



Reporters: 王佳欢、樊楚瑶、杨昊南、郭增岳、许嘉谕

►Introduction

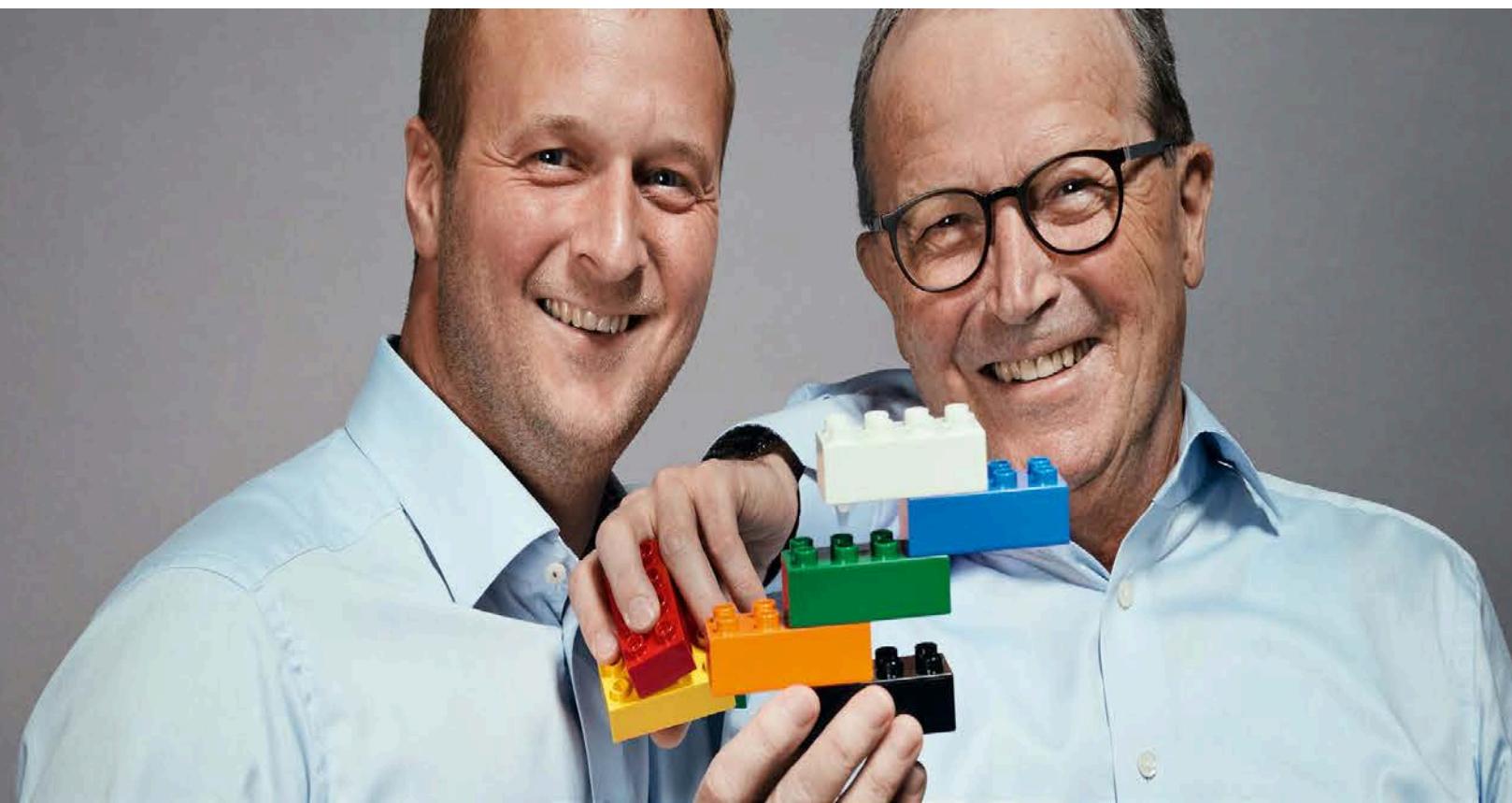


The name 'LEGO' is an abbreviation of the two Danish words "leg godt", meaning "play well". It's their name and it's their ideal.

The LEGO Group was founded in 1932 by Ole Kirk Kristiansen. The company has passed from father to son and is now owned by Kjeld Kirk Kristiansen, a grandchild of the founder.

►Ownership

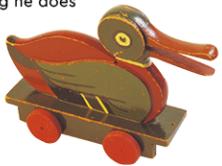
The LEGO Group is owned by KIRKBI A/S (75%) and the LEGO Foundation (25%)



►History

1930s

1932 Master carpenter and joiner, Ole Kirk Kristiansen, starts making wooden toys. As an skilled carpenter, he pursues high quality craftsmanship in everything he does



1935 Combining the two Danish words "Leg Godt," meaning "Play Well," Ole Kirk Kristiansen names his company LEGO® – unaware that this word in Latin means "I put together." As an alternative, he considered LEGIO (= legions) but opted finally for the name that embodies good quality play and commitment towards children's development through play

LEGO

1957 Godtfred Kirk Christiansen takes over the day to day management from his father. He sees himself as a manufacturer :

"We want only the best ... we must make better bricks from even better material on even better machinery. We must get the best people for our company"



1956 The LEGO Group enters the German market and establishes a sales company, the first outside Denmark



1955 Godtfred Kirk Christiansen launches the LEGO® System in Play as a structured system of products – the more bricks you have, the more you can build.

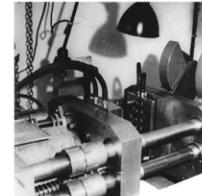
"Our idea has been to create a toy that prepares the child for life – appealing to its imagination and developing the creative urge and joy of creation that are the driving forces in every human being"

1940s

1937 Ole Kirk Kristiansen's son, Godtfred Kirk Christiansen, begins designing wooden toys at the age of 17



1946 Ole Kirk Kristiansen orders his first plastic injection moulding machine from Great Britain



1949 Ole Kirk Kristiansen sees potential in plastic bricks and tries to convince his sons :

"Have you no faith? Can't you see if we do this right, we can sell these bricks all over the world?"

