



# Advocacy, Government Ethics, and Political Activity Policy

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## Summary

This policy establishes the LEGO Group’s global standard regarding its interactions with “government officials” (as defined in this policy), including: advocacy on public policy and other matters (to include lobbying as defined in specific jurisdictions); gifts, hospitality and entertainment offered or provided to government officials; and political activities, including the personal political activities of employees. It should be read in conjunction with the LEGO Code of Ethical Business Conduct as well as the Anti-Bribery and Corruption Policy and the Gifts, Hospitality and Entertainment Policy.

All employees and third parties acting on behalf of the LEGO Group are expected to comply with this policy, even if it means losing business or reducing profitability. Employees should always demonstrate ethical behaviour in their daily duties and ensure that third parties acting on behalf of the LEGO Group are aware of the principles in this policy. Ethical conduct is not only the right thing to do, it is mandatory, and it upholds a long company tradition and reflects our company values of imagination, creativity, fun, learning, caring and quality.

All employees and third parties acting on behalf of the LEGO Group must report breaches or suspected breaches of this policy as described below in the section on ‘Reporting Breaches’.

## Purpose & Objective

The LEGO Group has a culture rooted in transparency and openness, an important characteristic of the company given the position of responsibility we have acquired with parents and our role models, children. The LEGO Group has a responsibility to advocate for policies consistent with our mission to inspire and develop the builders of tomorrow and our vision to become a global force for Learning-through-Play. This includes seeking to expand market opportunities, protect our business from political and legislative risk, and enhance our reputation. Such advocacy is led, within the LEGO Group, by the Government and Public Affairs function (“Government & Public Affairs”). The LEGO Group is also committed to ensuring that all such activities reflect the company’s commitment to integrity, transparency, and high ethical standards and in adherence to all relevant laws and regulations in the countries where we operate.



## Scope & Exceptions

This policy applies to all employees of the LEGO Group, and third parties acting on behalf of the LEGO Group, regardless of the country, or location of jurisdiction.

Each of us has a personal responsibility to live up to the standards set out in this policy and for ensuring that third parties acting on behalf of the LEGO Group are aware of the principles contained within it. Additionally, people leaders should encourage open discussions regarding business conduct and ethics amongst their teams and recognise and address unethical behaviour.

This policy sets out the minimum standard and should be followed at all times. Where local regulations are stricter than this policy, they will take precedence. Always check the Ethics Website for specific country guidance.

## Breaches

Breaches of this policy (directly or through a third party) may result in disciplinary action, which could include termination of employment and legal action. If laws have been violated, the LEGO Group will cooperate fully with the appropriate authorities. Breaches of this policy or violations of related laws and regulations can also result in criminal, civil and regulatory penalties for the LEGO Group.

The LEGO Group reserves the right to take disciplinary action against any individual who is found to have authorised, condoned, participated in or concealed actions that breaches this policy and who victimise, directly or indirectly, or encourage others to victimise against an employee or a third party who reports an actual or suspected breach.

## Reporting Breaches

All employees or third parties acting on our behalf have an obligation to immediately report any knowledge of breaches or suspected breaches of this policy. Third parties should report through their LEGO employee contact. Anyone who withholds information concerning a breach or suspected breach may be subject to disciplinary action.

Any LEGO Group employee report should be to either:

- your immediate people leader;
- the Corporate Compliance Team or any member of Legal, Compliance & Risk Management;
- Government & Public Affairs or
- The LEGO Compliance Line (where you can choose whether or not to share your name).

**If you have any doubts as to whether a breach has occurred, or if you need guidance to make a decision, you are encouraged to seek assistance. Speak to your immediate people leader, the Corporate Compliance Team, or Government & Public Affairs.**

The LEGO Group will handle all reports as confidential and will make every effort to protect the identity of anyone reporting an actual or suspected breach, within the limits of the law. Any employee who reports an actual or suspected breach will not be victimised against or disciplined if this report is made in good faith. Please note that deliberate false accusations and giving intentionally misleading information during any investigation will not be tolerated. Further, reporting an issue will not absolve an employee from the consequences of their own misconduct.



## Requirements

The LEGO Group is committed to working with governments and government officials in an ethical, transparent, and responsible manner. The requirements outlined in this policy are designed to accomplish that objective.

### Advocacy Activities

All advocacy activities of the LEGO Group must comply with applicable laws and the [LEGO Code of Ethical Business Conduct](#). LEGO Group employees who engage in advocacy activities are expected to obtain and follow guidance from Government & Public Affairs. All of those who serve as advocates for the LEGO Group are expected to maintain the highest standards of professional integrity and conduct.

