Case Study: LEGO Supplier Training through the LEGO Academy in India

Founded in 1932, the LEGO Group, with a 2015 net revenue of DKK 35.8B, is one of the world’s leading manufacturers of play materials including the LEGO brick. Its mission is to Inspire and develop the builders of tomorrow. It is the LEGO® philosophy that ‘good quality play’ enriches a child’s life – and lays the foundation for later adult life. The company believes that play is a key element in children’s growth and development and stimulates the imagination and the emergence of ideas and creative expression.

Child Rights Issue/Risk

**Suppliers not operating to the same standards as the LEGO Group could lead to risks to children and potential violations of the LEGO Group’s child right’s policies and procedures. Suppliers, including those providing digital marketing or product development services for local markets must be aware of company guidelines, but also understand what these guidelines mean in practice and how to ensure they are applied in everyday business operations.**

The complexity of a global business and supply chain presents numerous challenges when trying to identify and mitigate risks to children. A large part of this is ensuring that stakeholders outside the company’s direct operations – for example suppliers - are operating to the same standards the company upholds. The LEGO Group’s approach is to design and build child safety into all products and services.

Since 1997, the LEGO Group has required that all employees who directly or indirectly take part in production of LEGO® branded products adhere to the company’s Supplier Code of Conduct. The Code of Conduct covers requirements in areas such as human rights, labour rights, health and safety, anti-corruption, and environment. The Code is based on the Universal Declaration of Human Rights, the Convention for Civil and Political Rights, the Convention for Economic, Social and Cultural Rights, the eight core conventions of the International Labour Organization (ILO), and other applicable UN and ILO Conventions.

Compliance to the Supplier Code of Conduct is monitored via dialogue and the company’s audit program, however, to complement the audit program, the company also works with selected groups of suppliers on building their understanding and means to meet the requirements in the Supplier Code of Conduct and to improve their performance.

In 2014, an internal quality and compliance assessment of external supplier agencies’ performances was conducted. It found that many suppliers who provided services in the areas of digital marketing and digital product development, including for local campaigns, did not always adequately consider potential impacts on children in the development of the LEGO Group’s web campaigns, potentially leading to non-compliant web sites being produced and launched. The assessment took into account legal, security and child safety issues. With LEGO.com receiving 20 million unique hits per month and
the LEGO YouTube channel having 1.3 billion views in 2015, it is essential digital safety is maintained across the whole LEGO environment.

**The Company Response**

As a result, a dedicated task force was established, which acts as a go-to unit for all local markets concerning policy and guidance queries. In parallel, it was decided to build competencies in the local markets as well as relevant agencies that were working for LEGO.

In Q4 2014, LEGO collaborated with a key supplier in India to develop and implement training on child rights, offered through the creation of the LEGO Academy. A multi-functional team comprised of LEGO’s Head of Digital Child Safety, Legal expert in Marketing to Children, Head of Digital Production and select Technical Leads combined their global expertise in product development, marketing and child rights to develop the tailored training program. The program covers a variety of child rights impacts and the LEGO Group’s position and/or requirements around these including:

- Legal requirements and child safety issues (including technical components available to ensure legal and child safety)
- Digital child safety issues (for children over the age of 13, and for those under the age of 13)
- Issues presented in collecting and handling data on children
- Responsible marketing to children
- IT security in regards to safeguarding consumer data.

This is backed up by an e-learning test to reinforce the knowledge gained.

It is crucial that all value chain functions participate in the training to ensure that everyone involved has the skills and knowledge to call out potential risks of non-compliance with the LEGO Group’s policies and/or legal requirements. The training is therefore aimed at all parties across the company’s value chain who are joining the supplier to produce digital LEGO marketing experiences. This includes web developers, testers, and project managers.

After completing the training, the supplier can proactively start developing digital components that are suitable for marketing to children.

**Outcomes and learning**

The program has begun very successfully. All existing suppliers identified in the review have now completed the training and all new suppliers, regardless of location, are now required to complete the LEGO Academy training. Depending on their roles and access to LEGO IT systems, various modules of the training are provided.

The LEGO Group is continually improving the training and annual refreshers on content are provided to the suppliers who have taken the initial course. The LEGO Academy seeks to offer current and relevant training and ensure suppliers are reminded of best practice in this area.

As an example, it is common in local markets to launch web campaigns with competitions for kids to win LEGO® boxes. In the past, these competitions may have requested some personal identifiable information from children that may not have been needed and without a proper data exit strategy.
After the training, all competitions that require data entry of personal identifiable information started using the official LEGO.com user account system, LEGO ID. This provides a safe way for children to have a parent approved and controlled user account that can be used in the LEGO Group’s various digital experiences. Children no longer have to enter personal information to join a competition and competition data can be easily and securely deleted at the end of every campaign to avoid any kind of data risk.

Prior to the LEGO Academy, suppliers may not have adequately considered impacts on children, exposing the company and users to additional risk. Now the LEGO Group can be more confident that partners are creating marketing experiences that comply with legal requirements and the company’s child safety policies – designing in child safety. From the customer perspective, parents can be confident the LEGO Group’s marketing is suitable for the age of their children and can safely enter competitions and engage in interactive play via the digital LEGO platforms.