Lars Larsen Group

Sødalsparken 18, 8220 Brabrand

Combined Group Annual Report 2021/22

(Annual year 1/9 – 31/8)

Contents

Group Information

The Combined Group	Lars Larsen Group Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 39 75 00 Website: www.larslarsengroup.com Financial year: 1 September – 31 August
Board of Directors, LLG A/S	Jacob Brunsborg, Chairman Mette Brunsborg Jesper Aabenhus Rasmussen
Executive Board, LLG A/S	Jesper Lund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Combined entities	Lars Larsen Group is not a group as defined in the Danish Financial Statement Act, but a number of groups and entities owned by the Brunsborg Family and Lars Larsens JYSK Fond. Lars Larsen Group consists at the 31 August 2022 of the following legal groups and entities: LLG A/S (group) LLPT Holding ApS (group) DE LKL P/S DE LKL Komplementar ApS

Financial Highlights of the Group

	2021/22	2020/21	2019/20	2018/19
	mDKK	mDKK	mDKK	mDKK
Key figures				
Income Statement				
Revenue	44,017	39,090	35,648	32,711
Profit before financial items (EBIT)	4,945	4,882	3,768	3,256
Net financials	-638	1,568	393	387
Profit before tax	4,307	6,450	4,161	3,643
Tax on profit for the year	-830	-1,308	-947	-683
Result for the year	3,477	5,142	3,214	2,960
Balance sheet				
Total assets	48,590	42,686	36,258	32,571
Equity	32,543	30,700	26,303	23,648
Cash flow statement				
Cash flows from operating activities	-116	5,170	6,178	2,582
Cash flows from investing activities	-6,203	-4,364	-1,717	-1,551
- including investments in tangible assets	-3,421	-2,491	-1,727	-1,482
Cash flows from financing activities	2,827	-48	-1,179	257
Ratios				
Solvency ratio	67.0%	71.9%	72.5%	72.6%
Return on equity	11.0%	18.0%	12.9%	12.8%
Employees				
Average number of employees	32,820	30,753	28,749	27,571

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

Management's Review

Main activity

The activities within Lars Larsen Group are defined under the two business areas Lars Larsen Group Retail and Lars Larsen Group Investments.

The main activity in Lars Larsen Group Retail is JYSK, which was founded by Lars Larsen in 1979. JYSK´s payoff is Scandinavian Sleeping and Living, and JYSK makes it easy to furnish every room in any home and garden.

Lars Larsen Group Retail consist beside JYSK of the retail companies ILVA, Bolia, SOFACOMPANY and SengeSpecialisten.

Lars Larsen Group Investments owns a number of companies within different sectors including the companies Actona Group and ScanCom International.

Lars Larsen Group Investments acts as an investor in real estate, listed and unlisted securities, private equity, and in large scale projects across the world.

It is important for Lars Larsen Group Investments to act as a responsible investor, which means that all investments must meet strict requirements and policies.

Development in the financial year

Revenue amounts to mDKK 44,017 compared to mDKK 39,090 in financial year 2020/21. Profit before tax amounts to mDKK 4,307 compared to mDKK 6,450 in 2020/21.

Result for the year amounts to DKK 3,477 compared to mDKK 5,142 in 2020/21, which is below expectations but regarded as satisfactory given the challenging market circumstances, which have been heavily influenced by the war in Ukraine.

The trinity of Russia's invasion of Ukraine, economic crisis and the climate challenges have created global volatility and uncertainty which have affected the companies in the Group during the financial year 2021/22. This is expected to continue in the financial year ahead.

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.

As a main rule, currency risks relating to investments in foreign subsidiaries and associates are not hedged. In the Group's opinion, current currency hedging of such long-term investments will not be optimal based on overall risk and cost considerations.

Management's Review

Knowledge resources

The Group develop competent employees to undertake operational and management tasks through specially adapted training programs and at own academies.

Corporate social responsibility and statement on the underrepresented gender

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear on pages 40 - 66.

Data ethics

During 2021/22, Lars Larsen Group added a data ethics policy to the portfolio of group policies.

The policy applies to all entities within Lars Larsen Group, and treats topics such as third party data, the employees' awareness of data ethics, and use of new technologies.

The policy establishes an overall framework for good practice regarding data ethics for the entire group, and the policy describes that all companies within the Group should only use data for a legitimate business purpose.

