LLG A/S

Sødalsparken 18, 8220 Brabrand

CVR No 86 00 15 19

Annual Report 2019/20

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 January 2021

Jesper Aabenhus Rasmussen
Chairman

Contents

Company Information

The Company	LLG A/S Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 397 500 Website: www.larslarsengroup.com CVR No 86 00 15 19 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Board of Directors	Jacob Brunsborg, Chairman Mette Brunsborg Hans Henrik Kjølby Jesper Aabenhus Rasmussen
Executive Board	Jesper Lund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bank	Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 DK-8000 Aarhus C

Financial Highlights of the Group

	2019/20	2018/19	2017/18	2016/17	2015/16
	mDKK	mDKK	mDKK	mDKK	mDKK
Key figures					
Income Statement					
Revenue	23,820	20,756	18,223	16,663	15,052
Profit before financial items (EBIT)	1,783	1,546	1,482	1,325	1,092
Net financials	1,509	979	923	876	696
Net profit for the year	2,784	2,179	2,112	1,889	1,543
Balance sheet					
Balance sheet total	29,903	24,589	19,025	18,352	16,627
Equity	12,027	15,363	13,323	11,334	9,424
Cash flow statement					
Investment in tangible assets	1,279	1,013	1,066	467	437
Ratios					
Solvency ratio	40.2%	62.5%	70.0%	61.8%	56.7%
Return on equity	20.3%	15.2%	17.1%	18.2%	15.2%
Number of employees	18,820	16,698	10,841	9,746	8,601

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

Management's Review

Main activity

The main activity of the parent company comprises operation of real property, ownership of companies and other investments activities.

The main activity of the Group is ownership of JYSK, ownership of other companies within Lars Larsen Group and investments.

The most important activity in the Group is JYSK, which was founded by Lars Larsen in 1979. JYSK´s payoff is Scandinavian Sleeping and Living, and JYSK offering customers everything for house and garden.

The Group owns a number of companies mostly working within production or selling of furniture. This includes the companies Bolia, Actona Company and Scancom International. Beside ownership of retail and production companies, the Group also owns a number of smaller businesses in other areas of business.

In terms of investments, the Group acts as an investor in listed and unlisted securities, private equity and in large scale projects across the world.

It is important for the Group to act as a responsible investor, which means that all investments need to meet strict requirements and policies.

Development in the financial year

Group revenue amounts to mDKK 23,820 compared to mDKK 20,756 in financial year 2018/19. Profit before financial income and expenses amounts to mDKK 1,783 compared to mDKK 1,546 in 2018/19. Profit for the year after tax amounts to DKK 2,784 compared to mDKK 2,179 in 2018/19. The result is satisfying and in conjunction with management expectations.

As a consequence of COVID-19, a number of governments across the world chose to impose restrictions and temporarily close a number of institutions, businesses and activities, which have had a great impact on the global economy.

However the Group has not been severely impacted by the effects of COVID-19.

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 Group's opinion, current currency hedging of such long-term investments will not be optimal based on overall risk and cost considerations.

External environment

The Group 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 through specially adapted training programmes and at its own academy.

Corporate social responsibility

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear on pages 36 - 66.

Expected development

For the year ahead, LLG A/S expects to realise a profit in line with the 2019/20 level provided that the financial markets evolve normally as well as a limited severity of the impact from COVID-19.

Subsequent events

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

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of LLG A/S for the financial year 1 September 2019 – 31 August 2020.

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

In our 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 2020 and of the results of the Parent Company and the Group operations and cash flows for 2019/20.

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

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

Aarhus, 28 January 2021

Executive Board

Jesper Lund

Board of Directors

Jacob Brunsborg, Chairman

Mette Brunsborg

Hans Henrik Kjølby

Jesper Aabenhus Rasmussen

Independent Auditor's Report

To the shareholders of LLG A/S

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 2020, 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 2019 - 31 August 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LLG A/S for the financial year 1 September 2019 - 31 August 2020, 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 for 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, 28 January 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
MNE-nr. 26783

Income statement 1 September - 31 August

	Note	Parent company 2019/20 mDKK	Parent company 2018/19 mDKK	Group 2019/20 mDKK	Group 2018/19 mDKK
Revenue	1	**92**	**79**	**23,820**	**20,756**
Cost of sales		0	0	-13,121	-11,245
Other operating income		5	1	113	124
Other external cost	2	-31	-18	-4,674	-4,576
Gross Profit		**66**	**62**	**6,138**	**5,059**
Staff expenses	3	-47	-15	-2,992	-2,545
Depreciation and amortisation		-43	-42	-793	-543
Other operating expenses		0	0	-570	-425
Profit before financial items		**-24**	**5**	**1,783**	**1,546**
Result from subsidiaries		1,218	1,161	0	0
Result from associated companies		1,124	847	1,125	847
Result from other investments	13	1	12	1	12
Financial income	4	721	221	751	244
Financial expenses	5	-245	-20	-368	-124
Profit before tax		**2,795**	**2,226**	**3,292**	**2,525**
Tax on profit for the year	6	-99	-42	-508	-346
Result for the year		**2,696**	**2,184**	**2,784**	**2,179**
Distribution of profit	7				

Balance sheet at 31 August

Assets		Parent company		Group	
	Note	2020	2019	2020	2019
		mDKK	mDKK	mDKK	mDKK
Software		0	0	105	78
Goodwill		0	0	28	23
Intangible assets	8	**0**	**0**	**133**	**101**
Land and buildings		878	860	3,595	2,788
Fixtures and fittings, tools and equipment		1	0	870	852
Trucks and cars		1	1	91	91
Leasehold improvements		0	0	640	631
Assets under construction		0	4	597	230
Tangible assets	9	**880**	**865**	**5,793**	**4,592**
Investments in subsidiaries	10	10,713	8,853	0	0
Receivables from subsidiaries	11	141	216	0	0
Investments in associates	12	4,282	3,725	4,303	3,725
Other investments	13	242	178	242	178
Debt securities	14	0	30	9	37
Deposits	15	2	1	66	51
Fixed asset investments		**15,380**	**13,003**	**4,620**	**3,991**
Fixed assets		**16,260**	**13,868**	**10,546**	**8,684**
Commercial products		0	0	5,778	5,569
Inventories		**0**	**0**	**5,778**	**5,569**
Trade receivables		0	0	897	596
Receivables from subsidiaries		2,041	821	0	0
Receivables from associates		421	0	421	0
Other receivables		832	1,638	1,428	1,909
Prepayments	16	0	0	148	155
Receivables		**3,294**	**2,459**	**2,894**	**2,660**
Securities		**7,125**	**3,781**	**8,134**	**4,848**
Cash at bank and in hand		**416**	**1,106**	**2,551**	**2,828**
Current assets		**10,835**	**7,346**	**19,357**	**15,905**
Assets		**27,095**	**21,214**	**29,903**	**24,589**

Balance sheet at 31 August

Liabilities		Parent company		Group	
	Note	2020	2019	2020	2019
		mDKK	mDKK	mDKK	mDKK
Share capital		50	50	50	50
Reserve for net revaluation according to the equity method		5,405	4,407	0	0
Retained earnings		6,381	10,982	11,786	15,389
Equity attributable to parent company shareholders		**11,836**	**15,439**	**11,836**	**15,439**
Non-controlling interests		**0**	**0**	**191**	**-76**
Equity		**11,836**	**15,439**	**12,027**	**15,363**
Negative balance subsidiaries	10	88	272	0	0
Deferred tax	17	51	51	22	27
Provisions		**139**	**323**	**22**	**27**
Mortgage debt, long-term	18	76	99	484	228
Loans, long-term	19	1,592	824	1,592	987
Deposits, long-term	20	0	0	76	2
Long term debt		**1,668**	**923**	**2,152**	**1,217**
Mortgage debt, short-term	18	23	23	59	33
Credit institutions		7	0	575	1,753
Loans, short-term	19	6,799	1,905	6,904	1,906
Deposits, short-term	20	17	15	35	29
Prepayments, received		0	0	91	70
Trade payables		0	0	1,277	699
Payables to subsidiaries		1,489	471	0	0
Payables to associates		2,528	1,418	2,528	1,418
Corporation tax		121	59	269	86
Other payables		2,468	638	3,738	1,859
Accrued expenses		0	0	226	129
Short-term debt		**13,452**	**4,529**	**15,702**	**7,982**
Debt		**15,120**	**5,452**	**17,854**	**9,199**
Liabilities and equity		**27,095**	**21,214**	**29,903**	**24,589**
Contractual obligations	21				
Security	22				
Contingent liabilities	23				
Controlling interest	24				

Statement of changes in equity

	Parent company		Group	
	2020	2019	2020	2019
	mDKK	mDKK	mDKK	mDKK
Equity				
Equity at 1st September	15,439	13,393	15,363	13,322
Dividend	-6,002	0	-6,002	0
Result for the year	2,696	2,184	2,784	2,179
Exchange adjustment on foreign subsidiaries	-60	-32	-60	-32
Acquisition of group companies	-355	-106	-355	-106
Non-controlling interests	0	0	179	0
Other equity movements	118	0	118	0
Equity at 31st August	**11,836**	**15,439**	**12,027**	**15,363**
Specified as follows:				
250 A-shares of DKK 1,000	0	0	0	0
750 B-shares of DKK 1,000	1	1	1	1
9,000 C-shares of DKK 1,000	9	9	9	9
40,000 D-shares of DKK 1,000	40	40	40	40
Share capital	**50**	**50**	**50**	**50**
Opening at 1st September	4,407	3,909		
Value adjustment for the year	998	498		
Reserve for net revaluation according to the equity method at 31st August	**5,405**	**4,407**		
Non-controlling interests				
Opening at 1st September			-76	-70
Additions			90	0
Disposals			89	0
Share of profit of the year			87	-6
Non-controlling interests at 31st August			**191**	**-76**

