



2009 Corporate Responsibility Report

As a global company with employees and customers in communities around the world, LSI is committed not only to doing business in our locations but also to being a good corporate citizen.

We do this by protecting our environment, focusing on green initiatives and providing support to organizations that address critical needs in our communities.

LSI works to continually improve environmental, health and safety performance, which we do by minimizing environmental impacts and health and safety risks from LSI business activities, products and services.

Our Philanthropy and Community Enhancement (PACE) program focuses our volunteer efforts, in-kind donations and charitable contributions on math and science programs in grades K-12.



OUR ENVIRONMENTAL COMMITMENT

The protection and preservation of the environment and maintaining safe and healthy workplaces are contained in the LSI Environmental Health and Safety (EH&S) Policy. This commitment and dedication to continual improvement in EH&S performance is driven through our Safety and Environmental Management System (SEMS). A third-party ISO 14001 and OHSAS 18001 Registrar regularly verifies that our SEMS meets established and recognized international standards.

The LSI SEMS provides the framework for managing significant safety risks and environmental aspects associated with our operations and products. It enables us to assess EH&S issues and establish objectives and programs that foster EH&S awareness, reduce workplace safety hazards and promote pollution prevention. Our EH&S Policy also aligns with our five LSI Corporate Values, namely, Individual Responsibility, Integrity, Excellence, Innovation and Customer Success.

We support sustainable practices and innovative product designs by working to reduce energy consumption, minimize waste and conserve resources.

A specific set of SEMS documents outlines LSI's "Plan-Do-Check-Review" management processes for integrating EH&S into our business. These documents support LSI's EH&S Policy, which contains EH&S management principles for LSI locations and products. EH&S requirements and guidance for all employees can also be found in our Standards of Business Conduct, EH&S Employee Handbook and LSI Worldwide Standards.

A Word From our CEO,

LSI and our employees are building a reputation as a company that cares about our environment, our educational system and our communities. We take our responsibility seriously because these are not just places where we work but also where we live.

Our Philanthropy and Community Enhancement (PACE) program focuses on volunteer projects as well as educational programs and support, contributing to the effort to create stronger communities and prepare young minds for the challenges of the future.

Our Environmental Health and Safety organization strives to make and keep us green while ensuring the safety of our workers, our workplace and our communities.

This corporate responsibility report demonstrates our commitment today and our concern for tomorrow. From our green initiatives to our global backpack program, we apply the same dedication and focus to our community efforts that we do to growing our successful business.

At LSI, we serve and care for the communities we call home.

Abhi Talwalkar
LSI President and CEO

LSI Volunteers Pick Up the Pace

We address critical needs in our communities through our PACE program that brings together the resources of our corporation, our various sites and our people in a comprehensive effort to team with organizations and individuals who help others.

Ensuring that children in their formative years have the opportunity to learn and discover, particularly in the areas of math and science, is our top priority. We believe in helping local schools and organizations nurture intellectual pursuits and curiosity among young people. Our support includes mentoring activities and some program funding.

Our annual backpack program is a joint company and employee effort in LSI communities to provide backpacks and supplies to the youngest underprivileged students worldwide. The program gives students the tools they need to help them learn while sparking their interest in important career areas. All LSI sites participate in this project.

LSI also reaches out to our communities during LSI Volunteer Day. On one designated day in early June, employees in sites around the world volunteer at non-profit organizations in their communities. Activities range from gardening and painting to working with students and the elderly. It's LSI's day to make a difference.

Throughout the rest of the year, our individual sites participate in local activities, answering needs in their own locales.

Plus, at the end of the year as people around the world celebrate a variety of holidays, many locations participate in our Spirit of Giving activity. Whether collecting food for the needy or holding a holiday party for kids, LSI people are involved.

Equipping Students for Their Future

The LSI global backpack program combines our company's focus on K-12 education in math and science with employee engagement to help underprivileged students prepare for tomorrow.

Employees provide the contents of company-supplied backpacks either through direct donations or fund-raising activities. Each site



Our backpacks, study books and story books went to migrant workers' children in Korea.

adapts the program to its own culture and the needs of its schools. In some places, employees deliver the backpacks personally and help the pupils go through the contents. In other areas, our sites join with community-wide backpack projects.