1950s

1953 Automatic Binding Bricks change name to LEGO® Mursten (LEGO Bricks). The name "LEGO" is now moulded on every brick

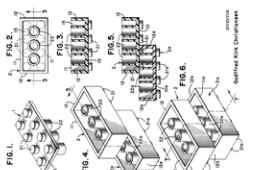


1949 The forerunner of the LEGO® bricks we know today, is launched under the name "Automatic Binding Bricks"



1960s

1958 The LEGO® brick is patented with a new coupling principle, the one we know today, opening up to endless building possibilities



1960 A fire destroys the company's wooden toy warehouse : the production of wooden toys is discontinued

1962 The LEGO® wheel is launched, introducing movement to the LEGO System in Play



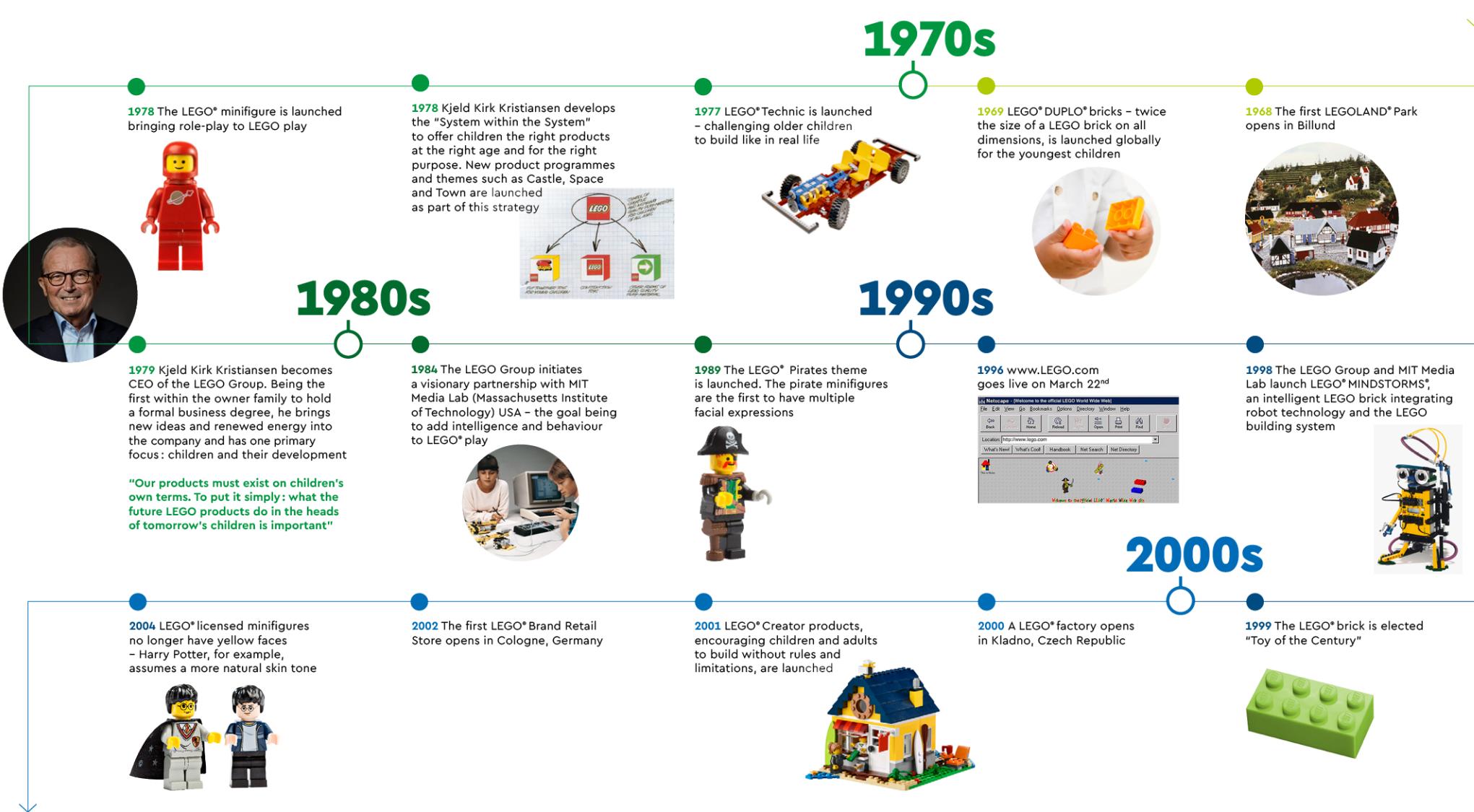
1963 The first LEGO® building instruction is introduced



