

# Our commitment

## to children

Our focus has always been on providing fun and engaging play materials of the highest quality and safety to children, whose best interests and well-being are at the very core of our values: Imagination – Creativity – Fun – Learning – Caring – Quality. These core values are important to us not only because they define who we are as a company and what we stand for, but also because they guide us in our mission to inspire and develop the builders of tomorrow. We believe we can reach this ambition through our play materials and their contribution to children's development, but also through our social and environmental efforts.

## to the planet

At the LEGO Group, we want to minimise our impact on the environment. We believe we can do this by reducing our greenhouse gas emissions and by sourcing and using resources responsibly.

Every year, we calculate our carbon contribution to understand our impact on the climate.

In 2015, the LEGO Group's total emissions output globally was approximately one million tonnes of CO<sub>2</sub> – a 2% drop compared with the previous year. Our own operations account for 10% of these emissions. We emit these directly from our factories that burn fossil fuels or indirectly through buying electricity for our production sites, offices and stores. The remaining 90% of emissions are indirectly linked to the LEGO Group, and are associated with activities such as purchasing materials, transport, consumers, and business travel.



“Children need healthy environments to develop and thrive, and we want to contribute by minimising our environmental impact. That is why we continue to focus on preserving the environment and using resources responsibly to the best of our ability and with help from our suppliers and partners.”

John Goodwin, Executive Vice President and Chief Financial Officer, the LEGO Group

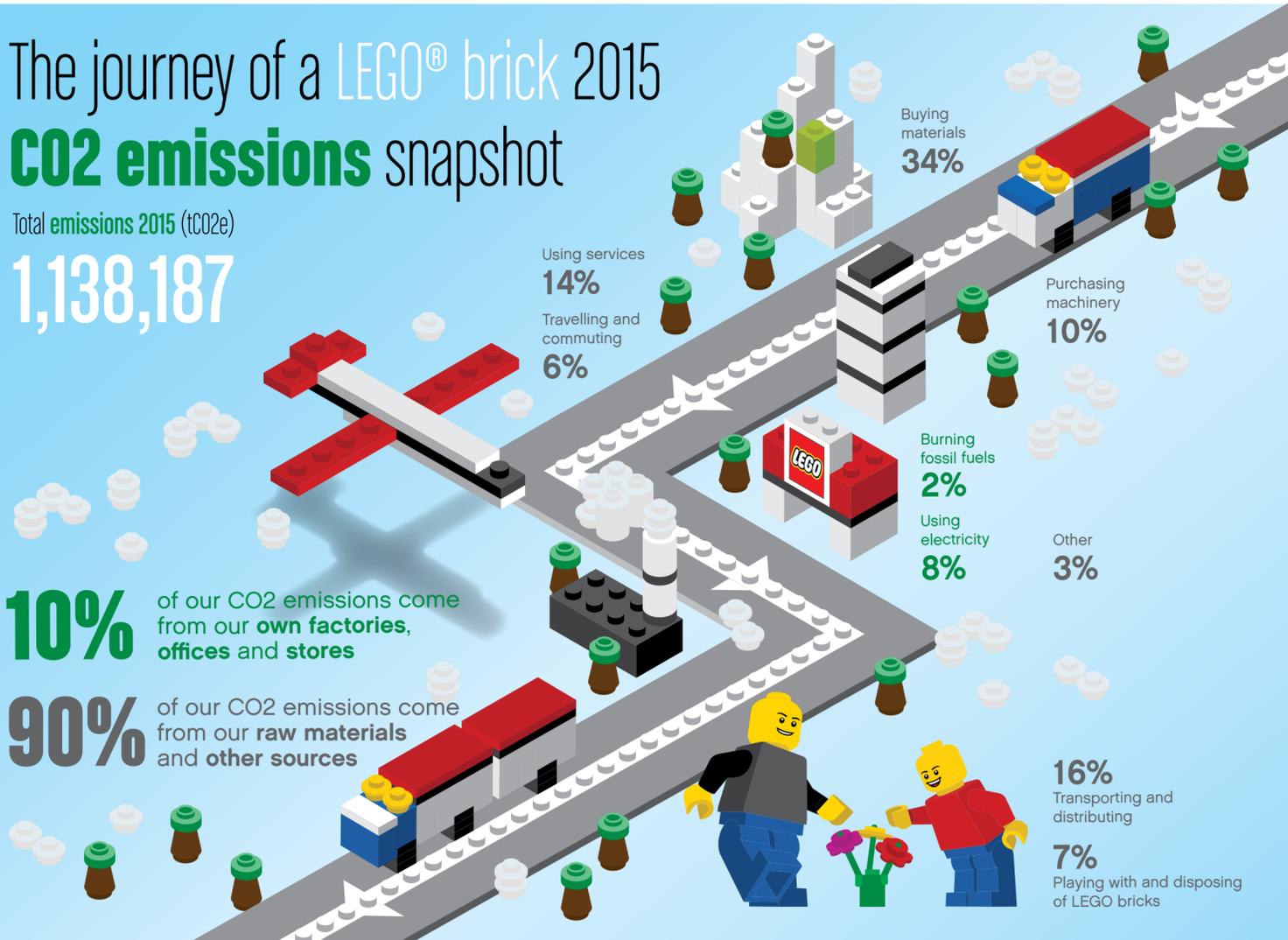
### What are greenhouse gases?

