

The LEGO Group

Modern Slavery & Transparency Statement

2024



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Introduction

For more than 90 years, the LEGO Group has worked to create a positive impact in the communities where we operate. Caring and quality are core to our brand values and we strive to positively impact children, colleagues, partners, and the broader community. We hold the absolute highest standards in our internal operations and expect this to be replicated by our partners and suppliers.

The International Labour Organization (ILO) estimates that more than 50 million people are in situations of modern slavery on any given day. Among these, 28 million are trapped in forced labour, including 3.3 million children ([Global Estimates of Modern Slavery: Forced Labour and Forced Marriage | International Labour Organization](#)). Through the adoption of the [Sustainable Development Goals \(SDGs\)](#), the UN is aiming to end modern slavery universally by 2030. This call to action provides a unique opportunity to eradicate child labour, human trafficking, forced labour and modern slavery. It is an encouragement to all businesses in the world to collaborate in novel ways.

We understand that modern slavery risks can exist in all areas of our value chain and therefore continue to investigate ways to assess and address these risks. The LEGO Group is committed to the UN Global Compact and recognises its responsibility to protect workers and communities throughout its whole value chain. This includes not only our own operations, but also our direct, indirect and licensing partners. In 2024, we found no

* To ensure streamlined and easily accessible information regarding the efforts of the LEGO Group to eradicate modern slavery practices from its own operations and supply chains, the LEGO Group has decided to revisit the way in which this statement is structured and presented to external stakeholders and any interested third party.

This also resulted in this year's statement not including a specific reference to the Norwegian Transparency Act in the form of an Appendix. Following review of the LEGO Norge AS financial data contained in the entity's annual reports for 2022 and for 2023, it has been determined that neither the number of employees at LEGO Norge AS nor its balance sheet total meet the threshold requirements under

instances related to child labour, forced labour or modern slavery in our own operations or value chain.

This document covers the full operations of the LEGO Group, including the UK subsidiary LEGO Company Limited, the Australian subsidiary LEGO Australia Pty. Ltd, the Norwegian subsidiary LEGO Norge AS and the Canadian subsidiary LEGO Canada Inc., all of which are under the parent company of LEGO A/S*. It sets out the steps taken by the LEGO Group to continue the work to assess, prevent, and mitigate the risks of modern slavery and human trafficking in its business operations and supply chains, during the fiscal year from 1st January 2024, ending 31st December 2024. This statement has been published in accordance with the requirements of the UK Modern Slavery Act (2015), the California Transparency in Supply Chains Act (2010), the Commonwealth Modern Slavery Act (2018) for Australia and the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act (2024). The terms used in this report are defined as follows:

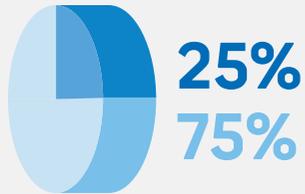
- Forced labour is described as all work or services extracted from any person under the menace of any penalty and for which the said person has not offered themselves voluntarily**.
- Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedoms***.

the Norwegian Transparency Act. Nevertheless, it should be noted that, as topics related to Human Rights Due Diligence and Modern Slavery mitigation are managed centrally by the Human Rights, Reporting & Responsible Sourcing and Responsible Operations teams that sit within the LEGO Group, any strategic ambition, policy and process are cascaded to all LEGO Group's subsidiaries, including LEGO Norge AS.

** Forced Labour Convention, 1930 (No. 29) | OHCHR Article 2.1.

*** www.amsa.gov.au/modern-slavery-statement-2022/introduction/what-modern-slavery

Value Chain and Company Structure



The LEGO Group is a privately held family-owned Danish company founded by Ole Kirk Kristiansen in 1932. The LEGO Group is owned by KIRKBI A/S (75%) and the LEGO Foundation (25%). As of 31/12/2024, the annual turnover was 74,3 bDKK. Our mission is to 'inspire and develop the builders of tomorrow' by providing the best and safest play experiences to children while also delivering on our commitments to our people, partners, and the planet.

