



The LEGO Group

# Sustainability Statement

# 2024



# Hello and welcome!

My name is Alex and I will be showing you around! If you ever get lost, you can find your way back here by clicking the yellow brick in the corner.



We continue to progress well in our preparations for future reporting requirements, including the European Union's Corporate Sustainability Reporting Directive and are taking steps towards this transition.

This Sustainability Statement is part of the management review of LEGO A/S' Annual Report 2024 and constitutes the LEGO Group's report on Sustainability, cf. Section 99a of the Danish Financial Statements Act. Our annual Sustainability Statement outlines our key ambitions and targets from the LEGO Group's sustainability efforts over the past year, summarising our performance as well as learnings and opportunities.



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# Introduction

- Letter from the CEO
- 2024 Sustainability Highlights





# Letter from the CEO

At the LEGO Group, we put children at the heart of everything we do and we want to play our part in creating a better and more sustainable world for them to inherit. Our fundamental belief is that play helps children to learn. Our ambition is to reach as many children as possible with LEGO® play, while limiting the effect our operations have on the environment.

We must all take responsibility to resolve the environmental challenges we're facing. As a company beloved by children globally, we consider it vital to secure a safe future for the next generation.

In 2024, we increased our overall investments on environmental sustainability by 68% compared to 2023, nearly tripling our spending compared to 2022. We made good progress increasing the amount of renewable and recycled raw materials we buy to make our products - half of our purchased materials were produced with sustainable sources. We hope this will help accelerate the industry's transition to more sustainable, high-quality materials and create a shift away from a reliance on virgin fossil fuels.

#### We're proud of our achievements this year:

- 47% of the materials purchased to make LEGO bricks were certified mass balance, which translates to an estimated average of 33% renewable sources in the raw materials we buy to make our products - more than double the share in 2023. An additional 3% of the materials we use to make our products came from segregated sustainable sources.

- Our Replay programme celebrated its fifth anniversary of keeping pre-loved LEGO bricks in play.
- We continued to progress our ambition to reduce single-use plastic in our packaging. 30% of packing lines have now changed to run paper-based packaging, and all LEGO factories globally have started the transition.
- We impacted 12.69 million children with our social responsibility programmes.
- We continued to offer a world class workplace experience for our colleagues. We track this via a Motivation and Satisfaction survey and rank second among international companies surveyed by our partner, Ennova.

#### Continuing our journey

Our biggest challenge remains to decouple our growth from our greenhouse gas (GHG) emissions. We recognise the need to go further to reach our goal of reducing GHG emissions by 37% by 2032 (compared to a 2019 baseline), and we continue to look for improvements in our own operations, including investing in more renewable energy.

As the vast majority of our GHG emissions result from activities which lie outside our direct operations, we launched our new Supplier Sustainability Programme dedicated to helping partners decrease the emissions in their supply chain. 52 suppliers, representing over 50% of our scope 3 GHG emissions, have committed to reach the reduction targets we have set for 2026 and 2028. We will continue to expand this program in the years to come.

#### Play is more important than ever

We applaud the UN General Assembly for recognising the importance of play and adopting June 11<sup>th</sup> as the International Day of Play. We look forward to continue working with partners to champion the right of every child to play.

Our social responsibility and community programmes are designed to impact children's lives by bringing learning through play to those who need it most. To help children learn to navigate an ever-changing digital landscape, we continued to develop programmes to help parents

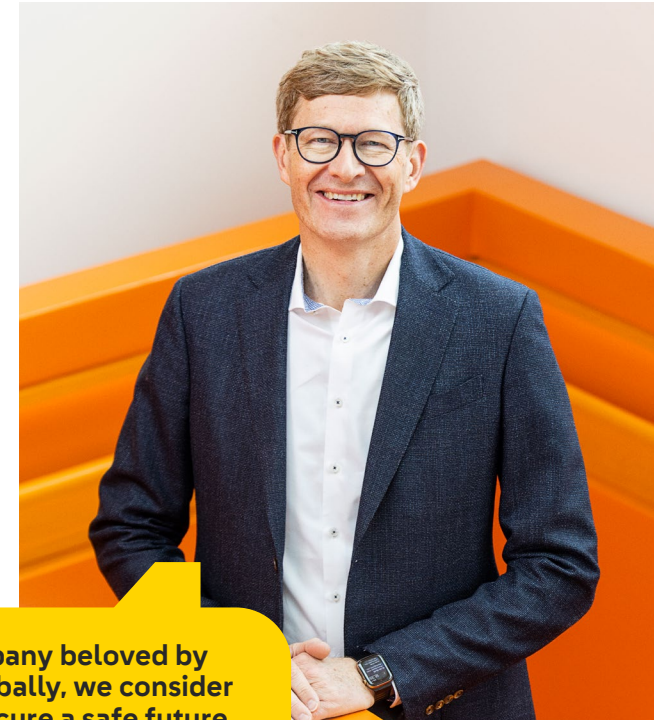
and caregivers guide their use of digital devices and games.

As the first toy manufacturer to join the UN Global Compact back in 2003, we remain dedicated to the principles of the United Nations Global Compact outlining the basic principles for corporate sustainability.

All of these sustainability achievements are made possible by the talent that our employees bring to work every day, and I am proud of both their engagement and the investments the LEGO Group is making to secure a sustainable future for children.



**Niels B. Christiansen**  
CEO of the LEGO Group



**"As a company beloved by children globally, we consider it vital to secure a safe future for the next generation."**



# Sustainability Highlights

## Children

**12.69 million**

children impacted with learning through play experiences



Employees engaged

**24%**

of our employees participated in volunteering activities. That's over 7,000 colleagues.

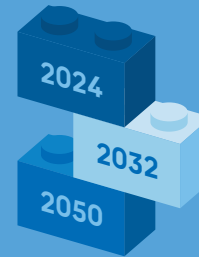
## Environment

### Reducing our greenhouse gas emissions

In 2024, we launched an internal annual carbon Key Performance Indicator, which is tied to salaried employee remuneration.

We have a science-based target to reduce our absolute GHG emissions (market-based Scope 1, 2 & 3) by 37 % by 2032\*.

We pledge to achieve net-zero emissions by 2050.



**+85k**

m<sup>3</sup> conserved water in Mexico

A new water treatment facility in Monterrey, Mexico helped reduce fresh water and well water consumption by the equivalent of as much as nearly 34 Olympic-sized swimming pools!

### Half of our purchased materials in 2024 were produced with sustainable sources

**47%** certified through mass balance principles, translating to an estimated average of 33% renewable sources.

**3%** segregated sustainable materials, including newly introduced transparent elements containing 20% artificial marble kitchen worktops.

## People

### Motivation and satisfaction



We reached a motivation and satisfaction score of 81, six points above our target of 75, putting us in second place among the international companies surveyed by our tracker, Ennova.

**5<sup>th</sup>** consecutive year scoring at or above 80

### Employee safety

**0.7** injuries per million working hours

Employee safety is a top priority, and we aim for zero accidents in our factories, stores, and offices. In 2024, our lost time injury rate was 0.7.



\* Compared to a 2019 baseline.

# Strategy & Governance

- Sustainability Strategy
- Value Chain
- Governance



# Children

Harness the power of play to improve the lives of children in our communities and across the globe.

# Environment

Play our part to protect our planet and ensure that LEGO® bricks never go to waste.

# People

Build inclusive and responsible workplaces – ours, our suppliers' and our partners'.

## Sustainability Strategy

# Playing our part in a sustainable future



For more than 90 years, the LEGO Group has worked to create a positive impact in the communities where we operate. Everything we do is guided by our vision to become a global force for learning through play, our fundamental belief in children's right to play and our mission to inspire and develop the builders of tomorrow. We want children to inherit a healthy planet and we're determined to make that happen.

Climate change is one of the most urgent crises facing ours and future generations. Each year, we receive hundreds of letters from children with great ideas about how we can make a difference in the world. We want them to know that we are listening. We strive to build a more sustainable and inclusive world and we are working hard to minimise our impact, while inspiring others to play their part.





# Children

Since 1932 - the year Ole Kirk Kristiansen started making toys - quality, fun and safe play experiences have been at the core of everything we do.

The right to play is proclaimed in the United Nations Convention on the Rights of the Child. When children play, they develop essential life skills such as confidence, creativity and critical thinking. Play is fundamental to their well-being. The importance of access to play for all children has been reinforced by the celebration of the first International Day of Play, on June 11<sup>th</sup> 2024.

## Learning through play for all

We operate local community engagement and global programmes to bring play to those who need it most in over 30 countries. We work with partners to identify local needs and create unique programmes that increase access to learning through play. We focus on maximising reach and positive impact, through a wide range of initiatives from solving sustainability problems with creative tools, to supporting girls' clubs where they can learn to advocate for their rights.

Many of these programmes are supported by employee volunteers, who are trained to understand the benefits of play and can facilitate and deliver vital play opportunities to children and partners in our communities.

## Building inclusive play

We know that our products and content can help how children learn about and perceive the world. We take this responsibility seriously and aim for children and families all over the world to feel welcomed and valued in the LEGO® universe. By building broader societal awareness and acceptance of different characteristics, conditions, appearances and abilities, we hope that we will help all to embrace inclusivity and remove stigma.

In 2024 we introduced the world's first toys to feature the official Hidden Disabilities Sunflower lanyard, promoting awareness across different age groups and themes. The Sunflower allows individuals to discreetly share that they have a non-visible disability, condition or sensory need which may require extra support, time, space or understanding. We also introduced Sara, a LEGO Friends character who wears a stoma bag to help promote awareness and remove stigma often faced by children and grown-ups who use them.

In this section we share our broad sustainability strategy and initiatives, including the programmes that are not reflected in the Sustainability Performance Data.



→ Learning through play  
We believe play is vital for the healthy development of a child.





## Children

# Digital safety and well-being

Children today grow up surrounded by digital experiences. Our research\* shows most parents consider digital play to be important for their child's development. As a company reaching millions of children through both physical and digital play, we hold a responsibility to safeguard and provide agency to children in the digital world.

