

Appendix 1

Sustainability Report 2024

This report is an integrated part of the LEGO Foundation's Annual Report for 2024 setting out the annual reporting pursuant to the requirements of section 99a and 99d of the Danish Financial Statements Act on social responsibility and data ethics.



The role we play in the world

The LEGO Foundation is an independent Danish corporate foundation. Social responsibility is an integral part of our operations.

We have three main objectives:

- to secure and support the continued existence and development of the companies within the LEGO Group
- to support research and educational objectives and activities benefitting children
- to carry out business activities through investments.

We have adopted several social responsibility policies covering:

- #1 CHILD SAFEGUARDING**
- #2 ANTI-BRIBERY, CORRUPTION AND AVOIDING CONFLICTS OF INTEREST**
- #3 GENDER, DIVERSITY, AND INCLUSION AND ANTI-HARASSMENT**
- #4 ENVIRONMENTAL IMPACT**
- #5 WHISTLEBLOWER**
- #6 DATA ETHICS**

Our policies refer to international standards and agreements and we are committed to the UN Convention on the Rights of the Child and the Sustainable Development Goals (SDGs).

As a co-owner of the LEGO Group, the LEGO Foundation shares the vision to become a global force for learning through play and the mission to inspire and develop the builders of tomorrow with the other LEGO entities.

In 2024, our work contributes particularly to two Sustainable Development Goals:



SDG4 Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Learning through play helps children develop essential skills like creativity, critical thinking, and teamwork, which are vital for their future success. By integrating play into homes and classrooms, we can better prepare children for tomorrow. We actively support and fund projects that promote learning through play, aiming to make education more accessible and inclusive. Through this approach, we work towards ensuring quality education and lifelong learning, aligning with Sustainable Development Goal 4.



SDG17 Partnerships

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

Through our partnerships with organisations from a variety of sectors, we aim to contribute to improving the situation for children across the world by offering opportunities to experience the benefits of learning through play to better cope and grow. We work closely with our partners through funding, co-design of programmes, training, toolkits and play activities that tackle specific challenges in education and child development.

SOCIAL RESPONSIBILITY #1

Child safeguarding

The LEGO Foundation has a zero-tolerance policy for child abuse in any form, and everyone working for, or affiliated with, the LEGO Foundation must always treat children decently and respectfully. Our Child Safeguarding Policy aims at taking all necessary actions to support child safeguarding. The policy is our commitment to safeguard children from fundamental abuse of their rights or dignity. We do not tolerate any infringements of our principles, policies or international standards concerning children's rights. Further, the LEGO Foundation applies a code of conduct that is primarily based on the Universal Declaration of Human Rights.

[Child Safeguarding Policy](#)[Code of Conduct](#)

Impact assessment and vetting frameworks

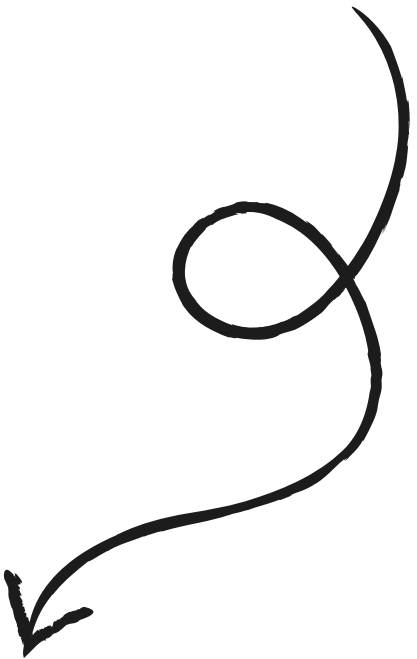
The LEGO Foundation operates in various countries and cultures where human rights, including children's rights, might not be protected to the standards stated in our principles and policies. Only potential partners meeting the high standards of the LEGO Foundation are considered for funding. Before we engage with a potential partner, the LEGO Foundation conducts a thorough vetting of the partner and proposed project.

