Anpartsselskabet af 31/8 1984 II

Sødalsparken 18, 8220 Brabrand

CVR No 37 81 00 02

Annual Report 2018/19

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24 January 2020

Uffe Baller

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Company Information

The Company	Anpartsselskabet af 31/8 1984 II Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 397 500 Facsimile +45 89 397 501 Website: www.jysk.com CVR No 37 81 00 02 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Executive Board	Jacob Brunsborg Hans Henrik Kjølby
Lawyers	Interlex Advokater Strandvejen 94 PO Box 161 DK-8100 Aarhus C
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bank	Nordjyske Bank A/S Torvet 4 PO Box 123 DK-9400 Nørresundby Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 DK-8100 Aarhus C

Financial Highlights of the Group (DKK '000)

	2018/19	2017/18	2016/17	2015/16
Keyfigures				
Income Statement				
Revenue	8.249.431	8.040.596	7.788.078	7.685.330
Result before financial items (EBIT)	690.681	937.969	887.060	262.004
Net financials	31.387	7.928	7.011	-3.697
Result for the year	509.073	670.995	660.025	132.955
Balancesheet				
Balancesheet total	5.450.519	4.904.982	4.171.497	3.806.662
Equity	4.764.877	4.255.161	3.575.687	2.917.270
Cashflow statement				
Investment in tangible assets	270.354	209.505	164.958	79.882
Ratios				
Return on assets	12,7%	19,1%	21,3%	6,9%
Solvency ratio	87,4%	86,8%	85,7%	76,6%
Return on equity	11,3%	17,1%	20,3%	4,6%
Number of employees	6.145	5.807	5.641	5.574

The ratios have been prepared in accordance with the definitions provided under accounting policies.

Management's Review

Main activity

The activity of the Parent Company comprises operation of real estate, investments in subsidiaries and associates as well as current asset investments. The Group's main activities comprise retail trade in the German market selling everything for the bedroom, bathroom, other rooms, the window and the patio.

Development in the financial year

Group revenue amounts to DKK 8,249,431k compared to DKK 8,040,596k in financial year 2017/18. Profit before financial income and expenses amounts to DKK 690,682k compared to DKK 937,969k in 2017/18. Profit for the year after tax amounts to DKK 509,073k compared to DKK 670,995k in 2017/18. The result is lower than expected, however satisfying compared to the level of investments in the financial year.

Special risks

The Group's activities abroad imply that profit, cash flows and equity are affected by the development in exchange and interest rates of a number of currencies. Currency risks relating to investments in foreign subsidiaries and associates are, as a main rule, not hedged as, in the Company's opinion, current currency hedging of such long-term investments will not be optimal based on overall risk and cost considerations.

External environment

The Company has no environmentally damaging activities, neither through land pollution nor through the discharge of polluting waste.

Knowledge resources

The Group develops competent employees to undertake operational and management tasks in the Group's retail stores through specially adapted training programmes and at its own academy.

Corporate social responsibility and underrepresented gender

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear from page 29.

Expected development

For the year ahead, The Group expects to realise a profit in line with the 2018/19 level provided that the financial markets evolve normally.

Management's Review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Management's Statement

The Executive Board have today considered and adopted the Annual Report of Anpartsselskabet af 31/8 1984 II for the financial year 1 September 2018 – 31 August 2019.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In my opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 31 August 2019 and of the results of the Parent Company and the Group operations and cash flows for 2018/19.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 24 January 2020

Executive Board

Jacob Brunsborg

Hans Henrik Kjølby

Independent Auditor's Report

To the shareholders of Anpartsselskabet af 31/8 1984 II

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2019, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 September 2018 - 31 August 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Anpartsselskabet af 31/8 1984 II for the financial year 1 September 2018 - 31 August 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 24 January 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Income statement 1 September - 31 August (DKK '000)

		Parent company		Group	
	Note	2018/19	2017/18	2018/19	2017/18
Revenue	1	**0**	**0**	**8.249.431**	**8.040.596**
Cost of sales		0	0	-4.284.017	-3.788.795
Other operating income		0	0	64.423	94.807
Other external cost	2	-234	-318	-1.614.515	-1.819.512
Gross Profit		**-234**	**-318**	**2.415.322**	**2.527.095**
Staff expenses	3	0	0	-1.563.429	-1.462.110
Depreciation and amortisation		0	0	-126.406	-114.252
Other operating expenses		0	0	-34.806	-12.764
Result before financial items		**-234**	**-318**	**690.681**	**937.969**
Result from subsidiaries	8	503.584	671.314	0	0
Financial income		0	0	32.524	8.557
Financial expenses		3	1	-1.138	-630
Result before tax		**503.347**	**670.995**	**722.068**	**945.896**
Tax on profit for the year	4	-5.726	0	-212.995	-274.901
Result for the year		**509.073**	**670.995**	**509.073**	**670.995**

Distribution of profit 5

Balance sheet at 31 August (DKK '000)