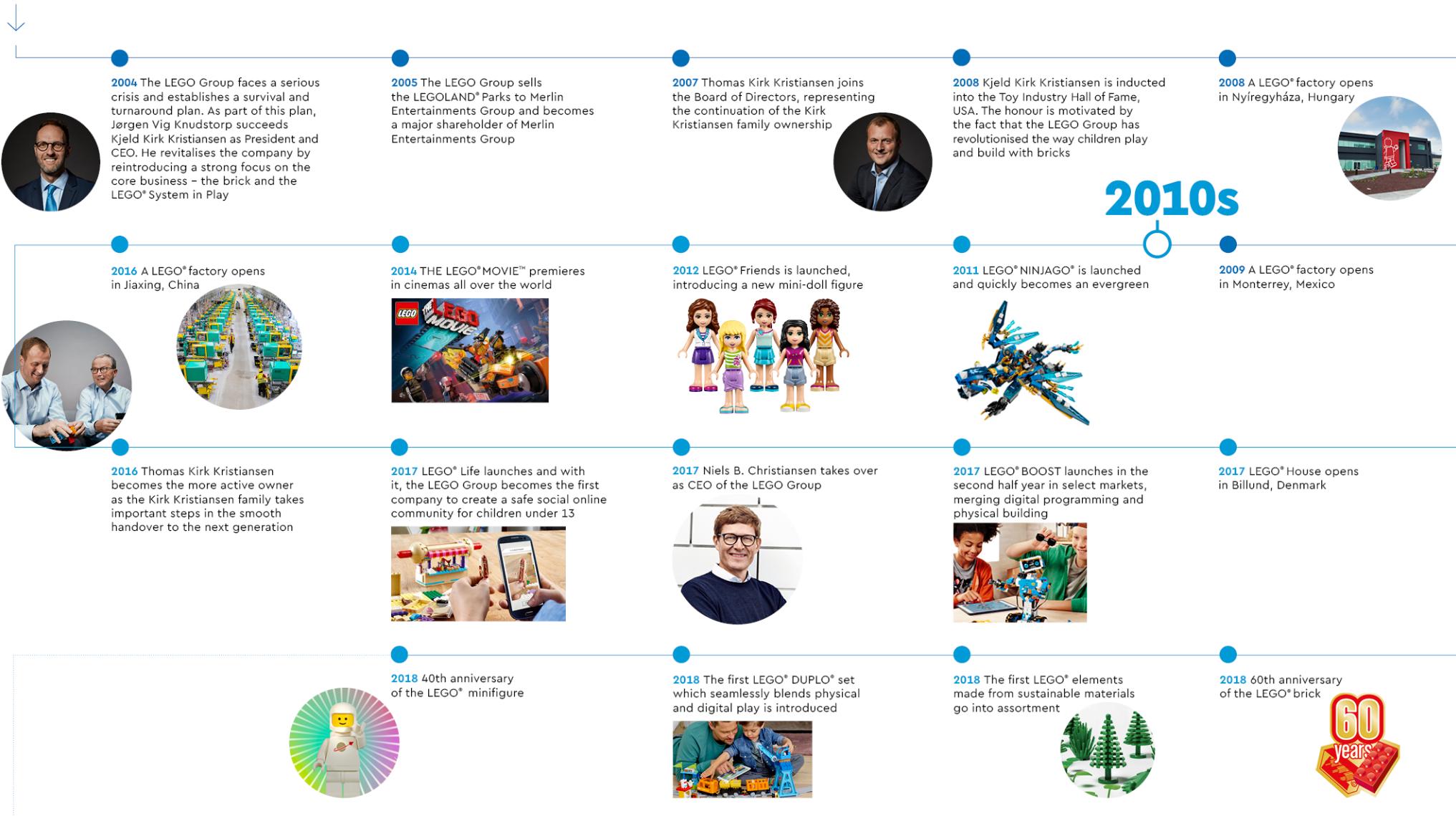
1963 Godtfred Kirk Christiansen announces the 10 LEGO® characteristics:

1. Unlimited play possibilities
2. For girls, for boys
3. Enthusiasm at all ages
4. Play all year round
5. Stimulating and harmonious play
6. Endless hours of play
7. Imagination, creativity, development
8. More LEGO, greater play value
9. Always topical
10. Safety and quality

►History

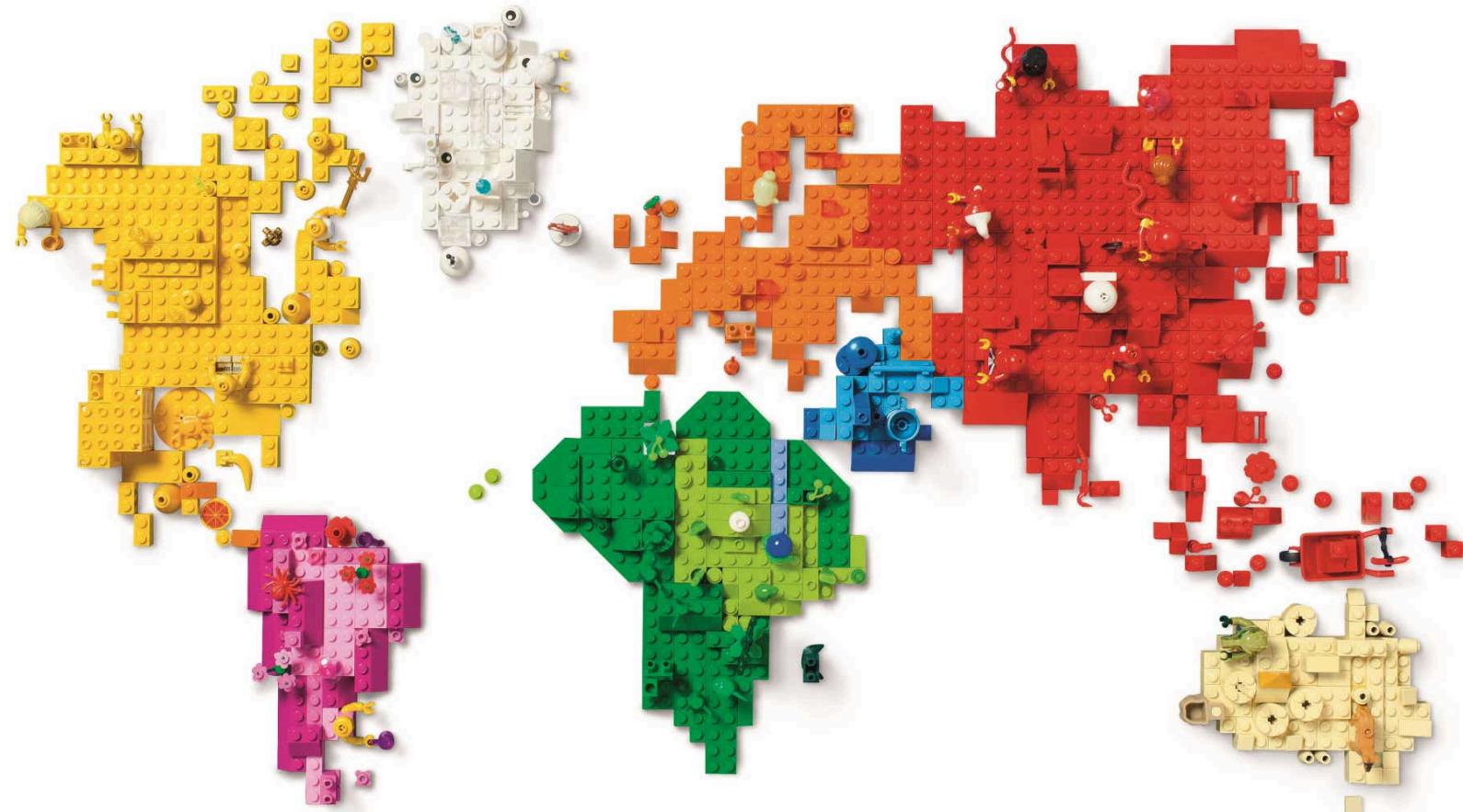


►History



►Now

18,800 people in 40+ countries



►Brand

Imagination

Creativity

Fun

Learning

Caring

Quality



► Production



LEGO

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Presenter: 王佳欢

►Part 1. CEO



Chief Executive Officer

Niels B. Christiansen is Chief Executive Officer of the LEGO Group. He joined the company in October 2017.