31,282
Colleagues worldwide

201
Owned and operated
LEGO Brand Retail stores

37
Sales offices

5
Owned and operated
manufacturing facilities, located
close to our largest markets

4
Office hubs

Factory

Billund, Denmark	
Kladno, Czech Republic	
Nyíregyháza, Hungary	
Monterrey, Mexico	
Jiaxing, China	
Ho Chi Minh City, Vietnam (Factory operational in 2025)	
Richmond, Virginia, USA (Temporary packing facility)	
Virginia, USA (New factory opening in 2027)	

Colleagues

677
3058
2719
5996
1394
245
469
N/A

Function

Moulding
Processing & packing
Moulding, processing & packing
Moulding, processing & packing
Moulding, processing & packing
Moulding, processing & packing
External packing facility
Moulding, processing & packaging

Supplies

Europe, Middle East & Africa
Europe, Middle East & Africa
Europe, Middle East & Africa
The Americas
China and Asia
Asia
The Americas
Will supply the Americas

Additional information in relation to specific subsidiaries is required in compliance with global legislation.

LEGO Australia Pty. Ltd. with an office based in North Sydney, New South Wales provides sales, marketing, and operations services with 69 employees and is incorporated under the laws of New South Wales.

LEGO Canada Inc. provides sales of LEGO products on the Canadian market with 374 employees incl. those in its office in Ontario and in the LEGO Brand Retail stores across Canada. LEGO Canada Inc. is a 100% owned subsidiary of LEGO A/S established under the

laws of the province of Ontario. LEGO Australia Pty. Ltd., and LEGO Canada Inc. do not own or control any other entities.

Management and relevant employees of LEGO Australia Pty. Ltd., and LEGO Canada Inc. were involved in the preparation of this statement through the LEGO Group Human Rights, Reporting & Responsible Sourcing team (Human Rights Team). LEGO A/S is the parent company of these two subsidiaries and as such when ensuring human rights standards in contracts with suppliers, this includes suppliers to our Australian, and Canadian entities, where alignment to the LEGO Group policies and expectation must be ensured. Please see Appendix for statement for LEGO Canada Inc.

Governance and Policies



At the LEGO Group, we are guided by the LEGO® Brand framework to contribute to a sustainable future and make a positive impact on society, including the people and communities where we work.

Governance structure

The LEGO Group Board of Directors oversees our commitments, ensuring alignment with the LEGO Brand framework, and guarantees ethical and legally compliant business practices.

The Audit Committee, appointed by the Board of Directors, reviews data governance, sustainability targets and reporting, and in turn, offers recommendations to the Board of Directors for approval. Ultimately, the Board of Directors holds final accountability for approving sustainability commitments, targets, and reporting.

The Executive Leadership Team is responsible for implementing sustainability programmes, proposing sustainability commitments and targets to the Board of Directors, and ensuring these goals are achieved.

The Corporate Compliance Board, as the highest authority for non-compliance issues, reports directly to the Board of Directors. It addresses significant non-compliance issues, oversees the development of quarterly reports required by external regulations and internal policies, and sets the strategic direction for compliance-related activities, including Corporate Social Responsibility and Sustainability initiatives.

Policies

The LEGO Group **Corporate Policy Framework** embraces our spirit, "Only the best is good enough", and establishes corporate behavioural standards and frameworks to guide our processes to ensure sufficient due diligence regarding human rights and forced labour risks. All Corporate Policies and Standards are global in scope and are adhered to by all LEGO employees. Forced labour and modern slavery are part of these policies and frameworks. We are committed to protecting the human rights of people who work throughout our value chain and interact with our products. This commitment is outlined in the LEGO Group **Human Rights and the Rights of Children Policy** which describes the steps the LEGO Group and its suppliers must take to protect all those who are impacted by our products, operations, and business relationships. This policy also underscores our dedication to upholding globally recognised initiatives and international standards including:

- **UN Global Compact**, and **the Child Rights and Business Principles**
- **The UN Guiding Principles on Business and Human Rights**, specifically aligning with the 'Protect, Respect and Remedy' framework.