Expected development

For the year ahead, the Group expects to realise a profit in line with the 2021/22 level. The expectations are due to the circumstances described in development in the financial year subject to uncertainty.

Management's Statement

The Board of Directors of LLG A/S and the Executive Board of LLG A/S have today considered and adopted the Combined Group Annual Report of Lars Larsen Group for the financial year 1 September 2021 – 31 August 2022. The groups and entities (Combined Group) included in the Combined Group Annual Report are set out in the Basis for Preparation section of the Accounting policies on page 29.

The Combined Group Annual Report is prepared in accordance with the Accounting policies as stated on the page 29-39.

In our opinion, the Combined Group Annual Report are prepared in accordance with the Accounting policies described on page 29-39.

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

Aarhus, 17 January 2023

Executive Board, LLG A/S

Jesper Lund

Board of Directors, LLG A/S

Jacob Brunsborg, Chairman

Mette Brunsborg

Jesper Aabenhus Rasmussen

Independent Auditor's Report

To the shareholders of the Combined Group

Opinion
In our opinion, the Combined Financial Statements for the groups and entities (together "the Combined Group") set out in the Basis for Preparation section of the Accounting policies on page 29 are prepared, in all material respects, in accordance with the Accounting policies described on page 29-39.

What we have audited
The accompanying Combined Financial Statements of the Combined entities ("the Combined Financial Statements") comprise:

- the combined statement of financial position as at August 31, 2022;
- the combined statement of profit and loss for the year then ended;
- the combined statement of changes in equity for the year then ended;
- the combined statement of cash flows for the year then ended; and
- the notes to the combined financial statements, which include accounting policies and other explanatory information.

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 Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Combined entities 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.

Emphasis of Matter - Basis of accounting and restriction of use
We draw attention to the fact that, as described in the Basis of Preparation section of the Accounting policies on page 29, the entities included in the Combined Financial Statements have not operated as a single entity. These combined financial statements are, therefore, not necessarily indicative of results that would have occurred if the entities had operated as a single business or a group during the year presented or of future results of the Combined entities.

Further, we draw attention to the accounting policies applied including the selection of disclosures described in the Basis of Preparation section of the Accounting policies on page 29-39.

The combined financial statements are prepared to provide the board of directors of LLG A/S with financial information of the financial position and results of the Combined entities. As a result, the combined financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Other information
Management is responsible for the other information. The other information comprises Management's Review and the Statutory Statement of Corporate Social Responsibility.

Our opinion on the Combined Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Combined Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Combined Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance of the combined entities
Management is responsible for the preparation of the combined financial statements in accordance with the Accounting policies on page 29-39, for determining that the basis of preparation is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of Combined Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the entities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance of Lars Larsen Group are responsible for overseeing the financial reporting process of the Combined entities and for the Combined Financial Statements.

Auditor's Responsibilities for the Audit of Combined Financial Statements
Our objectives are to obtain reasonable assurance about whether the Combined 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 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 Combined Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined 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 internal control of the Combined entities.

- 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of Combined entities. 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 combined 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 Combined entities to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the combined businesses to express an opinion on the Combined Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Combined Financial Statements. 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, 17 January 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Income statement 1 September - 31 August

	Note	2021/22	2020/21
		mDKK	mDKK
Revenue	1	44,017	39,090
Cost of sales		-20,600	-18,639
Other operating income		760	185
Other external cost	2	-10,084	-7,678
Gross profit		**14,093**	**12,958**
Staff expenses	3	-7,509	-6,852
Depreciation and amortisation		-1,403	-1,167
Other operating expenses		-236	-57
Profit before financial items		**4,945**	**4,882**
Result from associated companies	8	251	101
Result from other investments	9	240	47
Financial income		318	1,710
Financial expenses		-1,447	-290
Profit before tax		**4,307**	**6,450**
Tax on profit for the year	4	-830	-1,308
Result for the year		**3,477**	**5,142**
Distribution of profit	5		

