Innovation for a Better Life

At the center of flourishing living spaces are nature and people. With our vision of creating human-friendly, eco-conscious living spaces, we bring innovative value to the life of our customers, from living spaces to moving spaces.
Market leading technology that embraces the value of space

LG Hausys is Korea’s largest manufacturer of building materials, automotive materials & components and industrial films. Under the vision of ‘creating human-friendly, eco-conscious living spaces’, we place the creation of customer value as the top priority in our business conduct. With the eco-friendly materials that respect Mother Nature and the optimal technological solutions and products that maximize energy efficiency, we deliver customer satisfaction so as to bring added value to the everyday life of our customers, from ‘living spaces to moving spaces.’

We deliver a healthy and flourishing life to our customers by designing spaces that harmonize with nature through eco-friendly and energy-efficient materials.

**Eco-Friendly** Shift from energy-intensive to material-consumption-friendly (expand eco-friendly products/material)

**Energy-saving** Develop cost-effective and energy-saving (high-quality windows/green car materials)

We improve the quality of life and establish close bonds in living spaces through aesthetically-pleasing material and human-friendly designs.

**Human-friendly** Strengthen reliable and impressive contact points with customers (commercial and green innovation)

We help create living spaces that bring contentment to our customers.

**NATURE** Turning Nature into Living Space

**HUMAN** Embracing People

**SPACE** Inspired Living Space

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At LG Hausys, our goal is ‘creating human-friendly, eco-conscious living spaces’.

We deliver eco-friendly and energy-saving materials and products differentiated for their unique LG Hausys design to set the trend of tomorrow’s living space.

We aim to use our exceptional technologies and design capabilities to present flourishing living spaces that bring satisfaction to our customers.
Building the New Era of Space

Our 70-year journey taken together with customers represents Korea's history of living space evolution. As the parent company of LG Group, we have been fully committed to delivering a healthy and aesthetically-pleasing living space since 1947.
R&D

R&D

The history of LG Hausys Research Center goes back to 1989 when the Processing Technology Research Center was established. Starting with plastic processing technology, the scope of our R&D endeavors continued to expand to include polymer, natural, inorganic, bio-degradable and composite materials.

Certificates and Awards in Korea and abroad

(As of the end of 2017, on an accumulated basis)

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R&D Activity at a Glance

<table>
<thead>
<tr>
<th>Research Area</th>
<th>Main Outcomes</th>
<th>Research Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy-saving</td>
<td>• Low-E glass</td>
<td>• Maximize insulation of windows, along with reducing the use of energy in buildings</td>
</tr>
<tr>
<td></td>
<td>• High-performance insulation</td>
<td>• Secure insulation performance and fire safety</td>
</tr>
<tr>
<td>Eco-friendly materials</td>
<td>• Eco-friendly flooring and wallcovering</td>
<td>• Develop products safe for humans and the environment by using Poly Lactic Acid (PLA) made from natural derivatives</td>
</tr>
<tr>
<td>Functional fabric/film</td>
<td>• Green fabric</td>
<td>• Contribute to reducing GHG emissions by developing pollution-resistant, highly-durable and eco-friendly fabric through the use of bio-based plastics</td>
</tr>
<tr>
<td>High-strength, lightweight materials</td>
<td>• High-strength, lightweight composite materials</td>
<td>• Contribute to improving mileage and fuel efficiency by developing lightweight automotive materials and researching on the enhancement of shock resistance performance</td>
</tr>
</tbody>
</table>

Recruiting R&D Talent in Korea and abroad and Forging Mid/Long-term Industry-Academia Cooperation

Recruiting and Developing Exceptional R&D Talent in Korea and abroad

To secure qualified R&D talent, we attend the LG Techno Conference to recruit R&D staff with master’s degrees and PhDs while opening customized research courses with Korea’s prestigious universities to foster talent with job readiness.

Forging Ties with academia and research institutes

By cooperating with external organizations through industry-academia collaboration with Korean and overseas universities as well as joint research conducted with government-invested research institutes, we continue with our R&D endeavors to discover new technology that will evolve into future growth engines.
DESIGN

Ensuring Global Design Competitiveness

At LG Hausys, we take the customer’s perspective in understanding market trends and designing products that customers most desire. We are building our own design capabilities in our Design Center, which is the largest in size in the domestic building materials industry, and we collaborate with world-renowned designers to present globally-competitive designs.