- **International Bill of Human Rights** and **the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work**, and the eight ILO Core Conventions.

The LEGO Group **Responsible Business Principles (RBP)** defines our expectations for our production sites, suppliers, sub-suppliers, and partners regarding ethics, people, children, and the environment. These principles are based on national laws, international standards, and applicable UN and ILO conventions. The RBP forms part of the contractual agreement with all direct suppliers, relevant indirect suppliers, and business partners. To ensure compliance, the agreement includes a 'right to audit' clause, allowing us to verify that these principles are being applied in their operations. The RBP strictly prohibits any form of modern slavery or forced labour. It includes a focus on modern slavery, highlighting practices that are unacceptable, such as workers being forced to work against their will or under pressure from a threat of punishment; withholding personal papers, deposits, or compensation; and inappropriate loans and salary advances that tie workers to the workplace. The RBP also mandates that workers should not be required to pay recruitment fees or deposits to suppliers or agents to gain employment.

Due Diligence Processes



The LEGO Group fully supports the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises approach to due diligence. We recognise the importance of having robust and continuous processes in place to identify, prevent, mitigate, and account for any potential harm to people and planet. The LEGO Group has legal obligations to conduct systematic and continuous due diligence.

The LEGO Group has anchored and defined its approach to environmental and human rights due diligence (EHRDD) in six key steps:

- **Commit** – clear commitment to protecting and respecting Human Rights and the Environment
- **Embed** – integrating commitments into operational procedures and policies
- **Identify & assess** – systematic approach to identifying biggest risks and impacts
- **Address** – taking action to prevent, cease, mitigate and remediate any risks and harms
- **Track** – establishing Key Performance Indicators (KPIs) to monitor the effectiveness of risk monitoring and mitigation

- **Report** – sharing risks and the actions taken to address them, internally and externally.

Human rights considerations are embedded into policies and risk management systems. This includes human resource practices, supplier risk assessments, auditing and enterprise risk management processes.

The LEGO Group is committed to meaningful engagement with stakeholders throughout its due diligence and remedy processes. This is invaluable to identifying and understanding the causes of risks and existing harm. It is also important to ensure that the remedy is appropriate and effective. We also work with expert partners for issue-specific support with complex issues when necessary.

Grievance mechanism

Grievance mechanisms play an important role in our due diligence process. They serve as channels for all employees, including workers in our supply chain, and external stakeholders to safely raise issues and report suspected violations of our RBP and of applicable laws or regulations. Reports can be filed confidentially and without fear of retaliation via the [LEGO Group Compliance Line](#),

or via email at responsibility@LEGO.com. Moreover, people who work at our suppliers in China, Indonesia and Vietnam can also file their reports or concerns via the [Ethical Supply Chain Program \(ESCP\) Worker Helpline](#).

Information on the grievance mechanisms is provided to workers via training and we run active and targeted campaigns and worker surveys to raise awareness. We assess the effectiveness of supplier grievance mechanisms through verification of policies and procedures and worker engagement.

In 2024, the LEGO Group received 15 grievances. Each case was thoroughly investigated and addressed through a tailored remediation plan, developed to ensure appropriate and effective resolution. All 15 grievances have now been successfully resolved by the LEGO Group's internal investigations team and regional Responsible Operations Managers. No grievances were related to modern slavery.