Release of subsequent funding is subject to both demonstrated progress of the project and continued compliance with the principles and policies of the LEGO Foundation and contractual obligations. Progress and compliance are confirmed through the partner's reporting and possible on-ground follow-up conducted by LEGO Foundation colleagues. The LEGO Foundation

can initiate external audits of partners. The LEGO Foundation carries out two to three external audits per year performed by an independent auditing company.

VETTING PROCESS

- 1** Due diligence is conducted on partners, assessing legal status, governance, risk, financial management, programme, capacity, and policies on safeguarding, diversity, equity, and inclusion.
- 2** After due diligence, the potential partner submits an application addressing any recommendations.
- 3** The proposed project and location undergo a risk assessment covering health and safety, human rights, corruption, and the political environment.
- 4** After vetting, a legal contract is signed to mitigate risk, incorporating the LEGO Foundation code of conduct and Child Safeguarding Policy, with an obligation to report any breaches.



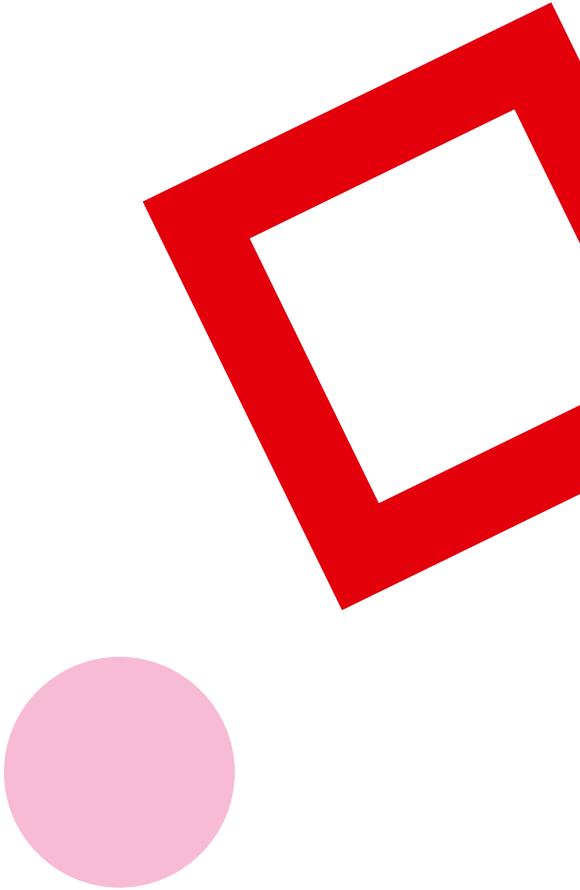
Actions and results

External audits in 2024:	<ul style="list-style-type: none">• Three external audits conducted in 2024.• The LEGO Foundation reviews procedures and implements changes based on audit findings.
Compliance with LEGO Foundation code of conduct and Child Safeguarding Policy and incidents and notifications in 2024:	<ul style="list-style-type: none">• Partners are required to ensure compliance with LEGO Foundation’s code of conduct and Child Safeguarding Policy.• In 2024, the LEGO Foundation received one notification about an incident in projects funded by the LEGO Foundation that potentially could conflict with the LEGO Foundation code of conduct or Child Safeguarding Policy. This is fewer notifications than in previous years (three in 2023 and nine in 2022).
Response to allegations:	<ul style="list-style-type: none">• The LEGO Foundation takes action to ensure that the allegations are investigated.• Partners are required to mitigate substantiated issues and prevent future incidents.• For the notification received in 2024, adequate actions were taken by the partners in response.
Ongoing monitoring and improvement:	<ul style="list-style-type: none">• The LEGO Foundation monitors continuously to ensure partners improve working environments and partners educate staff to maintain compliance and safeguard policies.

