

November 2014

NEWS LETTER

LG begins construction of 「LG Science Park」, Korea's largest convergence research complex, in Magok



The construction of 「LG Science Park」, the convergence research complex into where LG Hausys is planning to move in 2017, began. The groundbreaking ceremony at the Magok industrial complex located in Gangseo-gu, Seoul had more than 500 attendees including President Park Geun-Hye, Mayor Won-Soon Park and other key government and municipal figures, LG President Bon-moo Koo, LG Hausys President Jang-Soo Oh and other executive level officers at the LG Group.

Covering over 170,000m²(approximately 53,000 pyeong) or the equivalent to 24 soccer fields, 「LG Science Park」 will be constructed in the Magok industrial complex. A total of 18 research facilities will occupy a gross land area of more than 1,110,000m²(approximately 337,000 pyeong). In terms of gross land area, the park will be 9 times the size of the LG Electronics Seocho R&D Campus, currently the largest research institute within LG Group, and twice the size of its corporate headquarters at the Yeouido LG Twin Towers.

Once the initial construction phase is complete in 2017, advanced research organizations from 10 LG Group subsidiaries including LG Hausys, LG Electronics, LG Display, LG Innotek, LG Chem, LG Household and Health Care, LG Life Sciences, LG Uplus, and LG CNS, Serveone will move into the complex.

When the project is complete by 2020, a total of 25,000 research personnel from the electronics · chemical · communication and energy · bio sectors will congregate at 「LG Science Park」 to form LG Group's 'Mecca of cutting-edge R&D' where market-leading products and next generation growth engines are identified through research on convergence and development of key · source technology.

Our company is planning on investing KRW 153.1 billion to establish a research institute by 2017 within the complex, and conduct advanced technology research on high performance industrial/construction materials, and automobile fabric/lightweight materials.

President Jang-Soo Oh participates in the opening ceremony for the Center for Green Building and Cities (CGBC) at Harvard Graduate School of Design (GSD)



President Jang-Soo Oh participated in the opening ceremony held between November 6 thru November 8 for the Center for Green Building and Cities (CGBC) at the Harvard Graduate School of Design (GSD) located in Harvard University, Boston USA.

The event celebrated the opening of CGBC established by GSD to develop technology for green buildings and cities that can reduce energy consumption throughout the entire process of designing and operating buildings.

In particular, world renowned architects including James Carpenter and Gordon Gill, joined the conference which offered lectures and discussions regarding energy saving technology for buildings of the future.

Receiving an invitation from Ali Malkawi, head of CGBC, President Oh was the only participant from Korea to attend the conference. Ali Malkawi met President Oh last June at LG Hausys, which leads the market in energy saving and eco-friendly construction materials

During the conference, President Oh attended lectures and discussions on the direction of future energy savings to grasp current technical trends. He also met Drew Gilpin Faust, Chancellor of Harvard University, to share thoughts on the CGBC project.

In addition, President Oh had meetings with the Chancellor of GSD and head of CGBC for in-depth discussions on how the two parties can cooperate in the field of constructing environmentally friendly living spaces in the future.

At the conference, President Oh explained that “LG Hausys is keenly aware of the importance of energy saving and being environmentally friendly, and continues its efforts to develop products to that end, and construct green buildings.” He emphasized that “LG Hausys will supply products and share experience with this GCBC project and find ways to help achieve successful results.

November 2014

NEWS LETTER

Selected as an Excellent Company in Corporate Social Responsibility (CSR) at the '2014 East Asia 30' Awards



Our company received the Excellent Company Award in Corporate Social Responsibility (CSR) at the '2014 East Asia 30' Awards Ceremony held on October 23 at the Millennium Seoul Hilton Hotel.

Since 2010, the 'Asia CSR Expert Committee' and 'Hankyoreh Economic Research Institute' have evaluated CSR performances of companies from Korea, China, and Japan to award 'East Asia 30' to 10 companies from each country that yielded excellent results in CSR.

Our company was selected for the first time, receiving excellent evaluation results on CSR activities such as flooring material that reduce noise between floors and wallpapers with minimal emission of Endocrine-disrupting Chemicals.

The host stated that "results are based on 3 rounds of meticulous review of the 1544 companies listed in Korea, China, and Japan. The committee from Korea, China, and Japan has applied fair and objective indices and weights in their selection." Our company will continue to enhance our CSR activities in the future.