Balance sheet at 31 August

Assets

	Note	2022	2021
		mDKK	mDKK
Software		160	181
Goodwill		1,743	1,475
Intangible assets	6	**1,903**	**1,656**
Land and buildings		5,961	3,793
Fixtures and fittings, tools and equipment		2,224	1,872
Leasehold improvements		1,792	1,488
Assets under construction		1,888	1,435
Tangible assets	7	**11,865**	**8,588**
Investments in associates	8	1,664	377
Other investments	9, 10	1,161	468
Deposits	11	206	184
Fixed asset investments		**3,031**	**1,029**
Fixed assets		**16,799**	**11,273**
Commercial products		12,753	9,400
Prepayments of goods		235	180
Inventories		**12,988**	**9,580**
Trade receivables		1,117	1,116
Receivables from associates		1,342	1,130
Corporation tax		137	202
Deferred tax	13	909	834
Other receivables		995	830
Prepayments	12	340	266
Receivables		**4,840**	**4,378**
Securities	10	**11,798**	**14,386**
Cash at bank and in hand		**2,165**	**3,069**
Current assets		**31,791**	**31,413**
Assets		**48,590**	**42,686**

Balance sheet at 31 August

Liabilities

	Note	2022	2021
		mDKK	mDKK
Equity attributable to Lars Larsen Group shareholders		**32,539**	**30,687**
Non-controlling interests		4	13
Equity		**32,543**	**30,700**
Deferred tax	13	52	180
Provisions		**52**	**180**
Mortgage debt, long-term	14	1,846	434
Loans, long-term	15	1,559	706
Deposits, long-term	16	11	2
Long-term debt		**3,416**	**1,142**
Mortgage debt, short-term	14	118	55
Credit institutions		4,239	2,494
Loans, short-term	15	1,888	1,324
Deposits, short-term	16	11	38
Prepayments, received		283	357
Trade payables		1,986	2,169
Corporation tax		650	839
Other payables		3,036	3,095
Deferred income		368	293
Short-term debt		**12,579**	**10,664**
Debt		**15,995**	**11,806**
Liabilities and equity		**48,590**	**42,686**
Contractual obligations	17		
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Statement of changes in Equity

	2022	2021
	mDKK	mDKK
Equity		
Equity at 1st September	30,700	26,303
Contribution from shareholders	0	305
Extraordinary dividend paid	-1,286	-804
Other equity movements	-7	-218
Result for the year	3,477	5,142
Exchange rate adjustment	-330	-4
Non-controlling interests	-11	-24
Equity at 31st August	**32,543**	**30,700**

	2022	2021
Opening at 1st September	13	34
Additions	0	4
Disposals	-11	-28
Result for the year	2	3
Non-controlling interests at 31st August	**4**	**13**

Cash Flows Statement

	Note	2021/22	2020/21
		mDKK	mDKK
Profit for the year		3,477	5,142
Adjustments	22	2,602	907
Change in working capital	23	-3,965	-1,049
Cash flows from operating activities before net financials		2,114	5,000
Financial income		318	1,710
Financial expenses		-1,447	-290
Cash flows from ordinary activities		985	6,420
Corporation tax paid		-1,101	-1,250
Cash flows from operating activities		**-116**	**5,170**
Purchase of intangible assets		-62	-65
Purchase of tangible assets		-3,421	-2,491
Sale of tangible assets		97	0
Purchase of fixed asset investments		-1,837	-350
Sale of fixed asset investments		277	51
Purchase of enterprises		-1,826	-1,578
Sale of enterprises		549	0
Cash at purchase of enterprises		63	69
Cash at sale of enterprises		-43	0
Cash flows from investing activities		**-6,203**	**-4,364**
Received payment on loans		314	0
Loans given		-200	-819
Proceeds from mortage loans		914	0
Payment of mortgage loans		-62	-54
Credit institutions		1,681	1,343
Payment of loans		-17	-968
Rasing of loans		0	438
Deposits		-8	0
Dividend received from associates and other investments		205	12
Cash flows from financing activities		**2,827**	**-48**
Change in cash and cash equivalents		**-3,492**	**758**
Cash and cash equivalents at 1 September		17,455	16,697
Cash and cash equivalents at 31 August		**13,963**	**17,455**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,165	3,069
Securities		11,798	14,386
Cash and cash equivalents at 31 August		**13,963**	**17,455**

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 the Board of Directors assess that such disclosures would be very detrimental to the Company.