Target for 2025

The LEGO Foundation recognises partners’ reporting on allegations of policy breaches as proof that the mechanism works and that our partners trust the foundation, which in turn makes it possible to act in the interest of the children impacted by the projects funded by the LEGO Foundation. Therefore, while aiming to prevent any new incidents in 2025 through our vetting and partner onboarding processes, no target is set for notifications on incidents of violations of our Child Safeguarding Policy and code of conduct by anyone working for, or affiliated with, the LEGO Foundation.

Instead, the LEGO Foundation has a target of initiating a minimum of two to three external audits per year to be performed by an independent auditing company, either on site or as desktop audits.



SOCIAL RESPONSIBILITY #2

Anti-bribery and corruption and avoiding conflicts of interest

The LEGO Foundation is committed to preventing bribery and corruption, and has implemented an Anti-bribery and Anti-corruption Policy to uphold this.

Anti-bribery and Corruption Policy

Impact assessment

The Anti-bribery and Anti-corruption Policy applies to all LEGO Foundation employees, subsidiaries, representative offices, and third parties, regardless of location. It offers guidance on recognising and addressing bribery and corruption and outlines the responsibilities of all parties in adhering to the policy.

Action and results

Employees and third parties are required to report any breaches or suspicions to a manager or via the anonymous whistleblower line.

In 2024, we received reports of four alleged incidents of bribery or corruption involving our partners or projects, and two theft-related allegations. When receiving notifications with allegations of such incidents, the LEGO Foundation takes action to ensure that the allegations are thoroughly investigated, and appropriate actions are taken.

Target for 2025

We aim to continue our swift, diligent and decisive handling of any allegations received.

Though we are satisfied with our current policies on the matter, we will continuously monitor and evaluate the adequacy of our policies, audits and other measures taken.

SOCIAL RESPONSIBILITY #2

The LEGO Foundation is committed to preventing conflicts of interest, and has implemented an Avoiding Conflict of Interest Policy to uphold this.

Avoiding Conflict of Interest Policy

Impact assessment

The LEGO Foundation is committed to upholding the highest ethical standards for its employees and third parties acting on our behalf, ensuring efficient use of resources to achieve the organisation’s objectives and preventing decisions from being influenced by self-interest.

Action and results

The Avoiding Conflicts of Interest Policy, provides guidance on identifying and addressing potential and actual conflicts of interest within the LEGO Foundation. Employees are expected to interact with colleagues, the organisation, LEGO entities, and external organisations with objectivity and honesty.

In 2024, we have continued to increase focus on possible conflicts of interest throughout the organisation in order to identify them and initiate the necessary mitigating actions.

Target for 2025

We will continue in 2025 to ensure focus on possible conflicts of interest to avoid any such conflicts.



