

LG Electronics Inc. (LG Electronics)

TICKER
 066570

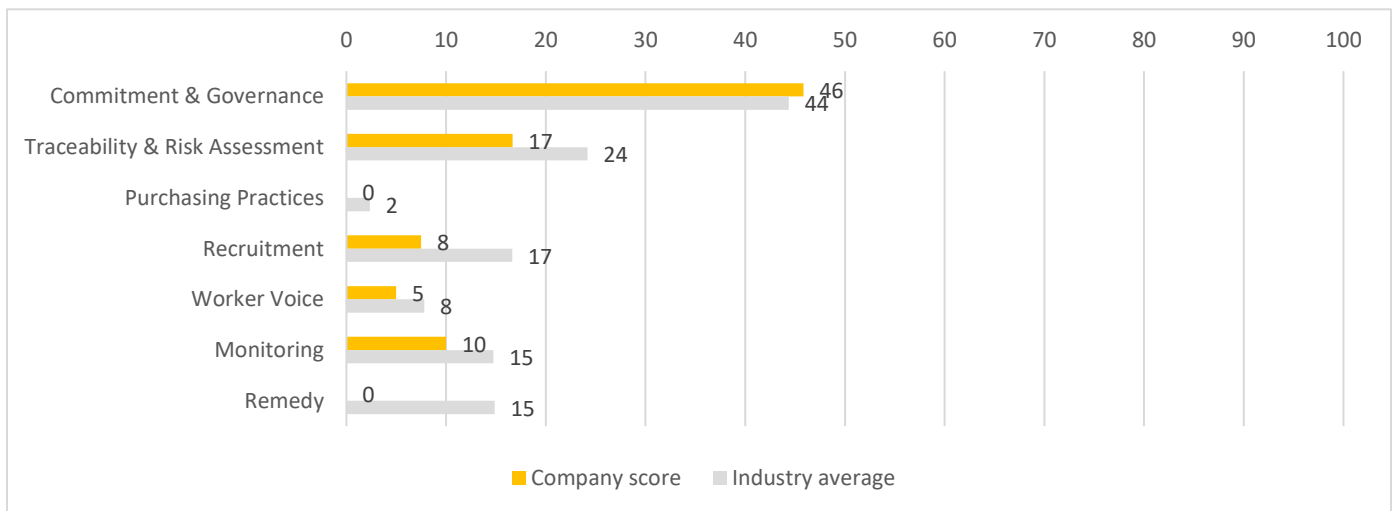
MARKET CAPITALIZATION
 US\$15.8 billion

HEADQUARTERS
 South Korea

DISCLOSURES
[UK Modern Slavery Act](#): Yes (Disclosure of Subsidiary)

[California Transparency in Supply Chains Act](#): Not applicable

[Australia Modern Slavery Act](#): Yes (Disclosure of Subsidiary)

OVERALL RANKING
28 out of 60
[\(2020 Performance\)](#)
OVERALL SCORE
14 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
SUPPLIER LIST
 No

RISK ASSESSMENT
 No

ENGAGED WITH KNOWTHECHAIN¹

Yes

ALLEGATIONS OF FORCED LABOUR
 Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS
 No

HIGH-RISK SOURCING COUNTRIES
 China

SUMMARY

LG Electronics Inc. (LG Electronics), a consumer electronics company, ranks joint 28th out of 60 companies. Since 2020, the company has improved by updating its supplier code such that worker-paid recruitment fees are prohibited, requiring that they are repaid to workers where they have been charged. The company's score is based on its stronger performance on the theme of Commitment & Governance; however, it scores lower than average across all other themes. KnowTheChain identified one allegation of forced labour in the company's supply chains.² The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Remedy.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to assess and disclose forced labour risks across different tiers of its supply chains and disclose how it engages with relevant stakeholders to address forced labour risks identified.

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including in the case of allegations.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² For more information on the allegations, and the disclosures the company made about its response to those allegations, see the full dataset [here](#).