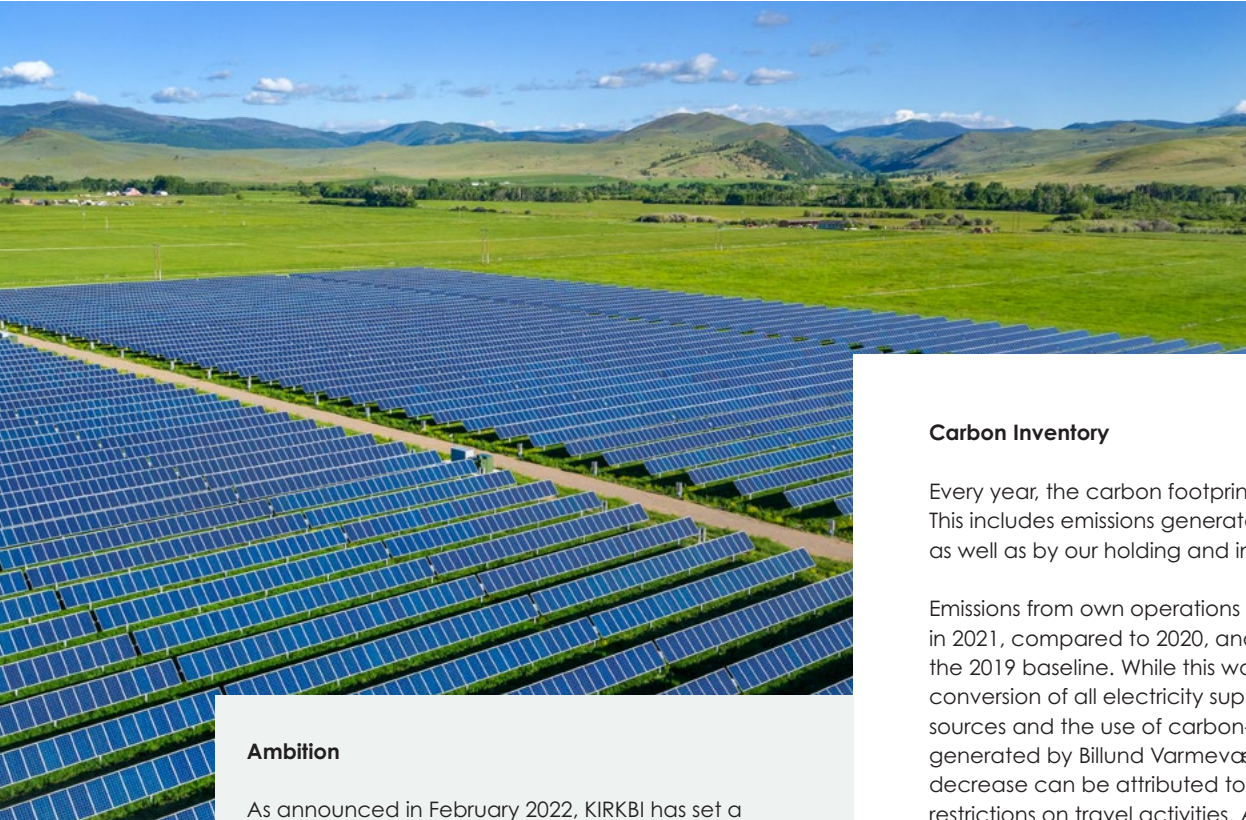




KIRKBI CARBON INVENTORY

2021



Ambition

As announced in February 2022, KIRKBI has set a carbon emission reduction target that is in line with the Paris Agreement's most ambitious 1.5 °C trajectory and that has been approved by the Science Based Targets initiative (SBTi). This means that KIRKBI commits to reduce its absolute carbon emissions to ensure that we play our part in limiting the effects of climate change. KIRKBI's target covers emissions both from own operations as well as holding and investment activities. For additional information on KIRKBI's sustainability efforts please go to the Annual Report/COP Report: kirkbi.com/about/sustainability/

In summary, KIRKBI's target is to:

Reduce absolute scope 1 and 2 emissions by 55% by 2032 from a 2019 base year.

