

You Dream,  
We Display.



# Green Bond Reporting

# Overview of Green Bond Framework

## Second Party Opinion by KPMG

- Limited assurance on conformance of Green Bond Framework with the International Capital Market Association (ICMA) Green Bond Principles 2018



## Use of Proceeds

- Includes eligible projects and eligible R&D projects in:



Energy efficiency



Sustainable water & wastewater management



Pollution prevention & control



Eco-efficient and/or circular economy adapted products

- Look-back period limited to calendar year 2016

## Project Evaluation and Selection

CSR Committee  
(Oversees entire  
issuance process)

Select and maintain  
pool of eligible  
projects

Supervise  
management of  
proceeds

Report and  
monitor  
indicators

Manage  
framework's  
future updates

Mitigation of  
Environmental  
Risks

Obtain environmental and energy management system certifications



ISO14001



ISO50001

Ensure environmental management activities are aligned with LG Display's environmental strategy

## Management of Proceeds

- Full allocation within one year of issuance on a best effort basis
- Net proceeds are monitored and tracked using internal accounting system
- Unallocated proceeds may temporarily be invested in accordance with LG Display's investment guidelines in cash, deposits, and money market instruments
- Reallocation of ineligible proceeds to eligible replacement projects as soon as reasonably practicable

## Reporting

### Allocation reporting

- List of eligible projects and eligible R&D projects financed/refinanced
- Amount allocated to eligible projects and eligible R&D projects
- Unallocated proceeds at the end of the reporting end-period (if any)

### Impact reporting

To include relevant impact metrics for each category on a best effort basis, such as:

- Energy efficiency: Energy savings
- Sustainable water & wastewater management: Volume of water reused (in tons)
- Pollution prevention and control: Recycling rate
- Eco-efficient and/or circular economy adapted products: Details of eligible R&D projects (for e.g., target environmental benefits)

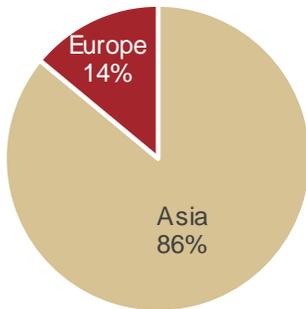
# Green Bonds Issuance

## List of LG Display's Green Bonds

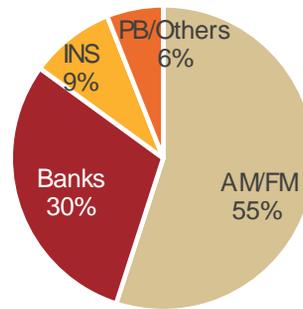
Issue Date	Currency	Issue Ratings	Amount Issued (Issue Currency)	Maturity Date	Security Identifier
Nov 15, 2018	USD	AA (S&P)	USD 300m	15-Nov-21	XS1908898668

## LG Display's Inaugural Green Bond

- The deal was guaranteed by Korea Development Bank (Aa2/AA/AA-), which is a wholly-government owned policy bank in South Korea.
- The transaction marked the first-ever Korean private manufacturing company's international Green notes offering.
- With a more than 8.3x oversubscribed book from 140 well-diversified and high-quality accounts, LG Display successfully priced the USD 300m Green bond at T+90bps, representing a 25bps tightening from the Initial Price Talk/Thoughts(IPT) level.
- The Green bond is aligned with and contributes to LG Display's Green Company Strategy, which aims to minimize its environmental impact.
- Allocation breakdown:



■ Asia ■ Europe



■ AM/FM ■ Banks ■ Ins ■ PB/Others\*

\* AM: Asset Manager, FM: Fund Manager, Ins: Insurance, PB: Private Banks

# Allocation Report

## Summary of Allocation of Proceeds

Categories	Type of Projects	Timing of full allocation	Allocated amount
<b>Category 4:</b> Eco-efficient and/or circular economy adapted products	R&D of eco-efficient and/or circular economy adapted products aiming to align with the SGS Eco-Product Certification	November 2019	USD 300m

## Allocation Breakdown by Entity

- LG Display Co., Ltd (“LG Display” or the “company”) constantly expands its investment in R&D to occupy the OLED markets. The company has been investing greatly in the facilities of its business sites in China, Paju and Vietnam.
- Also, through constant R&D activities of eco-efficient and/or circular economy adapted products, LG Display developed OLED television modules with improved hazardous substance management systems, resource and recycling efficiency.

