented thinner ULTRA HD products compared to those offered by competitors while successfully showcasing its differentiated products through minimalism-oriented design by minimizing the bezel width. As for the display applied to a monitor, 23.8-inch Neo-blade products that realized the minimum bezel width were introduced while presenting panel products with less than 2mm bezel for laptop display. For the smart phone display, the 4.7-inch display with bezel width of almost 1mm was introduced, and this product was expected to solve the issue on inconvenient grip feeling that was raised as the size of screen increased.

The World's First Path Founder

Walking the path of the world's top level implies the expectation of success as well as the fear of failure. LG Display walks this path with a sense of pride to lead the world's LCD market, accomplishing numerous progressive developments on the way.

1Q 2013.

Developed the 55-inch curved TV for the first time in the world

October 2012.

Developed the 84-inch ULTRA HD Interactive Whiteboard etc., for the first time in the world

July 2012.

Ultra-wide panel with 21:9 picture ratio developed for the first time in the world

May 2012.

Full HD LCD for smartphone developed for the first time in the world

January 2012.

Development of 55-inch OLED panel for the first time in the world

January 2012.

Development of 84-inch ULTRA HD panel for the first time in the world



55-inch OLED Panel

- Developed and produced a 55-inch OLED panel for TV for the first time in the world
- Thickness is 1/3 that of 4mm LCD panel
- Drastically cut down power consumption through power supply control for each diode
- More than 1,000 times higher reaction speed than LCD



84-inch ULTRA HD Panel

- Advanced, ultra-large HD product developed amid the trend of transitioning into the high resolution era
- More vivid and softer picture than FHD
- Product showcasing LG Display's intensified technologies



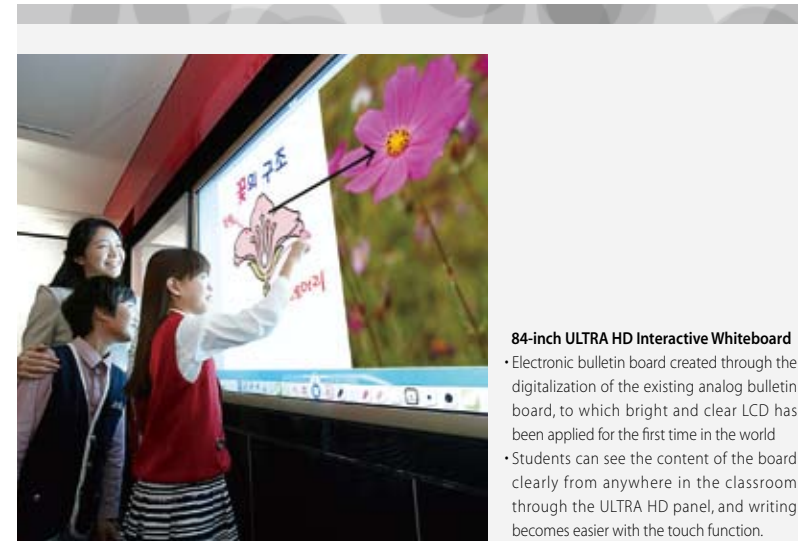
55-inch Curved OLED TV

- Application of concave curve to both sides for the first time in the world
- Minimized picture distortion, outer section awareness decline by applying the same distance from the viewer's eye to screen center and sides, respectively



Full HD Smartphone LCD Display

- AH-IPS LCD panel for mobile gadgets with Full HD resolution for the first time in the world
- LCD with world's highest resolution and maximum pixel to which 1920x1080 Full HD resolution and 440ppi were applied
- Users can enjoy Full HD on smartphone such as TV and read conveniently just like paper prints with clearer letters.



84-inch ULTRA HD Interactive Whiteboard

- Electronic bulletin board created through the digitalization of the existing analog bulletin board, to which bright and clear LCD has been applied for the first time in the world
- Students can see the content of the board clearly from anywhere in the classroom through the ULTRA HD panel, and writing becomes easier with the touch function.

No. 1 Market Share in the Large LCD Panel Industry

LG Display captured the No. 1 rank in the world's large LCD market in April 2012. According to a survey conducted by Display Search, LG Display secured 29% of market share in the large LCD market (Larger than 9.6-inch) and became No. 1 as it recorded 1.797 billion dollars of sales. This is 6.5% higher than the sales realized in March and LG Display could widen the gap from the No. 2 competitor by exceeding 151 million dollars of sales.

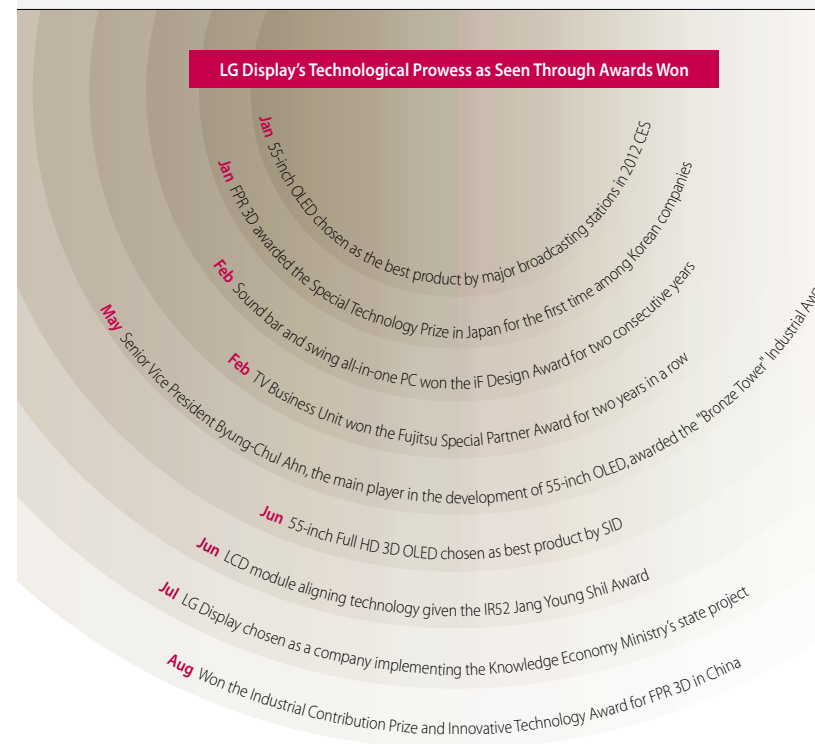
Also, the sales of medium and small LCD products took the lead by recording 195 million dollars, which was 71 million dollars higher than that of the No. 2 competitor and in the overall sales of LCD products, LG Display realized great success by achieving 1.992 billion dollars in sales.

Introduction of Technology for the First Time in the SID 2012

● Introduction of Advanced Technologies and Products Related to Super High-definition and Environment-friendly Market
 LG Display participated in the Society for Information Display (SID) that was held in June 2012 in Boston, U.S. to present the world-best technical competence specialized in display. Through this exhibition, it was possible to introduce the technology that can dominate the next-generation market, such as innovative design products and future products with low-power technology. Especially, the 55-inch panel for full HD 3D OLED TV in WRGB method was selected as the Best in Show.

● Highly Praised by DisplayMate as 'the Best 3D OLED'

Meanwhile, the OLED panel of LG Display that has been featured as the next-generation display was highly praised by Dr. Raymond Soneira who is the world-renowned expert in definition assessment and CEO of DisplayMate. Greatly impressed by the WRGB OLED TV, he praised it by saying, "It was awesome and the most impressive TV I've ever seen." This rave review was in stark contrast to the comment given for the rival products as "The 3D technology is not impressive and colors are inaccurate."



* LG Display has proven its top-tier technological prowess through many awards and favorable comments of authoritative experts and many consumers in 2012.



The goals of the mutually beneficial relationship promoted in LG Display is to cultivate the partner companies as the world No. 1 strategic suppliers by sincerely sharing with them the capability and technology of the company and to walk the path of No. 1 together through reinforced competitiveness.

FOCUSED REPORT

MUTUAL GROWTH

Sharing of Growth

02

'Supplier No.1', the Path Towards Mutually Beneficial Cooperation



In order to be equipped with the world No. 1 competitiveness based on differentiated products, the partners' role is as important as the internal capability until the introduction of products to the market. As for the core promotional objective, LG Display selected acceleration of mutual growth strategy. LG Display has consistently searched for the path towards mutually beneficial relationship by manufacturing the products of LG Display together with the partner companies. Through the mutual growth strategy, LG Display is walking the path of No.1 supplier with the partner companies.

Strategy for Mutually Beneficial Cooperation

The Company that can Communicate Best with Partner Companies

The mutual growth strategy of LG Display started in 2006. The company faced a crisis due to excess supply in the LCD market, thus, the activities of extreme challenge were initiated and carried out in the entire company. In the course of such activities, an idea that intended to actively share the company's successful experience and know-how with the partner companies was raised. In order to continuously create profit in the face of environmental change, it was necessary to secure the fundamental competitiveness. In order to overcome the crisis that started back in 2006, the idea that 'The competitiveness of the partner companies is our competitiveness as well' was settled in earnest. The concerns regarding LG Display's role to reinforce the internal capability of the partner companies became the starting point of the mutual growth activity. As a result, a special unit to support the partner companies was organized in June 2007 among the strategic suppliers of the 4 core parts and materials.

The Security of Fundamental Competitiveness to Become the No. 1 Partner Company

The goal of LG Display's mutual growth activity is to cultivate the partner companies as the world No. 1 strategic suppliers by

sincerely sharing with them the capability and technology of the company and to walk the path of No. 1 together through reinforced competitiveness. Ultimately, the partner companies can promote sustainable mutual growth while creating profit under any management situation. In the basis of such mutual growth activity, there is an idea of 'One Team Spirit with trust and cooperation.' When it comes to partnership, trust is formed by fairly and transparently sharing information and achievement. Meanwhile, cooperation is the actual support provided to the partner companies by discovering a joint project and securing a comprehensive solution to expand our core competence. In case of other companies, the support activities are limitedly promoted in finance, education, or consulting; however, LG Display provides extensive support to the partner companies. Currently, LG Display is assisting procurement and management from the company level, mainly through the special unit on mutual growth activity that is composed of about 80 professional engineers. Through this, the successful cases of LG Display as well as the 7 skills including Max Capa and Min Loss are being shared with the partner companies. By doing so, the partner companies are able to contribute to the enhancement of fundamental competitiveness in five areas;

Seven Skills for Shared Growth

Seven skills	Improvement of	Activity
Max capacity	Productivity	
Min loss	Operation rate	
Facility management	Facility management efficiency	<ul style="list-style-type: none"> Co-development of tasks with partner companies and support for improvement Offering educations for practices to partner companies and dissemination
Defect Engineering	Failure rate	
Quality coordination	Inspection efficiency	
Inspection technology	Testing power	
CIAS	Analysis and diagnosis of competency	

namely, production, quality, development, part infrastructure, and finance in the discovery and promotion of joint projects. Such effort is the signature mutual growth strategy of LG Display that 'teaches how to catch fish rather than giving fish'.

Reinforced Corporate Development for the Productivity of Partner Companies during Development Stage

The mutual growth strategy in the past was promoted based on production stages; however the mutual growth strategy for 2012 focused on mutual benefit in the stage of more fundamental benefit and development. Such approach is expected to expedite development from the early stage of production and contribute to overall optimization through complementary support between related sectors while securing production capability at the early stage. Settlement of such corporation development leads to new technical development and security of parts competitiveness. Vice President Dong-Soo Kim from the Purchasing Group assumed that 'the basis of mutual growth activity is to build trust' and explained that the special unit for mutual growth cooperation is exerting multi-pronged efforts that would meet the demands and expectations of the partner companies. "We are trying our best to stress priority to the needs and voice of the partner companies. By consistently studying to secure technical capacity and providing in advance the needs of partner companies, we will gain their trust."

The mutual growth strategy move the partners through the customized mutual growth activity for each partner company by understanding others' needs rather than demanding what we want, and it is the practice of considering and listening to others that forms the foundation of LG Display. The differentiated mutual growth strategy of LG Display that intends to walk the path of "No.1 supplier" together will become more articulated and advanced as time goes by.



Agreement on performance sharing with partner companies

Hosted LGD Tech Forum to Reinforce the Open Innovation

LG Display held LGD Tech Forum with the major partner companies in August 2012 to discuss the ways to reinforce R&D competitiveness through open innovation. In this forum, omnidirectional cooperation that transcends common cooperation was discussed along with the promotion of open innovation. During this LGD Tech Forum that was held for two days, the major partner companies that were equipped with world-renowned competitiveness were invited to the Paju Plant to reinforce open innovation. Also, the time assigned to explain the general plan or current business status was drastically reduced to be replaced by a seminar on the future display for each business.

This forum made it possible to promote open discussion that not only suggested a new idea or item but also completely shattered the fixed ideas. It also served as a momentum to lay out the blueprint for the future display industry, pushing beyond the mere concept of cooperation.

Promoted Open Innovation that Transcended the Fixed Ideas

In the Tech Forum, LG Display expressed its strong resolve to actively share opinions with the partner companies and reinforce open innovation to increase the synergistic effects in the field of R&D. Since most businesses participating in this forum were the partners specialized in the core display materials and parts, LG Display intends to consistently promote a higher level of cooperation with the partner companies. Such effort is expected to further improve the competitiveness of both LG Display and partner companies in the field of 3D and OLED



2012 LGD Tech Forum

market. CTO and Vice-President Yeo, Sang-deok commented about the hosting of the LGD Tech Forum and reinforced policy of open innovation as, "It is difficult to come up with an innovative product through the conventional method that promoted technical development with the technical capability of the company and partners." He revealed his ambition as "the future display will be changed through the open innovation that transcends the fixed ideas." LG Display plans to hold annual Tech Forum from this point onwards.



2012 LGD Tech Forum



Won the excellence in mutual growth

Selected as an Excellent CSR Business for Shared Growth

LG Display was selected as 'a business of Corporate Responsibility Management for Mutual Growth 2012' that was awarded by the Chosun News Press. The event was attended by about 50 prominent individuals including the CEOs of businesses that were selected as the representative mutual growth businesses in Korea. The Dean of Yonsei School of Business Park, Young-ryeol (Chairman of the screening) said, "cooperation between businesses is important more than anything, as it is the key component for sublimating the global competitiveness that has been accumulated by the Korean businesses for the past 50 years." He added, "the visions of CEOs and contributions made on mutual benefits by each business were comprehensively assessed to select the final 16 businesses in each industry." The event showed that award-winning businesses including LG Display that have made outstanding achievements in and out of Korea have made excellent achievements also in the field of mutual growth.

Became a Partner Walking the Path Together

LG Display started providing active support when the excellent partner companies that have helped the growth of LG Display for the past 20 years developed a new technical device. Including technical cooperation and examination, LG Display shared its accumulated know-how and offered preferential benefits for account settlement. Currently, the equipment that successfully localized through the cooperation was applied to most production lines in Paju LG Display Plant.

(Quoted from the Hankyoreh on March 28, 2013)

Benefit-Sharing System with the Partner Companies of LG Display

LG Display concluded 'Benefit-sharing Agreement' with five partner companies at 'the No. 1 mutual growth exchange conference' held in Paju Plant. This benefit-sharing system is operated to mutually allocate the profits raised through the mutual growth activities with the partner companies. After setting the goal and concluding an agreement with the partner companies in advance, the derived benefits are actively shared. The successful outcomes can be shared in a variety of ways, such as supply expansion, long-term contract, joint patent, and technology transfer.



Volunteer Service of the Partner Companies in LG Display

The Twins Club that is composed of the 46 domestic and international partner companies of LG Display has pioneered the sharing activity towards the local communities in Gyeongbuk area by supporting welfare centers and organizations for the physically challenged, as well as providing free meal service for the homeless. Meanwhile, the Twins Club had a free meal service for the homeless in Daegu area in December 2012, being led by about 30 CEOs of the partner companies. The members of the Twins Club sincerely prepared meals for the homeless as well as the elderly who lived in solitude, while practicing the spirit of 'love our neighbors' by presenting gifts like socks, mufflers, and rice-cakes.



With its main office in Gumi and branch office in Paju, Nanumnuri started its operations to provide job opportunities for the socially marginalized groups, offering them a job as health keeper (massage therapist) and steam car wash. As of March 2013, Nanumnuri is actively practicing the sharing spirit with a total of 153 employees and 94 physically challenged workers and it plans to continuously search for new job positions while upgrading its business scale and internal capacity.

FOCUSED REPORT

VALUE OF SHARING

The Joy of Sharing

03



Nanumnuri, the Industry's First Subsidiary for the Physically Challenged

Nanumnuri was founded as the first business designed for the physically challenged. Reflecting the spirit of sharing, this subsidiary of LG Display was established

to fulfill the social responsibility of the company through the employment of the physically challenged. Nanumnuri promises to grow as a social business that always exerts efforts for the improved employment of the physically challenged while serving its role as a social corporation. To expand the employment opportunities for the physically challenged, more services will be developed in various job areas so as to create a happy world that can be shared together.companies.

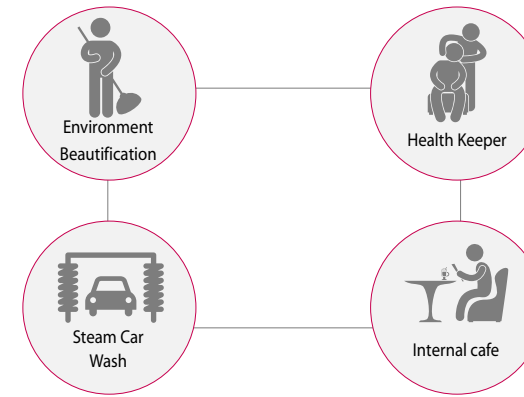
You Dream, We Display

Nanumnuri, a Subsidiary Designed for the Physically Challenged Aiming at Bigger Hope

Dreaming of Coexistence and Mutual Benefits with the Physically Challenged

'Nanumnuri' is a subsidiary designed for the physically challenged that was initiated to create jobs for the physically challenged who are socially neglected due to social prejudices and discrimination. Through the congratulatory address of Nanumnuri, the CEO Sang-Beom Han said, "Nanumnuri is not a mere subsidiary. I hope it would be the beginning of hope creation towards coexistence and mutual benefits with the physically challenged." Having its main office in Gumi and branch office in Paju, Nanumnuri started its operations by offering jobs as health keeper (massage therapist) and steam car wash to improve the environment and working condition in LG Display. From July 2012, the café in the rest area of LG Display has been operated by Nanumnuri. Nanumnuri has been practicing the sharing spirit with a total of 153 employees and 94 physically challenged workers and it plans to continuously seek new job positions while further advancing its business scale and internal capacity. The representative Dong-Sik Kim who was the first president of Nanumnuri revealed his hope by saying, "I hope it will serve as an opportunity to have a natural exchange and shatter the invisible walls between the physically challenged and non-physically challenged individuals through the course of our service to the workers of LG Display."

Business Area



History of Nanumnuri

- 2011.06** Signed an MOU to establish a subsidiary for disabled employees with the Korea Employment Agency for the Disabled
- 2011.01** Formed a TFT for the establishment
- 2012.03** Obtained the approval for the establishment from LG Display BoD
- 2012.03** Founded Nanumnuri Co., Ltd.
- 2012.04** Started health keeper, stem car wash and environment beautification businesses and launched subsidiaries
- 2012.05** Achieved recognition as a subsidiary
- 2012.07** Opened the cafe

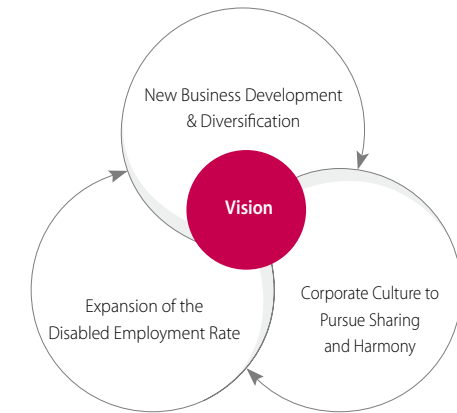
* Subsidiary for disabled employees :As subsidiary established by the parent company for the purpose of employing the disabled, it allows the disabled to secure stable job positions and the parent company to fulfill the criteria of employment quota system.

Education to Improve Awareness on the Physically Challenged

Nanumnuri provided education to improve the awareness on the physically challenged among the workers in Gumi and Paju Plant. In the main office in Gumi, the education was promoted for the sanitation workers while offering education for certain departments that had frequent exchange with Nanumnuri in Paju. The employees who participated in this education directly experienced physical limitation and had a chance to improve their awareness on the characteristics of the physically challenged workers. Such education is planned to be promoted regularly every year and by developing a variety of learning programs, Nanumnuri will continue to exert efforts for creating an organization that shares happiness and joy together with the physically challenge

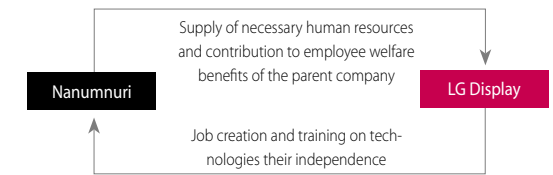
Vision of Nanumnuri

Build an organization to share pleasure and happiness together

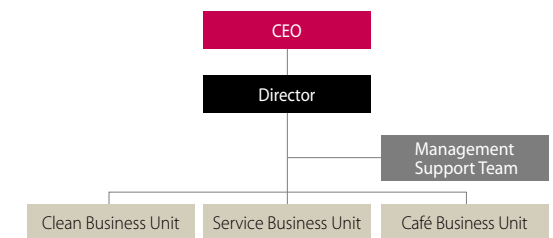


Mission of Nanumnuri

By offering job opportunities, Nanumnuri promises to support the physically challenged, who are losing their social identity, to not only be recognized but also regain their place in the society.



Organization of Nanumnuri



SECTION 2

CORPORATE SOCIAL RESPONSIBILITY

The new world that everyone dreams of. LG Display accompanies you as you envision and create the world of your dreams. To realize the world and life that is shared with the customers, partner companies, and members, we commit ourselves to the creation of advanced and differentiated values.

Product	p. 30
Environment, safety and health	p. 34
Employees	p. 48
Partner companies	p. 60
Local communities	p. 66



PRODUCT

01

02

03

04

05

The innovation towards the dream display and efforts towards the perfect quality; this is the beginning of the products pursued by LG Display.

INNOVATION MANAGEMENT

Aiming to reach the goal of 'Global No.1 Display Company,' LG Display endeavors to ensure R&D investment and original technology on the next-generation display including OLED, 3D, transparent and flexible display.

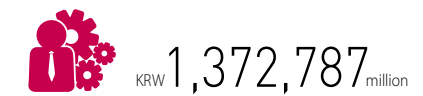
R&D investment (KRW in millions)

Classification	2010	2011	2012
R&D expenses	1,117,268	1,314,031	1,372,787
R&D expenses to sales revenue	4.4%	5.4%	4.7%

R&D Structure

LG Display is preparing differentiated products and future technology to secure dominance in the display market for various products, such as TVs, laptop computers, monitors, and mobile devices. To introduce differentiated products that reflect the market and customer needs, a special unit for product and technology development has been operated. The unit reinforces the research and development capabilities on the next-generation display through the LG Display Laboratory.

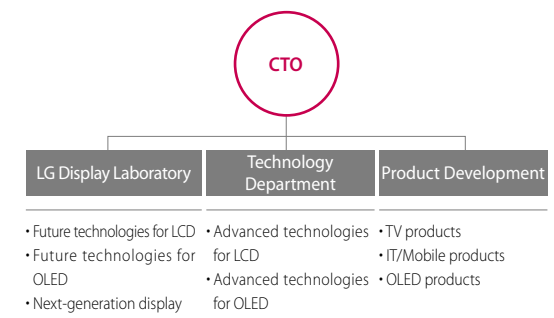
R&D expenses in 2012



R&D expenses to sales revenue in 2012



R&D Structure



R&D investment

Continuing to invest in R&Ds and focusing on R&D in its investment portfolio, LG Display is clearly reflecting its commitment to sustainable growth and technological advancement. In 2012, it invested KRW 1.37 trillion in R&D activities, accounting for 4.7% of total sales. From now on as well, it plans to actively promote investment in R&D.

Strategic Patent Management

LG Display focuses on strategic patent management to secure continuous developmental foundation. Staying true to its identity as leader and innovator, LG Display is consistently exerting efforts to secure original technologies for the future through the development, acquisition, and licensing of patents. As a result, LG Display is recognized for having the world's most competitive patents for displays.

R&D Performance

As of the end of 2012, LG Display held 19,713 patents, including 8,982 in Korea and 10,731 abroad. This outcome is greater by 16.34% compared to the 16,944 patents realized in the previous year. In recognition of this achievement, it received the Bronze Tower Order of Industrial Service Merit for the world's first 55-inch OLED TV panel. Since 2010, LG Display has also been included in a value index in the display category of the Ocean Tomo 300 Patent Index (Traded in NYSE based on IP value-oriented index of industrial product). Ocean Tomo is a world-renowned intellectual capital merchant bank.

QUALITY MANAGEMENT

Having established the vision and standard of quality management system, LG Display seeks to improve the quality of its products while standardizing the practical guidelines. Furthermore, it exerts efforts to reinforce product quality throughout all value chain based on quality management of the suppliers and overseas offices.

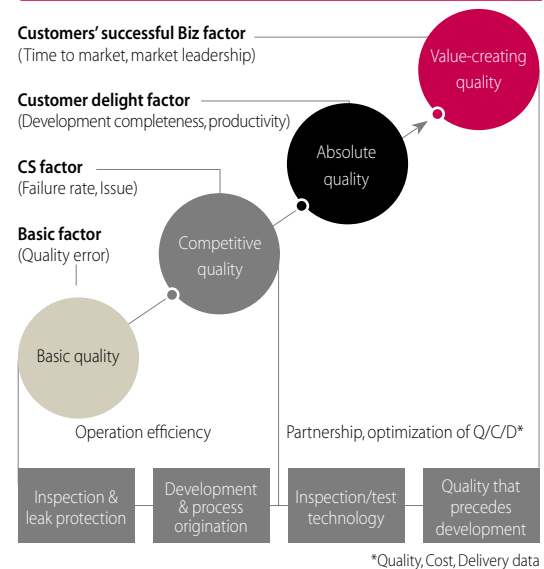
Operation of a Special Unit for Quality Management

Operating adaptable quality management units based on product line, production process, and region, LG Display is able to secure the excellent quality required by the customers. In particular, through the development quality department, the company ensures the quality of new technology from the time it is conceptualized. It not only enhances the technology for quality inspection but also optimizes the inspection procedures and testing specifications. The company also continues to optimize quality, costs, and delivery times, thereby upgrading the level of its quality-management system both domestically and internationally.

Vision System of the Quality Center

The Quality Management Center contributes to the actual business value and value creation through reinforced partnership while securing basic product quality.

Vision system of Quality Center



You Dream, We Display

Efforts to Realize Defect-Free Quality Products

LG Display exerts efforts to come up with the fundamental solution for problems that can arise during development, prevent the recurrence of such problems, and clearly explain their causes. Also, the company carries out defect-free development processes in order to obtain the best results. This is done by proactively identifying and addressing potential defects in the products through the examination on the structure and functions of the new technologies being employed. As part of its Quality Management Center, LG Display has created a special unit whose focus is to maintain the company's competitive edge as a technological leader and innovator. It also conducts company-wide creativity exercises to ensure that it effectively utilizes all of its resources in pursuit of advanced technologies, made possible through a closer cooperation among all members. The company's policy is to customize the processes of technological development to suit the needs of each client, thereby striving to sincerely adhere to their strategic models. Meanwhile, it also pursues global standardization, confirms the appropriateness of technical specifications and inspection standards, and continually optimizes the testing methods.

Operation of Quality Management Center

LG Display established firm guidelines for quality management in an effort to standardize the process. These guidelines are distributed throughout the company, along with registration processes, through periodic presentations and internal bulletin boards. Furthermore, the company upgrades and optimizes its quality management processes through regular quality inspections, enabling it to prevent incidents that may potentially affect the quality of products. These inspections also enable the company to obtain international quality certification (ISO/TS).