Consolidated Cash Flows

	Note	2019/20	2018/19
		mDKK	mDKK
Profit for the year		2,784	2,179
Adjustments	25	74	-81
Change in working capital	26	417	-1,351
Cash flows from operating activities before financial income and expenses		3,275	746
Financial income		125	64
Financial expenses		-347	-123
Cash flows from ordinary activities		3,053	687
Corporation tax paid		-384	-284
Cash flows from operating activities		**2,669**	**403**
Acquisition/sale of securities, net		-2,682	301
Purchase of intangible assets		-114	-42
Purchase of tangible assets		-1,279	-1,013
Purchase of fixed asset investments		-80	-64
Sale of tangible assets		218	53
Sale of fixed assets investments		1	0
Purchase of enterprises		-58	-175
Cash at purchase of enterprises		47	-354
Cash at sale of enterprises		17	0
Received repayments on debt securities		30	359
Loans given		0	-454
Cash flows from investing activities		**-3,900**	**-1,390**
Credit institutions		-1,178	643
Payment of loans		-1,480	0
Raising of loans		2,729	728
Payment of mortage debt		0	-24
Deposits		81	0
Dividend received from associates and other investments		802	808
Cash flows from financing activities		**954**	**2,155**
Change in cash and cash equivalents		**-277**	**1,168**
Cash and cash equivalents at 1 September		2,828	1,660
Cash and cash equivalents at 31 August		**2,551**	**2,828**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,551	2,828
Cash and cash equivalents at 31 August		**2,551**	**2,828**

Notes to the Annual Report

1 Revenue

In accordance with section 96(1) of the Danish Financial Statements Acts, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Board of Directors assess that such disclosures would be very detrimental to the Company.

	Parent company		Group	
	2019/20	2018/19	2019/20	2018/19
	mDKK	mDKK	mDKK	mDKK
2 Fees to the auditors appointed at the annual general meeting				
PricewaterhouseCoopers				
Auditfee	0	0	4	4
Tax advisory services	10	5	10	5
Other non-audit services	5	1	5	1
	15	**6**	**19**	**10**
Other auditors				
Auditfee	0	0	4	3
Tax advisory services	0	0	0	1
Other non-audit services	0	0	2	1
	0	**0**	**6**	**5**
3 Staff				
Salaries and wages	44	13	2,395	2,021
Pensions	2	1	171	150
Other social security costs	1	1	426	374
	47	**15**	**2,992**	**2,545**
Average number of employees	21	11	18,820	16,698
Including remuneration to the Executive Board	15		15	

There have been two members of the Executive Board during the year.

Notes to the Annual Report

	Parent company		Group	
	2019/20	2018/19	2019/20	2018/19
	mDKK	mDKK	mDKK	mDKK
4 Financial income				
Interest income subsidiaries	34	17		
5 Financial expenses				
Interest expense subsidiaries	2	2		

	Parent company		Group	
	2019/20	2018/19	2019/20	2018/19
	mDKK	mDKK	mDKK	mDKK
6 Tax on profit for the year				
Current tax for the year	98	44	520	346
Deferred tax for the year	1	-3	-9	1
Tax concerning previous years	0	1	-3	-1
	99	**42**	**508**	**346**
7 Distribution of profit				
Reserve for net revaluation according to the equity method	998	498	0	0
Retained earnings	1,698	1,686	2,697	2,184
Non-controlling interests' share of profit/loss	0	0	87	-5
	2,696	**2,184**	**2,784**	**2,179**

Notes to the Annual Report

8 Intangible assets

	Software	Goodwill
	mDKK	mDKK
Group		
Cost at 1st September	231	166
Exchange adjustment at 1st September	1	-3
Addition for the year	55	59
Disposals for the year	-38	0
Cost at 31st August	249	222
Depreciation at 1st September	-153	-143
Exchange adjustment at 1st September	1	4
Depreciation for the year	-30	-55
Acc Depreciation reversed	38	0
Depreciation at 31st August	-144	-194
Booked value at 31st August	**105**	**28**
Depreciated over	3 - 5 years	5 - 15 years

Notes to the Annual Report

9 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Trucks and cars	Assets under construction
	mDKK	mDKK	mDKK	mDKK
Parent company				
Cost at 1st September	1,217	0	4	3
Addition for the year	56	1	1	5
Transfer	8	0	0	-8
Exchange adjustments on movement	-1	0	0	0
Disposals for the year	-7	0	-1	0
Cost at 31st August	1,273	1	4	0
Depreciation at 1st September	-357	0	-3	0
Depreciation for the year	-42	0	0	0
Depreciation of disposals for the year	4	0	0	0
Depreciation at 31st August	-395	0	-3	0
Booked value at 31st August	**878**	**1**	**1**	**0**
Depreciated over	25 years	4 - 5 years	4 - 5 years	

Notes to the Annual Report

		Land and buildings	Fixtures and fittings, tools and equipment	Trucks and cars	Leasehold improvements	Assets under construction
		mDKK	mDKK	mDKK	mDKK	mDKK
9	**Group**					
	Cost at 1st September	3,925	2,849	181	1,164	230
	Exchange adjustment at 1st September	-3	-27	-1	-21	-7
	Addition for the year	252	140	36	123	727
	Addition by acquisitions	875	6	0	0	15
	Transfer	46	187	1	37	-271
	Exchange adjustment	-1	-1	1	0	-14
	Disposals for the year	-173	-130	-23	-34	-83
	Cost at 31st August	4,921	3,024	195	1,269	597
	Depreciation at 1st September	-1,137	-1,997	-91	-534	0
	Exchange adjustment at 1st September	-3	17	1	7	0
	Depreciation for the year	-181	-302	-31	-127	0
	Transfer	-2	1	0	0	0
	Depreciation - write-down	-65	-2	0	0	0
	Acc Depreciation reversed	62	129	17	25	0
	Depreciation at 31st August	-1,326	-2,154	-104	-629	0
	Booked value at 31st August	**3,595**	**870**	**91**	**640**	**597**
	Depreciated over	25 years	4 - 5 years	4 - 5 years	Rental period	

Notes to the Annual Report

10 Investments in subsidiaries	2020
	mDKK
Cost at 1st September	5,924
Addition	1,547
Disposals	-254
Cost at 31st August	7,217
Value adjustment at 1st September	2,656
Disposals	103
Group acquisitions of capital shares	-39
Exchange adjustment on foreign subsidiaries	-60
Dividend	-696
Result for the year	1,271
Amortisation for the year	-21
Other adjustments	194
Value adjustment at 31st August	3,408
Booked value at 31st August	**10,625**
Negative investments	88
Investments in subsidiaries	**10,713**

Notes to the Annual Report

10 Investments in subsidiaries

Specified as:

	Ownershare
Anpartsselskabet af 9/6 2006, Denmark	100.00%
Anpartsselskabet af 4/11 2005, Denmark	100.00%
Anpartsselskabet af 25. marts 2003, Denmark	100.00%
Anpartsselskabet ID af 06.11.2007, Denmark	100.00%
Backtee A/S, Denmark	99.23%
Bolia A/S, Denmark	90.00%
BW DBL Logistica, Spain	100.00%
Dänisches Bettenlager GmbH, Austria	100.00%
Erhvervspark Silkeborg I ApS, Denmark	100.00%
Erhvervspark Silkeborg II ApS, Denmark	100.00%
Hank Invest ApS, Denmark	100.00%
HGSR A/S, Denmark	100.00%
JULL A/S, Denmark	78.00%
JYSK AB, Sweden	100.00%
JYSK AS, Norway	100.00%
JYSK Bed'n Linen Inc. & affiliate, USA	100.00%
JYSK BUL Ltd., Bulgaria	100.00%
JYSK BV, Holland	100.00%
JYSK BW GmbH, Germany	100.00%
JYSK d.o.o., Bosnia	100.00%
JYSK d.o.o., Croatia	100.00%
JYSK d.o.o., Serbia	100.00%
JYSK d.o.o., Slovenia	100.00%
JYSK Ejendomme A/S, Denmark	94.00%
JYSK GmbH, Switzerland	100.00%
JYSK Iberia, Spain	100.00%
JYSK Italia, Italy	100.00%
JYSK kft., Hungary	100.00%
JYSK OY, Finland	100.00%
JYSK Romania Srl., Romania	100.00%
JYSK s.r.o., Czech Republic	100.00%
JYSK s.r.o., Slovakia	100.00%
JYSK SP z.o.o., Poland	100.00%
JYSK Ukraine LLC, Ukraine	100.00%
Kapital 31/8 ApS, Denmark	100.00%
Kapital JH ApS, Denmark	10.00%
LJH Invest ApS, Denmark	90.00%
NJK2 ApS, Denmark	100.00%
Ready Made A/S, Denmark	100.00%
Scancom International A/S, Denmark	100.00%
Slangerupgade 48 ApS, Denmark	100.00%
Solid Leasing A/S, Denmark	70.00%
Toftegårdene ApS, Denmark	100.00%
Viborgvej 16-18, Silkeborg ApS, Denmark	100.00%