We aim to empower children with the skills they need to engage in digital play safely, protect their identity and learn about their digital rights, responsibilities, and own well-being.

### Digital Empowerment Programme

We help parents take an active role in their children's digital lives by offering a range of free playful learning experiences, which build children and parents' digital literacy skills.

### Build & Talk

49% of parents don't feel comfortable talking about digital safety and well-being with their child\*. Our Build & Talk programme has the power to transform these difficult

conversations into enjoyable ones and to bring parents and children together through play. We provide families with a fun and free resource to help them learn good digital habits and to be digitally smart, tackling topics like cyberbullying, or how to strike a healthy screen time balance.

### Responsible Innovation in Technology for Children

We collaborate with businesses, academics, and policymakers to ensure digital developers put children's rights, safety, and well-being first.

The **RITEC** (Responsible Innovation in Technology for Children) project was co-founded by UNICEF and the LEGO Group and is funded by the LEGO Foundation. Through research, led by UNICEF, the project aims to demonstrate how the design of children's digital experiences affects their well-being and provides guidance on how informed design choices can promote positive outcomes.

The research showed that well-designed digital play can provide positive and measurable contributions to children's well-being, allowing children to experience a sense of

control, have freedom of choice and experience mastery and feelings of achievement. It can also help children to regulate their emotions, feel connected to others, and find joy in creating and exploring as well as acting on new ideas.

In 2024 we co-launched, with the LEGO Foundation, a design toolbox to offer free comprehensive resources and practical information for the gaming industry on how to design digital play experiences with children's well-being in mind. We are calling on gaming companies and businesses, across the gaming industry, to adopt it when creating digital play experiences.

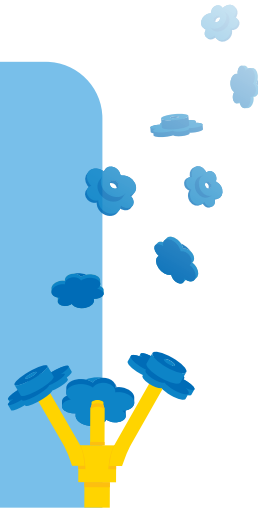
### Build & Talk

The programme guides parents and children through essential conversation about digital topics.



# Environment

Climate change is affecting life on Earth for plants, animals and people. We believe that a healthy planet is essential for children to thrive. There is no time to waste, which is why we continue to intensify our investments in environmental sustainability. In 2024, we increased our overall investments on environmental sustainability by 68% compared to 2023, nearly tripling our spending compared to 2022.



Some have already been successful, such as bio-PE which we use to make different botanical elements and LEGO Minifigure accessories, and arMABS, which we introduced for our transparent parts this year. Others have shown potential, but have not met our strict quality, safety, and durability requirements.

For our ABS (Acrylonitrile butadiene styrene) elements, which make up around 85% of the resin used in LEGO bricks, we are testing a number of recycled and renewable solutions. These are not yet all available at scale, so in the interim we are using the mass balance approach, which we have scaled to 47% of the resin we purchased in 2024. With this approach, our suppliers mix virgin fossil sources with

certified renewable sources (like used cooking oil or plant oil) to produce the material we buy to make LEGO products.

Mass balance increases the volume of renewable materials used in the raw materials we buy, and therefore reduces the use of virgin fossil materials. Renewable materials typically have lower GHG emissions than virgin fossil materials. Given the proportion of resin we purchased through mass balance and the significance of ABS on our materials portfolio, we believe this will have a meaningful impact on our total GHG emissions. However, reductions in GHG emissions delivered using mass balance cannot currently be accounted for within the reporting frameworks we use for our GHG footprint. We welcome working with relevant bodies to help ensure our GHG reporting is as representative and accurate as possible.

We are also reducing single-use plastic in our packaging and introducing paper-based bags in all our LEGO sets. All LEGO factories globally have started production with paper-based bags and 30% of our packaging lines have now been upgraded. The full transition will be completed by 2027.

## Decoupling environmental impact from growth

A critical part of our sustainability strategy lies in limiting our impact on the planet's resources and climate. This means reducing our GHG emissions, carefully managing water and reducing any waste generated.

We have an ambitious science-based target to reduce our GHG emissions by 37% by 2032\* and achieve Net Zero by 2050. The vast majority of our GHG emissions result from activities which lie outside our direct operations. To help meet our targets, we work closely with our partners through our Supplier Engagement Programme, re-launched in 2024.

## Supporting climate and nature outside our value chain

While our first priority is to reduce emissions in our value chain, we also look for opportunities to create positive climate and nature impacts further beyond. In 2024, we supported four new high-quality carbon removals projects,

We take responsibility for our environmental footprint very seriously. The environmental challenges our planet faces are urgent and we know there is no single solution. Our actions range from the resources we use to make our products to the impact our entire value chain has on the planet's atmosphere and ecosystems. We track and share our progress and hope our work can also inspire others to build a more sustainable future. Our 2024 CDP (Climate Disclosure Project) scores were A- for climate, B for forests and B- for water security.

## Making the LEGO® brick more sustainable

Our ambition is that by 2032, our bricks and elements will be made from more materials that are renewable or recycled. This transition comes with unique challenges: LEGO bricks are made for children, so they must meet very high standards of safety. Secondly, because we want to ensure that they can be replayed for many generations, they need to meet high durability and quality criteria. Finally, new materials need to be precision engineered so that a brick made today still fits one made 60 years ago. Despite the complexities, we are making progress. To date, we've tested more than 600 different materials for our LEGO bricks and elements.



### arMABS

We introduced transparent elements made from recycled artificial marble countertops.

\* Compared to a 2019 baseline.



committing a total of 19 million DKK. These initiatives represent an important step on our long-term journey, and will help us better understand which approaches are the most effective to help reach our sustainability goals, complement our business and respond to planetary environmental challenges.

In partnership with ClimeFi, we are supporting two biochar projects (produced during pyrolysis of biomass, acting as a carbon sink) and one enhanced rock weathering solution (spreading rock powder on agricultural land to sequester carbon). These solutions are based on naturally occurring processes and use various technologies to speed up the natural capture of carbon and ensure its long-term storage.

Additionally, we supported a nature-based carbon removal project, a reforestation project in Mississippi Alluvial Valley (US) by the GreenTrees platform, in partnership with Climate Impact Partners. The project aims to reforest 1 million acres of the Lower Mississippi Alluvial Valley addressing significant deforestation, enhancing biodiversity and enabling carbon capture.

A LEGO® brick made today still fits with one made 67 years ago. Nonetheless we continue to look at all parts of the life of a brick to understand how we can best sustain circular efforts, from the design phase to its end of life. This includes evaluating materials for their circularity potential, reducing waste during manufacturing, and encouraging builders to keep playing with their bricks.

**Circularity**

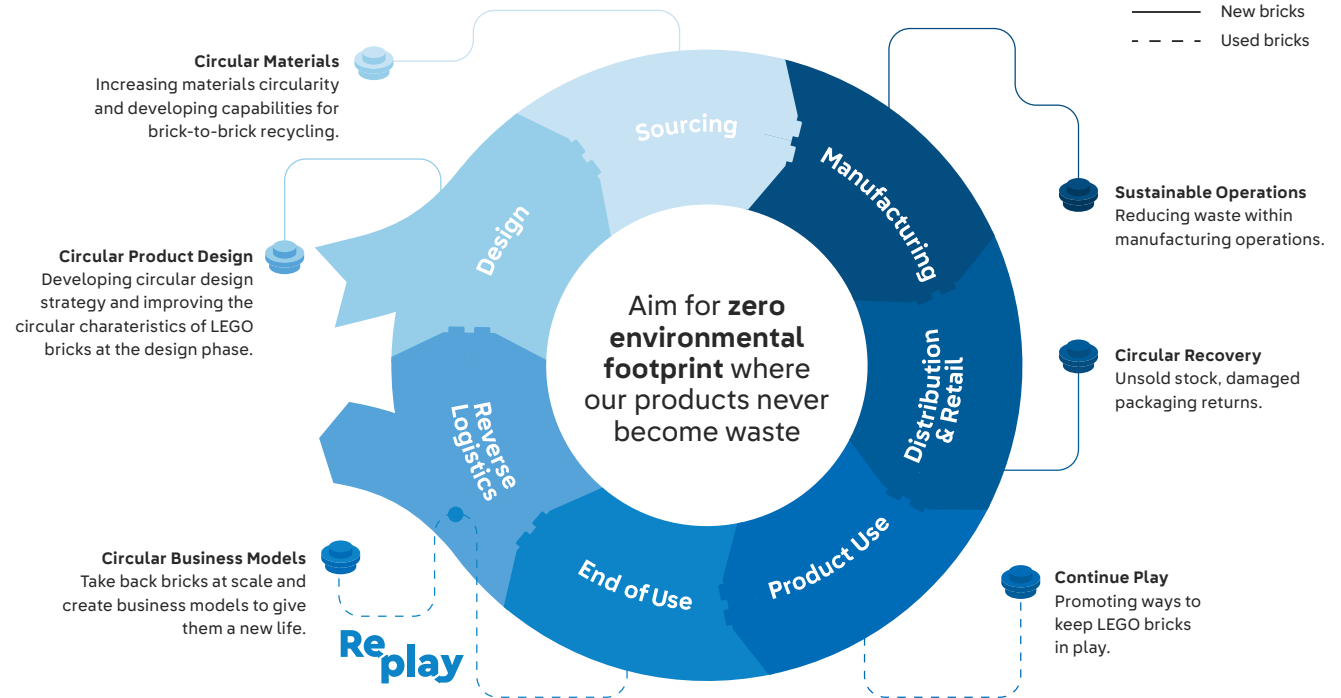
LEGO bricks are durable, high quality and designed to be passed on from generation to generation - never becoming waste.

When Godtfred Kirk Kristiansen, the company's second generation owner, patented the LEGO brick in 1958, he had a vision: the LEGO System-in-Play. Every brick produced should be able to connect with every other brick, which allows children to build anything they can possibly imagine.

