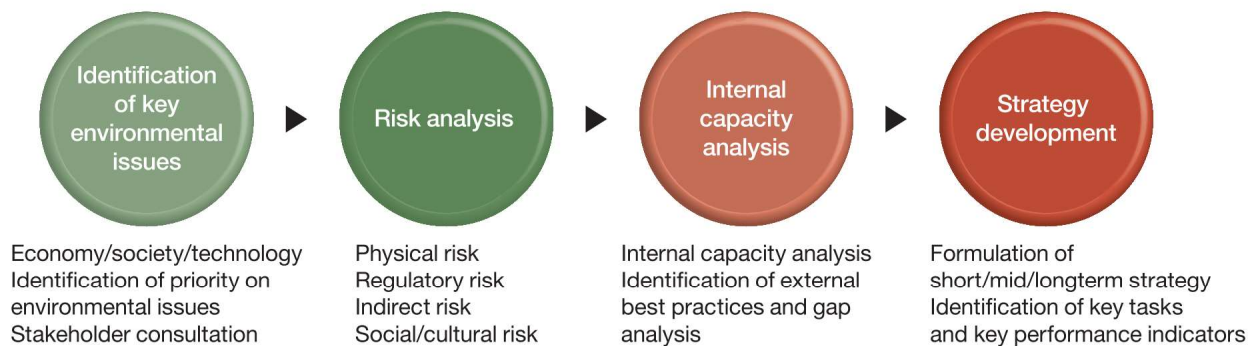


EXHIBIT 6 Water Management Activities in Samsung

- Analysed water resource risk and developed alternative water supplies as well as an emergency response system to avoid any negative impact upon business.
- Established a comprehensive water management system which reduced the cost and pressure on water resources.
- Achieved reduction in water use by collecting ultra pure water used for the semiconductor and LCD production process and reusing it. The ultra pure water recycling rate at semiconductor and LCD production plants in 2011 decreased to 51% as compared to 2010 levels.
- Established on-site non-industrial waste water treatment and recycling facilities to reduce water use and sewage discharge.
- Samsung Electronics plant in India installed a rainwater collection system and used the collected rainwater for gardening and cleaning.
- Increasing waste water recycling rate by installing organic waste treatment and water recycling facilities to reduce discharge of water pollutants.

Source: Compiled by the author from "Global Harmony with people, society & environment", http://www.samsung.com/us/aboutsamsung/sustainability/sustainabilityreports/download/2012/2012_sustainability_rpt.pdf, 2012.

EXHIBIT 7 Process of Strategy Development at Samsung



Source: "Global Harmony with people, society & environment", http://www.samsung.com/us/aboutsamsung/sustainability/sustainabilityreports/download/2012/2012_sustainability_rpt.pdf, 2012.

or landfilled earlier. As per EM2013, Samsung aimed to achieve a waste recycling rate of 95% and a recycling-oriented waste management system to minimise waste generation. Its objective was to set a waste reduction target of 10% annually till 2015.⁴⁵ Besides, Samsung also strived to control handling of hazardous materials in its production units in compliance with Restriction of Hazardous Substances (RoHS)⁴⁶ regulation.⁴⁷ Regular inspection of storage facilities was carried out and adequate training was provided to workers handling the materials to prevent accidental leakage of hazardous materials. Samsung also continued to minimise the use of ozone depleting substances which were used as

refrigerants and fire extinguishing agents in freezers and fire control systems respectively.⁴⁸

Apart from these initiatives, Samsung also had a green communication system through which information and ideas on environmental affairs was exchanged. Employees were encouraged to live a greener life-style. Environmental education classes for children of employees were conducted and campaigns consisting of students, non-governmental organisations and green activists were flagged off. Samsung formulated green management strategies by assessing the impact on the environment and the management risks associated with the impacts (Exhibit 7).

EXHIBIT 8 Climate Change Response—Risks and Opportunity Analysis

Category	Type of Risks	Opportunities	Risk Management Activities
Regulatory Risks	- Emission trading scheme - Emission reporting obligations - Product efficiency regulations and standards - Product labeling regulations and standards - Uncertainty on new regulations	- GHG Emissions trading scheme - Product efficiency regulations and standards - Voluntary agreements	- Developing CDM project within semiconductor manufacturing process - Improving transparency on GHG emissions data through third party verification - Increasing R&D on energy efficiency improvement on products and receiving energy marks - Increasing number of eco-label certified products - Monitoring on global environmental regulations
Physical Risks	Change in precipitation and drought	- Extreme weather events - Air and water pollution	Identification of risks and response manuals on site facilities through regular/special review and 3rd party audit
Other Risks	- Reputation - Change in consumer behavior	- Increased consumer demand on low carbon products - Increase of brand value as a low carbon and energy efficient product provider - Reduction in operation cost by improving energy efficiency of equipments	- Strategic response to Eco-Product exhibition and evaluations - Developing products using insight from consumer research

Source: "Global Harmony with people, society & environment," http://www.samsung.com/us/aboutsamsung/sustainability/sustainabilityreports/download/2012/2012_sustainability_rpt.pdf, 2012.

Samsung took up measures to reduce the negative impacts of its operations on the environment by analysing the opportunities and the risks associated with it. The risks included physical risks, regulatory risks, indirect and socio-cultural risks and were analysed with respect to all the green management activities.⁴⁹ Identification of risks associated with green management strategies led to the creation of the Green Management Committee whose objective was to approve the green management policies, review performance and take decisions on the establishment of new measures.⁵⁰ Samsung set up a Climate Change Response Committee to look into issues related to GHG emissions and energy management, as well as an Eco Council to look

into issues concerning eco-product development and green operations at the production units.⁵¹ With respect to climate change response strategies, Samsung identified the opportunities associated with climate change and the risks associated with its impacts⁵² (Exhibit 8).

Samsung adopted cost effective measures to minimise business risks associated with water use and environmental impact. While identifying the risk, the company turned the surplus water supply into an emergency response system to avoid any negative impact on its business. They expanded monitoring efforts to collect data from the production units and other facilities to verify the reliability of efficient water consumption. Additionally, Samsung