

# Anti-bribery and Corruption Policy



# Anti-Bribery and Corruption Policy

## Summary

This policy establishes the LEGO Foundation's global standard regarding the prevention of bribery and corruption. When acting on behalf of the LEGO Foundation, employees and third parties must adhere to this policy and not take part in any form of bribery (including facilitation payments). The use of bribery is not accepted and is illegal.

All employees and third parties acting on behalf of the LEGO Foundation are expected to comply with this policy. Employees should always demonstrate ethical behaviour in their daily duties and ensure that third parties acting on behalf of the LEGO Foundation, are aware of the principles in this policy. Ethical conduct is not only the right thing to do, it is mandatory, and it upholds a long tradition.

All employees and third parties acting on behalf of the LEGO Foundation must report breaches or suspected breaches of this policy as described below in the section on 'Reporting Breaches'.

## Purpose/Objective

Corruption raises serious moral, economic and political concerns, damages trust, undermines good governance, hinders development and distorts competition. To combat corruption, most countries have enacted anti-bribery and anti-corruption laws and regulations. These laws and regulations make it a crime to request, offer, give or accept 'anything of value' (financial or non-financial) directly or indirectly (e.g. through a third party) for the purpose of influencing a decision regarding the LEGO Foundation or to secure an improper advantage of any kind. This policy provides information and guidance on how to recognise and deal with bribery and corruption issues and sets out responsibilities in observing and upholding our position on bribery and corruption.

## Scope

This policy applies to all employees of the LEGO Foundation incl. subsidiaries, representative offices and third parties acting on behalf of the LEGO Foundation, regardless of the country or jurisdiction where they are based.

Each of us has a personal responsibility to live up to the standards set out in this policy and for ensuring that third parties acting on behalf of the LEGO Foundation, are aware of the principles contained within it.

This policy sets out the minimum standard and should be followed at all times. Where local regulations are stricter than this policy, they will take precedence.

## **Breaches**

Breaches of this policy (directly or through a third party) may result in disciplinary action, which could include termination of employment, and legal action. If laws have been violated, the LEGO Foundation will co-operate fully with the appropriate authorities. Breaches of this policy or violations of anti-bribery and anti-corruption laws can also result in criminal, civil and regulatory penalties for the LEGO Foundation.

Giving, offering or accepting a bribe through a third party results in the same consequences as giving, offering or accepting the bribe directly. You and the LEGO Foundation would be subject to the same civil and criminal charges as if the bribe was given, offered or accepted directly by the LEGO Foundation.

Disciplinary action will be taken against any individual who is found to have authorised, condoned, participated in or concealed actions that breach this policy and who retaliate, directly or indirectly, or encourage others to retaliate against an employee or third party who reports a breach.

## **Requirements**

Employees and third parties acting on behalf of the LEGO Foundation must never promise, offer, give, receive or authorise, directly or indirectly, a bribe or anything of value to anyone to improperly influence any act or decision, to secure any improper advantage for the LEGO Foundation.

## **What is a Bribe**

Bribery is defined as directly or indirectly (e.g. through a third party) requesting, offering, giving or accepting, anything of value (financial or non-financial) for the purpose of improperly influencing any act or decision, to secure an improper advantage for the LEGO Foundation. Bribes can come in many forms and the LEGO Foundation defines bribes as “anything of value”, e.g. cash or cash equivalents (e.g. gifts and gifts cards) and entertainment/hospitality (e.g. payment of travel, hotel and meals).

Please note, just offering a bribe is a violation, even if the handover does not occur.

## **Facilitation Payments**

A facilitation payment (also known as a ‘grease payment’) is an illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment. Typically, these are unofficial payments made to speed up a governmental process.

Facilitation payments are a type of bribery, therefore the use of these is not accepted and is illegal.

However, if you believe that your health or life may be in danger, making a facilitation payment is not a breach of this policy. Such payments must be reported to your manager as well as to Grants & Administration.