For LEGO bricks that are no longer being used, we are exploring new ways to pass them on. Since 2019, the LEGO

Replay take-back service has provided consumers in the US and Canada with a path to donate their LEGO bricks to children in need of play, and in 2024 we expanded this program to the UK.

We are testing different take-back and re-use approaches to better understand consumer preferences and the sorting technologies and supply chains required to keep bricks in play. We will continue to explore opportunities to scale and expand circularity activities, balancing our focus on reuse with our priority to reduce overall carbon emissions.



# People

We are committed to being a responsible employer and providing our 31,000 colleagues with safe and welcoming workplaces. We also work with our suppliers to ensure they provide their employees with similar support.

## Responsible workplaces

For more than 90 years the LEGO Group has been committed to ensuring it creates a culture of fairness, trust and mutual respect for its employees.

As a result, all LEGO Group employees should feel they have the support to learn, grow, and deliver their best performance at work.

We have a duty of care to keep colleagues in offices, production and stores safe and make sure they are treated fairly.

We work to ensure we have fair processes and policies for recruitment, colleagues' development, and career progression. We have implemented anti-discrimination policies globally to ensure we maintain standards of behaviour that are consistent with the values and expectations of our organisation, and we continue to support our colleagues with non-visible disabilities.

We focus on building inclusive and accessible workplaces that create a sense of belonging and enable everyone to contribute.

## Human rights and responsible sourcing

Guided by our **Human Rights & the Rights of Children** policy we are committed to respecting all internationally recognized human rights as enshrined in the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the eight ILO Core Conventions. We know we have material impact on people across our entire value chain and it is our ambition to play our full part in contributing to a fair and equal society, by respecting and promoting human rights across the LEGO Group's value chain and helping to build resilient communities.

Our Responsible Business Principles (RBP) set out the expectations for our own production sites, suppliers, and partners to live up to. Operated by our Responsible Sourcing Programme, we are committed to ensuring that all workers involved in making LEGO® products have fair, decent, and safe working conditions.



### Play Day

Every year, LEGO employees globally can stop working and play together for one day.

## Using play to support colleague well-being

We believe that play at work creates purposeful connections, inspires creative thinking and supports well-being. That is why we engage and inspire our own LEGO community to play more and provide opportunities to bring play to the workplace. We offer initiatives such as Play Day and Play Agent training which allow us to come together and become more capable of making best use of the positive power of play.



## Disability Inclusion

As part of our continued commitment to support our colleagues and consumers with non-visible disabilities, conditions and needs, we partnered with two organisations, KultureCity and Hidden Disability Sunflower.

KultureCity is a nonprofit organisation dedicated to enhancing accessibility in public spaces for individuals with sensory needs and non-visible disabilities. With their support, our LEGO stores in the US and Canada were certified for sensory inclusion. We provided training for our store staff in those locations to better support enhanced experiences for store visitors and colleagues with sensory needs.

We have also introduced LEGO branded Sunflower lanyards for colleagues with non-visible disabilities, conditions and sensory needs in Denmark and the UK and training for employees and people leaders to understand more about the topic.





# Value Chain



# Sustainability Governance

The LEGO® Corporate Policy Framework, which sets the corporate behavioral directions and framework for our company processes, consists of 13 Corporate Policies and a number of underlying Corporate Standards.

View all the Corporate Policies of external relevance, including our Environmental Policy [here](#).

## Board of Directors

Approves the sustainability commitments, targets and reporting, and monitors that targets are achieved.

**Chair**  
Thomas Kirk Kristiansen,  
Chair of the Board of Directors



## Audit Committee

Appointed by the Board of Directors which reviews data governance, sustainability targets and reporting, and in turn makes recommendations to the Board of Directors.

**Chair**  
Søren Thorup Sørensen,  
Deputy Chair of the Board of Directors,  
Chief Executive Officer, KIRKBI A/S



## Executive Leadership Team (ELT)

Is accountable for sustainability programmes, proposes sustainability commitments and targets to the Board of Directors and ensures they are achieved.

**Chair**  
Niels B. Christiansen,  
Chief Executive Officer



## Corporate Compliance Board

The Corporate Compliance Board is the highest decision authority with respect to non-compliance issues in the LEGO Group, and it reports directly to the Board of Directors. The Corporate Compliance Board reviews any major non-compliance issues including the development of non-compliance reports every quarter, required by external regulations and internal policies, and sets the direction for company activities within the compliance agenda, including Corporate Social Responsibility and Sustainability.

**Chair**  
Jesper Andersen, Chief Financial Officer

**Members**  
Loren I. Shuster, Chief People Officer  
Poul Hartvig Nielsen, SVP, General Counsel  
Kristian Bollerup, VP, Corporate Risk & Internal Audit

## Sustainability ELT Sponsor Group

Appointed by the ELT. Manages the advancement of our sustainability agenda.

**Sponsor**  
Niels B Christiansen, Chief Executive Officer

**ELT Sponsors**  
Jesper Andersen, Chief Financial Officer  
Julia Goldin, Chief Product and Marketing Officer  
Carsten Rasmussen, Chief Operations Officer

**Owner of the overarching Sustainability agenda and the ELT Sponsor Forum**  
Annette Stube, Chief Sustainability Officer

**Owner of the Children and People agenda**  
Loren I. Shuster, Chief People Officer



# Performance

Children →

Environment →

People →



# Sustainability Performance Data

These are our Key Performance Indicators (KPIs), how they are measured, and results.



	Unit	Target/ Ambition 2024	Result 2024	Result 2023	Result 2022	Target/ Ambition 2025	
<b>Children</b>							
1	Children impacted by social responsibility and LCE activities	Number	≥10,400,000	12,696,410	9,861,354	n/a	≥10,200,000
2	Unique employees engaged in volunteering	Percentage	≥22	24	20	n/a	≥22
3	Product recalls	Number	0	0	0	0	0
<b>Environment</b>							
4	Carbon emissions <sup>+</sup>	Tons CO <sub>2</sub> e	≤139,000	144,358	119,089	130,635	≤162,500
5	Mass balance*	Percentage	≥45	47	18	n/a	≥53
6	Sustainable packaging materials	Percentage	≥93	93	93	93	≥95
7	Waste volume <sup>+</sup>	Tons	≤28,000	25,859	24,497	26,426	≤30,200
8	Waste to landfill <sup>+</sup>	Tons	≤13	62	9	16	≤50
9	Water supplied into factories <sup>+</sup>	m <sup>3</sup>	≤764,000	753,711	809,963	867,317	<856,000
<b>People</b>							
10	Motivation and satisfaction	Index score	>75	81	80	83	>75
11	Gender at Director+ level - ambition only	Percentage (m/f)	58/42	57.9/41.9	58.4/41.5	59.5/40.5	57/43
12	Lost time injury rate	Rate	≤0.9	0.7	0.6	0.5	0.6
13	Fines or settlements for non-compliances with anti-bribery and corruption laws	Number	0	0	0	0	0
14	Suppliers with higher-risk non-conformities	Percentage	≤30	26	35	25	≤33
15	Suppliers with zero tolerance (critical) non-conformities	Number	0	2	4	n/a	0

<sup>+</sup> Supplementary table. \* Mass balance declarations document the certified volume of renewable sources attributed to each batch of resin procured. In 2024, the estimated average of renewable sources was 33% out of total resin procured (2023: 12%).



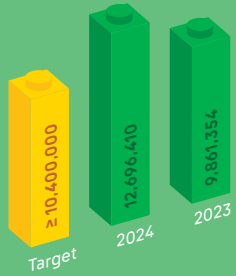


KPI | 1 | 2 | 3 |

# Children



## Children impacted by Social Responsibility and Local Community Engagement activities



We are proud to have impacted 12.69 million children through a variety of social responsibility programmes and local community engagement events.

### Background

Our vision is to be a global force for learning through play. When children play, they build essential life skills. Through play they learn to solve problems and boost confidence, enhance creativity and develop resilience whilst having fun.

We work closely with partners across the world to give more children every year access to learning through play

activities. We aspire to enhance the lives of children in our communities, empowering them to learn and thrive through play.

### Programmes

#### Prescription for Play

Prescription for Play leverages critical and trusted pediatric health care providers to distribute free playful resources and tools, including LEGO® DUPLO® bricks and learning through play ideas that can be used by families to aid children's development. In 2024, the programme, funded by the LEGO Foundation impacted 1.7 million children. Research conducted by the US programme partner, The Weitzman Institute, found that Prescription for Play has the potential to reduce developmental concerns among children in under-resourced communities\*. This contributes to the existing body of research showing that play is fundamental to the healthy development of a child.

New partnerships this year included:

- The American Academy of Pediatrics, which encouraged its network of paediatricians in the US to integrate the programme into their well-child visits for 18-to-36-month year-olds.
- The China Population Welfare Foundation and the Maternal and Child Health Center of the National Health Commission, which announced the expansion of the programme in China.

#### Build the Change

In the past year, 2.3 million children participated in Build the Change in schools, homes and communities across the world. The global programme, which is supported by the LEGO Foundation, inspires and empowers children to find their voice as they build a brighter future through play. 2024 saw children tackle issues such as protecting animals from climate change to designing infrastructures like schools, museums, and parks to make them more inclusive and accessible for everyone. Alongside singer, songwriter and philanthropist Pharrell Williams and his non-profit YELLOW, Build the Change encouraged children



#### → Build the Change

Reimagining the playful learning spaces of tomorrow with Pharrell Williams.

Getty images for the LEGO Group.



#### ← Prescription for Play at home

Play is fundamental to the healthy development of a child.

to celebrate their different learning styles and reimagine the playful learning spaces of tomorrow.

#### Build to Give

Our Build to Give programme gifts the superpower of play to children in need over the holiday season. Thanks to the LEGO hearts that were built and shared on social media with the hashtag #BuildtoGive, the LEGO Group donated 2.1 million LEGO sets to children in hospitals, children's homes, and vulnerable communities.