SOCIAL RESPONSIBILITY #3

Gender, diversity and inclusion and anti-harassment

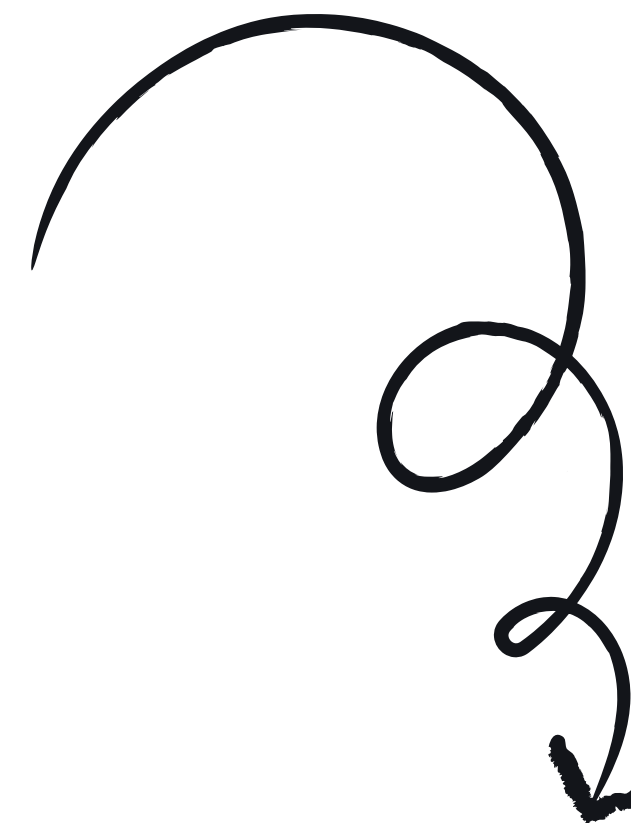
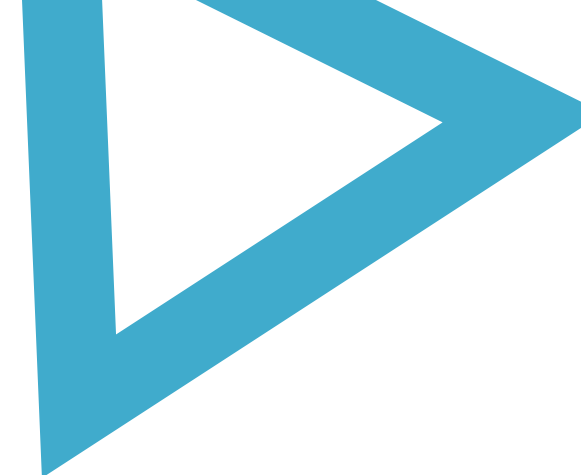
Like all Danish Corporate Foundations, we work to make society stronger – in Denmark and around the world. To do so, we are entirely dependent on employees who conduct their responsibilities with integrity, diligence and sensitivity when engaging with global partners that work with children, often within vulnerable or challenging contexts. Internally, our focus is on maintaining a rewarding, inclusive and fulfilling working environment that supports ongoing personal development, health and safety. We remain committed to building a shared sense of direction and an environment of trust and openness, with a focus in 2025 on establishing even clearer roles and accountability throughout the organisation.

Our Diversity and Inclusion Policy ensures fair recruitment, development, and leadership, fostering an inclusive culture where everyone feels valued and can collaborate effectively. We believe diversity enhances our impact in creating strong partnerships and driving change for children worldwide.

Our Gender Policy aims for balanced gender representation on the Board of Directors, leadership team, and in people management roles, with specific targets set.

The Anti-harassment Policy guarantees a work environment free from bias, harassment, and discrimination.

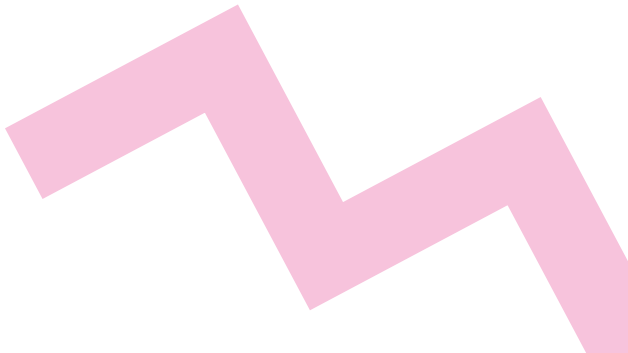
We also maintain an Environment, Health and Safety (EHS) organisation to ensure a safe, healthy workplace, meeting regulatory requirements and continuously improving conditions for LEGO Foundation employees.