## **Extortion & Protection Money**

The LEGO Foundation does not pay criminals for protection against violence towards people or vandalism of property. However, if you believe that your health or life may be in danger, making an extortion payment is not a breach of this policy. Such payments must be reported to your manager as well as to Grants & Administration.

### **Gifts, Hospitality and Entertainment**

Gifts, hospitality and entertainment must not have – or be perceived as having – undue influence on decisions. Never directly or indirectly accept nor offer gifts, hospitality and entertainment that could be intended (or even be reasonably interpreted) as a reward or encouragement for a favour or preferential treatment, or that could create a sense of expectation or obligation on the person receiving the gifts, hospitality or entertainment. Always stay within applicable financial limits as described in the Gifts, Hospitality & Entertainment Policy. Where stricter local limits exist these must be followed.

### **Appointing Third Parties**

Third parties appointed to act on behalf of the LEGO Foundation must be selected on the basis of their expertise and the LEGO Foundation's need for the products or services. No person or entity may be appointed on the basis of a relationship with a public official, government department, or because of a family connection or friendship.

To ensure that our partners meet and share our high ethical standards and values, the LEGO Foundation operates a due diligence process on partners as required. Furthermore, LEGO Foundation will conduct due diligence of all service providers acting on our behalf that could represent a risk to the LEGO Foundation. Improper conduct undertaken by third parties acting on our behalf can reflect adversely on the LEGO Foundation and our reputation.

### **Interactions with Government Officials & Government Departments**

In any interaction with a public official, always follow the Gifts, Hospitality & Entertainment Policy. Remember that in many jurisdictions, relatives and close associates of public officials are also considered to be public officials for the purpose of anti-bribery and anti-corruption laws. Any proposed hiring of a government official or a family member of a public official should be reviewed with a LEGO Foundation's Human Resources department.

Employees may conduct transactions with government departments without obtaining preapproval, if the transaction is a routine government interaction e.g.:

- the payment of taxes or fees, the purchase of goods or services, or a request that a government department perform an action or refrain from doing so;
- the amount of payment (if any) is objectively calculated, such as by a predetermined fee schedule or a published tariff.

Payments must always be made to the government department, with all documentation related to the transaction(s) showing that payment was rendered to the entity and not to an individual public official.

### **Political Contributions**

The LEGO Foundation does not make contributions to any political party or politicians.

Employees or third parties working on our behalf must not use the LEGO name or trademark for political activities of any kind or provide money or other forms of support to political parties on behalf of the LEGO Foundation. Furthermore, employees are not permitted to use LEGO assets for political related activities.

### **Financial Control and Accuracy of Records**

To prevent bribery from being hidden by incomplete or false documentation, the LEGO Foundation is required to keep books and records that accurately and completely reflect the organisation's transactions and assets.

The LEGO Foundation's transactions worldwide must be properly authorised and be completely and accurately recorded on the organisation's books and records in accordance with International Financial Reporting Standards and our internal policies. The LEGO Foundation prohibits any false or misleading entries in its books and records or in any governmental filing.

Funds, assets and services of the LEGO Foundation shall not be used for non-foundation purposes without approval nor be used for any purpose that is unlawful or for any purpose other than what is described in documents supporting the payment. Under no circumstances shall any undisclosed or unrecorded fund be established or maintained.

### **Reporting Breaches**

All employees or third parties acting on our behalf have an obligation to immediately report any knowledge of breaches or suspected breaches of this policy. Anyone who withholds information concerning a breach or suspected breach may be subject to disciplinary action.

Third parties must report through their LEGO Foundation employee contact or use the Compliance Line (Whistle blower) on [legofoundation.com](https://legofoundation.com)

Employees must report to either:

- someone in a formal leadership capacity at the LEGO Foundation (your manager or manager's manager);
- The LEGO Foundation Compliance Line ([LF-compliance@lego.com](mailto:LF-compliance@lego.com) - possible to submit an anonymous report)

If you have any doubts as to whether a breach has occurred, or if you need guidance to make a decision, you are encouraged to seek assistance. Speak to a manager or contact Grants & Administration.