►Part 1. CEO

As CEO, Niels manages the executive leadership team in the company's mission to bring LEGO play to children all over the world. Under his leadership, the company has expanded retail stores in Asia, launched sustainable brick and packaging initiatives, and maintained its ranking as the second most reputable brand according to the Reputation Institute.



►Part 2. Decision

The LEGO Group's top management consists of an Executive Leadership Team made up of 10 members and a Board of Directors.

Executive Leadership Team



Niels B. Christiansen
Chief Executive Officer



Julia Goldin
Chief Marketing Officer



Carsten Rasmussen
Chief Operations Officer



Skip Kodak
Executive Vice President, Americas Market Group



Eric Maugein
Executive Vice President, Asia Pacific Market Group



Claus Flyger Pejstrup
Executive Vice President, LEGO Retail



Loren I. Shuster
Chief People Officer & Head of Corporate Affairs



Jesper Andersen
Chief Financial Officer



Atul Bhardwaj
Chief Digital & Technology Officer



Victor Sætts
Executive Vice President, EMEA Market Group

►Part 3. Ethics

Belief	Children are our role models				
Mission	Inspire and develop the builders of tomorrow				
Vision	A global force for establishing and innovating Learning-through-Play				
Idea	System-in-Play				
Values	Imagination – Creativity – Fun – Learning – Caring – Quality				
Promises	Play Promise Joy of building Pride of creation	Partner Promise Mutual value creation	Planet Promise Positive impact	People Promise Succeed together	
Spirit	Only the best is good enough				

►Part 3. Ethics

The LEGO® Promises



People Promise

We care deeply for our people who are part of making LEGO® play experiences possible and are committed to upholding human rights and ensuring safe, healthy and respectful workplaces for our employees. We strive to champion responsible business principles across the company.



Play Promise

We know that play is vital to every child's development. When children play, they learn to solve problems, to be creative, and to become resilient. It helps them thrive in a complex and challenging world.

►Part 3. Ethics

The LEGO® Promises



Planet Promise

We want to play our part in helping build a sustainable future and make a positive impact on society and the planet, which children will inherit. We believe we have a responsibility to minimise the environmental impact of our operations and aim for zero environmental impact on the planet.



Partner Promise

Building partnerships with customers, suppliers and intellectual property partners based on mutual value creation are fundamental to the LEGO Group as we seek to meet the challenges and complexity of today's world.

►Part 4. Financing



The LEGO Group is owned by KIRKBI A/S (75%) and the LEGO Foundation (25%)

KIRKBI A/S is the holding and investment company Kirk Kristia activity within the KIRKBI Group are divided into strategic and invest activities.

the LEGO Foundation is a corporate foundation that shares a mission with the LEGO Group:inspire and develop the builders of tomorrow.

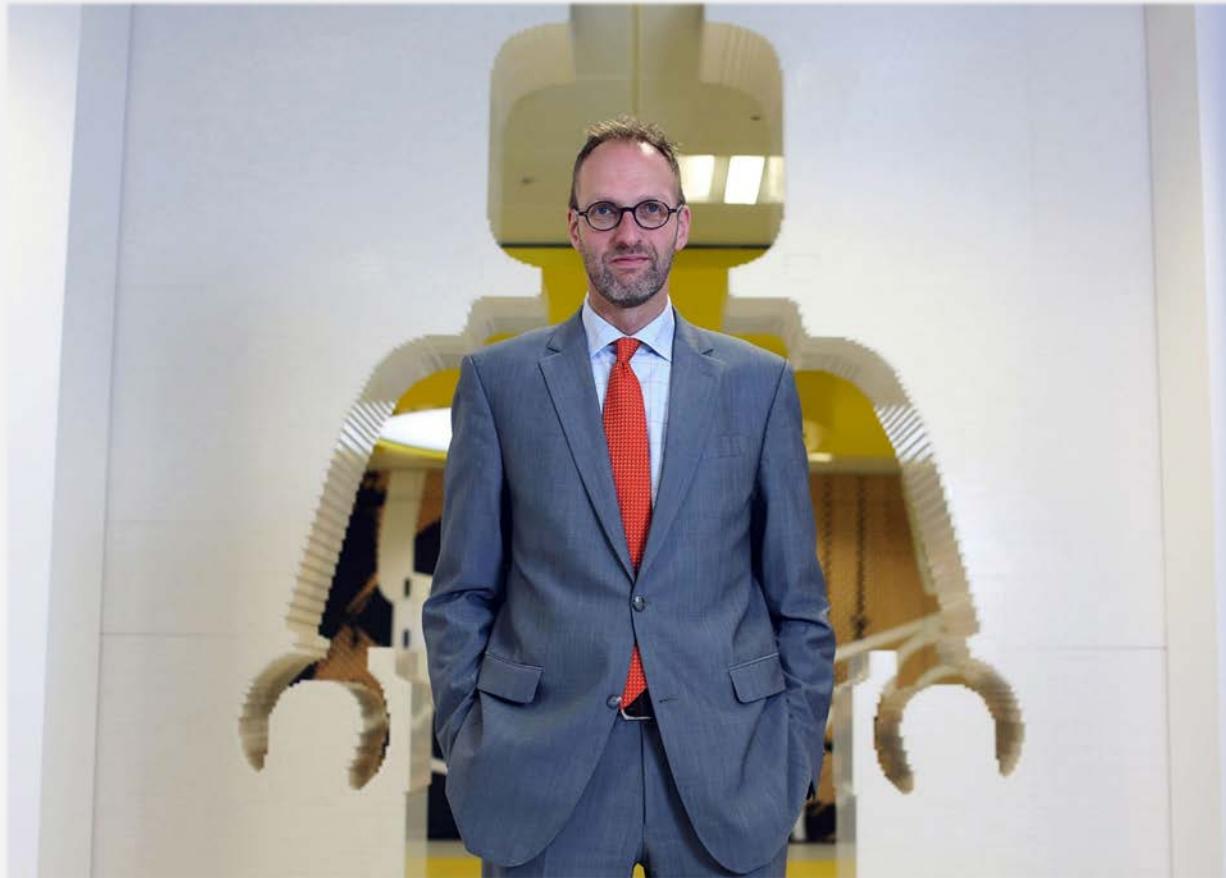
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Presenter: 樊楚瑶

