

04

COMMUNITY ENGAGEMENT



● LG Electronics is making a wide range of efforts to fulfill its social responsibility as a corporation as well as its business obligation to contribute to the national economy, all the while doing its part to help create a harmonious society for everyone.

Category	Social Contribution	Community Activities
2008 Major Achievements	<ul style="list-style-type: none"> Utilization of Salary Fund: contributed KRW 1.2 billion (1997-2008) LG IT Angels: IT education for 23 people over the course of 454 hours /Winner of the 1st Korean Volunteer Prize Mobile Electronic Classroom: 20,298 students at 41 schools The 3rd Let's Go Volunteer Corps: 50 teams (900 members), benefiting 25,000 people/Recipient of Grand Prize (participation/experience) at the 4th Korea ThinkContest Awards First private corporation to host an international environmental conference 	<ul style="list-style-type: none"> Community Activities bonds at 82 overseas subsidiaries Local employment: Total 57,003 people (including Foreign Service Employees) Three local managers promoted to executive level Local procurement result: approximately 50% of total global procurement Top Foreign Enterprise of Investment award in Indonesia Opened Europe Design Center in London, England (promoting strategic alliances with local design educational centers and companies)
Opportunities and Risk Factors	<ul style="list-style-type: none"> Availability to utilize global network Enhance brand image through volunteer activities Possibility of slowdown due to economic stagnation 	<ul style="list-style-type: none"> Promote local economy by expanding purchases and employment in each respective area Strengthen ability to create economic value through improved relationships with local residents Overcome cultural barriers with local residents
Future Direction	<ul style="list-style-type: none"> Support for UNEP's 'Champions of the Earth' Awards and hold international conferences Famine Alleviation Activities in Africa with World Food Programme (WFP) 	<ul style="list-style-type: none"> Increase proportion of local managers Regular communication with local residents through localized marketing efforts
Related Teams and Divisions	<ul style="list-style-type: none"> CSR Group, Labor Management Team, CSD Community Contribution Team, Marketing Team at each company and region 	<ul style="list-style-type: none"> HR Team (HR & Labor Management Team), Global Procurement Planning Group, CPO Division Procurement Team, HR Team, and Marketing Team at each company and region

Social Contribution

LG Electronics is well aware that even the underprivileged have hopes and dreams. That is why we reach out to those most in need through CSR activities that form an integral part of who we are as a corporate citizen. Today, every one of our employees is helping to put the corporation at the forefront of carrying out our corporate social responsibility, working together to realize our management motto of “respect-based management.”

Making Dreams Come True

Under the CSR motto of “A love that makes dreams come true,” LG Electronics has been spearheading efforts to create a better future by helping people achieve their dreams. As such, LGE has created an atmosphere where employees are encouraged to do volunteer work, while also inspiring those most in need to be strong and follow their dreams.

Goals and Operating System

LG Electronics is conducting a wide range of philanthropic activities such as fundraising (through its Executive Fund and Salary Fund) and hosting employee volunteer contests. Furthermore, LGE is raising awareness about the environment and alleviating famine through partnerships with NGOs/NPOs in the world.

[ORGANIZATION AND SYSTEM]



● FUNDRAISING ACTIVITIES

Executive Fund • The Executive Fund is a charity fund made up of donations from executives who give 0.5% of their salary to the fund every month, an amount that is then matched by LG Electronics.

Salary Fund • 95% of Korean employees (27,951 participants in 2008) were each voluntarily rounding down their monthly paychecks to the nearest KRW 1,000 and donating the change to use for volunteer activities and charities inside and outside the corporation.

