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	Ruth Ng	[Approved by] 9/20/2021	7/2/2021	[Effective date]	0.4	English	1
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Gender Balance Policy

1. Introduction

Diversity and inclusion are fundamental to the LEGO Group's Mission, People Promise, and the success of our business. Our D&I ambition is to "build a diverse workplace with a unique sense of belonging to reach and inspire all children in the world".

The '[Diversity and Inclusion in the Workplace](#)' policy outlines our overall commitment and approach to D&I, including the broad definition of diversity we use. We work with two global priorities: *Value Differences* and *Improve Representation*. Valuing differences speaks to our commitment to building inclusive behaviours while improving representation addresses the need to continue to improve our systems, processes and ways of working to ensure the organisation reflects the world we operate in and seek to inspire.

The LEGO Group deeply respects that gender is not binary. However, for the purposes of Danish legal requirements and reporting, this policy uses the traditional gender categories of male and female. Our ambition is to be a gender-balanced organisation at all levels by 2032, when the LEGO Group turns 100 years old. We believe that a diverse, representative and inclusive organisation is best able to continue to adapt, grow and sustainably fulfil its mission in the long term.

2. Background

Equal opportunity, equity and equal conditions are critical to successful recruitment and career development. We strive to develop an organisation where employees with different backgrounds, knowledge, experiences, perspectives and beliefs can all realise their full potential.

To this end, we are committed to ensuring equitable practices in hiring, promoting, and developing all talent, thereby improving diversity and gender balance at all organisational levels.

3. Scope

This Gender Diversity Policy applies to LEGO A/S and its subsidiaries.

4. Focus areas

The '[Diversity and Inclusion in the Workplace](#)' policy outlines how the LEGO Group works with diversity and inclusion, including the two global priorities (Value Differences and Improve Representation) and the five levers of change:

1. Engage our employees in diversity and inclusion
2. Build inclusion capability with our organisation
3. Balance global and local priorities
4. Improve HR system and processes
5. Monitor progress through HR metrics and insights

On gender balance, levers four and five are critical in supporting the overall ambition to ensure a gender-balanced organisation by 2032. Specific focus areas include:

4.1 Talent Attraction and Recruitment

We continuously review our HR system, processes and ways of working to identify opportunities to improve proactively. Most recent adjustments include:

- Tools and training to ensure the language in job ads is inclusive and addresses both genders



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- Improvements to employer branding and talent attraction strategies to ensure relevance and appeal to underrepresented gender and communities
- Work with Employee Advocacy Groups and external partner organisations to increase the visibility of jobs at the LEGO® Group to underrepresented gender and communities
- Enabling a balanced candidate slate by active sourcing and D&I check points through out the recruitment process
- Secure diverse and gender-balanced interview panels
- Provide training on recruiting for diversity for recruiters, screeners and hiring managers
- Interview and asses through global standardized interview and assessment guide, to increase inclusivity and reduce biases in the selection phase

4.2 Leadership, Learning & Development

We invest in everyone and make lifelong learning and career development solutions available to all:

- The Leadership Playground is our leadership model, which emphasises the importance of inclusion. We each play a part in creating a safe space for everyone to be seen, heard, valued and respected. Leadership is the act of energising everybody every day and a responsibility we all share as employees of the LEGO Group.
- We strive to build inclusive behaviours in all employees through training and communication. We offer a Conscious Inclusion training program for all employees designed to create awareness of biases, the inclusive behaviours that counteract bias and how employees can embody inclusiveness in daily work. We tailor training to address the needs and responsibilities of people leaders, recruiters, HR business partners and employees.
- Ensure broad access to learning and development programs and solutions, secure gender balance in executive leadership training programs and focus on gender balance in succession planning for all senior leadership roles.

4.3 Reward, Performance Management & Promotions

Fair and equitable processes underpin progress on gender balance and representation at all levels:

- Track and analyze pay equity annually in Performance Management pay-out and salary for gender differences and proactively implement adjustments for either gender if variation exceeds 5% and cannot be explained by differences in performance or experience.
- Guide people leaders conducting annual people review and performance management conversations to ensure a fair and equitable process for all.
- Implemented strict conditions to limit internal flows and ensure that 95% of all new roles are advertised at least internally.
- Tracking promotions and transitions into people leader roles on gender split to monitor for potential gender imbalances.

4.4 HR Data & Measures

- Gender Diversity metrics have been incorporated into the standard HR reporting across the LEGO® Group to allow for detailed follow up within each part of the company to create transparency on potential challenged areas. HR business partners regularly review the progress with their leadership teams on recruitment and promotions.
- To accelerate change and learning in the organisation, Global Employee Advocacy Groups (EAGs) have been established on topics including Accessibility, Asian, LGBTQ+, People of Colour, Women and Intergenerational inclusion. Each EAG has an assigned ELT sponsor and are autonomous, employee-driven groups designed to scale employee impact on the D&I agenda, remove barriers to inclusion and belonging for all, and accelerate progress on our global priorities and ambition on D&I.



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5. Targets

To reach our ambition to be a gender-balanced organisation at all levels by 2032, we have set specific ambitions for representation at senior levels and work with annual targets for Women in executive positions:

5.1 LEGO A/S Board of Directors

The LEGO A/S Board of Directors reached its previous target to have two female board members by January 1st 2021, in April 2020. As of January 1st 2021, three of seven members, or 43%, are female. Our ambition is that by January 2028, as close as possible* to 50% will be female and 50% male and thus, gender balanced as a Board of Directors.

5.2 LEGO System A/S Board of Directors

LEGO System A/S board members are elected by employees and by shareholders of the company. As it will be for the employees of LEGO System A/S to elect the employee representatives, this policy only concerns the board members elected by the shareholders. In 2021 one of four shareholder elected board members, or 25%, are female. Our ambition is that by June 2023, shareholder elected board members will be as close as possible* to 50% female and 50% male and thus, gender balanced as a Board of Directors.

5.3 Executive Leadership Team

The Executive Leadership team represents the main company areas and sets the strategy of the LEGO® Group, subject to approval from the LEGO A/S Board of Directors. In 2021, two of seven, or 29% of Executive Leadership Team members are female. When a seat becomes available, we are committed to running an equitable recruitment process ensuring balanced representation of both genders in the recruitment process. The most qualified candidate will always be chosen regardless of gender. Our ambition is that by January 2028, as close as possible* to 50% will be female and 50% male and thus, gender balanced as an Executive Leadership team.

*) in particular if total number of members is an odd number

5.4 Women in Executive Positions

The LEGO Group sets specific annual targets on the share of the underrepresented gender in executive positions (defined as Director level and above). Our ambition is to be fully gender balanced at all levels of the organisation by 2032. Progress on our targets is published every year in the Responsibility report available on [LEGO.com](https://www.lego.com)

Revision History

Version	Modifications	Modified by
2	Updated targets and focus areas	Cecilia Weckstrom