►Part 5. Innovative model



Setting a new direction

They restructured and hired a new CEO, Jorgen Vig Knudstorp, a process-based thinker and father of four who arrived from McKinsey & Co. in 2001 and was promoted to CEO just three years later, at just 36.

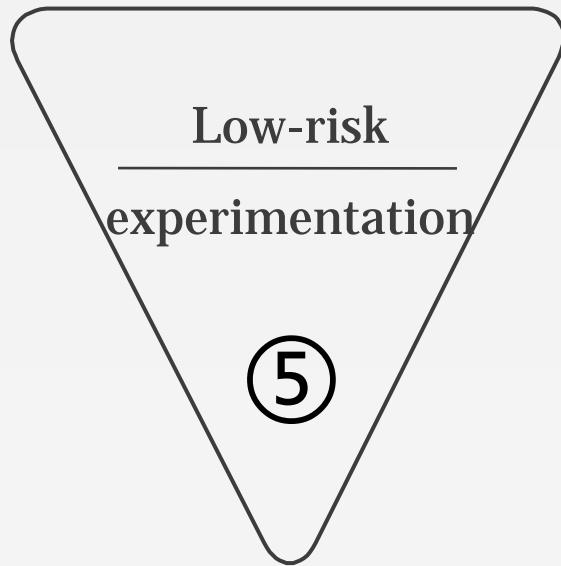


►Part 5. Innovative model



Boys tend to be more compelled by a strong narrative, girls are more likely to use their sets for role-playing. After years of refinement, the company launched LEGO Friends, a new line designed specifically for girls. The line doubled sales expectations in 2012, the year it was launched, and in that year alone LEGO tripled its sales to girls.

Five years ago, LEGO wouldn't have launched any "risky" products that could smear the brand's reputation for quality. But that's precisely why Knudstorp created Future Lab – so mistakes can be made relatively cheaply and vast amounts can be learned.



Innovation at the core

►Part 6. Knowledge management



- The vigorous growth enjoyed by the LEGO Group from the late 1970s onward calls for new management strategies. Strategies are launched with the aim of giving all new managers and employees an understanding of the company's basic values. A major crisis puts an abrupt halt to this work. The emphasis now is on survival – consolidation and growth can come later.

►Part 7. Longterm & Shorterm view



Only the best is good enough

This motto was created by Christiansen to encourage his employees never to skimp on quality, a value he believed in strongly. LEGO plays its part in having a positive impact on the world they live in today and will inherit in the future.

Inspire and Develop the Builders of Tomorrow

LEGO play starts to release a child's potential from the moment they pick up their first brick. LEGO is designed to create an environment where creativity and imagination define the future of play.

►Part 8. The succession plan

[Christiansen] has a solid rooting in Danish values, where you have authority because you are a competent, credible and authentic leader, not because you are the boss who sits at the end of the table and smokes big cigars.



The Lego Group is bringing on its second CEO in eight months, citing a sooner-than-expected opportunity to appoint its ideal candidate.

LEGO

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Presenter: 杨昊南

►Part 9. Corporate Culture What is the CC in their company?

In 1998, the Southeast Asian market collapsed, followed by the Russian market, resulting in Lego's after tax loss of more than 24 million US dollars. The crisis made LEGO realize the problem clearly: the ship was too big to turn around, and the large-scale expansion hindered the speed of direction adjustment and the ability to deal with unstable situations. At that time, Lego realized that the most critical issue was the establishment of the company's mission: what exactly does LEGO represent? How to innovate to reshape the brand image and restore the company's long held position in the minds of children and parents? Majgaard turns Lego's core ideas into five themes.

- Adjust the management system to make creativity come true
- Set up a team of all kinds of talents
- Keep distance from core business
- Seize every fleeting thought
- Ensure that all start-up projects and innovations are finally accepted and integrated into the company's core business

►Part 9. Corporate Culture What is the CC in their company?

1. Adjust the management system to make creativity come true



Majgaard said that the problem is not that there are no new ideas. We have a lot of ideas, and funding is not a problem. The problem is that the operating system has hindered the implementation of these good ideas. I realized that people with ideas should be given the money, the people and the freedom to turn ideas into real products. Separating ideas from implementation is fatal.

2. Set up a team of all kinds of talents

Majgaard said that a mixture of men and women, with six people from different nationalities and backgrounds, is the best combination. In innovation projects, people from new industries should work with people from the original company. Realize that if they have different backgrounds, they will have a lot of new and enlightening information to share with each other. Therefore, any form of interaction must be promoted.

►Part 9. Corporate Culture What is the CC in their company?

3. Keep distance from core business

The longer the core business is done, the less likely it is to transform itself. Majgaard believes that companies tend to be indifferent to the emergence of new things. It's painful to change deep-rooted habits. Innovation can only succeed if it is far away from the company's traditional core belief system.