Assets

	Note	Parent company 2019	Parent company 2018	Group 2019	Group 2018
Software		0	0	16.326	36.938
Intangible assets	6	**0**	**0**	**16.326**	**36.938**
Land and buildings		0	0	523	3.872
Fixtures and fittings, tools and equipment		0	0	298.101	206.628
Leasehold improvements		0	0	306.100	257.642
Assets under construction		0	0	6.241	2.533
Tangible assets	7	**0**	**0**	**610.965**	**470.675**
Investments in subsidiaries	8	4.760.108	4.255.881	0	0
Instruments of debt	9	0	0	0	0
Deposits		0	0	0	0
Fixed asset investments		**4.760.108**	**4.255.881**	**0**	**0**
Fixed assets		**4.760.108**	**4.255.881**	**627.291**	**507.613**
Commercial products		0	0	1.184.036	1.217.037
Inventories		**0**	**0**	**1.184.036**	**1.217.037**
Trade receivables		0	0	7.487	6.900
Corporation tax		5.726	0	137.904	74.563
Deferred tax	10	0	0	995.894	1.155.175
Other receivables		0	0	203.450	829.888
Prepayments	11	0	0	7.075	4.820
Receivables		**5.726**	**0**	**1.351.811**	**2.071.346**
Securities		**0**	**0**	**1.716.778**	**416.746**
Cash at bank and in hand		**0**	**0**	**570.602**	**692.240**
Current assets		**5.726**	**0**	**4.823.227**	**4.397.369**
Assets		**4.765.834**	**4.255.881**	**5.450.519**	**4.904.982**

Balance sheet at 31 August (DKK '000)

Liabilities

		Parent company		Group	
	Note	2019	2018	2019	2018
Share capital		12.000	12.000	12.000	12.000
Retained earnings		2.783.531	2.778.042	4.752.877	4.243.161
Reserve for net revaluation according to the equity method		1.969.346	1.465.119	0	0
Equity		**4.764.877**	**4.255.161**	**4.764.877**	**4.255.161**
Credit institutions		0	0	68.709	43.989
Trade payables		0	0	521.835	503.300
Payables to subsidiaries		219	218	0	0
Other payables		737	501	95.098	102.532
Short-term debt		**957**	**719**	**685.642**	**649.821**
Debt		**957**	**719**	**685.642**	**649.821**
Liabilities and equity		**4.765.834**	**4.255.881**	**5.450.519**	**4.904.982**
Contractual obligations	12				
Contingent liabilities	13				
Related parties and ownership	14				

Statement of changes in equity (DKK '000)

	Parent company		Group	
	2019	2018	2019	2018
Equity				
Opening at 1st September	4.255.161	3.575.687	4.255.161	3.575.687
Result for the year	509.073	670.995	509.073	670.995
Exchange adjustment on foreign subsidiaries	643	8.479	643	8.479
Equity at 31st August	**4.764.877**	**4.255.161**	**4.764.877**	**4.255.161**
Specified as follows:				
300 A-shares	300	300	300	300
10,800 B-shares	10.800	10.800	10.800	10.800
900 C-shares	900	900	900	900
Share capital at 31st August	**12.000**	**12.000**	**12.000**	**12.000**
Opening at 1st September	1.465.119	785.326		
Value adjustment for the year	504.227	679.793		
Reserve for net revaluation according to the equity method at 31st August	**1.969.346**	**1.465.119**		
Opening at 1st September	2.778.042	2.778.361	4.243.161	3.563.687
Result for the year	4.846	-8.798	509.073	670.995
Exchange adjustment on foreign subsidiaries	643	8.479	643	8.479
Retained earnings at 31st August	**2.783.531**	**2.778.042**	**4.752.877**	**4.243.161**
Equity at 31st August	**4.764.877**	**4.255.161**	**4.764.877**	**4.255.161**

Consolidated Cash Flows (DKK '000)

	Note	2018/19	2017/18
Profit for the year		509.073	670.995
Adjustments	15	308.745	388.890
Change in working capital	16	-3.635	-58.927
Cash flows from operating activities before financial items		814.183	1.000.958
Financial income		32.524	8.557
Financial expenses		-1.138	-630
Cash flows from ordinary activities		845.569	1.008.885
Corporation tax paid		-117.055	-130.484
Cash flows from operating activities		**728.514**	**878.401**
Purchase of intangible assets		-21.054	-11.832
Purchase of tangible assets		-270.354	-209.505
Sale of intangible assets		36.343	0
Sale of tangible assets		8.894	7.730
Cash flows from investment activities		**-246.171**	**-213.607**
Received payments of instruments of debt		670.000	297.536
Loan of instruments of debt		0	-670.000
Cash flows from financial activities		**670.000**	**-372.464**
Changes in cash and cash equivalents		**1.152.343**	**292.330**
Cash and cash equivalents at 1st September		1.067.417	775.087
Cash and cash equivalents at 31st August		**2.219.760**	**1.067.417**
Cash and cash equivalents are specified as follows:			
Credit institutions		-68.709	-43.989
Securities		1.716.778	416.746
Cash pool		1.089	2.420
Cash at bank and in hand		570.602	692.240
Specification cash and cash equivalents at 31st August		**2.219.760**	**1.067.417**

Notes to the Annual Report (DKK '000)

	Parent company		Group	
	2018/19	2017/18	2018/19	2017/18
1 Revenue				
Revenue is distributed on the following main markets:				
Germany	0	0	8.249.431	8.040.596
	0	**0**	**8.249.431**	**8.040.596**

2 Fees to the auditors appointed at the annual general meeting

	Parent company 2018/19	Parent company 2017/18	Group 2018/19	Group 2017/18
PricewaterhouseCoopers				
Auditfee	119	119	159	193
Other assurance engagements	0	0	0	0
Tax advisory services	23	23	31	31
Other non-audit services	60	76	73	146
	202	**218**	**263**	**370**
Other auditors				
Auditfee	0	0	548	796
Other assurance engagements	0	0	0	0
Tax advisory services	0	0	430	465
Other non-audit services	0	0	30	64
	0	**0**	**1.008**	**1.325**

3 Staff expenses

	Parent company 2018/19	Parent company 2017/18	Group 2018/19	Group 2017/18
Salaries and wages	0	0	1.188.402	1.083.629
Pensions	0	0	113.487	107.375
Other social security costs	0	0	261.541	271.106
	0	**0**	**1.563.429**	**1.462.110**

Remuneration to the executive board has not been disclosed in accordance with section 98B(3) of the Danish Financial Statements Act.

