

**Our responsibility is to create
a bright and clean earth.**

Green Management System

16

Life's Good...
when it's green



LG Electronics' places a priority on helping protect the global environment and promote a greener lifestyle among its customers.

Environmental Vision

LG Electronics' vision is to grow into a leading environmentally conscious company by working to protect the global environment and creating products with environmentally friendly features. We first announced our environmental policies in 1994. We have also developed activities to minimize environmental burdens associated with our operations. LG Electronics' environmental strategies are being implemented across the entire value chain. We are especially focused on issues related to green product features, climate change, and recycling.

LGE'S ENVIRONMENTAL POLICY

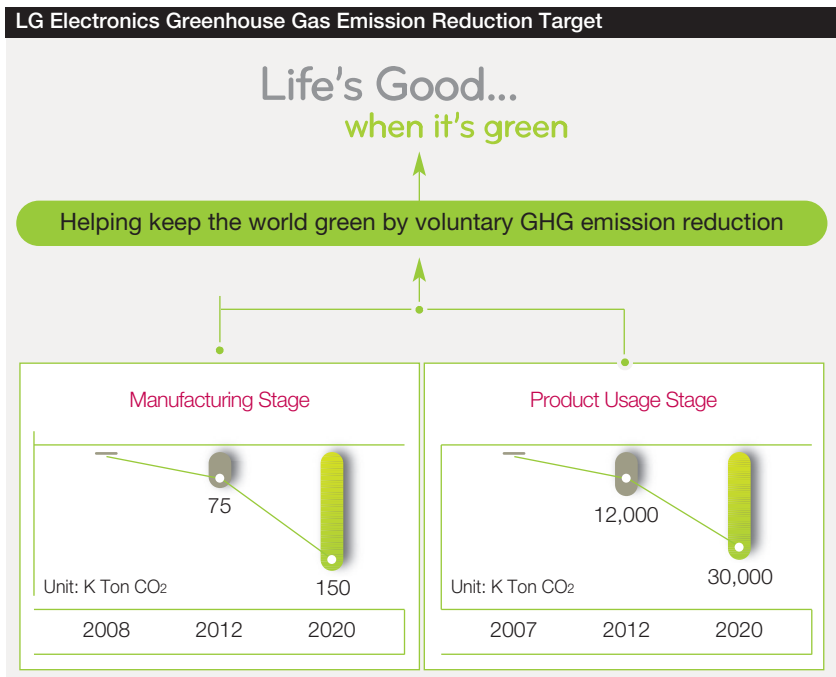
Our environmental strategy is a multi-pronged initiative that includes:

1. Voluntarily working to exceed the requirements of international treaties, international standards, and national laws related to the environment.
2. Implementing greenhouse gas emissions reduction strategies and targets, and sharing these results with stakeholders.
3. Gaining insight from and cooperating with vendors, customers, and environmental organizations.
4. Establishing and continuously examining our environmental management systems for all aspects of our operations, including the supply chain.
5. Recognizing the environmental issues related to each stage of a product's life cycle, from design to disposal, and developing measures to address those issues.
6. Training and educating our employees and the larger community to increase awareness of the environmental issues facing the world today.

Proclamation Greenhouse Gas Emission Reduction Targets

LG Electronics has voluntarily established greenhouse gas emissions reduction targets and is carrying out various initiatives to achieve these targets in an effort to help mitigate climate change. By 2020, we plan to reduce greenhouse gas emissions by 150,000 tons during the product manufacturing stage and by 30,000,000 tons during the product usage stage.

We established and completed a greenhouse gas inventory for all of our facilities in Korea as the first step to achieving these targets. By the end of 2009, we plan to complete a greenhouse gas inventory in thirty-two overseas facilities. A Green IT system will also be utilized to manage greenhouse gas emissions. Moreover, we plan to reduce greenhouse gas emissions by optimizing and increasing the efficiency of production. We also plan to minimize greenhouse gas emissions at the product usage stage by enhancing energy efficiency in our major products by about 15% by 2012 compared to that of 2007.



LG Electronics' Company-wide Environmental Council



Environment Organization

LG Electronics established an Eco Design Committee to discuss ways to increase and improve LG's green strategies. The CTO chairs the committee and chiefs of the research and development centers for each product are appointed as committee members. The Eco Design Committee has three expert subcommittees: the Standardization Expert Committee, the Green Packaging Expert Committee, and the Green Product and CO₂ Expert Committee.

Supply Chain Environmental Management

We are committed through our Green Program to green purchasing practices as a part of our Supply Chain Environmental Management strategy. LG Electronics operates this program jointly with our business partners to carry out green purchasing practices at the raw material procurement stage as a way to control the usage of hazardous substances.

LGE Green Program for Business Partners

Establishing a cooperative effort with our vendors is essential to effectively carrying out environmental management. We cooperate with our suppliers by sharing our experiences with them to help establish environmental management systems in their facilities. We also conduct training programs with our vendors and send our own professionals directly to their facilities to review the facilities and recommend improvements to their environmental management initiatives.

LG Electronics began its Green Program in 2005. This program aims to improve our overall supply chain by sourcing materials from suppliers who are demonstrating a commitment to environmental responsibility, carrying out import inspections, auditing our vendors for "green compliance," and working to continuously improve the quality of our components. In September 2006, we established the LGE Green Program (LGE Green Program) IT system. We have used our LGE Green Program IT System to manage and monitor all certification operations since September 2006. This system allows us to partner with companies that meet LG's high standards.