Notes to the Annual Report

Subsidiaries owned indirectly

A. C. Holding A/S, Denmark	9.00%
Actona Company A/S, Denmark	9.00%
Actona Direct Ltd., China	9.00%
Actona Seating Ltd., China	9.00%
Banegaardsbygningen ApS, Denmark	100.00%
Bettenwelt GmbH & Co. KG, Germany	100.00%
Bettenwelt GmbH, Germany	100.00%
Gammel Lyngvej P/S, Denmark	100.00%
Interstil Möbel AB, Sweden	9.00%
JYSK Immobilien GmbH, Germany	94.00%
JYSK Logistik GmbH, Germany	100.00%
Komplementarselskabet Gammel Lyngvej ApS, Denmark	100.00%
Komplementarselskabet Uldum ApS, Denmark	100.00%
PT ScanCom Indonesia, Indonesia	99.00%
Raimotech A/S, Denmark	100.00%
S. C. Ambiente Furniture Ukraine, Ukraine	9.00%
ScanCom Asia Trading Co. Ltd., Vietnam	100.00%
ScanCom Deutschland GmbH, Germany	100.00%
ScanCom do Brasil Ltda., Brasil	100.00%
ScanCom Hong kong, Hong Kong	99.99%
ScanCom International A/S SuCursal EN Espana, Spain	100.00%
ScanCom North America, Inc., USA	100.00%
ScanCom UK Ltd., England	100.00%
ScanCom Vietnam Ltd., Vietnam	100.00%
Uldum P/S, Denmark	100.00%

Notes to the Annual Report

11 Receivables from subsidiaries

	2020
	mDKK
Cost at 1st September	202
Disposals	-61
Cost at 31st August	141
Value adjustment at 1st September	14
Disposals	-14
Value adjustment at 31st August	0
Booked value at 31st August	**141**

12 Investments in associates

	Parent company 2020	**Group** 2020
	mDKK	mDKK
Cost at 1st September	1,974	1,978
Addition for the year	312	320
Cost at 31st August	2,286	2,298
Value adjustment at 1st September	1,751	1,749
Transfer	0	10
Result for the year	1,120	1,121
Fair value adjustments	-78	-78
Amortisation for the year	-1	-1
Dividend	-796	-796
Value adjustment at 31st August	1,996	2,005
Booked value at 31st August	**4,282**	**4,303**

Specified as:

	Ownershare
Anpartsselskabet af 19. december ApS, Denmark	90.00%
Inbodan Service Partner I/S, Denmark	61.50%
JF III ApS, Denmark	50.00%
JYSK A/S, Denmark	90.00%
K/S Joinflight, Denmark	50.00%
One A A/S, Denmark	30.00%
Schou Holding II ApS, Denmark	49.00%
Vision Properties A/S, Denmark	50.00%
Ådalshusene ApS, Denmark	50.00%
Ådalshusene II ApS, Denmark	50.00%

Notes to the Annual Report

		Parent company 2020 mDKK	Group 2020 mDKK
13	**Other investments**		
	Cost at 1st September	162	162
	Addition for the year	69	69
	Disposals	-9	-9
	Cost at 31st August	222	222
	Value adjustment at 1st September	16	16
	Disposals	2	2
	Dividend	-6	-6
	Result for the year	1	1
	Fair value adjustements of the year	7	7
	Value adjustment at 31st August	20	20
	Booked value at 31st August	**242**	**242**

14	**Instruments of debt**		
	Cost at 1st September	30	37
	Addition	0	3
	Disposals for the year	-30	-30
	Transfer	0	-1
	Cost at 31st August	0	9
	Value adjustment at 1st September	0	0
	Value adjustment at 31st August	0	0
	Booked value at 31st August	**0**	**9**

15	**Deposits**		
	Cost at 1st September	1	51
	Exchange adjustment at 1st September	0	-1
	Addition for the year	1	10
	Addition by acquisition	0	6
	Cost at 31st August	**2**	**66**

16 Prepayments

Prepayments comprises prepaid expenses relating to rent, property tax, etc.

Notes to the Annual Report

	Parent company		Group	
	2020	2019	2020	2019
	mDKK	mDKK	mDKK	mDKK
17 Deferred tax				
Intangible assets	0	0	-4	-4
Tangible assets	7	6	22	4
Inventories	0	0	-10	2
Securities	22	22	22	22
Trade receivables	0	0	-4	2
Other	22	23	-4	1
	51	**51**	**22**	**27**

18 Mortgage debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised on long-term debt.

The debt falls due for payment as specified below:

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Mortage debt, after 5 years	0	7	285	101
Mortage debt, between 1 and 5 years	76	92	199	127
Mortage debt, long-term debt	76	99	484	228
Mortage debt, within 1 year	23	23	59	33
	99	**122**	**543**	**261**

19 Loans

Loans fall due for payment as specified below:

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Loans, after 5 years	392	824	392	987
Loans, between 1 and 5 years	1,200	0	1,200	0
Loans, long-term debt	1,592	824	1,592	987
Loans, within 1 year	6,799	1,905	6,904	1,906
	8,391	**2,729**	**8,496**	**2,893**

Of which subordinated loan capital amounts to mDKK 1.592 per 31 August 2020.

20 Deposits

Deposits fall due for payment as specified below:

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Deposita, after 5 years	0	0	0	0
Deposita, between 1 and 5 years	0	0	76	2
Deposita, long-term debt	0	0	76	2
Deposita, within 1 year	17	15	35	29
	17	**15**	**111**	**31**

Notes to the Annual Report

	Parent company 2019/20 mDKK	Parent company 2018/19 mDKK	Group 2019/20 mDKK	Group 2018/19 mDKK
21 Contractual obligations				
Rental obligations	0	0	6,446	5,751
Lease obligations	0	0	84	55
Letters of credit	0	0	67	93
Other obligations	0	0	10	10
22 Security				
Provided as security for mortgage loans: Land and buildings, etc. with a carrying amount of:	0	0	995	151

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.

LLG A/S has entered into a cash pool agreement for Lars Larsen Group. As per 31 August 2020 the withdrawal was mDKK 7. As principal in the cash pool agreement LLG A/S has issued a guarantee towards credit institutions.

	Parent company 2019/20 mDKK	Parent company 2018/19 mDKK	Group 2019/20 mDKK	Group 2018/19 mDKK
23 Contingent liabilities				
Guarantees	1,881	2,569	1,963	1,998

Remaining obligations in investment projects amount to mDKK 291 as per 31 August 2020.

24 Controlling interest

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

Transactions

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

Notes to the Annual Report

		Group	
		2019/20	2018/19
		mDKK	mDKK
25	**Cash flow statement - adjustments**		
	Profit/loss, associates	-1,125	-847
	Profit/loss, other investments	-1	-12
	Other operating income	0	-45
	Financial income	-751	-244
	Financial expenses	369	123
	Depreciation and amortisation	793	543
	Tax on profit/loss for the year	508	347
	Exchange adjustment on foreign subsidiaries	-9	-19
	Other adjustments	290	73
		74	**-81**
26	**Cash flow statement - change in working capital**		
	Change in inventories	-96	-950
	Change in receivables	-127	-115
	Change in other receivables etc.	187	210
	Change in trade payables	432	-170
	Change in deferred income	21	2
	Change in other payables etc.	0	-328
		417	**-1,351**

Accounting Policies

Basis of Preparation

The Annual Report of LLG A/S for the financial year 1 September 2019 to 31 August 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are unchanged compared to last year.

The Financial Statements for 2019/20 are presented in Danish kroner (DKK), which is the functional and presentation currency of the Parent Company.

There have been minor changes to comparative figures. The changes do not affect result for the year or equity.

Comparative figures in the income statement in Parent company have been restated to match this year's presentation. The adjustment of the comparative figures have no effect on result for the year.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, LLG A/S, 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.

Intercompany restructuring process

The Company has chosen to use book value method in connection to intercompany restructuring. For accounting purposes the restructuring took place at book value at the date of acquisition. Comparative figures are not shown in compliance with the book value method.

Accounting Policies

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.

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.

Accounting Policies

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.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is classified and qualify as a hedge.

Segment reporting

In accordance with section 96(1) of the Danish Financial Statements Act, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Board of Directors assess that such disclosures would be very detrimental to the Company.

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.

Accounting Policies

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.

Result from subsidiaries and associated companies

The items “Result from subsidiaries” and “Result from associated companies” in the income statement include the proportionate share of the profit/loss for the year less goodwill amortisation.

Result from other investments

Results from other investments in the income statement include regulations on fair value and dividend paid.

Financial income and expenses

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

Accounting Policies

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.

Goodwill
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated at 5 – 15 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.

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

Accounting Policies

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

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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 and associates 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.

Other investments

Other investments are recognised and measured at fair value.

Accounting Policies

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.

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 and shares, 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.

Accounting Policies

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.

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.

Accounting Policies

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, securities as well as fixed asset investments and current asset investments.

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

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

Financial Highlights

Ratios are calculated as follows:

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

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

Statutory Statement of Corporate Social Responsibility

LLG A/S

This is the statutory corporate social responsibility report, pursuant to sections 99a and 99b of the Danish Financial Statements Act. The report is part of Management Review for LLG A/S, covering the financial year of 01.09.2019 – 31.08.2020. From hereinafter, this report is discussed as our sustainability report.

Lars Larsen Group

Lars Larsen Group is owned by the Brunsborg family, and named after the founder of JYSK, Lars Larsen. We are active within a broad range of business areas as majority owner and investor.