Expansion of Quality Management Process

LG Display fully applies the international standards of quality in all products manufactured in Korea and overseas. Furthermore, video conferences and mentor sessions between domestic and overseas worksites are promoted as an effort made for quality management. Having established its remote support system, the entire global network of LG Display communicates in real time. The "1+1" of LG Display is the system that is designed to solve

quality-related issues raised in overseas subsidiaries within 48 hours through the 24-hour monitoring and segmentation.

Parts Quality Management of the Partner Companies

To ensure proper implementation of quality management, LG Display promotes regular reporting and inspection on the materials and parts of the primary, secondary, and tertiary suppliers. The company also prevents overlapping or unnecessary processes between suppliers by standardizing all inspection processes.

Product Safety Certification

LG Display promotes a variety of activities according to the Standards of Product Safety Test aiming at product safety, reliability, prevention of quality-related issue, stabilization of production quality, and security of customer-satisfying quality. It also promotes design in consideration of specification change while offering technical support to obtain the international standards demanded by the customers. Currently, LG Display has obtained various international certifications, such as CB, UL, CSA, and TÜV, and regular inspection is promoted to ensure reliability of product quality.



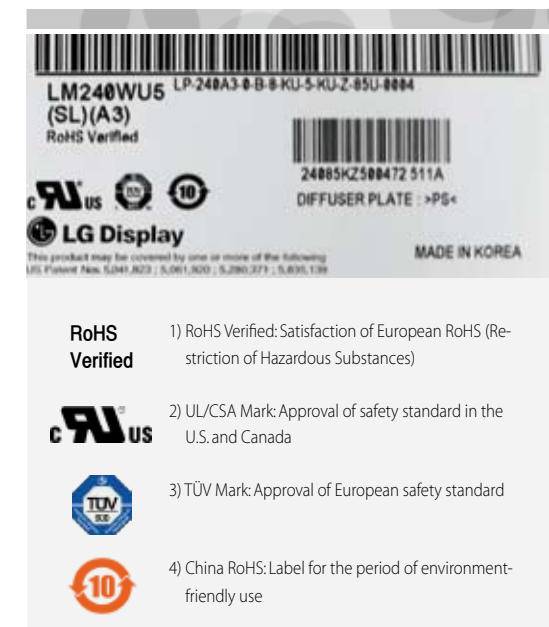
Best Partnership 2012

Customer Satisfaction Activity

LG Display not only offers differentiated products and technologies but also promotes consistent communication-related activities for its customers. In the Customer Support Center, the voices of customers as well as quality-related issues are immediately collected in real time to satisfy the customers' needs and promptly respond to their concerns. As a result, LG Display was selected as No. 1 in the Quarterly Business Review in 2012.

Product Information through Labeling

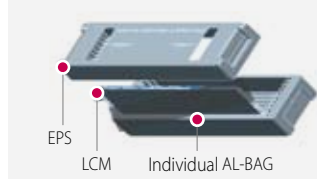
LG Display uses four types of labeling to reflect the customers' demand and international qualification as follows.



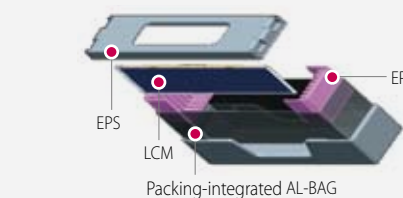
Concept of Eco-friendly Packaging and Expected Effect

Reduction of packing materials with the use of packing-integrated AL bag

[Before : EPS packing+ individual AL bag]



[After : EPS+EPP packing + Packing-integrated bag]



* EPS : Expandable Poly Styrene
EPP : Expandable Poly Propylene

To prevent quality defect caused by humidity in all TV products of LG Display, individual AL bag was applied. However, it became a factor that weakened competitiveness due to the increased packing expense as well as increased labor and processing time. Thus, the individual AL bag was replaced by the packing-integrated bag. From the environmental standpoint, it can lessen the consumption of resources through the reduced use of AL bag while enhancing its environment-friendly effect. Moreover, it is expected to reduce the material cost and labor required for processing.

ENVIRONMENT, SAFETY AND HEALTH

01

02

03

04

05

LG Display is promoting activities to create safe workplace and healthy world by adopting GESH (Green, Environment, Safety, and Health) value to the management system.

RESPONSES TO CLIMATE CHANGE

Facing the global issue of climate change, LG Display strives to fulfill its responsibility to the environment by establishing and practicing sustainable strategy for environmental management.

asures to cope with storm and flood damage. Furthermore, it is seeking ways to minimize the effects of market fluctuation, caused by climate change, on its corporate image and financial performance of the company.

Risks and Opportunities in Climate Change

● Addressing climate risks

LG Display identifies and confronts risks from climate change with respect to regulatory, physical, and other related factors. To adapt to stricter domestic and international regulations regarding climate change, it identifies risk factors and promotes a variety of programs to reduce greenhouse gases (GHG) and energy consumption. As for the measures against physical risk factors, LG Display continues to develop ideas to minimize the consumption of electricity and water while formulating mea-

● Utilization of opportunity from climate change

LG Display views the amelioration of climate change as an opportunity to come up with new products and businesses. Abiding by regulations related to climate change, the company carries out marketing activities and obtains appropriate certifications to do so. Owing to the unstable supply of energy and rising costs of energy consumption as a result of climate change, LG Display intends to secure competitiveness by introducing differentiated products that thoroughly address the uncertainties in the supply and demand for energy.

Risk Factors and Response to Climate Change

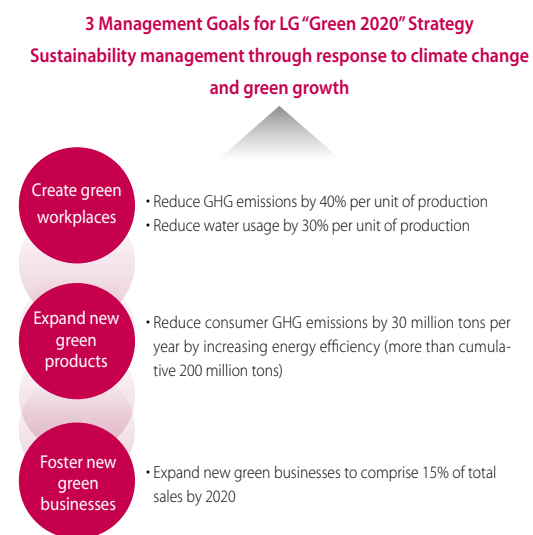
Category	Risk/Opportunity factors	Response strategies and activities
Risks	Regulatory perspective	Regulatory perspective
	<ul style="list-style-type: none"> • Fines may be imposed according to domestic greenhouse gas (GHG) and energy management by objectives. • Additional expenses may be incurred according to domestic GHG emissions trading system implementation in 2015. • R&D expenses may increase to comply with energy efficiency regulations including ErP and Star. 	<ul style="list-style-type: none"> • Carry out process-caused GHG emissions reduction and energy-saving activities. • Engage in pilot projects for GHG emissions trading. • Develop products using less power and conduct R&D to improve product performance including contrast and brightness.
	Physical perspective	Physical perspective
Risks	<ul style="list-style-type: none"> • Power use and LNG use may increase in summer, and winter, respectively, due to abnormal temperature caused by climate change. • A production snag may occur due to insufficient water owing to the lack of rainfall. • Production problem or lack of raw/auxiliary materials may occur due to increase in damages caused by yellow dust and storms and floods. 	<ul style="list-style-type: none"> • Find out and invest in items to cut down the use of electricity and water. • Diversify the steam supply system (collection of external waste incineration heat). • Build a process to cope with damages caused by yellow dust and storms and floods. • Make the supply system of raw/auxiliary materials into a dual system.
	Other risks	Other risks
Opportunities	<ul style="list-style-type: none"> • Risk of reputation: Investment value may fall, and customer preference may decline if negative evaluation is received for activities to cope with climate change. • Consumer behavior change: Product value may drop in the markets when customer needs for low-carbon/high-efficiency products are not met. • Corporate profitability may deteriorate owing to market environment volatility increase including raw material price hike. 	<ul style="list-style-type: none"> • Consolidate external communication on activities to cope with climate change. • Bolster R&D for product energy efficiency improvement and implement carbon labeling certification. • Strengthen R&D to reduce input volume of raw/auxiliary materials in case of new model development (reduce the No. of parts and use ratio of raw/auxiliary materials and make product lightweight).
	Regulatory perspective	Regulatory perspective
	<ul style="list-style-type: none"> • Income may be generated in case GHG emissions are reduced additionally, according to the implementation of the GHG emissions trading system in Korea. • New profit creation is possible by engaging in international GHG emissions trading. 	<ul style="list-style-type: none"> • Conduct process-caused GHG emissions reduction and energy-cutting activities. • Profit creation through CDM
Opportunities	Other perspectives	Other perspectives
	<ul style="list-style-type: none"> • Reputation: Investment value rises and customer preference goes up, thanks to volunteer activities to cope with climate change, which can be used as a positive management performance assessment index. • Consumer preference for low-power consuming products increases due to expansion of consumer needs for low-carbon/high-efficiency products. 	<ul style="list-style-type: none"> • Consolidate external communication on activities to cope with climate change (publication of sustainability management reports, participation in carbon disclosure project). • Development and mass production of low power-consuming products (AMOLED TV, Solar e-book)

Countermeasures against Climate Change

● **Establishment of company-wide system of countermeasures against climate change**

The LG Group formed the Green 2020, a set of eco-friendly management strategies that involve three strategic targets, namely, the creation of green workplaces, expansion of green-growth products, and reinforcement of green-growth businesses. The LG Group has carried out its businesses based on such strategies and operating principles. As a member of the LG group, LG Display has actively taken actions against climate change through the establishment of a company-wide system of countermeasures. In addition to the existing energy-saving activities focused on energy suppliers, the company mobilized a task force to lead energy conservation from the perspective of the consumers.

LG Green 2020 Initiative



Performance in Reducing Indirect Energy Consumption

Classification	2010	2011	2012
Started reduction activities in 2012			
Logistic(tCO ₂ t) reduction	1. Transportation		
	- Reduce the emissions of 168 tCO ₂ e by increasing container charging rate by 4% year-on-year		
	- Offer eco-driving education		
Commute of employees (Commuter bus)	2. Storage		
	- Reduce the emissions of 202 tCO ₂ e by minimizing the use of lightings in the warehouse		
N/A (This performance was included in the Scope 1 emissions according to GHG target management program by the Ministry of Environment)			
GHG emissions by partner companies (tCO ₂ e) (Response rate, %)	297,835 (42.5)	837,669 (74.3)	778,498 (87.3)

● **Preemptive management against greenhouse and energy consumption**

LG Display established greenhouse gas inventories at all workplaces to ensure the effective management of GHG emissions and energy consumption throughout the company. At workplaces within Korea, it regularly completes third-party assurance processes to cope with the programs for GHG and energy target management. Driven by consistent research development, it is also taking initiative in terms of climate change based on the development and production of energy-efficient products.

● **GHG emission reduction and results**

Aiming at the reduction of GHG emission and energy consumption, LG Display implemented a special system that analyzes energy efficiency in the facilities while recovering waste heat and recycling energy from waste through the recirculation of air desorbed from organic exhaust gases. It also seeks reductions in the LNG used during steam generation by incinerating external waste materials and at waste heat recovery incinerators, it generates additional steam through the incineration of biomass, including dried organic sludge and wood chip fuels. Through the process improvement, recovery of waste heat, replaced old facility, and reinforced operation management, LG Display is actively coping with climate change. As a result, LG Display saved 928,211 tCO₂e in GHG, 198,270 MWh in electricity consumption, and 7,582,000Nm³ in fuel in 2012.

Moreover, it is promoting various activities including the maintenance of proper temperature in the offices, nighttime energy patrol, and event on Environment Day to settle the energy reduction culture in our daily lives. Meanwhile, related information is announced through the newspaper and in-company communities to encourage active participation of the employees.

Performance in Reducing GHG Emissions and Energy Consumption

Classification	Unit	2010	2011	2012	
Investment	New investment costs	KRW in billions	46.8	32.1	25.1
	No. of items	Items	38	20	16
	Reduction for the year	tCO ₂ e	625,107	9,227	834,221
Process improvement and management enhancement	Reduction for the year	MWh	12,675	10,910	24,793
	No. of items	Items	827	789	1,277
	Reduction for the year	tCO ₂ e	69,723	113,787	93,990
Total	Reduction for the year	Thousand Nm ³ (LNG)	2,985	14,293	5,927
	No. of items	Items	865	809	1,293
	Reduction for the year	tCO ₂ e	694,830	123,014*	928,211
Total	Reduction for the year	MWh	148,084	187,177	198,270
	Reduction for the year	Thousand Nm ³ (LNG)	14,374	16,164	7,582

*The data are different from those of the previous year as cumulative data were not aggregated.

Encouragement of Energy Reduction Ideas in LG Display

LG Display encourages the employees to suggest fresh and innovative ideas in terms of energy reduction and it applies such ideas to reduce the cost for energy consumption.



● **The world's first acquisition of business approval for CDM (Clean Development Mechanism)**

LG Display acquired approval on CDM business from the United Nations Framework Convention on Climate Change (UNFCCC) for the first time in the global LCD industry. This business is mainly intended to reduce sulfur hexafluoride (SF₆), a GHG emitted during LCD production. As one of six GHGs, SF₆ has 23,900 times the effect of CO₂ on the world's climate. SF₆ is used for dry etching, during which the unreacted SF₆ is discharged into the air. The SF₆ abatement system, which was developed by LG Display in cooperation with LG International Corporation, combusts the unreacted SF₆ at a temperature of approximately 1,200 degrees Celsius. Under this system, carbon credits are traded with companies that have obligations to reduce their GHGs to raise profit. From August 2010 to January 2012, the company was credited by the UNFCCC for 993,290 tCO₂e in GHG reduction. The deliberation of UNFCCC on the company's reductions since February 2012 is currently being progressed.

LG Display's CDM project

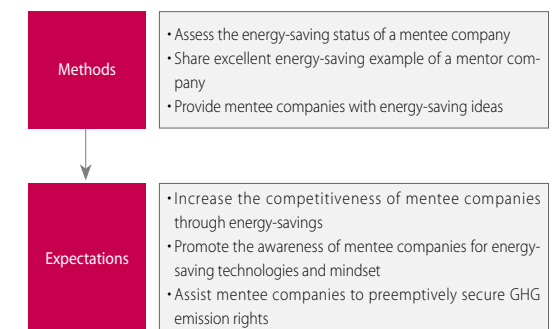
Classification	Details
Project	Securing carbon credits by abating unreacted SF ₆ during the dry etching process in TFT-LCD manufacturing
Period	From August 2010 to July 2010 (ten years after a registration with UNFCCC)
Estimated reduction	1.2 million tCO ₂ e per year
Applied technologies	SF ₆ + Heating (1200°C LNG) + H ₂ O → HF + SOx + NOx
Participating companies	LG Display and LG International Corporation

Support for GHG Reduction in Local Communities

● **Mentoring project for Stop CO₂ in Gyeonggi-do**

LG Display concluded an agreement on 'Stop CO₂ Mentoring Project' in May 2010 and plans to support GHG reduction in local communities by 2015. In particular, the Paju Plant of LG Display participated in the mentoring activity for ENVITEK, an industrial waste treatment partner company. ENVITEK was able to reduce its LNG use and GHG emissions through the application of excellent cases provided by the Paju plant, such as co-incineration of energy and organic sludge.

Mentoring Program to Stop CO₂



warded as an Excellent Mentor on CO₂ Reduction (By Gyeonggi Province)
Mentored by LG Display, ENVITEK was selected as the outstanding company for the Mentoring Program to Stop CO₂ on June 28, 2012.

GESH MANAGEMENT

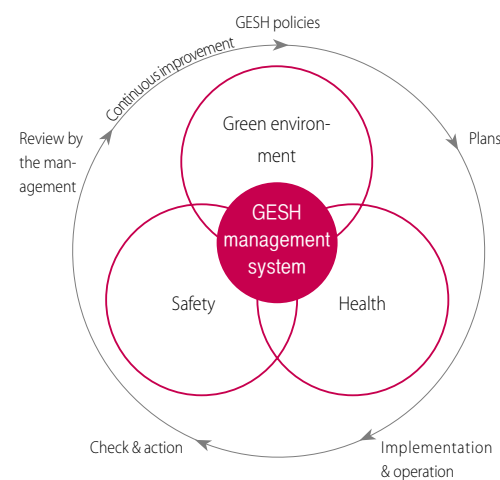
For the construction of safe workplace, LG Display operates GESH (Green, Environment, Safety, Health) that integrates green environment and safe health management activity through the reduced environmental impact and improved risk management in the overall management activities. It intends to introduce GESH management system internally and externally and establish guideline for the management activity of LG Display.

GESH Management System

● Establishment of GESH

LG Display established an objective that aims to pursue sustainable management of GESH (Green, Environment, Safety, Health) by actively carrying out the practices of green-growth, environment, safety, and health and by transparently promulgating all related activities to the stakeholders. To realize this, the measures and promotional plan of GESH were formulated. It also consistently screens all sections to ascertain the compliance with the guidelines through internal and external deliberations, as well as management reviews. Results are reported to the CEO and all information related to the GESH management system is transparently notified to the stakeholders through the homepage.

GESH Management System



● Certification of GESH Management System

LG Display has obtained the certification for GESH management in all of its domestic and overseas workplaces. Including ISO 14001 and OHSAS 18001, it has also obtained the KSI 7001 and 7002 certifications for eco-friendly management. Through self-oriented agreement, LG Display has continuously promoted improvement in the field of green, environment, safety, and health. Recognized by the Ministry of Environment for its environment-friendly management activities, LG Display was selected as a Green Company (GC), for the Gumi plant 1 in 1997, Gumi 2 and 3 plants in 2006, and the Gumi 4, 5, 6 plants in 2008.



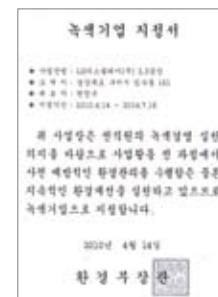
ISO 14001 Certificate
International certification for establishment and operation of an eco-friendly management system



KSI 7001, 7002 Certificates
Korea's certification for establishment and operation of eco-friendly management systems



OHSAS 18001 Certificate
International certification for establishment and operation of safety and health management systems



Green Company (GC) Certificate
Certification for green businesses designated by the Ministry of Environment

ECO-FRIENDLY MANAGEMENT

LG Display operates eco-friendly management systems to minimize environmental impact that may occur during daily operations. LG Display is leading the creation of sustainable environment by identifying and alleviating environmental risks arising from resource usage, hazardous chemical management and disposal of hazardous substances.

Green Environment Management System

● Management of green environment

The Green Environment Management System enables LG Display to conserve resources, efficiently use energy, minimize GHG emissions and reduce environmental pollutions. Abiding by ISO 14001, LG Display is sincerely carrying out the management of GHG emission and energy as well as its social responsibilities with the Green Environment Management System. In 2012, we implemented a computer system for effective operation of Green Environment Management System and obtained certifications for the eco-friendly management of our new facilities (P9 & M5).

Eco-friendly Management Performance

Key management targets	Unit	2011 Results	2012 Targets	2012 Results	Achievement level
Target established	%	92	92	92	■
Percentage of green products	%	100	100	100	■
Education and training hours	Hours/Person	5	6	6	■
Violations at worksite	Times/Year	0	0	0	■
Disclosure period for green management	Times/Year	1	1	2	■

Key management targets	Unit	2011 Results	2012 Targets	2012 Results	Achievement level
Energy consumption	TJ/Year	53,234	69,272	61,169	■
Direct GHG emissions	Thousand tCO ₂ e/Year	3,261	4,300	3,282	■
Indirect GHG emissions	Thousand tCO ₂ e/Year	2,667	3,518	2,879	■
Industrial water consumption	Million tons/Year	72	86	77	■
Waste recycled*	%	71	75	71	□

■ : Target achieved □ : Target exceeded ▢ : Target shortfall
* Improvement measures : Development of technologies to recycle waste water sludge and waste glass

● Prevention of negative impacts on the local communities

In order to prevent negative impacts of our business on local communities, LG Displays adopts four measures as follows:

Landscape	Hygiene/health
<ul style="list-style-type: none"> Formation of buffer green belt in the riverside of the Paju complex, children's park, and roadside 	<ul style="list-style-type: none"> Regular prevention of epidemics to minimize the problems related to hygiene and public health in the surrounding areas in connection with the business promotion
Population and Residence	Cultural Assets
<ul style="list-style-type: none"> Installation of temporary noise barriers and sprinkling system to minimize impacts caused by noise, vibration, and scattering dust around the construction sites Execution of proper measures like water sprinkling 	<ul style="list-style-type: none"> Execution of excavation for the three areas with potential relics before construction based on the findings of surface survey No relics found during the construction; to be treated according to the Cultural Heritage Protection Act in case of having an issue related to cultural assets

● Environmental impact assessment for each business phase

Abiding by the Article 14 and Article 24 of the Environmental Impact Assessment Act, LG Display carries out environmental impact assessments to identify and prevent the potential environmental impacts to the surrounding areas. By organizing stakeholder meetings as following the law, LG Display also manages the possible impacts of its business to the local communities, such as noise/vibration, waste, excessive water usage, a leakage of toxic substances. The assessment report on environmental impacts is available at the homepage of Environmental Impact Assessment Support System (www.eiass.go.kr).

Management of Potential Impacts Generated in Local Communities

- Installation of a low-noise fan in the cooling tower after a complaint was filed due to the noise of the cooling tower in Paju Complex
- Operation of a task force to minimize the risks during an emergency and a leakage of chemical substances
- Support to verify the mechanism of water fog generation that was caused by the waste water of the LCD waste water treatment facility in Paju plant

● Strict management of water quality

To prevent water contamination, LG Display operates a 24-hour water monitoring system at its control center. With the installation of an automatic drainage system that transfers potential hazardous chemicals into its own waste water treatment facilities, it also prevents the inflow of hazardous substances into rivers and streams. The waste water at the Gumi plant is initially treated onsite, then transferred to a sewage treatment plant in Gumi City, and finally discharged into the Nakdong River. Due to the company's strict management of waste water, the pollution concentration was set to be 50% lower than the level set by relevant laws.

Meanwhile, the waste water that is primarily treated in the Paju plant is being utilized for the maintenance of the Manwu Stream after going through the sewage treatment plant in the city. As of today, none of our business site received a report about water contamination from the local communities. As a part of the agreement with cities on the principles of "One Company, One River," the Gumi and Paju factories participate in the cleanup of natural ecosystems including rivers, streams, and pastures in the surrounding areas. In addition, the water quality is analyzed once a month and the result is reflected to the operation of the waste water treatment facilities.

Water Sources Significantly Affected by Water Intake

Classification	2010	2011	2012
Water sources (ton)	839,406	839,406	839,406
No. of protected areas of water sources (locally/internationally)	1	1	1
Biodiversity value (ex. Species diversity and endemism, and No. of protected species)	-	-	-

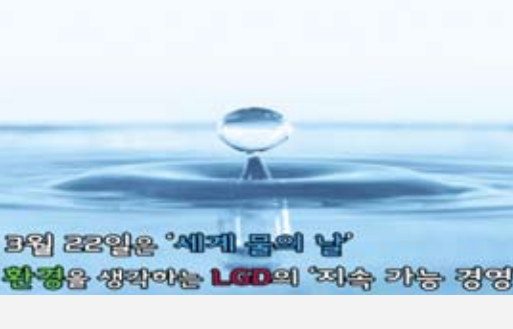
- Water source of Gumi Complex: Haepyeong water-taking plant (water source protection area designated by the government), and Bisan water purification plant
- Water source of Paju Complex: Munsan water purification plant and Paju industrial water purification plant

● Reuse of waste water

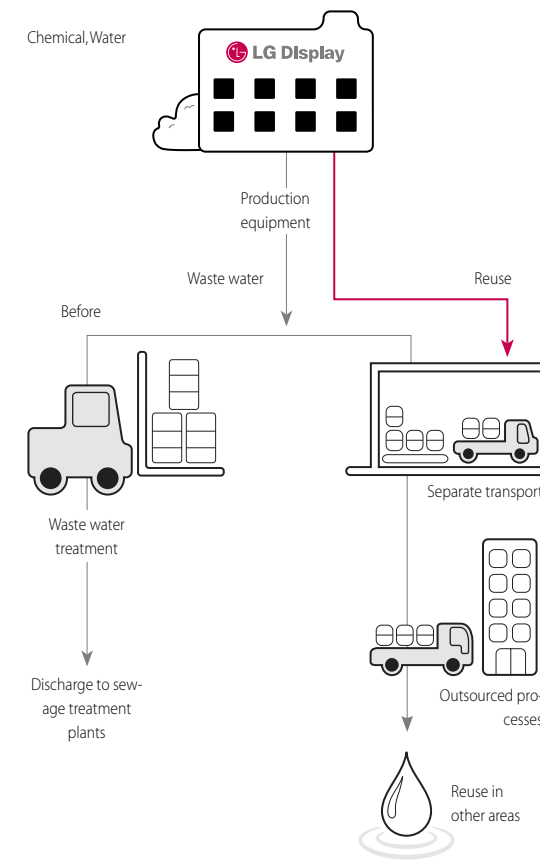
In general, LG Display uses water to supply deionized (DI) water for cleaning glasses. Depending on the characteristics of the waste water recyclable water is reclassified and introduced again to the waste water recycling system to make the best use of waste water. In 2012, LG Display recycled 9.2 million tons of water and saved the amount of water consumption. Especially, highly concentrated waste water is transported separately to recycling companies where it is reprocessed, then reused by other companies for the chemicals to treat waste water.

PR of Water Resource Control on the World Water Day

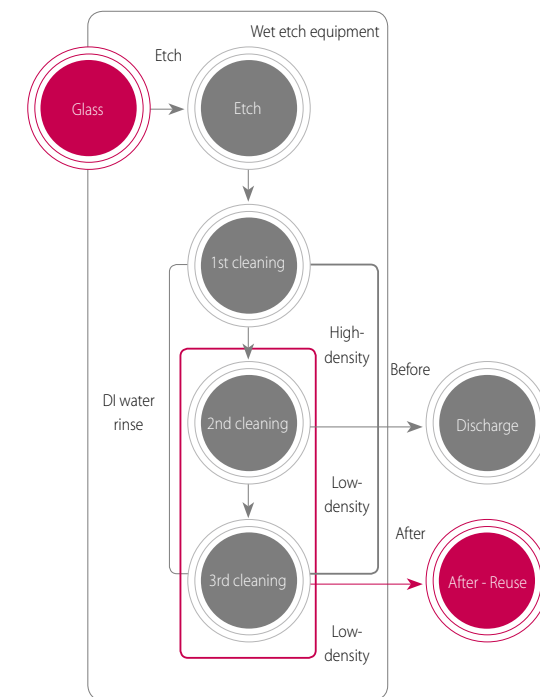
In celebration of the World Water Day on March 22, the college students who were interested in the water quality management of LG Display wrote comments in 'The Young's This Play' which is a blog of LG Display. The bloggers were able to understand the course of eco-friendly waste water treatment of LG Display and posted their thoughts so that other blog visitors could easily understand the processes involved. Through the blog, LG Display was able to share the importance of protecting water resource with the blog visitors while announcing the significance of the sustainable management conducted by LG Display.



Treatment of High-density Waste water



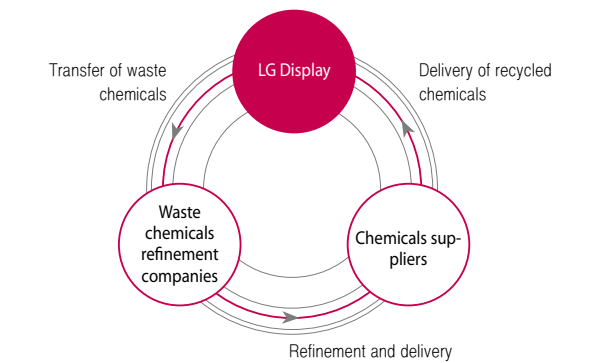
Reuse of Low-density Waste water



● Stable supply of chemicals with high dependence on imports

For recycling chemical waste that is generated after production, LG Display has organized a chemical waste refinement task in 2006 and promoted research and investigations to apply new recycling technologies. Later, the company built a chemical waste recycling system between LG Display, chemical waste refinement and chemical production companies to secure procurement of chemicals whose supply is highly dependent on imports. Such system not only reduced the cost of chemicals but also improved the recycling rate of waste materials.