#### Scratch Foundation

Originally born out of the MIT Media Lab, Scratch is a global programme, which supports millions of children to learn digital skills, specifically coding and digital creation. The LEGO Group supported the Scratch Foundation to impact 1,500,000 more children through four key programmes:

- Expanding the Scratch Education Collaborative (SEC) which supports organisations to strengthen their commitment to creative computing;



#### → Build to Give

Giving the superpower of play to children in need over the holiday season.

\* Oo M, Anderson-Badbade S, Grzejszczak L, Rogers P, Tavernier RLE. A Preliminary Study of Prescription for Play on Developmental Concerns. Clinical Pediatrics.



- Supporting Creative Learning Ecosystems, regional networks of SEC;
- Sustainable localisation: translating the website & tools.
- Facilitating a LEGO Group employee volunteer program.

**MRI Scanner**

An MRI scan can be very scary for a young child. Using a fun, playful object to explain what will happen can make a big difference to how a child experiences the procedure. Since 2022, through a network of partners, we distributed LEGO models of MRI scanners to hospitals across the world. In 2024, a donation through the Starlight Foundation enabled us to impact 750,000 more children in the US.

**Save the Children**

Girls are often discouraged from being outspoken or ambitious, while boys are rewarded for speaking up, according to Save the Children research from China, Indonesia, Mexico and Vietnam. To address this issue, we launched a programme with our partners at Save the Children and the LEGO Foundation, to directly support over 333,800 girls aged between 10 and 13 in those four countries by setting up clubs and workshops where they can learn how to advocate for their rights.

**The LEGO Playful Learning Museum Network**

This programme brings together science and children's museums across the US to share resources and knowledge around learning through play, with an objective to deliver quality play experiences to under-served communities, who don't normally access museums. 2024 was a transition year for the network, as we partnered with museums in Boston and Richmond to impact more than 746,000 children.

**§ Accounting policy**

The LEGO Group impacts children by providing quality learning through play (LtP) activities and experiences. The LEGO Group reports on the number of children impacted through programmes delivered directly by our employees and through our network of partners\*. Our partners deliver LtP activities with the financial, material, technical or volunteer support by the LEGO Group. In cases where the LEGO Group and LEGO Foundation collaborate on initiatives (through direct funding or contribution of time and/ or resources or implementation), the reported number of children impacted will be explicitly denoted as a result of the partnership.

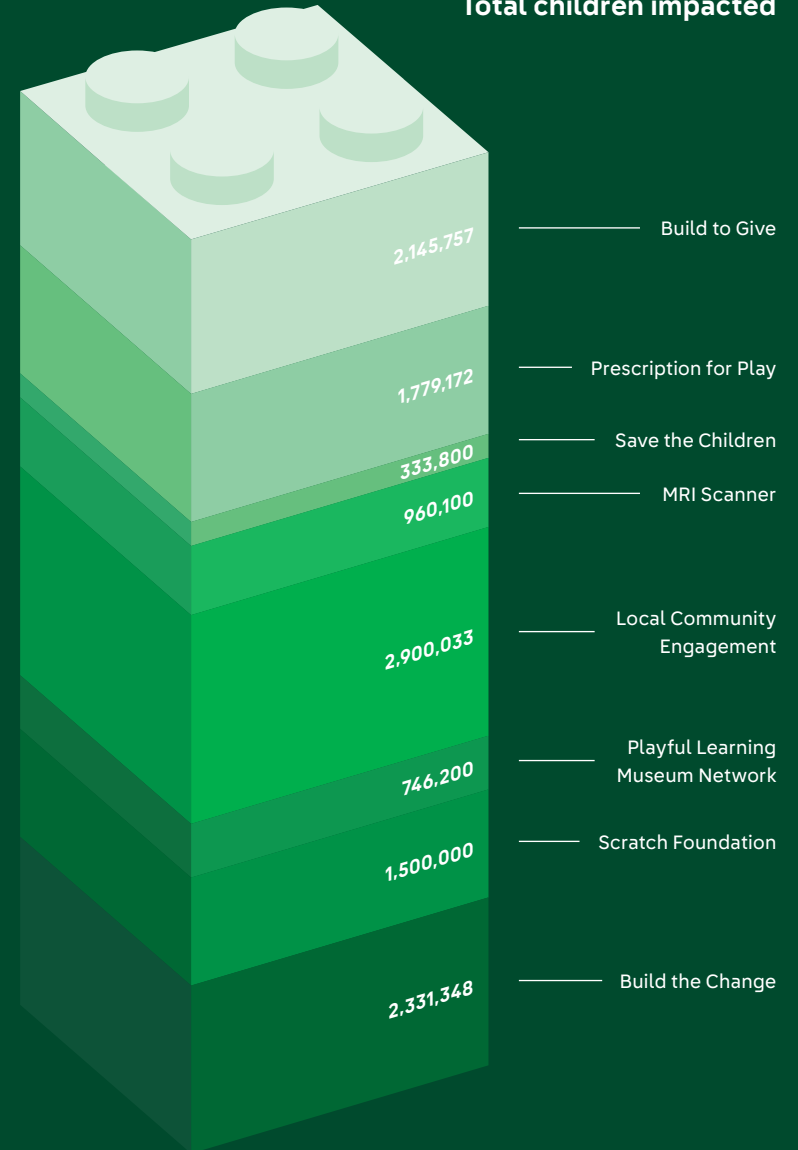
Reported numbers are provided by the partners unless the LEGO Group is directly engaged in or hosting the activity, in which case children impacted through direct interaction with the LEGO Group are reported by the respective employee present at the engagement.

Notes: Reported numbers of children impacted are based on partner estimations, with the exception of the assumptions listed below which are informed estimations made by the LEGO Group. A portion of the reported number is calculated based on certain assumptions:

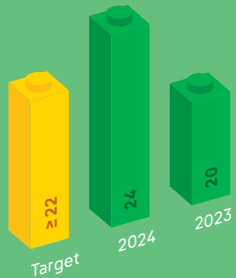
- Each PlayBox Donation is assumed to reach 20 children.
- Replay Box Donations are estimated based on regional samples.
- Each LEGO MRI scanner initiative is assumed to impact children based on regional samples.
- Based on average classroom size, each educator receiving training or downloading course packs is assumed to reach 30 children.
- Parents reached through a LEGO Group organised or facilitated (through a partner) LtP are assumed to reach one child.
- Train the Trainer (1-4 hours) is assumed to reach 10 children.
- Train the Trainer (+4 hours) is assumed to reach 100 children.

\* Charity partners, NGOs, parents and caregivers, medical professionals, teachers and educators, community organizations, public organizations, and local government.

**12,696,410**  
Total children impacted



## Unique employees engaged in volunteering activities (%)



Over 7,000 employees, representing 24% of our global workforce, participated in local community engagement activities in 2024.

## Product recalls

0 product recalls since 2009

## Unique employees engaged in volunteering activities

### Background

Our Local Community Engagement programme (LCE) works in partnership with the LEGO Foundation and local community partners. We inspire and enable colleagues to volunteer as Play Ambassadors to bring learning through play to their local workplaces, homes and communities.

### Programmes

#### Community Impact Month

All LEGO Group employees are encouraged to dedicate two days a year to volunteering. In April 2024, more than 1,300 employees joined 175 community events across 17 countries to help children access learning through play. Events took place in schools, community centres, and hospitals.

#### Play Day for Children

Inspired by our global employee Play Day event we hosted 16 “Play Day for Children” events in nine countries. We partnered with local community organisations and mobilised over 350 employees. For example, in Singapore, we collaborated with Cerebral Palsy Alliance Singapore to create a Children’s Play Day celebration. 80 volunteers brought smiles and created unforgettable memories for the children present.

### § Accounting policy

Employees engaged in a) Global Social Responsibility programmes and LCE programmes and/or b) activities with non-profit organisations or public authorities benefitting children or supporting children’s rights to learn and to play over the reporting year.

Employees engaged accounts for:

- The percentage of unique LEGO® employees that volunteered for an event in the registration system during the accounting year.
- Calculated by using the forecasted headcount for the year based on trajectory and projections. The calculation uses forecasted information because internal target setting processes conclude before the reporting of actuals, which occurs at end of each

year. Final year end reporting will be adjusted by using actual headcount. Progress is monitored during the year by continuous tracking of employees engaged in volunteer events and calculating against the forecasted headcount.

- Included in the volunteering data are all permanent hourly employees at the LEGO Group Manufacturing sites, LEGO Brand Retail store employees, and hourly and salaried employees across all other functions and locations in the LEGO Group. This excludes employees of KIRKBI, LEGO House, and the LEGO Foundation.

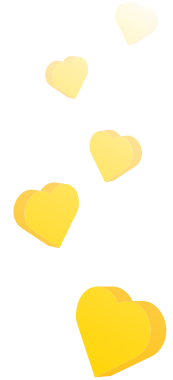
## Product recalls

### Background

We are committed to making LEGO products that meet the strictest global requirements. Our products undergo stringent safety and quality tests to ensure that children can play with them freely. We have not had a product recall since 2009.

### § Accounting policy

Product recalls account for the number of official recalls according to Safety Gate (EU), CPSC (the U.S.) and DPRC (China). The number reflects launched LEGO products recalled from the market due to product safety issues. A recall is based on a specific non-compliant component that can be part of several LEGO products; hence, an official recall can potentially cover more than one product number. The KPI excludes licensed products where the LEGO Group is not the legal manufacturer.







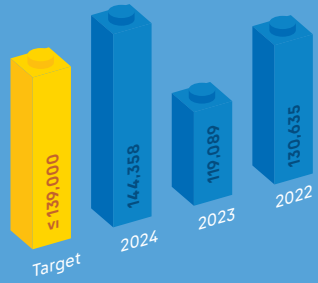
KPI | 4 | 5 | 6 | 7 | 8 | 9 |

# Environment



| 4 | 5 | 6 | 7 | 8 | 9 |

## Carbon emissions (tCO<sub>2</sub>e)



Scope 1 and 2 emissions for LEGO Group sites with production.