[SALARY FUND CHARITABLE CONTRIBUTIONS]

Unit: KRW

YEAR	DESCRIPTION OF DONATIONS	AMOUNT
1997	Support for children with rare diseases	7,168,100
2001	Relief for earthquake victims in India/ Fertilizer for North Koreans/Support for employee family members with muscular diseases	135,000,000
2002	Support for flood victims/Children with cancer in Russia/Eligible employees	204,852,020
2003	Support for surviving families of the Daegu subway disaster/Eligible employees	78,000,000
2004	Support for eligible employees	69,000,000
2005	Support for muscular disease rehabilitation center/Eligible employees	286,000,000
2006	Support for flood victims/Eligible employees	172,564,000
2007	Support for muscular disease rehabilitation center/Eligible employees	106,000,000
2008	Support for earthquake victims in Myanmar and China/Muscular disease rehabilitation center/Eligible employees	116,000,003
Total		1,174,581,123

● LOVE IN MOTION

LG Labor-Management Volunteer Corps • The LG Labor-Management Volunteer Corps is a volunteer group comprised of over 600 employees which is brought together to help with cleaning up hard-hit emergency disaster areas, such as the relief work it carried out in areas ravaged by typhoons Rusa (2002), Maemi (2003), and Nari (2007). As of last year, a total of 10,000 Volunteer Corps members had been sent to disaster areas, helping victims clean up destroyed homes and repair electronic appliances.

Employee Volunteer Contest • Employees can submit volunteer ideas, out of which 50 teams are selected to be given KRW 1 million each to implement their plans. The money can be used for volunteer activities or donated to a social welfare organization. These contests have been held twice every year, since 2005.

Main Activity Programs

● LOVE & CARE

Global Famine Alleviation • LG Electronics signed an agreement with the UN WFP in April 2009 and is currently supporting school meal programs and AIDS patients in impoverished areas of Nairobi, Kenya. LGE is also making improvements in Ethiopia, helping that nation become more self-sufficient by supplying people there not just with food, but with farming technologies and facilities as well.

[FAMINE ALLEVIATION ACTIVITIES (2009)]

Unit: People

CATEGORY	FOOD SUPPORT	OTHER FORMS OF SUPPORT	EXPECTED NUMBER OF BENEFICIARIES
Kenya	11,000	2,000	13,000
Ethiopia	16,000	14,500	30,500

LG IT Angels • In an effort to bridge the digital divide, the LG IT Angels, (a volunteer corps made up of LG IT professionals) have been conducting one-on-one computer training programs along with the National Rehabilitation Center in Seoul since 2004.

[STATUS OF LG IT ANGELS ACTIVITIES]

Unit: People / Hours

CATEGORY	2004	2005	2006	2007	2008	TOTAL
No. of Volunteers	33	58	21	14	23	149
No. of Beneficiaries	33	58	21	14	23	149
No. of Hours	612	1,112	364	278	454	2,820

Junior Science Class • R&D researchers are trained and then sent out as one-day instructors to help children become more familiar with science through interesting hands-on scientific programs, such as making model planes and creating a frame of constellations with RGB optical fibers.

Volunteer Activities by Business Sites • Each company and region is also participating in volunteer activities: sharing kimchi and coal in the winter with the financially disadvantaged and elderly men and women who live alone, helping keep people's homes warm, and donating blood. LG Electronics also maintains close ties with residents by holding charity bazaars aimed at developing local communities, as well as offering scholarships and giving out school uniforms to teen heads of households. In addition, LG Electronics is proud to offer industrial scholarships, promote its Guardian Angel Fund (for terminally ill children), and regularly invites disabled people to cultural performances.



1. Signing Ceremony for MOU with WFP
2. Famine Alleviation (Kenya, Ethiopia)



LG IT Angels



● GLOCALIZATION

China • LG Electronics has been carrying out its LG Hope Primary School initiative across China since 1999, while also supporting the "I Love China" campaign for donations, scholarships, and medical support. In May 2008, LGE supported the reconstruction effort of a collapsed middle school, donated relief funds (KRW 3.5 billion), and ran a 24-hour laundry service for victims of the 2008 Sichuan earthquake.

Asia • LG Electronics is a big supporter of "LG Champion Quiz," a TV show that offers scholarships for academically gifted students in Asian countries such as Thailand, Vietnam, and the Philippines, and in Latin American nations such as Panama and Guatemala. Since 2004, LGE has been conducting emergency relief throughout Asia, while also waging an anti-drug campaign in Thailand and the Philippines.

