

Significance of Comprehensive Analysis

The Decision on Report Contents for Stakeholders

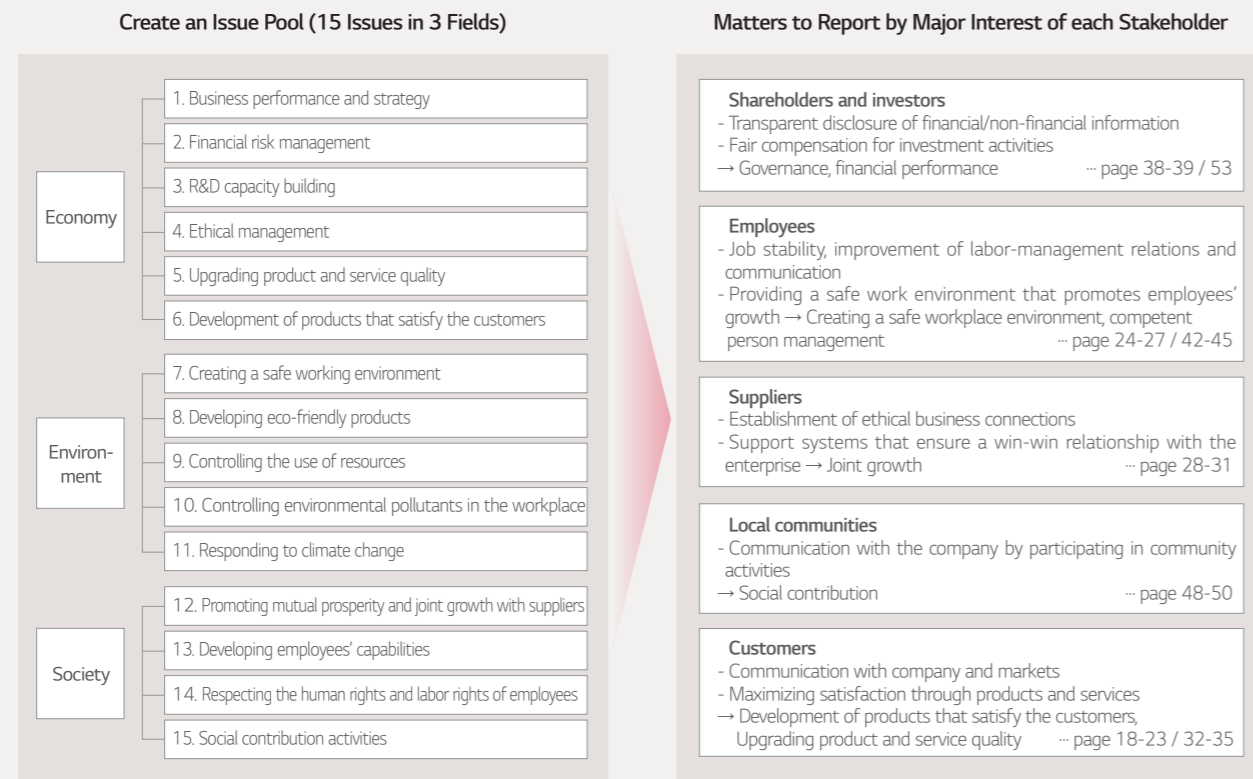
LG Hausys defines the shareholder, investor, employee, customer, affiliates and local community as stakeholders in accordance with the role, influence and responsibility for an individual or a person in an organization affecting our business management. The 2020 sustainability report contains key issues which affected the decision making of key stakeholders for the year 2019.



The Process to Finalizing Key Issues

LG Hausys underwent the comprehensive assessment process to finalize the essential key issues based on stakeholder concerns for the 2020 report as we did for the 2019 report. We narrowed it down to 15 key issues which were discussed for sustainable management in 2019 by researching the international standards of sustainable management, reports from the leading company of sustainable management and media.