The LEGO Foundation will handle all reports discreetly and will make every effort to protect, within the limits allowed by law, the identities of anyone reporting a possible breach. There will be no retaliation from the company for making a report. Any employee reporting in good faith a possible breach shall not be disciplined for submitting a report provided the employee is not involved in the breach.

### **Roles and Responsibilities**

Overall accountability for compliance with the Anti-Bribery & Corruption policy sits with the LEGO Foundation Leadership Team. The day-to-day administration of this policy shall be the responsibility of Grants & Administration.

Employees in leadership roles should always demonstrate ethical behaviour in their daily duties and ensure that their team including engaged third parties acting on behalf of the LEGO Foundation are aware of the this policy and understand it. They should also encourage open discussion regarding conduct & ethics and recognise and address incidents of unethical behaviour.

### **Definitions**

The following terms and definitions are used in this document:

<b>Anything of Value:</b>	<p>Any form of benefit, which includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Cash or cash equivalents (e.g. cheques, gifts cards/certificates, vouchers), loans, gifts or prizes</li> <li>• Employment offers or promises of future employment (to an individual or any of his/her relatives)</li> <li>• Internship or work experience offers</li> <li>• Favourable terms on a product or service or product discounts</li> <li>• Entertainment/hospitality (payment of travel, hotel, meals, living expenses, or costs of trips or resort stays)</li> <li>• Use of vehicles or vacation homes</li> <li>• Discounted or free tickets to events</li> <li>• Services, personal favours, or home improvements</li> <li>• Political or charitable donations</li> <li>• Opportunity to buy direct shares ('friends and family shares') in a company with a connection to the LEGO Foundation.</li> </ul>
<b>Bribe/Bribery:</b>	<p>Bribery is defined as directly or indirectly (e.g. through a third party) requesting, offering, giving or accepting, anything of value (financial or non-financial) for the purpose of improperly influencing any act or decision to secure an improper advantage for the LEGO Foundation. Bribes can come in many forms and the LEGO Foundation define bribes as "anything of value".</p>
<b>Facilitation Payment:</b>	<p>A facilitation payment (also known as a 'grease payment') is an illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment. A common example is where a public official or person with a certifying function requests a facilitation payment in order to secure or expedite the performance of a routine or necessary action, such as the issuing of a visa, work permit, customs clearance or installation of a utility.</p>
<b>Family Member</b>	<p>A spouse, parent, sibling, grandparent, child, grandchild, mother- or father-in-law, domestic partner (opposite sex or same sex), or other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.</p>
<b>Government Department</b>	<p>The term government department refers to any:</p> <ul style="list-style-type: none"> <li>• legislative, executive, administrative or judicial bodies (national and local); public international organisation;</li> <li>• department, agency, or instrumentality (i.e., an entity owned or controlled by a government such as a state-owned manufacturer or university) of such a government or organisation;</li> <li>• political party; or</li> <li>• company or entity owned or controlled by or acting on behalf of any of the above.</li> </ul>

**Government  
Official**

- a. an officer, employee, agent, or other individual, regardless of rank or title, acting in an official capacity for or on behalf of any government (including any official adviser to the government), its departments, agencies, or instrumentalities, including government - or state-owned or controlled entities (e.g., national oil company, state-run utility, public hospital, sovereign wealth fund);
- b. an officer, employee, agent or other individual, regardless of rank or title, acting in an official capacity for or on behalf of a public international organization (e.g., the World Bank or the United Nations);
- c. a member of the royal or ruling family of a country;
- d. any political party, officer, employee, or agent of a political party, or party official; or
- e. any candidate for political office.

**Government  
Official**

A third party (also called 'intermediary') is defined as any, organisation or individual not owned, controlled or employed by the LEGO Foundation, and retained to provide services or engage in activities for the LEGO Foundation. A third party could be an agent, consultant, or other business associate.