



GENDER DIVERSITY POLICY



1. INTRODUCTION

The LEGO Group has set an ambitious direction in regards to global expansion which requires an organization that can leverage the globalization opportunities and an organization that is capable of adapting proactively to new realities. Diversity facilitates adaptation, it is a multiplier to performance if facilitated well and hence it is a necessity for a global company. Therefore, diversity has been called out as one of the four main organizational focus areas in the LEGO Group going forward.

The LEGO Group provides equal opportunities for all employees and no employee may be discriminated because of background, race, religion, age, disabilities, sexual orientation or gender. This is the foundation on which the LEGO Group has built its approach to gender diversity.

From academics and research it has become evident that gender diversity is the most difficult form of diversity to succeed with and if an organization is able to leverage gender diversity it improves its general ability to leverage diversity in all kinds and shapes (incl. cultural, professional, religious, national). This is the reason why the LEGO Group has decided to focus on improving gender diversity.

The overall gender diversity ambition within the LEGO Group is:

To maximize the pool of talented female leaders in the LEGO Group by securing that talented females to a much higher degree are selected for management positions in the LEGO Group. This ambition will though never override that the LEGO Group will promote and recruit the most suitable and competent person for any position.

The long term ambition is to reach a balanced composition of genders at all leadership levels and in general to build a much more diverse organization. This policy outlines several of the focus areas that have been identified to progress towards a gender balanced leadership composition. It is, however, important to notice that the LEGO Group will continuously evaluate the progress and the effect of the efforts made to ensure that the focus areas are impactful and effective and to allow for corrective actions in the event that this is not the case.

2. BACKGROUND

The Board of Directors of LEGO A/S has formulated this policy pursuant to Section 139a(2) of the Danish Companies Act (*Selskabsloven*).

This Gender Diversity Policy applies to LEGO A/S and its subsidiaries, however, excluding the Board of Directors of LEGO A/S (targets have been defined for the composition of the Board of Directors which can be found in the LEGO Group's Responsibility Report).

In accordance with the Danish Financial Statements Act (*Årsregnskabsloven*) and the Danish Companies Act the LEGO Group's annual report on non-financial results (the LEGO Group's Responsibility Report) will contain insights on how the efforts are materializing. In 2014 there is an unbalanced gender composition at the upper leadership levels in the LEGO Group and to focus the attention on this challenge the gender split in relation to promotions and recruitments into the Director level and above¹ is called out (the LEGO Group reports on this – please see the latest Responsibility Report via www.LEGO/responsibility).

3. FOCUS AREAS

During 2013 key Human Resource (HR) processes and concepts were analyzed and assessed to ensure that they supported the gender diversity agenda within the LEGO Group. The work was divided into five focus areas within HR and below you find selected initiatives to promote gender diversity within each of the work streams:

3.1 Recruitment & Attraction

- a. The aim is that both genders are represented in job interview panels for Manager+ positions and that the best qualified diversity candidate is presented in the final interview round ensuring a proper mix in the presentation of finalists for each role.
- b. A process for training recruiters about why the LEGO Group is focusing on improving the gender balance and what the recruiters' roles are in achieving this has been implemented. Furthermore, all recruiters have been trained in using the new job postings ensuring that the LEGO Group's job advertisements attract both females and males.

¹ Reporting definition will be redefined from 2015



- c. External Search and Select partners have been briefed about the LEGO Group's gender ambitions and they are required to provide the LEGO Group with a diverse slate of candidates.
- d. Redesign of the job webpage with spotlight on women in leadership in the LEGO Group. Plans for including gender diversity into the Employer Branding will be developed to ensure that the LEGO Group targets talented females outside the LEGO Group.

3.2 Leader & Talent Development

- a. The LEGO Group will focus on developing succession candidates for the Corporate Management team and one of the success criteria for this is to achieve a balanced gender split of successor candidates, however, needless to say without compromising the professional quality of the candidates.
- b. A course on inclusion, diversity and distance leadership has been developed and included in the LEGO Group's "Grow2Lead" Curriculum to enable and support leaders in leveraging diversity and becoming better at developing diverse talents (courses target all leaders at D+ level).

3.3 People Review Process

- a. In 2014 a workshop on gender diversity is included as part of the preparation for the People Review Calibration session within all leadership teams to discuss gender biases, stereotypes and potentially blind spots.

3.4 Reward, Performance Management & Promotions

- a. Continuously tracking and analyzing Performance Management pay-out and salary for gender differences.
- b. Tracking D+promotions on gender split to monitor for potential gender imbalances in promotions.

3.5 HR Data & Measures

- a. 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.

Realizing that the gender diversity ambition cannot be reached by HR processes and concepts alone, the Corporate Management members participate in Reverse Mentoring relationships with a senior female leader within the LEGO Group (all female leaders are junior to the Corporate Management members organizationally but not within their direct line of reporting). The purpose of this is to discuss behavior and related challenges connected to gender diversity with the aim of covering blind spots and improvement areas of the individual Corporate Management member.