Step 1 : Create an Issue Pool



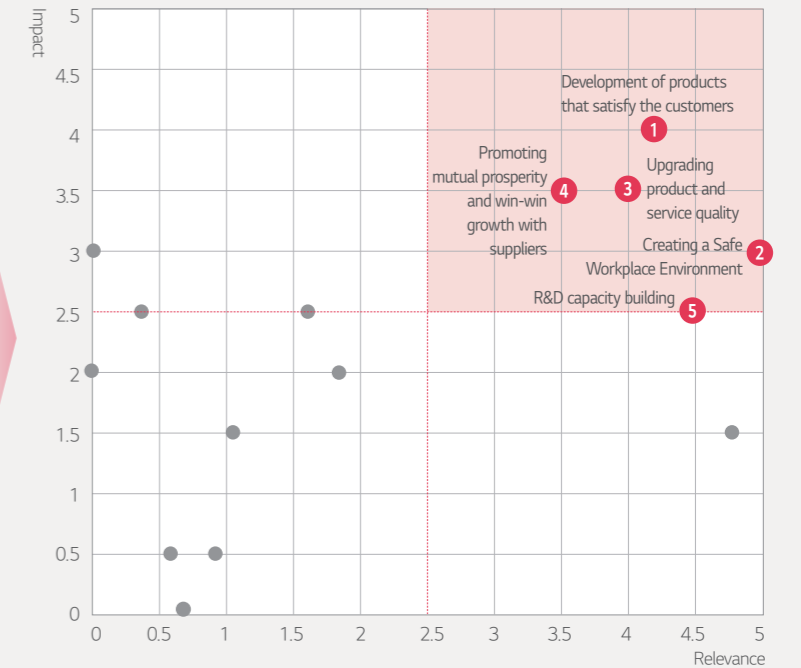
※ Sustainability management research
 [International standard review] Check the latest sustainability management issues, such as ISO 26000, GRI Standard, and DJSI.
 [Global benchmarking] Benchmark the latest sustainability reports of advanced companies from domestic or overseas leading companies and similar businesses.
 [Media research] Analyze major issues selected from the viewpoint of the media, among articles related to LG Hausys and reported in 2019.
 [Key stakeholder survey] Utilize the results of a survey of internal/external stakeholders to obtain feedback on last year's report and to screen the importance of newly identified issues (customers, suppliers, sustainability evaluation researchers, employees, etc.)

Step 2 : Materiality Assessment

In addition, We surveyed our stakeholders to listen to and understand their perspective on the current business issues and their impact. We surveyed the internal and external stakeholders such as the employee, customer, affiliates, workers in the same industry and the sustainability management professionals after asking and receiving the agreement of each department from the 12th to the 18th of February in 2020. 547 stakeholders participated in the survey and LG Hausys collected the feedback on the significance of the 15 issues and management level of LG Hausys.

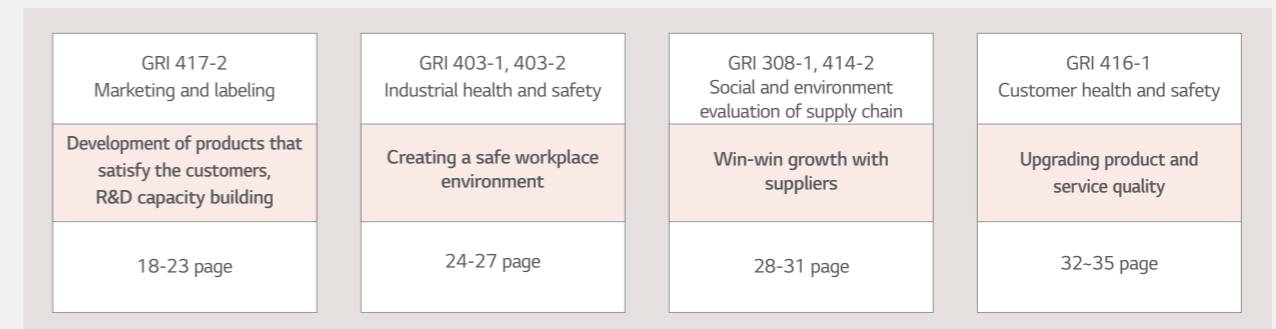
The Results of the Survey

Rank	Materiality issues
1	Development of products that satisfy the customers
2	Creating a Safe Workplace Environment
3	Upgrading product and service quality
4	Promoting mutual prosperity and win-win growth with suppliers
5	R&D capacity building
6	Business performance and strategy
7	Developing eco-friendly products
8	Responding to climate change
9	Social contribution activities
10	Controlling environmental pollutants in the workplace
11	Respecting the human rights and labor rights of employees
12	Ethical management
13	Financial risk management
14	Developing employees' capabilities
15	Controlling the use of resources



Step 3: Confirming the Key Issues and Reporting Topics

Five key issues were selected and included in the report based on the results of the importance assessment, which considers the importance of issues identified through research, the business interests of internal and external stakeholders, and the business impact on each issue.



LG Hausys will continue to establish sustainable management by communicating with stakeholders and identifying key concerns systematically.