4. Seize every fleeting thought

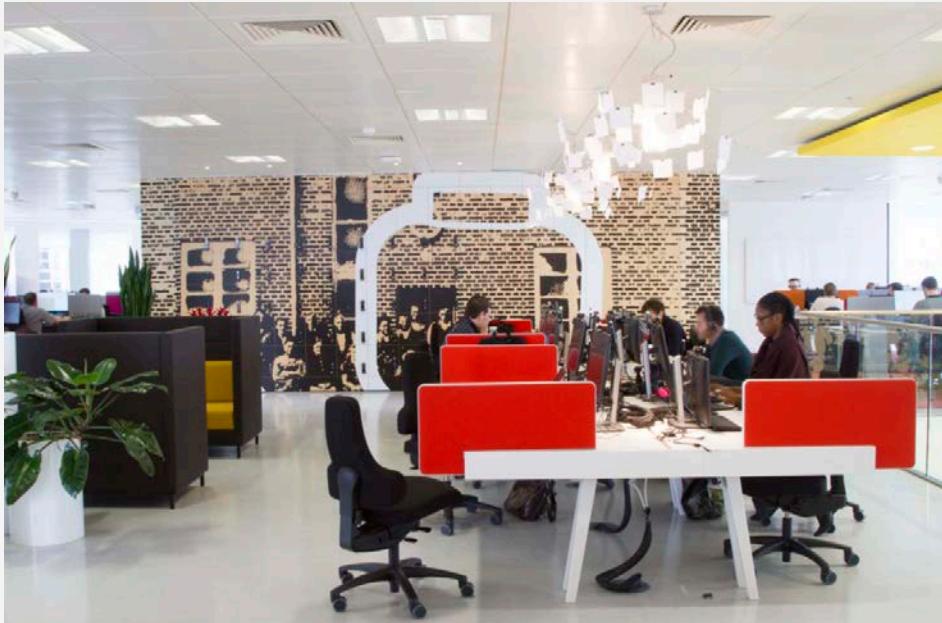
An idea can fail because it's too far ahead of time - the founder gets ahead of the market, or it's too outdated - competitors have moved, costs have increased, revenues have fallen. So speed matters, and timing matters. You have to keep learning so that you can take off as soon as the window of opportunity opens.

5. Ensure that all start-up projects and innovations are finally accepted and integrated into the company's core business

Innovation strategies must keep a distance from the company's traditions if they are to avoid being limited by old prohibitions. But the innovation business department separated from the traditional core business will be integrated with the core business sooner or later.

►Part 10. Human Priority How to treat employee?

Niels B. Christiansen said Lego is a toy that releases imagination and creativity. As a company, we have been committed to creating an environment full of innovation and creativity. To achieve this, it is very important to give employees full autonomy, let them freely choose the way of office, and create the most ideal environment for employees to complete various tasks.



Let employees walk more in the office, so that they can have a more natural dialogue. Strive to create an office environment that can not only save physical office space, but also facilitate employees to generate new ideas, and try to find the advantages of this environment.

►Part 11. Quality How to ensure quality?

Christiansen always pursues high quality. He once hung a wooden plaque in a factory with his motto: "only the best is worth.". This motto is still the first principle of LEGO to this day. The values are priceless.



►Part 11. Quality How to ensure quality?

The manufacturing of each LEGO building block has to go through three main production links: molding, color decoration and packaging, and tests must be completed to ensure that the building blocks will not fade. The traditional Lego material is ABS safe material.

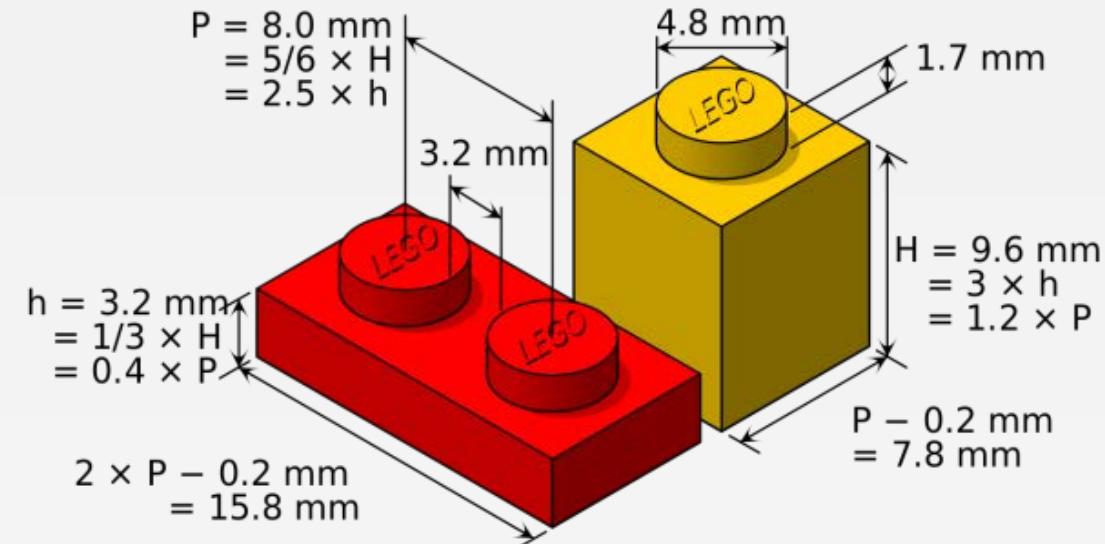
After 2015, a sustainable material center will be established to find suitable new environmentally friendly materials.

In 2018, the first Lego bricks made of sustainable materials were released.



►Part 11. Quality

How to ensure quality?



The Lego company implements stringent quality standards. At present, the error of the mold used in **the production of Lego components is accurate to within 4 microns (0.004 mm)**, which is less than the width of a hair. This accuracy is what we call joining force. Lego pursues the philosophy of product quality and safety above all else. **Since 2009, Lego has not had a product recall in the world.** The unique design and the focus on quality and safety enable the Lego bricks produced 60 years ago to still be built together with today's Lego bricks.

High quality is the foundation of the company's foothold in the high-end market, and one of the important reasons why its price is high but it is still popular all over the world.

►Part 12. Employee Retention Does FB has work council(union)?

In order to create a sense of belonging, LEGO creates a "third place" outside of the workplace and family, forming a community of employees and bringing together employees who have common hobbies and interests. The "lego house" building symbolizes this initiative. Everything in the building is designed to facilitate communication between Lego employees. In addition to activity spaces and gym, it is also equipped with staff dormitories. Under the organization of full-time community managers, they can always plan new activities to promote interaction and communication between employees.