Risk Assessment and Management

Supplier and partner assessments

As part of our Responsible Sourcing Programme, we regularly assess our human rights risks and monitor our suppliers to ensure that they meet the requirements that they contractually agree to. We do so through a combination of third-party audits, internal assessments and regular dialogues to ensure that suppliers both understand and are equipped to meet our expectations. Our specific audit methodology facilitates a focus on areas of concern within modern slavery, such as employment practices for vulnerable workers including migrant workers. Suppliers are assessed through a risk-based approach using multiple factors that will determine the applicability and frequency of RBP audits:

- Geographic-risks using the LEGO Group Country Risk Matrix
- Industry-risks associated with the sector of activity
- Product-risks related to the inputs and production processes involved
- Enterprise-level risks related to governance and management systems in place.

The scope of audits and assessments undertaken include:

- Suppliers of direct materials for the production of LEGO® sets. Materials in scope include resin, packaging and electronic parts
- Selected suppliers of indirect goods and services that are identified as high risk by using third party risks assessment
- Licensing partners who are required to submit verified third-party audits of the manufacturing site(s) where goods are produced.

We apply the same standards and third-party audits to our own operations which includes both directly employed and contracted workers.

When assessments and audits identify risks or non-compliance with the RBP, they are graded based on severity; low, medium, high or critical. Forced or child labour are classified as critical issues and will be treated with the highest urgency.

The Responsible Operations team records and manages the remediation efforts in collaboration with the Human Rights, Procurement and Licensing teams, suppliers, and, when necessary, specialists, in the event of finding potential/actual incidents of modern slavery.

Through our membership of the [Responsible Business Alliance \(RBA\)](#) and the [Responsible Minerals initiative \(RMI\)](#), we furthermore require suppliers to implement OECD-aligned Minerals Supply Chain Due Diligence.

Corporate-wide impact assessment and deep dives

In 2024, we carried out a corporate-wide human rights impact assessment to identify salient human rights impacts, including where there could be a potential risk of forced labour or child labour in our operations or value chain. This assessment covered our own operations as well as direct and indirect suppliers globally. It included scoping, value chain mapping, an impact and saliency assessment, gap analysis, and internal and external stakeholder engagement. 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 raw material direct supply chains, outbound licensees' manufacturing, construction of new sites, distribution and safeguarding children in marketing and digital products.

In addition to the human rights impact assessment, we completed a modern slavery risk mapping exercise in 2023. As a result of this work, we engaged third-party experts to conduct a more detailed evaluation of risks in our indirect procurement categories (Warehousing & Distribution in Malaysia and Temporary Agencies in Czech Republic). The findings related to inadequate due diligence by suppliers for temporary workers, cleaners and security staff, who were primarily migrant workers. Action has been taken by our suppliers to enhance processes in the following areas: due diligence on potential suppliers, fee verification and reimbursement, fire protection of dormitories and safe storage of personal documents.

Measuring Effectiveness and Remediation

Suppliers with higher-risk non-conformities



Suppliers with zero-tolerance (critical) non-conformities



The LEGO Group regularly checks and updates the effectiveness of its policies and processes to maintain their relevance, and ensure they achieve the intended outcomes of protecting the workers and driving continuous improvement. Through these updates, we also aim to adapt to emerging risks such as modern slavery that are dynamic and influenced by economic, political and social factors.

To track our progress, we have established Key Performance Indicators (KPIs) for compliance with the RBP in our direct supply chain. These KPIs focus on identified high-risk and critical non-conformities through third-party audits. It specifically tracks instances of modern slavery, forced labour, or human trafficking.

The KPIs are reported annually in our [Sustainability Statement](#) and validated through a long-established accountability and governance structure.

Higher-risk non-conformities

In 2024, we set a target to identify higher-risk non-conformities in no more than 30% of audits and zero critical non-conformities. Higher-risk non-conformities were found in 26% of audits, however 2 critical non-conformities were found at two separate suppliers. Neither were linked to any form of child labour, forced labour or modern slavery.

2024 results were an improvement on 2023 performance. In that year higher-risk non-conformities were found in 35% of audited suppliers, with four critical non-conformities identified. While we recorded an improvement, similar issues persist, as critical non-conformities identified in 2023 and 2024 were linked to excessive working hours.

