

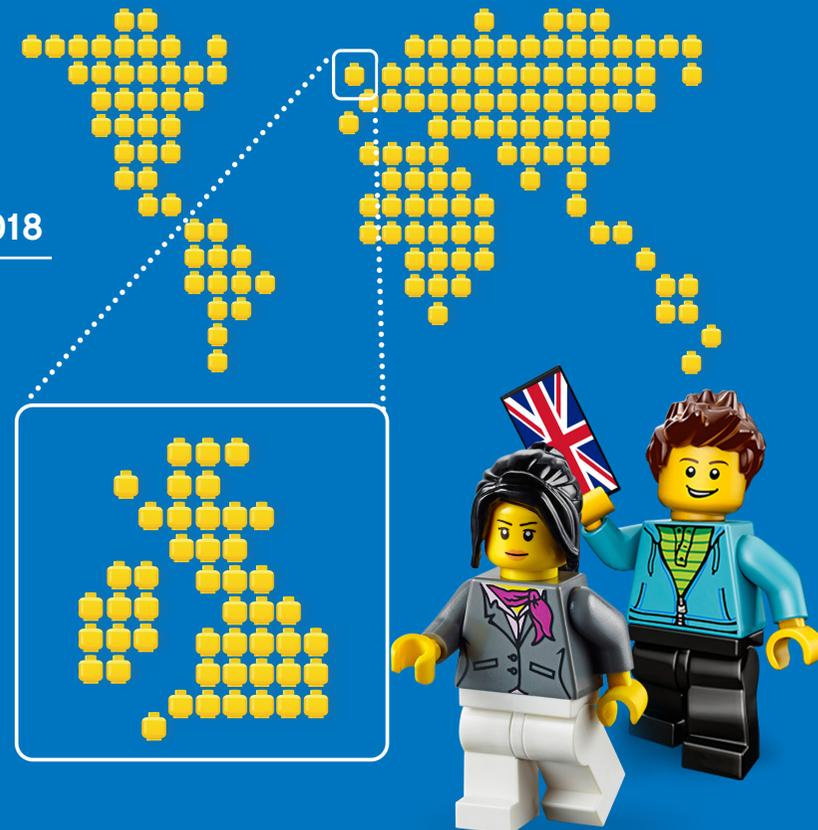
2018 LEGO GROUP



UK Gender Pay Gap Report

17,225
employees globally
as of December 2018

900
UK employees
as of September 2018



Gender Pay Gap Report Introduction

A Message from Marjorie Lao, Chief Financial Officer & Loren I. Shuster, Chief People Officer

At the LEGO Group we have a mission to inspire and develop the builders of tomorrow. To do this, we believe it's important to be as diverse as the children we seek to inspire. That means celebrating diverse ideas, embracing diverse cultures and importantly a building a diverse workforce where men and women are treated equally.

This year we are pleased to report that in the LEGO Group in the UK we have a gender pay gap that favours females. This reverses the gender pay gap in 2017 which favoured males.

In 2018, LEGO Group UK had a mean gender pay gap of -2.20% and a median gender pay gap of -3.27%, excluding bonus payments, both in favour of females.

In comparison, in 2017 the mean gender gap was 7.0% and a median gender pay gap of 21.0% both in favour of men.

This result is due to a range of factors. We have a number of senior female leaders within our UK business and global business based in the UK. This includes our UK General Manager, global Chief Marketing Officer and global Chief Financial Officer. Like all companies our workforce changes over time.

During the 12 months ending in April 2018, when the snapshot was taken, there was a natural turnover in employees which saw more women than men assume jobs in middle management and director roles and more women than men taken jobs in the lower quartile. In addition, the total number of employees in the UK declined by around 70 positions in the year to April 2018, following a global organisation adjustment.

While we have made progress, we have recognise there is more to do. We will continue efforts to develop equality and diversity across the LEGO Group. For example, we are committed to developing and appointing the best female leaders. 43% of all manager and above positions globally were filled by women in 2018. This is an improvement from 2017, when the number was 41% and we will work to continue this positive shift. We have also established a Diversity Council in the UK to ensure the voices of all our colleagues are represented.