Many people stayed for decades, which shows that Lego is a very humane company.



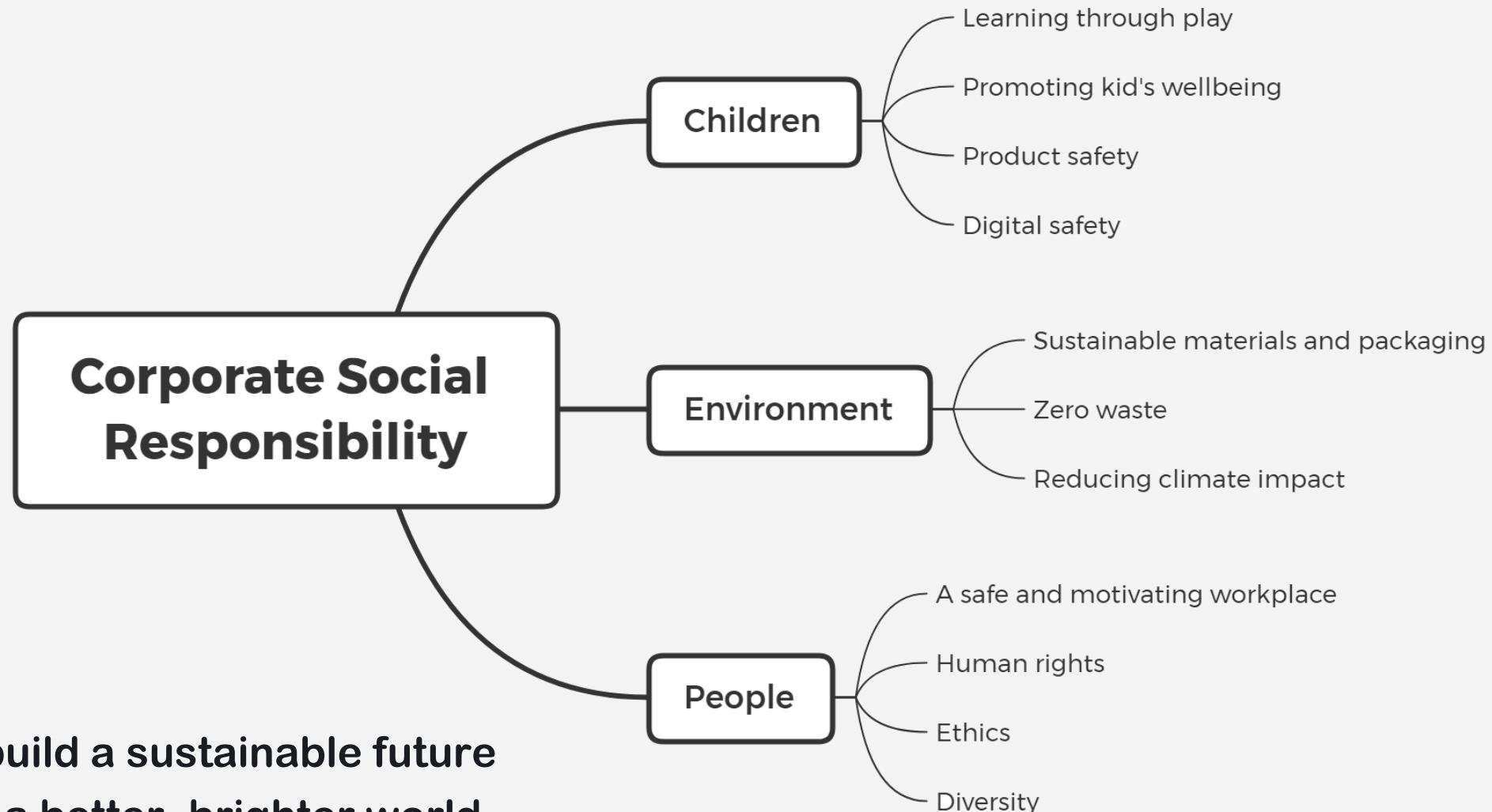
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Presenter: 郭增岳

►Part 13. CSR: What is the CSR in FB?

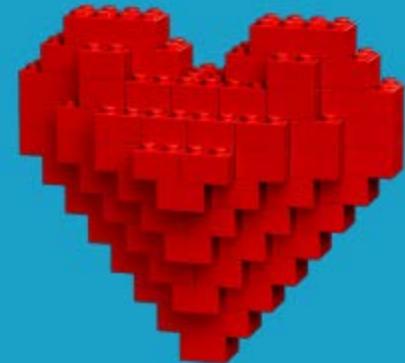


Goal: To build a sustainable future
and create a better, brighter world
for our children to inherit.

More than

1.8

million children reached
through local community
engagement activities



Together with the

**LEGO
Foundation**

we partner with UNICEF to
advocate for the rights and
wellbeing of children



►Part 13. CSR: What is the CSR in FB?

Children

1. Learning through play

LEGO desires to put children first and they believe in the power of learning through play.

The LEGO Group works closely with the LEGO Foundation and LEGO® Education to champion learning through play.

In 2019, more than 180,000 children who participated in over 500 events designed to help children learn through play, 240,000 children reached through partner donations, as well as through donating 1,420,000 LEGO sets through the Build to Give program.

2. Promoting children's wellbeing

Children's development is deeply important to the LEGO Group and one of their goals is to promote family-friendly workplaces across our supply chain.

In 2019, LEGO held a summer camp program in China to help unite non-local workers with their children who live far away.

►Part 13. CSR: What is the CSR in FB?

Children

3. Product safety

LEGO is committed to creating the safest possible play experiences for children and have a relentless focus on product safety. Throughout our almost 90-year history, children and parents have trusted them to provide safe, high-quality products that meet or exceed even the most rigorous international safety regulations for toys.

In 2019, LEGO had our tenth consecutive year of **zero product recalls**.

4. Digital safety

Digital safety is as important as that of our products and LEGO is committed to provide world-class safety-by-design digital experiences that enable children to play and learn online in a secure environment.

In 2019 LEGO launched the character Captain Safety, who inspired 660,000 LEGO® Life users to sign the digital Safety Pledge, which introduces the principles of digital safety in an engaging and compelling way.