- Certification Standards

Individual components, raw materials, packaging materials, and supplementary materials supplied to LG Electronics must comply with all legal requirements and satisfy our rigorous requirements on maximum allowable concentration levels of harmful substances. In addition, LGE Green Program certification is issued only when our vendors meet our standards for organizing appropriate operational bodies and establishing a green product quality assurance system.

Through these systems, we have been able to manage our environmental policies across the overall value chain. We are not only requesting that our suppliers meet these requirements, we are also distributing to them a guidance manual for the management of hazardous substances in products.



• LGE Green Program certify



LGE GP Certification Evaluation Standards

	Item	Standard
Scores	Environmental Management System	Over 80Points
	Hazardous Substances Management	(Over 42 Points for
	Material/Product Management	Mandatory items)
Validity	Follow-up Management	1 Year
Period	Renewal Reviews	2 Years
Target	All partner companies supplying products, components, raw materials and supplementary materials to LG Electronics.	

Green Program Certification Procedure



● Certification Process

As part of the certification process, an inspection of the component supplier's facilities is carried out for those companies that have received preliminary approval based on the information they submitted to LG Electronics. Once final approval has been made, the companies are provided a certification. In exchange, the companies agree to guarantee that their products will continue to meet this certification.

Green Purchasing

The RoHS Directive, which regulates the use of the six major hazardous substances (Lead, Mercury, Cadmium, Hexavalent chromium, PBBs, PBDEs) went into effect in the EU starting in July 2006. Many LG products were already in compliance with RoHS in advance of this date. Beginning in 2007, LG Electronics put into place an initiative to make all LG products RoHS compliant, even in those jurisdictions where the EU RoHS was not in effect. As a means to accomplish this, LG Electronics implemented a green purchasing strategy to help ensure that it sources components from suppliers that meet RoHS requirements.

RoHS Compliant by Region

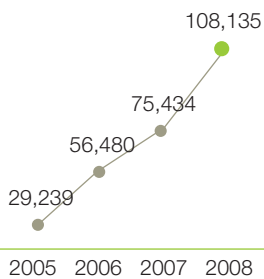


Take-back System

20

Global Annual Take-back Amounts

Unit: ton



LG Electronics operates various take-back and recycling programs around the world that are tailored to meet the needs of each local region.

Global Annual Take-back Amounts

Unit: ton

	2005	2006	2007	2008
Korea	28,415	30,959	37,016	32,540
Japan	824	1,257	2,250	3,570
Europe	-	24,140	38,141	71,090
North America	-	124	277	935
Total	29,239	56,480	75,434	108,135

Highlights by Region

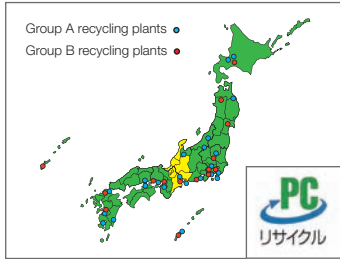
- Europe

Starting in August 2005, the Waste Electronic and Electrical Equipment Directive (WEEE) imposed requirements for the disposal of e-Waste on the manufacturers of such equipment. WEEE also required that all EU member countries implement take-back systems. In addition, we provide information on our products that were sold after August 13, 2005 when local recycling companies within the EU request recycling information for those products.

- North America

In North America, take-back and recycling regulations have been enacted at the state rather than the federal level. For example, recycling regulations were enacted by California in 2005 and in Maine and Maryland in 2006. LG Electronics not only complies with these state regulations, but it also provides free disposal services at the request of customers for all consumer electronics products across many parts of the U.S. by jointly operating a national take-back and recycling program with Waste Management, Inc. one of the largest recycling companies in the U.S. We are also expanding our various collection events. As part of our strategy to promote the voluntary recycling of mobile phones, we started participating in "The Plug-in to E-Cycling Program" initiated by the U.S. Environmental Protection Agency (EPA) in 2007.





- **Japan**

LG Electronics, along with Japanese companies such as Panasonic and JVC, joined the LEcology Nett to actively participate in the recycling of discarded home appliances in order to comply with the Consumer Electronics Recycle Law, which took effect in 2001. In addition to this, we voluntarily set up and continue to operate a PC Recycle System.

- **Korea**

LG Electronics takes back and recycles e-Waste from customers including copper, aluminum, and plastic in Korea. In addition, LG Electronics serves as the Chair of the Korean Association of Electronics Environment in order to further carry out its responsibilities within Korea

- **Others**

LG Electronics also actively and voluntarily participates in recycling programs in Australia. LG Electronics will keep investigating various ways for global take-back system.

Take-back & Recycling Event

- **Held the Take-back and Recycling Program for Disposed Electronic Products, Tongyeong City, Kyeongnam**

On June 9, 2008, LG Electronics participated in the "Recycle 2008" event, a two-day joint effort with citizens, the local government, and the army, to transport discarded electronics from island regions (Tongyeong City) to the mainland. The director of the Resource Circulation Office of the Ministry of Environment, the Tongyeong City Mayor, the Chairman of the Association of Electronics Association, and the Commander of the Jinhae Base Command also participated in the event. Through these efforts, we helped establish a take-back system for the island regions where it is often difficult to dispose of electronics properly.



- **Company-wide Disposed Mobile Phone Take-back Campaign**

LG Electronics is holding a company-wide mobile phone take-back campaign to collect old mobile phones as a way to increase employees' awareness of recycling and to promote environmental activities.



- **Held a Take-back Event in Dallas, Texas (U.S.)**

On December 20, 2008, we jointly held a take-back event with Starpower in Dallas, Texas, U.S.A. The event was a success with over 400 people taking part in the event.