In 2009, LSI handed out more than 6,000 backpacks with tablets, markers, pens, pencils, rulers, calculators and more to pupils around the world.



Traditional school supplies gave way in Fort Collins to much-needed school snacks.



A winning combination in Japan: backpacks, books and LSI.

The program's goal is to ensure that students get the supplies they need to start the school year right and with the hope it enhances their learning experience. As the coordinator of "Running Start for School" in Rochester, Minn., said, it's important for LSI and others to help children hit the ground running because if they can start the year with their best efforts, they are more likely to perform well in class.



Children in Irvine, Calif., display their new LSI backpacks.

"We strongly believe that it is our responsibility to give back to the communities that host us in India and other locations across the globe."

-- Pravin Desale, Managing Director, LSI India

"I think it's good to help the students understand new technologies and help them fulfill their dreams."

-- Andy Liu, LSI China employee

Volunteerism

At LSI, volunteerism is alive and growing!

During 2009, our employees committed their time and talent to a wide variety of projects as part of our Philanthropy and Community Enhancement (PACE) program.

LSI recognizes that in a tight economy where budgets are shrinking, spending is slowing and financial contributions are not as plentiful as before, volunteerism holds out the hope that much-needed community services and activities can continue.

Efforts included our worldwide Volunteer Day, during which more than 1,700 employees from our sites in Asia, Europe and North America worked on a wide variety of projects: planting mangroves in Thailand and saplings in India; serving food in a Colorado soup kitchen; painting in California, Pennsylvania, the U.K. and elsewhere; building homes with Habitat for Humanity in many locations; and weeding gardens just about everywhere.

It was, as one employee said, "truly a day to remember...it feels great to have a positive impact on the community."



Our volunteers in Singapore form a "battle line" to tackle the trash on Changi Beach Park.



Working with the food bank in Milpitas, California.



Employees in Shanghai, China, clean at the Xingyu Autism Children's Health Recovery Center.



Packing food in Nepean, Canada.



We stabilized a trail near Waltham, Massachusetts.



Doing some weeding in Fort Collins, Colorado.

SETTING THE LOCAL PACE

In addition to our global activities, employees in each location regularly volunteer their time to a variety of causes in their own communities. Whether packing daffodils for the American Cancer Society, mentoring students in local schools, participating in a local Day of Caring or sponsoring a robotics program, our employees are regularly involved and committed to their local communities. In times of crisis, our sites come through, too. For instance, many locations participated in fund-raising activities focused on helping the victims of the earthquake in Haiti.

PACKING FLOWERS

In Allentown, a team of volunteers annually heads to a local beer distributor – not to taste the product but to help the American Cancer Society pack flowers that are distributed as part of the organization’s yearly Daffodil Days. It may be chilly in the warehouse, but employees are happy to help such an important cause.



Preparing daffodils for delivery.



A GIVING SPIRIT

At the end of 2009, LSI sites worldwide participated in a variety of Spirit of Giving activities. Many collected supplies for their local food banks, including employees in San Diego, Calif., who donated 162 pounds of food, which the food bank said, “makes an immediate impact towards feeding the many children, senior citizens, men and women in this county who face hunger – often on a daily basis.”

Other sites focused on local community needs. In Munich, Germany, for instance, employees donated items that homeless men and women could use to start a household, and team members in France donated items to an agency that helps those in need.

And in several locations, employees purchased holiday gifts for underprivileged children. In Dublin, Ireland, for instance, our team bought presents for patients in a children’s hospital.



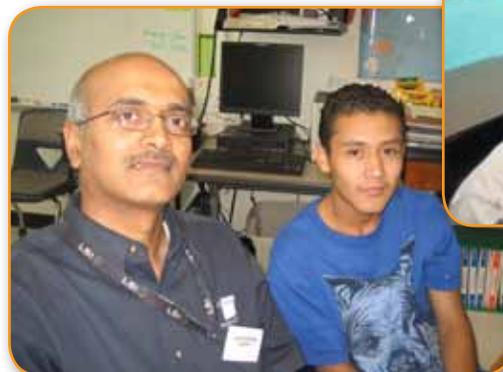
Collecting items for the homeless in Munich, Germany.



