Lego Group Investing \$150M in R&D for Sustainable Materials

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by Sustainable Brands



This week, **LEGO Group** announced an investment of 1 billion Danish Kroner (~US\$152 million) in the research, development and implementation of sustainable raw materials to manufacture LEGO® toys and packaging materials.

"This is a major step for the LEGO Group on our way towards achieving our 2030 ambition on sustainable materials," said CEO and president **Jørgen Vig Knudstorp**. "We have already taken important steps to reduce our carbon footprint and leave a positive impact on the planet by reducing the packaging size, by introducing FSC-certified packaging and through our investment in an offshore wind farm. Now we are accelerating our focus on materials."

The investment will result in the establishment of the LEGO Sustainable Materials Centre, which will be based at the LEGO Group's headquarters in Billund, Denmark, and include all current functions and employees working to find alternative materials. In addition, LEGO says it expects to recruit more than 100 specialists within the materials field during the coming years.

"Our mission is to inspire and develop the builders of tomorrow. We believe that our main contribution to this is through the creative play experiences we provide to children," said LEGO Group owner **Kjeld Kirk Kristiansen**. "The investment announced is a testament to our continued ambition to leave a positive impact on the planet, which future generations will inherit. It is certainly in line with the mission of the LEGO Group and in line with the motto of my grandfather and founder of the LEGO Group, Ole Kirk Kristiansen: Only the best is good enough."

Significant resources required

The decision to significantly boost the search for sustainable materials was taken at the recent LEGO Group General Assembly last month.

In 2012, the LEGO Group first shared its ambition to find and implement sustainable alternatives to the current raw materials used to manufacture LEGO products by 2030; in 2014 more than 60 billion LEGO elements were made — finding alternatives to the materials used to make these bricks would significantly reduce the LEGO Group's impact on the planet.

"The testing and research we have already done has given us greater visibility of the challenges we face to succeed on this agenda and we respond by adding significant resources in order to be ready to move into the next phase of finding and implementing the sustainable materials," Knudstorp said. "I am truly excited by the full commitment of the Board of Directors and our owner family to significantly boost the work to ensure a lasting positive impact."

LEGO says it will continue to seek extensive research and robust data to ensure that all aspects of safety and quality are considered in the search for new materials, in order to not compromise the quality or safety standards set by the company and expected by parents.

"This is paramount to us as it enables us to provide children with a unique play experience that inspires and develops them and enables them to build a better tomorrow. This is ultimately the reason for our continued efforts to always do better," Knudstorp said.

Collaborating to find alternatives

LEGO acknowledges it will not be able to find and implement new materials alone. In recent years, the Group has collaborated with companies and experts on the task, and these relationships will continue with existing as well as new partners with expertise in the field. An example is the Climate Savers partnership between LEGO and **WWF** signed in 2013, which has targets on developing a sustainable materials strategy. LEGO says a new collaboration with WWF, launched this spring, focuses on better assessing the overall sustainability and environmental impact of new bio-based materials for LEGO elements and packaging.

"There is no common definition of a sustainable material. Several factors influence the environmental sustainability of a material — the composition, how it is sourced and what happens when the product reaches the end of its life. When we search for new materials all of these factors must be considered," Knudstorp said. "What we announce today is a long-term investment and a dedication to ensuring the continued research and development of new materials that will enable us to continue to deliver great, high-quality creative play experiences in the future, while caring for the environment and future generations. It is a daunting and exciting challenge."