Recycling System of Chemical Wastes



● Recycle of waste materials

LG Display is consistently developing recycling technology for waste materials to maximize the recycling of resources. In line with this, the company jointly registered two patents on waste recycling in 2012. In addition, the company started recycling backlight unit protection film, which has been incinerated due to its adhesive composition, by developing recycling technology and facility. In addition, it successfully developed technology and device that acts as substitute for the protective paper used for glass board. By replacing coniferous tree, a raw material for natural pulp that is 100% dependent on import, the company is expecting replacement of imported raw materials and contribution to conservation of natural environment.



● LG Display and biodiversity

Abiding by the Article 14 and Article 24 of the Environmental Impact Assessment Act, LG Display carries out environmental impact assessments prior to starting the new business to identify and prevent the potential environmental impacts to the surrounding areas. According to the environmental impact assessment conducted by LG Display, our business sites were not nature preserves or the area with high value of biodiversity. There was no legally protected specie, such as an endangered animal or a natural monument in the area. Also, there was nothing significant found by the inspection on the number of dominant species. LG Display formed Manwu Stream in the Paju Complex as a natural stream and currently utilize the stream as an ecological pond after the completion of a construction in the northern part of the complex.

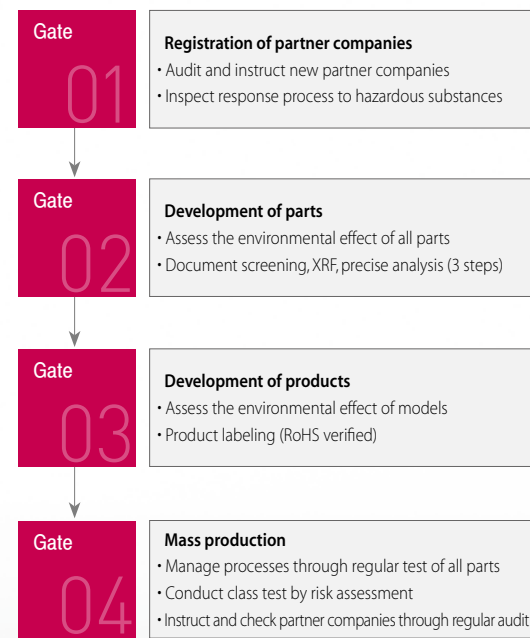
Classification	Habitat
Surface area of all protected or recovered habitat (km ²)	39.6
Location	Paju Complex and neighboring areas
Approval of external experts	No

Process of Hazardous Substance Management

Hazardous substance management system

LG Display has implemented a system for environmental management can shut off the use of hazardous substances in any stage of production, ranging from manufacture to storage and

Hazardous Substances Management Process



shipping. This system not only responds to the diverse needs of its customers but also promotes an eco-friendly corporate image and enhances the competitiveness of products.

● Operation of the Eco Analysis Center

LG Display's Eco Analysis Center is actively responding to the demand of the customers on environmental safety. In 2005, it was certified as an international certification body for ISO/IEC 17025 in RoHS sector by the Korea Laboratory Accreditation Scheme (KOLAS) for the first time in the industry. It was also certified to the test standards for IEC 62321 as well as hazardous substances in Class II and III, including HBCD, TBBPA, Phthalate and halogen. In order to cope with the hazardous substances to be regulated in the future, the company has obtained qualification for the assessment of hazardous substance by TÜV SÜD that is a globally recognized testing, inspection, and certification organization. In so doing, it takes charge of issuing analysis result on hazardous substances, such as PAHs, Ni, and Be.



Eco Analysis Center

● Standardization of eco-friendly analysis technologies

LG Display also actively participates in ongoing efforts to standardize international RoHS analysis. Serving as a project leader, the company has implemented the amendment to the IEC 62321 international standard (Standard name: IEC 62321-3-2) on analysis of hazardous substances. As a part of these efforts, it submitted a petition for the implementation of combustion-IC, an inspection standard for halogen-free products in June 2010 which will be officially announced as the standard in June 2013. Driven by such activities related to RoHS and halogen analysis, LG Display promises to sincerely fulfill its responsibilities as an eco-friendly business while leading the eco-friendly analysis technologies.



KOLAS certificate

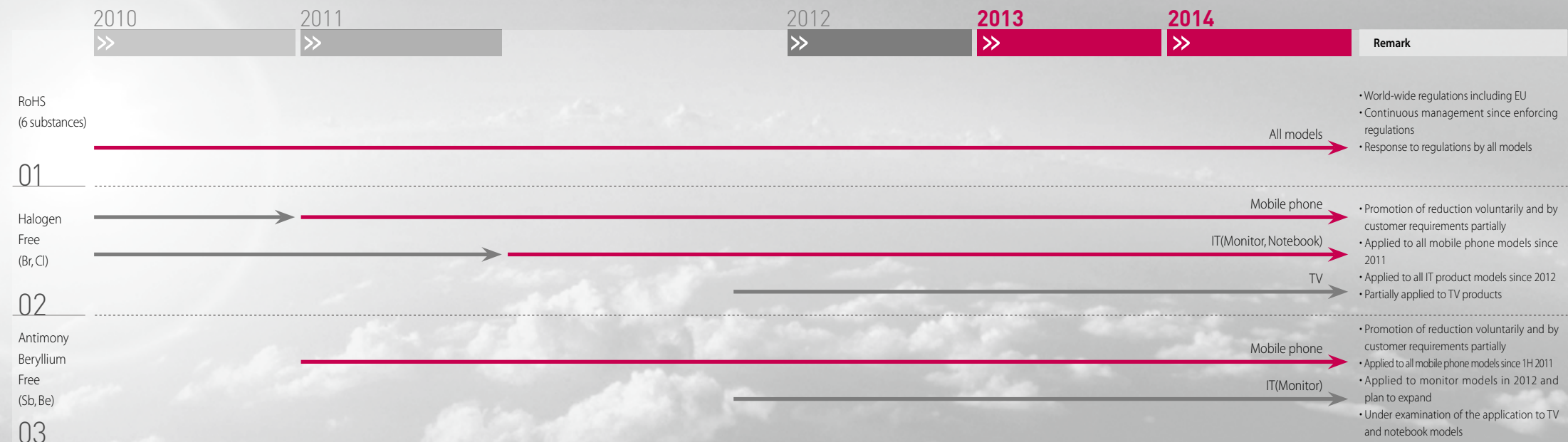


TÜV SÜD certificate

Spontaneous Activities to Reduce Hazardous Substances

LG Display complies to international regulations such as RoHS and REACH. Furthermore, it performs environmental assessment on raw materials and activities to reduce hazardous substances based on "the standards on hazardous substance in products."

- ※ Response level
- Partial response – some models
- Whole response – all models



HEALTH AND SAFETY MANAGEMENT

LG Display strives to provide a pleasant working environment and improve the health and safety of all employees by enforcing strict standards for all processes, from design to manufacturing. The central control center enables a swift response to emergencies by offering real-time monitoring of fire-fighting equipment, utilities, weather information, and gas and chemical substances.

Safety and Health Management System

Industrial safety and health committee

LG Display's Industrial Safety and Health Committee consists of 62 union members and managers. The committee holds regular quarterly meetings, during which they discuss about the prevention of work-related accidents, improvement of working environment, and activities to promote health. Each workplace has its own committee, and all committees have active exchanges issues and decisions regarding safety and health. The main agendas are employee SVC, safety and health issues, safety and health training, and safety inspections.

Percentage of total workforce represented by joint labor-management health and safety committees

Classification	2010	2011	2012
Percentage of total workforce represented by joint labor-management health and safety committees (%)	0.3	0.2	0.2
No. of total workforce represented by joint labor-management health and safety committees (persons)	62	62	62

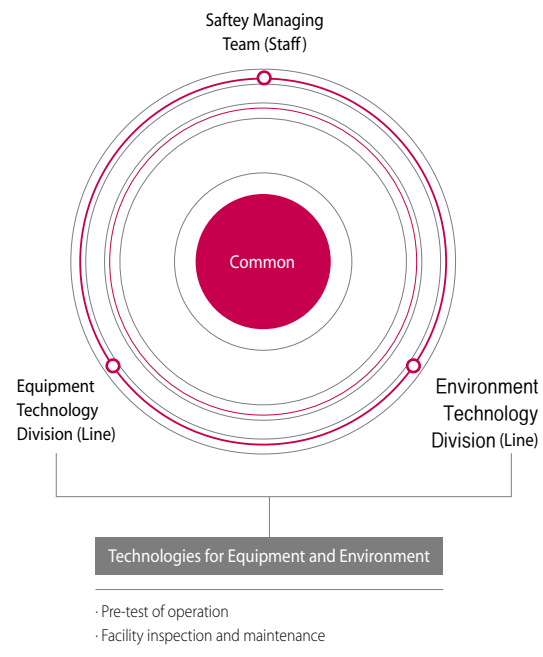
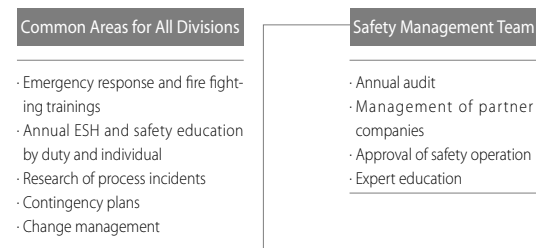
Percentage of total workforce No. of total workforce



Comprehensive process safety management

LG Display adopts a comprehensive process safety management (PSM) system for all workplaces, providing risk assessment and risk management throughout all processes. The equipment technology division, green technology division, and the safety management team cooperate to define the appropriate roles and responsibilities of each process, starting at the warehouse, to provide a safe work environment.

PSM (Process Safety Management)



Safety certification programs

LG Display conducts safety certification programs for equipment, in line with the standards of other domestic and international safety programs. Since 2010, the evaluation criteria have been expanded to include all sets of equipment. Apart from ensuring the safety of new equipment, the certification program enables comprehensive management of safety, reliability, and improvements of basic safety checks.

Equipment Safety Certificates

LG Display issues self-evaluation reports (left) and safety certificates (right) for all sets of new equipment.



Equipment safety certificates
Self-evaluation report for the safety of new equipment (left) and safety certificate (right)

Safety and Health Activities

Safety school

In addition to the aforementioned processes and equipment safety measures, LG Display operates a Safety School that offers customized safety training for all divisions. The courses cover a wide range of topics, from basic safety education to specialized fire-fighting training. Through these programs, employees can recognize in advance the risk factors within the workplace and make the necessary improvements, in addition to being trained for swift firsthand responses in cases of emergencies.

Safety management performance

LG Display offers comprehensive safety management, equipment management, and employee training to ensure maximum safety in the workplace. Furthermore, all industrial incidents are compensated with medical care benefits by the Korea Worker's Compensation and Welfare Service.

*Industrial accidents: any injury, disease, disability, or death caused by occupational exposures

LG Display Presented with the Korea Safety Award

LG Display's Gumi plant received the Presidential Award during the 11th Korea Safety Awards hosted by the Korea Safety Authority. The Korea Safety Awards was established in 2002 by the Korea Safety Authority and the National Emergency Management Agency to give proper recognition for individuals, groups, and institutions that have played a crucial role in the settlement of safety culture. LG Display's Gumi plant has been awarded the Presidential Award for its safety and health management system, which incorporates environmental, safety, and health measures. The comprehensive system curtails waste water and gas emissions, while linking such factors to the health and safety of employees to come up with realistic goals. The proper application of the environmental-safety-health activities are confirmed through internal and external inspections, which may be conducted by local residents and other independent institutions. LG Display's efforts have earned us the International Certification of Safety and Health and we will continue our efforts for providing a safer and healthier workplace through safety activities and emergency response training.





Assessment of working environment Each six months, external medical experts check and assess risk factors of worksites

● **Pleasant work environment**

LG Display regularly assesses the workplace to limit workers' exposure to harmful chemical substances. Our efforts to provide a pleasant and safe working environment also include measures for high-temperature work sites, regular inspection of local ventilation systems, and prevention of musculoskeletal disorders.

● **Employee health promotion**

LG Display provides customized medical examinations every year to improve employees' health. Long-term female employees and their spouses have access to biannual comprehensive exams. We also operate in-house medical centers and health clinics, nursing rooms for new mothers, and prenatal classes for expecting parents. Regular health courses are available for employees who wish to have an in-depth understanding regarding health issues, while fitness test rooms that are managed by medical professionals and fitness trainers offer customized physical exercise prescriptions as well as health consultations. These programs have been effective in reducing the rate of abnormal findings in periodic medical examinations.

We also employ scenario-based methodologies to prevent new diseases and secure the health of our employees. The Seoul headquarters is equipped with the Well-Being Room, which offers a range of health care programs for office workers. Working closely with the local community and the Yeongdeungpo-gu Health Center to offer anti-smoking programs and metabolic syndrome programs, we also aim at disease prevention by providing vaccinations for our employees and their families.



Physical therapy Center
Physical therapy room is being operated to contribute to the preservation of employee health.



Fitness test center
Fitness test center is provided to assist employees in their own health management.

Health Promotion Certification

The Korea Occupational Safety and Health Agency and the city of Gumi have awarded LG Display the title of 'outstanding workplace for health promotion activities' and the 'Gumi City healthy workplace Navi' certificate, in recognition of LG Display's dedicated efforts and unwavering commitment to health and safety.

LG Display has received outstanding ratings for all areas of health promotion activities including prevention of work-related disease. LG Display also offers oriental medicine treatment, physical therapy, and customized exercise prescriptions for non-office workers. For LG Display's female employees, LG Display conducts various on-site health promotion activities including the cervical cancer prevention campaign and resting lounge for new mothers (nursing rooms).



Vaccination in 2012 (including employees' families)

Classification	Total
Hepatitis A	899
Hepatitis B	820
Cervical cancer	4,094
Seasonal influenza	7,732
Distribution of insecticides	18,599



Vaccination and PR

Health Support Programs for Employees and Their Families and Communities

Category	Education/Training	Counseling	Prevention/Risk management	Treatment
Workers	- Health lectures: Sex education, prevention of musculoskeletal diseases - Emergency evacuation training: All employees participate.	- Health clinic: Obesity and anti-smoking - Person clinically suspected of disease: Counseling/Follow-up examination - Individual disease: Health counseling	- Vaccination: Hepatitis (types A and B), flu, cervical cancer - Ultrasonography: Thyroid, varicose veins	- Affiliated medical clinic/Health management center: - Treatment: Internal medicine, family medicine, otolaryngology - Physiotherapy treatment center
Workers' families	- CPR training	- Children: Atopy treatment - Spouse: Women's diseases		
Community members	- Training on emergency evacuation/First aid - Emergency training (industrial complex)			

Persons clinically suspected of disease*: Persons classified into a group with disease or suspected of disease according to the examination result

- Education/Training: Operate health lectures and health classes to improve health awareness.
- Health counseling: Offer health clinic to enhance health and conduct follow-up examination per disease after health counseling.
- Prevention/Risk management: Vaccination (vaccination recipient pays) and ultrasonography are continually supported for the workers and their families.
- Treatment: Offer and support various types of SVC through the operation of affiliated medical clinic and health management center.

EMPLOYEES

01

02

03

04

05

Free-flowing communication - from the discovery and hiring of new talents to fair assessments and compensations - helps creating a healthy corporate culture

HR RECRUITMENT

LG Display strives to nurture passionate, goal-oriented talents equipped with professionalism and good skills for teamwork. LG Display is putting its best efforts into establishing an innovative corporate culture by expanding the recruitment of global talents and female employees.

HR Policy

● Charter of the Man of Ability

LG Display is confident that human resources are the most significant assets for long-term growth. To this end, LG Display operates under the principles of people-oriented management to maximize capabilities and values of employees. We have declared the Charter of the Man of Ability based on the LG Way, which governs our recruitment and talent-fostering activities.

LG Display Charter of the Man of Ability

1. We provide a creative environment where all members can produce results, firm in our belief that talented people are the best resources for the company. We acknowledge and reward the talent that leads us towards the creation of our "Global No. 1" technology.
2. We actively procure and nurture the right talent for LG Display.
3. We respect each other's autonomy and creativity.
4. We do not fear failure, and we challenge ourselves to set extreme goals in our effort to be the best.
5. We work together to create a joyful environment where employees look forward to working every day.

Prevention of Child Labor and Forced Labor

LG Display's HR policy bans the hiring of under-aged children below the age of 15, while adolescents under the age of 18 are prevented from being exposed to high-risk tasks. Furthermore, we do not force labor through violence, threat, confinement and other mental or physical distress that goes against the free will of our employees, and we do not require the surrender of government-issued identification, passport, or labor license in exchange for employment.

Attracting Top Talent

● Securing outstanding undergraduate students

LG Display collaborates with topnotch universities within Korea under the 'LGenius Program' to secure outstanding undergraduate talents in the field of science and engineering. These LGenius Members are recruited early, and spend their senior year being trained as future LG employees under the professional and technical expertise offered by the professors of the operating committee. The top 30% of these students are given the opportunity to pursue higher graduate level education as we continue to secure and nurture outstanding talents to serve as our growth engine for future R&D.

● Recruiting high-caliber postgraduate candidates

LG Display operates the LGenius Program, Target Lab Tour, LG Display Technical Talk seminars, and other activities targeting newly enrolled or currently enrolled postgraduate candidates who can contribute to our R&D capacities in the mid to long-term. These LGenius Members are provided mentors in their respective R&D fields, LG mentoring, and invitation to LG Techno Conference and employee gatherings.

● Attracting global talents

Every year, LG Display conducts early recruitment activities in Korea and abroad to secure outstanding undergraduate and postgraduate talents. The selected candidates are provided current employee mentors, invitations to the LG Techno Conference, invitations to managers' meetings, and other programs aimed to nurture high-capacity workforce.

Human Rights and Diversity

LG's Efforts to Respect Human Rights

● **Management philosophy rooted in human rights**

LG Display respects the freedom of all employees and strictly observes international labor standards and regulations outlined by the International Labor Organization (ILO) and other relevant institutions. We are firmly opposed to discrimination or disadvantages based on gender, race, age, and ethnic origin.

As part of our efforts to reinforce human rights, we have clearly stated in our HR policy the prohibition of child labor and forced labor in line with the standards set by the international community.

LG Display also respects diversity in our overseas offices by complying with the local labor regulations and equal opportunity acts, while exerting more efforts to hire local workforce. Furthermore, LG Display recognizes women, foreigners, men of national merit, and the disabled as minorities, and extends various benefits and policies to gradually increase the percentage of minority recruitment to enhance diversity in the workplace.

● **Incorporation of human rights in HR policy**

LG Display has reflected measures against discrimination and human rights violations as part of our human rights policy, as well as clearly stating eight human rights guidelines that conform with international standards.

LG Display's HR policy clearly states the prohibition of discrimination, conformity to standard labor hours and relevant regulations, fair wages and welfare benefits, and freedom of association. The changes in contents are translated into English and Chinese and are notified to all employees through the in-house intranet.

LG Display's HR Policy

LG Display conforms to all human rights and labor standards established by the UN, ILO, and other institutions. All partners of LG Display are also obligated to conform to these standards.

- All employees should be treated with the respect accorded to human beings, and all efforts should be made to prevent inhumane treatment that causes mental or physical distress.
- Violence, threat, confinement and other measures that limit the employees' mental or physical freedom and forces labor against their free will are strictly forbidden. Employees should not be required to surrender their government-issued identification or labor licenses as part of the prerequisite for employment.
- Hiring of children under the age of 15 is prohibited, while adolescent workers under 18 should be prevented from being exposed to high-risk tasks that may threaten their safety or health.
- Discrimination in hiring, labor, promotion and other work conditions based on gender, race, nationality, disability, religion, union activities, or social status are strictly prohibited.
- The total work hours, which include overtime, should not exceed the limit established by the labor regulations and legislation of the respective countries.
- All employees' wages should be higher than the minimum wage prescribed by the respective country or region, and overtime compensation should be provided in accordance with the law. These measures are aimed not only at improving the living standards and work motivation of the employees but also contributing to the realization of sustainable economic development.
- Employees should be given access to direct communication with the company for the development of a healthy corporate culture. The freedom of association is guaranteed in accordance to the relevant labor regulations and laws of the country, while union membership and activities cannot be used as reasons for disadvantageous treatment.
- All work conditions should comply to the labor regulations and laws of the respective country, and all employees should not be subject to inferior working conditions.

HR DEVELOPMENT

LG Display strives to nurture the professional and global capacities of all employees so as to help them realize their full potential. To this end, we offer programs geared towards nurturing core global talents, improving the basic capacities, and providing expert training for their respective fields.

HR Development Based on Core Values

To secure its competitiveness and create customer value, LG Display provides assistance to its employees on their quest of becoming top-tier talents equipped with on-the-job skills and global competence. Based on the LG Way and our core values, we offer various HR development programs aimed at securing core competencies.

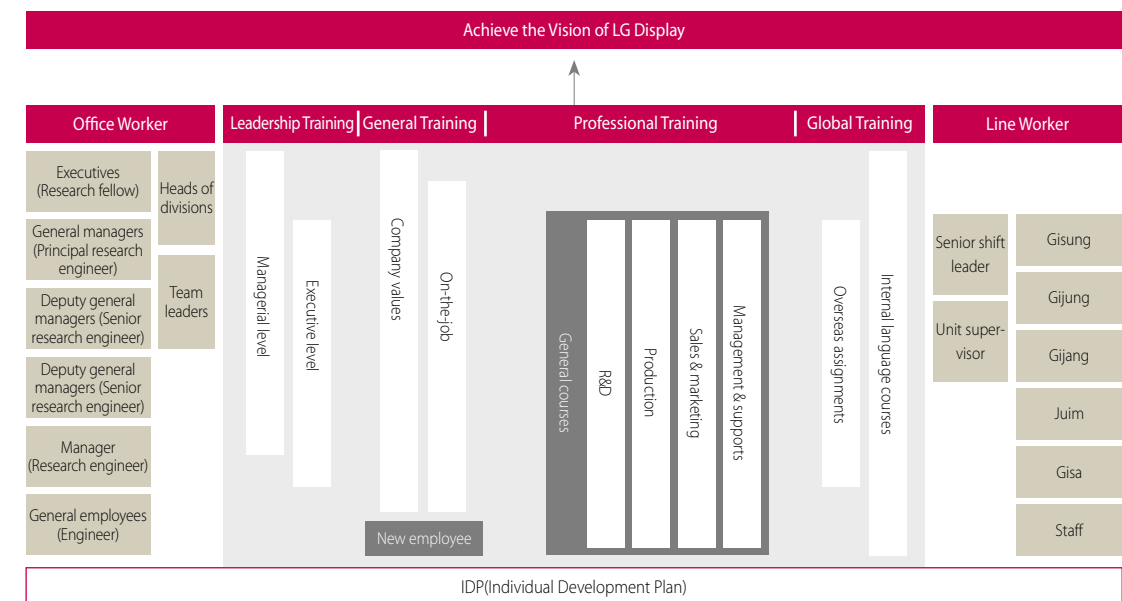
Leadership Development

LG Display employs leadership development programs aimed at maximizing its core competence by nurturing future leaders. We identify 'LG Display leadership qualities' and 'leadership capacities' required for each rank, while conducting regular 'leadership evaluations' to enable self-assessment of leadership potential and leadership style. To this end, we offer a range of leadership development programs that provide an opportunity for potential leaders to hone knowledge and skills. In particular, the 'LG Display Leadership Workshop' selects noteworthy cases and success stories from each division to be shared with all employees. Through this program, we are putting into practice 'leadership based on open communication,' where all employees have a direct line of communication to the executives.

IDP (Individual Development Plan)

LG Display utilizes an Individual Development Plan (IDP) program to increase individual satisfaction of employees and to support their career development. The IDP makes it possible for the employees to evaluate and hone their capabilities independently. The self-assessments are followed by career coaching and guidance from team leaders who facilitate the actualization of these plans based on in-depth knowledge acquired through experience. LG Display helps the employees in terms of career advancement by improving related guidelines and systems. The IDP furthers mutual understanding among employees and reinforces individual capabilities, thereby strengthening the fundamental competitiveness of LG Display.

LG Display's HR Development System

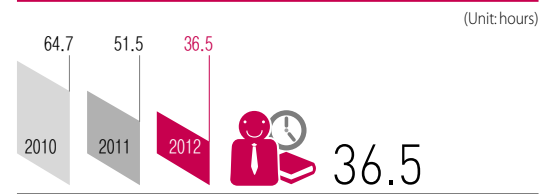


* Titles in parenthesis are for R&D Staffs

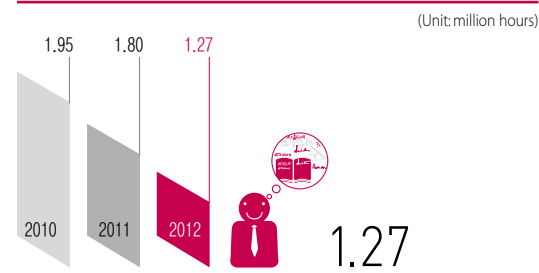
On-the-job Training

LG Display offers a variety of on-the-job training and non-training programs that are customized to the respective fields and duties. In-depth courses for on-the-job training are linked to the training courses for new recruits and are so designed to offer accumulated knowledge and technologies. Such approach not only enables the employees to gain better understanding of their duties but also facilitates their early and effective adaptation, thereby contributing to the enhancement of corporate competitiveness.

Annual average training hours per employee (Unit: hours)

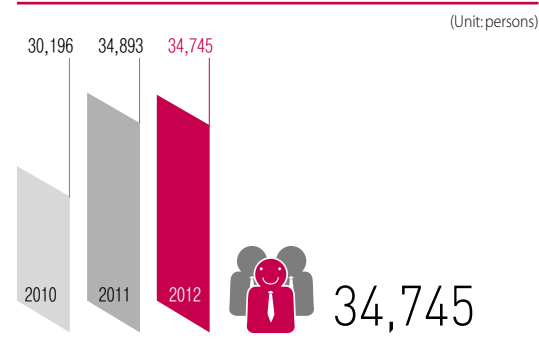


Total training hours (Unit: million hours)

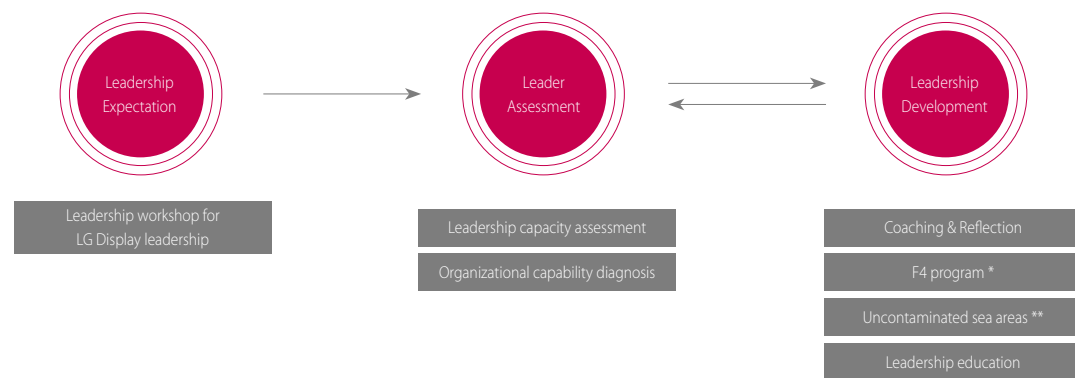


※ Training hours for new employees have decreased due to the reduction of employment size.

No. of employees in Korea (Unit: persons)



Process to Foster LG Display Leaders



* F4 (Forget, Free, Fully, Foresee): A program shared by organizational officers and staff in charge to enhance mutual understanding and form a bond of sympathy together
 ** Uncontaminated sea areas: Venue for one-on-one communication wherein the CEO gives feedback on officers' leadership, solves work-related issues and difficulties, and delivers and encourages expectation regarding individual career visions.

EVALUATION AND COMPENSATION

LG Display rewards all employees based on their performance and contribution to our goal of achieving Global No. 1. Individuals who realized excellent results are given due recognition as high-caliber talents. It is for this reason that we provide a work environment that fosters a culture of autonomy and creativity, empowering the employees to focus on their work and performance.

