

A Commitment to Constant Improvement

LG Chem operations are based on value creation for customers and respect for all people; therefore, environmental preservation is a major concern. Every effort is made to minimize the environmental impact of all operations and products so people benefit while nature is preserved. LG Chem has pledged to work constantly at reducing pollution emissions to zero, setting mid-/long-term reduction targets. A five-year plan is also in place for lowering energy consumption, and a company-wide energy conservation drive is in force.



In 2001, LG Chem adopted Responsible Care, a voluntary initiative being promoted to improve the environmental, health, and safety records of the global chemical industry. This program reflects the corporate priority placed on people and nature. A corporate-level RC Committee has been formed to implement programs throughout the organization, expanding upon existing environmental and safety systems.

ENVIRONMENTAL COST & INVESTMENT

LG Chem carefully assesses the costs of environmental protection, providing data to assist overall decision-making, and the data are disclosed to all interested parties. Environmental investment efficiency is assessed and enhanced, while production costs are calculated with precision and the company's environment-friendly image is improved.

In 2003, ₩60.7 billion was invested and spent to clean up production and upgrade pollution prevention facilities. This outlay breaks down as ₩17.8 billion earmarked for air quality, ₩9.7 billion for water quality, ₩4.8 million for solid waste and ₩1.4 billion for other areas such as noise & vibration, and soil.

ENVIRONMENTAL MANAGEMENT

Air Quality Control

Air pollution is being decreased by calculating the effects of new or expanded operations prior to actual installation. At the same time, pollution control systems are inspected regularly and emission levels monitored. Emissions are also being minimized by switching over to cleaner-burning fuels, upgrading processes, and improving the efficiency of air pollution control systems.

Water Quality Control

The company is constantly improving processes and finding ways to increase wastewater reuse. Wastewater and final sewage treatment plant influent is kept within permissible pollutant concentration levels, while it is treated to in-house



control standards (at least 50% below the government's permissible effluent levels) prior to final release into the environment.

In 2003, the company generated 5,768 kilotons of wastewater, of which 494 kilotons (8.6%) were reclaimed and 5,274 kilotons were released.

Solid Waste Control

Each LG Chem division must account for the solid waste it generates, while reduction targets are established each year. The company generated 113,774 tons of solid waste in 2003, most of which was sludge from wastewater treatment or waste synthetic resin. Of this total, 87,448 tons (77%) were recycled and the remaining 26,326 tons were treated.

Energy Management

Energy conservation is a priority for ensuring smooth operation regardless of changing energy availability inside and outside Korea. An action plan established in 2000 mandates company energy requirements be lowered 21% by 2005, and all employees are working to accomplish this goal.

Toxic Chemical Control

LG Chem operates a strict control system for storage, use and disposal of toxic substances used in base materials and intermediates. Documents are compiled on toxic substance safety measures, and persons responsible for their handling receive thorough training. A toxic substance management system is also in place to prevent accidents.

The usage of hazardous substances is reduced each year by developing alternatives. For example, the lithium-ion and polymer rechargeable batteries made by LG Chem do not contain heavy metals, and they use environment-friendly polymer electrolytes. The batteries have been very popular with customers.

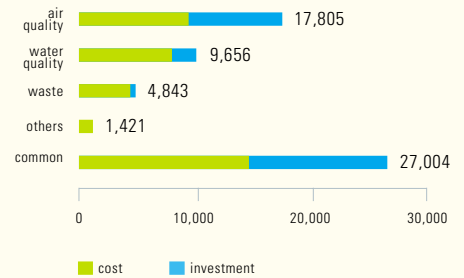
Soil Quality Control

LG Chem uses a complete management system starting from building a soil contaminating facility to closing-down of the facilities in order to prevent soil pollution.

When constructing a soil contaminating facility, we conduct full consultation with concerned departments according to the internal regulations on soil pollution management. We treat the facilities with concrete pavement and water-proof to prevent any leakage from permeating into the ground.

Also, we install them with outflow prevention walls to block the spread of leakage. We regularly check on the facilities and survey soil pollution.

>> ENVIRONMENTAL COST & INVESTMENT (unit: million won/year)



>> ENERGY CONSUMPTION REDUCTION (unit: kgoe/product-ton)

