

UK GENDER PAY GAP REPORT



The LEGO Group has a mission to inspire and develop the builders of tomorrow. We create playful learning experiences that develop children to think creatively, reason systematically and realise their potential to shape their own future. We think of all children when we create our fantastic products and seek to adopt the same approach with our workforce.

We believe that having employees with diverse backgrounds, skillsets, and experiences benefits our organisation and equips us to more effectively address the global challenges ahead. It is our ambition to have a balanced composition of genders at all organisation levels by the year 2032, while complying with our Gender Diversity Policy that stipulates that we should always hire the most suitable and competent person for any job.

In the UK, the LEGO Group does have a gender pay gap. The mean pay gap is 7.0% and the median gender pay gap is 21.0%, excluding bonus payments.

We are working to address this gap and create an equal gender split across the entire organisation. At a global level, we measure this through a metric we call 'Females appointed and recruited' which is published internally and as a part of our [Responsibility Data Report](#).

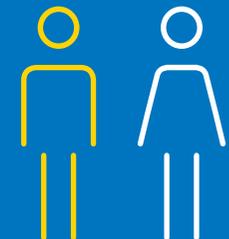
The metric tracks the percentage of women appointed to Manager or above roles through external hires and internal appointments. This tracking means we are able to constantly monitor gender diversity, enabling strategic and proactive discussions and actions.

We have a set a target of 40% for "Females appointed and recruited". In 2017 we met our target with a score of 41%, slightly lower than our 2016 score of 44%. In 2017, the female share of external hires was 53%, while 37% of Manager+ internal appointments were female. We will continue to review and revise our targets as we drive to achieve gender equality.

We are committed to creating a diverse and inclusive workforce in the UK. We know there is work to do and will develop an action plan to address gender inequality and promote inclusiveness for all.

Loren I. Shuster
Chief People Officer

Marjorie Lao
Chief Finance Officer



THE GENDER PAY GAP – HOURLY RATES

The mean gender pay gap for the LEGO Group in the UK is 7.0% and the median gender pay gap is 21.0% which exclude bonus payments.

The national average mean gender pay gap is 17.4% and the national median pay gap 18.4% based on the Office for National Statistics.

The LEGO Group's gender pay gap is the result of a higher proportion of men holding positions in the upper pay quartile. However, the gender pay differences within each grade are small. A large proportion of female staff in the lower middle quartile has higher average pay compared to men.

There were only women employed at the highest level of the organisation in the UK in 2017. These were members of the LEGO Group executive leadership team.

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 discretionary performance-based bonus programme. The scheme rules require employees to have started their employment on or before 30th September 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 March each year.

The data presented in this report is prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The data in this report relates to the pay period which includes 5th April 2017, and relates to relevant employees employed by the LEGO Group in the UK at that date.

All data has been calculated using the methodology required by the Regulations.

In March 2017, 79% of women were paid a bonus, and 78% of men. The average bonus pay gap is -0.8% and the median bonus gap is 23.7%.

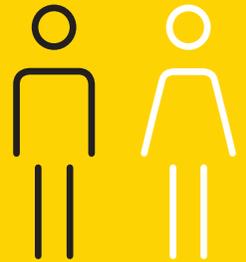
The overall median bonus gap for the organisation reflects the greater proportion of men occupying more senior roles. As the bonus programme is based on a target percentage of salary, bonuses paid in higher grades are typically larger than those at lower grades.

OUR UK GENDER PAY GAP IN NUMBERS

WOMEN'S HOURLY RATE IS	7% lower (mean)	21% lower (median)
WOMEN'S BONUS PAY IS	0.8% higher (mean)	23.7% lower (median)
WHO RECEIVES BONUS PAY	79%  of men	78%  of women

Number of employees globally - **17,534**

Number of UK employees - **865**



Gender profile by quartile pay bands