Average number of employees	0	0	6.145	5.807

Notes to the Annual Report (DKK '000)

	Parent company		Group	
	2018/19	2017/18	2018/19	2017/18
4 Tax on profit for the year				
Current tax for the year	-5.726	0	53.714	118.638
Deferred tax for the year	0	0	159.281	156.265
Tax on profit for the year	**-5.726**	**0**	**212.995**	**274.901**

	Parent company		Group	
	2018/19	2017/18	2018/19	2017/18
5 Distribution of profit				
Proposed distribution of profit				
Retained earnings	4.846	-8.798	509.073	670.995
Reserve for net revaluation according to the equity method	504.227	679.793	0	0
	509.073	**670.995**	**509.073**	**670.995**

6 Intangible assets

	Software
Group	
Cost at 1st September	88.552
Exchange adjustment at 1st September	19
Addition	21.054
Disposals	-36.343
Cost at 31st August	73.283
Depreciation at 1st September	51.614
Exchange adjustment at 1st September	3
Depreciation	5.345
Exchange adjustment on movement	5
Depreciation at 31st August	56.957
Booked value at 31st August	16.326
Depreciated over	3 - 5 years

Notes to the Annual Report (DKK '000)

7 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Assets under construction
Group				
Cost at 1st September	16.750	617.406	622.416	2.533
Adjustment to opening	-15.608	42.375	9.457	0
Exchange adjustment at 1st September	1	-42	-34	-3
Addition	0	155.934	110.709	3.711
Transfer	0	-25	25	0
Disposals	0	-76.876	-40.114	0
Cost at 31st August	1.143	738.772	702.459	6.241
Depreciation at 1st September	12.878	410.778	364.785	0
Adjustment to opening	-12.336	39.089	9.460	0
Exchange adjustment at 1st September	1	32	-1	0
Depreciation	77	61.421	59.563	0
Transfer	0	0	0	0
Depreciation - write-down	0	0	0	0
Depreciation of disposals	0	-70.648	-37.448	0
Depreciation at 31st August	620	440.672	396.359	0
Booked value at 31st August	**523**	**298.101**	**306.100**	**6.241**
Depreciated over	25 years	4 - 5 years	Rental period	

Notes to the Annual Report (DKK '000)

8 Investments in subsidiaries

	2019
Cost at 1st September	2.790.761
Cost at 31st August	2.790.761
Value adjustment at 1st September	1.465.119
Exchange adjustment on foreign subsidiaries	643
Result for the year	503.584
Value adjustment at 31st August	1.969.347
Investments in subsidiaries	**4.760.108**

Specified as:

	Ownershare
Anpartsselskabet af 31/8 1984, Aarhus	100%
Subsidiaries owned indirectly:	
JYSK DBL GmbH, Handewitt, Tyskland	100%
Dänisches Bettenlager GmbH, Tyskland	100%
Dänisches Bettenlager GmbH & co KG, Tyskland	100%

9 Instruments of debt

	Parent company		Group	
	2019	2018	2019	2018
Cost at 1st September	0	0	0	297.536
Addition for the year	0	0	0	0
Disposals	0	0	0	-297.536
Cost at 31st August	0	0	0	0
Booked value at 31st August	**0**	**0**	**0**	**0**

Notes to the Annual Report (DKK '000)

	Parent company 2019	Parent company 2018	Group 2019	Group 2018
10 Deferred tax				
Intangible assets	0	0	995.894	1.155.175
	0	**0**	**995.894**	**1.155.175**

11 Prepayments

Prepayments comprises prepaid expenses relating to rent etc.

	Parent company 2019	Parent company 2018	Group 2019	Group 2018
12 Contractual obligations				
Rental obligations	0	0	2.059.074	1.782.348
Lease obligations	0	0	14.624	11.774
13 Contingent liabilities				
Guarantees	0	0	12.686	11.819

The Company is jointly liable for tax on the Group's joint taxable income etc. The total amount for corporation tax appears from these Group Financial Statements. Moreover, the Danish enterprises of the Group are jointly liable for withholding tax such as tax on dividend, royalty and interest. Possible later corrections in corporation taxes and withholding taxes may result in the Company being liable for a larger amount.

JYSK Holding A/S has entered into a cash pool agreement for Lars Larsen Group. As per 31 August 2019 the withdrawal was DKK 0 million. As participant in the cash pool agreement Anpartsselskabet af 31/8 1984 II has issued a guarantee towards credit institutions.

Notes to the Annual Report (DKK '000)

14 Related parties and ownership

Controlling interest	Basis
Estate of Lars Larsen, Rådhuspladsen 3, DK-8000 Aarhus C	Controlling shareholder

Transactions

Reffering to section 98 C, litra 7 of the Danish Financial Statements Act, no information describing transactions with related parties is provided.

	Group	
	2018/19	2017/18
15 Cash flow statement - adjustments		
Financial income	-32.524	-8.557
Financial expenses	1.138	630
Depreciation and amortisation	126.406	114.252
Tax on profit/loss for the year	212.995	274.901
Other adjustments	730	7.664
	308.745	**388.890**

16 Cash flow statement - change in working capital

Change in inventories	33.001	16.752
Change in receivables	-587	9.293
Change in other receivables	-44.893	-93.688
Change in prepayments	-2.255	-1.345
Change in trade payables	18.535	6.622
Change in other payables	-7.436	3.439
	-3.635	**-58.927**

Accounting Policies

Basis of Preparation

The Annual Report of Anpartsselskabet af 31/8 1984 II for the financial year 1 September 2018 to 31 August 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Financial Statements for 2018/19 are presented in TDKK.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Anpartsselskabet af 31/8 1984 II, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The financial statements applied for the Group's Annual Report have been prepared in accordance with the accounting policies of the Group.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Accounting Policies

Recognition and measurement (continued)

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Exchange gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

The income statements of foreign subsidiaries and associates that are separate legal entities are translated at the exchange rates at the dates of transaction or an approximated average exchange rate. Balance sheet line items are translated at the exchange rates at the balance sheet dates. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the balance sheet dates are recognised directly in equity.

