

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)*	6,476

*Source: S&P Global BMI, 31 July 2017

Company Description

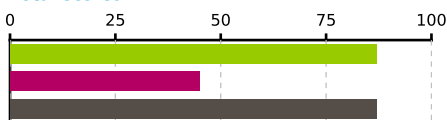
LG Electronics is a Korean-based manufacturer of consumer electronics, telecommunications equipment and home appliances. The company currently employs 75,000 people in 118 locations around the world and reached global sales of KRW 55.4 trillion operating in four business units: home appliance and air solutions, mobile communications, home entertainment and vehicle components. This year, the Consumer Technology Association (CTA™) recognized LG for their innovations in technology and design with 21 CES 2017 Innovation Awards and the company is currently focused on thriving in the Fourth Industrial Revolution with new projects such as IoT (Internet of Things) home appliances, cleaning and airport guide robots.

Industry Drivers

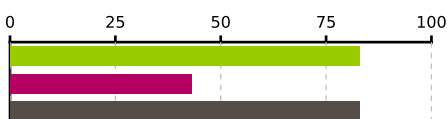
Producers of leisure equipment and consumer electronics operate in a highly competitive market. Industry drivers include product quality, differentiation, time-to-market, and brand management. New products becoming commoditized within a short time frame lead companies to focus on innovation, particularly R&D, to maintain competitiveness. Moreover, many companies in the industry must manage the cyclical nature of new product releases. Given the labor intensity during the manufacturing phase, companies must pay close attention to working conditions in their supply chain, particularly among their suppliers and subcontractors in developing countries. In addition, companies must manage environmental challenges throughout the product life cycle including product modularity, the use of toxic substances in the manufacturing process and within products, energy efficiency, and recycling through effective take-back programs for the disposal of obsolete products.

Sustainability Scores

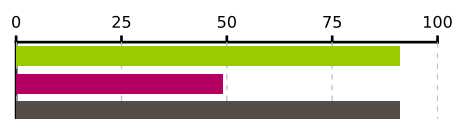
Total Scores



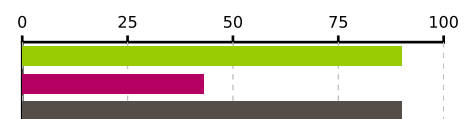
Economic Dimension



Environmental Dimension



Social Dimension

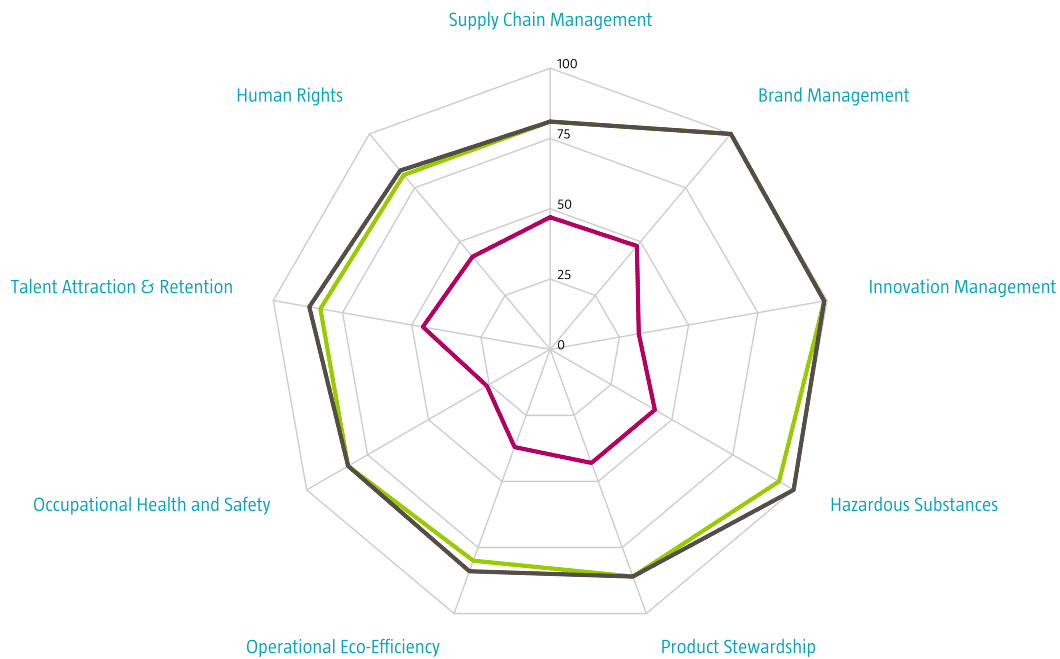


■ Industry best score ■ Industry average score ■ LG Electronics Inc

Sustainability Performance

LG Electronics retained its title as Consumer Durables and Apparel Industry Group Leader in 2017. LG Electronics places people-oriented management and customer value creation at the heart of its CSR framework. With increasing concern for environmental issues, LG has focused their efforts on making greener products and reducing environmental impacts in every stage of the product lifecycle. Currently, all their products have been integrated in the Eco-Index environmental performance rating system. While leading in innovation, LG engages in open collaborative innovation initiatives and has significantly increased their environmental product innovations. Furthermore, to achieve their vision of being a socially responsible company and addressing one of their main material issues, 'Labor Practices and Human Rights,' LG Electronics is expanding their initiatives for sustainable win-win growth and supply chain risk management. Through their EESH (Energy, Environment, Safety and Health) Management System they aim to better integrate sustainability in their supply chain management.

Company Performance for Selected Criteria



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

For more information on assessment criteria, please visit www.robecosam.com/csa

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