Kimchi sharing campaign



Coal sharing campaign



Keeping people's homes warm



Cultural performances for the disabled



Guardian Angel Fund





1. LG Hope Primary School Initiative (China)
2. Free ophthalmology examination (India)
3. Charitable events during Ramadan (Egypt)

● ENVIRONMENT

Environmental Awards Conference • Along with the United Arab Emirates government, LG Electronics co-hosted an international conference on the environment, the first time this had been carried out by a private Korean enterprise. LG Electronics also plans on supporting Champions of the Earth, the key environmental awards program of the United Nations Environment Programme (UNEP), and holding international conferences from 2009 to 2012.

'Life's Green' Class (previously Mobile Electronic Classroom) • LG Electronics has special tours around primary and middle schools throughout the country two to three times a month to perform 40-minute demonstrations with an environmental theme, offering kids the chance to then have a hands-on scientific experience for 90 minutes. This is a reorganized environmental version of the old Mobile Electronic Classroom, which was in operation for three years.

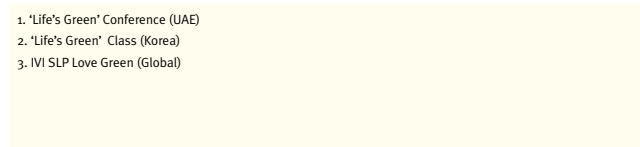
IVI SLP Love Green • This partnership program with the International Vaccine Institute (IVI) is striving to prevent environment-related diseases in underdeveloped countries. At the same time, it is trying to nurture young talent from around the world through education and volunteer activities. In 2008 alone, 60 youths went through this program, with plans to expand the program so that 250 youths benefit from it in 2009.

For a Greener World • Through its wildlife protection efforts, environmental facilities tours, and One Mountain, One River per business site program, LG Electronics has helped purify and preserve nature. It has also raised funds to help citizens in Taean, Korea who were devastated by an oil spill there in 2008. Ecology experts and LGE's Employee Volunteer Corps were sent in to assist in the clean-up as well.

Middle East and Africa • Since 2002, LGE has been financing cleft lip and palate charity operations for children in Pakistan, Egypt, Morocco, Kenya, and Nigeria. In 2007 and 2008, a total of 19,351 visually-impaired people also benefited from the free eye diagnosis and eyesight recovery operations that LG Electronics covered.

Russia/CIS • The LG Festival is meant to benefit local Russian citizens from small cities with little or no access to cultural events. Furthermore, LGE supports children's soccer and "Thanks from LG" events to help children with leukemia.

South and Central America • Relief work, emergency aid, and donations from LGE have gone a long way to assist people in South and Central America in their recovery from natural disasters like earthquakes, especially in the Peruvian cities of Lima, Chincha Alta, and Pisco. LG Electronics has also supported cleft lip and palate charity operations for children from financially disadvantaged families in Colombia.



1. 'Life's Green' Conference (UAE)
2. 'Life's Green' Class (Korea)
3. IVI SLP Love Green (Global)



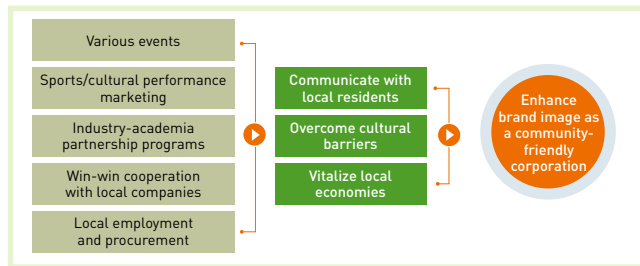
Community Activities

LG Electronics is promoting continuous communication with local residents through employment, procurement, sports and cultural events, and marketing to overcome cultural barriers, thereby contributing to the revival of local economies.