Lars Larsen opened the first JYSK store in Aarhus in 1979. The opening of this shop marked the beginning of the journey towards the establishment of Lars Larsen Group.

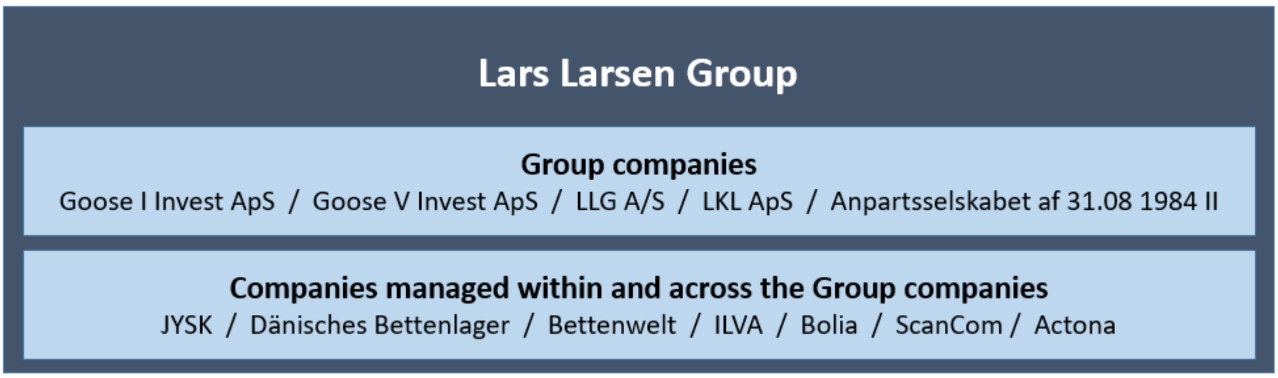
The way we do business in Lars Larsen Group is anchored with the family values; Tradesmanship, Responsibility and Growth.

With the family values as our framework, we continuously strive towards long term, successful development of Lars Larsen Group, while at the same time leaving a significant positive imprint on society.

Read more about Lars Larsen Group at; www.larslarsengroup.com

With reference to our annual reporting cf. The Danish Financial Statements Act §99a and §99b, below scheme presents an overall view of companies included in our sustainability reports.

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



Lars Larsen Group sustainability strategy

During this financial year, Lars Larsen Group introduced a sustainability strategy, which communicates how we address sustainability through majority ownership and investments.

The strategy is founded on our shared values; Tradesmanship, Responsibility, and Growth. Moreover, the central core of the strategy is the commitment that all companies have to comply with Lars Larsen Group Employee Code of Conduct and to work actively to implement our shared group sustainability policies. Moreover, anchored with the headline “cross-company-initiatives”, we have identified three areas, where we expect our companies to work together to reach a set of shared targets. These areas cover;

- Reduce our negative climate impact
- Reduce plastic from packaging
- Increase use of more sustainable raw material

The strategy will have effect as of financial year 2020/2021.

Dialogue is the way forward

As an international group, we are in contact with customers, employees and business partners as well as other stakeholders every day.

Doing business in a responsible and sustainable way is a continuous process. We consider dialogue with our stakeholders to be a key element in our work with sustainability. Cooperation, dialogue and commitment is the way forward when it comes to improving social and environmental conditions.

Highlights in financial year 2019/2020 across companies owned by Lars Larsen Group;

Whistleblower service;

Lars Larsen Group Whistleblower service was implemented during the spring of 2019. The Whistleblowing service is an early warning system to reduce risks. It is an important tool to foster high ethical standards and maintain confidence in us. Inquiries that will be processed through our Whistleblowing service are scoped to concern employees and other persons who act directly on behalf of companies within Lars Larsen Group.

During financial year 2019/2020, we evaluated our work with the Whistleblowing service. Based on our evaluation, which included both the case management of reports as well as new legislation affecting us in the near future, it was decided to broaden the scope. With effect from September 2020, the Whistleblowing service would enable case management of reports within the following scope. "*Concerns of suspected violations of the Lars Larsen Group Employee Code of Conduct, criminal acts, other serious matters that can have a serious effect on the company and its reputation, as well as matters that may have a significant impact on a person's life or health*".

During financial year 2019/2020 all board members, management, and employees in the companies owned by Lars Larsen Group, were informed of the new scope, with effect from September 2020.

During the financial year, Lars Larsen Group received five reports.

The Whistleblowing service is accessible from the webpage www.larslarsengroup.com

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 companies within Lars Larsen Group.

In order to be able to track improvements related to reducing CO2 emission, we established a baseline together with MAERSK. MAERSK delivered data on the total number of 40 foot containers delivered and the total CO2-emission caused by the transport.

From 1 September 2019 to 31 August 2020 MAERSK shipped 50.933 40 foot containers for Lars Larsen Group, and the total CO2-emissions from these transports were 43.829,100 tons equal to 861 kilo of CO2 per container.

The comparable number for FY19 where 51.669 containers and 44.002 tons of CO2 equaling 852 kilo of CO2 per container.

By exclusively choosing MAERSK for shipping, JYSK have saved 8.084 tons of CO2 compared to the average carrier emssions, based on numbers from Clean-cargo org. Further information can be found at https://www.clean-cargo.org/data-methods.

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

Lars Larsen Group and JYSK Head Office;

During this financial year, we started the building process of expanding the head office of Lars Larsen Group and JYSK (housing employees of LLG A/S and JYSK).

The existing head office will be expanded by close to 6,000m2, split on two new buildings.

The buildings are constructed in accordance with a DGNB[1] certification and the aim is to reach a gold certification.

With this certification, we look into the global and local environmental impact of the construction. This is done by making a life cycle assessment (LCA) of the building as well as looking into environmental risks and impact of the building material.

Moreover, in the design of the building, there is a great focus on resource consumption and waste, so that the building has a low energy and domestic water consumption. The new buildings will have close to 300m2 solar power cells installed.

The new buildings are expected to be taken into use during the spring of 2022.

Data

During this financial year, JYSK Nordic, Dänishes Bettenlager and Bettenwelt have initiated a process towards merging their business activities, to operate united under the name of JYSK. Only exception are the stores in Germany, which will keep the name of Dänishes Bettenlager[2].

JYSK is the name of an operational company (not a legal entity) that transcends the Groups of LLG A/S, LKL ApS, and Anpartsselskabet af 31.8 1984 II. This merger within JYSK, includes an alignment of strategy, policies, procedures and business activities. Naturally, this is an exten-

[1] Deutsche Gesellschaft für Nachhaltiges Bauen
[2] Dänisches Bettenlager stores are included in the Group annual report for Anpartsselskabet af 31.8 1984 II

sive transformation, affecting many business areas for some time to come. Going forward, Executive Management Team of JYSK, located at the Danish head office, will decide the strategic direction for JYSK. The alignment of strategy and business activities will, as a natural consequence, be reflected in the data communicated in these sustainability reports.
Therefore, the business units, which up until this financial year, have reported under the names of JYSK Nordic, Dänishes Bettenlager and Bettenwelt, will report as a unified company under the name of JYSK.

Besides data from JYSK, this report comprises data from Bolia A/S, Scancom International A/S, and Actona Company A/S.

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

Legal entities	As referred to hereinafter
JYSK country organisations	JYSK
Bettenwelt GmbH	
Bolia A/S	Bolia
ScanCom International A/S	ScanCom
Actona Company A/S	Actona

Report Structure

About the company

- Business model
- Risks
- Due Diligence

Code of Conduct

Group Policies

Reporting on §99b (Board composition)

KPI overview

About the company

JYSK and Bolia are furniture retail companies with a primary focus on business-to-consumer markets. Business activities include to; source, design, manage, distribute and sell products for home and garden.

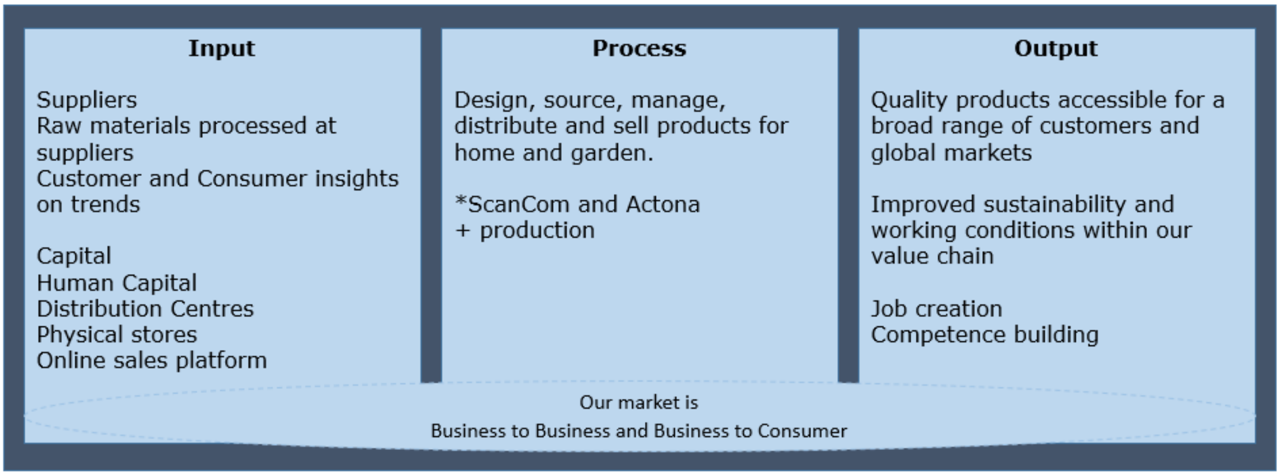
Scancom is a furniture company, operating at a business-to-business market, with their head office located in Denmark. Scancom owns production units in Vietnam, Brazil and Indonesia.

