



2023 First half year sustainability update

✓ Expected to meet 2023 target

✗ The 2023 target will not be met

Children

Unit of measure	KPI name		2019 result	2020 result	2021 result	2022 result	2023 half year result	2023 full year external target
Number	Children impacted by social responsibility and local community engagement (LCE) activities*	✓ We continue to reach millions of children with Learning through Play initiatives organised through local community engagement activities, product and financial donations and programmes, such as Prescription for Play , in the U.S. and China.	n/a	n/a	n/a	n/a	4,333,891	8,820,000
Percentage	Unique employees engaged in volunteering*	✓ We are tracking ahead of plan with 11.5% employees engaged. Engagement was primarily driven by fundraising efforts related to an annual national fundraiser called Danmarks Indsamling (Denmark's Fundraiser), community engagement with Build the Change events, for example with the public library in Aarhus, and Learning through Play projects together with, amongst others, Save the Children Denmark.	n/a	n/a	n/a	n/a	11.5%	16%
Number	Product recalls	✓ We're committed to making LEGO® products that meet the strictest global requirements, and we have not had a product recall since 2009.	0	0	0	0	0	0

Environment

Tonnes	Waste to landfill	✓ The common interpretation of achieving zero waste to landfill is that at least 99% of generated waste is diverted away from landfill. Significant effort by all of our factories to reduce waste has meant that during the first half of 2023, two tonnes of waste went to landfill, which is an 80% reduction versus the same period last year. This puts us on track to reach our annual target of 15 tonnes and achieving the important milestone of zero waste to landfill from our factories for the second year in a row.	480	381	115	16	2	≤15
Tonnes	Waste volume	✓ We reduced the amount of waste produced in the first half of 2023 by better managing waste from the production of LEGO® elements (e.g. LEGO bricks) at our factories in Denmark, China and Hungary; and reducing wood pallet waste in Mexico and the Czech Republic.	18,270	19,117	22,576	26,426	12,458	≤27,200
Tonnes	Carbon emissions	✓ We are on track to meet our 2023 target. We are currently tracking around 5% below our reported target for carbon emissions (scope 1 & 2) despite an 8% increase in production. Carbon reduction initiatives included increased production of solar power at our factory sites and continued focus on energy efficiency initiatives, such as improved and more detailed temperature control across all buildings at our factory in Monterrey, Mexico, allowing us to consume as little energy as possible, while ensuring optimal working conditions for our employees.	110,637	111,037	134,047	130,635	61,669	≤137,000
m3	Water supplied into factories	✗ We remain committed to reducing water usage across our sites. Some water reduction initiatives, such as a sand filter optimisation project at our factory in Hungary, are delivering ahead of expectations. However, we do not expect to deliver our 2023 target as a project, at our factory in Mexico, to use a mix of rainwater and treated wastewater will not be completed as planned in 2023. We expect it to be completed in 2024.	711,693	702,726	821,000	867,000	389,192	≤829,000
Percentage	Sustainable packaging materials (sold) incl. extended Line	✓ We continue to make progress to achieve our aim to make our packaging from more sustainable materials and to remove single use plastic from LEGO boxes by the end of 2025. In the first half of 2023, we continued to introduce paper-based bags in LEGO boxes in Europe. We remain committed to investing in new packaging equipment to support the global roll-out during the next two years.	91%	91%	93%	93%	93%	≥93%

People

Percentage	Females at Director+ levels	✓ We are on track to meet the 2023 target as we recruited and promoted females into Director+ roles during the second quarter, many of which we expect to be filled in the second half of the year.	36%	38%	40%	41%	40.9%	≥42%
Number	Fines or settlements for non-compliances with anti-bribery and corruption laws	✓ This is an area of critical importance, and we continue to have zero fines or settlements, as has been the case since the KPI was introduced three years ago.	n/a	0	0	0	0	0
Rate	Lost time injury rate	✓ We saw a reduction in lost time injury rate in the first half of 2023, compared with the same period last year. This was primarily due to improved safety performance in LEGO Retail Stores.	0.9	0.4	0.4	0.5	0.3	≤0.9
Percentage	Suppliers with higher risk non-conformities	✗ We are committed to ensuring that all workers involved in making LEGO® products have fair, decent, and safe working conditions. In 2023 we further strengthened our audit programme by increasing the scope of our audits to include agency workers at our suppliers' manufacturing sites. In doing so we found that a minority of agencies used by our suppliers have not complied with key operating requirements, such as providing consistent working conditions. The result of which means we are unlikely to meet our 2023 target in this area. We will continue to work closely with all suppliers to urgently address these issues and ensure ongoing compliance with our Responsible Business Principles.	31%	42%	25%	25%	45%	≤30%
Number	Suppliers with zero tolerance (critical) non-conformities	✗ A third-party audit found that a sub-supplier to one of our direct suppliers was not keeping accurate and transparent records regarding working hours. We take such breaches very seriously and will work with our supplier, and their suppliers, to address this non-conformity. As the issues, despite the efforts of the sub-supplier, were not properly addressed, the sub-supplier has been phased out. We will also continue to work with existing and new suppliers to onboard and train them in our Responsible Business Principles.	n/a	8	4	3	3	0

* as of 2023, we have changed the metric to better reflect our ambition and therefore there is no historical data.