In 2024 we accelerated investments to support long-term transition to more sustainable manufacturing. We also saw a higher than expected growth in consumer sales (12%), and as a result, our carbon emissions are 3.9% above target. We expect to start seeing the positive impact of our investments on our emissions over the next few years.

### Background

We have a collective responsibility to reduce the greenhouse gases (GHG) emitted into our atmosphere. We are focused on better understanding, and then reducing, **our carbon emissions** throughout our value-chain. For our own direct Scope 1 and 2 carbon emissions, this predominantly involves looking for locally relevant ways to reduce them at each of our sites. There is no one-size-fits-all solution globally, so each local site has a tailored approach. In 2024, our carbon emissions increased, largely due to growing demand for LEGO® products, which has contributed to company growth in new and existing markets. We nonetheless stand by our ambitious emission reduction targets and we're constantly looking for new ways to minimise our environmental impact. Our commitment to the urgent task is unwavering.

### Programmes

#### Solar capacity growth

We added 6,64 MWp of solar energy capacity to our operations globally in 2024, an increase of 43% compared to last year, supporting our commitment to increase capacity and production of renewable energy at our sites. Our factory in Kladno, Czech Republic has completed expansion of its rooftop solar park, which has added 1.5 MWp of capacity, bringing it to a total of 2.5 MWp.

In Billund, Denmark, we added 4.4 MWp capacity of solar energy, bringing total capacity to 5.5 MWp for this location. This included rooftop solar, as well as a solar field next to our factory.

#### Phasing out natural gas

In Billund, Denmark, we reduced total Scope 1 GHG emissions by phasing out natural gas and connecting to the district's heating network, which is powered mainly by renewable energy. In 2024, we transitioned 11 buildings from gas heating to district heating, resulting in saving 1,064 tCO<sub>2</sub>e per year.

In our factory in Hungary, we drilled the first geothermal well, which aims to replace most of the natural gas

used for heating, cooling and machine operations with renewable geothermal energy.

In Jiaxing, China, we captured and used excess heat from a newly installed chiller system to supply hot water for use in the factory, to reduce our natural gas consumption.

#### ISO 50001 standard in Jiaxing

Our Jiaxing factory passed its ISO 50001 audit in 2024 for the fifth consecutive year. One area this standard focuses on is efficient energy management. The site team collected and analysed energy consumption data, which allowed them to apply energy saving measures to equipment with the highest energy consumption. Efficient systems were put in place to reduce consumption of moulding machines, heating, ventilation and air conditioning systems, boilers, air compressors and lighting.

#### ➤ Solar investments

In Billund, Denmark, we added 4.4 MWp capacity of solar energy, with a total capacity of 5.5 MWp capacity.



While our carbon emissions target focuses on a large share of our scope 1 and 2 emissions, we look for ways to decrease our GHG emissions across all scopes.

#### Company car transformation

We updated the company car policy in Denmark, where our headquarters is located, to provide only electric cars to employees ordering new vehicles, effective from 2024 onwards.

#### Supplier sustainability programme

With the vast majority of our carbon emissions coming from outside of our own operations, our suppliers play a key role in helping us achieve our sustainability targets.

In 2024, we relaunched our supplier sustainability programme, which builds on our Engage-to-Reduce programme, originally launched in 2014, to help suppliers report environmental data and lower their carbon, water and forest impacts. It outlines key requirements and actions that suppliers need to take including:

- Providing specific information on the amount of GHGs associated with the products and services we purchase.
- Asking suppliers for near term targets showing emission savings related to production of these products by 2026, and further by 2028.
- Collaborating to identify and develop the actions and initiatives suppliers need to take in order to meet the reduction goals set by the LEGO Group. This includes improving the efficiency of their facilities to use less resources, switching to renewable energy sources wherever possible, or finding less carbon-intensive ways to transport materials.

#### § Accounting policy

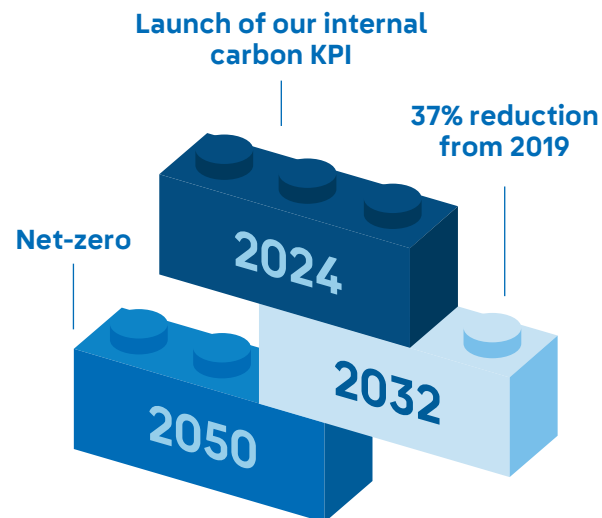
Carbon emissions [tonnes CO<sub>2</sub>e] is calculated by multiplying energy consumption with energy type/country specific emission factors.

For electricity location-based emission factors from IEA are applied while a supplier specific emission factor is applied for district heating. For natural gas, DESNZ emission factors are applied. For renewable energy produced onsite, an emission factor of 0 is applied.

Energy consumption is calculated as the total energy in the form of natural gas, electricity and district heating externally supplied to the LEGO Group plus the energy produced onsite from renewable sources and subtracting the energy sold to grid. Total emissions are calculated by total energy multiplied by the corresponding emission factors.

Only data from the LEGO Group sites with production are included; these are Billund in Denmark, Nyíregyháza in Hungary, Monterrey in Mexico, Kladno in the Czech Republic, and Jiaxing in China. Reported energy data from sites are based on meter readings and/or supplier invoices. New production facilities will be added to the reporting scope on 1 January, +12 months from the handover of the entire manufacturing facility from project to operational facility department.

## Our goal is to reduce our carbon emissions by 37% by 2032\*



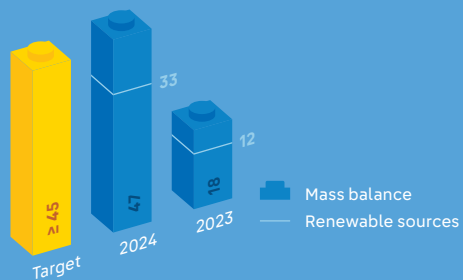
\* Compared to a 2019 baseline





4 | 5 | 6 | 7 | 8 | 9

## Mass balance (%)



Mass balance is a way to increase the amount of renewable input in the materials we buy to make LEGO® bricks.

We succeeded in raising the share of sustainable materials in resin procured through mass balance approach to 47% by the end of 2024, more than double the share in 2023. This is 2% ahead of our target for the year and translates into an estimated average of 33% renewable sources in the raw materials we buy to make our products, thereby removing the same amount of virgin fossil fuels.

### Background

We have an ambition to make our products from more renewable or recycled materials by 2032. The high performance we expect from our bricks means any material we use must meet our rigorous safety, quality and durability requirements. Half of our purchased materials in 2024 were produced with sustainable sources.

### Programmes

#### Mass balance

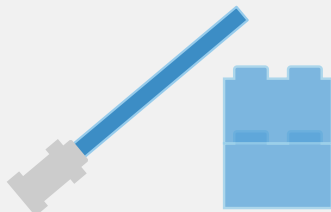
Materials produced using the mass balance approach combine virgin fossil and renewable raw oils, such as sustainably certified cooking or plant oils. Our suppliers mix these to produce the material we buy to make LEGO products. In doing so, we reduce the use of virgin fossil fuel sources while creating the same LEGO products, which we believe will have a meaningful impact on our total GHG emissions. The mass balance approach is not our end goal. It is a stepping stone in our transition to using more renewable and recycled raw materials. It also helps create a demand for more sustainable materials, which we hope over time will help stimulate supply and contribute to the transition to more sustainable materials across industry.

#### Segregated materials

We use a number of sustainable resin sources in a selection of LEGO elements. At the end of 2024, these represented 3% of the total materials we use to produce LEGO bricks.

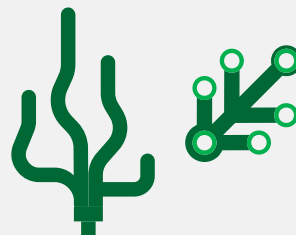
#### → arMABS

In 2024 we started the transition of over 900 transparent elements to contain 20% recycled materials from artificial marble worktops. They will eventually feature in 85% of our LEGO sets.



#### → bioPE

Since 2018, we've been making flexible parts like LEGO plants, flowers, and minifigure accessories out of bio-polyethylene (bio-PE).



## Half of our purchased materials in 2024 were produced with sustainable sources



↗ **Mass balance**  
47% of our resin is certified through mass balance principles.

### § Accounting policy

Resin procured equals the weight of all resin procured for internal element production by the LEGO Group in a given calendar year. By internal is meant element production on LEGO owned production plants. Included is also an immaterial amount which is sold on to suppliers, who mould elements on behalf of the LEGO Group. Included in the volumes, is resin for research and development, test moulding, finally approved elements as well as failed/discarded elements.

Mass Balance [percentage] indicates the proportion of resin procured in accordance with the Mass Balance principle, as verified by declarations of attributed contents. These declarations are issued by certified producers. Additionally, the Mass Balance declarations document the certified volume of renewable sources attributed to each batch of resin procured. The certified share of the total procured volume of resin is reported as a separate indicator.



## Sustainable packaging materials (%)

**93%** of our packaging by weight is made from paper

We have achieved 93% of sold packaging by weight made from paper, cardboard and other paper-based materials for the fourth consecutive year.

In 2024 we made progress with our transition to pre-packed paper-based bags. 30% of our global packaging lines have now converted to paper-based solutions.

↓ **Transition to paper-based bags**  
Every LEGO factory with packaging lines has now started its transition.



### Background

We define sustainable packaging as packaging made from renewable materials, with optimised design to reduce weight, reducing single use plastic and technically recyclable. Our ambition is to make our packaging more sustainable, by introducing widely recyclable solutions across the business, both for our core brick-based products as well as licensed products.

