

# GRI Index

G3		DISCLOSURE ITEMS	RELATED CONTENTS	PAGE
<b>PROFILE</b>				
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	CEO message	10-11
	1.2	Description of key impacts, risks, and opportunities	Top management messages, CSM governance, Risks and opportunities regarding each issue	10-13, 25, 34, 42, 54, 60, 66
Organizational Profile	2.1	Name of the organization	About LG Electronics	16
	2.2	Primary brands, products, and/or services	About LG Electronics	16-17
	2.3	Operational structure of the organization	About LG Electronics	16
	2.4	Location of organization's headquarters	About LG Electronics	16
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability reporting	Stakeholder engagement, Community activities, Global network	26, 64, 76-77
	2.6	Nature of ownership and legal form	Corporate governance/Board of directors	22
	2.7	Markets served	About LG Electronics, Economic performances	16-18
	2.8	Scale of the reporting organization	About LG Electronics, Economic performances, Status of global employees	16-19, 71
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	Not applicable	-
	2.10	Awards received in the reporting period	Awards & recognition	81
Report Parameters	3.1	Reporting period	About this report	2
	3.2	Date of previous report	About this report, LGE's sustainability reports	2, 87
	3.3	Reporting cycle	About this report, LGE's sustainability reports	2, 87
	3.4	Contact point for questions regarding the report or its contents	About this report	2
	3.5	Process for defining report content	About this report, Materiality analysis	2, 28-29
	3.6	Boundary of the report	About this report	2
	3.7	State any specific limitations on the scope or boundary of the report	About this report	2
	3.8	Basis for reporting that can significantly affect comparability from period to period and/or between organizations	About this report, Domestic subsidiaries	2,17
	3.9	Data measurement techniques and the bases of calculations	About this report	2
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	(No major change)	-
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	(No major change)	-
	3.12	Table identifying the location of the Standard Disclosures in the report	GRI index	82-85
	3.13	Policy and current practice with regard to seeking external assurance for the report	About this report, Independent assurance statement	2, 76-79
Governance, Commitments, and Engagement	4.1	Governance structure of the organization	Corporate governance/Board of directors	22-23
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Corporate governance/Board of directors	22-23
	4.3	The number of members of the highest governance body that are independent and/or non-executive members	Corporate governance/Board of directors	22-23
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Corporate governance/Board of directors	22-23
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	Corporate governance/Board of directors	22-23
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate governance/Board of directors	22-23
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	CSM governance	25
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance	CSM principles	24
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Corporate governance	23
	4.10	Processes for evaluating the highest governance body's own performance	Corporate Governance	23
	4.11	Explanation of whether and how the precautionary approach or principle is addressed	Greener product strategy, EESH management vision	46, 51
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Memberships	81
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Memberships	81
	4.14	List of stakeholder groups engaged by the organization	Stakeholder engagement	26-27
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder engagement	26-27	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder engagement, Materiality analysis	26-29	
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded	Stakeholder engagement, Materiality analysis	26-29	

G3	DISCLOSURE ITEMS		APPLICATION LEVEL	RELATED CONTENTS	PAGE
<b>ECONOMIC Disclosure on Management Approach</b>					<b>18, 19, 30</b>
Economic Performance	EC1	Direct economic value generated and distributed	○	Current status of sales, Market share, Creation and distribution of economic value (income, operating cost, wages & benefits, taxes, community investment, etc.), Summary of financial statements	18-19, 80
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	○	Current activities and future plans on greenhouse gas reduction, Development of renewable energy and greener products	42-48
Market Presence	EC3	Coverage of the organization's defined benefit plan obligations	△	Retirement pension system	70
	EC4	Significant financial assistance received from government	△	Investment-related tax exemptions	19
	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	○	Percentage of standard entry level wages compared to legally required minimum wage	71
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	△	Procurement strategy, procurement organizations & results, Enactment of global procurement policy	55, 59, 64
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	○	Emphasis on local hiring & current local workforce, Locally hired high-ranking executives	64, 71
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	○	Social contribution & community activities in Korea and abroad	60-65
	EC9	Understanding and describing significant indirect economic impacts	○	Current overseas production subsidiaries and the examples of Poland and Indonesia	64-65
<b>ENVIRONMENTAL Disclosure on Management Approach</b>					<b>42</b>
Materials	EN1	Materials used by weight or volume	x	-	-
	EN2	Percentage of materials used that are recycled input materials	x	-	-
Energy	EN3	Direct energy consumption by primary energy source	○	Energy consumption	52
	EN4	Indirect energy consumption by primary source	△	GHG emissions	43
	EN5	Energy saved due to conservation and efficiency improvements	x	-	-
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	△	Development of renewable energy, Development of greener products	44-48
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	△	-	-
Water	EN8	Total water withdrawal by source	△	Total annual water use	52
	EN9	Water sources significantly affected by withdrawal of water	x	-	-
	EN10	Percentage and total volume of water recycled and reused	x	-	-
Bio Diversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	△	Biodiversity protection	52
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	x	-	-
	EN13	Habitats protected or restored	x	-	-
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	x	-	-
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	x	-	-
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight	○	Corporate GHG emissions (domestic)	43
	EN17	Other relevant indirect greenhouse gas emissions by weight	○	Corporate GHG emissions (domestic)	43
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	△	GHG emission reduction goal, Development of renewable energy technology	43-45
	EN19	Emissions of ozone-depleting substances by weight	○	Use of ozone layer destroyers	52
	EN20	NO, SO, and other significant air emissions by type and weight	○	Emissions of NOx, SOx, and dust	52
	EN21	Total water discharge by quality and destination	△	Wastewater discharge	52
	EN22	Total weight of waste by type and disposal method	○	Total weight of recyclable/unrecyclable waste	52
	EN23	Total number and volume of significant spills	○	Minimization of environmental impact (no hazardous substance spills)	52
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	x	-	-
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	x	-	-
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	○	Development of greener products, Management of waste electrical & electronic products	45-50
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	△	Greener packaging, Management of waste electrical & electronic products	45, 49-50
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	○	Minimization of environmental impact (no violations)	52
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	△	Corporate GHG emissions (domestic)	43
Overall	EN30	Total environmental protection expenditures and investments by type	x	-	-