Segment reporting

The Group's primary activity consists of retail trade and, therefore, the Annual Report contains in its entirety information about this segment. There are no other material activities.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises cost incurred in connection with the purchase of commercial products.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the activities of the enterprises, including gains and losses from the sale of intangible assets and tangible assets.

Other external expenses

Other external expenses comprise sales and administrative expenses as well as expenses for premises.

Staff expenses

Staff expenses comprise wages and salaries, including holiday pay and pensions as well as other social security costs etc. to the Company's employees. Allowances received from public authorities are deducted from staff expenses.

Depreciation and amortisation

Depreciation and amortisation comprise depreciation and amortisation of tangible assets and intangible assets for the year.

Accounting Policies

Result from subsidiaries companies

The items "Result from subsidiaries" in the income statement include the proportionate share of the profit/loss for the year less goodwill amortisation.

Financial income and expenses

Financial income and expenses comprise interest, exchange adjustments, fees, etc.

Tax on profit for the year

Tax for the year consists of current tax for the year and any changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its subsidiaries. The tax effect of the joint taxation with group enterprises is allocated to enterprises showing profits or losses in proportion to their taxable incomes. The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets

Software
Software is measured at the lower of cost less accumulated amortisation and the recoverable amount.

Software is amortised over 3 – 5 years.

Tangible assets

Tangible assets are measured at cost with the addition of revaluations and less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for the financing of the production of tangible assets are recognised in cost over the period of production. All indirectly attributable borrowing costs are recognised in the income statement.

Accounting Policies

Depreciation based on cost with the addition of revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	25 years
Fixtures and fittings, tools and equipment	4-5 years
Trucks and cars	4-5 years
Leasehold improvements	Rental period

Profit and losses from current replacement of tangible assets are recognised in "Other operating income" or "Other operating expenses".

Investments in subsidiaries

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the date of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of any remaining value of positive or negative differences (goodwill or negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries with a negative carrying amount are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Deposits

Deposits are recognised and measured at cost.

Inventories

Inventories are measured at the lower of cost under the average cost formula and net realisable value. The net realisable value of inventories is calculated at the total of future sales revenue which the inventories are expected to generate at the balance sheet date in the process of normal operations allowing for marketability, obsolescence and development in expected selling price with deduction of selling expenses expected to be incurred to realise the sale.

The cost of goods for resale equals landed cost.

Accounting Policies

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which generally corresponds to nominal value less provisions for bad debts.

Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Securities

Securities consist of listed bonds, which are measured at fair values at the balance sheet date. The fair value is stated on the basis of the most recently quoted selling price.

Equity - *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax on temporary differences concerning non-taxable amortisable goodwill as well as other items is not recognised where, unless arising from acquisitions, they have arisen at the date of acquisition without affecting the profit/loss for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Accounting Policies

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Corporation tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of previous years and for taxes paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in financial income and expenses in the income statement.

Prepayments

Deferred income comprises payments received in respect of income in subsequent years.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, tangible assets as well as fixed asset investments.

Accounting Policies

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments" as well as "Other short-term debt" under credit institutions.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Ratios are calculated as follows:

$$\text{Return on assets} = \frac{\text{Profit before financials x 100}}{\text{Total assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

Statutory Statement of Corporate Social Responsibility

Anpartsselskabet af 31/8 1984 II A/S

This is the statutory corporate social responsibility (CSR) report, pursuant to sections 99a and 99b of the Danish Financial Statements Act. The report is part of Management Review for Anpartsselskabet af 31/8 1984 II A/S, covering the financial year of 01.09.2018 - 31.08.2019.

Lars Larsen Group

Anpartsselskabet af 31/8 1984 II A/S forms part of Lars Larsen Group. Lars Larsen Group is named after the founder, Lars Larsen, who established JYSK. Today, JYSK is a well-known brand in Denmark as well as globally. Lars Larsen opened the first JYSK shop in Aarhus in 1979. The opening of this shop marked the beginning of the journey towards the establishment of Lars Larsen Group.

Lars Larsen Group is a Group of international companies, operating in many different countries and within different business areas, ranging from housing interior, golf equipment and hotel- and restaurant management. The majority of business activity within Lars Larsen Group is based on furniture retail in a global context.

Read more about the Lars Larsen Group at: www.larslarsengroup.com

Lars Larsen Group is, from an overall perspective, structured in three main layers. With reference to our annual reporting cf. The Danish Financial Statements Act §99a and §99b, below scheme illustrates the overall organizational structure of companies encompassed by our CSR reporting.

Figure 1 Lars Larsen Group
(Companies encompassed by the Danish Financial Statements Act §99a and §99b).

Dialogue is the way forward

As an international Group, Anpartsselskabet af 31/8 1984 II A/S is in contact with customers, employees and business partners as well as other stakeholders every day.

Corporate Social Responsibility (CSR) is a continuous process where new areas and methods constantly develop. We consider our dialogue with our surroundings a part of the learning process and essential to obtaining a better understanding of the complex challenges we face as an international group. We believe that cooperation, dialogue and commitment is the way forward when it comes to improving social and environmental conditions. That requires commitment.