Winning Design Awards

Our Design Center is dedicated to R&D endeavors that deliver novel value to customers. As a result, our exceptional design capacity is being recognized by reputable international design awards from iF and Red Dot to IDEA.

Analyzing Trends to Develop Market-Leading Products

Design Trend Seminar

As the 1st-ever such seminar initiated by LG Hausys in the industry, our Design Trend Seminar is attended by nearly 1,000 design experts each year to share information on domestic and international socio-cultural issues, consumer life styles and global design trends so as to forecast future design trends. We aim to identify changing conditions and trends and integrate them in our design in order to exert even broader influence across the automotive, electronics and other industries as well as the interior industry.

Trend Forum

Our Trend Forum enables us to analyze market and consumption trends specific to respective business domains in order to present product concepts that cater to customer needs. This is not limited to mere trend proposals but is extended to include design suggestions for new products that are consistent with the strategy of respective business divisions and to set the course for mid/long-term design strategies. This also allows us to approach respective global market segments based on their local trends so as to deliver customized design solutions.

Collaboration with World-Renowned Designers

We collaborate with such world-acclaimed designers as Ben Van Berkel (architect), Alejandro Mendini, Karim Rashid, Stefano Giovannoni, and Marcel Wanders (industrial designer), Zaha Hadid (architect) and Lee Hyo-jae (Hanbok designer) in order to present our customers unique designs that set us apart from the competition.

1. Ben Van Berkel
2. Alejandro Mendini
3. Karim Rashid
4. Stefano Giovannoni
5. Marcel Wanders

Preceding Development Driven by Customer Insight

Our Design Innovation transforms ideas into pilot products through design incubations grounded on our motto ‘Find uncut diamonds and turn them into invaluable jewels’. The products developed through this process are extremely well-received among our customers.

Achievements at Design Awards

<table>
<thead>
<tr>
<th>Awards in total</th>
<th>IF Design Awards</th>
<th>Red Dot Design Awards</th>
<th>IDEA Design Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>32</td>
<td>12</td>
<td>8</td>
</tr>
</tbody>
</table>

As of Oct 2018

* CMF: Color, Material, Finishing
* NCI: New Creative Idea
GLOBALIZATION

Expanding Global Market Reach
We operate our headquarters and plants in Korea, along with six sales subsidiaries, three production subsidiaries and five overseas branches mainly in the U.S.A., China and India. With our commitment to focusing on competitive product categories in line with the specificities and customer needs of each market, we will move beyond Korea into the wider world in creating spaces for customers, from living spaces to moving spaces.

As Korea’s largest manufacturer of building & decorative materials, high functional materials and automotive materials & components, we deliver products with unrivaled quality at four plants located in Ulsan, Oksan, Cheongju and Ochang. With our Design Center as a design trend setter and our R&D Center that employs our core technology to respond to future needs, we lead the market across the globe as well as in Korea.

Since India is recognized for its huge potential, we are launching products tailored to local needs and holding periodic seminars to raise our brand awareness with an eye on vinyl-coated materials for home appliance surfaces, thereby discovering new customers. Furthermore, we are focusing our marketing capabilities on the acrylic solid surface market to strengthen our No. 1 market status.

In China, our localization strategy highlights building materials such as windows and flooring, and automotive skin. Our market share is growing as the Chinese market recognizes the remarkable eco-friendly quality of our products. Furthermore, we are reinforcing our ties with local retail channels to establish a local distribution network and to deliver differentiated value to customers from production to distribution.

Building Production Bases in Key Markets
- Completed an automotive skin plant in the U.S.A. (2016)
- Expanded the engineered stone production line in the U.S.A. (2016)
- Initiated the operation of a plant in Wuxi, China. (2015)

Differentiation through Green Products and Customer-Centered Sales
We became the 1st-ever foreign company to be included in the ‘Top 10 Eco-Friendly Construction Suppliers’ for five consecutive years (2014-2018) at the Top China Real Estate hosted in Beijing, China.

Raising Global Brand Awareness
We attend a range of global exhibitions: from those DOMOTEX in Shanghai and DOMOTEX, FENSTERBAU and interzum held in Germany to WOOTEX in Iran and the Kitchen & Bath Industry show (KBIS) in the U.S. These global exhibitions allow us to fully showcase our excellence in product performance and design.