### Programmes

We are transitioning all our packing lines to run with paper-based packaging. Every LEGO® factory globally has now started this transition. The new bags are made out of at least 95% paper and a thin plastic coating, which enables sealing of the bags and ensures they are fit-for-purpose to hold LEGO bricks. The bags have been verified as recyclable in the EU, US, and Canada.

A large majority of our packaging will have transitioned to paper-based bags by the end of 2026. We expect the full transition to be completed during 2027, as we balance packaging equipment upgrades with capacity expansions at most factories to meet consumer demand.

### Building instructions wrapping

We continue to look for opportunities to reduce the overall weight of our LEGO boxes. As an example, we have now moved from a cardboard solution to a paper-wrap solution for our building instruction manuals.

### Pick and build

We have successfully completed the transition from plastic cups to cardboard boxes for packing single elements from LEGO Pick & Build Walls in our LEGO Retail Stores. The new boxes take up less than half of the space of the old container, meaning they are easier and more efficient to store and ship.

### Licensing and Extended Line

We also work closely with partners who produce licensed LEGO products, such as storage items, plush and magazines, to reduce the volume of single-use plastic in their packaging and optimise paper packaging to reduce its overall volume. Between 2023 and 2024 we reduced single-use packaging by 75% in licensed products.

### § Accounting policy

Sustainable packaging materials [percentage] is calculated as the rate between the weight of all sustainable packaging materials and the total weight of packaging materials from products that are sold to either retail customers or directly to consumers via LEGO owned sales channels in a given calendar year.

Included in the calculation are packaging materials used for products manufactured at LEGO Group sites or LEGO supplier sites. These include 1) LEGO boxes, the pre-packed bags inside the boxes and finished goods in bags, 2) products made for LEGO Education, 3) products made for The LEGO Foundation and 4) other products made for special marketing campaigns, giveaways/gift with purchases, merchandise, etc.

Packaging material is defined as both primary (material that goes into the products directly), and secondary (material that is used in connection with transportation of goods to customers). Storage and play-function packaging, e.g., plastic buckets or suitcases sold with bricks are not defined as packaging material as these are either part of the playing experience or add additional value beyond standard packaging.

Sustainable packaging is defined by the LEGO Group as (1) sourced from renewable materials, (2) technically recyclable, and (3) reduces single use plastic. All paper/cardboard-based packaging materials used are Forest Stewardship Council® certified (FSC®C117818), ensuring certified and controlled sourcing from renewable resources. All plastic based packaging materials are currently regarded as being non-sustainable, due to not meeting the first criteria of renewable sourcing. We are reporting our sustainable packaging KPI based on renewably sourced (all paper/cardboard) versus not renewably sourced (all plastic). Feasibility to put principles, systems, and processes in place to track and report (2) recyclability by the consumer and (4) optimization for efficiency will be investigated.

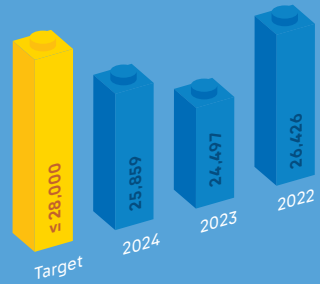
Data used to calculate the percentage of sustainable packaging materials is provided through internal LEGO SAP systems.





4 | 5 | 6 | 7 | 8 | 9

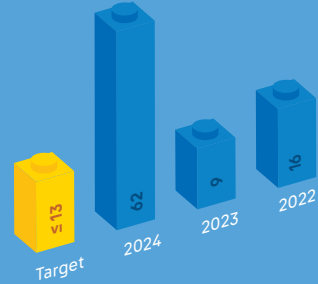
## Waste volume (tonnes)



Our **total waste volume** from manufacturing sites in 2024 was 25,859 tonnes, 7.6% below our target of ≤ 28,000 tonnes.

A common interpretation of achieving **zero waste to landfill** is that at least 99 percent of generated waste is diverted away from landfill. Our total landfill waste increased compared to previous years, due in part

## Waste to landfill (tonnes)



to external providers in Mexico changing their policy to no longer compost sanitary waste. We are actively looking for alternative solutions to remedy this situation, including diversifying the number of suppliers that can process waste from our operations sites. We nonetheless remained well below the zero-waste threshold for the third consecutive year.

### Background

We aim to minimise the impact of our operations on the environment. Almost all waste produced at our factories is either reused, recycled, composted, or sent to non-landfill waste treatment options. We will continue to look for suitable alternatives for our waste to maintain our target of zero waste to landfill from our factories, offices and stores.

Our factories in Denmark, China and Mexico optimised processes within moulding operations to increase the recovery of raw materials and reduce waste generation. During 2024, we reduced the amount of scrap produced by more than 160 tons through this work. This was made possible by implementing digital solutions to identify which materials can be recirculated and applying continuous improvement tools to identify opportunities to increase efficiency.

In our factory in the Czech Republic, we implemented circular models to reduce waste from packing operations. 39% of cardboard tube cores received from the supply chain have been reused, and returnable alternatives for inbound packaging were explored, reducing waste by over 39 tons annually.

### § Accounting policies

Waste volume [tonnes] is calculated as the recorded quantities of waste disposed of by the LEGO Group.

Waste to landfill [tonnes] is calculated as the recorded quantities of waste disposed of by the LEGO Group to landfills.

Only data from LEGO Group sites with production are included; these are Billund in Denmark, Nyíregyháza in Hungary, Monterrey in Mexico, Kladno in the Czech Republic, and Jiaxing in China. Reported data from sites are based on documentation provided by external contractors.

Waste is disposed of through the following methods: landfill, recycling, treatment, incineration, incineration with energy recovery. New production facilities will be added to the reporting scope on 1 January, +12 months from the handover of the entire manufacturing facility from project to operational facility department.

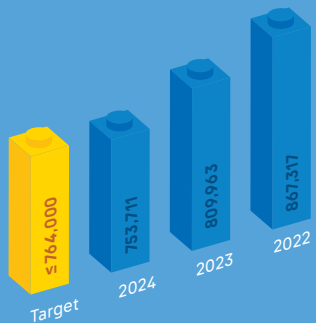


### → Waste management

Almost all waste produced at our factories is either reused, recycled, composted, or sent to non-landfill waste treatment options.

4 | 5 | 6 | 7 | 8 | 9

## Water supplied into factories (m³)



We have reduced the amount of fresh water supplied into factories by more than 56,000 m³ compared to 2023, corresponding to a 6.9% reduction. This is 1.3% better than our target. This was mainly due to successful implementation of alternative water supplies.

### Background

Water scarcity is a global crisis that is heightened in some local areas due to regional weather patterns and climate change. LEGO® factories primarily use water for cooling and we are continually looking for ways to reduce use of freshwater and best manage water resources.

### Programmes

We have implemented several programs in 2024, which we will continue to expand in 2025.

### Water treatment facility in Monterrey, Mexico

The region of Nuevo León in Mexico, where our factory is located, is a high water scarcity risk location exacerbated by changing climate conditions. Our operations have focused on finding solutions to reduce our well-water extractions.

A new water treatment facility was installed to maximise reuse of water from different sources, including municipal waste water, air handling units, production and captured rainwater. Overall, the new facility helped reduce fresh-water and well-water consumption by 85,055 m³.

### Cooling Water Project in Billund, Denmark

Historically our Billund factory used local municipality freshwater suitable for drinking for cooling towers. Billund is one of the wettest locations in Denmark and managing water levels in shallow aquifers can be difficult. However, our team in our Billund factory developed a system to capture surface water and use it for cooling, which has allowed the plant to reduce its reliance on freshwater. At the end of 2024, 88% of water used for cooling towers come from shallow aquifers.

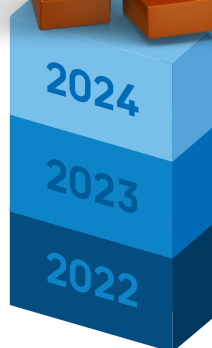
### § Accounting policy

The water supplied to factories (m³) is calculated as the water supply measured by the main water meter. Only data from LEGO Group sites with production are included; these are Billund in Denmark, Nyíregyháza in Hungary, Monterrey in Mexico, Kladno in the Czech Republic, and Jiaxing in China. Reported data will be based on the utility bills provided by the water utility, and/or internal water meter readings. Water sources included are drinking water, city water, potable water supply, industrial parks supply, and deep internal wells connected to aquifers that extend beyond the fence. New production facilities will be added to the reporting scope on 1 January, +12 months from the handover of the entire manufacturing facility from project to operational facility department.

→ **Chiller system in our Jiaxing factory**  
Our factories primarily use water for cooling purposes.



**3 consecutive years of reducing water supplied into factories.**



# 85,055

m³ of fresh water have been saved thanks to our new water treatment facility in Mexico





KPI | 10 | 11 | 12 | 13 | 14 | 15 |

# People





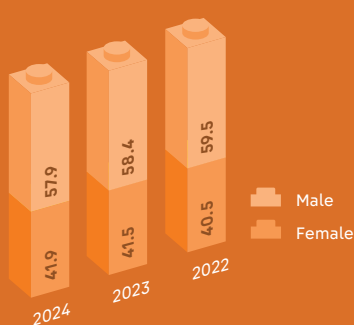
10 | 11 | 12 | 13 | 14 | 15

## Motivation and satisfaction (Score)



In 2024, we received an average Motivation and Satisfaction score of 81, which is six points above our target of >75.

## Gender at Director+ level (%)



Our ambition is to attract, retain and develop talented leaders. We are an equal opportunity employer and support all senior leaders in progressing their careers and developing relevant skills. Appointments are made on merit and our global ambition is to have a gender balanced organisation by 2032.

**Our Leadership Playground helps all colleagues to develop the leadership behaviours we need at the LEGO Group.**



### Background

We aim to create a workplace that is welcoming, inclusive and supports all colleagues to do their best work. We value all our colleagues' different backgrounds, perspectives, skills and experiences and believe this contributes to our strong performance.