CSR-highlights in financial year 2018/2019 across all companies owned by Lars Larsen Group:

Whistleblower

During the financial year 2018/19 Lars Larsen Group has implemented a whistleblower system covering all parts of the group. The whistleblower system covers own employees and it is accessible from the webpage www.larslarsengroup.com.

All Management Teams and board members in companies owned by Lars Larsen Group was informed about the implementation, and written statements confirming that management teams throughout the group has been informed has been signed and collected.

Furthermore all employees have been informed about the existence of the whistleblower system through internal communication channels.

During the financial year, Lars Larsen Group received one report, which was relevant for further investigation.

Shipping

During the financial year 2017/18 Lars Larsen Group made an exclusive agreement with MAERSK Group.

Part of the agreement is that MAERSK is obliged to reduce the CO2-emission per container that MAERSK delivers to LARS LARSEN GROUP companies.

To ensure a baseline making it possible for Lars Larsen Group to track the improvements in regards to reduced CO2-emission MAERSK had to deliver information about the total number of 40 foot containers delivered and the total CO2-emission caused by the transport.

The baseline was made using numbers from May 2018 to April 2019.

It is important to track exactly one year to ensure that the product mix is the same when different periods are compared. From May 2018 to April 2019 MAERSK shipped 42.700 40 foot containers for Lars Larsen Group, and the total CO2-emissions from these transports were 36.783,100 tons equal to 861 kilo of CO2 per container.

Lars Larsen Group will monitor and report on MAERSK´s effort to reduce emissions per container in future CSR reports.

The Report

As it will appear from the report, a considerable part of the data material is based on actions and results realised in Bettenwelt GmbH and Dänisches Bettenlager GmbH & Co.KG. Bettenwelt GmbH is a legal company owned by the Group company JYSK Holding A/S, which is also part of Lars Larsen Group. Nonetheless, at an operational level, Bettenwelt GmbH functions as sourcing unit for Dänisches Bettenlager GmbH & Co.KG., which is the retail organisation owned by Anpartsselskabet af 31/8 1984 II A/S. Moreover, Anpartsselskabet af 31/8 1984 II A/S, and Bettenwelt GmbH are operated by the same central head office functions of Dänisches Bettenlager GmbH & Co.KG.

Below scheme presents an overview of the companies, as they will be referred to hereinafter.

Legal entities	As referred to hereinafter
Anpartsselskabet af 31/8 1984 II A/S	Anpartsselskabet af 31/8 1984 II
Dänisches Bettenlager GmbH & Co.KG.	DBL
Bettenwelt GmbH	Bettenwelt

Based on development within CSR legislation as well as requirements from stakeholders towards Lars Larsen Group, our work with CSR has undergone thorough revision. This has led to implementation of a Code of Conduct, Group policies, KPI's, a restructured data collection process as well as an updated reporting structure. Thus, the structure and content of this report is not directly comparable with previous reports.

The structure of this report is as follows:

About the company

- **Business model**
- **Risks**
- **Due Diligence**

Code of Conduct and Group Policies

- **Human Rights**
- **Environment and Climate**
- **Social and Employee Terms**
- **Anti-Corruption and Bribery**
- **Gender Equality**

Reporting on §99b (Board composition)

KPI overview

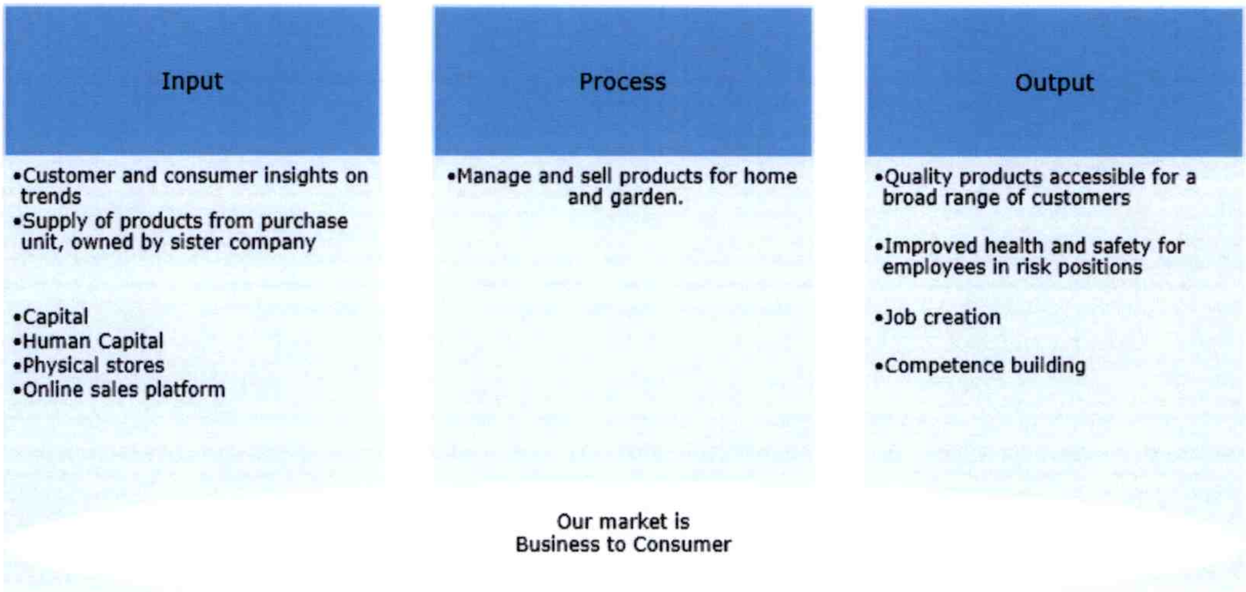
About the company

Dänisches Bettenlager GmbH & Co.KG. and Bettenwelt GmbH are both part of Anpartsselskabet af 31/8-1984 II. The companies operate at a business to consumer market and specialise in managing and selling products for home and garden. Products sold through the companies are sourced directly from suppliers.