It is important to the success of the LEGO Group that advocacy on behalf of the LEGO Group be consistent, coordinated and focused on the long-term interests of the LEGO Group and its stakeholders. Therefore, employees are prohibited from engaging in advocacy activities on their own or without the express prior approval of the Vice President of Government & Public Affairs, or their designee. Likewise, no expenditures by the LEGO Group for advocacy purposes, such as retaining a political consultancy, a lobbyist or lobbying firm, or any other consultant or third party who will engage in advocacy activities, or making a payment intended for advocacy purposes to an interest group, civil society organization, coalition, or a membership or trade association, may be made without the express prior approval of the Vice President of Government & Public Affairs, or their designee.

In many jurisdictions, advocacy or lobbying is strictly regulated. When the advocacy activities of LEGO Group employees require registration in a jurisdiction, both the LEGO Group and its employees will follow all relevant registration, reporting, and disclosure requirements. Regulated activities may include direct communication with government officials as well as efforts in support of such contacts.

When the LEGO Group engages third parties such as a political consultancy or lobbying firm to engage in advocacy activities on its behalf, the LEGO Group shall require such third parties to comply with all relevant laws and regulations as well as this policy, the LEGO Code of Ethical Business Conduct, and the LEGO Group's Anti-Bribery and Corruption Policy and Gifts, Hospitality and Entertainment Policy. The engagement of any third party to engage in advocacy activities shall be conducted through the LEGO Procurement Process and the Partner Integrity Due Diligence (PI DD) process, which shall include an evaluation of a potential third party's compliance with advocacy laws and regulations and commitment to transparency. Third parties engaged to conduct advocacy activities shall be required to coordinate with Government & Public Affairs on the substance of any mandated or voluntary disclosures.

Should the LEGO Group provide support for advocacy purposes to an interest group, civil society organization, coalition, or a membership or trade association that engages in advocacy, in addition to the prior approval requirement described above, Government & Public Affairs shall inform such organizations of this policy and shall monitor the LEGO Group's relationship with such organizations and the consistency of their advocacy activities with the LEGO Group's policy objectives and the principles outlined in this policy.

Registration and reporting statutes associated with advocacy and lobbying vary by jurisdiction and place different requirements on companies that retain or employ individual engagement in such activities. In those jurisdictions where registration and reporting is required by LEGO Group, Government & Public Affairs shall



be responsible for maintaining such records as may be necessary to comply with a jurisdiction's disclosure requirements.

When the LEGO Group or third parties acting on its behalf are required to register in connection with advocacy activities, the LEGO Group shall publicly disclose information on such activities, as addressed below under "Disclosure."

## **Offering or Providing Anything of Value to Government Officials**

When advocacy and other activities of the LEGO Group bring LEGO Group employees into contact with government officials, the LEGO Group and its employees must be sensitive to compliance with applicable local laws and must adhere to all restrictions on the provision of gifts, hospitality, and entertainment.

In general, gifts offered to government officials may not be lavish or frequent, and under no circumstances may a gift or anything of value be offered to a government official to secure any improper advantage or to influence or reward the official with respect to his or her official actions or duties. This includes gifts intended to obtain or retain business or for assistance in obtaining a government license or regulatory approval, or settling a dispute with a local government agency or department.

In some jurisdictions, local law applicable to gifts to government officials may be stricter than the LEGO Group's Gifts, Hospitality and Entertainment Policy. As noted in that policy, it is therefore critical that the Ethics Website be consulted, along with this policy, before making or offering a gift to a government official so that the company can ensure compliance with any additional or special restrictions.

Employees who interact with government officials and intend to provide gifts, hospitality, and entertainment are expected to consult and follow the provisions of the Gifts, Hospitality and Entertainment Policy and the additional guidance for particular countries found on the Ethics Website. This may include a requirement to complete and submit the Gifts, Hospitality & Entertainment Registration Form when prior approval is required. In addition, any such employees who are registered in a jurisdiction for advocacy or lobbying activities may be asked to certify, in internal documents or in filings with governmental entities, their compliance with such rules. All employees must accurately record all expenses and payments made in connection with items provided to government officials.

## **Revolving Door Precautions**

Hiring individuals who serve or who have recently served as government officials can raise compliance issues under a variety of "revolving door" policies in certain jurisdictions. Such individuals may be subject to restrictions on their ability to engage with their former agency and colleagues and may be prohibited from working on particular matters on which they worked or which were under their responsibility while in government service. Conflicts of interest can also result from the hiring of a currently-serving government official as an employee or consultant while the individual continues to hold a government post, where that is allowed under local law. In addition, the hiring of a government official or a member of their family may, in some cases, be perceived as the provision of a thing of value to the government official under the gift and ethics rules described above.