	2021/22	2020/21
	mDKK	mDKK
2 Fees to auditors appointed at the annual general meeting in combined entities		
PrivewaterhouseCoopers		
Audit fee	8	7
Tax advisory services	4	15
Other non-audit services	25	6
	37	**28**
Other auditors		
Audit fee	5	5
Tax advisory services	1	1
Other non-audit services	8	4
	14	**10**

3 Staff expenses

Salaries and wages	6,257	5,701
Pensions	298	278
Other social security costs	954	873
	7,509	**6,852**
Average number of employees	32,820	30,753

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

Notes to the Annual Report

		2021/22	2020/21
		mDKK	mDKK
4	**Tax on profit for the year**		
	Current tax for the year	1,002	1,273
	Deferred tax for the year	-128	19
	Tax concerning previous years	-44	16
		830	**1,308**
	Reconciliation of tax on profit for the year		
	Profit before tax	4,307	6,450
	Result from associated companies after tax	-251	-101
		4,056	**6,349**
	Income tax calculated at Danish tax rate (22%)	892	1,396
	Effect of differences between foreign and Danish tax rate	-74	-102
	Effect of other investments	-46	0
	Non-taxable income	-60	-1
	Non-deductible expenses	192	41
	Tax concerning previous years	-44	16
	Impairment and reversal of tax losses carry forward	-36	-20
	Other adjustments	6	-22
	Tax on profit for the year	**830**	**1,308**
	Effective tax rate	20.5%	20.6%

		2021/22	2020/21
5	**Distribution of profit**		
	Retained earnings	1,320	4,335
	Extraordinary dividend paid	1,286	804
	Proposed dividend for the year	869	0
	Non-controlling interests' share of profit/loss	2	3
		3,477	**5,142**

Notes to the Annual Report

6 Intangible assets

	Software	Goodwill
	mDKK	mDKK
Cost at 1st September	623	1,741
Additions for the year	62	0
Additions by acquisition	4	587
Disposals for the year	-59	-130
Exchange rate adjustment	4	-2
Cost at 31st August	634	2,196
Amortisation at 1st September	442	266
Amortisation for the year	84	195
Amortisation of disposals for the year	-57	-14
Exchange rate adjustments	5	6
Amortisation at 31st August	474	453
Booked value at 31st August	**160**	**1,743**
Depreciated over	3-5 years	5-10 years

Notes to the Annual Report

7 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction
	mDKK	mDKK	mDKK	mDKK
Cost at 1st September	5,522	5,571	3,134	1,435
Adjustment to opening	-175	0	0	0
Addition for the year	77	746	632	1,966
Additions by acquisition	1,452	74	3	0
Transfers	1,112	203	75	-1,390
Disposals for the year	-49	-287	-258	-38
Exchange rate adjustment	-102	6	29	-85
Cost at 31st August	7,837	6,313	3,615	1,888
Depreciation at 1st September	1,729	3,699	1,646	0
Adjustment to opening	-25	0	0	0
Depreciation for the year	188	603	333	0
Depreciation of disposals for the year	-11	-213	-168	0
Exchange rate adjustment	-5	0	12	0
Depreciation at 31st August	1,876	4,089	1,823	0
Booked value at 31st August	**5,961**	**2,224**	**1,792**	**1,888**
Amortised over	25 years	4-20 years	Rental period	

Notes to the Annual Report

8 Investments in associates

	2022 mDKK
Cost at 1st September	142
Addition for the year	1,258
Disposal for the year	-8
Cost at 31st August	1,392
Value adjustment at 1st September	235
Fair value adjustments	1
Amortisation for the year	-73
Dividend	-205
Result for the year	325
Disposals for the year	-11
Value adjustment at 31st August	272
Booked value at 31st August	**1,664**

Specified as:

	Owner share
Design Collection Denmark Pte Ltd, Singapore	30%
FP Kapital A/S, Denmark	40.83%
JF III ApS, Denmark	50%
K/S Joinflight III, Denmark	50%
One A A/S, Denmark	30%
Racehall Holding A/S, Denmark	18%
Schou Holding II A/S, Denmark	49%
Selected Car Group A/S, Denmark	50%
Vision Properties A/S, Denmark	50%
Ådalshusene ApS, Denmark	50%
Ådalshusene Vol. II ApS, Denmark	50%

Notes to the Annual Report

9 Other investments

	2022
	mDKK
Cost at 1st September	413
Additions for the year	693
Disposals for the year	-240
Cost at 31st August	866
Value adjustment at 1st September	55
Fair value adjustments	240
Value adjustment at 31st August	295
Booked value at 31st August	**1,161**