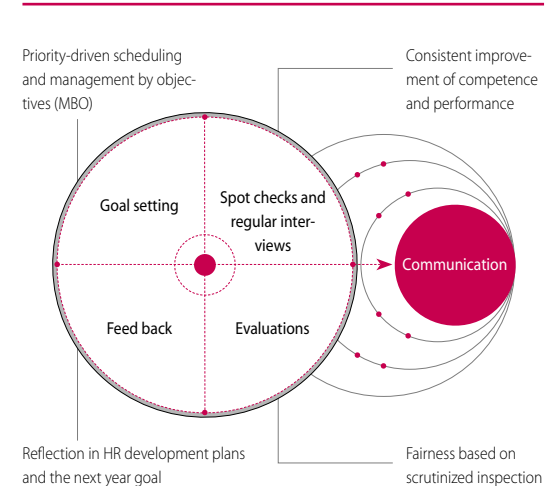
Fair Evaluation and Compensation

● **Performance evaluation and management**

By ensuring fairness and objectivity in all of its evaluations, LG Display enables its employees to set their specific performance goals and also provides them some assistance to help realize such goals. Performance goals are evaluated based on competency assessments, periodic interviews, and feedbacks. Aimed at the strategic nurturing of talent, performance is carefully evaluated based on a comprehensive review of individual records and capabilities.

Consisting of regular mid-term interviews and feedbacks, the performance management process is designed to improve individual capacities, enhance performance, and lead employees to the attainment of their goals. Such process closes the gap between corporate and individual goals, in addition to facilitating recognition of assessment results, upgrading the effectiveness

Performance Management Process

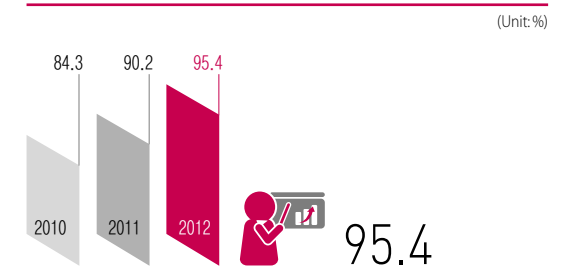


of the evaluation process in nurturing new talents, and improving flexibility in current operations.

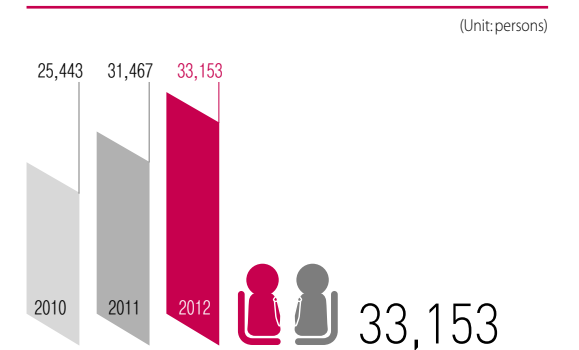
● **Fair compensation**

In order to instill pride in its employees, LG Display offers to-pitch wages and implements a range of compensation measures designed to improve performance based on individual initiatives. Apart from financial rewards, our compensation includes welfare benefits, opportunities for self-development, improvement of work environments, acknowledgement, and positive feedback, which boosts the engagement of employees and strengthens their teamwork.

Percentage of target employees for regular performance evaluation and career development review (Unit: %)






No. of target employees for regular performance evaluation and career development review (Unit: persons)



WELFARE AND BENEFITS

LG Display provides a variety of welfare programs according to the preferences of employees to free them from worries of health and safety and enable them to focus on their work. Its welfare and benefit policies are tailored to fulfill the diversified needs of the employees and maximize their satisfaction.





Support for Healthy Lives

 <p>Medical coverage</p>	<p>LG Display assists employees and their immediate families (parents, spouses, and children) with medical expenses for the diagnosis of cancer, acute myocardial infarction, and cerebrovascular diseases. The coverage also extends to death benefits, while the medical costs of major disease treatment programs are partially supported. In addition, we offer in-house clinics (Gumi/Paju) and a medical center (Seoul).</p>
 <p>Vacation</p>	<p>Employees have the right to observe all vacation days as required by law, and are given 4 paid vacation days in the summer. We also offer 'Refresh leave' to encourage the employees to have proper work & life balance.</p>
 <p>Employee health checkups</p>	<p>Through regular health checkups, our employees and their spouses have a higher chance of early diagnosis and treatment.</p>

Improvement of Life Values

 <p>Tailored benefits</p>	<p>Employees are given welfare benefit points (1 million Korean Won per year) which are used to fund welfare programs according to individual preference and need. These points can be used for self-development, leisure/health, gifts, and daily amenities.</p>
 <p>Informal Group activities</p>	<p>These groups support and assist healthy hobbies and interests, while reinforcing the bond and camaraderie among employees for a more vibrant corporate culture.</p>
 <p>Leisure facilities</p>	<p>We offer access to various leisure facilities (Condos, LG Serve One, resorts in Gangchon and Gonjam) to make sure that our employees are satisfied with their leisure and recreational life.</p>

Support for Stable Lives

 <p>Financial assistance in mortgages</p>	<p>Employees are assisted with their mortgage interests when buying a house.</p>
 <p>Student loans</p>	<p>Employees' children and siblings who are the primary breadwinner of the family are given financial assistance in student loans.</p>
 <p>Bonuses on family events</p>	<p>Bonuses are doled out on family events to celebrate or console the employee. Employees also may use paid vacation days for family events.</p>
 <p>Others</p>	<p>We also offer basic social security insurance (National pension, occupational health and safety insurance, health insurance, and unemployment insurance), company housing or dorms, shuttle buses, rewards for long-term employees, and childcare facilities in the workplace.</p>

LABOR-MANAGEMENT COMMUNICATION

LG Display maintains a cooperative labor-management relationship based on harmony, ensuring all legal rights offered to labor unions and respecting the unions as forums where we can compile employee opinions and reflect their main concerns in our policies.

Labor-management Communications Channels

● Joint labor-management conference

LG Display hosts a quarterly joint labor-management conference, during which representatives of management and labor discuss and resolve various issues related to personnel management and work conditions. All divisions conduct labor-management meetings on a regular basis so as to know the main grievances and issues of concern among the employees. Any changes to labor conditions are discussed beforehand through collective bargaining.

● Fresh board

LG Display has established the Fresh Board policy to better compile and resolve complaints from deputy section chiefs and lower rank employees. Employees can express their opinions to management policies through regular companywide FB meetings, while the in-house intranet FB bulletin board allows for direct communication with the executive ranks, enabling them to listen to the complaints and grievances of individual members.

● LG Display's monthly newsletter, magazine: D

LG Display's monthly newsletter 'magazine: D' presents various headlines, IT trend reports, updates on new products, and all news related to LG Display in an approachable and easy manner. With the participation of all employees, we also publish a column on the LG Display Employee of the Month, which introduces workers from all over the world.

● Idea bank

LG Display operates an Idea Bank, which enables all employees to freely suggest their creative ideas through their access to the internet. Idea Bank is a two-way open communication channel with fair and transparent evaluation procedures. Furthermore, employee ideas have also led to more frequent donations.

Idea Bank applies employee ideas to new products and technologies, processes, equipment, quality improvement, work efficiency, upgrades in workplace, environment, and welfare benefits. Various events are offered to pique the interest of employees and encourage them to submit more suggestions.

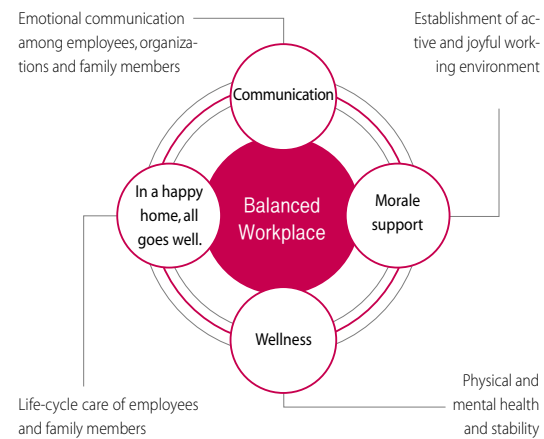


Internal idea contest

JOYFUL WORKPLACE

'Joyful Workplace' is LG Display's unique corporate culture rooted in the people-oriented principles of the LG Way. Through our 4 pillars of communications, drive, wellness, and In a happy home, All Goes Well, we strive to achieve a balanced workplace where the employees and the company attain mutual growth.

4 Directions for Joyful Workplace



● Communications

Communications is one of LG Display's core values. To foster a competitive corporate culture based on smooth communications, we offer a comprehensive range of programs aimed at strengthening emotional bonds and camaraderie of the employees. The overnight communication camp, and the Didorphin Closet are unique communications infrastructure of LG Display that brings team members closer and cultivates emotional bonding, connection, and collective intelligence. Furthermore, more than 150 Joyful Members both in Korea and abroad are sparing no efforts in creating a vibrant corporate culture, and an annual EXPO is held to serve as a forum for networking and exchange of best practices.

● Boosting morale

Morale is the primary basis for competitiveness. Accordingly, LG Display strives to create a joyful work environment by promoting various activities aimed at fostering an energetic atmo-

sphere based on teamwork. Our motivational programs include: 'LGD mentor's day' where employees can express their gratitude towards mentors who have helped them in daily tasks, 'movie walks' and cultural performances by local governments aimed at providing a richer cultural life, and holiday events for employees who were unable to return home for the holidays. We also operate fun events and friendly competitions during lunch time to make sure all our employees are working in a fun-filled environment.

● In a happy home, All Goes Well

LG Display's management philosophy is based in a happy home, All Goes Well, as we believe that happiness at home is the basic prerequisite for success. We offer family care programs that are designed to correspond to a 5-phase life cycle. Specialized programs are provided for each phase so that all of our employees can work without distractions. Apart from maintaining employee satisfaction, such programs are to be used as the basic material for employee VOC.

Category	Main programs
Period of marriage preparation for single people	Single matching event, Valentine's Day event
Period of marriage, pregnancy, and childbirth	Support for in-house couple's wedding car, making happy children, prenatal education
Period of infant care	Family Month event in May, mothers and fathers' visit to our company, happy home school
Period of elementary and secondary education	Presenting rice cakes as a gift to pray for high school seniors' successful college entrance examination, special lectures for the exam
Period of children's independence and parents' retirement	Program to prepare for the 100-year-old era (consists of the importance of the 100-year-old era, couple communication, and inspection and consulting on financial state)
Common matters for life cycle	Serotonin Station, filial tour for parents, camping festival, financial consulting



Family Month event in May

● Wellness

Wellness programs attempt to boost work efficiency by improving the employees' emotional and physical health. We offer stress prevention and therapy programs to reduce stress from work or home, which resolves work-life conflicts and enables our members to fulfill their social responsibility towards their families. For physical health, we operate in-house clinics, massage therapy (Linked to an affiliate company that employs the disabled), a gym, and yoga classes. For emotional health, we operate therapy and stress care programs for the employees and their families as well as group sessions.

● Emotional therapy activities

LG Display operates emotional therapy centers in all establishments, to provide these services to employees, their families, and workers in our affiliate companies. Gumi's 'Maeumsarang counseling room,' Paju's 'Bium and Chaeum cafe' and the headquarters' emotional therapy programs are being operated to alleviate anxiety-related symptoms and stress, thus improving concentration at work.

No. of employees and family members who received emotional therapy

(Unit: persons)



Cafe for emotional therapy

CASE 1

Serotonin Station

Offering customized care based on the life cycles of the employees and their families, the Serotonin Station reflects LG Display's desire to provide work-life balance. Serotonin Station acts as the life partner of our employees, providing offline and online services to ensure easy access to the much needed information and services.

Resource by Life Cycle

Serotonin Station provides brochures, CDs, books, periodicals, and other resources to the employees. We offer useful information by life cycles - childbirth/childcare, financial investments, leisure, performances, and retirement plans - while our books can be rented out.

E-learning Center

LG Display offers various E-learning contents as part of the efforts to discover a more effective way of providing resources on leisure and children's education. We offer more than 220 contents in language, hobbies/life, children's education, and health, and provide 1 free lecture per week.

LG Display Discount

LG Display presents varied experiences to make sure its employees enjoy a happy family life as well as improved quality of living. LG Display has built partnerships with various sports centers, beauty centers, and self-development centers so that its employees can live a happy and energetic life.



Online serotonin station (www.lgdserotonin.com)]

CASE 2
LG Display certified as a family-friendly corporation

LG Display has established an organic cooperation structure among related divisions to effectively plan and execute family-friendly programs. These programs are designed to correspond to the entire life cycle of the employees, from recruitment to retirement (From pre-marital stages to the sending off of children and preparing for retirement).

We send invitations to our employees' partners and allow them to tour the workplace, and we also offer prenatal lectures for expecting parents. We believe our employees are our most valuable assets, and we spare no efforts in helping our employees and their families to achieve a work-life balance based on mutual growth.

Our Serotonin Station - an online/offline community that provides useful information, self-development programs and related discounts based on life cycles - is a good example. Furthermore, our emphasis on family-friendly management, creating a family-based atmosphere, and commitment to these programs can be seen in our internally circulated CEO Letters.

Our family-friendly policies and programs have succeeded in boosting the work focus and productivity of our employees, while also leading to a virtuous cycle of sustainable growth. In recognition of our efforts, we have been awarded the family-friendly corporation certificate from the Ministry of Gender Equality and Family in 2012. We have also received the Prime Minister's Award, which acknowledged our remarkable feat among the 116 certified companies.

CASE 3
LG Display's Yantai subsidiary received gold medal, named No. 1 in welfare

LG Display's Yantai Subsidiary is responsible for a large portion of LG Display's mobile LCD module used in smart phones. The manufactured products are supplied to mobile operators across the world. LG Display's Yantai Subsidiary has been awarded the Gold Medal by the Yantai Development Zone, which is a medal

given to companies with annual revenues exceeding 5 billion yuan (Roughly 87.5 billion won) that have shown outstanding grades in growth, employment, welfare, environment, and safety. The selection process is renowned for its strict adherence to standards, and there have been no awardees for the past 3 years. The Yantai Subsidiary handles delicate tasks and hires a high number of female employees. Among its 3,200 employees, 80% of them are women - which is a higher percentage compared to all other workplaces. We also have resting lounges for expecting mothers and beauty salons that cater to female employees.

Local employees express their surprise in the recent changes to the on-site facilities and state that "LG Display is becoming known as a company that actively reflects the employee opinions in making improvements in the facilities and work environment."



Won the Prime Minister Award in recognition of family-friendly activities



Display's Yantai subsidiary received gold medal, named No. 1 in welfare.

CASE 4
LG Display's consideration towards female employees

LG Display hosted celebratory events for female employees in all branches over the world this March 8, on the International Women's Day.

The Guangzhou branch offered daily amenities and female health lectures, while the Shanghai branch offered small gifts and a half-day vacation. The Yantai

branch hosted a shuttlecock game participated by the branch head and 105 employees, while the Fuqing branch prepared gifts and health courses for female employees.

Meanwhile, the Nanjing branch offers various services catering to female employees, who account for more than half of all workers. The Nanjing branch hosts 'beauty lectures' every quarter, where we invite renowned makeup lecturers who offer one-on-one lectures on makeup tips. These programs are offered to instill confidence and promote happiness of the employees by enhancing their beauty.

The Nanjing branch does not spare any efforts in bringing comfort to expecting mothers. Since its establishment 10 years ago, we have seen a rise in pregnant employees and have therefore introduced resting lounges for expecting mothers. Such facilities have the optimal temperature, humidity, and lighting as well as specialized meals for expecting mothers. Every year, female employees who show the greatest diligence and serve as a role model to younger members are awarded the plum blossom award. These awardees give a presentation on their experiences so as to inspire and motivate others.

LG Display shows consideration to female employees to ensure that they live a joyful life both at the workplace and at home. Serving in various important roles, the female employees contribute greatly to the development and success of the company.



LG Display's Nanjing subsidiary delivered makeup lectures.

CASE 5
Efficient digital work environment

A2D (Analog to Digital) Activity
 LG Display conducts A2D activities since 2011, which is aimed at improving work efficiency and creating a smart work environment that fosters creativity.

The A2D activities eliminate unnecessary tasks and digitally organize vital processes through standardization, codification,

systemization, and automation. A2D activities reduce work hours and enable workers to focus on creative tasks, thereby creating a virtuous cycle that fosters more talent.

We have operated the A2D activities in production/overseas branches/R&D/planning/human resources in 2012, and such activities will be expanded companywide into purchasing, management support, global operations, and sales/marketing in 2013.

Through the A2D activities, employees review their everyday tasks from a zero-based perspective, create a corporate culture that facilitates new ideas, eliminate simple repetitive tasks, secure work & life balance through systemization, and establish an environment that enables creation of high value and creativity. Furthermore, these activities standardize and systemize know-how to improve the basic standard of all employee work processes.

The A2D activities were applied to individual and team units up to 2012. Since 2013, these activities are applied on a wider scale to improve work efficiency and create a digital work environment through a collaboration of "market-leading LGD work culture" activities.



Creating ideas through A2D activities

PARTNER COMPANIES

01

02

03

04

05

LG Display is taking the initiative for the settlement of the mutually beneficial system based on transparent, reliable, and truthful attitude.

MUTUAL GROWTH

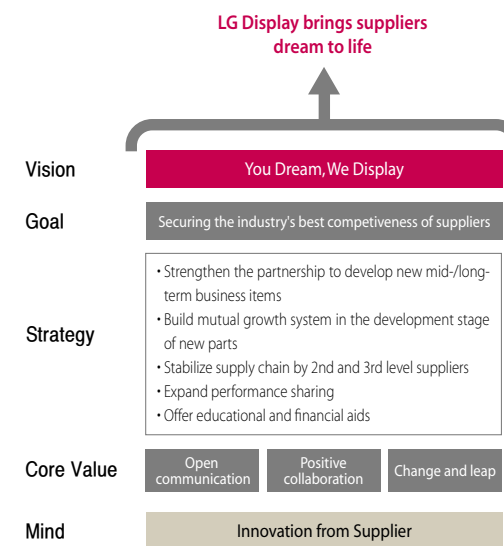
LG Display is exerting efforts for mutually beneficial cooperation with partner companies through financial stability and technological competitiveness. Being the first in the industry to form a special unit for mutually beneficial cooperation, LG Display has successfully established the system for promoting mutual growth culture based on trust and cooperative spirit with the partner companies.

Mutual Growth system

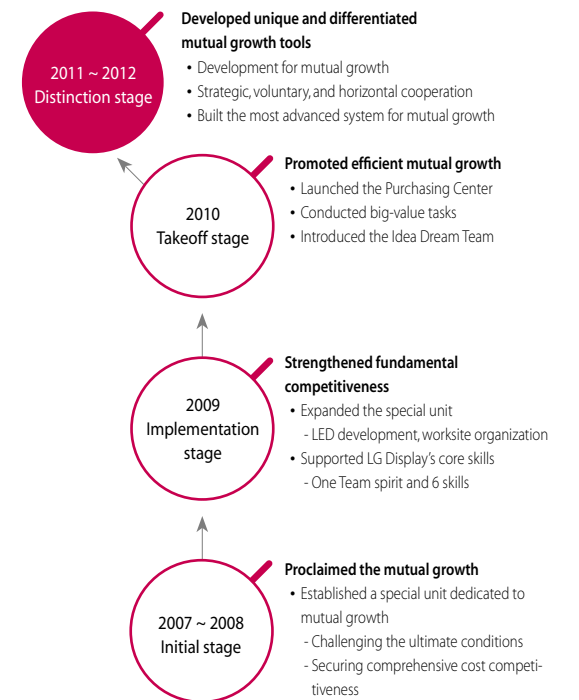
● Promotion of mutual growth

In line with the "One Team" spirit, which emphasizes cooperation, LG Display helps its partner companies become market leaders by not only providing a complete set of solutions to share core competencies but also identifying and resolving business issues from various aspects. These partnerships help LG Display managing with the risks in its management environment as it pursues sustainable growth with partner companies.

Mutual Growth promotion system



Milestone of Shared Growth



● Special organization for mutual growth and its support activities

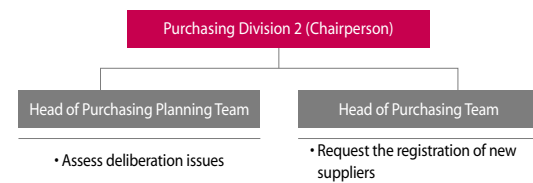
As part of its efforts for mutual growth with the strategically-related partner companies, LG Display has organized a special unit that provides financial/technical support to the partner companies. It aims to actively promote businesses with the partner companies through the sharing and application of technical and parts development technology. Furthermore, the company shares with suppliers its technological competitiveness in inspection and productivity, enabling them to upgrade their core competencies. It also uses its company-wide resources to assist partner companies in a full range of management areas, including accounting, taxation, judicial affairs, finance, education, human resources, EMS, ESH, Green management, management analysis, planning, and information technology.

Reinforcement of Win-win Culture Based on Trust

● **Operation of compliance committee for mutual growth**

LG Display supervises contract and price determination processes for subcontracting through the compliance committee to ensure their fairness and legality. The compliance committee consists of people in charge of procurement and for sustainable mutual growth activities with the partner companies. The procurement planning team and procurement team works in close cooperation to promote the business. By complying with the guidelines on operation, deliberation, and structure, which are presented on separate homepages for each of the partner companies, LG Display ensures transparent and fair trade while proactively preventing potential incidents. The committee deliberates on issues relevant to the relationships with suppliers, including registration of new partner companies and early payment to suppliers during Korean national holidays.

Structure of the Compliance Committee



● **Establishment of fair trade culture**

LG Display pursues Jeong-Do management in daily operations to maximize management performance while fulfilling its social responsibilities to the partner companies and customers. All partner companies openly discuss and report complaints on any treatment or business practice that they may feel unfair through a bulletin board on the LG Display website and the intranet for company-wide procurement. The procurement team reviews and responds to the reports. Furthermore, all partner companies and suppliers are required to sign a pledge to follow the principles of Jeong-Do management. As they do so, they express their commitment to participate in the development of mutual trust.

Financial Support

● **Financial loans**

LG Display provides a Network Loans program as a source of funding for its partner companies. In cooperation with Korean banks, the program enables partner companies to receive loans within the limits stipulated in the loan approval policies of the designated banks. The company offers several tools, such as LG Display Family Corporate Loans, the LG Mutual Growth Fund, and a mutual guarantee program, to provide collective support for its partners. As of 2012, these funding programs amounted

to KRW 14.6 billion, leading to KRW 182.2 billion in cumulative performance.

● **Improved payment system**

To reinforce the liquidity of its suppliers, LG Display has fully paid its subcontracting suppliers in cash since October 2008. It has also shortened the payment deadlines, from 14 days to 10 days after the issuance of official value-added tax (VAT) receipts.

● **Reasonable adjustments on unit price**

LG Display has formulated the standards and countermeasures for adjusting the unit prices of supplied products in case there is a change in the price of raw materials. As a result, thirteen cases of unit price have been increased, with a total of KRW 5.3 billion in adjustment. As it abides by guidelines for adjustment of subcontract price according to market value fluctuations in raw materials, LG Display responds to the requests from its suppliers within ten days and, following the discussion and agreement on such requests, it completes the price adjustments within thirty days (According to Clause 3 of Article 3 in the standard of subcontract transaction).

Competency Reinforcement

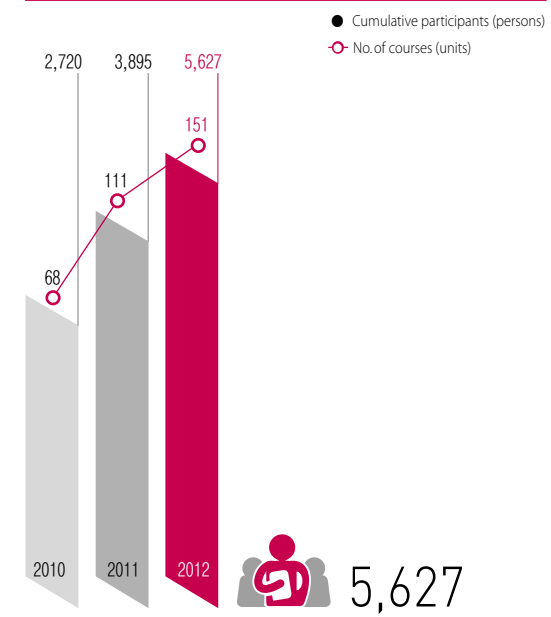
● **Technical development support for partner companies**

Aiming to enhance the competitiveness of the partner companies, LG Display has engaged in a total of nine projects in technology transfer and process improvement with the participation of specialists for mutual cooperation. Moreover, together with the partner companies, LG Display Laboratory has conducted ten projects on new technologies and localization while supporting the Green SCM (Supply Chain Management) consultancy project to reduce GHG emissions of the partner companies.

● **Management support for partner companies**

In order to gain better understanding on the needs for management improvement of partner companies, LG Display has performed management consultation as guided by the management advisory of the Federation of Korean Industries and specialists from LG Display. Such approach enabled the provision of tools for comprehensive management consultation, leading to the resolutions of issues that were raised during consultations. Apart from this, LG Display operates the management counseling center to support small and medium businesses on a regular basis while promoting education on management and comprehensive support programs.

Training Aids to Suppliers



Support on Safety and Health Management

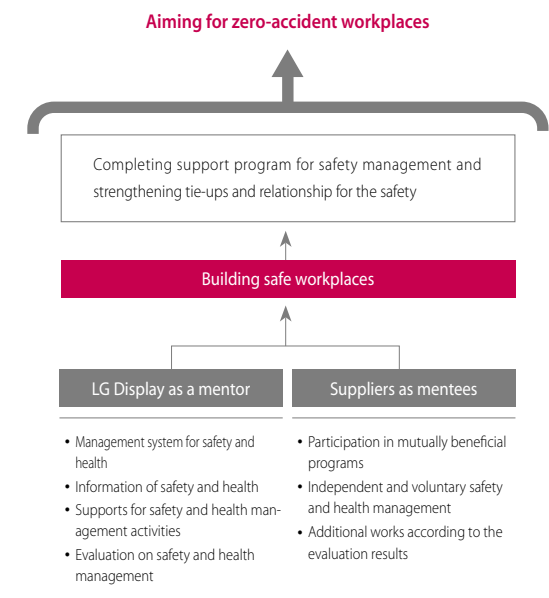
● **Education on safety and health management for partner companies**

To promote sustainable development, LG Display provides assistance to its partner companies in the aspect of safety and health management. Moreover, it provides not only safety and health education but also relevant information that is customized to the needs of each partner company. Each quarter, it distributes safety education materials and promotional broadcasts to the CEOs and top management of the partners. Meanwhile, safety check-up list and industry-sensitive guidelines are published and distributed to the partner companies.

● **Education support for risk assessment**

LG Display helps its partner companies in the education and improvement of risk assessment to construct safe workplace by not only installing safety facilities and devices but also inspecting the machines and equipment that may pose hazards or risks to employees. For workplaces that have been targeted for process safety management (PSM), it also encourages partners to provide scenario-based contingency plans and training for highly critical situations, including the leakage of toxic gas and chemically hazardous materials.

Support System for Safety and Health of Suppliers



Introduction and Operation of Jeong-Do management System

LG Display implements a follow-up measure on the Jeong-Do management violated businesses while offering online education to help understand LG's Jeong-Do management among the partners, settle fair trade, and promote mutual cooperation. Furthermore, the employees and partner companies are required to sign the "Jeong-Do Management Pledge" to strengthen the resolve of practicing Jeong-Do management. Through this pledge, it is expected to improve the observance of the code of ethics and practice of Jeong-Do Management among employees and partner companies.

Through an online whistle-blowing system called 'Cyber Simungo,' all partner companies and employees are able to report violations against Jeong-Do Management, with the option of remaining anonymous. LG Display also operates a Jeong-Do management Consultation Center that addresses inquiries regarding Jeong-Do management and provides measures on problematic situations. Moreover, employees may voluntarily submit reports on any illegal acquisition of money, valuables, or offers of hospitality from stakeholders. The company also reviews and resolves the issues concerning ethics management through an online bulletin board, and it promotes Jeong-Do management through special events and promotional materials on company bulletin boards.



