

We believe that creating value for our customers begins with valuing our employees.

OUR PEOPLE



At LG Chem, the one asset we value above all others is our people. We value their creativity and individuality. We evaluate and compensate them based on their capabilities and performance. And we give them equal opportunities to grow and advance. In short, we recognize that helping our employees achieve personal and professional success is essential to our success in the global chemical industry.

RECRUITING & HIRING

To be the best, you have to have the best. Our executives hit the road on global recruiting tours each year to hire top talent from universities and research labs. We sponsor research programs with major universities to nurture and cultivate promising chemical and electrical engineering talent. Our global operations seek to hire the best local talent to meet their operational needs, including specialists such as in-house lawyers and patent attorneys. At the end of 2005, our global family totaled 13,415 members in 17 countries, a nearly 8% increase over 2004.

ONGOING DEVELOPMENT

It takes continuous training and education to keep top talent in top shape. We offer a comprehensive range of programs tailored to each employee's level in management, job specialty, and learning style to ensure our people have the tools and skills they need to compete in the global marketplace.

While we always seek to hire the best person for each position, we also strongly believe in promoting from within. Our *HPI* (High Potential Individual) programs help us identify and train people with the skills and smarts to be tomorrow's global business leaders. In 2005, 52 employees completed programs ranging from an in-house MBA degree to team projects tackling major domestic and international business



issues. We also selected 12 employees to participate in MBA programs at major international universities and enrolled an additional 24 in MBA programs offered in-house or at leading Korean universities during the year.

Originally established to train our people to work in China, our regional specialist program has evolved over the years to reflect our increasingly global business strategy. In 2005, the program sent more than 30 employees to live and work for a year in China, India, Brazil, Russia, or the Middle East. In addition to graduating 24 China specialists during the year, we set up a "China MBA" program to help our local management team rise to the next level.

REWARDING EXCELLENCE

We believe that exceptional performance should be exceptionally rewarded. Beyond our competitive salaries and flexible cafeteria benefit plan, we offer a number of incentive programs to encourage creativity and excellence. These include a "golden collar" incentive that pays key personnel bonuses of up to 100% of their annual salary, and unlimited on-the-spot incentives with bonuses of up to 300% of the recipient's monthly salary.

We also value win-win labor relations. The openness and mutual understanding we have cultivated between labor and management over the years has been essential to the success of Six Sigma and other innovation initiatives. The fundamental strength of this win-win commitment was reaffirmed in 2005 as we came together in the face of major external challenges to establish a pragmatic new negotiating paradigm in step with the competitive realities of the global marketplace.