Entity	Location	Project	Allocation (USD m)	Allocation (%)
LG Display High-Tech (China) Co., Ltd	Guangzhou, China	OLED FAB construction and equipment	234	78%
LG Display Co., Ltd	Paju, Korea	OLED FAB construction and equipment	60	20%
LG Display Vietnam Haiphong Co., Ltd	Haiphong, Vietnam	OLED module factory construction	6	2%
<b>Total</b>			<b>300</b>	<b>100%</b>

# Impact Report (1/2)

## Summary of Impact of Allocated Proceeds

- The net proceeds raised through LG Display's issuance of green bond have been earmarked against various eligible projects across Category 4: Eco-efficient and/or circular economy adapted products, covering R&D expenditures related to the development and production of environmentally sustainable products aiming to align with the SGS Eco-Product Certification.

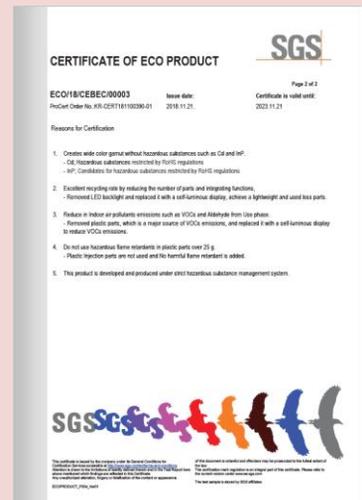
### SGS Eco-Product Certification

- For the first time in the business world, an eco-label for television display modules was developed by LG Display and Standard Global Services, a global inspection, verification, and testing agency, in 2017.
- Through this program, LG Display received the SGS Eco-label for its 2017-2019 OLED television models, with the ongoing alignment of more products.



#### OLED Eco Display Inside

- Low Hazardous substances (Cd & InP Free)
- EXCELLENT in Recycling efficiency
- RECUCE in Indoor air pollutants



One of the SGS Eco-Product certifications obtained by LG Display

- In line with the environmental criteria assessed under the SGS Eco-Product Certification, projects funded with the proceeds advanced one or more of the following objectives:



Improve resource efficiency: resource saving, recycled material use and durability



Improve recycling efficiency: Waste electrical and electronic equipment recycling and design for easy disassembly



Manage, reduce, or restrict the use of hazardous substance such as Cadmium (Cd) or Indium Phosphide (InP)

# Impact Report (2/2)

## Case Study: Eco Index for 65-inch Display Products

- Through applying the Eco Index, LG Display has improved the eco-friendliness of its products, such as its 65-inch display.



### Criteria for Eco Index

#### Category 1:

- Reduce resource use
- Use recycled materials
- Evaluate/improve waste recycling
- Evaluate/recover rare metals (technology development)
- Improve disassemblability

#### Category 2: Energy

- Reduce energy consumption

#### Category 3: Hazardous Substances

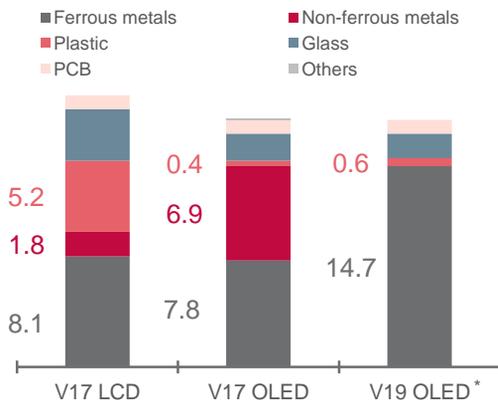
- Satisfy environmental regulations
- Voluntarily reduce/improve use of hazardous substances

- Using the Eco Index, LG Display evaluated their processes from the product development stage onwards and identified areas that could improve sustainability. For instance:

#### Before

65-inch displays are difficult to recycle as their production require various types and proportions of raw materials

(Unit: Kg)



\* OLED or LCD models that were mass-produced in certain year



#### After

These resources were replaced with recyclable raw materials, hence the recycling rate of 65-inch displays has gradually increased

(Unit: %)

