

THE LEGO GROUP GREEN CONSUMPTION PLEDGE 2021 UPDATE



Carbon footprint of the LEGO Group

Carbon emissions reduction target

The LEGO Group has committed to [reducing its absolute carbon emissions](#) by 37% by 2032 (compared to a 2019 baseline) to ensure the company plays its part in limiting the effects of climate change.

The target has been approved by the Science Based Target initiative as consistent with levels required to keep global warming to below 1.5°C, the most ambitious goal of the Paris Agreement.

Our target covers emissions from own operations and includes energy use in factories, offices and stores, and from our supply chain including areas such as raw materials and distribution.

In 2021, we conducted an audit and assessed the potential benefits of obtaining EMAS certification across our production sites. We currently comply with ISO14001 in our factories – including our European factories in Denmark, Hungary and the Czech Republic. We concluded that implementation globally was difficult and that the additional value EMAS certification would provide was limited due to its overlap with ISO14001.

Carbon neutral operations

We continue to remain 100% balanced by renewable energy due to investments in offshore wind and investments in onsite renewable energy.

In 2021, we installed new solar panels on our factories in China, Hungary, and Mexico – a 98% increase in our solar panel capacity compared with 2020. Specifically, in our factory in Hungary, we installed over 9,000 solar panels. The Hungarian factory's first solar plant has a capacity of 4MW.

In 2022, we opened the [new LEGO® headquarters](#) in Billund, Denmark – a LEED gold-certified campus. We also announced our plans to build a new, operationally carbon neutral [factory in Vietnam](#) with production starting in 2024. The factory will also be constructed with an aim to meet a minimum standard of LEED Gold. The Leadership in Energy and Environmental Design (LEED) certification programme provides third-party verification on a certain number of key metrics: energy and water consumption, and the use of more sustainable construction materials.

Supplier engagement

In 2021, we made Engage-to-Reduce participation a mandatory requirement for our highest impact suppliers. We increased the number of suppliers involved by over 30% last year and in 2022 we are targeting participation expansion by another 40%.

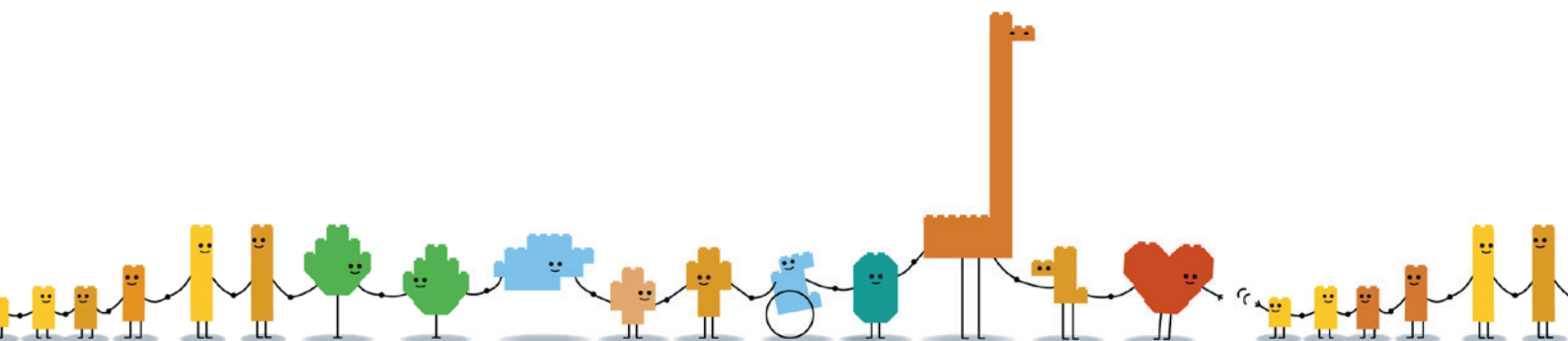
We hosted our first Sustainability Supplier Summit inviting the C-suite of our top 150 suppliers to join us in our commitment to reducing our supply chain emissions. The aim is to work with these suppliers to make tangible reporting and CO₂ reduction improvements and eventually, set their own science-based targets and use 100% renewable electricity (where available). We were also awarded an 'A' score for the 2021 Supplier Engagement Rating (SER) by the non-profit CDP – putting us in the top 8% scored for supplier engagement.

Sustainable materials

In 2021, the LEGO Group unveiled a prototype of the [first LEGO brick made from recycled plastic](#), which uses PET plastic from discarded bottles. A team of more than 150 people are working to find sustainable solutions for LEGO products. Our experts have tested over 250 variations of PET materials and hundreds of other plastic formulations. The prototype is made from recycled PET that use European Food Safety Authority (EFSA) approved processes to ensure quality.