Actona is a furniture company, operating at a business-to-business market, with their head office located in Denmark. Actona owns production units in China and Ukraine.

Business model

The following model illustrates a business model for LLG A/S.

Figure 2 Business Model, LLG A/S



Risks

Below schemes, presents an overview of main risks, impact, and action related to each of the policy[3] areas covered by this report.

Policy	What is the risk?
Environment and Climate	Sustainable sourcing is a significant focus area. If we do not integrate sustainability within the choice of raw material, both in regards to sourcing and processing of raw material, there is a risk of contributing to a negative climate impact.
Human Rights	We have a truly global presence. We are present in risk countries with own business units as well as through our supplier network. Particularly in risk countries, there is a risk, within our industry, to be involved with non-compliance of Human Rights and/or Labour Rights.
Social and Employee	Employees are the greatest asset of the group. If we fail to provide a safe workplace and a business environment, where employees experience job satisfaction as well as the opportunity to develop personally and professionally, it will have a significant negative effect on our business.
Anti-Corruption and Bribery	A global presence as well as increasing legislation within this area requires a strong focus on compliance with all areas of business ethics. Neglecting to integrate this topic with relevant business procedures, will expose our company to significant risk.

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

Policy	What is the impact?
Environment and Climate	Inadequate due diligence, supplier requirements, traceability, and auditing my lead to significant negative impact on environment and climate. Long term risk is lack of raw material due to unsustainable management of supply chain.
Human Rights	Inadequate due diligence, supplier requirements and auditing may lead to violation of Human Rights and/or Labour Standards, with severe negative effect on the local communities within our supply chain. Such violation would also expose our company to severe negative impact on our company image.
Social and Employee	Inadequate procedures regarding work safety, work satisfaction and development may lead to long term negative effect on our employees. Moreover, if employee competences are not developed in a direction and pace that correspond with customer and market demands, there is a risk that our company will loose customers.
Anti-Corruption and Bribery	Involvement with non-compliance related to Anti-Corruption and Bribery will expose our company to both direct and indirect financial loss. Direct loss is e.g. through fines and indirect loss is e.g. through severe negative impact on our company image.

Policy	What is the action?
Environment and Climate	Ongoing implementation of supplier Code of Conduct and other relevant supplier requirements. Ongoing focus to increasingly source more sustainable raw material.
Human Rights	Ongoing implementation of supplier Code of Conduct and thorough follow up via BSCI managed compliance audits. Continuous implementation of Human Rights policy.
Social and Employee	Thorough and systematic work with health and safety. Ensure that HR processes will support employee satisfaction and competence development. This should be done in a way that will both benefit employees as well as ensure that competences within the company will develop in accordance with customer and market demands.
Anti-Corruption and Bribery	Thorough implementation of Anti-Corruption and Bribery policy and procedures, including systematic risk assessment to ensure that our efforts will match the risk profile. Ongoing awareness and information on rules and requirements is key to avoid incidents of non-compliance.

Due Diligence

The due diligence model covers Lars Larsen Group, at an overall level. Additional due diligence initiatives, that are more company specific, are implemented locally within the respective companies.

Common for the companies within Lars Larsen Group, included by our annual sustainability reporting, 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. ScanCom and Actona has own production factories. Requirements and audits for these factories are managed similar to requirements and audits at supplier factories.

Figure 3 Due Diligence

	Environment and Climate	Human Rights	Social and Employee	Anti-Corruption and Bribery
Examples of due diligence processes	Structured follow-up on implementation of group sustainability policies Internal audit of business processes and safety procedures Compliance audits at suppliers and factories			
Examples of topics covered by due diligence processes	Compliance with environment legislation and requirements	Compliance with Human Rights and Labour standards	Work safety and employee competence development	Compliance with Anti-Corruption and Bribery legislation
Reporting a concern of non-compliance	Formalised reporting channels are established for reporting a concern of non-compliance. A group Whistleblowing service is established.			

Code of Conduct and Group Policies

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.

This sustainability report will present a policy excerpt for each of the group policies, shared by all companies. Following the policy excerpt, the report will present individual reporting on implementation of the respective policy and the results achieved by each respective company. Where relevant, the report will comment on initiatives addressed both internally and externally.

Environment and Climate

The purpose of this policy is to outline our effort to reduce the negative environmental and climate impact of our business activities. It is our belief, that consistent and long-term environmental work creates both environmental benefit and value for our company.

We aim to have environment and climate considerations incorporated as an integral part of business activities, striving to reduce the negative impact of our business activities.

Our Environment and Climate policy is supported by initiatives defined within the individual companies, including company specific actions to reduce CO2 emissions.

Common for the companies included by this annual report, is their respective engagement with The Forest Stewardship Council® (FSC), as 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 the business within LLG A/S 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

JYSK

Internal focus;

JYSK has made sustainability the sixth pillar of the company strategy and employed a Sustainability Manager to be part the CSR department. One of the main goals of this is to do a full mapping of JYSK´s global footprint, including a full GHG mapping.

Moreover, during this financial year, JYSK finalized the company´s FSC-strategy making it possible to publicly state the ambition of making sure that all JYSK products will be made from FSC-certified wood by 1 January 2025.

Within this financial year, 100% of the wooden garden furniture, except for bamboo, purchased for JYSK is FSC certified (FSC® N001715) and (FSC® N001596).

Moreover, 27% of the indoor furniture[4] for JYSK (Nordic region), containing wood, is made with FSC certified wood and 7,17 % of indoor furniture for JYSK (DBL region) is FSC certified.

JYSK also made a new packaging design, which will reduce the use of packaging material and make it possible for JYSK to demand that all cardboard used for packaging of JYSK products should be FSC-certified by 1 January 2025.

[4] Percentage is based on sales value from respective financial year

During the financial year JYSK also decided on a new plastic strategy. The aim of this strategy is to limit the number of plastic types used by JYSK and to gradually out-phase the use of flamingo totally. By using fewer types of plastic JYSK wants to decrease complexity when handling waste and increase recycling of plastic.

Furthermore, JYSK introduced a number of new products made from recycled materials. This includes boxes made from recycled plastic. Duvets made from recycled plastic and recycled cotton, and a chair made partly from recycled plastic.

JYSK also carry a product group called Scandinavian Sense, which is GOTS certified. GOTS is an abbreviation of Global Organic Textile Standard, and the products are made with cotton, silk, linen or wool that is farmed and processed organically. The GOTS certification ensures a reduced environmental impact as well as compliance with stringent environmental and social criteria during the entire manufacturing process.

One of the issues faced by JYSK is also to ensure that resources do not go to waste in situations where JYSK has had a product produced and delivered, and then discovering that the product does not live up to JYSK´s requirements regarding product quality.

In these situations, JYSK will try to dispose of the products as environmentally friendly as possible. A good example of that is JYSK´s newly established cooperation with clothing designer Clara Hjelt. She has in several occasions, received bed linen from JYSK, which she has upcycled into clothes, and then sold this clothes on her website.

Energy optimisation is another core focus area. JYSK has optimized light sources in stores with more energy-efficient light sources, and all new stores are equipped with LED lighting. LED is both cost and energy-efficient and has a longer lifespan than ordinary lighting. Current status is that 85% of all JYSK (Nordic region) stores have LED implemented. Close to 350 JYSK stores (DBL region) have LED light sources. Distribution Centres also have LED implemented.

JYSK does not tolerate animal abuse. As a result, we make sure that down and feathers are not plucked from live birds. Suppliers commit themselves by contract to only supply down and feathers from slaughtered fowl. In cooperation with International Down and Feather Laboratory (IDFL) JYSK performs ongoing audits at suppliers.

Examples of animal abuse, which are not tolerated, are live plucking of geese and mulesing of sheep. To ensure that this kind of animal abuse will not take place, all leather, fur, skins, down and feathers must come from slaughtered animals, meaning animals that were supposed to be slaughtered anyway and is thus not killed solely for the raw material used in production of furniture and textile products.

Lastly, regarding environment and climate, transport is categorised as a ‘high risk industry’. Therefore, JYSK performs a proportional due diligence before entering agreements on transportation.

External focus;

External focus on Environment and Climate is addressed via the membership of Amfori BSCI[5]. The BSCI Supplier Code of Conduct requires suppliers to comply with local environmental regulations. Environmental impacts such as wastewater treatment and chemical storage are included in supplier audits. Moreover, during this financial year, JYSK has initiated a project to strengthen environment and climate requirements towards suppliers. More specifically, selected suppliers will be audited based on a standard referred to as BEPI, which is an environment and climate branch of Amfori BSCI. During this financial year, ten suppliers have been selected for the BEPI program. It is the expectation that more suppliers during the coming years will be included, equally to the Amfori BSCI process.

Actona

Internal focus;

Actona cooperates with external third parties in order to map consumption and determine areas to improve.

LED lighting is a significant focus area at Actona. Approximately 44% of all light sources at Actona, Denmark, are LED.