When considering the hiring of a government official or a former government official in any capacity, People, Operations & Development (PO&D) must therefore consult with Legal, Compliance & Risk Management in advance, prior to making an offer to the individual, in order to examine relevant legal requirements, to



determine the appropriate terms of any such hire, and to establish controls for the former official, where necessary, to ensure that no conflicts of interest or violations of relevant revolving door rules will result.

## **Doing Business with the Government**

Doing business with government bodies presents different risks from doing business in the commercial sector. Laws related to government contracting are more stringent and complex. All employees should ensure all legal aspects, including compliance and risks are properly assessed and evaluated, prior to making a decision about doing or supporting business with government entities.

Moreover, note that conducting advocacy activities in connection with procurement matters may impact the LEGO Group's ability to obtain or retain government business. For example, in some situations, advocacy activities outside the standard Request for Proposals ("RFP") process could subject the company to certain requirements and prohibitions, including disqualification.

In addition, serving as a government contractor may also subject the company to specific and additional restrictions on political activities. These so-called "pay-to-play" rules can impact both the company's activities and also the *personal* political activities of LEGO Group personnel. Should the LEGO Group and its employees enter into an agreement that subjects the company to such restrictions, the relevant business personnel shall coordinate with Legal, Compliance & Risk Management to ensure compliance.

## **Political Activities**

The LEGO Group does not make contributions to any candidate for elected office, political committee, or political party. Furthermore, the LEGO Group does not sponsor a corporate political action committee or any similar entity in those jurisdictions where permitted. In addition, the LEGO Group does not make independent expenditures in connection with any election or contribute funds to entities for the purpose of making independent expenditures in connection with any election.

The LEGO Group reserves the right to make contributions and/or expenditures in connection with ballot initiatives, ballot measures, or referenda that are likely to affect its business and stakeholders, but such contributions or expenditures may not be made without the express prior approval of the Vice President of Government & Public Affairs and a member of the ELT, and must be disclosed as addressed below under "Disclosure."

Fees paid to political parties or other political committees or other expenditures made to permit attendance by a LEGO Group representative at a party conference or event, such as admission charges for attendance as a commercial guest or visitor, are not prohibited so long as such fees do not benefit one party over another and are not treated under relevant law as contributions to such parties or committees.

Employees or third parties working on our behalf must not use the LEGO name or trademark for political activities of any kind or provide money or other forms of support to political candidates or parties on behalf of the LEGO Group.

The LEGO Group also respects the rights of its employees as personal matters to support candidates and issues of their own choice and to seek elected and appointed office. However, LEGO Group employees must participate in personal political activities only on their own time. Employees who engage in personal political activities must be clear at all times that such participation is as an individual and not as a representative of the LEGO Group. In the course of voluntary political activity, employees shall ensure that



the LEGO Group's name shall not be used in any way that would suggest sponsorship or endorsement by the company. In addition, no employee shall use LEGO Group assets, facilities, or resources for personal political activity.

Like other political activities, political contributions by individual employees are entirely personal and voluntary. No LEGO Group resources may be utilized to make or facilitate personal political contributions, and the LEGO Group will not recognize, reimburse, or in any way compensate an employee for his or her personal political contributions. Moreover, employees may not use their position within the LEGO Group to coerce or pressure other employees, or appear to coerce or pressure other employees, to make political contributions or to support or oppose political candidates or elections.

An employee who becomes a candidate for an elected public office shall advise their people leader, who will consult with Legal, Compliance & Risk Management and with People, Operations & Development in order to establish controls, if necessary, to ensure that no conflict of interest results.

## **Disclosure**

The LEGO Group is committed to transparency with respect to its interactions with government officials and its advocacy in support of our mission to be a global force for learning through play and other public policies. Accordingly, Government & Public Affairs shall post on the LEGO Group website the following, on at least an annual basis:

- A link to the current version of this policy;
- Confirmation that the LEGO Group made no political contributions during the reporting period;
- Information regarding any advocacy or lobbying registrations and reporting by or on behalf of the LEGO Group during the period, including links (where available) to associated publicly-available databases;
- A list of those advocacy groups, coalitions, and membership or trade associations that the LEGO Group has supported financially during the reporting period and that engage in advocacy activities;
- Information on any contributions or expenditures made in connection with ballot initiatives, ballot measures, or referenda; and
- The name(s) and title(s) of the members of the Corporate Compliance Board, which shall be responsible for overseeing this policy and the activities covered under it.

Archived disclosures from previous reporting periods shall be maintained on the same page of the LEGO Group website.

## **Roles and Responsibilities**

The Vice President of Government & Public Affairs has overall accountability for compliance with this policy on behalf of the LEGO Group. The daily administration of this policy belongs to Government & Public Affairs in conjunction with Legal, Compliance & Risk Management. Government & Public Affairs shall periodically report its activities and dealings related to the administration of and compliance with this policy to the Corporate Compliance Board. ELT must ensure that organisation set-up and appropriate procedures to support this policy are established.