We track employee motivation and satisfaction through our annual employee engagement survey, the LEGO Group People Pulse.

Our ambition is to attract, develop and retain the most talented colleagues. We offer a range of programmes and opportunities to support all colleagues and help them to achieve their potential.

### Programmes

#### Leadership Playground

At the LEGO Group, leadership is for all. We have a framework called the 'Leadership Playground' that helps all colleagues develop behaviours important for the LEGO Group now, and for the future.

#### Leadership Development

We support people leaders at different stages of their career, through a range of programmes to help them develop relevant skills. These range from strategy to team leadership, managing team dynamics and developing personal leadership styles.

#### Learning & Development

All colleagues have the opportunity to participate in high-quality learning opportunities that enable them to build critical skills such as leadership, digital & data, marketing, commercial, innovation and sustainability. To solidify learning, we adhere to the 70-20-10 learning principle, which combines training with professional coaching, mentorship, and on-the-job experiences.

#### Well-being

We strive to create a culture that fosters well-being and helps our people perform to their full potential.

While everyone has a responsibility to support this effort, we offer a broad selection of initiatives for all. Highlights in 2024 included:

- **Employee Assistance Programme** was refreshed, and a new provider onboarded to support colleagues and their families in times of need.
- **Menopause Programme** is designed to build awareness amongst all colleagues and provide support to anyone impacted. It was extended to China and Czechia, in addition to existing programmes in United Kingdom, Denmark and Singapore.

We have paid leave options to help colleagues during important times.

- **Parental leave** offered to all LEGO colleagues, from their first day of employment. We offer 26 weeks of leave for the primary caregiver and 8 weeks for the secondary caregiver on full pay.
- **Caregiver leave** offered for up to 4 weeks when colleagues need time to support an immediate family member during serious illness, injury, or other serious/ life-changing events.

#### § Accounting policy

The Motivation and Satisfaction score is an index calculated based on four questions in our annual employee engagement survey, the LEGO Group People Pulse (1. I always look forward to going to work. 2. I feel motivated in my job. 3. From an overall point of view, how satisfied are you with your job at the LEGO Group? 4. Imagine the perfect place of work. How close is this ideal to your place of work?). Our score is compared with an external benchmark, the Global Employee & Leadership Index (GELx). The GELx is compiled by our survey provider, Ennova, and is comprised of a number of multinational and Scandinavian companies from their clientele base. The annual LEGO Group People Pulse includes permanent hourly employees at LEGO Group manufacturing sites, LEGO Brand Retail store employees, and both hourly and salaried employees across all other functions and locations within the LEGO Group, excluding LEGO House employees, employees hired after August 31 and employees on leave during the full survey period.

#### § Accounting policy

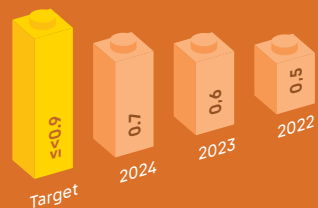
The Gender at Director+ level KPI is based on HR Masterdata and calculated as the number of employees of each gender in Director+ positions divided by the total number of employees in Director+ positions, excluding LEGO House employees.



10 | 11 | **12** | 13 | 14 | 15

## Lost time injury rate

(pr. mil. working hrs)



In 2024, our lost time injury rate was 0.7. Our Occupational Health and Safety Policy sets the ambition for all activities to be carried out with health and safety in mind. We comply with national and international legislation as a minimum requirement.

## Fines or settlements for non-compliances with anti-bribery and corruption law

0 fines, following on similar results in previous years



## Lost time injury rate

### Background

Employee safety is a top priority, and we aim for zero accidents in our factories, stores, and offices.

### Programmes

Employees are encouraged to observe and report dangerous situations and near-misses. Every month employees who report "The best near-miss and the best observation" receive special recognition.

During the summer months, we place extra focus on near misses in our factories. With people on vacation, employees are required to cover different tasks and responsibilities, which has historically resulted in an increase of near misses reported. To reduce risk, we increased the frequency at which safety is discussed in the lead up to summer, to ensure employees embed safe habits and routines.

### § Accounting policy

The lost time injury rate is calculated as the number of injuries per one million working hours. The scope of lost time injury rate is all employees, including external agency workers, but excluding external contractors and LEGO House employees. A lost time injury is defined as an injury that results in at least one day's absence following the day of the injury. The number of lost time injuries are based on registrations in the Incident Management system. The number of working hours is based on registrations in the Time & Attendance system.

### → Employee safety

We aim for zero accidents in our LEGO Group factories, stores, and offices.

## Fines or settlements for non-compliances with anti-bribery and corruption law

### Background

Every employee and third party acting on behalf of the LEGO Group must comply with the expectations defined in our LEGO® Code of Ethical Business Conduct ('Ethics Code'), including anti-bribery and corruption.

To ensure awareness and compliance within the LEGO Group all salaried employees must complete our mandatory e-learning each year related to our Ethics Code, where anti-bribery and corruption topics are addressed. An important compliance measure for anti-bribery and corruption is the number of fines or settlements for non-compliance with anti-bribery and corruption laws across the globe. We communicate externally on our performance against this measure every year.

### § Accounting policy

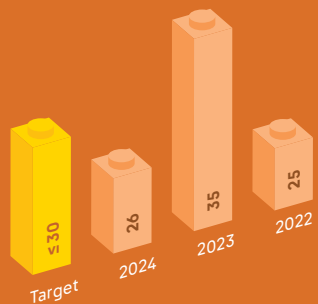
Number of fines or settlements against the LEGO Group for non-compliance with anti-bribery and corruption laws issued by a governmental authority with jurisdiction and reported to the Audit Committee. Cases are included once a final decision has been issued by the governmental authority.





10 | 11 | 12 | 13 | **14** | 15

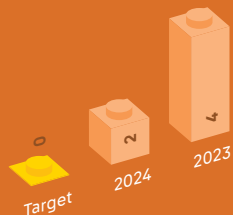
## Suppliers with higher-risk non-conformities (%)



26% of audits undertaken in 2024 identified high-risk non-conformities, and two critical non-conformities were found in two separate suppliers, which means that one of our two targets was met. None of the higher risk non-conformities in 2024 identified any form of modern slavery or child labour.

The most frequently found higher risks were related to: inadequate management systems and record keeping of working hours; lack

## Suppliers with zero-tolerance (critical) non-conformities (Total)



of integration of LEGO Responsible Business Principles (RBP) requirements where they are stricter than local law (typically related to fire drill requirements); and management of agency workers.

Of the two critical non-conformities identified, both related to excessive working hours. We quickly started investigating the root cause for these issues and established a close cooperation with the suppliers.

### Background

We are committed to ensuring that all workers involved in making LEGO® products have fair, decent, and safe working conditions.

Higher risk non-conformities include two types: high-risk and critical non-conformities. Both are severe violations of local law and/or the LEGO Group Responsible Business Principles (RBP), with critical ones requiring the fastest response and mitigation, as they impose immediate risk to the workers. If we identify a critical non-conformity, we demand an urgent response from the supplier and support them on the corrective actions. If the supplier shows no effort to remediate the concern, we retain the right to terminate the business relationship.

### Programmes

#### Suppliers with higher-risk non-conformities

We aim to reduce the number of higher-risk non-conformities by prioritising a transparent and open dialogue with our suppliers. Our ongoing engagement, together with a strong audit programme, allows us to identify root causes where issues are identified, and support our suppliers in implementing effective mitigation measures.

Remediation support includes creating guidance documents, offering customised training through our capability building academy, regularly communicating with suppliers, and monitoring key data points. This may involve tracking the working hours of relevant suppliers to suggest action plans and to improve their management systems.

#### Suppliers with critical non-conformities

We recognise having zero critical non-conformities is difficult to achieve. However, we believe it is an important goal and we continue to reach for it by engaging in a transparent and open dialogue with our suppliers through regular reviews, and top management discussions. Upon identifying a critical non-conformity, we collaborated closely with the supplier to understand immediate corrective actions and provided support to prevent future occurrences.

For critical non-conformities related to excessive working hours, we investigated the root causes and confirmed that overtime was voluntary in both cases.

#### Collaborations and affiliations

In 2024, we continued to work with the Ethical Supply Chain Programme, the Responsible Business Alliance and the UN Global Compact. These partnerships help us find and share the best approaches to protect workers and promote strong management systems. Through collective action we aim to prevent modern slavery, human trafficking, and associated risks in global supply chains.

### Human rights

We are committed to protecting the human rights of people who work throughout our value chain and who interact with us or our products. We conduct systematic and continuous human rights due diligence following six key steps: Commit – Embed – Identify & Assess – Address – Track – Report.

In 2024, working with a third party consultancy, we carried out a company-wide human rights impact assessment to identify relevant human rights impacts. This assessment covered our own operations, upstream and downstream activities, as well as direct and indirect suppliers globally. Based on the results, we will prioritise key risks that require in-depth analysis and outline mitigations. The high-level areas where we see the greatest risks are in our direct supply chains, outbound licensees' manufacturing, construction, distribution and safeguarding of children across marketing and products.



### Ethical Supply Chain Programme

The LEGO Group has been a member of the Ethical Supply Chain Programme since 2018 (formerly the ICTI Ethical Toy Programme). Through this membership, we accept their audits to monitor social and environmental compliance, which helps reduce audit fatigue in our supply chain. We gather workers' feedback through a helpline and participate in the Family Friendly Factory Initiative.

In 2024, 64 factories, including 15 in our supply chain, joined the Family Friendly Factory programme. The LEGO Group supports the entire programme, which includes factory summer camps, policy work, and training for migrant parents. These initiatives are in line with the LEGO Responsible Business Principle of Family Friendly Workplaces and aim to positively impact the workers in our supply chain.

### Responsible Business Alliance (RBA)

As an affiliate member of the RBA, we commit to align with the RBA code of conduct and engage with RBA members to improve working and environmental conditions.

In 2024, we joined monthly working groups, for environmental sustainability, responsible recruitment and worker voices, addressing forced labour and grievance mechanisms.