Members of our French team with donated items for the needy.

MENTORING THE YOUNG

In Norcross, Ga., a mentoring program in a local school has, in the words of a school official, “made a huge impact on the students’ success.” In fact, she noted that one student’s math grade went up by 10 points – almost to an A – since the program began.



Norcross mentor Jayant Daftardar and a student.



Norcross mentor Greg Angell and a student.

Caring About the Community

In Longmont, Colo., the LSI team participated not just in our own Volunteer Day, but also in the United Way Day of Caring. Spreading mulch was among the tasks.



Spreading mulch in Longmont.

HELPING HAITI

LSI volunteers in Wichita joined with others in the community to package over half a million meals to be airlifted to the people of earthquake-ravaged Haiti.



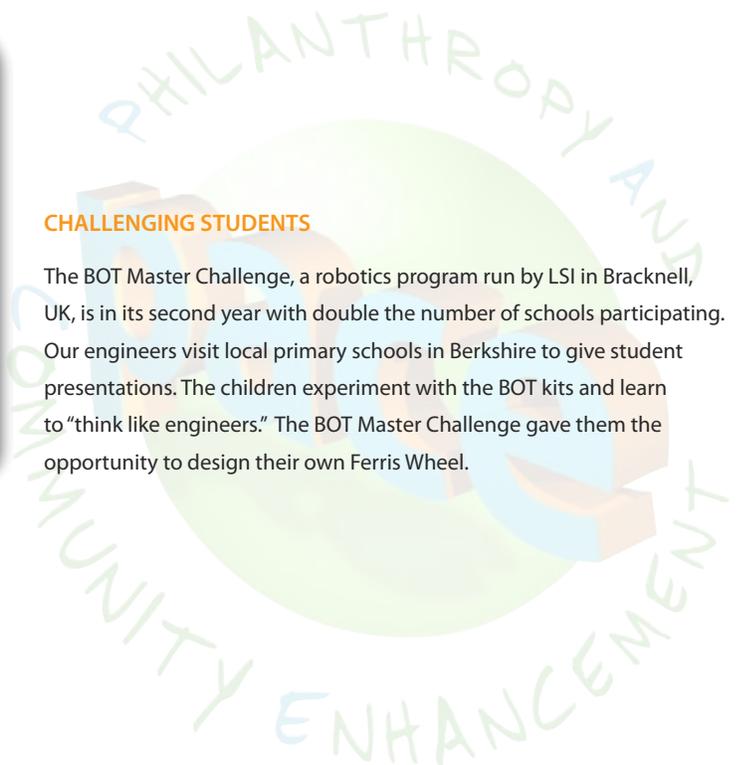
LSI Wichita volunteers help feed the people of Haiti.



UK students work on the BOT Master Challenge.

CHALLENGING STUDENTS

The BOT Master Challenge, a robotics program run by LSI in Bracknell, UK, is in its second year with double the number of schools participating. Our engineers visit local primary schools in Berkshire to give student presentations. The children experiment with the BOT kits and learn to “think like engineers.” The BOT Master Challenge gave them the opportunity to design their own Ferris Wheel.



Environmentally Friendly and Safe

The LSI Environmental Health and Safety Policy ([see http://www.lsi.com/ehs](http://www.lsi.com/ehs)), which aligns with our Corporate Values, lays out our commitment to the protection and preservation of the environment and a safe and healthy workplace. Our goal is to minimize environmental impacts and health and safety risks in our business activities, products and services.

BEING GREEN

Our company is dedicated to being green. We are working to establish industry recognition of our products, operations and services as both environmentally efficient and economically beneficial to our customers. Our global commitment to protect the environment focuses on our two key green initiatives: to establish our credibility as an environmentally friendly organization; and to deliver environmentally friendly, highly efficient products and services that have both a positive green impact and offer economic benefits to our customers.