Reduce absolute scope 3 emissions from fuel and energy related activities, business travel, employee commuting, and assets leased to other parties by 55% by 2032 from a 2019 base year.

Ensure that 45% of listed equities, bonds, private equity and debt portfolios are setting SBTi validated targets by 2025¹.

Carbon Inventory

Every year, the carbon footprint of KIRKBI is calculated. This includes emissions generated by own operations as well as by our holding and investment activities.

Emissions from own operations decreased by 32% in 2021, compared to 2020, and 65% compared to the 2019 baseline. While this was partly due to the conversion of all electricity supply to renewable sources and the use of carbon-neutral district heat generated by Billund Varmeværk, much of this decrease can be attributed to COVID-19-related restrictions on travel activities. As restrictions have been lifted, we expect an increase in emissions in 2022. We will continue to implement initiatives to reduce emissions from own operations throughout the coming years.

The emissions from our holding and investment activities have increased slightly since 2020. This is driven by an increase in LEGO Brand Group activities, as well as growth in the investment portfolio. This increase was partially offset by a decrease from the Real Estate portfolio, where improved data has shown lower emissions than the estimates used in the baseline.

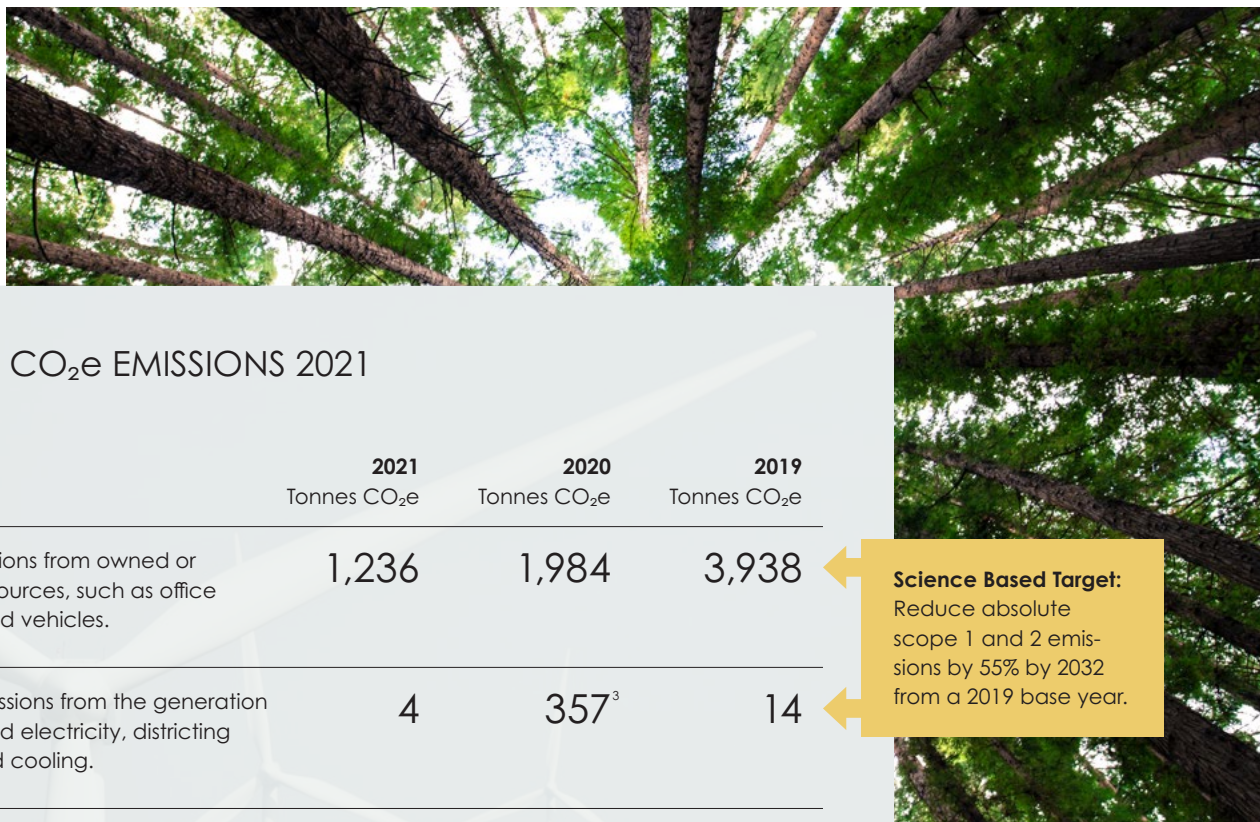
While we monitor the overall development of emissions from our holding and investment activities, the target is to have companies within our holding and investment activities set SBTi validated targets. 31% of KIRKBI's holding and investment activities had set SBTi validated targets by end 2021². This percentage is on KIRKBI's share of emissions by ownership share. We will continue to engage companies within our holding and investment activities without a science-based target to (1) improve carbon emissions disclosure, (2) improve management of their carbon footprint, and (3) set science-based targets for emission reductions.