The most frequently identified higher-risk non-conformities in 2024 audits were around excessive working hours, inadequate wages and health & safety. Root causes assessed included inadequate management systems and record keeping of working hours, missing or unclear wage records, lack of integration of RBP requirements where they are stricter than local law (typically related to fire drill requirements), and lastly a lack of efficient systems in the management of agency workers.

Remediation

Through proactive engagement, targeted capability-building programmes, detailed guidance, and regular monitoring of key data points, we have supported our suppliers in addressing and resolving most higher-risk non-conformities. The two critical non-conformities related to excessive working hours were further investigated to understand root causes and assess potential indicators of forced labour. It confirmed that overtime in both cases was voluntary, and that forced labour was neither a contributing factor nor an outcome of the issues identified with working hours and record-keeping.

While critical instances are limited, we recognise that excessive overtime can significantly affect workers and their families. To address this, we are committed to supporting our suppliers in implementing robust measures to bring working hours within reasonable and sustainable limits as quickly as possible.

Beyond monitoring the KPIs on non-conformities, we also track additional metrics to ensure the effectiveness of our detection and prevention processes. These include:

- Assessing the impact of our training programmes
- Monitoring grievance cases reported through our various channels
- Tracking the resolution rate of non-conformities identified during audits.

Worker surveys

Maintaining a transparent dialogue with suppliers and amplifying workers' voices are central to our approach. Through direct engagement and worker surveys, we gain valuable insights into the root causes of excessive working hours and other critical issues. This feedback helps us to continuously refine our responses and strengthen our commitment to preventing forced labour, child labour and modern slavery.

Training

The LEGO Group's RBP e-learning, which includes applicable laws relating to modern slavery, is a mandatory training programme for all colleagues in the Procurement team and made available for all salaried colleagues globally. To date, 98,8% of Procurement colleagues, including senior leadership, have successfully completed it.

Regular updates are also provided to the LEGO Group's Procurement and Licensing teams to ensure their knowledge and skills to enable them to integrate the RBP into supplier and partner interactions. In 2024, colleagues from the Procurement team continued to participate in capability-building programmes, including 'Forced Labour' training. This initiative enables employees working closely with suppliers to better understand modern slavery risks and impacts. Alongside internal training and processes, we regularly train our suppliers and licensing partners in RBP compliance. This is completed through e-learning as well as in-person targeted training. We also maintain ongoing communication with stakeholders through our Responsible Sourcing quarterly newsletter, which provides updates on upcoming RBP training, best practices and resources to reinforce awareness of modern slavery risks and responsible business practices.

Future Strategy

We continue to work towards a systematic approach to assessing, addressing and tracking human rights impacts across our full value chain. In 2025, we will focus on:

- Enhancing our systematic human rights due diligence approach in alignment with incoming CSDDD requirements including a complete deep-dive assessment of identified salient human rights impact across the LEGO Group value chain.
- Strengthening of our Responsible Sourcing Programme with a particular focus on developing comprehensive processes and tools to identify, assess and prioritise the highest environmental and social risks through our audit programme and improving our risk framework.
- Continuing roll-out of training and capability building for LEGO Group colleagues and suppliers on responsible sourcing, human rights due diligence and identified salient human rights impacts.
- Leveraging memberships of multistakeholder initiatives such as the Ethical Supply Chain Program, the Responsible Business Alliance and the UN Global Compact, and through these identify and share the best approaches to enhance worker protection.
- Continuing to improve sustainability reporting and transparency related to human rights and responsible sourcing to prepare for evolving regulations and standards.

Board Approval and Reporting

This statement covers the LEGO Group and all subsidiaries and as such it has been agreed that the LEGO Group Board of Directors has approved this statement on behalf of all subsidiaries.

The statement was approved by the LEGO Group Board of Directors on 05/03 2025.

Thomas Kirk Kristiansen
Chairman of the Board