10 Investments at fair value

	Valueadjust-ment, income statement 2021/22	Fair value at 31 August 2022
	mDKK	mDKK
Other investments, unrealized	266	1,161
Securities, unrealized	-1,344	11,798

Notes to the Annual Report

		2022
		mDKK
11	**Deposits**	
	Cost at 1st September	184
	Addition for the year	53
	Disposals for the year	-37
	Exchange rate adjustments	6
	Booked value at 31st August	**206**

12 **Prepayments**

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

		2021/22	2020/21
		mDKK	mDKK
13	**Deferred tax**		
	Intangible assets	546	688
	Tangible assets	-32	-34
	Inventories	20	8
	Securities	-29	-22
	Trade receivables	2	1
	Other	350	13
		857	**654**
	Deferred tax is recognised in the balance sheet as follows:		
	Deferred tax asset	909	834
	Deferred tax liabilities	-52	-180
		857	**654**

Notes to the Annual Report

14 Mortgage debt

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

	2022	2021
	mDKK	mDKK
The debt fall due for payment as specified below:		
Mortgage debt, after 5 years	1,292	257
Mortgage debt, between 1 and 5 years	554	177
Mortgage debt, long-term debt	1,846	434
Mortgage debt, within 1 year	118	55
	1,964	**489**

15 Loans

Loans fall due for payment as specified below:

	2022	2021
Loans, after 5 years	1,543	689
Loans, between 1 and 5 years	16	17
Loans, long-term debt	1,559	706
Loans, within 1 year	1,888	1,324
	3,447	**2,030**

Loans are subordinated loan capital.

Notes to the Annual Report

		2022	2021
		mDKK	mDKK
16	**Deposits**		
	Deposits fall due for payment as specified below:		
	Deposit, after 5 years	2	0
	Deposit, between 1 and 5 years	9	2
	Deposit, long-term debt	11	2
	Deposit, within 1 year	11	38
		22	**40**
17	**Contractual obligations**		
	Rental obligations	12,128	11,462
	Lease obligations	243	129
	Letters of credit	54	84
	Other obligations	107	127
18	**Security**		
	Provided as security for mortgage loans: Land and buildings, etc. with a carrying amount of:	1,429	1,093
	Provided as security for debt:	29	29

Notes to the Annual Report

19 Contingent liabilities

	2022	2021
	mDKK	mDKK
Guarantees	5,110	3,972

Remaining obligations in investment projects amount to mDKK 3,245 as per 31 August 2022 (31 August 2021: mDKK 2,291).

An obligation regarding the purchase of tangible assets of mDKK 173 exists at 31 August 2022 (31 August 2021: mDKK 288).

20 Related parties

Transactions

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

21 Subsequent events

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

Notes to the Annual Report

	2021/22	2020/21
	mDKK	mDKK
22 Cash flow statement - adjustments		
Profit/loss, associates	-251	-101
Profit/loss, other investments	-240	-47
Other operating income	-244	0
Financial income	-318	-1,710
Financial expenses	1,447	290
Depreciation and amortisation	1,403	1,167
Net loss on sale of tangible/intangible assets	108	0
Tax on profit/loss for the year	830	1,308
Exchange rate adjustment	-167	29
Other adjustments	34	-29
	2,602	**907**

23 Cash flow statement - change in working capital		
Change in inventories	-3,271	-1,350
Change in trade receivables	-362	-15
Change in other receivables etc.	-133	-386
Change in trade payables	-330	146
Change in deferred income	75	94
Change in other payables etc.	56	462
	-3,965	**-1,049**