¹ Meaning that of the total emissions from our holding and investment activities (calculated as the sum of the scope 1 and 2 emissions times our ownership share of the individual holding or investment), 45% should have set SBTi validated targets by 2025.

² As 2021 was the first year that the SBT coverage of our holding and investment activities was calculated, there is no comparative data.

KIRKBI CARBON INVENTORY

2021



KIRKBI GROUP CO₂e EMISSIONS 2021

	2021 Tonnes CO ₂ e	2020 Tonnes CO ₂ e	2019 Tonnes CO ₂ e
SCOPE 1 Direct emissions from owned or controlled sources, such as office buildings and vehicles.	1,236	1,984	3,938
SCOPE 2 Indirect emissions from the generation of purchased electricity, districting heating and cooling.	4	357 ³	14
SCOPE 3 Indirect emissions from own fuel- and energy-related activities; business travel; employee commuting; and downstream leased assets.	1,274	1,363	3,154
TOTAL – OWN OPERATIONS	2,514 <small>-32% from 2020 -65% from 2019</small>	3,704	7,106
SCOPE 3 REAL ESTATE	7,709	10,740	12,513
LEGO BRAND GROUP ACTIVITIES	149,115	136,065	151,662
CAPITAL ACTIVITIES	378,443	365,180	374,183
TOTAL – HOLDING AND INVESTMENT ACTIVITIES	535,267 <small>+5% from 2020 -1% from 2019</small>	511,984	538,358
TOTAL – ALL SCOPES	537,781 <small>+4% from 2020 -1% from 2019</small>	515,688	545,464

Science Based Target:
Reduce absolute scope 1 and 2 emissions by 55% by 2032 from a 2019 base year.

Science Based Target:
Reduce absolute scope 3 emissions from fuel and energy related activities, business travel, employee commuting, and assets leased to other parties by 55% by 2032 from a 2019 base year.

Science Based Target:
Ensure that 45% of listed equities, bonds, private equity and debt portfolios are setting SBTi validated targets by 2025.

³ 2020 increase in scope 2 emissions due to a delay in securing renewable energy direct from utility providers.

KIRKBI GREENHOUSE GAS ACCOUNTING PRINCIPLES 2021



Introduction

The KIRKBI greenhouse gas (GHG) accounts cover emissions resulting from activities related to the KIRKBI Group, namely, its own operations and its investment activities, including those of the LEGO Brand Group.

Scope 1: Direct emissions

Direct emissions generated by KIRKBI's own combustion of fuels for heating and transportation and measured based on use data from providers and relevant emission factors.

Scope 2: Indirect emissions

Emissions from electricity, district heat, and district cooling calculated based on use data and utility-supplied emission factors. Market-based emissions from electricity use are calculated based on the statements from electricity providers that KIRKBI purchases electricity 100% based on renewable sources.

Scope 3: Other indirect emissions

Included in the GHG Accounts are emissions from the following scope 3 categories: category 3 fuel- and energy-related activities; category 6 business travel; category 7 employee commuting; category 13 downstream leased assets; and category 15 investments. Other scope 3 categories have been assessed to have limited or no applicability and are therefore omitted.

Category 3: Fuel- and energy-related activities

Emissions related to the production of fuels and energy purchased and consumed by KIRKBI are calculated using the relevant well-to-tank and transmission-and-distribution losses conversion factors.