G3		DISCLOSURE ITEMS	APPLICATION LEVEL	RELATED CONTENTS	PAGE
<b>LABOR PRACTICES AND DECENT WORK Disclosure on Management Approach</b>					<b>66</b>
Employment	LA1	Total workforce by employment type, employment contract, and region	△	Diverse human resources (positions and regions, percentage of disabled employees, temporary employees, and female employees)	71
	LA2	Total number and rate of employee turnover by age group, gender, and region	△	The percentage of retired employees	71
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	○	Benefits and support programs	70
Labor/ Management Relations	LA4	Percentage of employees covered by collective bargaining agreements	○	Percentage of labor union members	73
	LA5	Minimum notice period(s) regarding operational changes	○	Communication through Labor-Management Council	73
Occupational Health and Safety	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	△	Applied to all employees	45 <small>Page of 2008 Report</small>
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	△	Workplace injury rate and lost-time injury frequency rate	72
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	○	EESH Management, Risk management & response, Benefits and support programs	70, 72
	LA9	Health and safety topics covered in formal agreements with trade unions	△	Energy, Environment, Safety, Health (EESH) Committee	45 <small>Page of 2008 Report</small>
Training and Education	LA10	Average hours of training per year per employee by employee category	△	Training hours per employee	69
	LA11	Programs for skills management and lifelong learning and assist them in managing career endings	○	Expert development programs, Lifelong education, Individual/ Collective/ Field training programs	67-69
	LA12	Percentage of employees receiving regular performance and career development reviews	○	Evaluation (performance, capability, leadership), Number of employees who took required job training	67-69
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	○	Board of directors, Status of global employees (positions, regions, etc.)	22, 71
	LA14	Ratio of basic salary of men to women by employee category	△	Percentage of male and female employees for general & administrative jobs (basic pay)	71
<b>HUMAN RIGHTS Disclosure on Management Approach</b>					<b>66</b>
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	x	-	-
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	x	-	-
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights	○	Jeong-do Management, Prevention of sexual harassment and grievance procedures	69-71
Non- Discrimination	HR4	Total number of incidents of discrimination and actions taken	x	-	-
Freedom of Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	○	Freedom of assembly and collective bargaining	73
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	○	Observance of labor standards act and ratification of ILO convention	70
Forced and Compulsory Labor	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	○	Observance of labor standards act and ratification of ILO convention	70
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights	x	-	-
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	x	-	-
<b>SOCIETY Disclosure on Management Approach</b>					<b>54, 60</b>
Community	S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	○	Overall community engagement	60-65
Corruption	S02	Percentage and total number of business units analyzed for risks related to corruption	x	-	-
	S03	Percentage of employees trained in organization's anti-corruption policies and procedures	○	Fair trade and Jeong-do Management training in Korea and abroad	58, 69
	S04	Actions taken in response to incidents of corruption	△	Disciplinary measures for personnel management that are based on fair trade compliance program and implementation system	58, 46 <small>Page of 2008 Report</small>
PublicPolicy	S05	Public policy positions and participation in public policy development and lobbying	x	-	-
	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	N/A	Prohibited in Korea by political fund law	-
Anti-Competitive Behavior	S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	○	Non-compliance with fair trade and corrective measures	58
Compliance	S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	○	Non-compliance with fair trade and corrective measures	58