Having a diverse team colleagues who represent the people who love and buy our products will only further help us to understand and inspire children, the builders of tomorrow.

Women's Hourly Rate

“ In 2018, LEGO Group UK had a mean gender pay gap of -2.20% and a median gender pay gap of -3.27%, excluding bonus payments, both in favour of females. ”

Mean gender
pay gap

-2.20%

(in favour of women)

Median gender
pay gap

-3.27%

(in favour of women)

Loren I. Shuster
Chief People Officer,
The LEGO Group

Marjorie Lao
Chief Financial Officer,
The LEGO Group



The Gender Pay Gap

The mean gender pay gap for the LEGO Group in the UK is -2.20% in favour of women. The median gender pay gap is -3.27%, excluding bonus payments, also in favour of women.

In comparison, the national average gender pay gap figures favour men. The average mean gender pay gap is 17.4% and the national median pay gap 18.4% based on research by the Office for National Statistics.

The LEGO Group's gender pay gap is the result of a higher proportion of women in the UK holding positions in the upper pay quartile with two being part of the LEGO Group's global Executive Leadership Team.

The proportion of men holding positions in the lower quartile grew compared to 2017 which also affected median and mean pay. However, the gender pay differences within each grade are small. The LEGO Group's employee pay and benefits are guided by its reward philosophy of fairness and transparency. All roles are evaluated and benchmarked against relevant pay rates in the external market. Salaries also reflect individual skills and experience, and salary increases are merit-based.

National Average

Mean gender pay gap

17.4%

(in favour of men)

Median gender pay gap

18.4%

(in favour of men)

LEGO Group UK

Mean gender pay gap

-2.20%

(in favour of women)

Median gender pay gap

-3.27%

(in favour of women)



The Bonus Gap

The LEGO Group operates an annual discretionary performance-based bonus programme. The scheme rules require employees to have started their employment on or before 30th September to be eligible for a bonus. Employees who work for only part of the bonus period may receive a pro-rata bonus amount. Employees are awarded bonuses based on a combination of team and group key performance indicators. Bonuses are based on a target percentage of salary and are usually paid in March each year.

In March 2018, 85.5% of women in the UK were paid a bonus compared to 78% in 2017 and 82% of males received a bonus compared to 78% in 2017. The bonus pay gap in 2018 was in favour of women, with a mean bonus pay gap of -6.3% and a median bonus gap of -6.2%.

In the UK, the overall median bonus gap reflects the greater proportion of women occupying more senior roles. As the bonus programme is based on a target percentage of salary, bonuses paid in higher grades are typically larger than those at lower grades. However, it's important to note that the bonus mean and median calculations take into account all types of bonus payments such as 'refer a friend' bonus, long service awards and Long Term Incentive Plan payments which will influence average and median results.

2017

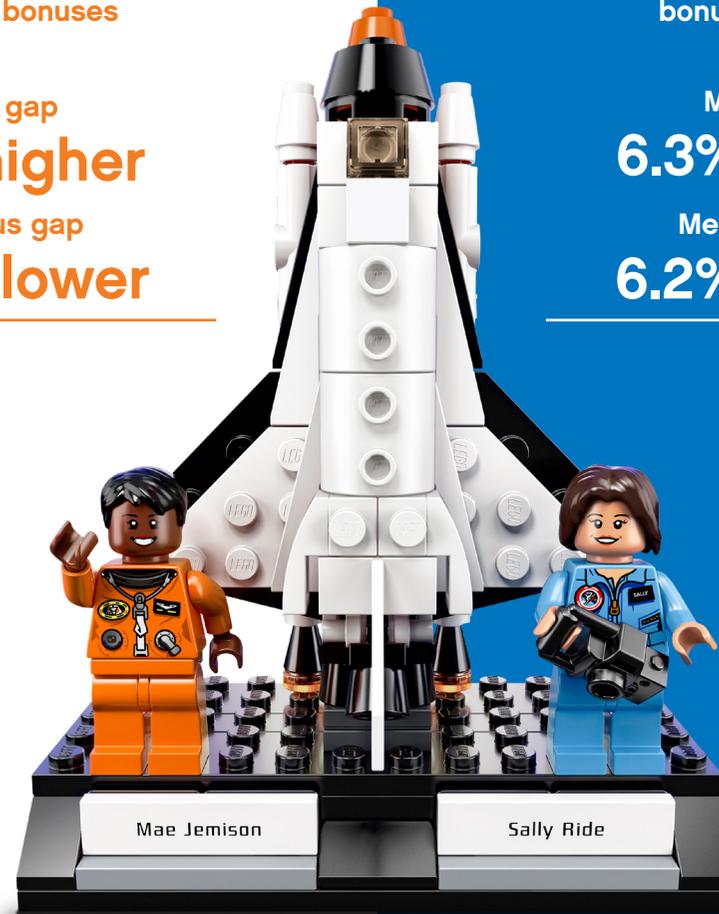
78% of women received bonuses
79% of men received bonuses