North America represents the world’s largest decorative and automotive materials market, and thus our localization strategy focuses on acrylic solid surface, automotive skin, etc. Our Hi-MACS (acrylic solid surface) and engineered stone plant is based in Atlanta, Georgia, and our automotive skin plant was completed in 2016 to continuously expand our market share in the United States. In 2017, we established a sales corporation in Canada to solidify our growth momentum in the North American market.

In such emerging markets as the Middle East and Southeast Asia and the advanced European market, we attend local exhibitions and develop products that cater to specific customer life styles as a way to advance into there markets. In 2015, we opened new branches in Jakarta and Dubai to further accelerate our advancement into global emerging markets.
Building & Decorative Materials

Windows and coated glass that deliver a remarkable insulation and durability performance, eco-friendly wallcovering/flooring that uses natural derivatives, insulation products that boast exceptional insulation and fire-proof properties, and acrylic solid surface most sought after by world-renowned architects; these are all products that we supply to create healthy and safe spaces.

Automotive Materials & Components

We supply automotive skin and components that make up both interior/exterior of vehicles, and adopt cutting-edge technology in manufacturing lightweight components that help improve fuel efficiency so as to deliver greater customer satisfaction.

Industrial film

We create the special finishing touches to spaces by delivering decorative films, vinyl coated materials, and sign & graphic materials recognized for their unrivaled design aesthetics.
Window

Energy-saving high-insulation PL/AL windows

- Market-leading, highest-level insulation performance
- Conveniently opens and shuts
- Differentiated designs
- Reliable supply and after-sales services

Our windows help reduce energy consumption through exceptional insulation performance while creating added value to your space through sophisticated designs and remarkable soundproof properties. Our in-house R&D endeavors, Korea’s largest automatic production system and stringent quality control allow us to deliver windows trusted by our customers.

PRODUCT LINE-UP
- Super Save 3-5-7 Eurosystem 9, Power Save
- Super-insulation A1, TT05, Super Slim P5, HS-Premium 3-5-7, HS-Plus
Functional Glass

High-functional glass with unmatched insulation and shielding performance

- Industry-leading insulation performance
- Solar heat shielding
- Enhanced aesthetic qualities of buildings

While keeping the essential heat in and providing solar radiation shields, our functional glass helps reduce energy consumption and create a pleasant indoor environment. Our Low-E glass adopts the state-of-the-art sputtering technique, and our “insulation spacer” technology maintains a layer of dry air between glass sheets to deliver top-notch high-functional glass.

PRODUCT LINE-UP - Super-plus 1.0, Neutral 72/41, Neutral Silver 50/33

Flooring

Flooring that adds to the value of space through green materials and diverse designs

- Various product line-up
- Environmentally responsible solutions
- Design flexibility

We apply corn-based substances to the product surface layer and do not use phthalate plasticizers that pose harm to human body with an aim to create safe spaces for our customers. Our wide spectrum of product line-ups allows us to provide optimal flooring options for educational and sports facilities as well as residential and commercial spaces.

PRODUCT LINE-UP - Homogeneous Sheet (Origin, Space, Ahead)
- Heterogeneous Sheet (Woven, Style, Medistep UN Studio)
- Luxury Vinyl Tile (Decoclip, Decorette, Decofox)
- Vinyl Composition Tile
- Specialty (Sports flooring, Staticpulse, Rubber)
Wallcovering
Eco-friendly, premium wallcovering that enhance spaces by adding art to the wall

- Various design
- Leading eco-friendliness

We create added value to spaces through outstanding functionality, differentiated design, and eco-friendly materials: our wallcoverings have a surface layer that is laminated with corn-based substances, and our Sum Tile is made from natural soil ingredients. Our products, certified through international quality standards, serve as Korea’s trend-setter in product safety.

PRODUCT LINE-UP
- Gracia Series, BLESS, ZEA finish
- FABRIC, BESTIE

Acrylic Solid Surface & Engineered Stone
Acrylic solid surface & engineered stone, ultra-premium finishing materials that enhance the value of your space

- Designs that lead the global market
- Durability and hygienic qualities
- Flexible processability

Our acrylic solid surface ‘Hi-MACS®, that delivers flexible processability and superb hygienic qualities on top of the beauty of natural marble, is chosen by world-renowned architectural designers as interior/exterior materials. Viatera is the product of choice for customers looking for ultra premium engineered stone: containing 93% quartz, Viatera dramatically improved on the shortcomings of natural stone such as moisture absorption and low strength while maintaining the sophisticated look inherent in natural stone.