[Diversity and Inclusion Policy](#)[Gender Policy](#)[Anti-harassment Policy](#)

SOCIAL RESPONSIBILITY #3



	Impact assessment	Action and results	Target for 2025
Balanced gender representation	In 2023, the Board of Directors adopted a Gender Policy confirming our ambition to maintain a balanced gender composition in the Board of Directors and other management levels.	<p>At the end of 2024, the LEGO Foundation Board of Directors comprised three women and three men and thus met the requirements for balanced gender representation.</p> <p>By the end of 2024, our gender distribution among the LEGO Foundation's people leaders is considered balanced with 50 % women and 50 % men.</p>	The LEGO Foundation aims to maintain the gender balance across the leadership levels.
Recruitment Policy	A new recruitment policy was implemented during 2024 with clear processes and actions to ensure equity and inclusive attraction and recruitment of a diverse pool of candidates.	In addition to gender diversity, we promote and monitor diversity in teams more broadly. At the end of 2024, we had 23 different nationalities among our staff with 50 % of colleagues coming from other countries than Denmark and a varied representation across ages.	The LEGO Foundation aims to continue improving our DEI efforts by implementing bias detection tools to further support our efforts to address bias in recruitment processes.
Health and security:	We have identified the physical and mental health and safety of our employees as people risks. Some employees work on projects in regions with security challenges, which entail safety risks.	<ul style="list-style-type: none">• No serious incidents occurred.• Travel security training was completed by all colleagues who are required to travel.• First aid training was conducted for employees.	We aim to have no serious incidents in 2025 and all relevant new employees should complete security training.
EHS: Workplace assessment	A workplace assessment ('Arbejdspladsvurdering') was carried out in 2024. While the assessment showed satisfactory results on an overall level, an action plan has been developed to address areas where the LEGO Foundation will focus attention and activities to improve.	<ul style="list-style-type: none">• EHS governance was improved by reshaping processes and procedures and enhancing organisational communication.• Availability for the organisation and for individual employees in relation to both physical and mental health was prioritised.• The physical office space was assessed and adjusted to improve the office environment.• Ergonomic training was offered for all staff.	In the fourth quarter of 2025, we will conduct a new survey assessing the LEGO Foundation's workplace environment.



SOCIAL RESPONSIBILITY #4

Environmental impact

The LEGO Foundation strives to have a positive impact on the planet. However, our travel activities and operations leave a footprint that we continuously strive to reduce.

Impact assessment

The LEGO Foundation’s main environmental impact comes from employee travel. To address this, the LEGO Foundation has adopted a Travel Policy aimed at ensuring efficient travel and approving only necessary trips to minimise travel-related emissions.

The LEGO Foundation’s subsidiary Koldingvej 2, Billund A/S manages our investment portfolio with an active environmental, social, and governance (ESG) approach. The portfolio is monitored for ESG controversies, and we engage with companies and managers in the event of breaches of UN Global Compact principles.

Action and results

In 2024, we relaunched our Travel Policy and saw a significant decline in air travel, leading to a substantial reduction in emissions. The LEGO Foundation now receives more detailed data on its travel-related carbon footprint to track emissions and set future targets. Our 2024 carbon footprint totalled 270 tonnes CO₂e, with 257 tonnes from flights and 13 tonnes from hotels and car rentals.

The investment strategy was adjusted in 2024, so the investment portfolios are seen and managed as a combined portfolio for both Koldingvej 2, Billund A/S and the LEGO Foundation. The adjusted investment strategy strengthens the focus on responsible investments and ESG.

Target for 2025

The LEGO Foundation will continue to reduce emissions from on-ground visits with improved travel data, will track emissions and explore initiatives to further lower our carbon footprint.

The LEGO Foundation will continue to focus on responsible financial investments, ensuring they align with the mission to support sustainable and impactful long-term value creation.



SOCIAL RESPONSIBILITY #5

Whistleblower

The LEGO Foundation has established a whistleblower line to ensure the necessary reporting lines are in place for employees, partners and others to report breaches in a safe and anonymous manner where the standard communication channels are not sufficient. Reports are received by an internal Whistleblower Committee. All members of the Whistleblower Committee are subject to a special duty of confidentiality.

Reporting Unethical Behaviour

Impact assessment

Unethical behaviour or accusations of unethical behaviour by the LEGO Foundation, its employees or partner organisations can potentially damage the reputation and the work of the LEGO Foundation and its partners.