During the previous financial year, light sources in the showroom at Actona Denmark was changed to LED. During FY 2018/2019 use of kWh was 82.664,08 compared to 67.597,84 kWh during FY 2019/2020, which is a decrease of 18,2 %. However, the reduction is subject to the corona situation, which has contributed to the showroom being closed for some months. So, the reduction of kWh may be lower than this.

At the Actona owned factory in Ukraine approximately 49% of the light sources has been changed from luminous lamps to LED.

Another essential focus area for Actona is working with FSC certified wood.

Actona is FSC®/™ certified (FSC-C132796), and all wood used in products from the Actona owned factory, Ambiente, is FSC certified. Moreover, Actona aims to gradually increase the percentage of FSC certified wood used for their products.

Moreover, Actona has Oekotex certifications on approximately 25% of the total revenue of polyester items.

---

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

In August 2019, Actona entered into a partnership with Blå kors. During FY 2019/2020 several items were donated to Blå kors. All of the donated items are furniture that have been returned, due to only small damages, which means they are still safe for use.

External focus;

External focus on Environment and Climate is addressed via the membership of Amfori BSCI[6]. The BSCI Supplier Code of Conduct requires suppliers to comply with local environmental regulations. As part of the BSCI audits performed, environmental impacts such as wastewater treatment and chemical storage are also audited.

ScanCom

Internal focus;
All ScanCom production facilities are ISO 14001-2015 certified.
ScanCom in Vietnam, Brazil and Indonesia have focused on implementing LED light sources, each unit getting closer to 100% LED implementation.

All wood used for products, by ScanCom are FSC certified. FSC® C018526, FSC® C015508, FSC® C008868, FSC® C010181, FSC® C110432, FSC® C142394.

ScanCom also works to monitor and reduce the CO_2 emissions at all production sites in Vietnam, Brazil, and Indonesia. ScanCom Vietnam has committed to reducing their GHG output by 7,557,447 kg CO_2 (47%) in 2025 and 15,114,894 kg CO_2 (94%) in 2030.

External focus;

External focus on Environment and Climate is addressed via the membership of Amfori BSCI[7] All partner contract manufacturers must be BSCI certified at minimum C level at the point of exporting. This ensures adherence to the local environmental laws and regulations.

Moreover, ScanCom has a close cooperation with suppliers regarding innovative product development with the aim to use more sustainable raw material.

ScanCom partnered with PLASTIX to create the product DuraOcean, made from recycled post-use maritime ropes which otherwise had a high risk of ending up in the oceans or in landfills. Another partnership with Der Grüne Punkt allowed ScanCom to create the product DuraLand, made from recycled plastic collected via bins.

---

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

ScanCom suppliers are diverting the waste stream and, together with ScanCom, prevent the continuous entry of more plastic into the environment. This is a proactive solution for cleaner oceans and landfills and for closing the loop of circular plastic economy.

An example of a new project in pipeline is a close partnership with Plastic Bank. Plastic Bank is an NGO that focusses on building a regenerative society, by building ethical recycling ecosystems in coastal and river societies all over the world. This is done by educating the population about plastic waste awareness and by paying local people a fee when they deliver plastic waste to the banks of the organization. This plastic waste is then processed and turned into material that ScanCom can use in their products.

Bolia

Internal focus;

During this financial year, Bolia has initiated a project with the purpose to map CO2 emissions from selected products.

Energy optimization is a core focus at Bolia. Bolia is committed to implement LED light sources, in all new buildings and change old light bulbs to LED in existing buildings. Current status is that 95% of all stores have LED light sources implemented.

Another focus area is to increasingly improve the raw material of our products, by focusing on certain certifications and labelling schemes applied for raw material.

Bolia has decided to increasingly use FSC certified wood. Due to high stock, some products are currently made in non-FSC certified wood. These products are being phased out and when our stock is empty it is replenished with FSC certified wood. All new products from FY20AW19 and onwards are made from FSC certified wood (FSC® N002893).

The strategic decision to apply FSC certified material will also affect packaging material at Bolia. Bolia has engaged in a complete packaging transformation with focus on minimizing plastic usage and using sustainable raw materials. Mainly FSC materials are used and all new packaging material must be FSC certified.

Bolia does not tolerate animal abuse. As a result, we make sure that down and feathers are not plucked from live birds. Our suppliers of feathers are all located within EU and they commit themselves by contract to only supply down and feathers from slaughtered fowl. Audits at feather suppliers are performed either by Bolia or through cooperation with an external audit partner.

Leather is a surplus from the food industry and is fully traceable which means we can trace the leather all the way back to the slaughter house.

Feather and down must be sourced from “Responsible Down Standard” certified suppliers.

Bolia is using IWTO certified and recycled wool. Bolia has four suppliers of feathers all within EU. The wool either originates from New Zealand or holds a certificate that no mulesing has taken place.

External focus;

External focus on Environment and Climate is addressed via the membership of Amfori BSCI[8], which ensures adherence to the local environmental laws and regulations.

Moreover, within this financial year, Bolia has engaged in a project with a transport partner in Copenhagen, Denmark. This transport partner will use electric cars, when delivering Bolia parcels within the city limits.

Human Rights

Lars Larsen Group respect Human Rights. We accept the responsibility we have towards our employees and the communities in which we operate, and we expect the same of suppliers.

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 related processes are primarily anchored with Human Resource departments as well as with Health and Safety departments.

Safety of the employees is a core focus for all companies within Lars Larsen Group. Health and Safety departments are responsible for systematic training and control of adequate safety procedures to meet respective risk level, with the overall purpose of ensuring a safe workplace for all employees. Moreover, systematic registration, reporting and follow-up is performed on work accidents.

Included in this report, are data on accidents based on below definitions.

- Work accidents with one or more days of absence, other than the day of the accident
- Work accidents per million hours worked (accident frequency)

Common for the companies encompassed by this annual report, is also their respective memberships of Amfori Business Social Compliance Initiative (BSCI), through which they address Human Rights within the supply chain.

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

---

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

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.

Compliance audits are performed by third party auditors, 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 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

JYSK

Internal focus;

JYSK has continued the work to implement the Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements and risk level of the countries where JYSK is present.

With safety as a core focus, all work accidents are reported according to legislation. Accidents encompassed by this sustainability report are work accidents, related to the Distribution Centres.

Distribution Centre	Accidents with absence, 2018/2019[9]	Accidents with absence, 2019/2020
Uldum	10	10
Radomsko	2	4
Nässjö	8	9
Bozhurishte	2	7
Kammlach	1	4
Zarrentin	9	18
Homberg	10	6
Valencia	1	4

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

Distribution Centre	Accident frequency, 2018/2019[10]	Accident frequency, 2019/2020
Uldum	16,2	13,58
Radomsko	2,3	4,05
Nässjö	25,6	27,9
Bozhurishte	N/A	23,3
Kammlach	NA	9,83
Zarrentin	NA	32,96
Homberg	NA	17,08
Valencia	NA	46,82

Moreover, JYSK actively works to emphasize awareness on Human Rights through the membership with the Danish Ethical Trading Initiative (DIEH).

The DIEH is a multi-stakeholder initiative for businesses, trade unions and popular organisations. The objective is to work jointly with ethical trade and find constructive solutions to the challenges faced by Danish enterprises in relation to suppliers in the developing countries and new growth economies.

External focus;

Human rights within the supply chain, is addressed through a membership with Amfori Business Social Compliance Initiative (BSCI).

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

JYSK incorporated the Amfori BSCI Code of Conduct, into their own Supplier Guideline (Supplier Code of Conduct).

All suppliers[11] accept the Supplier Code of Conduct, when they sign a supplier contract. During this financial year, 75% 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.

During the last couple of years, criteria in regards to auditors activating the zero-tolerance protocol have been adjusted. Up until now, proof of violations were necessary to activate the protocol,

---

[10] Accidents per million hours worked
[11] Direct suppliers, first tier

while as of now a suspicion of violations is enough. As a result, we have experienced a few more cases on zero tolerance this year. In all cases, remediation groups were established to cooperate on an improvement plan.

JYSK has decided that ongoing improvement of the BSCI performance of suppliers should be a strategic focus area.

Integration of the BSCI efforts internally is essential. Therefore, JYSK focuses on internal transparency. The overall status is assessed at internal meetings attended by employees with supplier relations. The status of each individual purchase-employee is presented to establish how the suppliers, in their respective product area, are performing measured against the BSCI principles.

After the meeting, purchase-employees will enter into dialogue with suppliers, where improvement is encouraged. Moreover, BSCI performance is also discussed with the suppliers when employees from the purchase department conduct supplier visits.

New employees in the purchase department, to whom BSCI is a core focus, receives BSCI training.

Actona

Internal focus;

Actona has been working to implement the Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements and risk level of the countries where Actona is present with own companies.

Safety is a core focus. Work accidents registered within this financial year:

Company	Accidents with absence, 2018/2019	Accidents with absence, 2019/2020
Actona Company (Denmark)	5	2
ASL (China)	24	10
Ambiente (Ukraine)	2	0

Company	Accident frequency, 2018/2019	Accident frequency, 2019/2020
Actona Company (Denmark)	NA	5,3
ASL (China)	NA	17,61
Ambiente (Ukraine)	NA	0,0

In addition to the systematic work by Human Resource- and Health and Safety departments, the two factories, owned by Actona Company, located in China and Ukraine, are audited regularly by 3rd party audit companies. This audit process is managed equally to the audit process at suppliers, explained in the following section.

External focus;

Human rights within the supply chain, is addressed through a membership with Amfori Business Social Compliance Initiative (BSCI).