Category 6: Business travel

Emissions from travel in employee cars are based on mileage claims and the emission factor for an unknown average car. Emissions from commercial flights, hotels, and rental cars are based on data received from KIRKBI's corporate travel management service provider and calculated by a third-party provider.

Category 7: Employee commuting

Employee commuting is based on average daily commuting distance and the emission factor for an unknown average car.

Category 13: Downstream leased assets

Emissions from downstream leased assets, including the KIRKBI real estate portfolio, are based on a combination of primary and estimated use data and calculated based on country or fuel specific emission factors.

Category 15: Investments

Emissions from our holding and investment activities are calculated using ownership share as of 31 Dec. and applying the latest available emissions data. Only investment activities specified as relevant in GHG Protocol are included. Included in KIRKBI's Greenhouse Gas accounts are the proportional scope 1 & 2 emissions, using investment-specific approach, when possible, and average-data method, when investee company does not provide scope 1 and 2 data. Emissions for the LEGO Group are based on location-based emission factors.

In total, approximately 25% of the carbon inventory related to investments have been estimated.

THE INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Management and broader stakeholders of KIRKBI A/S

We have reviewed KIRKBI's Greenhouse Gas Statement comprising Scope 1, 2 and 3 CO₂e emissions for 2021 presented in the table 'KIRKBI CO₂e Emissions'. The statement covers KIRKBI's activities from 1 January 2021 to 31 December 2021.

We express a conclusion providing limited assurance.

Management's responsibility

The Management of KIRKBI is responsible for collecting, analysing, aggregating and presenting the statement of Scope 1, 2 and 3 CO₂e emissions, ensuring that the data are free from material misstatement, whether due to fraud or error. KIRKBI GHG Accounting Principles contain Management's defined reporting scope for each data type. The criteria for the accounting principles follows the data table.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements (as amended), and additional requirements under Danish audit regulations to obtain limited assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

We performed our review from April to August 2022. Our work has included interviews with key functions in KIRKBI and review of procedures and methods for ensuring that the reported data are stated in accordance with the accounting principles. We have assessed processes, tools and controls for gathering, consolidating and aggregating the data and performed analytical review procedures and testing of data against underlying documentation. We have reviewed the data (some measured, some calculated and some estimated) as well as evaluated and given feedback on the reliability and validity of the underlying sources, especially for estimated data.

We have not carried out site visits or interviewed external stakeholders.

Conclusion

Based on our work, nothing has come to our attention causing us not to believe that, in all material respects, the Greenhouse Gas Statement for Scope 1, 2 and 3 CO₂e emissions for 2021 within the scope of our work is reported in accordance with the accounting principles described.

Copenhagen, 5 October 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Thomas Rosquist Andersen
State-Authorised Public Accountant
Identification No (MNE) mne31482

Helena Barton
Lead Reviewer

KIRKBI CORE STORY

Building a sustainable future for the family ownership of the LEGO® brand through generations

The owner family's* mission is to inspire and develop the builders of tomorrow. The family aims to fulfill the mission, helping children grow and develop to their full potential through play, by dedicated efforts driven by the LEGO® branded entities. KIRKBI is the owner family's private holding and investment company founded to build a sustainable future for the family ownership through generations.

Our work is focused on three fundamental tasks all contributing to enabling the owner family to succeed with the mission.



We work to **protect, develop and leverage the LEGO brand across all the LEGO branded entities.**

We are committed to a long-term and responsible investment strategy **to ensure a sound financial foundation for the family's activities as well as contributing to a sustainable development in the world.**

And, we are dedicated **to support the family members as they prepare for future generations to continue the active and engaged ownership as well as supporting their private activities, companies and philanthropic work.**

Our way of working is anchored in a strong set of values such as caring, quality, and creativity. We collaborate with mutual respect and professionalism across a broad span of competencies and we strive to be agile in everything we do.

Like LEGO® builders around the world we thrive on making things happen and we know that there is often more than one solution to a challenge.

Together we aim to build a sustainable future for the LEGO branded activities and children across the world.

* Camilla and Kjeld Kirk Kristiansen and their descendants