Concerns that can be reported via the whistleblower line include:

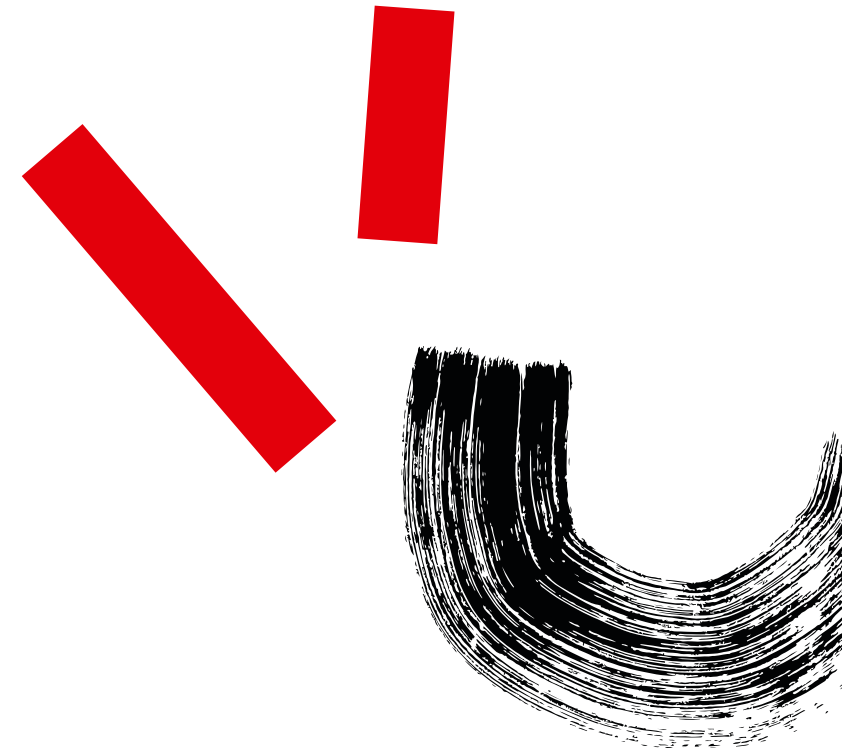
- financial fraud (such as bribery, corruption, money laundering, theft, fraud, forgery)
- irregularities in accounting and auditing
- workplace misconduct or harassment (such as violence, assault, sexual harassment, discrimination)
- serious business ethics breaches, including violations of laws or the LEGO Foundation policies
- threats to the environment, health, or safety
- human rights violations, child safeguarding issues, or data protection failures.

Action and results

The LEGO Foundation whistleblower line was activated during 2024. The reports were screened by the Whistleblower Committee to assess whether the reports fell within the scope of issues that can be reported. When this was the case, appropriate actions were taken.

Target for 2025

The LEGO Foundation recognises the activation of the whistleblower line as evidence that the system works and that individuals trust the organisation to take appropriate action for the benefit of those working on LEGO Foundation-funded projects for children. Therefore, while aiming to prevent any new incidents, no target is set for activation of the whistleblower line. Instead, the LEGO Foundation measures success by handling each individual case by applying appropriate actions.



SOCIAL RESPONSIBILITY #6

Data ethics

The LEGO Foundation's Data Ethics Policy outlines our principles for ethical data handling, ensuring lawful processing and human evaluation in all decisions. The leadership team governs data ethics, and concerns are addressed directly to the leadership team or via the whistleblower line.

[Data Ethics Policy](#)

Impact assessment

The LEGO Foundation prioritises transparency, with an approval process for data use and new technology.

Action and results

The LEGO Foundation only works with partners and businesses that uphold similar ethical standards for data handling. Employees receive compliance training, and the policy is part of the induction process.

Target for 2025

The LEGO Foundation aims to maintain a high standard for data ethics, ensuring that all new employees and partners receive appropriate training in data handling.