Our green initiatives are based on four interlocking principles:

- Collaborate with industry associations, government agencies, suppliers and customers
- Identify and address significant environmental aspects associated with our products and operations
- Deliver solutions that reduce environmental impacts
- Measure success using economic and environmental indicators

These principles interlock because the solutions delivered are shared back with industry associations, our suppliers and our customers. For example, LSI continues to be an active member in Computer Systems Center Incorporated (CSCI), Storage Networking Industry Association (SNIA), 80+, and The Green Grid energy efficiency computing equipments standards development workgroups, and we were recently recognized for our contribution to CSCI Power Management Design Guidelines standard for laptops and desktops ([see http://www.climatesaverscomputing.org/news/press-releases/february-4-2010](http://www.climatesaverscomputing.org/news/press-releases/february-4-2010)).

LSI products comply with the European Union's Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (or RoHS) Directive. Further, our "green" integrated circuit products do not contain other hazardous substances such as lead, bromine, chlorine and antimony compounds. We also offer completely lead-free flip chips even though there is a RoHS Directive exemption that allows lead in flip chip solder bumps which serve to electrically connect the silicon die to the substrate. In addition to continuing the development of new "green" IC packages during 2009, LSI voluntarily eliminated the use of cobalt dichloride in humidity indicator cards and desiccants after cobalt dichloride was identified as a substance of very high concern under the European REACH Regulation.

Finally, we expect outsourced manufacturers to act in a socially responsible manner and comply with the Electronic Industry Citizenship Coalition Code of Conduct ([see http://www.eicc.info/](http://www.eicc.info/)). Consequently, all subcontract manufacturers working with LSI must participate in the EH&S supplier management process and either meet our standards or provide a plan to address them in a reasonable timeframe.

ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS

We are working on reducing our greenhouse gas emissions by improving the energy efficiency of all of our operations. The LSI Energy Conservation Team is a group of LSI professionals who are committed to reducing LSI's greenhouse gas emissions and improving our environmental performance.

Our target, spelled out in the Climate Leaders Partnership Agreement we signed with the U.S. Environmental Protection Agency, is to reduce greenhouse gas (GHG) emissions in U.S. operations by 15 percent from the 2007 baseline by year end 2012. LSI GHG emissions come from direct sources such as on-site combustion of fossil fuel in boilers, emergency generators and company vehicles in addition to indirect sources associated with electricity consumption at our U.S. facilities. GHG emissions in the U.S. decreased 2.4 percent in 2008 and about 8.3 percent in 2009 from our 2007 GHG emissions baseline.

Over the last two years, 26 energy reduction projects were completed, saving an estimated 8.2 million kwh.

The U.S. EPA Climate Leaders Partnership ([see http://www.epa.gov/climateleaders](http://www.epa.gov/climateleaders)) aligns with our corporate commitment to protect and preserve the environment. It provides an opportunity to work with other organizations to collectively make a larger impact and to help develop long-term strategies dealing with climate change issues.

We further reflect environmental commitment across our own operations with practices and programs that minimize our energy usage, including improving data center operations, retrofitting lights with energy-saving motion sensors, converting to energy-efficient fluorescent lamp systems, using cooled air captured in winter to offset energy requirements and driving improvements to the heating, ventilation and air conditioning systems to reduce electrical and natural gas use.

CARBON DISCLOSURE

Since 2007, LSI has publicly disclosed its greenhouse gas emissions through the Carbon Disclosure Project ([see *http://www.cdproject.net*](http://www.cdproject.net)) (CDP), which is an independent, not-for-profit organization holding the largest database of primary corporate climate change information in the world. In 2009, LSI was named to the Carbon Disclosure Leadership Index (CDLI). The CDLI assesses the quality and depth of a company's response to the annual CDP questionnaire. To be included in the CDLI group, LSI's response must be made publicly available and the CDLI score must be in the highest 10 percent of all S&P 500 companies responding to the CDP questionnaire. A high score indicates good internal management of data related to greenhouse gas emissions and a thorough understanding of the issues that climate change presents to the company's business. This achievement reinforces our commitment to providing quality information about our energy efficiency and associated environmental impacts.