Working Closely with Communities

LG Electronics is doing its utmost to grow alongside communities by reaching out and communicating to local residents, as well as by vitalizing local economies.

[WIN-WIN STRATEGY WITH COMMUNITIES]



● EXPAND LOCAL EMPLOYMENT AND PROCUREMENT

As of December 31, 2008, a total of 82 overseas subsidiaries and 7 regions excluding Korea region (China, South and Central America, CIS, North America, Europe, MEA [Middle East and Africa], Asia) had hired 57,003 local residents (including foreign service employees).

In addition, three local managers—North American Region Team Director Peter Reiner, San Diego Subsidiary Team Director Ehtisham Rabbani, and European Region Team Director Ji Eun Lee—were promoted to LGE's executive level, strengthening localized management. In addition, the proportion of local procurement result is relatively high, with about 50% of total procurement result (direct material cost from global procurement) being made locally.

[STATUS OF OVERSEAS PRODUCTION SUBSIDIARIES]

As of Dec. 31, 2008

REGION	COUNTRY/CITY	SUBSIDIARY	PRODUCT
NORTH AMERICA	MEXICO	LGEMX	LCD TV/Monitor,
	MEXICALI		Mobile Phone
	MEXICO	LGERS	LCD TV, PDP TV,
	REYNOSA		CRT TV, PDP Module
	MEXICO	LGEMM	Refrigerator, Oven
	MONTERREY		
	BRAZIL	LGEAZ	TV, DVD, Audio,
	AMAZONIA		Air Conditioner
	BRAZIL	LGESP	Monitor,
	SAO PAULO		Mobile Phone, PC
EUROPE	U.K.	LGEWA	Be in liquidation
	WALES		
	POLAND	LGEMA	TV, Monitor
	MLAWA		
	POLAND	LGEWR	Refrigerator, TV
	WROCLAW		
MIDDLE EAST & AFRICA	EGYPT	LGEEG	DY, FBT, Tuner, TV
	ISMALIA		
	TURKEY	LGEAT	Air Conditioner
	ISTANBUL		
	SAUDI ARABIA	LGESR	Air Conditioner
	RIYADH		
ASIA	INDIA	LGEIL	TV, Monitor, Refrigerator,
	NEW DELHI/		Air Conditioner,
	PUNE		Washing Machine, Compressor, PC, Optical-Storage, Mobile Phone

REGION	COUNTRY/CITY	SUBSIDIARY	PRODUCT	
ASIA	THAILAND	LGETH	Washing Machine,	
	RAYONG		Air Conditioner, Compressor, TV	
	VIETNAM	LGEVN	TV, Monitor,	
	HANOI		Air Conditioner, Washing Machine, Refrigerator, Microwave Oven, Vacuum Cleaner	
	INDONESIA	LGEIN	LCD Monitor, CRT Monitor,	
	JAKARTA		LCD TV, PDP TV, CRT TV, VCR Combi, Rec Combi, DVD Player, DVD Recorder, Home Theater, Audio, Refrigerator	
	CHINA	TAIZHOU	LGETR	Refrigerator, Compressor
		HUIZHOU	LGEHZ	Media, Optical Storage, Car Audio
		NANJING	LGEND	Monitor, LCD TV, PDP TV
		NANJING	LGEPN	Washing Machine, Motor
	QINHUANGDAO	LGEQH	Casting	
	SHANGHAI	LGESH	Set-Top-Box, CCD	
	SHENYANG	LGESY	TV	
	YANTAI	LGEYT	Mobile Phone	
	KUNSHAN	LGEKS	PC, Telematics	

REGION	COUNTRY/CITY	SUBSIDIARY	PRODUCT
CHINA	TIANJIN	LGETA	Microwave Oven, Air Conditioner, MGT, Vacuum Cleaner, Compressor
	NANJING	LGEND	PDP Module
	HANGZHOU	LGEHN	DVD-Recordable, Video Cassette Tape, USB, HDD, Prism Sheet
	QINGDAO	LGEQD	Mobile Phone
CIS	KAZAKSTAN	LGEAK	TV, Washing Machine
	ALMATY		
	RUSSIA	LGERA	TV, Audio, Refrigerator, Washing Machine
	MOSCOW		