►Part 13. CSR: What is the CSR in FB?

People

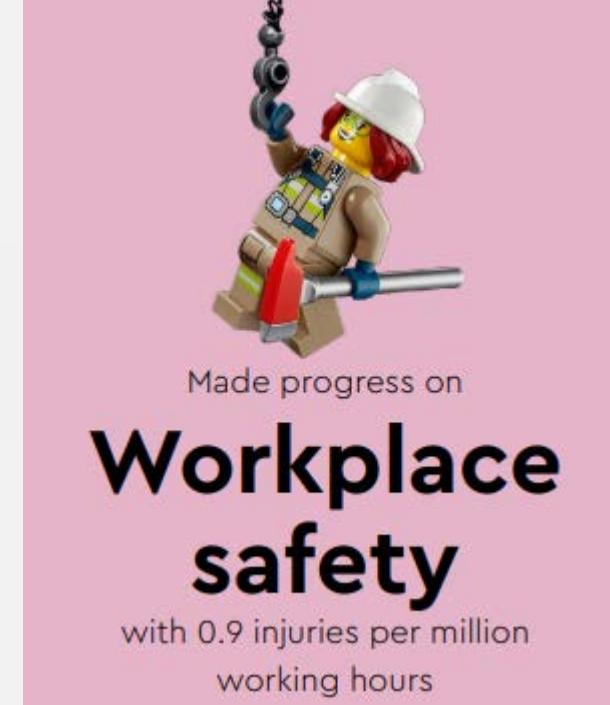
1. A safe and motivating workplace

LEGO aim for zero accidents in our factories, stores and offices. Our Occupational Health and Safety Policy ensures all activities are carried out with health and safety in mind. In 2019, the number of injuries was 0.9 per million working hours, the best result recorded by the LEGO Group.

Moreover, LEGO strives to ensure that the LEGO Group is a motivating workplace for our colleagues and to ensure our progress they score the motivation and satisfaction of all employees.

2. Human rights

All suppliers to the LEGO Group must comply with our Responsible Business Principles. These 12 Principles reinforce our ethical way of working and how we relate to children, our planet and our colleagues. Their primary purpose is to ensure all workers involved in making LEGO® products are treated with respect, and that the environment is protected for future generations.



►Part 13. CSR: What is the CSR in FB?

People

3. Ethics

Every employee and third party acting on behalf of the LEGO Group anywhere in the world must apply high ethical standards and principles of integrity, honesty and legality in all they do. Employees and third parties must adhere to our Anti-Corruption Policy and must not take part in any form of bribery.

As part of our commitment to ethical business conduct, we target 100% attendance on ethical training for employees at director level and above.

4. Diversity

LEGO strive to create a diverse and inclusive workplace that brings together people with different skills, characteristics, interests, backgrounds and aspirations.

LEGO also strive to improve gender equality and measure our progress according to the number of women we recruit and promote into manager positions. In 2019, women represented 43% of positions appointed or promoted to manager level and above.



69%

of suppliers audited had zero non-conformities with our Responsible Business Principles that required immediate correction, and we worked with suppliers to resolve non-conformities



43% women

appointed and promoted to manager level and above, and

63% women

appointed and promoted to VP and SVP levels

►Part 14. Environment: any cares of environment?



Goal: Making a positive impact

LEGO wants to play their part in building a sustainable future and making a positive impact on the planet our children will inherit.

►Part 14. Environment: any cares of environment?



Sustainable materials and packaging

LEGO's ambition is to make LEGO bricks from sustainable sources by 2030 without compromising quality or safety.

In 2018, we started making a range of sustainable LEGO elements from sugarcane to create polyethylene, a soft, durable and flexible plastic.

Today, approximately 75% of cardboard used to make LEGO boxes comes from recycled material.

Zero waste

By 2025, LEGO's ambition is to ensure no waste from any LEGO® factory, office or store reaches landfill. LEGO currently recycle 91% of all waste, including 100% of the plastic waste from our moulding machines. At the same time, LEGO Replay wants to inspire LEGO brick owners to pass along the bricks they aren't using. Play has the power to change children's lives. When children play, they learn how to problem solve, collaborate, and think creatively.

Reducing our CO2 impact

To tackle environmental issues in our supply chain, LEGO run the Engage-to-Reduce program, which aims to lower our suppliers' carbon emissions. LEGO help suppliers report data and identify carbon reduction projects specific to their business.

►Part 15. Stakeholders: who is the stakeholders of FB?

List of stakeholder groups

Key stakeholder groups the LEGO Group engages with:

Stakeholder Group
Consumers (children)
Customers/Suppliers
Employees
Toy industry associations
Media
Local communities
Interest groups and trade associations

►Part 16. Corporate Governance : how is the structure organized?

Sustainability governance

Board of Directors

Approves the sustainability commitments and targets, and monitors that targets are achieved.
Approves the annual sustainability reporting.

Chair: Thomas Kirk Kristiansen,
Chairman of the Board of Directors
LEGO A/S

Audit committee

A board committee appointed by the Board of Directors.
Monitors the process of setting sustainability targets and reporting. Manages the process for third party approval of non-financial data.

Chair: Søren Thorup Sørsensen,
Deputy Chairman of the Board of
Directors LEGO A/S and
CEO KIRKBI A/S

Executive Leadership Team (ELT)

Accountable for sustainability programmes.
Proposes sustainability commitments and targets to the Board and ensures they are achieved.

Chair: Niels B. Christiansen, CEO
Sponsors: Loren I. Shuster, CPO and Head of
Corporate Affairs
Carsten Rasmussen, COO

Compliance board

Appointed by the ELT
Monitors compliance with legislation that apply to the LEGO Group within sustainability and other CSR areas.
Chair: Marjorie Lao, CFO

Sustainable material Steering Committee

Appointed by the ELT
Manages the transition to and monitors the performance
Chair: Carsten Rasmussen
Julia Goldin, CMO

The LEGO Group is led by an Executive Leadership team (ELT) and a Board of Directors.
The Chairman of the Board of Directors is also Chairman of the LEGO Brand Group, overseeing all entities which form part of the LEGO Brand.

LEGO

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Presenter: 许嘉谕