Greenhouse gases are released into the atmosphere from the ocean, animals and plants, and through human activities such as burning fossil fuels. The gases trap some of the sun's heat, which in return warms up the planet. An abundance of these gases, however, causes the atmosphere to trap too much heat. The current concentration of greenhouse gases in the atmosphere is unprecedented in the last 800,000 years. The consequence is that the climate system is warming and the Earth's average temperature is increasing, according to the Intergovernmental Panel on Climate Change (IPCC). Carbon dioxide (CO<sub>2</sub>) is the most common greenhouse gas, which is why these emissions are often referred to as carbon emissions.

## The journey of a LEGO® brick 2015 CO<sub>2</sub> emissions snapshot

Total emissions 2015 (tCO<sub>2</sub>e)

1,138,187



## to improving efficiencies

We aim to reduce our own and our suppliers' emissions, as we continue to grow and expand our operations. We have set ambitious targets on reducing our carbon emissions and improving our energy efficiency by collaborating with WWF as part of their Climate Savers Program.

We have made progress in energy efficiency at our own production sites, which translates into an 18% improvement in emissions efficiency in the last three years.

Find more information about our Climate Savers partnership with WWF [here](#).

### Improvement in energy efficiency (%)



### From gas to district heating

In 2015, the LEGO Group transitioned from gas to district heating at the production site in Billund, Denmark. This district heating is mainly supplied by renewable energy sources. Besides an annual energy saving of 300 MWh, the transition has also resulted in CO<sub>2</sub> reductions of up to 75% per year, compared to the old system. The electricity saved is roughly equal to what is used to power 230 households in China for a year.

### Supplier engagement

The LEGO Engage-to-Reduce programme aims to reduce CO<sub>2</sub> emissions by engaging with our suppliers. In 2015, we collaborated with over 30 key suppliers on assessing where we can make improvements to their environmental performance and on co-creating CO<sub>2</sub> reduction initiatives, such as introducing new trucks in our logistics routes to reduce fuel use and CO<sub>2</sub> emissions.

## Emissions data and accounting policy

Type of emissions	Gross direct GHG emissions: Scope 1 (ktCO <sub>2</sub> e)	Gross indirect GHG emissions: Scope 2 (ktCO <sub>2</sub> e)	Other indirect GHG emissions: Scope 3 (ktCO <sub>2</sub> e)
GHG emissions (2015)	29	89	1,020
GHG emissions base year (2010)	13	53	669
Biogenic emissions (2015)	2	n/a	n/a
GHG emission savings (2015)	0.2	0.5	0.0

Our greenhouse gas (GHG) inventory is developed on an annual basis for the full value chain of the LEGO Group. It follows the most recent standards and guidelines published by the GHG Protocol Initiative. The scope of our climate inventory within the LEGO Group is based on the operational control criteria, which are defined by the GHG Protocol. Our inventory reports on all greenhouse gases covered by the UNFCCC/Kyoto Protocol.

Each year's climate inventory is verified by an external party. The verifier ensures the LEGO Group's compliance with the ISO 14064-1 standard and the GHG Protocol, in accordance with the ISAE 3410 and ISO 14064-3 standards.