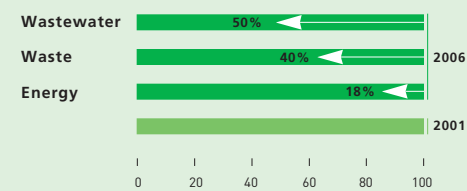


2002-2006 PER-UNIT REDUCTION GOALS



ENVIRONMENTAL RESPONSIBILITY

LG Chem is proud to be a member of Responsible Care®, an initiative of the worldwide chemical industry. We are committed to the continual improvement of all aspects of our health, safety, and environmental performance.



GREENER PRODUCTION

All our domestic facilities are ISO 14001 and OHSAS 18001/KOSHA 18001 certified. We have also been designated an "Environmentally Friendly Company" by Korea's Ministry of Environment. Six Sigma projects play a vital role in improving the processes and implementing the systems essential to meeting the highest environmental and safety standards.

We believe that environmental and safety issues are best addressed at the local plant level. In addition to regular training seminars, we conduct biannual audits and annual follow-up inspections to evaluate system efficiency and compliance. Each worksite department has an auditing team composed of both employees and outside experts charged with conducting regular inspections and monitoring performance.

One of our key goals is to progressively reduce pollutant emissions to zero. The year 2006 marks the final year of a five-year initiative to reduce per-unit wastewater output by 50%, per-unit waste output by 50%, and per-unit energy usage by 18% compared to 2001 levels. We are using a broad range of strategies to achieve these targets, including the development of technical solutions to facilitate alternate material usage, process improvements, pollution control, and energy conservation.

We are constantly striving to increase the energy efficiency of our operations. Each worksite has a task force dedicated to optimizing production processes. Each department conducts ongoing R&D to reduce the energy needed to produce their products. We undertook 53 projects in 2005, cutting energy costs by about 8% for a savings of KRW 20 billion.

GREENER PRODUCTS

We have used life cycle assessment or LCA since 1997 to guide our efforts to reduce the environmental load of our products. LCA is a methodology for analyzing the total amount of raw materials, energy, and waste generated by products from the moment raw materials are acquired to final product disposal.

Our products are only as green as the materials that go into making them. That's why we signed onto the Ministry of Environment's Voluntary Agreement on Green Procurement in September 2005. The agreement will help make our products and operations greener as they expand the marketplace for eco-friendly products.

Today, 29 of our products are Korean Eco-Label certified by the Korea Eco Product

Institute. Another 19 of our products carry the Healthy Building Material (HB) mark awarded by the Korean Air Cleaning Association.

GREENER FUTURE

The Kyoto Protocol came into effect in February 2005. While Korea ratified the protocol in 2002, it is not currently required to meet any specific emissions reduction targets for carbon dioxide and other greenhouse gases. In addition to our ongoing efforts to reduce energy consumption and pollution load, we are now in the process of putting in place a comprehensive framework by the end of 2007 as part of our master plan to ensure we stay in step with the government's implementation timetable.

Our Kyoto mitigation efforts are being led by a headquarters-based task force team that is

now developing a greenhouse gas management system, researching opportunities for Clean Development Mechanism projects and emissions trading under the protocol, and developing energy-efficient processes. On a more fundamental level, we continue to progressively transition our product portfolio to high-performance, value-added products and optimize our facilities and process technologies as we do our part to build a sustainable future for chemicals.