We are replacing the single-use plastic bags used in LEGO boxes to package the loose bricks. In 2021, we completed a successful pilot project to test paper-based bags certified by the Forest Stewardship Council®.

We are changing the way we pack our LEGO sets for shipping. We are removing single-use disposable plastic, such as the air pillows that protect LEGO boxes and the plastic tape that seals the boxes. People ordering from LEGO.com in Europe receive a shipping package that contains recyclable paper certified by the Forest Stewardship Council® (FSC®C117818).



Promotion of sustainable practices

Childrens engagement

In 2021, the LEGO Group reached 169,049 children through our Build the Change activities, exceeding our goal of reaching 100,000 children. Build the Change gives all children the opportunity to learn about sustainability through play as well as give them a voice.

In October, we launched the first free educator course on Biodiversity and Climate Change, reaching more than 50,000 children in its first two months.

In connection with the COP26 United Nations Climate Change Conference, we launched [10 Building Instructions for a Better World](#), informing leaders what young people think should happen to tackle the climate crisis and create a more sustainable future. Reflecting the accessible style of the building instructions that normally accompany LEGO® products, these 10 requests of policymakers were identified through research with 6,000 8- to 18-year-olds worldwide and partners such as the Ellen MacArthur Foundation, helping to give young people a greater voice in the debate on climate change.

Consumer engagement

In Europe, current legislation is limiting the re-use of products. For the toy industry in particular there can be a tension between product safety and circularity. For example, the condition of usage of a toy will be unknown to the consumer when buying the toy as second hand and it is therefore controlled by a strict liability regime.

This has meant that the LEGO Group is still evaluating options to expand LEGO Replay to Europe. However, we actively contributed to the French anti-waste legislation toy take-back scheme, and used the opportunity to discuss the need for legal certainty for brands when their products are re-used.

Communications activities

In 2021, we celebrated Earth Day by taking our Build the Change series online. We asked children to share their ideas for building a sustainable future using LEGO bricks and other creative materials. More than 14,000 children globally participated in the challenge, showing amazing creativity and inspiration.

In April, the LEGO Group also joined voices with 100 European leaders and signed a climate call to action. It is led by the Green Recovery Alliance and was released ahead of the Leaders' Summit on Climate on 22 April 2021. The purpose of the Call to Action is to bolster global climate cooperation which according to the LEGO Group CEO, Niels B Christiansen, will be key to creating impact in the battle against climate change.

In May, we inspired children to learn about the environment and sustainability by creating with LEGO bricks. We launched two sets which celebrate more sustainable living, LEGO Friends Olivia's Electric Car and LEGO City My Family House.

In May, we hosted with the Ellen MacArthur Foundation, an online workshop on circularity for 13- to 18-year-olds. We want to give children more opportunities to learn about circularity. Our own Circular Economy and Youth study conducted in 2021, in which more than 1,700 children in France and Germany were surveyed, showed that children care deeply about the planet but find it difficult to relate to circularity.

In June, the LEGO Group unveiled a prototype of the [first LEGO brick made from recycled plastic](#), which uses PET plastic from discarded bottles. We ran a consumer-facing communications campaign across traditional and social media channels, and were selected to be in TIME's annual list of 2021 Best Inventions.

In November, we went to COP26 United Nations Climate Change Conference and launched [10 Building Instructions for a Better World](#), informing leaders what young people think should happen to tackle the climate crisis and create a more sustainable future. Our aim was for the Building Instructions to remind leaders to place children at the forefront of discussions.

Availability of our carbon footprint information

Carbon emissions disclosure

Every year we publish our annual carbon report on [LEGO.com](#). We use this report to disclose the previous year's full emissions profile across scope 1, 2 and 3 greenhouse gas emissions and try to make the information easy to understand.

In the 2020 report, published in September 2021, we included information on the LEGO Group's commitment, what greenhouse gases are, how our emissions are split across our operations and supply chain, how emissions changed compared with 2019 and what our long-term target is.

Carbon emissions reporting

Every March we report our scope 1 and 2 direct emissions in our [Sustainability Report](#). We also calculate and publish our total annual greenhouse gas emissions every September, meaning this data is not yet available for 2021. All our data is verified by a third party.

Independent assessment

We publicly disclose climate data, performance and strategy through the non-profit CDP on an annual basis and in 2021 we were recognised for our leadership in corporate sustainability by securing an 'A' score for climate change.

In 2021, a record-breaking 13,000 companies globally responded to CDP's data request. Only 200 made it onto this year's so-called climate change A list, the LEGO Group being one of them. We have been recognised for our actions in cutting emissions, mitigating climate risks and developing the low-carbon economy.



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