Online whistle-blower program "Shinmungo"

Reinforcement of Ethics Management through Eradication of Money for Congratulations and Condolences

LG Group revised the LG code of ethics to inhibit acceptance of any money given by stakeholders for various family events of the employees. This revised regulation is applied to all LG subsidiaries and the gift money that was generally accepted in the society was even prohibited. The revised code of ethic reflects the will of LG Display to settle transparent trade with stakeholders and prevent excessive gifts and hospitality.



Notice to conduct educations on Jeong-Do management



CEO's letter that asks suppliers not to give valuables and gifts on national holiday

Strengthening code of ethics and compliance to social regulations

LG Display forestalls practice of any immoral acts that can harm fairness through contracting and internal and external communication. Moreover, it requires thorough fulfillment of obligations among the partner companies according to the Labor Standards Law and Industrial Safety and Health Act. Such effort ensures basic living as well as a pleasant workplace among the workers of the partner companies.

Preventing the use of Conflict Minerals

Conflict minerals refer to minerals like tantalum, tungsten, tin, and gold produced in a country with a conflict, such as the Democratic Republic of the Congo and its adjacent countries. The funds created by the conflict minerals are introduced to the armed forces of the afore-mentioned countries; thus, it not only leads to the death of their own people but also causes infringement of personal rights in the course of mineral excavation such as forced labor and abuse of women and children. For these reasons, international organizations like the UN and OECD impose sanctions against conflict minerals. Along with this movement, the bill that prohibited the use of conflict minerals was passed in 2010 in the U.S. and similar bills are being prepared in some advanced countries. As member of the Electronics Industry Citizenship Coalition, an international organization seeking to improve environmental conditions in electronics supply chains, LG Display is actively engaged in preventing use of any minerals that are involved with conflict region. The company also requires its suppliers to adhere to the same standards. It asks them to ensure that the raw materials at their supply chains do not involve regions of conflict.

Countermeasures against Climate Change for Partner Companies

CO₂ emission controls for partner companies

In order to respond to the increased corporate awareness with regards to climate change and to offer a broader scope for GHG emissions management, LG Display has been managing GHG emission data from its partner companies since 2009. In 2012, it collected GHG emission data from 83 suppliers, corresponding to 87.3 % of all LG Display partners that own manufacturing facilities in Korea. The results of this data collection revealed that suppliers emitted 778,498 tCO₂e of GHG.

Support for the green partnership

As the preemptive measures to prevent greenhouse gases among the partner companies, LG Display promotes Green SCM consultation (Supply Chain Management) and certification of carbon partnership. The significance of these environmental mutual growth programs are found in terms of two aspects. First, it is favorable to the partner companies since such system does not cause any disadvantage to the partner companies that fail to manage greenhouse gas while providing incentive to the companies that have excellent greenhouse gas management. And second, it is the practice of "Green Partnership" that is one of the five practical tasks for LG Green 2020.

Green SCM Consultation for Partner Companies

LG Display concluded an MOU with IBK Bank to support green growth with partner companies. According to this agreement, free consultation on energy diagnosis and construction of greenhouse gas inventory are provided to 100 partner companies of LG Display until 2013 and depending on request, additional consulting including third-party examination of greenhouse gas inventory, green certification, and excellent green-biz certification will be provided free of charge. Through this, LG Display attempts to take care of the environment not from the perspective of mere management over climate change but as a new opportunity for green growth with the partner companies.



Green partnership programs

Classification	Green SCM Consulting	Carbon partnership
Object	• Partner companies who want the program	• Companies meeting our criteria who completed the consulting
Supports	• Build GHG inventory • Provide energy-saving ideas • Consultation on certifications - 3rd party assurance on GHG inventory - Certification on green growth - Certification on excellent green business	• Provide energy-saving technologies - Benchmark on our worksites - Review energy-saving technologies • Provide customized services
Incentive	• Provide free consultation service • Grant additional points in procurement (once)	• Grant additional points in procurement (repeat) • Preferentially recommend for awards
Performance in 2012	• 29 partner companies	• 27 partner companies

Expected effect of green partnership programs

Classification	Expected effect
Partner companies	• Preemptively respond to GHG regulations and secure cost competitiveness by energy-saving • Increase sales by obtaining additional points in procurement and jointly develop technologies
LG Display	• Execute mutual growth • Promote core tasks of LG Green 2020 (Green partnership) • Preemptively respond to customer requirements (GHG management of partners)

Certification of Carbon Partnership

LG Display provides certification of carbon partnership for the partner companies that completed Green SCM consultation and satisfied the carbon partnership qualifications. Regarding certified partners, various support programs demanded by the partner companies, such as customized energy reduction system and benchmark of LGD's business are provided. The certification is valid for three years and follow-up examination is promoted annually.

Measure to expand green growth support

From 2013, the scope of green growth support that focuses on activities against climate change is expanded to the field of environment, utility, and electricity. In accordance with occurrence of environment-related social issue and policy direction of the government to reinforce environmental management, it plans to examine the overall status of environmental management and provide technical support for the partner companies so that they can reinforce their competence in terms of the environmental laws and prevent potential risks in advance.

LOCAL COMMUNITIES

01

02

03

04

05

Embracing the dreams of future generations with LG: LG Display is willing to share hope and encouragement with the world, transcending the boundaries of place and time.

SOCIAL CONTRIBUTION ACTIVITIES

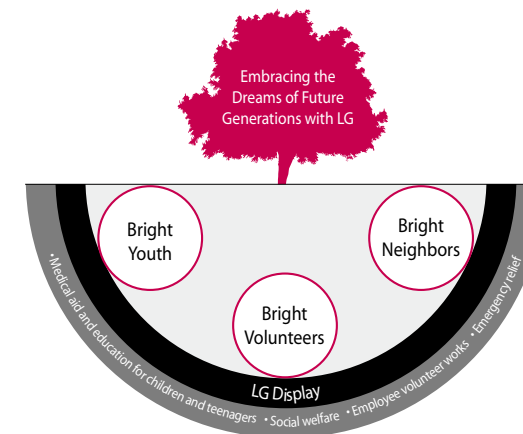
Under the slogan, 'Embracing the dreams of future generations with LG,' LG Display expressed its commitment to the sharing of love and creation of dreams with its neighbors in the community. Also, it is exerting efforts to fulfill its obligations as a corporate citizen by sharing hope and encouragement with the socially-neglected class and neighbors in challenging situations. Going beyond the boundaries of Korea, such act of LG Display is actively and extensively promoted in various areas where its overseas offices are located.

Social Contribution Structure

● Social contribution management system

In March 2005, 'Love Plus Love Fund' was founded by the company and employees at the Labor-Management Social Contribution Declaration as a sharing campaign with the local community to help the marginalized and people in need. The significance of the social contribution promoted by LG Display exists in the provision of educational opportunity to children and teenagers as well as a chance of spontaneous participation among the employees. The sharing together with the labor and management level is the unique feature of LG Display's social contribution.

Social Contribution Promotion System



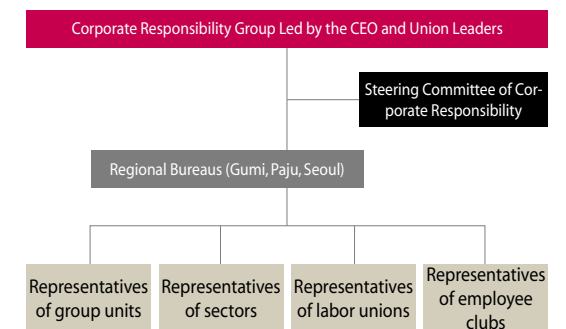
Milestone of LG Display's Social Contribution

- 2005.03 Proclaimed the promotion of social contribution (Labor-Management)
- 2006.11 Set up a sisterhood relationship with a village in Gumi
- 2007.05 Donated 1,259 LCD monitors to 36 elementary schools in Gumi and Paju
- 2008.11 Started the 'IT Power Plant' – opened the 1st plant (Immanuel Infant Welfare Center)
- 2009.07 Started the 'Cho-rong-e Eye-care Class' together with Korea Federation for the Prevention of Blindness
- 2011.04 Jointly conducted volunteer works with other companies
- 2012.03 Promoted 'LG Dream Saturday' to support community child centers
- 2012.04 Found 'Nanumnuri', a subsidiary for the disabled
- 2012.06 Signed an agreement to support the children of the police officers and firefighters who died in line of duty (USR)
- 2012.09 Opened the 23rd 'IT Power Plant'

● Systematic social contribution structure

The organization of social contribution that is driven by the leaders of social service is promoting CSR activities that focus on the executive office of each business unit. Also, the Corporate Responsibility Steering Committee of the company and regional offices were established and in case of the main Steering Committee, establishment and revision of the regulations related to social contribution funds are delivered and approved. LG Display encourages active participation from the regional bureaus by delegating social contribution activities according to group unit, sector, labor union, and employee club.

Social Contribution Structure



Major Projects

● **IT power plants**

The recent use of digital devices has become an essential element not only for our lives but also for education among children; however, IT facilities in child welfare organizations have fallen behind and support for such facilities has been insufficiently provided. The widened gap on digital information degrades the learning ability and interest among children and causes difficulty in employment. Consequently, it prevents the children in welfare facilities from becoming socially independent.

Thus, LG Display formed IT facilities in a child welfare facility and provided the latest multimedia devices like computers, TV, and printers to support the creation of a pleasant and more conducive learning environment for the children. Through this IT Power Plants, LG Display supports the children to become socially independent by reducing the gap of digital information through the provision of optimum IT learning environment and by improving the learning capacity and self-esteem of the children. Since the initiation of this project back in 2008, there have been 23 IT Power Plants and 1,834 children have used them as of today.

From this point onwards, LG Display plans to strive for the maintenance of the IT Power Plants and vitalization of facility use while expanding the service beneficiaries in the socially-neglected class by reducing the information gap.



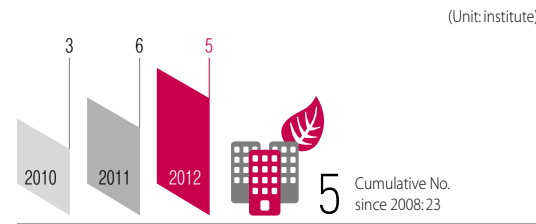
Before the construction of IT Power Plant



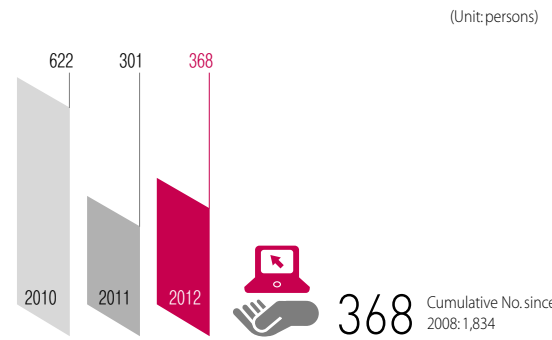
After the construction of IT Power Plant

Benefits from IT Power Plant

No. of institutes benefited



No. of people benefited



Milestone

- 2012**
Named "IT Power Plant with LG Display" and built 5 IT Power Plants in island and isolated areas
- 2011**
Built 6 IT Power Plants in island and isolated areas
- 2010**
Built 3 IT Power Plants in schools for the disabled neighboring our worksites
- 2009**
Built 4 plants neighboring worksites, 2 plants in island and isolated areas, and 1 plant in Poland
- 2008**
Started IT Power Plant project (1 plant in Gumi and Paju, respectively) launch of employee volunteer group

No. of IT Power Plants established

Classification	Gumi	Paju	Island and isolated areas	Others	Total
2010	1	2			3
2011			5	[Seoul] 1	6
2012			3	[Daejeon] 2	5
Total	1	2	8	3	14

Major Businesses

● **Working with visual disabilities**

According to the definition made by World Health Organization, low vision refers to visual acuity that negatively affects daily life due to corrected vision less than 0.3. Low vision is the area that was introduced only 10 years ago in the field of domestic ophthalmology. Since it is almost impossible to receive ophthalmic treatment, rehabilitation and prevention are very important for the development of residual vision.

'The Cho-rong-e Eye Care Class,' an unconventional eye-health education program for elementary students, appeals to children through its use of musical production, fulfilling its educational goal of demonstrating the importance of eyes and vision, and showing the children how to maintain good eyesight. The musical also aims to raise awareness in the audience regarding the problems of low vision, which does not receive the attention it deserves in the society. Every year, the company holds 30 to 40 educational sessions for students at more than 40 elementary schools nationwide.

Meanwhile, rehabilitation education, various outdoor experiences, and camping opportunities are provided 1~2 times a year for the children with low vision. In connection with the volunteers from LG Display, the camp and outdoor experience for the children with low vision form a trustworthy relationship between the employees and children.



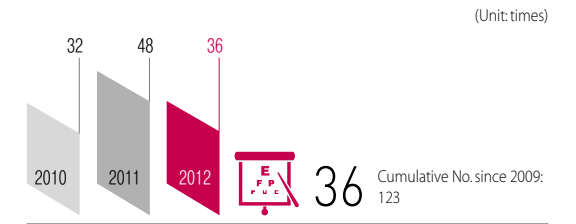
Rehabilitation camp for low-vision children



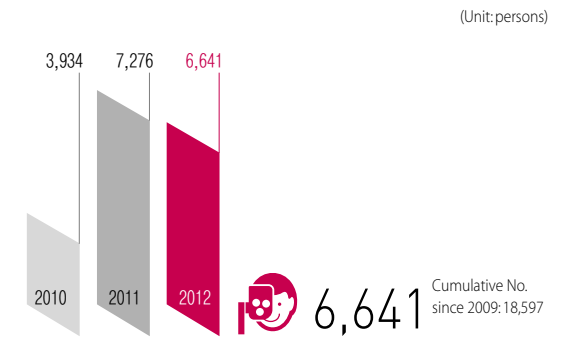
Cho-rong-e Eye-care Class

Operation of Cho-rong-e Eye-care Class

No. of operations



No. of children benefited



Milestone

- 2012**
Distributed diaries of children who experienced the class
- 2011**
Expanded the scope of the class to metropolitan cities
- 2010**
Introduced the musical-type eye-care education programs (Paju, Gumi, and Seoul)
- 2009**
Created and opened the eye-care class (Paju and Gumi)
- 2008**
Started the blindness prevention project together with Korea Foundation for the Prevention of Blindness

Rehabilitation Camp for Low-vision Children & Experience Program

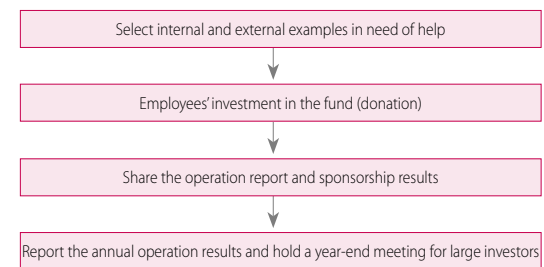
Year	Low-vision experience		Low-vision camp	
	No.	Participants	No.	Participants
2010	2	62	2	190
2011	2	81	2	181
2012	1	43	1	94
Total	5	186	5	465

Major CSR Programs in Korea

● **LG Dream Fund**

LG Display operates LG Dream Fund as a part of the activity for the people who need support with their academic, living, and medical expenses. The employees are voluntarily donating for the fund-raising activity and the proceeds are managed through the Fund Management Report. This report is notified to the employees on a regular basis.

Operation Process of LG Dream Fund



Sponsorship Cases

Classification	LG Dream Fund
Domestic	Jae-Young who is living with his grandmother
Domestic	Yoon-Ho who is battling brain tumor
Domestic	Min-Ji who wants to be a teacher
Overseas	Send pigs to Soru village in East Timor



Jae-Young who is living with his grandmother



Send pigs to Soru village in East Timor

● **Love program**

LG Display selects a quarterly theme so that the employees can easily and joyfully participate in the outside volunteer services. Through various volunteer programs, it encourages the employees to voluntarily participate in social services having interest in the local community. Moreover, meaningful programs are organized to share the spirit of love not only with the employees but also with family members, friends, and colleagues.



Caring for abandoned dogs



Volunteer works with dressing up like Santa Claus

Joyful Volunteer Program

Classification	Details
Fellowship	Cooperative volunteer projects between unmarried employees from LG Display and those of other companies, e.g., between male LG Display employees and female employees of financial institutions
Overseas projects	Volunteer opportunities for outstanding volunteers at remote overseas locations, e.g., India or Bangladesh
Thematic approaches	Monthly volunteer projects linked with those of other organizations, e.g., an event promoting protection of water quality at World Water Day in March
Family participation	Volunteer projects encouraging the participation of employees' families, e.g., trips to an agricultural facility run by the disabled or assistance to the disabled in producing goods
Vacation projects	Vacations offering opportunities for volunteer projects, e.g., tours of remote areas, mural painting at welfare facilities, or hiking that includes environmental restoration

Major CSR Activities in Korea

● **Volunteer work by the employees' family**

LG Display provided an opportunity to spend quality time by participating in volunteer service with employees' family. Through this event, it was possible to increase the understanding between family members while forming a stronger family bond.



Making jam with handicapped children



Completed jam products

● **Volunteer activity through talent donation**

The photography club of LG Display has taken health photo to the elderly living in solitude and growth photo to the children in orphanage. Meanwhile, the employees who are talented in cooking prepared a meal box for the elderly living alone in a shabby one-room town for the New Year. They sincerely prepared and cooked the ingredients to present delectable dishes through the meal boxes.

● **Volunteer fellowship and communication**

LG Display promotes joint volunteer activities with the single employees of other companies. The employees participating in the service are given the opportunity to naturally build friendship with each other. Through this pleasant and unique service activity, it intends to vitalize the spirit of volunteerism and camaraderie among the employees.



Planting azalea with Shinhan Bank members on Tree-planting Day



Joint volunteer works with GS SHOP on the Disabled Day

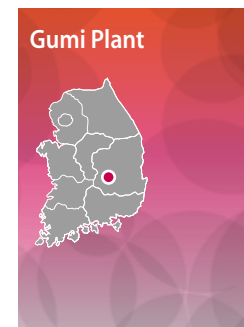


Talent donation (photograph)

Talent donation (preparing lunch box)

Major CSR Activities of Production Facilities in Korea

LG Display's production facilities in Korea are also promoting a variety of CSR activities according to local characteristics and social needs.



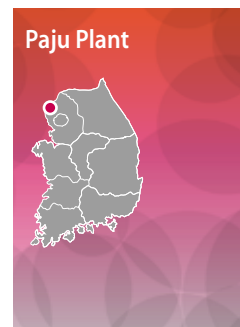
Gumi Plant
Supported Horseback Riding (Hippotherapy) for the Children with Disabilities
 Gumi Plant supported horseback riding (Hippotherapy) for the children with disabilities among the basic livelihood security recipients and low-income class. It intends to help the children with disabilities to correct their body posture and stimulate their emotions while providing an opportunity for the employees to participate in joyful volunteer service. Thus, the children with disabilities in Sarangteo Daycare Center and volunteers from LG Display had a pleasant time in the Geumo Horse-riding Center at Yangho-dong, Gumi. The hippotherapy is promoted during April ~ July and September ~ November in order to avoid the months of intense heat and cold.

The Lunch of Love

Gumi Plant has promoted free meal service and meal box delivery for the elderly in the local communities so that the elderly can reinforce their health as they enjoy balanced and nutritious meals. The volunteers from LG Display regularly participated in the event of the Gumi Welfare Center and Geumo Welfare Center to provide free meal service and become good companions to the elderly.



Horseback riding lessons to handicapped children in Gumi



Paju Plant
Operation of 'Sharing Day'
 Paju Plant has promoted a variety of volunteer activities by setting the 21st of each month as the Sharing Day. For 350 poorly-fed children in Paju-si, they wrote heart-warming letters and prepared goody bags with 18 kinds of sweets. Also for the elderly living in solitude, they sincerely prepared the noodles with black bean sauce and shared letters and snacks with them. Meanwhile, they made pelt toys for the poor children in the underdeveloped countries. With steadfast commitment to the spirit of sharing and volunteerism, LG Display plans to extend an opportunity for the employees' participation in volunteer service and sharing culture through the event of Sharing Day.

Environmental Improvement Activities for Sister Facilities and Families

The volunteers of the Paju Plant visited 12 local children's centers and three sister family in the city of Paju to improve their living environment. These families are low-income households that have lived under a poor environment for such a long period of time. The volunteers fumigated and cleaned the houses and they also replaced the wallpaper and floor covering for the families' homes.



Sharing Day in Paju

Major CSR activities of global manufacturing facilities

In consideration of location characteristics, the overseas factories of LG Display have promoted various CSR activities including scholarship support, donation, support for socially-neglected class, and blood donation.



Nanjing Subsidiary
Scholarship for the Children's School in Hong Shan
 Employees of the Nanjing Subsidiary visited the children's school in Hong Shan and offered scholarship. The employees shared lunch together and promoted CSR activity for the local community. The said school is an academic institute established for the children of low-income and financially challenged workers from rural areas. It is established in view of the situation that there is a lack of support for outstanding students. Thus, the Nanjing Subsidiary initiated this event to encourage the academic achievement of outstanding students and support nutrition among the students especially during their growth period. Also, this event was promoted to form amicable relationship with the local community.

Participated in Blood Donation from the Employees to Partner Companies

The Nanjing Subsidiary promoted blood donation activity in cooperation with the Nanjing Blood Donation Center. Despite the heavy rain on that day, the employees as well as the workers from the partner companies participated in the blood donation activity. The event was promoted during lunch time and the employees of the Nanjing Subsidiary prepared a special menu for the lunch of the participants. In this event, a total of 50 people donated 12,500cc blood.



Scholarships to foreign workers' children in Hong San



Guangzhou Subsidiary
Visited the Children's School of the Workers from Other Places
 The Guangzhou Subsidiary visited the children's school of the workers from other places and donated a large LED TV and school supplies so as to help create a better and more conducive learning environment for about 600 students. The volunteers presented gifts and had a good time with the children. The Guangzhou Subsidiary has supported the school from 2011 and visited every year to encourage the students.

Visited the Welfare Facility for the Elderly

The employees of the Guangzhou Subsidiary visited a welfare facility for the elderly in Luogang. The participants cleaned the facility and spent quality time with the elderly, serving them fresh fruits to enjoy. Also, mosquito net was donated so as to protect the health of the elderly especially during the sultry summer. The Guangzhou Subsidiary plans to share the culture of consideration through regular service activity in the welfare facility for the elderly.



Visit to children's school of the workers from other places



Yantai Subsidiary

Donated Agricultural Products to the School for the Physically Challenged

Yantai Subsidiary purchased various agricultural products from local farmers and donated them to the school for the physically challenged. The nutrition-rich fresh products including napa cabbage were provided for the

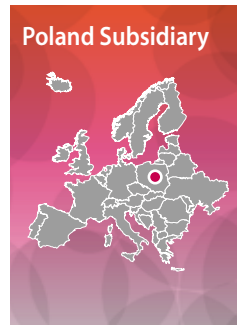
students to enjoy in their meals. In this event, persons interested also participated to share their loving heart. Yantai Subsidiary plans to continue supporting the school.

Donated School Supplies to the School for the Physically Challenged

The employees of the Yantai Subsidiary visited the school for the physically challenged and donated school supplies. The students painted using the given school supplies and through this, the children who had a difficulty communicating with others started to learn how to express themselves. Confident that the children can communicate with others better through painting, the Yantai Subsidiary plans to consistently support and encourage the students to paint a picture of their dreams.



Donation of agricultural products to the school for the physically challenged



Poland Subsidiary

Visited Water Park with the Children in an Orphanage

The employees of the Poland Subsidiary visited Water Park with the children who lived in a social welfare center, enabling them to enjoy fun-filled water activities. This event was a great gift to the children who were not able to experience quality time with

parents during the summer vacation. The Poland Subsidiary has consistently promoted volunteer activities for the children in the orphanage for them to enjoy a dynamic cultural experience.

Donated Televisions in a Local Hospital

The Poland Subsidiary donated large TVs to the pediatric ward in a local hospital. With this, it was possible to create a better environment for the recovery and enjoyment of the children in the pediatric ward. The Poland Subsidiary plans to support the hospital to create a happier and more comfortable place for the children to be well again.



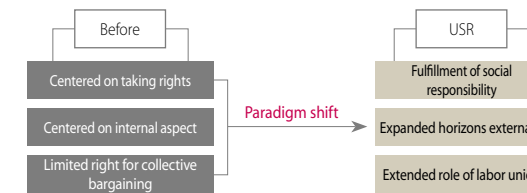
Visited Water Park with the children in an orphanage



LG Display USR

The labor union of LG Display is promoting various CSR activities as part of its USR, Union Social Responsibility. Based on a three-year roadmap, unique USR cases of LG Display will be established while actively promoting overseas volunteer service.

Concept of USR



USR Activity Plans

Classification	Major activities	Contents	Period
	Volunteer works for local communities	• Regular social contribution	Once a month
Diversification of social contribution	Global social contribution	• Linkage with the overseas training program for innovative leaders	Once a year
	Linkage with Labor-Management Committee	• Conduct social contribution before the event by Labor-management Committee (2/4Q)	Once a half year

Support for the Children of the Police Officers and Firefighters Who Died in Line of Duty

The USR of LG Display made an agreement to support the children of the police officers and firefighters who died on their duties in Gyeongbuk and Gyeonggi area. The children will be supported with an annual KRW 1 million upon entering elementary, middle, and high school and KRW 2 million upon entering college. Also, the factory visiting tour will also be promoted for them to experience the very site of high-tech industry.



USR Activities

Classification	Contents
	Support families of policemen and firemen who died on duty
	• Scholarships to their children
Creation of shared value for local communities	Support marginalized people of local communities
	• Provide lunch expenses to sisterhood schools
	• Provide scholarships to neighboring middle and high schools
	• Support the disabled and elderly people
	• Volunteer works for community children centers
	Love sharing in farming and fishing villages
	• Volunteer works at farming villages
Green Union	Enhance the role for preserving environment
	• Environment cleaning activities(factories and neighboring areas)
	• Food waste-reducing campaign at corporate dining hall



USR volunteer works at farming villages



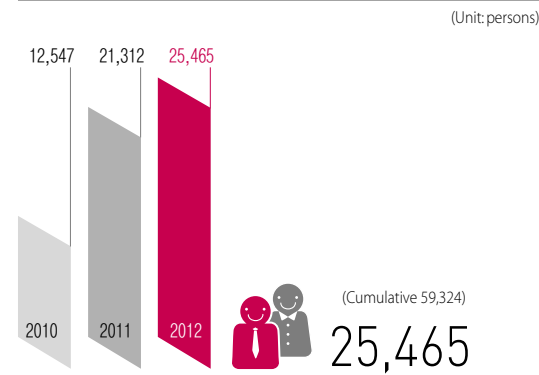
Volunteer works for community children centers

Volunteer Service with the Participation of the Employees

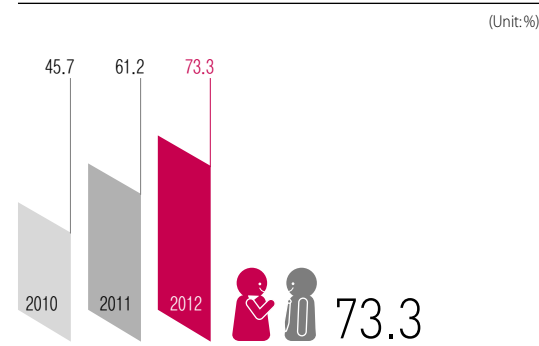
LG Display provides a volunteer program called 'Joyful Volunteer,' which analyzes the needs of the employees, to give them motivation along with the opportunity to autonomously participate in volunteer services. It is creating the culture that encourages active participation of the employees in various volunteer activities.

