

# LG Electronics Inc

LEG Leisure Equipment & Products and Consumer Electronics

## Member of DJSI World, DJSI Asia Pacific, DJSI Korea

### Company Information

Country	Republic of Korea
Market cap (USD million)*	5,159

\*Source: S&P Global BMI, 31 July 2016

### Company Description

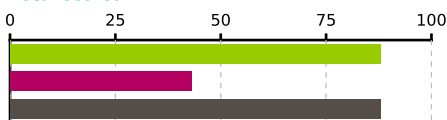
LG Electronics is a Korean-based manufacturer of consumer electronics, telecommunications equipment and home appliances. The company reached sales of KRW 12.06 trillion in fiscal year 2015. After being founded as Goldstar in 1958 and producing Korea's first consumer electronics products, the company adopted the LG Electronics brand in 1995 following the acquisition of US-based company Zenith. Today, 77,176 employees in 125 business sites around the world are divided into four business units: Home Entertainment, Mobile Communications, Home Appliance / Air Conditioning & Energy Solution and Vehicle Components. The company has focused on differentiating its brand from its competitors with products such as the curved OLED TV and via sponsorship of major sporting events, such as Formula 1. With significant product research and development efforts in energy efficiency underway, the manufacturer was named 2014 ENERGY STAR® Partner of the Year.

### Industry Drivers

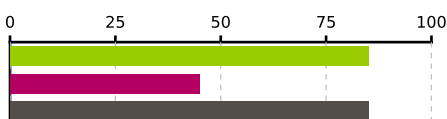
Producers of leisure equipment and consumer electronics operate in a highly competitive and fast changing market. The industry's key drivers include product quality, differentiation, time-to-market, and brand management. New products becoming commoditized within a short time frame lead companies to focus on innovation, particularly R&D, to maintain competitiveness. Leading companies are able to address the challenges of developing new technologies and providing ever-changing and more integrated product ranges by entering into strategic alliances and outsourcing operations. Faced with continuously growing stakeholder scrutiny, companies must pay close attention to working conditions in their supply chain, particularly among their suppliers and subcontractors in developing countries. In addition, managing environmental challenges throughout the product life cycle includes product modularity, avoiding the use of toxic substances in manufacturing processes and products, energy efficient products and effective take-back programs for the disposal of obsolete products.

### Sustainability Scores

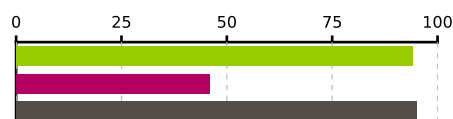
#### Total Scores



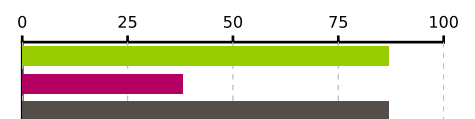
#### Economic Dimension



#### Environmental Dimension



#### Social Dimension



■ Industry best score    ■ Industry average score    ■ LG Electronics Inc

## Sustainability Performance

LG Electronics has established itself as the 2016 sustainability leader in the Consumer Durables & Apparel Industry Group. LG Electronics places people-oriented management and customer-value creation at the heart of its CSR framework. In order to attain its Greener 2020 goals, the company has placed emphasis on its EESH (Energy, Environment, Safety and Health) Management System. The Greener 2020 goals include a 40% reduction in GHG emissions, as well as a 15% increase in "green" new business. Since 2008, the manufacturer has reduced total GHG emissions by 353,000 tons, and through the Green Packaging guidelines, the company has reduced both the weight of packaging and the associated logistical costs. In order to ensure that its environmental and social efforts are aligned to stakeholder interests, the company performs an in-depth materiality analysis. In 2015, the analysis concluded that social contribution programs and NGO engagement should be expanded. Consequently, LG Electronics invested 91% of its social investment budget into community initiatives, utilizing the company's technological expertise in order to develop and distribute accessibility apps and to contribute to public infrastructure.

## Company Performance for Selected Criteria



■ Industry best score    ■ Industry average score    ■ LG Electronics Inc

For information on assessment criteria, visit [www.robecosam.com/csa](http://www.robecosam.com/csa)

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