PRODUCT LINE-UP
- HI-MACS®: Marmo, Aster, Vikaria, Lucia, Granite, Solid
- Viatera®: Calacatta, Vein, Pure, Noble, Mirror, Multi, Mono
Insulation Materials for Buildings

Semi-non-combustible insulation for construction applications chosen for high insulation performance, fire safety and long-term durability

- Top-notch insulation performance
- Fire safety performance
- Long-term durability

Our PF insulation generates independent foaming agents that are 1/10 in size compared to existing insulation materials, which improves its insulation performance by up to two times. Its long-term durability ensures that its performance remains at the 90% level even after 25 years in use. Preventing the spread of flames and minimizing the generation of toxic gas in case of fire, its semi-non-combustible performance guarantees remarkable fire safety.

PRODUCT LINE-UP - PF Board

Wood Polymer Composite (WPC)

Durable and eco-friendly Wood Polymer Composite

- More durable than natural wood
- Better than natural wood in materializing designs

Our wood polymer composite materials are eco-friendly as they are made from natural wood powder and nontoxic olefin. Their sophisticated and durable surface textures are created through the use of embossing technology. Less prone to deformation, contamination, cracks and wear & tear than natural wood, its cost-saving benefits are even more visible with the passage of time thanks to longer service life and easier maintenance.

PRODUCT LINE-UP - Woozen, Woozen Real, Woozen Quick
Deco Film

Eco-friendly and high-class design finishing materials for indoor/outdoor applications

Offering a wide-range of design solutions, our deco film helps materialize aesthetically-pleasant indoor/outdoor spaces from exterior windows to furniture and walls. Our eco-conscious deco film is certified with the eco-labeling and recognized as the highest-grade construction materials, which relieves our customers of concerns over hazardous substances.

PRODUCT LINE-UP
- Exterior Film
- Furniture Film
- Interior Film

- Diverse design and texture
- Outstanding functionality
- (weather-proof, high-hardness, flame-proof, constructability)
- Market-leading eco-friendliness
Home Appliance Surface Materials

Vinyl coated materials for home appliance surfaces known for their remarkable design and technology

- Differentiated design
- Materialization of diverse exterior effects
- Chosen by global home appliances brands

Applied to the surface of home appliances such as refrigerators, washing machines and TVs, our vinyl-coated materials create added value to these home electronics for their artistic design and outstanding technology. Through continued R&D endeavors, we bring innovation to the materials we use and set the trend in electronics design based on thorough market research.

PRODUCT LINE-UP - SUS Film, Pattern SUS, Metalon, Galaxy (Eco Series)

Sign & Graphic Materials

Sign & graphic materials that deliver optimal printability and durability

- Wide spectrum of product line-ups
- Vivid colors and designs

Our advertisement materials are recognized for their easy constructability and globally-competitive quality, which is attributable to our proprietary Air Free technology, and are thus used for the presentation of corporate and brand identity, outdoor/indoor displays, automotive advertisements & tuning, and other wide-ranging applications.

PRODUCT LINE-UP
- Sign & Graphic Materials for Advertisement, Window film, V-Wrap, V-Guard, Auto-Decal
AUTOMOTIVE MATERIALS AND COMPONENTS

Automotive Skin
Automotive skin that enhances the value of automobile space

- Eco-friendliness (World’s 1st bio automotive skin)
- Differentiated materials and designs
- Chosen by global car makers

In addition to meeting the property requirements demanded by respective automotive parts, our automotive skin delivers innovative designs through our best-in-class technology so as to bring emotional qualities to the indoor driving space. Enhancing the value of automobile space through innovative materials (e.g. bio automotive skin that minimizes any possible harmful effects on human body) and design development, our automotive skin is chosen by global car makers.
Automotive Lightweight Parts & Automotive Parts

Automotive Lightweight Parts
- Independently-developed lightweight materials
- Diverse solutions available through outstanding processing technology

The use of such advanced materials as fiber glass-reinforced plastics and carbon fiber-reinforced plastics contributes to improving fuel efficiency by reducing vehicle weight by 30% against conventional steel while maintaining its strength. Our lightweight components are adopted for bumper beam, seat-back frame, undercover, and battery case, and their application scope will further extend to include roof, bonnet, door and tailgate.