Actona has been a member of Amfori, BSCI for more than 10 years.

The Amfori BSCI Code of Conduct has been implemented within own policies.

During the financial year, 92% of the suppliers to Actona, 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.

ScanCom

Internal focus;

ScanCom has been working to implement the Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements and risk level of the countries where ScanCom is present with our own companies.

Safety is a cores focus. Work accidents registered within this financial year:

Company	Accidents with absence, 2018/2019	Accidents with absence, 2019/2020
ScanCom Vietnam	55	54
ScanCom Brazil	1	1
ScanCom Indonesia	0	2

Company	Accident frequency, 2018/2019	Accident frequency, 2019/2020
ScanCom Vietnam	4.62	4.28
ScanCom Brazil	4,68	6,44
ScanCom Indonesia	0	4,12

In addition to the systematic work by Human Resource- and Health and Safety departments, the three factories, owned by ScanCom, located in Vietnam, Brazil and Indonesia, are audited regularly by 3rd party audit companies.

External focus;

Human rights within the supply chain, is addressed through a membership with Amfori Business Social Compliance Initiative (BSCI).

During the financial year 100% of the suppliers to ScanCom, 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.

Bolia

Internal focus;

Bolia has been working to implement the Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements and risk level of the countries where Bolia is present.

Safety is a core focus. Work accidents registered within this financial year:

Company	Accidents with absence, 2018/2019	Accidents with absence, 2019/2020
Bolia	0	5

Company	Accident frequency, 2018/2019	Accident frequency, 2019/2020
Bolia	NA	9,8

External focus:

Human rights within the supply chain, is addressed through a membership with Amfori Business Social Compliance Initiative (BSCI).

Bolia has been a member of Amfori, BSCI since August 2018.

Bolia has implemented the Amfori BSCI Code of Conduct into supplier contracts and supplier audits will be managed according to Amfori, BSCI guidelines. 63% of Bolia’s suppliers are located in risk countries. BSCI Audits at these factories are managed via a Danish agent.

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

Furthermore, during this financial year, all Bolia logistics partners have signed a Code of Conduct.

Social and Employee Terms

Lars Larsen Group 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[12] 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 (ESS), 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

JYSK

At JYSK, corporate values include a right and duty to speak up.

Every two years, an employee satisfaction survey (ESS) is conducted, by an external partner, to invite employees to express their views. The findings of the survey enable JYSK to understand where to take measures to increase satisfaction and loyalty. The latest survey for JYSK Nordic region was performed during 2020 and 98% of the employees participated.

Employee Satisfaction Survey	FY 2018/2019	FY 2019/2020
Response rate	97%	98%

Compared to the previous ESS surveys, both response rate and satisfaction is at a high level, and remains stable.

The results of the ESS are communicated to managers. Managers can then work with an action plan in an online module.

[12] International Labour Organisation

The latest survey for JYSK DBL region was performed in 2018 and the response rate of this survey had improved compared to the previous survey. Going forward, JYSK DBL region will be included by the ESS process performed by JYSK. Next ESS is planned for 2022.

In addition to the employee satisfaction survey, JYSK performs annual employee-appraisal 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 and goals are aligned and clear for each employee.

As a big company JYSK has a natural obligation to contribute to society in many ways. Of course this includes paying taxes and creating safe and attractive jobs, but it also includes contributing by donating money or products for organisations or people in need.

All country organisations at JYSK are encouraged to cooperate with local charities, across the countries, where JYSK operates. We are engaged in a number of different initiatives including donations for Danmarks Indsamling, DanChurch Social, UNICEF, Hopes and Homes for Children and much more.

During this financial year, JYSK also participated in a project related to planting trees, and a number of our country organisations also helped hospitals or municipalities struggling with coronavirus by providing, pillows, duvets, blankets or other products needed to ensure that all patients were treated well.

Actona

The employees are the greatest asset in Actona. A safe and healthy working environment combined with employee development is a key condition for the company's ongoing success. This is secured through a dedicated HR department and a clear HR strategy aimed at attracting and maintaining qualified employees at all levels.

At Actona, surveys on employee satisfaction (ESS) are performed systematically. Results of these studies are followed by a process, where we work attentively to improve identified focus areas, while also maintaining a continued effort within already successful areas.

The result of the latest employee satisfaction survey, performed in January 2020, was a response rate of 92%.

Employee Satisfaction Survey	FY 2018/2019	FY 2019/2020
Response rate	93%	92%

At Actona, employee/manager-dialogue, which is a structured dialogue between employee and nearest Manager, with the purpose to follow and support the development of the individual employee, is performed annually.

The purpose of this combination of the employee/manager-dialogue and the employee satisfaction survey is to establish a foundation for continued development, leading to improved employee satisfaction and thereby a balanced and effective workplace.

With reference to our focus on social engagement, Actona has supported both local community projects as well as larger charity projects through sponsorships.

Moreover, during this financial year, Actona has engaged with Covid-19 initiatives.
In connection with the Covid-19 situation in Denmark, Actona decided to give the Easter gifts - which is usually distributed to the employees – to the staff at the Covid-19 department at Herning Hospital and the shelters in Holstebro and Herning. Both the SOSU's assistants, nurses, porters, cleaning staff and doctors at the Covid-19 department at Herning Hospital got an Easter Egg, as a thank you for their great efforts. So did the staff and the users of the shelters.

ScanCom

The employees are the greatest asset in ScanCom and a safe and healthy working environment combined with employee development is a key condition for the company's ongoing success.

ScanCom aim to have a "Personal Development and Self Appraisal" meeting held between superiors and staff at least once a year. Individual satisfaction and concerns should be raised in this forum. In addition to this, quarterly employee dialogues are held with worker representatives.

ScanCom in Vietnam performs employee satisfaction surveys (ESS) annually. The result of the latest employee satisfaction survey, performed in December 2019 (direct workers) and July 2020 (office and management), reached a response rate close to 100%.

Employee Satisfaction Survey	FY 2018/2019	FY 2019/2020
Response rate	Close to 100%	Close to 100%

With reference to our focus on social engagement, ScanCom has, during this financial year, supported local community projects.

Bolia

At Bolia, employee development and wellbeing are put into system, mainly through Human Resource procedures.

At Bolia, employees are invited to take part in an employee satisfaction survey (ESS). Previously the survey was performed every second year, however as of the most recent survey, it has been decided that the survey is performed annually. At the most recent survey in 2020, Bolia reached a response rate of 80%.

Despite a small decrease in response rate compared with the previous survey, the overall satisfaction rate is at a stable level.

Employee Satisfaction Survey	FY 2018/2019	FY 2019/2020
Response rate	86%	80%

Employee Satisfaction Survey	ESS FY 2018/2019	ESS FY 2019/2020
Satisfaction score, overall	79%	76%

Bolia will work systematically with the results of the survey.

The main report has been represented at a staff meeting. Also, all countries and departments have been informed about their report. Furthermore, Bolia has implemented a project called “new ways of working” focusing on employee development and responsibility as well as a more agile organisation.

Every second month, Bolia performs Performance Evaluation and 1-1 meetings. Every half year, Bolia performs appraisal follow up meetings and once every year in august/September an appraisal interview with all employees is performed.

With reference to our focus on social engagement, Bolia has engaged in a 3-year agreement with FSC Danmark and the conference “Design for sustainability”. Bolia will contribute with speakers at the conference and have agreed to donate 15 working hours to the conference in addition to the yearly fee for three years.

Bolia is a member of Upcycling forum. Upcycle forum is a form of material bank, where you can distribute your waste for others to upcycle. Bolia has not started a project through Upcycle forum during this financial year, but will look further into this platform during the next financial year.

Anti-Corruption and Bribery

The purpose of this policy is to outline compliance requirements relating to Anti-Corruption and Bribery, to reinforce our commitment to conduct business with the highest level of integrity.

All employees, representatives, and third parties acting on behalf of Lars Larsen Group, are expected to show honesty and integrity in dealing with other employees, customers, suppliers, business partners, organisations and authorities.

Lars Larsen Group has zero tolerance for all forms of corruption and makes 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

JYSK

At JYSK, the responsibility to implement the Anti-Corruption and Bribery policy, as well as related company policies and procedures, is managed from the Group Finance department at the Group head office.

Relevant policies are published on the company Intranet, to guide employees on adequate behaviour in order to ensure that employees conduct business in alignment with company expectations. Moreover, based on a systematic approach, relevant policies are implemented in the introduction program for a selected group of new employees.

Anti-Corruption risk assessment is performed annually, most recently within this financial year. If the risk profile changes, policies and procedures are updated accordingly, in order to ensure that the implemented precautions always are adequately corresponding to the current risk profile.

JYSK takes a risk based approach when targeting anti-corruptions initiatives including training.

Anti-corruption initiatives are managed in 2 levels.

1. Group head office is responsible of identifying and communicating high risk countries and industries to country management
2. Based on risk assessment, by Group head office, country management will initiate proportional and reasonable procedures

If Group head office have classified a country and/or industry as ‘high risk’, local management is responsible of matching the risk with proportionally efforts in e.g. training in JYSKs anti-bribery policy, security screenings, background checks, controlling activities etc.

JYSK has an annual strategy kick-off for all managers, in all countries, where Anti-Corruption information are presented to s selected group of employees. However, due to Covid-19 this event has been cancelled for this financial year. Information on this topic has been directed to employees via other channels, including by written format.