Notes to the Annual Report

24 List of consolidated companies

Specified as:	Ownershare
Actona Direct Ltd., China	100%
Actona Group A/S, Denmark	100%
Actona Seating Ltd., China	100%
Aglon Bis Sp. Z.o.o., Poland	100%
Anpartselskabet af 31/8 1984 II, Denmark	100%
Anpartsselskabet af 1. april 1993, Denmark	100%
Anpartsselskabet af 19. december 2014, Denmark	100%
Anpartsselskabet af 25. marts 2003 (Under frivillig likvidation), Denmark	100%
Anpartsselskabet af 4/11 2005, Denmark	100%
Anpartsselskabet af 9/6 2006, Denmark	100%
Anpartsselskabet af 06.11.2007, Denmark	100%
Banegaardsbygningen ApS, Denmark	100%
Bolia A/S, Denmark	100%
Bolia, Inc., USA	100%
Byhaven Silkeborg ApS, Denmark	70%
DE LKL Komplementar ApS, Denmark	100%
DE LKL P/S, Denmark	100%
Erhvervspark Silkeborg ApS, Denmark	100%
Eriksborg Development I ApS, Denmark	100%
Eriksborg Development II ApS, Denmark	100%
Gammel Lyngvej P/S, Denmark	100%
Glentevej 61-65 P/S, Denmark	100%
Graham Bells Vej P/S, Denmark	100%
Himmerland A/S, Denmark	100%
ID Furniture Franchising A/S, Denmark	100%
ILVA A/S, Denmark	100%
ILVA SWE AB, Sweden	100%
Interstil Möbel AB, Sweden	100%
J.S. Reklame, Aarhus ApS, Denmark	100%
Justus Sp. Z.o.o., Poland	100%
JYSK A.E., Greece	100%
JYSK A/S, Denmark	100%

Notes to the Annual Report

List of consolidated companies (continued)

	Ownershare
JYSK AB, Sweden	100%
JYSK ANONİM ŞİRKETİ, Turkey	100%
JYSK AS, Norway	100%
JYSK B.V., The Netherlands	100%
JYSK Bed'n Linen Inc. & Affiliate, USA	100%
JYSK BUL Ltd., Bulgaria	100%
JYSK BVBA, Belgium	100%
JYSK d.o.o., Bosnia	100%
JYSK d.o.o., Croatia	100%
JYSK d.o.o., Slovenia	100%
JYSK DBL Iberia S.L.U., Spain	100%
JYSK Ejendomme A/S, Denmark	94%
JYSK GmbH, Austria	100%
JYSK GmbH, Switzerland	100%
JYSK Immobilien GmbH, Germany	94%
JYSK Italia srl con socio unico, Italy	100%
JYSK Kft., Hungary	100%
JYSK Limited, Ireland	100%
JYSK LLC, Russia	100%
JYSK Ltd., England	100%
JYSK OY, Finland	100%
JYSK Romania Srl, Romania	100%
JYSK s.r.o., Czech Republic	100%
JYSK s.r.o., Slovakia	100%
JYSK SAS, France	100%
JYSK SE, Germany	100%
JYSK Serbien, Serbia	100%
JYSK Sp. Z.o.o., Poland	100%
JYSK Ukraine LLC, Ukraine	100%
JYSK Unipessoal LDA, Portugal	100%
Komplementarselskabet Gammel Lyngvej ApS, Denmark	100%
Komplementarselskabet Glentevej 61-65 ApS, Denmark	100%
Komplementarselskabet Graham Bells Vej ApS, Denmark	100%
Komplementarselskabet Uldum ApS, Denmark	100%
Letz Sushi ApS, Denmark	100%

Notes to the Annual Report

List of consolidated companies (continued)

	Ownershare
LLFR Holding ApS, Denmark	100%
LLG A/S, Denmark	100%
LLG Alleycat A/S, Denmark	100%
LLGB Holding ApS, Denmark	100%
LLPT Holding ApS, Denmark	100%
LLRU Holding ApS, Denmark	100%
LLTR Holding ApS, Denmark	100%
PT ScanCom Indoneasia, Indonesia	100%
Raimotech A/S, Denmark	100%
S.C. Ambiente Furniture Ukraine, Ukraine	100%
ScanCom Deutschland GmbH, Germany	100%
ScanCom do Brasil Ltda., Brazil	100%
ScanCom Hong Kong Ltd., Hong Kong	100%
ScanCom International A/S, Denmark	100%
ScanCom North America, Inc., USA	100%
ScanCom UK Ltd., England	100%
ScanCom Vietnam Ltd., Vietnam	100%
Scandinavian Design Vietnam Co. Ltd., Vietnam	100%
SENG Sverige AB, Sweden	100%
Sengespecialisten A/S, Denmark	100%
Sengetid ApS, Denmark	100%
SITS Sp. Z.o.o., Poland	100%
SITS Industry Sp. Z.o.o., Poland	100%
Societa´ Agricola Dionara S.R.L, Italy	100%
Sofa Company GmbH, Germany	100%
Sofa Company GmbH, Switzerland	100%
Sofa Company Sverige AB, Sweden	100%
Sofaco Design ApS, Denmark	100%
Sofaco Holding ApS, Denmark	100%
Sofakompagnie BVBA, Belgium	100%
Sofakompagnie B.V., The Netherlands	100%
Sofakompaniet Norge AS, Norway	100%
Theca A/S, Denmark	100%
Theca Furniture UAB, Lithuania	100%
Theca Scheiz GmbH, Switzerland	100%
Theca Vertriebsgesellschaft GmbH, Germany	100%