November 2014

NEWS LETTER

Industry · University cooperative research project with Seoul National University in motion



Our company has begun its search for a new technology that will spearhead the future market of chemical materials through an industry · university cooperative research project with Seoul National University.

Our company is planning to proceed with the industry · university cooperative project which includes joint research and human resource training programs in areas such as polymer and light weight automotive materials with the School of Chemical and Biological Engineering at Seoul National University.

In tandem with the University, our company is planning to develop technology that can lead the market in lightweight materials where research has been flourishing thanks to polymers used in construction/automobile/IT · appliances/medicine etc. and fuel economy in the automobile market becoming the key issues. The technology developed by this project will be promoted as a new business line for LG.

Also, our company will push ahead with an open innovation strategy in R&D to discover new technologies that can mature into future growth engines.

Moreover, our company and Seoul National University is planning to focus on training human resources in R&D equipped with theoretical and practical capabilities in the field of chemical materials through this project. Our company and Seoul National University will continue selecting industry · university scholarship students for bachelor and master · doctorate programs in chemical and biological engineering.

Director Minhee Lee, head of the research institute, said ‘the industry · university cooperative project with Seoul National University will be a great opportunity to develop products that can lead the market in new business sectors.’ Lee added that “sustained technological cooperation between the two parties will contribute significantly in securing global technological competitiveness of the domestic chemical materials industry.

Surface materials business, everything starts with a solid foundation in quality!

‘HI-MACS installation academy’ and ‘Kitchen club’ activities by the Surface materials department in motion

The Surface materials department is responsible for producing and selling ‘HI-MACS’, imitation marble, and ‘Viatera’, an engineered stone made with natural quartz. Despite difficult market conditions, the department achieved great results and exceeded its 3rd quarter target. Indeed external factors such as improved exchange rates contributed to their success. However, recent efforts to revamp their business and preparations to lead the market in future growth contributed the most.



Hosting the ‘HI-MACS installation academy’ to improve fundamental competencies in construction for executives and staff

Bright and early on Tuesday, October 21, roughly 15 executives and staff members gathered at ‘Daemyeong ATM’, a processing company for the Surface materials department. Unlike other workdays where everyone would be in suits, it was an unusual sight to see everyone wearing vests, comfortable clothes, and dust masks. Today is the day for ‘HI-MACS installation academy’. Among various themes, today will be the ‘thermal processing academy’ which will teach staff members how to create various shapes and forms using HI-MACS. HI-MACS, which is an artificial marble product, is great for processing which means it can be processed into whatever shape of form when heat is applied. In particular, it has a soft surface and high quality pattern which is why HI-MACS is popular for kitchen surfaces and used in the interior/exterior of world famous buildings. Participants of the day made sinuous looking pieces and Mobius strips to experience first-hand the excellent machinability of HI-MACS and to better understand the very products they sell.

Making products in person helping staff members think about quality and customers

‘The ‘HI-MACS installation academy’ is a training program intended for executives and staff members which started in June.

It is made of 4 courses including HI-MACS installation theory/practice and thermal processing theory/practice. So far, the program has run more than 10 cycles and provided high quality training for executives and staff members.

“Executives and staff members who thought they just had to sell the product came to understand the product better and took more interest in installing the product after actually processing it. I think it has had a positive effect in that members now understand the importance of quality and put more thought into approaching clients based on their experience.” (Yoon Jin Bae, junior manager, Surface materials, Global marketing team)



Communicating with cooperative companies through the ‘Kitchen club’ and aiming to lead the market

Apart from the ‘HI-MACS installation academy’, the Surface materials department also operates the ‘Kitchen club’ that communicates with cooperative companies in order to help relationship with the customers.

‘Kitchen Club’ is a system that supports customer activities for outstanding kitchen furniture stores using genuine HI-MACS products in their kitchen surfaces.

The department hosts the ‘Kitchen club seminar’ regularly and analyzes Kitchen trends and introduces new products. Also, it offers showroom samples for products in new colors free of charge to outstanding kitchen club cooperative companies.

Also, the Club offers great support, registering outlets in search engines including Naver so that when customers search keywords related to ‘kitchen’, it makes it easier for them to find relevant outlets.

As such, the Surface materials department is creating a solid foundation in terms of quality by enhancing competencies in installation for executives and staff members through the ‘HI-MACS installation academy’, and it is also growing by engaging enthusiastically when communicating with cooperative companies through the ‘Kitchen club’.

We look forward to seeing HI-MACS lead the market in 2015.