● **VARIOUS EVENTS**

LGE offers a wide variety of interesting events including a Tromm washing machine trial program (TROMM Safe Care Supporters) and cooking classes for brides-to-be and housewives in Korea. It also hosts the Happy Family Pictures Festival in Nigeria, B-boy contests in Ecuador and Venezuela, and the LG SolarDOM Cooking Competition in the UAE, Saudi Arabia, Iran, and South Africa.

● **SPORTS/CULTURAL PERFORMANCE MARKETING**

LGE sponsors the LG Dead Sea Ultra Marathon in Jordan and the LG Amsterdam Tournament, a soccer match held between professional European club teams. It also sponsors the LG Skins Game and the LG Action Sports Championship in the USA, the ICC Cricket World Cup in India, UK, and Australia, and the LG Hockey Games in Northern Europe. LG Electronics is also proud to support cultural performances like Cirque du Soleil's "Alegria" in Korea. Additionally, in the hope of discovering tomorrow's next top singers, LGE did some star marketing of its own by sponsoring 'LG Starz Talent' in Thailand and 'My Starz, LG' in Malaysia.

● **INDUSTRY-ACADEMIA PARTNERSHIP PROGRAM**

In Syria, LGE's Middle East and Africa (MEA) region opened the LG CAC Lab at Damascus University's College of Engineering. It is also inviting academically gifted students to Korea and offering them scholarships. Moreover, LG Electronics has formed a partnership with the American University in Dubai, whose professors lecture at the LG MEA Marketing School, which LG opened in June 2008.

● **WIN-WIN COOPERATION WITH LOCAL COMPANIES**

In November 2008, LGE hosted a workshop on the benchmarking of its success in Dubai and business in general in the Middle East for representatives of small and medium enterprises (SMEs). It plans to hold this workshop on a regular basis to support SMEs' overseas business and to lead win-win partnerships.



1. Happy Family Pictures Festival
2. SolarDOM Cooking Competition
3. LG Amsterdam Tournament Sponsorship
4. LG MEA Marketing School
5. Support for SMEs' overseas business

TOP FOREIGN ENTERPRISE OF INVESTMENT AWARD

LGE INDONESIA

In December 2008, LGE became the first Korean enterprise to be presented with the Indonesian government's Top Foreign Enterprise of Investment award, which is handed out to the foreign enterprise that most contributes to the development of the local economy. The award is presented based on the evaluation of local experts in categories such as Δ R&D investment Δ technological development Δ financial performance Δ product quality and value Δ eco-friendly management Δ excellent corporate governance Δ Social Contribution.



LG TOWN OF EASTERN EUROPE

LGE MLAWA, POLAND

Mlawka was no more than a country town until LG Electronics launched its business there in 1999. Now this small city has reestablished itself as one of the most vibrant communities in Eastern Europe. LGE invested a total of USD 166.8 million (KRW 233.5 billion), including an LCD and PDP manufacturing line expansion, between 2005 and 2007. At present, 4 million units of LCD TVs and PDP TVs are being produced there, with sales over KRW 2 trillion.

There are now 3,000 local residents working at the LGE plant. However, when suppliers are factored in, LG Electronics helps employ approximately 4,500 people, accounting for more than half of the total workforce of a city whose population is 30,000. As more jobs were created, the unemployment rate nosedived from 25% in 2000 to 7% in 2008, creating a real commercial zone. In addition, the rate of tax payment has also increased to more than double the city budget, from ZI 31 million (KRW 14.9 billion) in 2000 to ZI 65 million in just eight years.

LG Electronics also established a branch at the Ciechanów Institute of Engineering to promote the employment of local residents. Most of the 84 students in the electrical engineering department are scheduled to join LGE after graduating.