*PAB: Passenger Air Bag

Automotive Parts
- Exceptional safety performance
- Diverse line-ups that include engine parts and bumpers

We supply engine parts that reduce engine weight while improving on vibration performance, and bumper and radiator grill parts, which demonstrates our commitment to the safety of pedestrians as well as the comfort of vehicle riders. Our real wood materials are used for crash pad, garnish, console and armrest to create highly-sophisticated vehicle interiors.

Battery pack carrier
Carbon roof

Seat-back frame
Undercover

Bumper beam
Knee guard

Roof rack
PAB housing

Bumper
Garnish

Radiator grill
Real-wood interior materials

Cylinder head cover
Intake manifold

Oil pan
We are currently operating 20 offline showrooms across the nation, including our flagship store LG Hausys Z:IN Square. Our showrooms offer total solutions, spanning from consultations on interior materials to design suggestions and the arrangement of execution companies. We plan to increase the number of these showrooms to broaden our contact points for customer communication.

### Opening Our Ears to Customers’ Voices
Contact Point for Customer Communication

**Z:IN SQUARE**

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1. **Experiencing Materials at the Exhibition Room**
   - Offer customers product experience opportunities - wallcovering, flooring, windows, kitchen & bathroom, and other diverse products.
   - Offer professional interior suggestions through Z:IN coordinators.
   - Provide product and construction consulting services that cater to customer needs.

2. **Arranging Reliable Execution Companies**
   - When requested, arrange local interior execution companies with outstanding track records.

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**CORPORATE PHILANTHROPY**

At LG Hausys, we undertake wide-ranging social-giving initiatives to pursue mutually-beneficial growth with society and contribute to our nation. We put the spirit of patriotism into action by renovating cultural heritage and memorial halls related to Korea’s Independence Movement, improving the residential environment of Independence Movement patriots, and remodeling the residence of Korean War veterans. Furthermore, we are engaged in other diverse sharing-driven programs – Dokdo Love Youth Camp, Make a Happy Space – to bring pleasant changes to our society.

---

1. **Preserving Korea’s Cultural Heritage**
   - Through the Dokdo Natural Preservation Zone Initiative, one of our leading social-giving programs, we are committed to preserving our invaluable natural and cultural heritage and educating our youth on the importance of such places.

2. **Renovating the Historic Sites and Memorial Halls of Korea’s Independence Movement**
   - We signed an agreement to restore the provisional government office in Chongqing with the Ministry of Patriots and Veterans Affairs while launching projects to help renovate the Seo Jae-Pil Memorial Hall and the Yun Bong-Gil Memorial Hall to pass down the spirit of Korea’s Independence Movement to the next generations.

3. **Renovating the Residence of Men of National Merit**
   - We help renovate the residence of Independence Movement patriots and their direct descendants so that they live a better life in a pleasant residential environment.

4. **Renovating the Residential Environment**
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**Experiencing Materials**
- Offer customers product experience opportunities - wallcovering, flooring, windows, kitchen & bathroom, and other diverse products.

**Design Suggestions**
- Offer professional interior suggestions through Z:IN coordinators.

**Consultations**
- Provide product and construction consulting services that cater to customer needs.

**Arrangement of Execution Companies**
- When requested, arrange local interior execution companies with outstanding track records.

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### Social contribution initiatives that transform people and their environments for the better

<table>
<thead>
<tr>
<th>Social Contribution Initiatives</th>
<th>Nature</th>
<th>People</th>
<th>Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preserving Korea’s Cultural Heritage</td>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
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<tr>
<td>Renovating the Historic Sites and Memorial Halls of Korea’s Independence Movement</td>
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<td><img src="image5.png" alt="Image" /></td>
<td><img src="image6.png" alt="Image" /></td>
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<tr>
<td>Renovating the Residence of Men of National Merit</td>
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<td><img src="image8.png" alt="Image" /></td>
<td><img src="image9.png" alt="Image" /></td>
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<tr>
<td>Undertaking Sharing-Driven Programs for Local Communities</td>
<td><img src="image10.png" alt="Image" /></td>
<td><img src="image11.png" alt="Image" /></td>
<td><img src="image12.png" alt="Image" /></td>
</tr>
</tbody>
</table>

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Continuously fulfill our social responsibility by using our strengths.

Move beyond mere donations to pursue mutual benefits by creating social value.

Improve our relationship with local communities.