Business model

The following model illustrates a business model for Anpartsselskabet af 31/8-1984 II.

Figure 2 Business Model, Anpartsselskabet af 31/8-1984 II



Risks

Below scheme, presents an overview of identified main risks, impact, and action related to each of the policy[1] areas covered by this report.

	Environment and Climate	Human Rights	Social and Employee	Anti-Corruption and bribery
What is the risk?	As a company, selling products for home and garden to the end-consumer, one of our significant environmental risks, is linked to the behaviour of our end-consumers. Specifically, lack of recycling of the textiles we sell. Long term, we aim to investigate an approach for managing and reducing this risk. Energy consumption at our stores, is another significant environmental risk.	Risk of violation of Human Rights related to employment processes.	Employees are the greatest asset of the Group. Ensuring a safe and healthy working environment is our top priority. Also, ensuring high work satisfaction and competence development is a key condition for the company's ongoing success. Failure to meet above key condition may lead to business failure.	Strengthening of anti-corruption legislation requires constant an ongoing focus on compliance.
What is the impact?	If end-consumers are not instructed in proper disposal of products by end-of-life it is an environmental risk. With an increase in number of stores, there is a risk of equally increase in the energy consumption.	Potential loss of employees due to discrimination.	Inadequate safety procedures and safety training may lead to serious accidents, affecting employees long term. Inadequate competence development may lead to a gab between customer demands and competence within the business.	Inadequate due diligence procedures and communication of requirements may lead to both legal consequences as well as direct and indirect costs. Direct financial costs related to fines etc. Indirect financial costs related to damage of image.
What is the action?	A long term objective is to guide end users in proper disposal of our products through information on packaging, product specifications etc. Implementation of LED project – long term objective is for all locations to have LED installed.	Code of Conduct, supported by HR procedures.	Thorough implementation of our Policy on Social and Employee terms. Ensuring adequate safety procedures and safety training of employees in risk positions. Also, through HR processes, ensure competence development to continuously match the development of business aligned with customer demands.	Thorough implementation of anti-corruption policy and ongoing awareness on expected ethical business behaviour.

[1] Cf. The Danish Financial Statements Act §99a

Due Diligence

The due diligence model covers Lars Larsen Group. For the individual companies within the Group, supporting due diligence processes are implemented with varying focus, depending on respective business activity.

Common for the companies within Lars Larsen Group, encompassed by annual CSR reporting[2], is that some due diligence processes stand out as more significant based on industry and business activity. To exemplify, our due diligence process related to responsible supplier management, takes high priority because of a higher risk level.

Figure 3 Due Diligence

	Social and Employee Terms	Environment and Climate	Human Rights	Anti-Corruption and Bribery
Examples of Due Diligence Processes	Structured follow-up on implementation of Group Policies Internal audits of own business processes External audits at suppliers and factories Action plans and structured follow-up			
Examples of topics covered by Due Diligence Processes	Safety and Employee development	Environment and Climate caution	Compliance with Human Rights and Labour Standards	Compliance with Anti-Corruption and Anti-Bribery legislation
How to report a concern regarding non-compliance	Formalized reporting channels available for reporting a concern regarding non-compliance			

Code of Conduct and Group Policies

As part of our strategic review and strengthening of our work with CSR, we have developed and implemented a Group Code of Conduct. The Lars Larsen Group Employee Code of Conduct communicates our Group policies on Human Rights, Environment and Climate, Social and Employee Terms, Anti-Corruption and Bribery as well as our Gender Equality Policy.

The Code of Conduct and Group Policies have been implemented with companies within Lars Larsen Group.

The report will present a policy excerpt for each of the Group policies, followed by reporting on implementation of the respective policy and the results achieved by Anpartsselskabet af 31/8 1984 II.

[2] Cf. The Danish Financial Statements Act §99a

Human Rights

Policy excerpt

Our Policy on Human Rights draws on UN Guiding Principles on Business and Human Rights. This means that we recognize that companies have the responsibility to respect Human Rights and, in the event of involvement of adverse negative impact on Human Rights, to provide remediation. We accept the responsibility we have towards our employees and the communities in which we operate, and we expect the same of suppliers. This commitment extends to any adverse impact we may cause or contribute to through our Group operations.

We comply with the laws and regulations that apply in the countries in which we operate, and we aim to ensure that Human Rights are an integral part of relevant processes.

Human Rights in the supply chain is addressed via a memberships of Amfori Business Social Compliance Initiative (BSCI).

Amfori BSCI is a leading supply chain management system that supports companies to drive social compliance and improvements within a global supply chain.

All members of BSCI agree to a common Code of Conduct, which, among other things, prohibits child labour, forced labour, discrimination and corruption, and sets requirements for safety and decent working hours as well as protection of the environment.

Audits are performed by third parties, approved by Amfori BSCI, and are based on the requirements communicated in the Code of Conduct.

If necessary, the auditor will issue a corrective action plan (CAP), on how to improve conditions not fully in line with Amfori BSCI requirements. If a corrective action plan is issued, the Group closely monitors the execution in order to ensure that conditions are improved to a satisfactory level. The ambition by Amfori BSCI is to drive improvements within our global supply chain. Thus, significant resources are invested in supporting such progress, rather than leaving a supplier, who initially may not meet the requirements. Only in cases, where a supplier is reluctant to cooperate to reach a satisfactory compliance level, the cooperation with the supplier will be terminated.