Participation Rate in Volunteer Works

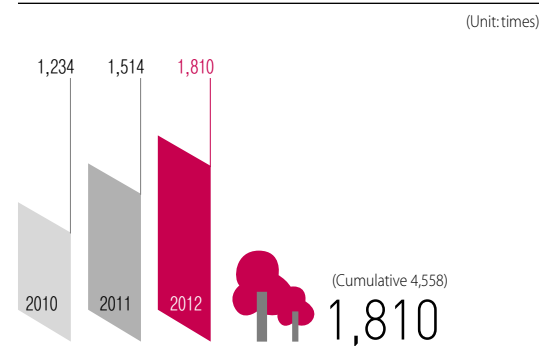
No. of participants



Participation rate



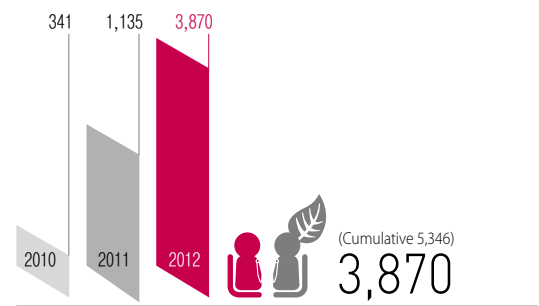
No. of volunteer works for the year



* As of the completion report

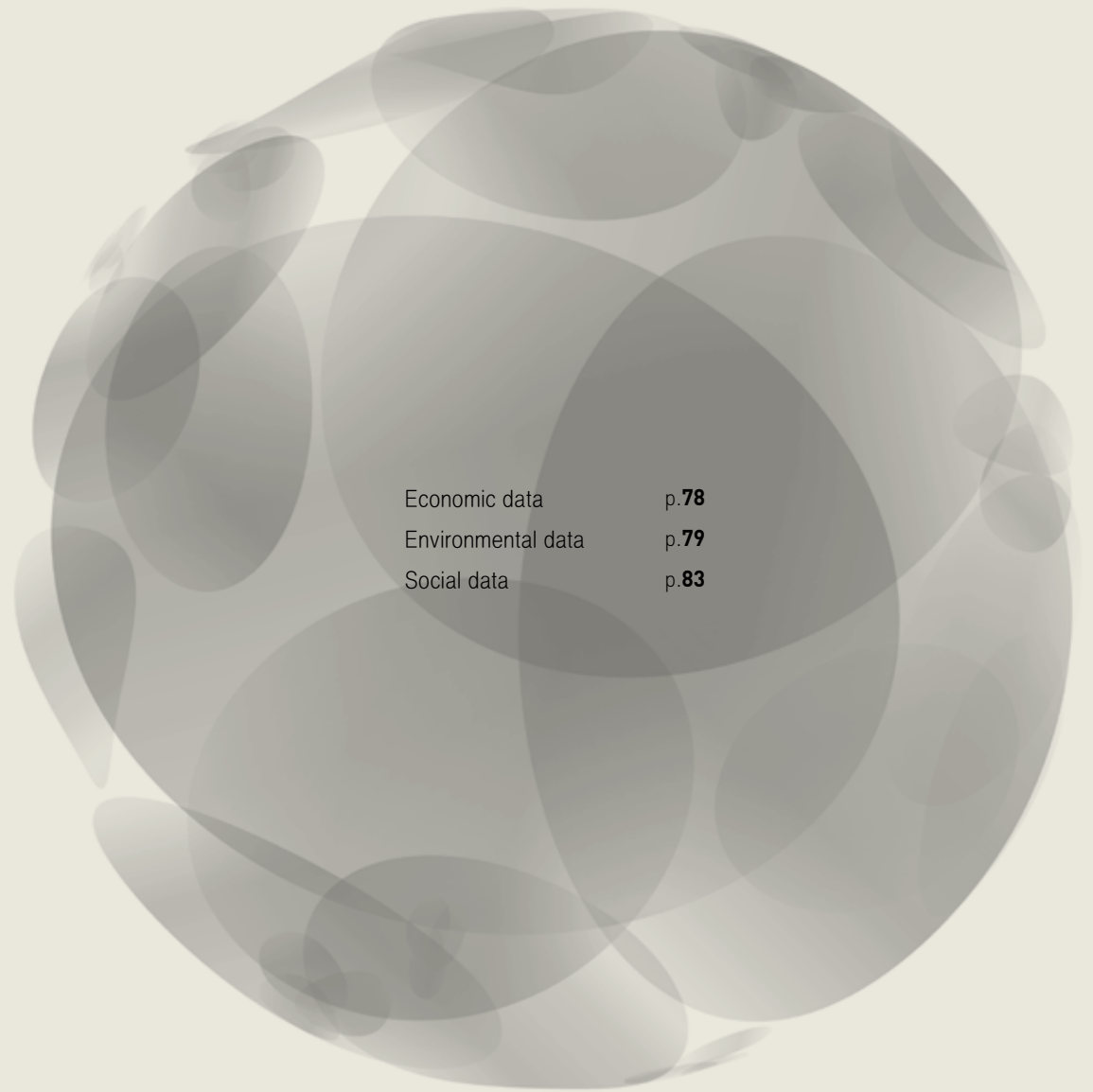
No. of Donators

(Unit: persons)



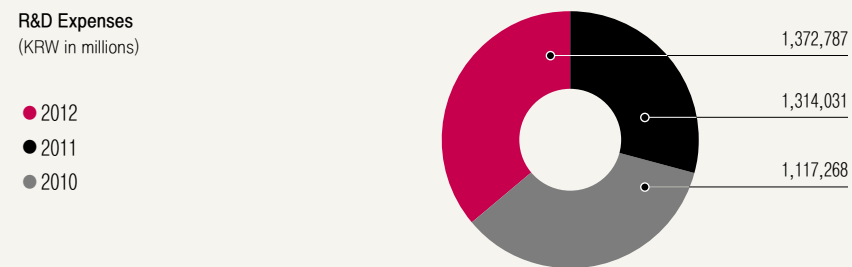
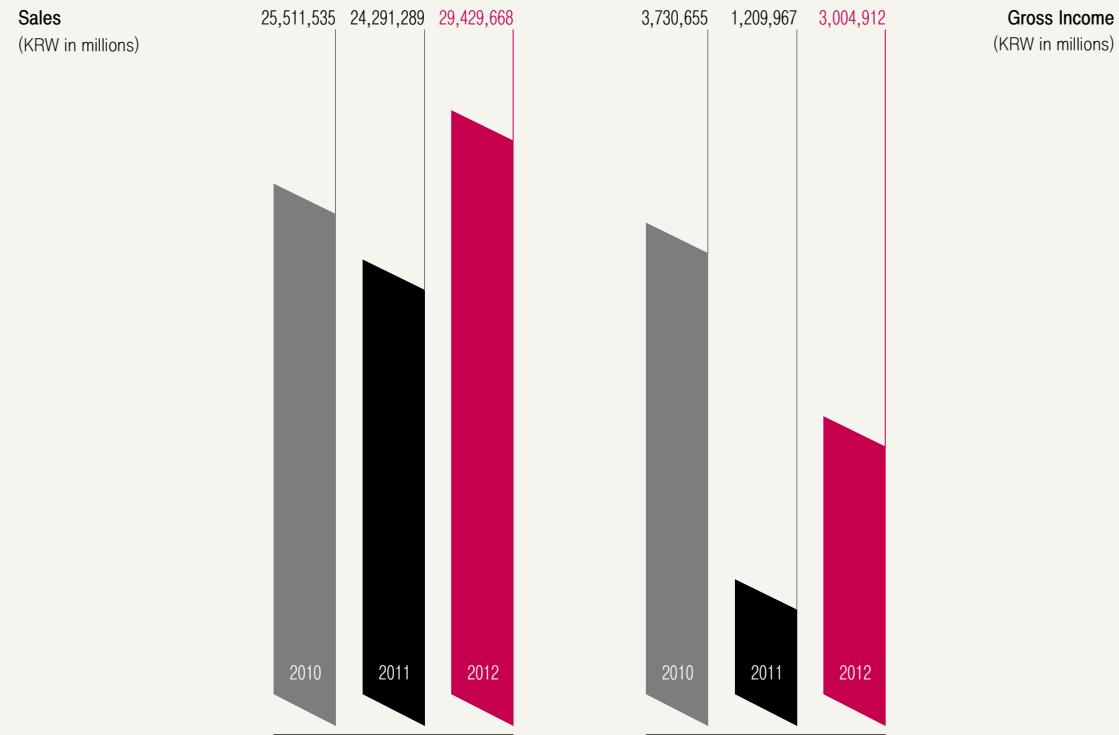
* Net donation (not included the matching grant)

PERFORMANCE



Economic data p.78
 Environmental data p.79
 Social data p.83

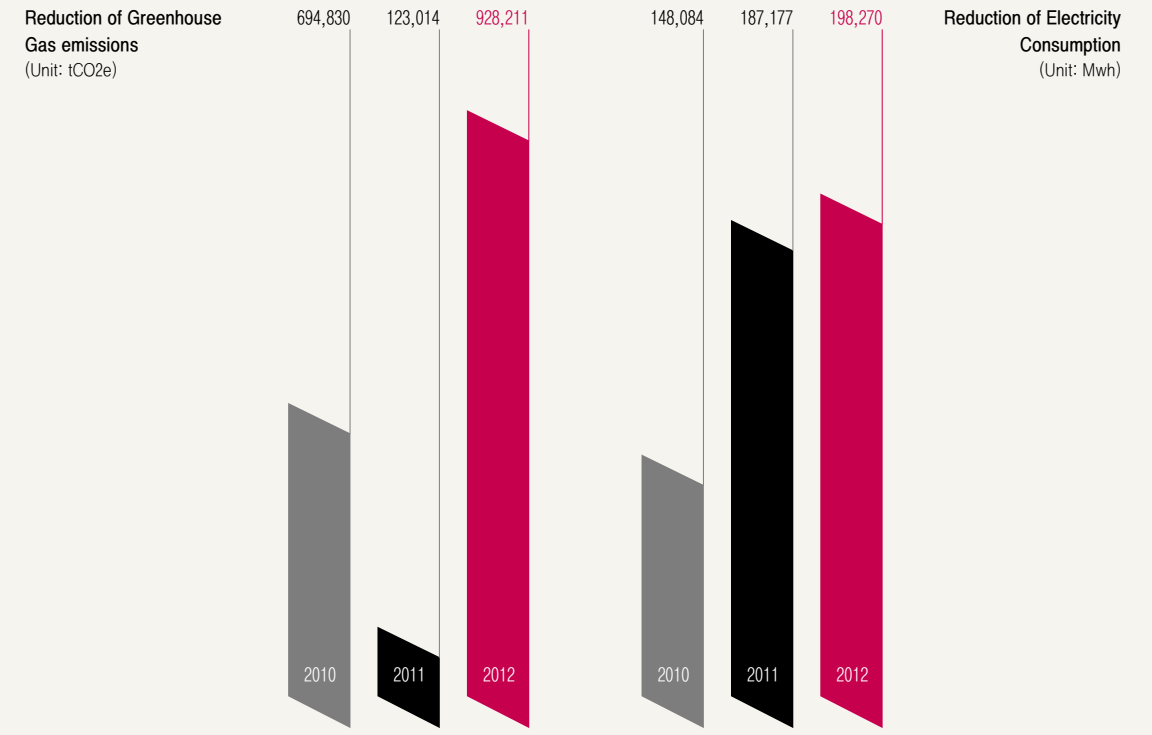
ECONOMIC DATA



Operating Performances (KRW in millions)

Classification	2010	2011	2012
Sales	25,511,535	24,291,289	29,429,668
Cost of sales	21,780,880	23,081,322	26,424,756
Gross income	3,730,655	1,209,967	3,004,912
Operating income (loss)	1,688,560	(763,548)	912,368
Total assets	23,857,658	25,162,931	24,455,511
Total liabilities	12,796,691	15,031,903	14,215,331
Total shareholders' equity	11,060,967	10,131,028	10,240,180

ENVIRONMENTAL DATA



※ As the amount of investment in environmental protection for the year is aggregated in the second half of the next year, the above figures are the result of 2011.

Use of Resources

Classification	Unit	2010	2011	2012	
Global	Backlight	Thousand	226,680	263,170	307,782
	Glass	m ²	73,892,700	76,695,640	89,911,228
	Polarizer	Thousand	510,763	607,290	693,596
	Drive IC	Thousand	1,143,343	1,229,740	1,444,083
	Liquid Crystal	kg	111,054	111,663	126,022
Nanjing and Guangzhou	Backlight	Thousand	142,415	175,187	194,790
	Polarizer	Thousand	159,994	151,058	75,202
	Drive IC	Thousand	162,518	112,454	25,757
	Case Top	Thousand	169,287	184,321	181,691
	FPC*	Thousand	14,788	25,288	15,702
	ACF**	Thousand m	18,314	15,822	10,247
	Cover Shield	Thousand	32,355	35,047	33,138

*FPC: Flexible Printed Circuit

**ACF : Anisotropic Conductive Film

※ Not use recycled resources

Energy

(Unit: T.J)

Classification	2010	2011	2012	
Direct energy consumption	LNG	1,611	1,458	1,504
	Biofuel	-	30	28
	Others	171	100	210
Indirect energy consumption	Electricity	43,839	51,423	59,238
	Steam	229	223	197

※Results of the domestic worksites

Quantity of Water Intake

(Unit: ton)

Classification	2010			2011			2012		
Water resource	Underground water	Residential water	Industrial water	Underground water	Residential water	Industrial water	Underground water	Residential water	Industrial water
	309,909	1,974,573	61,207,347	414,962	2,240,174	73,207,438	346,112	2,235,056	76,760,228

※Results of the domestic worksites

Recycled Water

Classification	Unit	2010	2011	2012
Rate of reused or recycled water	%	52.3	53.9	54.3
Volume of reused or recycled water	ton	69,360,451	83,559,369	92,006,999

※Results of the domestic worksites

Greenhouse Gas(GHG)

(Unit: tCO₂e)

	2010	2011	2012	
Total GHG emissions	5,576,161	5,927,747	6,161,151	
Direct GHG emissions	Stationary combustion	84,385	71,689	84,507
	Mobile combustion	8,753	10,375	12,230
	Process emission	3,079,331	3,103,036	3,077,649
	Others(including wastes)	75,513	75,822	109,736
Indirect GHG emissions	Electricity	2,271,088	2,664,073	2,874,760
	Steam	57,091	2,752	2,269
Other indirect emissions	Suppliers (Aggregate in %)	297,835(42.5)	837,669(74.3)	778,498(87.3)

※Results of the domestic worksites

- According to the GHG energy target management program, the rate of emission reduction by the change of national caloric value in 2012 was 0.02%.

Air Pollution

(Unit: kg/yr)

Classification	2010	2011	2012
NOx	39,046	39,249	47,455
SOx	91,661	76,106	49,938
Others – persistent organic pollutant (POPs)	66,939	74,626	110,577
Ozone-depleting substances (ton-CFC-11 eq.)	4,400	1,500	1,600

※Results of the domestic worksites

※ Changes of the figure by the increase of use of R-134a

Water Contamination

Classification	Unit	2010	2011	2012	
Total waste water discharge by destination	ton/yr	88,108,723	77,351,256	75,235,370	
Domestic	Water quality (Biological oxygen demand (BOD), total suspended solid (TSS), etc.)	BOD	17,603	14,267	14,910
		COD	11,160	9,887	9,137
		SS	6,188	6,191	5,209
Rate of waste oil by treatment method	%	0	0	0	
Guangzhou	Water quality (Biological oxygen demand (BOD), total suspended solid (TSS), etc.)	BOD	0.082	0.058	0.059
		COD	0.313	0.18	0.152
		SS	0.069	0.02	0.016
Nanjing	Water quality (Biological oxygen demand (BOD), total suspended solid (TSS), etc.)	BOD	-	-	-
		COD	53	146	196
		SS	20.6	25.7	53.2

Industrial waste

Classification	Unit	2010	2011	2012	
Domestic	Discharge of hazardous wastes	Treatment	3,302	1,165	1,104
		Recycling *	64,608	64,171	79,141
	Discharge of general wastes	Incineration	1,191	752	765
		Landfill	44,540	36,143	42,934
		Recycling	43,276	57,535	58,045
Ocean dumping	21,559	11,733	10,253		
Recycling rate	%	60	71	71	
Guangzhou	Discharge of hazardous wastes	Treatment	0.5448	0.497	2.995
		Recycling	0	0	0
	Discharge of general wastes	Incineration	0	0	0
		Landfill	792.6	795.8	699.8
		Recycling	3,139.5	3,061.6	3,587.9
Ocean dumping	0	0	0		
Recycling rate	%	79.84%	79.37%	83.68%	
Nanjing	Discharge of hazardous wastes	Treatment	14	2	35.6
		Recycling	0	0	0
	Discharge of general wastes	Incineration	1,981	1,880	1,371
		Landfill	438	496	547
		Recycling	3,666	3,881	2,891
Ocean dumping	0	0	0		
Recycling rate	%	No recycling waste in Nanjing			

*Including the amount of recycled wastes to be stored in the company – 49,772 tons in 2010, 50,194 tons in 2011, and 49,610 tons in 2012

※There was no significant hazardous substance spill.

Recycling of Packaging Materials in 2012

Item	Quantity				Amount			Remark
	Total requirement (K)	Total procurement (K)	Recycling rate (%)	No. of recycling (times)	Total requirement (bn won)	Procurement (bn won)	Recycling (bn won)	
Box	16,198	1,404	91%	11.5	887	124	771	As of bottom box
Slip-sheet	181,936	19,434	89%	9.4	1,092	121	971	
Pallet	661	211	68%	3.1	96	30	66	
Total	198,795	21,049	89%	9.4	2,075	267	1,808	

※ Total quantity of requirements: requirement by item to produce CT and CP in Gumi and Paju plant (excluding plant shipments and mid-/small-sized packaging materials)
 ※ Total quantity of procurement was based on the results of stockpiled packaging materials at the end of every month.
 - Recycling rate: input quantity of recycled packaging materials / total quantity of requirement
 - No. of recycling: total amount of requirement / total amount of procurement
 ※ Results of the domestic worksites

Energy-saving through Product Supply

IT/Mobile (Unit: W)

Classification	2010 (Plus11)	2011 (Plus12)	2012 (Plus13)
215W IPS	22.68	15.6	15.65
23W IPS	26.63	17.4	16.55

※ Results of the domestic worksites (only for flagship products)
 ※ The company is developing products meeting the Energy Star standards by applying technologies for better penetration ratio (AH-IPS structure, Rendering technology, and high-penetration POL, etc.), LED packaging, and Sheet efficiency.

TV (Unit: W)

Classification	2010 (mass production in 2011)	2011 (mass production in 2012)	2012 (mass production in 2013)
47 Inches	90	65.5	55.8
42 Inches	84	45.5	50.7

※ Results of the domestic worksites (only for flagship products)
 ※ The company is developing technologies for parts to lead low-power consumption trend for the next three years with the establishment of a special technology development unit.

Investment in Environment Protection (Unit: KRW in millions)

Classification	2010	2011
Amount of investment	105,479	69,863

※ Results of the domestic worksites (only for flagship products)
 ※ The figures correspond to results of the report submitted to the Ministry of Environment.
 ※ As the amount of investment in environmental protection for the year is aggregated in the second half of the next year, the above figures are the result of 2011.

SOCIAL DATA

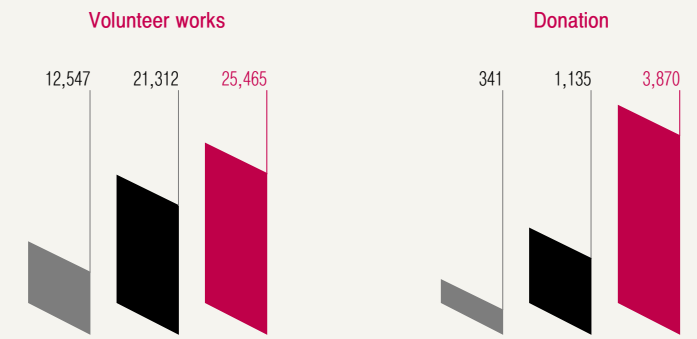
No. of Employee (Unit: persons)

● Domestic
 ● Overseas



No. of Participants in Social Contribution (Unit: persons)

● 2012
 ● 2011
 ● 2010



Workforce Status

(Unit: persons)

Classification	2010	2011	2012
Total	46,705	56,029	55,621
Permanent	46,615	55,868	55,507
Fixed-term *	90	161	114
Domestic	30,196	34,893	34,745
Permanent	30,150	34,838	34,694
Fixed-term *	46	55	51
Overseas	16,509	21,136	20,876
Permanent	16,465	21,030	20,813
Fixed-term *	44	106	63

* Our fixed-term employees are not general temporary workers noted on the business report but experts who are recognized for their professionalism.

※Our overseas subsidiaries have two senior officials** who are local people.
 ** Executive or office head position (local employment by overseas subsidiaries)

New Employment

(Unit: persons)

Classification	2011			2012		
	New	Experienced	Total	New	Experienced	Total
Total	6,972	514	7,486	2,589	293	2,882
Office workers	1,087	318	1,405	325	57	382
Line workers	5,885	196	6,081	2,264	236	2,500

※Results of the domestic worksites

Wage Policy

The ratio of standard entry level wage compared to local minimum wage for office workers is 332% and that of the line workers is 209%. LG Display provides wages that are higher compared to the minimum level wage required by the labor-related laws in each country and region. As for the cases where overtime is inevitable, extra pay is given according to the regulations stipulated under the same laws.

Through this, it attempts to promote stabilization of livelihood and improvement of labor motivation among employees while contributing to the development of stable economy. Meanwhile, the basic wage for male and female employees in the same position is set to be equal.

Female Workforce

Classification	Unit	2010	2011	2012
Total		46,705	56,029	55,621
Male	Persons	29,379	34,289	34,059
Female		17,326	21,740	21,562
(Female workforce ratio)	%	37.1	38.8	38.8
Domestic		30,196	34,893	34,745
Male	Persons	21,073	24,284	24,066
Female		9,123	10,609	10,679
(Female workforce ratio)	%	30.2	30.4	30.7
Overseas		16,509	21,136	20,876
Male	Persons	8,306	10,005	9,993
Female		8,203	11,131	10,883
(Female workforce ratio)	%	49.7	52.7	52.1

Female Managers

Classification	Unit	2010	2011	2012
Total		3,371	3,959	4,556
Male	Persons	3,212	3,752	4,305
Female		159	207	251
(Female manager ratio)	%	4.7	5.2	5.5
Domestic		2,842	3,373	3,915
Male	Persons	2,732	3,228	3,747
Female		110	145	168
(Female manager ratio)	%	3.9	4.3	4.3
Overseas		529	586	641
Male	Persons	480	524	558
Female		49	62	83
(Female manager ratio)	%	9.3	10.6	12.9

※Manager: section chief and above positions

– Female workforce ratio and female manager ratio are continuously increasing.

Social Minorities

Classification	Unit	2010	2011	2012
Disabled (including Nanumnuri)	Persons	104	171	325
(Ratio)	%	0.34	0.49	0.94
Patriots and veterans	Persons	245	271	283
(Ratio)	%	0.81	0.78	0.81

※ Results of the domestic worksites

– The company is expanding the employment of the disabled through a subsidiary "Nanumnuri"

Local Employment Status

(Unit: persons, %)

Nanjing Subsidiary	2010			2011			2012		
	Total	Local people	Ratio	Total	Local people	Ratio	Total	Local people	Ratio
Manager									
Office job (manager)	176	132	75	187	146	78.1	177	138	78
Technical (supervisor)	293	293	100	320	320	100	320	320	100
Staff	8,766	8,765	100	11,756	11,756	100	11,716	11,715	100
Total	9,235	9,190	99.5	12,263	12,222	99.7	12,213	12,173	99.7
Guangzhou Subsidiary	2010			2011			2012		
	Total	Local people	Ratio	Total	Local people	Ratio	Total	Local people	Ratio
Manager									
Office job (manager)	107	74	69.2	126	91	72.2	119	94	79
Technical (supervisor)	99	99	100	136	136	100	111	111	100
Staff	2,604	2,601	99.9	3,793	3,792	100	2,703	2,699	99.9
Total	2,810	2,774	98.7	4,055	4,019	99.1	2,933	2,904	99

※ Local employment ratio: No. of local managers / No. of total managers

Employee Turnover Rate

(Unit: %)

Classification	2010	2011	2012
Domestic Turnover rate	7.2	7.9	8.8

※Results of the domestic worksites

- The No. of employees transferred to affiliated companies increased due to business portfolio adjustment among subsidiaries in 2012.
- The turnover rate is calculated as of the end of the year. The annual average turnover rate was 7.7% in 2011 and 7.8% in 2012 in consideration of voluntary turnover excluding transfers into affiliated companies.

Labor Union Status

Classification	Unit	2010	2011	2012
Labor union participation rate	%	66.7	68.8	68.6
Labor union members	Persons	20,146	23,996	23,819

※Results of the domestic worksites

- We conduct wage negotiation and collective bargaining in the first quarter of each year. That is, we bargain collectively with the trade union under the agenda of wage increase, fringe benefit system improvement, and collective agreement amendment. Key issues between the company and trade union are decided through Labor-Management Council quarterly.
- Concerning things to improve including the fringe benefit system agreed with the trade union, they are applied equally to all our employees.

Incident Rate

(Unit: %)

Classification	2010	2011	2012
Domestic Total Recordable Incident Rate (TRIR)	0.05	0.03	0.03
Overseas (Nanjing, Guangzhou) TRIR (vs. total employees)	0.40	0.18	0.19

Reports of Human Rights Issues in Grievances

(Unit: cases)

Classification	2010	2011	2012
No. of issues related to human right raised through official channels	9	13	10
No. of responses to complaints related to human right through official channels	6	9	10
No. of complaints related to human right solved through official channels	6	9	10

※Results of the domestic worksites

- ※We have built a system through which all members of LG Display can easily connect with online Grievance Committee through in-house Intranet, and thus, they can report complaints, and grievances in company life (Anonymous tip-off is possible).
- ※Upon tipping off, we guarantee anonymous informants, and take an action to investigate and tipped-off information, and solve problems. We also encourage our members to be committed to their duties by delivering solutions to the informants.

Return to Work and Retention Rates after Parental Leave

Classification	Unit	2010		2011		2012	
		Male	Female	Male	Female	Male	Female
Return to work and retention rates of employees who returned to work after leave ended, by gender. Rate of return (㉞/㉟) Maintenance rate (㉞/㉟)	%	100	88.9	100	90.6	N/A	N/A
No. of employees by gender that were entitled to parental leave		3	63	2	138	7	307
No. of employees that took parental leave by gender ㉞		3	63	2	138	7	307
No. of employees who returned to work after parental leave ended, by gender ㉞	Persons	3	56	2	125	N/A	N/A
No. of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender ㉞		3	42	2	103	N/A	N/A

※Results of the domestic worksites

※HR system related to pregnancy, childbirth, and childcare and maternity protection

- Parental leave: This leave of absence can be used for pregnant women from the time of confirming pregnancy until the maternity leave starts and after the maternity leave. This leave of absence is unpaid (Grant of maternity leave of absence, KRW 400,000, is paid monthly).
- childbirth leave: 90 days of leave before and after childbirth: paid leave for 60 days, and unpaid leave for 30 day (Paid by Employment Support Center).
- Childcare leave: A leave to rear a child younger than 6 years of age: This leave can be used for a year for one child.

※Since most of the maternity leave of absence applicants in 2012 are still in the leave, we cannot precisely measure the rate of returning to work, and job retaining rate.

Support for Pension Plan

(Unit: persons)

Classification	2010	2011	2012
Total	27,261	26,656	27,904
Defined benefit retirement pension (DB type)	27,257	26,652	27,902
Defined contribution retirement pension (DC type)	4	4	2

※Results of the domestic worksites

- The company has the defined benefit retirement pension (DB type) system. Meanwhile, employees who correspond to salary peak system turned to defined contribution retirement pension (DC type)
- When paying the retirement payment, the age and length of service are considered.

Education, Training and Evaluation**Educations on Human Right**

Classification	Unit	2010	2011	2012
Education on human right policy and process	hr	22,653	21,336	24,338
No. of employees completed educations on human right policy and process	Persons	7,551	7,112	21,635

※ LG Display fundamentally prohibits any kind of discrimination and there was no discrimination for the year.

Education programs on human right	Type	2010		2011		2012	
		Participant (persons)	Participant (persons)	Participant (persons)	Participant (persons)	Education hours	Education hours
Modules related to prevention of sexual harassment, Jeong-Do management, and fair transactions	Collective education	7,551	7,112	New office worker	7,388	9,235	
				New line worker	2,796	2,796	
				Experienced line worker	462	693	
Building pleasant and healthy corporate culture (prevention of sexual harassment)	e-Learning	Participants: 34 Education object: all employees (28,982)		1,162	1,743		
Prevention of sexual harassment in the company	e-Learning	Participants: 5 Education object: all employees (33,881)		11	55		
Jeong-Do management course	e-Learning			9,816	9,816		

※Results of the domestic worksites

Performance Evaluation

Classification	Unit	2010	2011	2012
Employees to receive regular performance and career development reviews.	%	84.3	90.2	95.4
No. of employees to receive regular performance and career development reviews.	Persons	25,443	31,467	33,153

※ Results of the domestic worksites

Total Education Hours

Classification	Unit	2010	2011	2012
Annual average education hours per employee	hr	64.7	51.5	36.5
Total education hours	Million hours	1.95	1.80	1.27
No. of total employees	Persons	30,196	34,893	34,745

※ Results of the domestic worksites

– Education hours for new employees decreased due to the reduction of employment.

