



## Industrial Conglomerates

### Driving forces

Industrial conglomerates are highly decentralized businesses that rely on strong management and governance structures to achieve superior performance. Resource efficient and lean manufacturing processes are important aspects of their business strategies, especially if growth is partly driven by acquisitions. Within this framework, the development of new resource efficient technologies through careful product stewardship is key to gaining market share and increasing growth and profitability. Supply chain management and supplier sustainability risk assessment are also important as they often present opportunities to centralize functions that benefit from volume pricing. Ensuring business ethics throughout their own operations is also critical as they typically have a global presence that includes emerging markets. Companies must therefore focus on promoting common corporate values that recognize and promote the diversity brought by multi-cultural backgrounds. In addition, conglomerates must construct and enforce corporate policies and build strong compliance systems to prevent corruption and illegal market practices.

### Highlighted criteria

- Economic Dimension**
  - Corporate Governance
  - Innovation Management
  - Supply Chain Management
- Environmental Dimension**
  - Climate Strategy
  - Operational Eco-Efficiency
  - Product Stewardship
- Social Dimension**
  - Human Capital Development
  - Occupational Health and Safety
  - Talent Attraction & Retention

### Sustainability leaders 2018

<b>RobecoSAM Gold Class</b>	
Koninklijke Philips NV	Netherlands
Siemens AG	Germany
<b>RobecoSAM Silver Class</b>	
Samsung C&T Corp*	South Korea
<b>Sustainability Yearbook Members</b>	
3M Co	United States
Doosan Corp	South Korea
SK Holdings Co Ltd	South Korea

\* RobecoSAM Industry Mover

### Industry statistics

Number of companies in universe	50
Number of companies assessed by RobecoSAM in 2017	35
Assessed companies to total companies in universe (%)	70
Market capitalization of assessed companies to total market capitalization (%)	90

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	41	85	42%
Environmental	36	96	29%
Social	40	88	29%

### Total score