Policy implementation and progress

Internally, DBL and Bettenwelt have been working to implement the newly launched Human Rights policy as well as ensuring that related work processes are adequately implemented to meet respective requirements and risk level. Our Human Rights related processes are primarily anchored with Human Resource departments as well as with Health and Safety departments.

The safety of our employees is a core focus, with the overall purpose of ensuring a safe workplace for all employees. At the head office, there is a corporate department, with responsibility for corporate health issues at the head office, stores and logistics centres. Moreover, there is a team of specially trained and certified safety inspectors, who performs systematic safety walks as well as manages systematic safety training. In addition, Anpartsselskabet af 31/8 1984 II also cooperates with external 3rd parties, ensuring compliance with respective requirements.

Systematic registration, reporting and follow-up is performed on work accidents.

All work accidents are reported according to legislation. Accidents encompassed by this CSR report are work accidents, related to the Distribution Centres managed by Bettenwelt and DBL.

Work accidents registered within financial year:
(Def. *Work accidents with one or more days of absence, other than the day of the accidents*)

Distribution Centre[3]	Number of work accidents with absence[4]	Number of work accidents, per million hours worked
Kammlach	1	36,96
Zarrentin	9	25,87
Homberg	10	54,16
Valencia	1	16,94

Our focus on Human rights within our supply chain, is addressed through our membership with Amfori Business Social Compliance Initiative (BSCI).

Bettenwelt has been a member of Amfori, BSCI since 2006.

Bettenwelt has incorporated the Amfori BSCI Code of Conduct, into supplier contracts.

All suppliers[5] accept the Supplier Code of Conduct, when they sign a supplier contract. During the financial year, 72%[6] of the suppliers, located in risk countries, received audits based on Amfori BSCI guidelines.

During the financial year, no supplier cooperation has been terminated due to non-compliance with the Amfori BSCI Supplier Code of Conduct.

Environment and Climate

Policy excerpt

We aim to reduce the negative environmental and climate impact of our business activities, and we expect the same of suppliers. Consistent and long-term environmental work creates both environmental benefit and value for our company.

Companies owned by Lars Larsen Group are required to work to prevent and reduce their negative impact on environment and climate. We aim to have environmental considerations incorporated as an integral part of business activities.

Our work to minimize our negative climate impact is based on a focused effort within, but not limited to, energy, heating and transportation.

[3] Distribution Centre in Valencia is not legally owned by DBL or Bettenwelt. It is included in this report only for comparison.

[4] Accidents with one or more days of absence, other than the day of the accidents

[5] Direct suppliers, first tier

[6] Bettenwelt and JYSK Nordic share a membership with Amfori BSCI. The reported figure covers supplier audits for both Bettenwelt and JYSK Nordic.

Our work to minimize our negative environmental impact is based on a focused effort within, but not limited to, responsible sourcing, responsible use of chemicals, animal welfare and waste management.

Moreover, our engagement with The Forest Stewardship Council® (FSC) is an essential focus area of the Environment and Climate policy.

Forest clearing and illegal harvesting of wood are threats to the environment and the climate. Wood is a raw material that is used for a significant part of our products. Therefore, we have a significant focus on ensuring that the wood used for producing our products originates from legal sources, and we are working to ensure this in accordance with the EU Timber Regulation, EUTR.

Moreover, it is our aim that an increasing part of the wood used, should originate from sustainable forests. Therefore, we are directing efforts at increasing the share of sustainable wood in our product range.

About FSC:

- The Forest Stewardship Council® (FSC) is an international non-profit organisation that promotes environmentally appropriate, socially beneficial, and economically viable forestry worldwide.
- All FSC certified wood is traceable, which means that all links between the forest and the consumer are checked and have an FSC number.
- Forestry workers in FSC forests are ensured proper working conditions, including education, safety equipment and fair pay.
- In an FSC forest, no more trees are felled than the forest can naturally replace. At the same time, there are areas in the forest where the trees are never cut down as this helps create better conditions for both animals and plants.

A significant part of our business consists of sales of products filled with down and feathers from ducks and geese. In that connection, it is essential to ensure that down and feathers have not been plucked from live birds. This is ensured through supplier requirements and systematic internal and external auditing of suppliers.

Policy implementation and progress

The external focus of our work with the Environment and Climate policy is anchored with the membership of Amfori BSCI, which is the core of our responsible supplier management[7]. Our BSCI Supplier Code of Conduct requires of suppliers to comply with local environmental regulations. As part of the BSCI audits performed, environmental impacts such as wastewater treatment and chemical storage are therefore also audited. Moreover, during this reporting period, Bettenwelt has prepared a strengthening of environmental requirements towards suppliers. This update is expected to be implemented during next financial year.

The internal work to implement the Environment and Climate policy is focused on several cores issues.

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[7] Read more on Amfori BSCI at the section on Human Rights

One of the core environmental focus areas, is the ambition to increase purchase of products with FSC certified wood. Within this financial year, 100% of the wooden garden furniture purchased by Bettenwelt is FSC certified (FSC® N001596). Bettenwelt will continue to work to increase purchase of FCS certified wood for other product groups.

Another focus area is optimization of light sources and energy usage. End of this financial year, approximately 230 stores have intelligent, central control of lighting, heating, air conditioning and ventilation.

Furthermore, we have implemented a load optimization program to reduce excess space in containers. We also require our suppliers to optimize all shipments to DBL and Bettenwelt. Neglecting this may be may lead to a contract penalty.