Mean bonus gap
0.8% higher
Median bonus gap
23.7% lower

2018

85.5% of women received bonuses
82% of men received bonuses

Mean bonus gap
6.3% higher
Median bonus gap
6.2% higher



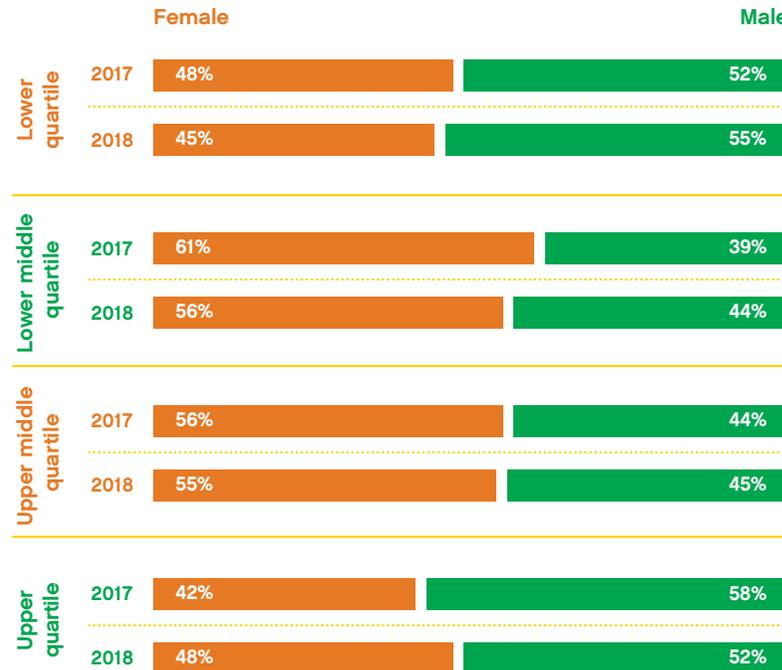
UK Gender Pay Gap in Numbers

The 2018 Gender Pay Gap report is based on data captured on the statutory reporting date of 5 April 2018. Since reporting in 2017, the data below shows a slight decrease in the proportion on females in the lower and lower middle quartiles due to natural turnover, which also resulted in an increase of females in the upper middle and director roles in 2018 versus last year's snapshot. Additionally, a number of senior female leaders of the LEGO Group are based in the UK. This includes our UK General Manager, global Chief Marketing Officer and global Chief Financial Officer. Lastly, the total

number of employees in the UK declined by around 70 positions in the year to April 2018, following a global organisation adjustment.

The LEGO Group continues its ongoing focus on balanced shortlists and interview processes for all recruitment. As part of our commitment to developing and appointing the best female leaders, three new female Vice Presidents have joined the UK organisation since April 2018. We have further invested in a talent development and learning resources that cater to our whole organisation, with access open to all.

Gender by Pay Grade



Mean



Mean gender pay gap

% difference between the mean (average) male and female salaries, regardless of level

vs Median



Median gender pay gap

Ranking of male and female salaries separately; from low to high. Median is the salary exactly in the middle of this sequence. Gap is the % difference between the median male and female salary