All employees and third parties acting on our behalf have a personal responsibility to live up to the standards set out in this policy and an obligation to immediately report any knowledge of breaches or suspected breaches of this policy. Third parties should report through their LEGO employee contact.



People leaders have a critical role and are therefore responsible for ensuring that these policy requirements are understood and implemented in their teams without exception (this includes engaged third parties acting on behalf of the LEGO Group). This will include acting as an appropriate role model by demonstrating positive behaviours in compliance with LEGO values and encouraging team members to attend mandatory or recommended training to build their knowledge and awareness about the policy.

## Further Information

Visit the Ethics Website for more information and further guidance, including frequently asked questions.

This policy is available in English, Danish, French, German, Spanish, Czech, Hungarian, Vietnamese, and Chinese on the Policy Portal.

## Contacts

For questions about this policy or uncertainty about the legality of a business practice, please contact either:

- Government & Public Affairs;
- Business Conduct & Ethics, Corporate Compliance Team; or
- Legal, Compliance & Risk Management

## Definitions

The following terms and definitions are used in this document:

<b>Advocacy</b>	Activities intended to influence government officials and others with respect to the policies and practices of governments and other institutions, including “lobbying” as defined below. In the LEGO Group, these activities are around our point of view on Learning Through Play and early childhood years; responsible digital engagement; environmental sustainability; intellectual property and other aspects of public policy which can help us reach more children and protect our business from political and legislative risk.
<b>Anything of Value</b>	Any form of benefit, which includes, but is not limited to: <ul style="list-style-type: none"><li>• Cash or cash equivalents (e.g. cheques, gifts cards/certificates, vouchers), loans, gifts or prizes</li><li>• Employment offers or promises of future employment (to an individual or any of his/her relatives)</li><li>• Internship or work experience offers</li><li>• Favourable terms on a product or service or product discounts</li><li>• Entertainment/hospitality (payment of travel, hotel, meals, living expenses, or costs of trips or resort stays)</li><li>• Use of vehicles or vacation homes</li><li>• Discounted or free tickets to events</li><li>• Services, personal favours, or home improvements</li><li>• Political or charitable donations</li></ul>



	<ul style="list-style-type: none"> <li>• Opportunity to buy direct shares ('friends and family shares') in a company with a connection to the LEGO Group.</li> </ul>
<b>Gifts, Hospitality and Entertainment</b>	<p>This can include the following (a non-exhaustive list):</p> <ul style="list-style-type: none"> <li>• meals</li> <li>• lodging</li> <li>• services</li> <li>• equipment</li> <li>• prizes</li> <li>• products</li> <li>• transportation</li> <li>• use of vehicles or vacation facilities</li> <li>• home improvements</li> <li>• tickets to entertainment/sporting events</li> <li>• gift cards or certificates</li> <li>• opportunity to buy direct stocks/shares ('friends and family shares') in a company with a connection to the LEGO Group</li> <li>• favourable terms on a product or service.</li> </ul>
<b>Government Official</b>	<ul style="list-style-type: none"> <li>a) an officer, employee, agent, or other individual, regardless of rank or title, acting in an official capacity for or on behalf of any government (including any official adviser to the government), its departments, agencies, or instrumentalities, including government- or state-owned or controlled entities (e.g., national oil company, state-run utility, public hospital, sovereign wealth fund);</li> <li>b) an officer, employee, agent or other individual, regardless of rank or title, acting in an official capacity for or on behalf of a public international organization (e.g., the World Bank or the United Nations); or</li> <li>c) a member of the royal or ruling family of a country.</li> <li>d) any political party, officer, employee, or agent of a political party, or party official; or</li> <li>e) any candidate for political office.</li> </ul>
<b>Lobbying</b>	<p>Lobbying is defined differently in each jurisdiction, but the term generally means direct or indirect communications with government officials, often with an intent to influence such officials, in connection with legislation, regulations, administrative matters, the execution of government programs, or regulatory proceedings.</p>
<b>Political Activity</b>	<p>Political activity is any activity intended to support or oppose one or more candidates for elected public office or one or more political parties or other political organizations. Political activities includes the making of financial contributions but also volunteer services and the in-kind provision of anything of value given for the benefit of a political candidate, party, or committee.</p>
<b>Third Party</b>	<p>A third party (also called 'intermediary') is defined as any, organisation or individual not owned, controlled or employed by the LEGO Group, and retained to provide services or engage in business activities for the LEGO Group. A third party could be a vendor, agent, consultant, distributor or other business associate.</p>