GREEN PRODUCTS AND AWARENESS

LSI continues its tradition of providing "green" IC products and data storage equipment. We maintain white papers about green awareness and action in our industry that is available on our website at http://www.lsi.com/about_lsi/corporate_responsibility/green_awareness/index.html for customers and others. Titles include:

- Green Capacity Planning: Theory and Practice
- Cents and Sensibility, Green Initiatives at LSI
- The Performance Impact of Energy Efficiency

ISO 14001 AND OHSAS 18001 CERTIFIED

To drive environmental and safety performance, LSI maintains a multisite Safety and Environmental Management System which is certified to ISO 14001 and OHSAS 18001. During 2009, LSI added the Fort Collins site to its multisite certification.

ISO 14001 is an environmental management standard that specifies a set of requirements for an environmental management system that will help organizations improve their environmental performance. ISO is the International Organization of Standardization.

Similarly, OHSAS 18001 is an occupational health and safety management system (OHSMS) standard that defines a set of management requirements for an OHSMS. OHSAS stands for Occupational Health and Safety Assessment Series, and it was created through a concerted effort from a number of the world's leading national standards bodies, certification bodies and specialist consultancies. Conformance to OHSAS 18001 means that hazards associated with job functions have been identified through a formal risk assessment process and operational controls (e.g., procedures, personal protective equipment, etc.) established to reduce those risks.

Certification means independent auditors from our third-party registrar (LRQA) are satisfied that we have identified, defined and implemented processes that ensure legal compliance and meet customer requirements from an EH&S perspective, and that we continually monitor and improve the effectiveness of those processes. It also shows we can demonstrate adherence to those processes through the procedures we maintain and the records we keep.

Many customers expect or specifically ask for our certifications to ISO 14001 and/or OHSAS 18001 ([see *http://www.lsi.com/about_lsi/corporate_responsibility/ehs/sems/iso_14001/index.html*](http://www.lsi.com/about_lsi/corporate_responsibility/ehs/sems/iso_14001/index.html)).

AWARD-WINNING RECYCLING

LSI recycles. At all of our sites worldwide, we recycle everything possible from paper to plastic and more. Electronics recycling is particularly important.

In 2009, we established a new recycling objective to increase our recycling rates to 80 percent by the end of 2015. We currently send 69 percent of waste generated for recycling.

Not only do we recycle LSI waste, we make it easier for our employees to do so. Each year as part of our Earth Day activities, we encourage employees to bring their personal electronics to work for e-scrap recycling.

As a result of our comprehensive environmental efforts to recycle, our Wichita site received a Kansas Pollution Prevention (P2) Award from the Kansas Department of Health and Environment. The annual P2 awards recognize organizations working toward a cleaner environment.



Wichita receives the Kansas Pollution Prevention Award.

EARTH DAY OBSERVANCE

Earth Day, observed annually on April 22 since 1970, is ultimately the expression of LSI's goal to protect and preserve our environment.



The 2009 LSI PACE Team

North America

Allentown, Pa. – Maureen Dvorak and Jack Molets

Andover, Mass. – Steve Lefoley

Austin, Tex. – Rebecca Watts

Beaverton, Ore. – Jill Wilkins and Michele Montgomery

Boulder, Colo. – Teresa Nelson

Colorado Springs, Colo. – Bill Parent and Yukimi Marshall

Fort Collins, Colo. – Cindy Richards

Irvine, Calif. – Kay Framan

Longmont, Colo. – Sue-Ellen Berens

Mendota Heights, Minn. – Jane Miles

Milpitas, Calif. – Makiko Krammer

Nepean, Canada – Brenda McDonald

Norcross, Ga. – Nanda Chheda

Rochester, Minn. – Cheryl Woodward

San Diego, Calif. – Doug Hundley

Waltham/Westborough, Mass. – Frank Collins

Wichita, Kan. – Craig Bay

EMEA

Israel – Ezra Arie

Rest of EMEA – Bella Daniels

Asia Pacific

China – Silvia Zhang

India – Ramki M

Japan – Kazuya Hata

Korea – Hyun Ah Hwang

Singapore – Christopher Lee

Taiwan – Karen Chia-Hsien Huang

Thailand – Piyarat Chandracot



Compiled by Jack Molets, LSI PACE Coordinator

For more information and sales office locations, please visit the LSI web sites at: lsi.com

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