Anpartsselskabet af 31/8 1984 II does not tolerate animal abuse. Our Supplier Code of Conduct contains an animal welfare directive. Suppliers are committed to supplying only products that have been produced to ethical standards. This for example explicitly includes the exclusion of live plucking. In addition, all bedding suppliers are required to be certified by the Downpass initiative. The "downpass" standard is a tool to ensure the ethical recovery of down and feathers. Products sealed with "downpass" ensure that the down and feathers used as fillers are ethically correct and come from tightly controlled and traceable supply chains. This ensures that down and feathers are not plucked from live birds.

Our suppliers are obligated to deliver products free of so called "SVHC" - substances of very high concern. Furthermore, we regularly check compliance with legal regulations (e.g. REACH EC / 1907/2006, POP EG / 850/2004, etc.) by means of our own additional random tests, for example on prohibited AZO dyes, PCP, SCCP. Furthermore, we scan all plastic components in our articles for legally limited heavy metals (cadmium, lead, chromium) by means of X-ray fluorescence scanner (XRF). For all articles, the supplier must provide up-to-date, valid test reports from ISO 17025 accredited test laboratories. In addition, mixtures of liquid chemicals (such as room fragrances, candles, furniture and window cleaning substances) have been adapted in such a way that fewer or no substances classified as hazardous substances according to CLP Regulation EC / 1272/2008 are included. In addition to preventive consumer protection, this also contributes to the improved occupational safety of colleagues in logistics and sales.

Social and Employee Terms

Policy excerpt

We aim to provide responsible work conditions and employment terms for all employees within the Group. We follow and comply with legislation, collective agreements as well as ILO conventions.

We seek to attract, develop and retain qualified and motivated employees in a professional environment. Our policy on Social and Employee Terms communicates a requirement for the company to perform employee satisfaction surveys, employee-manager dialogue, as well as workplace assessment.

Furthermore, we aim to engage with community work through strategic partnerships, donations, sponsor agreements, events or other ways of supporting.

Policy implementation and progress

Every two years, an employee satisfaction survey is conducted, to allow employees to express their views. The findings of the survey enable Anpartsselskabet af 31/8 1984 II to understand where to take measures to increase satisfaction and loyalty. The latest survey was performed in 2018 and the response rate of this recent survey had improved from the previous survey. However, the target defined for response rate was not achieved at the overall Group level or by Anpartsselskabet af 31/8 1984 II. Following the survey, head office functions are responsible for the follow-up process, where results are used actively to create measurable improvement plans within areas identified with potential for improvement.

In addition to the employee satisfaction survey, Anpartsselskabet af 31/8 1984 II performs annual employee-manager dialogue, called a PDP. PDP is an abbreviation for Personal Development Plan. PDP's are performed at all levels of the organisation, ensuring that individual career plans are made for each respective employee.

In regard to sponsorships and events we are main sponsor of German handball master SG Flensburg-Handewitt, and conduct blood donating activities in our headquarter on an annual basis. We had a stem cell typification activity on our corporate annual party in October 2018 with more than 600 registrations and we donated tombola money to the stem cell donation organization "Deutsche Stammzellspenderdatei".

Anti-Corruption and Bribery

Policy excerpt

All employees and representatives are expected to show honesty and integrity in dealing with other employees, customers, suppliers, business partners, organisations and authorities.

We have zero tolerance for all forms of corruption and make active efforts to ensure that this does not occur within the Group.

Our Anti-Corruption and Bribery policy communicates our viewpoint and guidance related to issues such as bribery, fraud, conflict of interest and fair competition.

Policy implementation and progress

At Anpartsselskabet af 31/8 1984 II the Anti-Corruption and Bribery policy has been introduced as part of the implementation of Lars Larsen Group Employee Code of Conduct. During the coming financial year, we will migrate to the One JYSK it-platform enabling us to share and continuously comply with e.g. written guidelines for employees regarding travel, representation and gifts with JYSK.

Furthermore, the implementation of the whistleblower system across Lars Larsen Group has increased the awareness and positively contributed to minimizing risks related to Anti-Corruption and Bribery in Anpartsselskabet af 31/8 1984 II.

Gender Equality

Policy excerpt

The purpose of the policy on Gender Equality is to ensure career development for men and women on an equal basis.

We aim at reaching a balanced gender composition within our workforce on a long-term perspective. Processes of recruitment and/or promotion must always identify the person best qualified for the position at focus. The policy does not require to make changes in top management solely to achieve a more even gender composition. The policy communicates a requirement to ensure equal opportunity.

Policy implementation and progress

As part of the internal career path at Anpartsselskabet af 31/8 1984 II, the company works with education and development at all levels of the organisation.

During this financial year, training sessions in Bettenwelt and DBL have been conducted within the following areas.

Training area	Number of employees, who attended
Store Manager	225
Sales Executive	1592
Executive training	19

At the end of this financial year, the gender composition of the main management levels at Bettenwelt and DBL is as illustrated below.

Management level	Gender composition (male/female)
Top management (head office)	95% male employees and 5% female employees
Management team[8]	53,7% male employees and 46,3% female employees

The Human Resource department ensures that recruitment and promotion procedures are aligned with the policy.

Reporting on §99b (Board composition)

The supreme management of Anpartsselskabet af 31/8 1984 II consists of 2 persons, who are both male. According to guidance from the Danish Business Authority, there is no requirement

[8] Management team including; Store Managers, Sales Executives, Team leaders and Department Heads at head office.

to define a target for the gender representation of the supreme management when this consists of less than 3 persons.

As a consequence of this, and because Anpartsselskabet af 31/8 1984 II employs less than 50 employees, no target and no policy regarding gender representation of management has been implemented.

KPI overview

Anpartsselskabet af 31/8 1984 II	KPI status
Zero accidents	KPI not achieved[9]
To be decided next FY	N/A
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI not achieved

[9] For specific result, se section on Human Rights