Moreover, during this financial year, JYSK DBL region have prepared to integrate business processes with JYSK. Also, JYSK DBL region have been working to implement a shared it-platform enabling access to written guidelines for employees regarding travel, representation and gifts with JYSK.

Actona

Supporting the policy on Anti-Corruption and Bribery, Actona has implemented related guidelines on Travel, Representation and Gifts and made these guidelines available at the employee information site. Moreover, the policy is presented to new employees during an introduction program.

Actona's own production sites in Ukraine and China are subject to compliance audits via BSCI, where Anti-Corruption risk assessment was included. Most recent assessment, identified purchasing processes, to be an area that exposes the company to the biggest risk of business impact in case of corruption.

ScanCom

To ensure ongoing focus on Anti-Corruption and Bribery, the topic is incorporated by the ScanCom Code of Conduct. This document is updated annually and distributed to all staff and suppliers. The policy is accessible via the company intranet and it is part of the commercial contracts, as well as a part of onboarding new employees.

ScanCom has implemented a Corruption prevention procedure and guidelines on Travel, Entertainment and Gifts.

Bolia

Bolia works systematically with implementing the Anti-Corruption and Bribery policy. Guidelines to support the policy, with the overall aim to guide the employees to conduct business according to company expectations, has been published at the company intranet, and relevant information has been given at information meetings held for both office employees and store employees.

Bolia has implemented guidelines regarding travel, representation and gifts.

During this financial year, Bolia performed an Anti-Corruption risk assessment, and identified employees in risk positions. Training for these employees is planned for next financial year.

Gender Equality

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

JYSK

As part of JYSK's internal career paths, JYSK works with the performance management programs to secure the internal pipeline. The purpose of these programs are to evaluate employees - irrespective of their gender, race, political affiliation and religious beliefs - according to their ability to work under JYSK VALUES and JYSK LEADERSHIP. Based on the work with the performance management programs, potential leaders are identified and selected for development programs at different levels within the organisation.

At JYSK, the goal is to secure a 90% internal pipeline. That means that JYSK want 90% of the managers in JYSK to be trained and developed internally. To be able to do that, JYSK follow up on each employee from the moment they start to work in JYSK.

Unfortunately, the situation with Covid19 forced some country organisations to postpone some of their training sessions, which means JYSK was unable to succeed with the number of graduates that they had planned for. However, despite Covid19 and lockdowns, 170 employees successfully graduated in Store Management Trainee programme, 24 in District Manager Trainee programme, 3 in Retail Management Trainee programme. These employees are now ready to climb the stairs and engage with their new responsibility.

Additionally, 28 Talents graduated in Talent Academy in Denmark, a new training initiative launched during this financial year.

In addition to the formalized training of employees, with the specific purpose of ensuring talent management and management training, JYSK also offers annual training courses within various areas, ranging from cultural understanding, presentation techniques to Excel training.

Moreover, JYSK work with an HR module, which enables the Human Resource department to follow up systematically on timely performance of the annual employee-manager dialogue.

At JYSK DBL Region, JYSK Values & Leadership training was rolled out as a result of the merger between business units. Starting with training sessions for employees at the Regional Head Office and the retail managers, the training was then passed on to 970 German store managers. By the end of March, store trainings took place, and close to 6,800 employees of the retail organisation were trained in JYSK Values & Leadership.

At the end of this financial year, the gender composition of the three main management levels at JYSK is as illustrated below.

JYSK Management	Gender composition FY 2019/2020
Executive Management Team	100% male employees
JYSK management team[13]	Close to 80% male employees and 20% female employees
Store manager level (Nordic Region countries)	Close to 50% male employees and 50% female employees
Store manager level (DBL Region countries)	43% male employees and 57% female employees

JYSK will continue to work for a balanced gender composition throughout the management levels, ensuring a solid talent pipeline. The Human Resource department ensures that recruitment and promotion procedures are aligned with the policy.

Actona

By end of this financial year, Actona's Management Group consists of 5 female and 13 male representatives.

Actona will continue the work to further support the development towards equal gender representation at management levels throughout the organisation. Initiatives will primarily be managed via systematic and individual Management training as well as via an implemented program for Talent management training.

Talent Management;

Actona have a strong faith in creating their own 'stars' , and are therefore investing a lot in a trainee- and a student course , where the young trainees and students will get their backpacks full with new knowledge and they will quickly get more and more responsibility in their jobs. They will take part in workshops from the different departments in Actona, which will give them an understanding of the tasks within the respective departments. Actona has a focus on creating an individual development plan for each student and trainee. 11 new students and trainees will start on 1st September 2020.

[13] JYSK management team, including Directors and Department Heads

Management training;

From April 2019 to the end of 2020 management have been going through a development course. The course is among other things providing management with training within self-management, performance development, and team development. As part of the training program a 360 degrees feedback session for all managers has been conducted

ScanCom

At ScanCom, Human Resource works dedicated to build a dynamic and creative management force. Moreover, ScanCom has established a Management Trainee Program, supporting the training and development of employees. At ScanCom Vietnam, 360 employees attended management training during this financial year.

Also, development and training is based on individual training needs, Personal Development and Self-Appraisal (PDSA) to build a suitable training plan for the individual.

At the end of this financial year, the gender composition of management levels at ScanCom is as illustrated below.

ScanCom	Gender composition FY 2019/2020
Management levels	65% male employees and 35% female employees

Scancom will continue the work to further support the development towards equal gender representation.

Bolia

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

At Bolia, all employees are offered relevant training.

Bolia train identified talents by giving them extra responsibility and support functions for other stores. 50,5% of all managers at Bolia are internal candidates who developed and got a manager position

All new managers take part in a 2 weeks training and introduction program. Moreover, Managers in general, join a 3 days Commercial Leadership Training.

At the end of this financial year, the gender composition of the management level at Bolia as illustrated below.

Bolia	Gender composition FY 2019/2020
Directors	57 % male employees and 43% female employees

Management level	29,6 % male employees and 70,4 % female employees

Bolia will continue to work for a balanced gender composition throughout the management levels, ensuring a solid talent pipeline.

Reporting on §99b (Board composition)

During the last two financial years, Lars Larsen Group have implemented substantial organizational changes, the most significant change being the generational handover from founder, Lars Larsen to the next generation of the family.

In June 2019, after more than 40 years of managing JYSK and Lars Larsen Group, Lars Larsen decided to step back as Chairman of the Board of Lars Larsen Group.

Jacob Brunsborg took over the position as Chairman of the Board of Lars Larsen Group, LLG A/S (former JYSK Holding A/S).

Moreover, by February 2020, Jesper Lund was appointed President and CEO of Lars Larsen Group, taking over after CEO, Hans Henrik Kjølby.

As part of this generational handover, a new structure for Board composition is being implemented throughout Lars Larsen Group, with the purpose to establish a more consistent management structure. This includes, among others, revised objectives for board composition.

LLG A/S

The Board of LLG A/S has three male board members and one female board member. Gender representation is assumed equal, and no further objective is set.

LLG A/S has less than 50 employees. Therefore, no target and no further reporting on the policy on Gender Equality at LLG A/S is included by this report.

LLG A/S owns the companies Bolia A/S, ScanCom International A/S, and Actona Company A/S, which are independently comprised by section 99b of the Danish Financial Statements Act.

- The Board of Bolia A/S consists of three male board members. During this financial year, the new CEO of Lars Larsen Group has replaced the previous CEO of Lars Larsen Group. This change of Board composition is a result of the new strategy for Board composition, following the generational handover.

The Board of Directors aim for male and female board members to be represented equally[14] by year 2024.

- The Board of ScanCom International A/S consists of three male board members. During this financial year, the new CEO of Lars Larsen Group has replaced the previous CEO of Lars Larsen Group. This change of Board composition is a result of the new strategy for Board composition, following the generational handover.
  The Board of Directors aim for male and female board members to be represented equally[15] by year 2024.

- The Board of Actona Company A/S consists of three male board members, reduced from previously five male board members. Included in this new board structure is also the change of the new CEO of Lars Larsen Group taking over after previous CEO of Lars Larsen Group. This change of Board composition is a result of the new strategy for Board composition, following the generational handover.

The Board of Directors aim for male and female board members to be represented equally[16] by year 2024.

KPI overview

JYSK	KPI status
Zero accidents	KPI not achieved[17]
By 2022, we aim to have LED implemented in all our buildings in all countries	85% percent of stores have LED light sources (Nordic region) 350 stores have LED (DBL region)
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI achieved for JYSK (Nordic region). JYSK (DBL region) to be included by JYSK ESS going forward.

Actona	KPI status
Zero accidents	KPI not achieved[18]
By 2022, we aim to have LED implemented in all our buildings in all countries	Percentage of LED light sources is increasing, according to plan.
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI achieved with a response rate of 92%.

[14] Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency
[15] Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency
[16] Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency
[17] For specific result, se section on Human Rights
[18] For specific result, se section on Human Rights

Bolia	KPI status
Zero accidents	KPI not achieved[19]
By 2022, we aim to have LED implemented in all Bolia stores	95% percent of stores have LED light sources
Employee satisfaction survey, performed every second year, with a response rate on 80% or more	KPI achieved. Response rate of most recent Employee Satisfaction Survey is 80%

ScanCom	KPI status
Zero accidents	KPI not achieved[20]
Environment/Climate KPI, to be decided next FY	N/A
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI achieved with a response rate close to 100%.

[19] For specific result, se section on Human Rights
[20] For specific result, se section on Human Rights