We participate in the Responsible Minerals Initiative (RMI) and use industry tools to address and mitigate issues related to the sourcing of minerals in our supply chain. These include risk assessments, minerals reporting templates, the RMI Learning academy, and public global smelter/refiner lists.

### Grievance mechanisms

Grievance mechanisms are an important channel allowing issues (including human rights concerns) to be reported directly to the LEGO Group.

We provide access to a variety of grievance channels for employees, workers in our supply chain, and external stakeholders (including customers) to raise concerns. These are promoted through LEGO.com and directly to our suppliers in multiple languages, to raise awareness and ensure access to all.

Grievance channels include:

- The LEGO Compliance Line is our globally accessible channel for reporting concerns securely and safely, available to external parties through LEGO.com. This confidential service, managed by an external third party, allows grievances to be raised by anyone. In 2024, we added a new channel for the supply chain and updated grievance communication for workers.
- The LEGO Group Worker Voice Mailbox is available to all workers in our supply chain and is promoted through the RBP audit programme and RBP academy. In 2024, it was also introduced to suppliers in low-risk countries, despite these suppliers not being part of our RBP audit programme. For all suppliers involved, we surveyed managers and workers to evaluate and improve the effectiveness of grievance mechanisms, understand workers' trust and identify any gaps. As a result, we developed a case handling guidance for effective investigations and remediation.
- The Ethical Supply Chain Programme, (ESCP) worker hotline is also available to our suppliers in China, Indonesia and Vietnam who are part of the ESCP programme. We implemented a dedicated hotline to support the construction of the LEGO Vietnam site, which will be extended through to mid-2025, until the factory is fully operational.
- Our priority is to strengthen grievance mechanisms across our value chain to ensure human rights and environmental concerns can be reported safely and addressed effectively.

### § Accounting policy

Suppliers with higher risk NCs is calculated as the percentage of audited suppliers with 'high-risk' or 'zero tolerance' NCs.

A high-risk or zero tolerance NC is defined as a severe issue/ breach of local law and/or the LEGO RBP with immediate/high risk to employees/workers or to the LEGO Group requiring immediate correction and verification within 90 days. NCs are assessed by third-party auditors and the LEGO Group, according to the LEGO Group grading matrix. Resolved NCs continue to be part of the calculation. Direct suppliers of materials, components, or items used in finished LEGO products, and sub-suppliers in high-risk countries that produce a major part of the finished items or produce, process, or make up any part of a finished item with LEGO ID or a third-party licensor's IP present, are audited by a third-party. Third party audits are required annually if based in a high-risk country, and biennially if based in a medium-risk country. New suppliers without orders and suppliers of internal components of finished products are not audited.

Suppliers with critical (zero tolerance) non-conformities (NCs) is calculated as the number of audited suppliers with 'critical' NCs.

A critical NC is defined as the most severe issue/breach of local law and/or the LEGO RBP with immediate risk to employees/workers or to the LEGO Group requiring immediate correction and verification. NCs are assessed by third-party auditors and the LEGO Group, according to the LEGO Group grading matrix. Resolved NCs continue to be part of the calculation. Direct suppliers of materials, components, or items used in finished LEGO products, and sub-suppliers in high-risk countries that produce a major part of the finished items or produce, process, or make up any part of a finished item with LEGO ID or a third-party licensor's IP present, are audited by a third-party. Third party audits are required annually if based in a high-risk country, and biennially if based in a medium-risk country. New suppliers without orders and suppliers of internal components of finished products are not audited.

### ↓ Engaging with suppliers

All workers involved in making LEGO products have fair, decent, and safe working conditions.



# Data & Assurance

- Supplementary Table
- Management Statement
- Limited Assurance



# Supplementary table

Waste by disposal method and hazardousness (tonnes)	Hazardous		Non-hazardous		Total	
	2024	2023	2024	2023	2024	2023
Incineration	106	139	0	0	106	139
Landfill	10	6	51	3	62	9
Recovery	477	406	1,177	1,093	1,654	1,499
Reuse	0	0	50	44	50	44
Recycled	454	355	22,682	21,636	23,136	21,991
Treatment	830	726	21	89	851	815
<b>Total</b>	<b>1,877</b>	<b>1,632</b>	<b>23,981</b>	<b>22,865</b>	<b>25,859</b>	<b>24,497</b>

See Accounting Policy on page 26

Water by site (1000 m <sup>3</sup> )	2024	2023	2022	2021
Billund, Denmark	52	67	61	65
Jiaxing, China	157	118	154	147
Kladno, Czech Republic	48	60	67	51
Monterrey, Mexico	310	383	394	372
Nyíregyháza, Hungary	186	182	191	186
<b>Total</b>	<b>754</b>	<b>810</b>	<b>867</b>	<b>821</b>

See Accounting Policy on page 27

Electricity consumption for offices, hubs and LBRs (GWh)*	2024	2023
Total known usage offices & hubs	3.9	3.5**
Total known usage LBRs	6.6	5.3
Estimated usage of remaining offices & hubs population	3.0	3.1**
Estimated usage of remaining LBR population	6.9	7.7
<b>Total</b>	<b>20.4</b>	<b>19.6**</b>

#### \*§ Accounting Policy

Data from LEGO® Brand Retail stores (LBRs)\*, offices and hubs are included in the supplementary data. Reported electricity data is based on invoices provided by the energy utility and/or meter readings. If a location has neither invoices nor meter readings available, the LEGO Group will use an extrapolation factor to

estimate the energy consumption. The extrapolation is calculated monthly and based on available data for the given month divided by the equivalent square meters. This extrapolation factor is applied to the square meters for all the sites with no available energy consumption data to estimate the energy consumption.

Energy by type for production sites (GWh)	2024	2023	2022	2021
District heating	15.4	9.0	9.6	11.1
Natural gas	50.7	60.9	67.9	89.3
Electricity	428.4	367.3	383.7	326.4
<b>Total</b>	<b>494.5</b>	<b>437.2</b>	<b>461.2</b>	<b>426.8</b>

See Accounting Policy on page 23

\* LEGO Brand Retail stores are owned and operated by the LEGO Group

\*\* Number has been restated due to incorrect classification of one hub and due to a correction of accounting estimate for calculation of electricity consumption for selected sites (use of square feet correct to use of square meter)



# Management Statement

The Executive Management and the Board of Directors have today considered and approved the 2024 Sustainability Statement of the LEGO Group for the reporting period 1 January to 31 December 2024. The 2024 Sustainability Statement has been prepared in accordance with the stated sustainability accounting principles. In our opinion, the 2024 Sustainability Statement gives a fair presentation of the LEGO Group's sustainability activities and results of our sustainability efforts in the reporting period as well as a balanced presentation of our environmental, social and governance performance in accordance with the stated sustainability accounting principles.

Billund, Denmark, 5 March 2025



## Executive Management

**Niels B. Christiansen**  
President and Chief Executive Officer

## Board of Directors

**Thomas Kirk Kristiansen**  
Chair

**Søren Thorup Sørensen**  
Deputy Chair

**Ebi Atawodi**

**Fiona Dawson**

**Jørgen Vig Knudstorp**

**Jan Thorsgaard Nielsen**

**Ilkka Paananen**

**Anne Sweeney**





# Independent limited assurance report on the Sustainability Performance Data

## To the stakeholders of the LEGO Group

LEGO Group engaged us to provide limited assurance on the Sustainability Performance Data and Supplementary table for the period 1 January – 31 December 2024 stated on pages 16 and 34 in the 2024 Sustainability Statement of the LEGO Group ("sustainability performance data").

### Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us to believe that the sustainability performance data in the 2024 Sustainability Statement of the LEGO Group are not prepared, in all material respects, in accordance with the applied accounting policies developed by Management of the LEGO Group as stated on pages 19-34 ("accounting policies").

This conclusion is to be read in the context of what we state in the remainder of our report.

### What we are assuring

The scope of our work was limited to assurance over the Sustainability Performance Data in the LEGO Group Sustainability Statement 2024. This includes the Sustainability Performance Data on page 16 and the Supplementary table on page 34.

We express limited assurance in our conclusion.

### Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. The quantification

of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gasses.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

PricewaterhouseCoopers applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

### Understanding reporting and measurement methodologies

The sustainability performance data need to be read and understood together with the accounting policies, which Management is solely responsible for selecting and applying.



The absence of a significant body of established practice on which to draw to evaluate and measure sustainability performance data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

#### **Work performed**

We are required to plan and perform our work in order to consider the risk of material misstatement of the sustainability performance data. In doing so and based on our professional judgement, we:

- Through inquiries, obtained an understanding of the LEGO Group's control environment and information systems relevant to quantification and reporting of the sustainability performance data;
- Performed review of reported data from the production sites in Denmark, Hungary, the Czech Republic, Mexico, and China, including assessment of the completeness, data collection methods,
- assumptions applicable to the sites and reconciling reported data to underlying documentation;
- Planned and conducted interviews and process walkthroughs with Group functions to understand the consolidation and reporting processes, use of company-wide systems and controls performed at Group level;
- Performed trend analysis of consolidated data and made enquiries to understand significant developments in reported data over time; and
- Evaluated the obtained evidence.

#### **Management's responsibilities**

Management of the LEGO Group is responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the sustainability performance data in the Sustainability Progress Report that are free from material misstatement, whether due to fraud or error;
- Establishing objective accounting policies for preparing the sustainability performance data;

- Measuring and reporting the information in the sustainability performance data based on the accounting policies; and
- The content of the Sustainability Progress Report.

#### **Our responsibility**

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the sustainability performance data for the period 1 January – 31 December 2024 are prepared, in all material respects, in accordance with the accounting policies;
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the stakeholders of the LEGO Group.

Aarhus, 5 March 2025

#### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR no. 3377 1231

#### **Claus Lindholm Jacobsen**

State Authorised Public Accountant  
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**Incorporated** 19 December 1975

**Residence** Billund

**Financial Year** 1 January – 31 December

**Date of publication** 11 March 2025

**Design** e-Types

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