Local Procurement of Major Worksites

(Unit: %)

Classification	2010	2011	2012
Korea	91.5	90.4	86
China	96	96	98
Poland	96	100	100

※ LG Display* overseas subsidiaries have focused on local procurement for recent 3 years.

Volunteer Works

Classification	Unit	2010	2011	2012
No. of participants	Persons	12,547	21,312	25,465
Participation rate	%	45.7	61.2	73.3
No. of volunteer works (based on performance report)	Cases	1,234	1,514	1,810

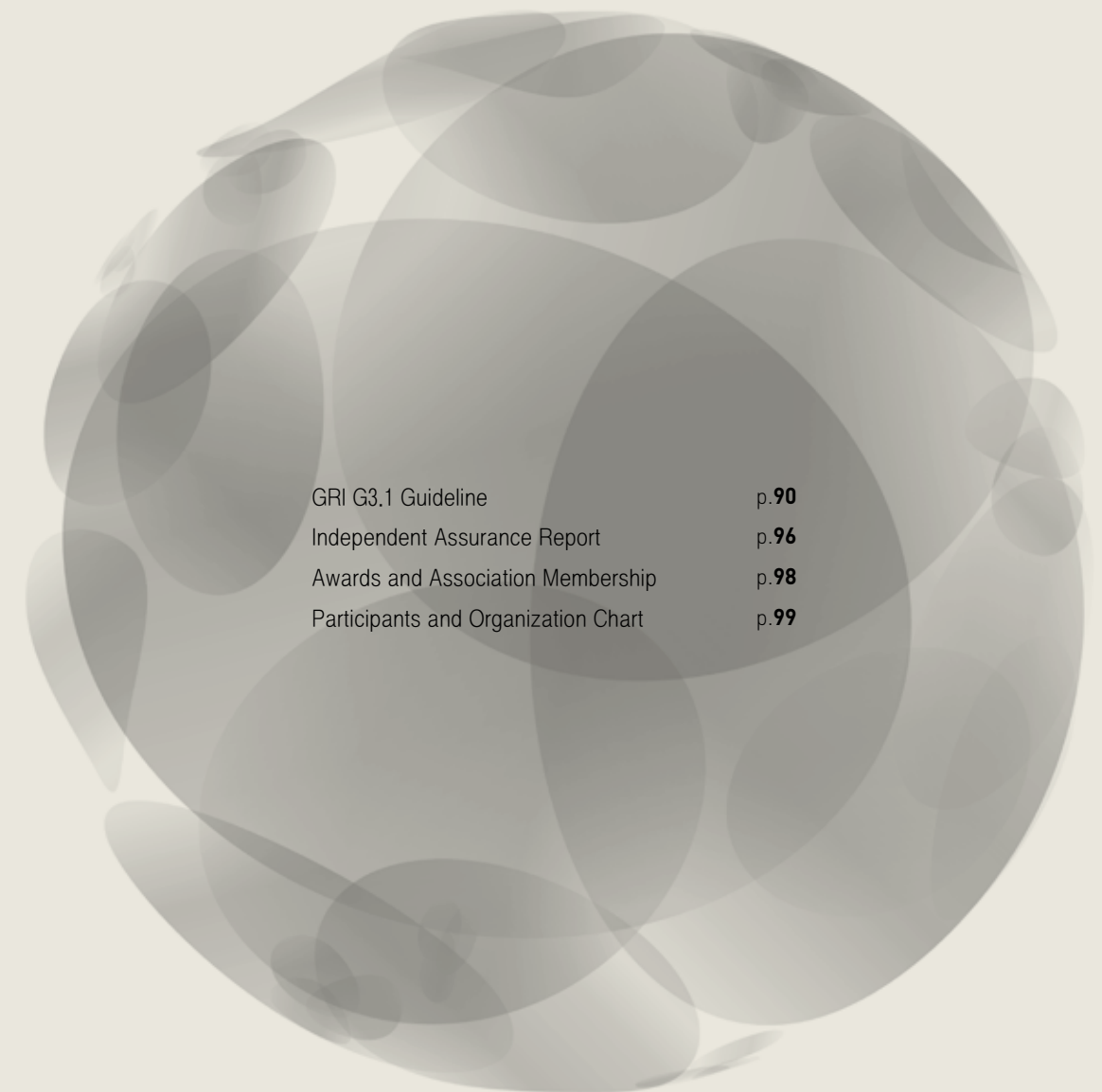
※ Results of the domestic worksites

Investment in Social Contribution

Classification	Unit	2010	2011	2012			
Donation of the company	KRW in	15,161.0	15,883.7	15,300.2			
Voluntary donation *	millions	15.1	53.7	77.7			
Participation in social contribution	Hours	51,211.4	84,612.7	80,889.2			
Classification	Unit	Volunteer works	Donation	Volunteer works	Donation	Volunteer works	Donation
No. of social contribution programs	Times	1,234	12	1,514	13	1,810	31
No. of participants in social contribution	Persons	12,547	341	21,312	1,135	25,465	3,870

* Net donation excluding the matching grant program

APPENDIX



GRI G3.1 Guideline	p. 90
Independent Assurance Report	p. 96
Awards and Association Membership	p. 98
Participants and Organization Chart	p. 99

GRI G3.1 GUIDELINE

General

● Reported ● Partially Reported ○ Not Reported

G3.1	Description	ISO 26000	Reporting	Page	Remarks
Profile Disclosures					
Strategy and Analysis					
1.1	Statement from most senior decision-maker in organization		●	4-5	
1.2	Description of key impacts, risks, and opportunities	6.2 Organizational Governance	●	4-5, 35	
Organizational Profile					
2.1	Name of organization		●	6	
2.2	Primary brands, products, and/or services		●	ii	
2.3	Operational structure	6.2 Organizational Governance	●	99	Refer to page 5
2.4	Location of organization's headquarters		●	v-viii	
2.5	Location of overseas branch offices and sites		●	vii-viii	
2.6	Nature of ownership and legal form		●	8-9	
2.7	Markets served		●	iii	
2.8	Scale of the reporting organization		●	8-9	
2.9	Significant changes during reporting period regarding size, structure, or ownership		●	8-9	
2.10	Awards received in reporting period		●	98	
Report Parameters					
3.1	Reporting period		●	1	
3.2	Date of most recent previous report (if any)		●	1	August 2012
3.3	Reporting cycle (annual, biennial, etc.)		●	1	Publish annually
3.4	Contact point for questions regarding the report or its contents		●	1	
3.5	Process for defining report content		●	14-15	
3.6	Boundaries of report		●	1	
3.7	State any specific limitations on the scope or boundary of report		●	1	
3.8	Basis for reporting on comparability from period to period and/or between organizations		●	14-15	
3.9	Data measurement techniques and bases of calculations for data, including performance index		●	1	
3.10	Explanation of the effects of & reasons for any re-statements of information provided in earlier reports		●	1	
3.11	Significant changes from previous reporting periods applied in the report		●	1	
3.12	Table identifying the location of the Standard Disclosures in the report		●	90	
3.13	Policy and current practices with regard to seeking external assurances for the report	7.5.3 Verification	●	96	
Governance, Commitments, and Engagement					
4.1	Governance of organization		●	8-9	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer		●	8-9	
4.3	No. of members of highest governance body that are independent and/or non-executive members		●	8-9	
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to highest governance body		●	8-9	
4.5	Compensation for members of highest governance body, senior managers, and executives		●	8-9	Plan to enhance the linkage between compensation system and environmental and social performances
4.6	Processes in place for highest governance body to ensure conflicts of interest are avoided	6.2 Organizational Governance	●	8-9	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body		●	8-9	
4.8	Internally developed statements of mission or values, codes of conduct, and principles		●	10-11	
4.9	Procedures of highest governance body for management of economic, environmental, and social performances		●	8-9	
4.10	Processes for evaluating highest governance body's own performance		●	8-9	
4.11	Whether and how the precautionary approach or principle is addressed by the organization		●	12	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives		●	14-15, 98	
4.13	Membership in associations and/or national/international advocacy organizations		●	90	

General

● Reported ● Partially Reported ○ Not Reported

G3.1	Description	ISO 26000	Reporting	Page	Remarks
Profile Disclosures					
4.14	List of stakeholder groups engaged by the organization		●		
4.15	Bases for identification and selection of stakeholders with whom to engage		●		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	6.2 Organizational Governance	●	14-15	
4.17	Key topics and concerns raised through stakeholder engagement, and responses to them		●		
Economy					
DMA					
7, 35, 67					
Economic Performance					
EC1	Direct economic value generated and distributed	6.8 Community Involvement and Development 6.8.3 Community involvement 6.8.7 Wealth and income creation 6.8.9 Social investment	●	1, 78	
EC2	Financial implications and other risks and opportunities for organization's activities due to climate change	6.5.5 Climate change mitigation and adaptation	●	35	
EC3	Coverage of organization's defined benefit plan obligations		●	87	
Market Position					
EC4	Significant financial assistance received from governments		●	-	N/A
EC5	Range of ratios of standard entry-level wages compared to local minimum wage at significant locations of operation	6.4.4 Conditions of work and social protection 6.8 Community Involvement and Development	●	84	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	6.6.6 Promoting social responsibility in the value chain 6.8 Community Involvement and Development 6.8.5 Employment creation and skills development 6.8.7 Wealth and income creation	●	88	
EC7	Process of hiring local workers preferably and percentages of locally-hired high-ranking managers	6.8 Community Involvement and Development 6.8.5 Employment creation and skills development 6.8.7 Wealth and income creation	●	84-85	
Indirect Economic Effect					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	6.3.9 Economic, social and cultural rights 6.8 Community Involvement and Development 6.8.3 Community involvement 6.8.4 Education and culture 6.8.5 Employment creation and skills development 6.8.6 Technology development and access 6.8.7 Wealth and income creation 6.8.9 Social investment	●	88	
EC9	Understanding and describing significant indirect economic impacts	6.3.9 Economic, social and cultural rights 6.6.6 Promoting social responsibility in the value chain 6.6.7 Respect for property rights 6.7.8 Access to essential services 6.8 Community Involvement and Development 6.8.5 Employment creation and skills development 6.8.6 Technology development and access 6.8.7 Wealth and income creation 6.8.9 Social investment	●	78	
Environment					
DMA					
32-33, 36, 39, 40-43					
Materials					
EN1	Materials used by weight or volume		●	88	
EN2	Percentage of materials used that are recycled input materials		●	88	
Energy					
EN3	Direct energy consumption by primary energy source	6.5 Environment 6.5.4 Sustainable resource use	●	88	
EN4	Indirect energy consumption by primary energy source		●	88	

GRI G3.1 GUIDELINE

Economy & Environment

● Reported ● Partially Reported ○ Not Reported

G3.1	Description	ISO 26000	Reporting	Page	Remarks
Environment					
EN5	Energy saved due to conservation and efficiency improvements		●	36	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives or services more widely used		●	82	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	6.5 Environment 6.5.4 Sustainable resource use	●	36	
EN8	Total water withdrawal by source		●	80	
EN9	Water sources significantly affected by withdrawal of water		●	40	
EN10	Percentage and total volume of water recycled and reused		●	80	
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity managed by us		●	42	
EN12	Description of significant impacts of activities, products, and services on biodiversity biological diversity		●	42	
EN13	Habitats protected or restored	6.5 Environment 6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	●	42	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		●	42	
EN15	No. of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk and the government and living in the areas affected by our business activities		●	42	
Air Emissions, Waste water - Waste					
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5 Environment	●	80	
EN17	Other relevant indirect greenhouse gas emissions by weight	6.5.5 Climate change mitigation and adaptation	●	80	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		●	36-37	
EN19	Emissions of ozone-depleting substances by weight		●	81	
EN20	NOx, SOx, and other significant air emissions by type and weight		●	81	
EN21	Total water discharge by quality and destination		●	81	
EN22	Total weight of waste by type and disposal method	6.5 Environment	●	81	
EN23	Total No. and volume of significant spills	6.5.3 Prevention of pollution	●	81	
EN24	Weight of transported, imported, exported, or treated wastes deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII Annex of Basel Convention		●	-	There was no case.
EN25	Name of water bodies significantly affected by the reporting organization's discharges of water and runoff protection states, protection levels and biological diversity value of related habitats	6.5 Environment 6.5.4 Sustainable resource use 6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	●	40	
Product - Service					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5 Environment 6.5.4 Sustainable resource use 6.6.6 Promoting social responsibility in the value chain 6.7.5 Sustainable consumption	●	33, 42-43	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5 Environment 6.5.4 Sustainable resource use 6.7.5 Sustainable consumption	●	82	
Compliance					
EN28	Monetary value of significant fines and total No. of non-monetary sanctions for noncompliance with environmental laws and regulations	6.5 Environment	●	-	Refer to annual business report
Transporting					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	6.5 Environment 6.5.4 Sustainable resource use 6.6.6 Promoting social responsibility in the value chain	●	36	
Total					
EN30	Total environmental protection expenditures and investments by type	6.5 Environment	●	79, 82	

Society

● Reported ● Partially Reported ○ Not Reported

G3.1	Description	ISO 26000	Reporting	Page	Remarks
Labor					
DMA					
				44, 50-51, 54-56	
Materials					
LA1	Total workforce by employment type, employment contract, and region	6.4 Labor Practices	●	84	
LA2	Total No. and rate of employee turnover by age group, gender, and region	6.4.3 Employment and employment relationships	●	84, 86	
LA3	Benefits provided to full-time employees that are not provided to temporary employees	6.4 Labor Practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection	●	54, 56-59	
LA15	Ratio of basic salary of men to women by employee category		●	86	
Labor-Management Relations					
LA4	Percentage of employees covered by collective bargaining agreements	6.4 Labor Practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.4.5 Social dialogue 6.3.10 Fundamental principles and rights at work	●	86	
LA5	Minimum notice period(s) regarding significant operational changes	6.4 Labor Practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.4.5 Social dialogue	●	55	
Health and Safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committee	6.4 Labor Practices 6.4.6 Health and safety at work	●	44	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and No. of work-related fatalities		●	86	
LA8	Staff composition by site obtaining the HSE management system certification	6.4 Labor Practices 6.4.6 Health and safety at work 6.8 Community involvement and Development 6.8.3 Community involvement 6.8.4 Education and culture 6.8.8 Health	●	47, 54, 57, 69	
LA9	Disease and safety control programs to assist workforce members, their families, and community members	6.4 Labor Practices 6.4.6 Health and safety at work	●	44-45	
Training					
LA10	Health and safety topics covered in formal agreements with labor unions	6.4 Labor Practices 6.4.7 Human development and training in the workplace	●	52, 87	Training hours by gender were not aggregated.
LA11	Average hours of training per year per gender and employment type	6.4 Labor Practices 6.4.7 Human development and training in the workplace 6.8.5 Employment creation and skills development	●	49-52, 56	
LA12	Programs for skills management and lifelong learning for continued employability and managing career endings	6.4 Labor Practices 6.4.7 Human development and training in the workplace	●	88	
Diversity and Equality					
LA13	Percentage of employees receiving regular performance and career development reviews	6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4 Labor Practices 6.4.3 Employment and employment relationships	●	8-9, 85	
LA14	Composition of governance bodies and breakdown of employees per category by indicators of diversity	6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4 Labor Practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection	●	84	

GRI G3.1 GUIDELINE

Society		● Reported ● Partially Reported ○ Not Reported			
G3.1	Description	ISO 26000	Reporting	Page	Remarks
Human Rights					
DMA					
					49, 56, 61
Investment and Procurement					
HR1	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	6.3 Human Rights 6.3.3 Due diligence 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in value chain	●	64	Percentage data were not aggregated.
HR2	Total No. of incidents of discrimination, and actions taken	6.3 Human Rights 6.3.3 Due diligence 6.3.5 Avoidance of complicity 6.4.3 Employment and employment relationships 6.6.6 Promoting social responsibility in value chain	●	64	Percentage data were not aggregated.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	6.3 Human Rights 6.3.5 Avoidance of complicity	●	87	
Prohibition of Discrimination					
HR4	Total No. of incidents of discrimination, and actions taken	6.3 Human Rights 6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights work 6.4.3 Employment and employment relationships	●	86	
Collective Bargaining					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	6.3 Human Rights 6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.7 Discrimination and vulnerable groups 6.4.5 Social dialogue	●	55	
Child Labor					
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken	6.3 Human Rights 6.3.3 Due diligence	●	49	
Forced Labor					
HR7	Operations identified as having significant risk for incidents of forced labor, and measures taken	6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights work	●	49	
Security					
HR8	Percentage of security personnel trained in the organization's policies concerning human rights relevant to operations	6.3 Human Rights 6.3.5 Avoidance of complicity 6.4.3 Employment and employment relationships 6.6.6 Promoting social responsibility in value chain	●	63	
Indigenous Peoples					
HR9	Total No. of incidents of violations involving rights of indigenous peoples, and actions taken	6.3 Human Rights 6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable groups 6.3.8 Civil and political rights 6.6.7 Respect for property rights	●	-	There was no violation for the reporting period.
Assessments					
HR10	Percentage and total No. of operations that have been subject to human rights reviews and/or impact assessments		●	64	Percentage data were not aggregated.
Revision					
HR11	No. of complaints related to human rights that are filed, dealt with, and resolved through the official complaint registration channel		●	86	
Society					
DMA					
					11, 39, 67
Local Communities					
SO1	Return to work and retention rates after parental leave	6.3.9 Economic, social and cultural rights 6.8 Respect for property rights 6.8.5 Community Involvement and Development 6.8.7 Employment creation and skills development 6.6.7 Wealth and income creation	●	67-76	
SO9	Monetary value of significant fines, and total No. of non-monetary sanctions for non-compliance with laws and regulations		●	40	
SO10	Operations with significant potential or actual negative impacts on local communities		●	40	

Society		● Reported ● Partially Reported ○ Not Reported			
G3.1	Description	ISO 26000	Reporting	Page	Remarks
Corruption					
SO2	Percentage of operations with implemented local community engagement, impact assessments, and development programs		●	64	Percentage data were not aggregated.
SO3	Percentage and total No. of business units analyzed for risks related to corruption	6.6 Fair Operating Practices 6.6.3 Anti-corruption	●	87	
SO4	Percentage of employees trained in organization's anti-corruption policies and procedures		●	-	Refer to Annual Report p. 117
Public Policy					
SO5	Actions taken in response to incidents of corruption	6.6 Fair Operating Practices 6.6.4 Responsible political involvement	●	11	
SO6	Public policy positions and participation in public policy development and lobbying	6.8.3 Community involvement	●	-	No activity
Local Communities					
SO7	Total value of financial and in-kind contributions to political parties, politicians, and related institutions, by country	6.6 Fair Operating Practices 6.6.5 Fair competition 6.6.7 Respect for property rights	●	-	Refer to Annual Report p. 117
Anti-competitive Behavior					
SO8	Total No. of legal actions for anti-competitive behavior and monopoly practices	6.6 Fair Operating Practices 6.6.7 Respect for property rights 6.8.7 Wealth and income creation	●	-	Refer to Annual Report p. 116-119
Product Responsibility					
DMA					
					11, 12, 32
Customer Health and Safety					
PR1	Countermeasures to move local inhabitants by business developments	6.3.9 Economic, social and cultural rights 6.6.6 Promoting social responsibility in the value chain	●	32-33	
PR2	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	6.7 Consumer Issues 6.7.4 Protecting consumers' health and safety 6.7.5 Sustainable consumption	●	-	No violation
Customer Health and Safety					
PR3	Type of product and service information required by procedures	6.7 Consumer Issues 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices	●	33	
PR4	Total No. of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	6.7.4 Protecting consumers' health and safety 6.7.5 Sustainable consumption 6.7.6 Consumer service, support, and dispute resolution 6.7.9 Education and awareness	●	-	No violation
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7 Consumer Issues 6.7.4 Protecting consumers' health and safety 6.7.5 Sustainable consumption 6.7.6 Consumer service, support, and dispute resolution 6.7.8 Access to essential services 6.7.9 Education and awareness	●	33	
Customer Health and Safety					
PR6	Programs for adherence to laws and standards related to marketing communications	6.7 Consumer Issues 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices	●	11-12	
PR7	Total No. of incidents of non-compliance with regulations, standards and voluntary codes concerning marketing communications	6.7.6 Consumer service, support, and dispute resolution 6.7.9 Education and awareness	●	-	Refer to Annual Report p. 117
Customer Privacy Protection					
PR8	Total No. of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7 Consumer Issues 6.7.7 Consumer data protection and privacy	●	13	
Compliance					
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning provision of products and services	6.7 Consumer Issues 6.7.6 Consumer service, support, and dispute resolution	●	-	Refer to Annual Report p. 117

INDEPENDENT ASSURANCE REPORT

Terms of Engagement

This Assurance Statement has been prepared for LG Display.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by LG Display to assure its Sustainability Report 2012 for the calendar year ending 31st December 2012 ("the Report"). The Report relates to the sustainability performance data and information for LG Display's activities in Korea and five overseas plants in China, Poland and Mexico for which it has operational control over.

Our terms of engagement covered the whole Report and focussed on LG Display's systems and activities during the reporting period, with the following exceptions:

- the environmental and social performance for the Yantai plant in China
- the environmental and social performance for plants in Poland and Mexico.

Management Responsibility

LG Display's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with LG Display.

Ultimately, the Report has been approved by, and remains the responsibility of LG Display.

LRQA's Approach

Our verification has been conducted against:

- AA1000 Assurance Standard 2008 (AA1000AS), where the scope was a Type II engagement
- Global Reporting Initiative Sustainability Reporting Guidelines (GRI G3.1)

The objectives of the assurance engagement were to:

- Review adherence to the AA1000AS Accountability Principles of Inclusivity, Materiality and Responsiveness and evaluate the reliability of specified sustainability performance data and information
- Confirm that the Report meets the requirements of GRI G3.1's application level A
- Validate LG Display's self-declaration for GRI's application level A+L

To form our conclusions the assurance was undertaken as a sampling exercise and covered the following activities:

- Reviewing the stakeholder engagement process and related information
- Benchmarking LG Display's material issues against our own independent analysis of stakeholder issues by reviewing other sustainability reports written by LG Display's peers in comparable industries
- Understanding how LG Display determine, respond and report on their material issues
- Interviewing management of LG Display to understand LG Display's reporting processes and use of sustainability performance data within their business decision-making processes
- Interviewing key personnel to understand processes of LG Display for setting performance indicators and for monitoring progress made during the reporting period
- Verifying LG Display's data and information management processes and reviewing supporting evidence made available by LG Display at their head office in LG Twinstower, Yeouinaru 128, Yeongdeungpo-gu, Seoul, Korea and at a local plant in Paju, Deokun-ri 1007, Wolrong-myun, Paju, Korea in accordance with our contract for the verification of data and information disclosed in the Report

Note 1: No source data was sampled for its accuracy and completeness.

Note 2: Economic performance data was taken direct from the audited financial accounts.

- Checking that the GRI index allows stakeholders to access sustainability performance indicators.

Level of Assurance and Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a moderate level of assurance and at the materiality of the 'professional judgement of the Verifier'.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Report has not been produced based on AA1000AS's Principles. It should be noted that for the Principle of:

- **Inclusivity** – LG Display has processes in place for identifying and engaging with its stakeholders across its various operations and we are not aware of any key stakeholder groups that have been excluded from this process. LG Display also demonstrated that they have incorporated these stakeholder concerns into their management approach and decision-making processes in order to develop a structured engagement approach and response to sustainability issues.
- **Materiality** – LG Display has robust review processes in place for identifying and evaluating material issues which involved both internal and external stakeholders in the materiality assessment. The Report then provides a balanced reflection of LG Display's material issues and we are not aware of any material issues that have been excluded.
- **Responsiveness** – LG Display has processes in place to respond to government authorities, employees, communities and the public, partners and suppliers, shareholders and investors, etc. in a variety of ways by relevant functions.

It is also our opinion that nothing has come to our attention that would cause us to believe that the specified performance data and information is not reliable. Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Report does not meet GRI's application level A+ as we found nothing that would cause us to contradict this conclusion.

