

# The LEGO Group UK Gender Pay Gap Report 2021

Snapshot period

6th April 2020 – 5th April 2021



# UK Gender Pay Gap Report 2021

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Our goal is to build a diverse organisation with a unique sense of belonging to inspire and develop ALL builders of tomorrow.

*Loren I. Shuster Chief People Officer & Head of Corporate Affairs*



## A message from Loren I. Shuster Chief People Officer & Head of Corporate Affairs

To reach as many children (and grown-ups!) as possible we aim to create LEGO® play experiences that are inclusive for all and that welcome everyone to the joy of building.

To bring these opportunities to life, we believe we need even more diversity in our teams and that we must continue to cultivate behaviors that are inclusive of everyone. This extends to ensuring our work practices, processes and rewards are fair and equitable for all.

At the LEGO Group we strongly believe that equal work deserves equal pay. As part of this commitment, we continually review our employees' compensation and make adjustments where necessary to ensure we maintain pay equity.\*

Additionally, and in line with the UK Legislation related to the Gender Pay Gap Regulations (2017), we can confirm the following findings as part of this data analysis are in accordance with Gender Pay Gap calculations. In 2021, LEGO Group UK had a mean gender pay gap of +6.8% and a median gender pay gap of +25.7% in favour of males.

In prior years, we have reported more balanced figures, however our 2021 score was impacted by an increase of 18.6% in our UK organisation, a significant share being females at entry level.

Our bonus system is built on a combination of company and individual performance. As always, in 2021 our bonus payouts were made in a fair and inclusive way, with 100% of eligible employees receiving the Group's annual bonus. We have a bonus gap of -3.05% in favour of females in the 2021 reporting. This is due to a higher percentage of females receiving additional bonuses, e.g. refer a friend or long service awards, which are paid outside of the annual group bonus.

While we have made progress, we recognise there is more to do. We will continue efforts to develop equality and diversity across the LEGO Group. In 2021, females held 40% of Director+ positions in the LEGO Group which represents a two-percentage point increase from 38% in 2020.

We continuously evaluate our progress also by asking employees how they feel about belonging, feeling safe to share opinions and ability to bring their full self to work. In 2021, the employee inclusion score remained high at 86, hitting our target. Read more about our efforts on [LEGO.com](https://www.lego.com).

*\*Note: The LEGO Group deeply respects that gender is not binary. However, for the purposes of the UK Gender Pay Gap regulations and reporting, this report uses the gender categories of male and female.*

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## The Gender Pay Gap

The mean gender pay gap has increased from +0.8% to +6.8% in 2021, in favour of males. The median gender pay gap is +25.7%, (in compliance with the UK Government's requirement for the calculations), in favour of males. In previous years we've had a result that was more in balance or in favour of females. The LEGO Group's UK gender pay gap 2021 is the result of an increase of 18.6% in headcount in the UK since 2020. 50% of this growth came from an area of our business where 68% of new hires were female and the majority of roles were below Manager level.

The gender pay differences within each grade are negligible (i.e. similar level roles) therefore in the data there is nothing to suggest there is any unfairness to how we pay individuals regardless of gender. 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.

## The Bonus Gap

The LEGO Group operates an annual performance-based bonus programme. The scheme requires employees to have started their employment on or before September 30th 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 April each year.

The bonus pay gap in 2021 was slightly in favour of females (-3.5%). This is due to a higher percentage of females having received additional bonuses, e.g. refer a friend or long service awards, outside of the annual group bonus.



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## UK Gender Pay Gap in Numbers

The 2021 Gender Pay Gap report is based on data captured on the statutory reporting date of April 5th 2021.

Since reporting in 2020 we have seen a 18.6% headcount increase in our UK organisation and have continued to maintain an overall fair gender representation at each quartile.

The LEGO Group continues to recruit from a diverse pool of candidates and have interview processes that uphold an inclusive mindset. We ensure that our efforts on diversity are not limited to gender and have continued to further invest in talent development and learning resources that cater to our whole organisation, with equal opportunities for all.

Upper quartile (Senior Managers +)

Female 44%

Male 56%

Upper middle quartile (Lead Professional, Manager, Senior Managers)

Female 56%

Male 44%

Lower middle quartile (BR, Consumer Service, Support, Professional, Lead Professional)

Female 58%

Male 42%

Lower quartile (Brand Retail (BR))

Female 56%

Male 44%

## 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