G3	DISCLOSURE ITEMS		APPLICATION LEVEL	RELATED CONTENTS	PAGE
<b>PRODUCT RESPONSIBILITY Disclosure on Management Approach</b>					34, 42, 54
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	△	Development of greener products, Product safety	45-47, 36-37
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle	×	-	-
Product and Service Labeling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	△	Certifications for carbon labeling	43
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	×	-	-
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	○	Communication with customers	40
Marketing Communication	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	△	Fair trade compliance, Community activities	58, 64-65
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	△	Non-compliance with fair trade and corrective measures	58
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of Measures customer privacy and losses of customer data	△	Privacy protection	41
Compliance	PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	×	-	-

## Glossary

- **CDM (Clean Development Mechanism):** An arrangement whereby countries with a greenhouse gas reduction commitment invest in projects that reduce emissions in developing countries as an alternative to emission reductions in their own countries.
- **CoP (Community of Practice)/CoE (Community of Excellence):** CoP refers to the process of group activities that is organized in the form of a non-regular community for capability enhancement and personal development by organization members who have common interests; CoE is a community of selected experts who solve problems as they consult and share opinions with one another in an effort to deal with job-related problems in an organization.
- **Consumer Insight:** A process whereby a consumer's hidden needs are identified scientifically and strategically, with the results then applied to product development and marketing.
- **Digital Divide:** The increasing gap between people with effective access to new digital and information technology and those with very limited or no access at all in the age of the digital economy.
- **EuP (Energy using Products) Directive:** Eco-friendly design directive that requires businesses to build energy-efficient ecodesign systems for greener product design, primarily around the EU.
- **GHG (Greenhouse Gases):** Atmospheric gases that contribute to the greenhouse effect. Well-known examples include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>o, HFCs, and SF<sub>6</sub>.
- **GHG Inventory:** A type of emissions inventory developed for statistically managing corporate greenhouse gas emissions, and which systematically manages GHG emissions by listing emissions sources by facility, process, and business site.
- **Global Compact:** A voluntary policy initiative under the UN which former Secretary-General Kofi Annan encouraged global economic leaders to join. The UN Global Compact stipulates the responsibilities of businesses that are committed to aligning their operations and strategies with 10 principles in the areas of human rights, labor, the environment and anti-corruption. As of April 2009, over 7,000 organizations (roughly 70 in Korea) around the world had joined the Global Compact.
- **GRI (Global Reporting Initiative):** An organization established mainly by the American environmental organization CERES and the UNEP. After issuing its first GRI G1 Guidelines in 2000, it published its G2 and G3 Guidelines in 2002 and 2006, respectively.
- **ISO 26000:** International standards regarding social responsibility currently being developed, with the International Standardization Organization (ISO) at the center of these efforts. ISO 26000 comes in the form of guidelines to help organizations in the midst of conducting social responsibilities. As of April 2009, the Committee Draft (CD) had been published, with the final version now being worked on. Final publication is scheduled for 2010.
- **Jeong-do Management:** LG Electronics' unique management method of abiding by local regulations and business ethics to fulfill corporate social responsibility while also maximizing business results.
- **Labor-Management Relations:** A new concept in labor-management relations pursued by LG Electronics under which management and labor faithfully carry out their respective roles based on mutual respect and trust for the purpose of joint value creation.
- **LG Way Survey:** LG Way is our own value system that illustrates LGE's management vision and action principles. In order to gain insight into how LG Way is being embraced by our employees, we conduct an LG Way survey on an annual basis.
- **MOT (Moment of Truth):** A term that refers to the moment when a business comes in contact with a customer for the first time. The MOT theory states that a business should provide desirable services in an effort to capture the hearts of customers in a short amount of time – the veritable moment of truth – as a company's behavior at the contact point with a customer greatly influences customer satisfaction from that time on.
- **Plasma:** Plasma is a partially ionized gas, containing electrons with positive charges and ions with negative charges. Plasma is often called “the fourth state of matter” because it is distinct from solids, liquids, and gases.
- **Selective Benefits:** A benefits program that enables employees to precisely select the items they need among a variety of benefits.
- **TDR (Tear Down & Redesign):** A management innovation activity, TDR activities seek to literally tear down and redesign existing work processes.
- **Waste Elimination Activity:** A practical approach to wisdom management that aims to cultivate a stronger and more intelligent workforce and create leeway in an organization, which in turn enhances performance.
- **WEEE (Waste Electrical and Electronic Equipment) Directive:** A directive that instructs businesses to satisfy designated collection and recycling rates of waste electrical and electronic equipment. With the EU spearheading this effort, the WEEE Directive is now gaining momentum around the world.