LRQA's Recommendations

LG Display should consider:

- Improving the detail of their response on how stakeholder concerns, especially those which pose sustainability dilemmas, will be addressed in future Reports
- Improving data and information management systems, particularly for overseas plants, to ensure complete reporting of sustainability performance
- Establishing an internal data and information verification process to ensure the accuracy and completeness of data and information disclosed in the Report
- Reviewing its reporting

Hee-Jeong Yim

Dated: 9th May 2013



LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance

17th Floor, Sinsong Building, 67 Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Korea

LRQA Reference: SEO6017538

AWARDS

No.	Award	Date	Organizer
1	"Display of this year" Golden award	2010. 05	SID(Society for Information Display)
2	Prime Minister's Award, Good Childbirth contest	2010. 09	Ministry of Health and Welfare
3	Low Carbon, Green Life contest, Ministry of Environment Award	2010. 11	Gyeongsangbuk-do
4	Korea Technology Award, for the LCD Tab Bonder ACF/TCP	2010. 12	Minister of Knowledge Economy
5	Presidential Citation, for job creation	2010. 12	Ministry of Employment and Labor
6	Presidential Citation, for mutual growth with SMEs	2010. 12	Minister of Knowledge Economy
7	2010 Fortune Great Work Place Korea Award, manufacturing category	2010. 12	GWP Korea
8	46th Annual Invention Day, Presidential Citation	2011. 05	Korean Intellectual Property Office
9	Prime Minister's Award, for outstanding waste reduction	2011. 09	Minister of Environment
10	2011 Fortune Great Work Place Korea Award, honored for all categories	2011. 11	GWP Korea
11	Korean World-Class Product Award, for FPR 3D	2011. 12	Minister of Knowledge Economy
12	48th Annual Trade Day, Tower for USD 15 Billion in Exports	2011. 12	Minister of Knowledge Economy
13	11th Korea Safety Contest, Presidential Award (Gumi Plant)	2012. 11	National Emergency Management Agency
14	2012 Investment Attraction Award, Grand Prize (Gumi Plant)	2012. 12	Gyeongsangbuk-do
15	Family-friendly Management Award, Prime Minister's Award	2012. 11	Ministry of Gender Equality and Family
16	WRGB OLED Panel Obtained World-class Product	2012. 12	Minister of Knowledge Economy
17	Obtained AAA Certification, AEO, Authorized Economic Operator	2013. 01	Korea Customs Service

ASSOCIATION MEMBERSHIP

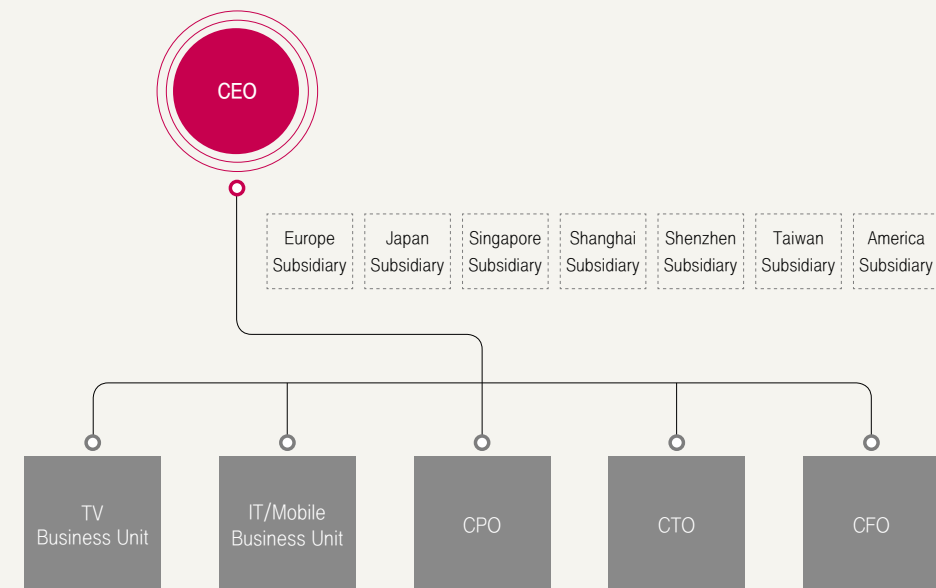
No.	Associations and organizations	No.	Associations and organizations
1	Federation of Korean Industries	9	Korea Investor Relations Service
2	Korea Chamber of Commerce and Industry	10	Nano Technology Research Association
3	Korea Display Industry Association	11	Consortium of Semiconductor Advanced Research
4	Korea Printed Electronics Association	12	Korea Radioisotope Association
5	Korea International Trade Association	13	Korea Industrial Safety Association
6	3D Fusion Industry Association	14	Paju Fire Safety Association
7	Fair Competition Federation	15	Industrial Health Association
8	Korea Listed Companies Association	16	Korean Association of Occupational Health Nurse

PARTICIPANTS

Organizers : KyungWun Lee (Team Leader), GongJu Seo (Manager), JuHyun Kim (Assistant), Corporate Social Responsibility Team

Department	Participant	Department	Participant
A2D Supporting	SangKyu Park	Technology Planning	Sehoon Kim
Compliance	HyeongWoo Park	Public Affairs	UiYeol Park
Consumer Insight	DaeWhan Lim	Dream Marketing	Minho Kim
Global OI 2	Jeewon Park	Global Logistics Management	Sangik Kim
Global OI 3	DaeMang Jang	Security Strategy	EunGang Park
HR Planning	TaeSu Kim	Corporate Social Responsibility	JuHyun Kim
IR	Suk Heo	Seoul General Affair	Munsook Jeong
IT/Mobile Development Planning	TaeHa Kim	Material Accounting	ChulSu Be
TV Development Planning	YoungMi Kim	Ethics Bureau	JinBum Kang
Work & Life Balance Task	Wonseok Choi	Paju Green	MiRi Lim
Purchasing Planning	Jonghwa Jung	Paju Employee Satisfaction	Gun Choi
Gumi Employee Satisfaction	JuYoung Kim	Paju General Affairs	JaeWan Joo
Gumi Safety Managing	YoungHan Kim	Packing Development	KwangYeon Kim
Gumi General Affairs	SeungHoon Lee	Quality Planning	DaeWoong Choi
Corporate Legal Affairs	JangYoul Cho	Global Standards	ByuongHee Choi
Financing Planning	SangYul Kim	Public Relations	ByungSun Park

ORGANIZATION CHART



GLOBAL No.1 DISPLAY COMPANY



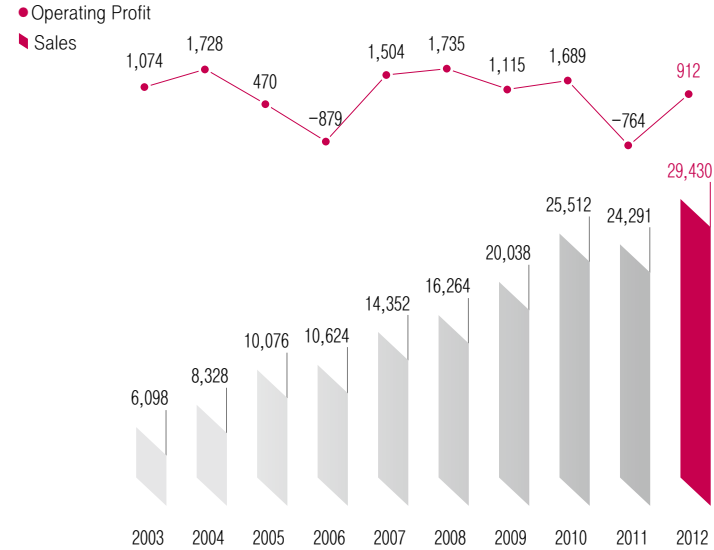
FINANCIAL PERFORMANCE

Through its advanced technology and products, LG Display has grown eight times in size over the course of a decade. Especially, we are maintaining the annual average operating profit of KRW 900 billion for the past six years, which is the highest level of operating profit in the industry.

Annual Sales and Operating Profit

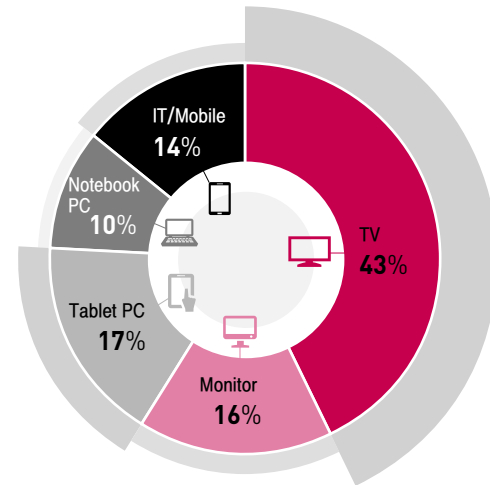
(2002~2008: Consolidated data based on K-GAAP)
(2009~2012: K-IFRS)

(Unit: KRW in billions)



Product Portfolio by Revenue

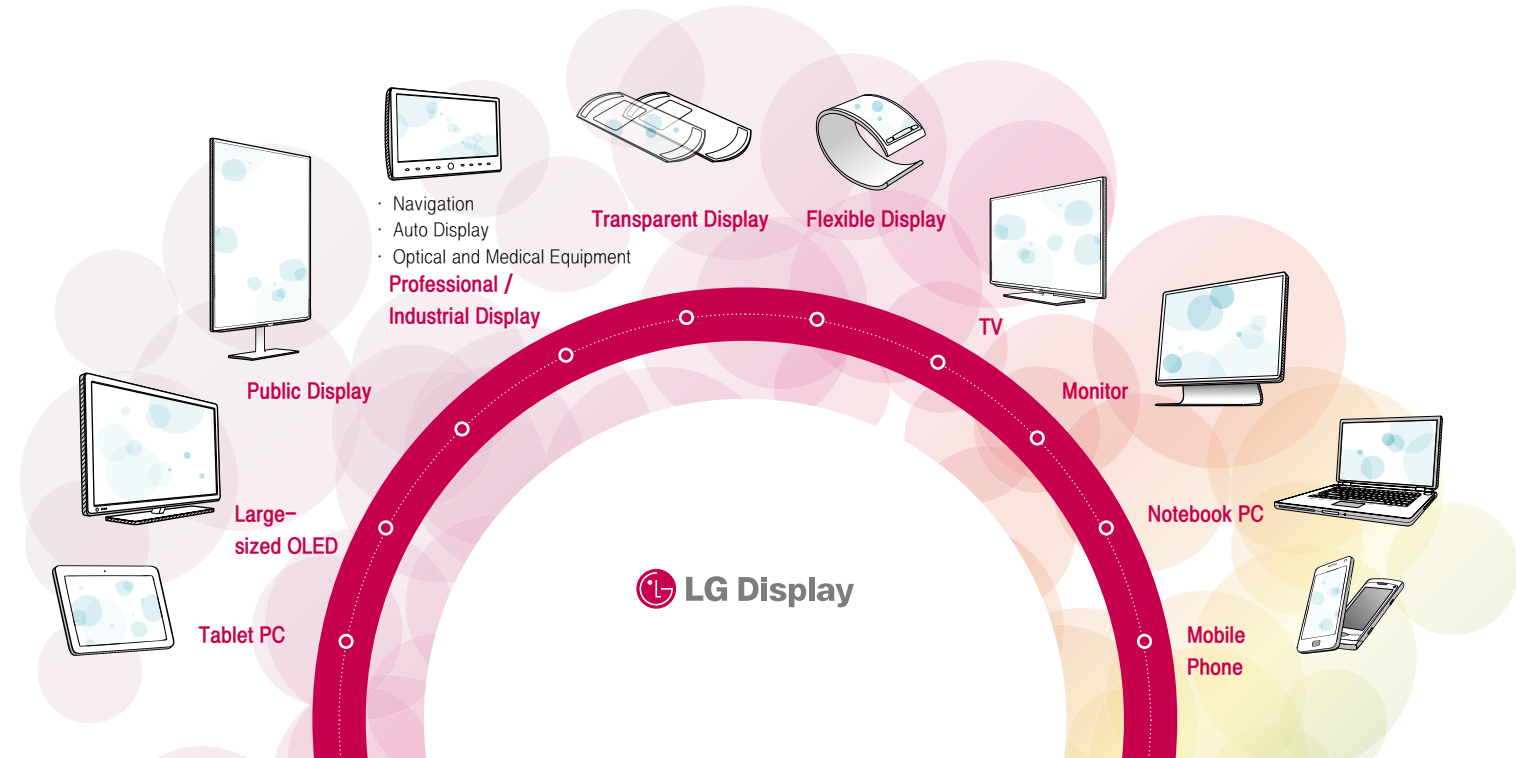
(As of 4Q 2012)



PRODUCT PORTFOLIO

LG Display is creating a variety of products and markets, from mobile to public displays.

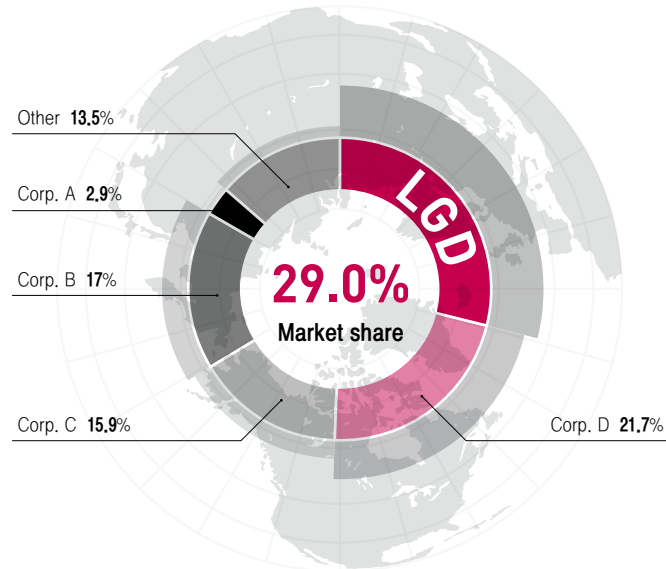
We are planning to expand the scope of its product portfolio to innovative future technology products such as transparent and flexible displays.



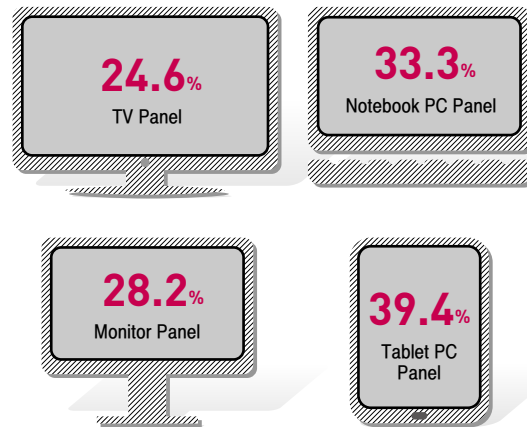
MARKET SHARE

LG Display ranked the top in the global market in 2012 for large area TFT-LCD panel over 9.1 inch. Based on such market leadership, we will enhance our competitiveness in the premium LCD market.

2012 Annual Shipment



GLOBAL No. 1



(As of 4Q 2012)

Source: Quarterly report on large LCD shipment by Display Search

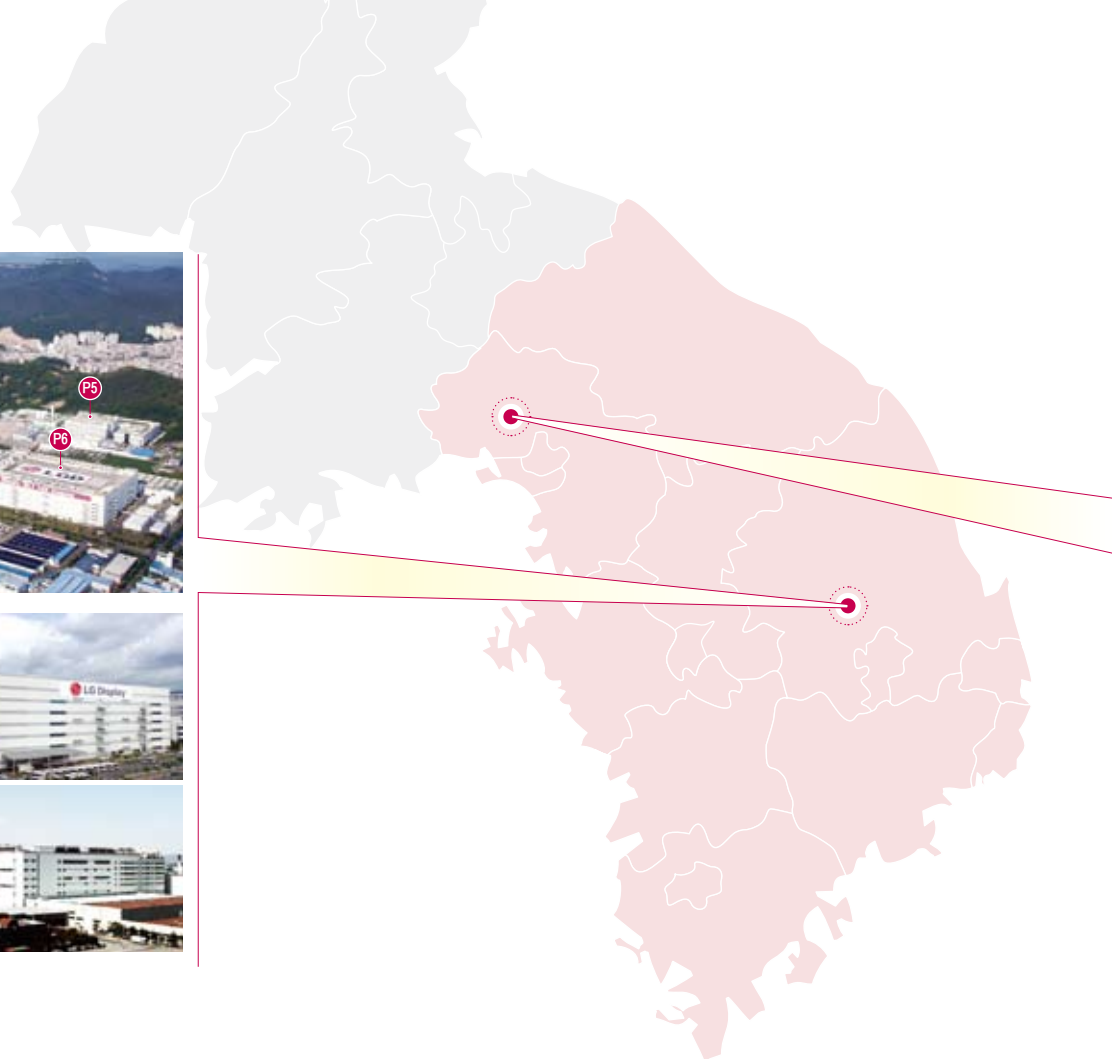
PRODUCTION CAPACITY

LG Display has successfully launched the world's first 4th and 5th generation panel plants, as well as the world's largest 6th and 7th generation plants. As the only company equipped with plants spanning all generations, LG Display secured the dominant position in the industry.

	Gumi							Paju						
Fab	P2	P3	P4	P5	P61	P62	P7	P81	P82	P83	P98	LTPS (AP2)	OLED (M1)	OLED (M2)
Size of Glass Plate	590 x 670	680 x 880	1000 x 1200	1100 x 1250	1500 x 1850	1500 x 1850	1950 x 2250	2200 x 2500	2200 x 2500	2200 x 2500	2200 x 2500	730 x 920	2200 x 2500	2200 x 2500
Generation	G3.5	World's first G4	World's first G5	G5	World's largest G6	World's largest G6	World's largest G7	G8	G8	G8	G8	G4	G8	G8
Starting Production	4Q 1997	3Q 2000	1Q 2002	2Q 2003	3Q 2004	2Q 2009	1Q 2006	1Q 2009	1Q 2010	1Q 2011	1Q 2012	3Q 2010	1Q 2013	2014
Major Product	Mobile	Mobile Tablet Notebook	Mobile Notebook Monitor	Notebook Monitor	TV Monitor Tablet	Notebook Monitor Tablet	TV Monitor	TV	TV	TV	Monitor Tablet	LTPS	OLED TV	OLED TV

PRODUCTION FACILITIES GUMI

LG Display operates six panel plants in Gumi, Gyeongsangbuk-do, Korea, which focus on LCD production for monitors, notebook PC, tablet PC and other mobile devices.



Paju Display Cluster

Classification	Area	Company
Cluster	4,50M m ²	
Main Complex	1,70M m ²	LG Display
Cooperation Complex	2,00M m ²	Foreign Partners (Dang-Dong) Domestic Partners (Sun-Yu)
LG Affiliate Complex	0,84M m ²	LG Chem, LG Innotek

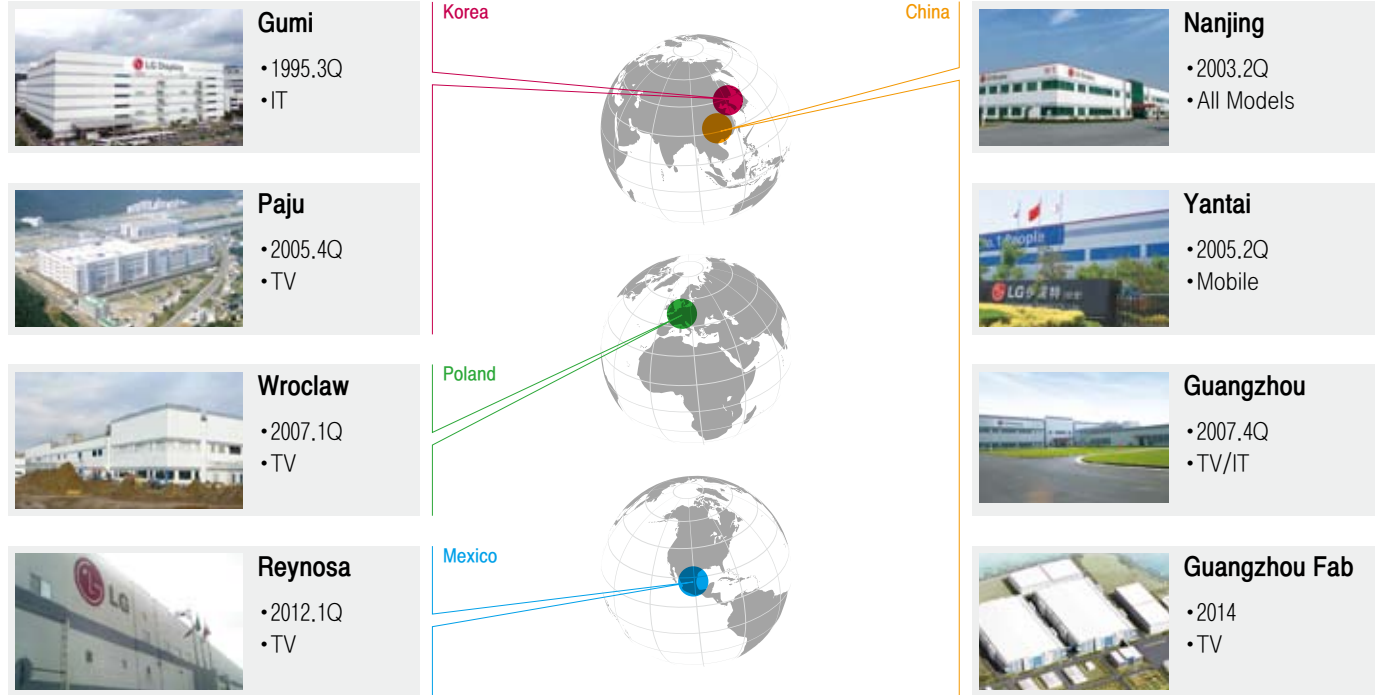


PRODUCTION FACILITIES PAJU

LG Display is located in the Paju Display Cluster, one of the largest and the most advanced display clusters in the world, and mainly producing LCD and OLED for TVs. Located near the Seoul metropolitan area, the Paju Display Cluster provides the extra competitiveness with an easy access to quality talent and logistics resources.

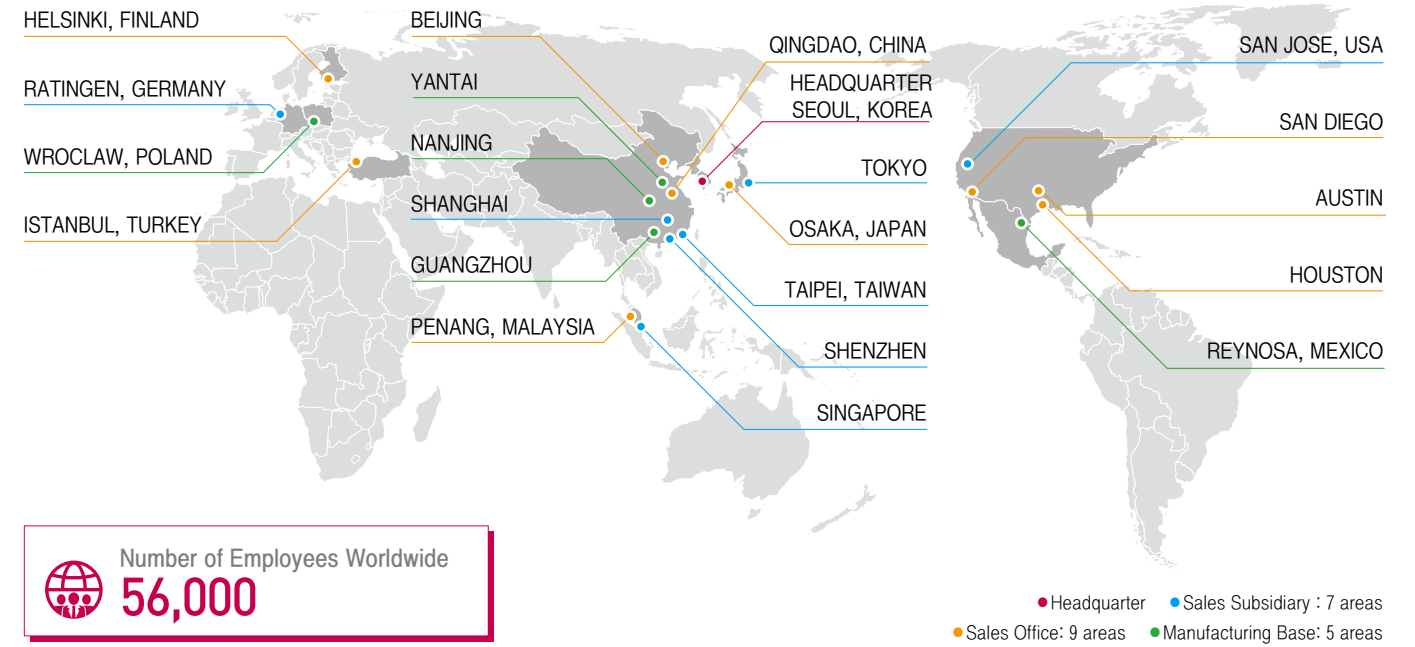
MANUFACTURING FACILITIES

LG Display maximizes the customer value through the strategies to localize production and supply. In order to expand its customer base, LG Display operates seven module plants in various locations including China, Europe, and South America besides Gumi and Paju. We are also constructing a plant for the 8th generation LCD in Guangzhou.



GLOBAL NETWORK

LG Display operates 16 sales networks and 7 manufacturing bases across the world. We create customer values through our global networks, which is expanding our customer base.

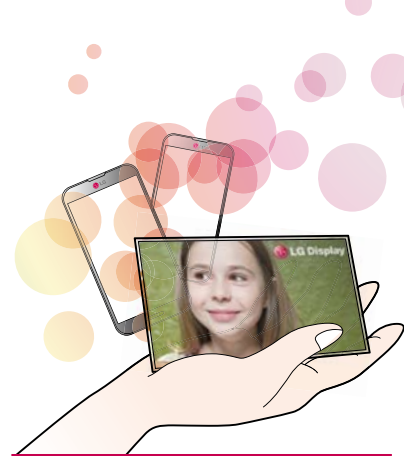


MARKET-LEADING TECHNOLOGY

The IPS, the wide-viewing angle LCD technology, has opened a new era for the LCD TV market. The advanced AH-IPS is evaluated as the most optimal mobile technology. Moreover, LG Display is leading the display market with the development and introduction of the world's first FPR 3D and large-screen OLED TVs.

IPS

- High Resolution
- Outdoor Readability
- Low Power Consumption



- IPS that opened a new era for the LCD TV market with wide viewing angle technologies free of image distortion
- Advanced AH-IPS, now optimized for smart devices

FPR 3D

- Comfortable Glasses
- No Flicker
- Clear and Vivid 3D Picture



- Comfortable to the human eye and free of flicker
- Battery-free FPR glasses that are light and free from electromagnetic waves

OLED

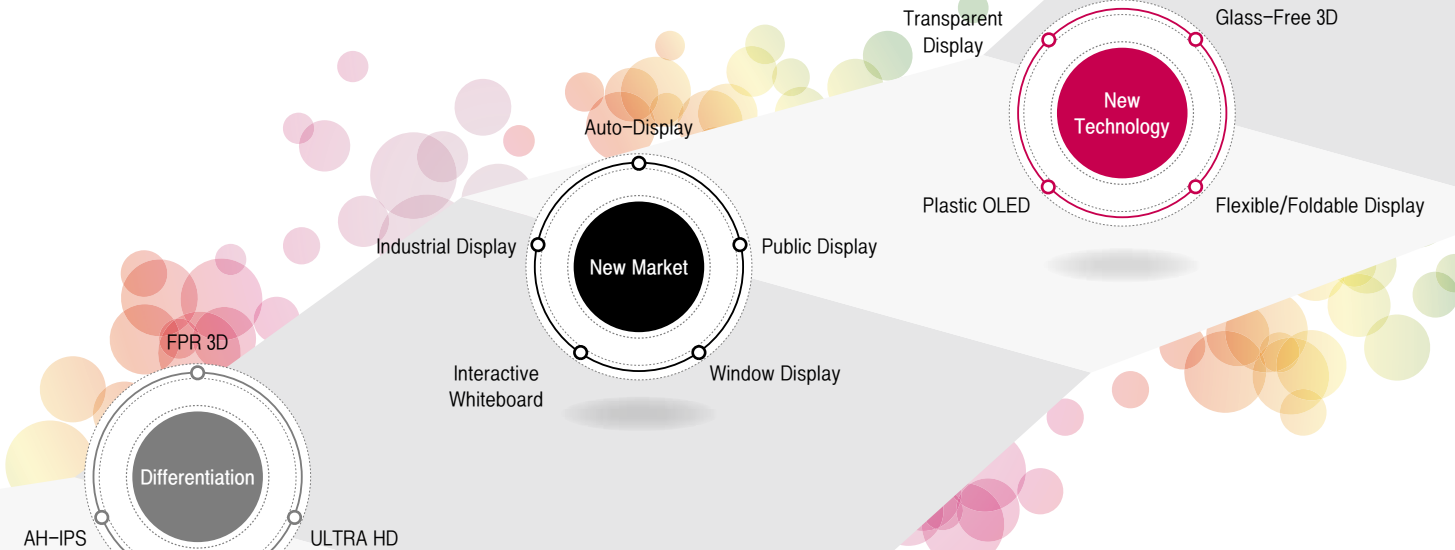
- Light & Slim
- Light Emitting Organic Materials
- The Ultimate Picture Quality



- Development and introduction of the world's first 55" large OLED TV
- Opened a new era for large OLED through WRGB and Oxide technology

NEW MARKET & NEW TECHNOLOGY

LG Display has focused its resources on the development of cutting-edge technologies by consistently investing in R&D and securing human resources for R&D. Discovering new markets and introducing innovative technologies, LG Display continues to lead the market forward.



AH-IPS

ULTRA HD





This report is printed on eco-friendly paper using non-chlorine bleached pulp (ECF), and with soybean oil-based ink.



LG Twin Tower, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul
Tel. 02-3777-0892 <http://www.lgdisplay.com>