Notes to the Annual Report

List of consolidated companies (continued)

	Ownershare
Toftegårdene ApS, Denmark	100%
Uldum P/S, Denmark	100%
VesterMølleHøj Skanderborg ApS, Denmark	75%
Viborgvej 16-18, Silkeborg ApS, Denmark	100%
Ådalshusene Vol. III ApS, Denmark	65%
Ådalshusene Vol IV ApS, Denmark	65%
Årets Hotel og Brasserie ApS, Denmark	100%

Accounting Policies

Basis of Preparation

Lars Larsen Group is not a legal group, but a number of groups and entities owned by the Brunsborg Family and Lars Larsens JYSK Fond. The groups and entities included in the Combined Group Annual Report for Lars Larsen Group are (together referred to as "the Combined Group"):

LLG A/S (group)
LLPT Holding ApS (group)
DE LKL P/S
DE LKL Komplementar ApS

The Combined Group Annual Report are prepared on the basis of a consolidation of the separate consolidated financial statements for the groups LLG A/S and LLPT Holding ApS. Separate group financial statements have been prepared for these groups including subsidiaries through which control is exercised (e.g. the Combined Group holds more than 50% of the votes). Entities in which the Combined Group's holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates. Further the separate entities DE LKL P/S and DE LKL Komplementar ApS are consolidated in preparing the Combined Group Annual Report.

Eliminations are made of inter group and intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the Combined Group's and entities.

The Combined entities included in the Combined Group Annual Report have not operated as a single entity. The Combined Group Annual Report are, therefore, not necessarily indicative of results that would have occurred if the groups and entities had operated as a single business during the year presented or of future results of the combined entities.

Other than the basis for consolidation, the Combined Group Annual Report has been prepared in accordance with the recognition and measurement criteria's of the Danish Financial Statements Act applying to large enterprises of reporting class C and with the disclosures determined relevant by Management. The accounting policies are further detailed below.

Accounting Policies

The Combined Group Annual Report does not meet the disclosure requirements in accordance with the Danish Financial Statements Act regarding the Statement of changes in Equity and the presentation of securities as cash and cash equivalents in the Cash Flows Statement.

The Combined Group Annual Report are prepared to provide the board of directors of LLG A/S with financial information of the financial position and results of the Combined Group.

As a result, the Combined Group Annual Report may not be suitable for another purpose.

The Combined Group Annual Report for 2021/22 are presented in DKK millions.

Basis of combination and consolidation

The Combined Group Annual Report comprise the Combined groups and entities of Lars Larsen Group. Lars Larsen Group is not a legal group but defined as a number of groups and entities owned by the Brunsborg Family and Lars Larsens JYSK Fond. Basis of preparation contains a description of how the Combined Group Annual Report are prepared.

Eliminations are made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the Combined entities.

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

Restructuring process

The Combined Group has chosen to use book value method in connection to restructuring involving transactions with shareholders. 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 Combined Group, 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 Combined Group, 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 Combined Group 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.

Accounting Policies

Translation policies (continued)

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

The income statements of foreign subsidiaries and associates that are separate legal entities are translated at the exchange rates at the dates of transaction or an approximated average exchange rate. Balance sheet line items are translated at the exchange rates at the balance sheet dates.

Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the balance sheet dates are recognised directly in equity.

Minority interests

Minority interests form part of the Combined 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 Lars Larsen Group. 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 Combined 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.

Accounting Policies

Income Statement

Revenue

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

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

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

Cost of sales

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

Other operating income and expenses

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

Other external cost

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 Combined Group'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 associated companies

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

Accounting Policies

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.

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 Combined Group is jointly taxed with its subsidiaries. The tax effect of the joint taxation with Combined 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 – 10 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.

Accounting Policies

Tangible assets (continued)

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	4-20 years
Leasehold improvements	Rental period

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 combined 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 combined group of assets to which they are attributable.

Accounting Policies

Investments in associates

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

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

Other investments

Other investments are recognised and measured at fair value.

Deposits

Deposits are recognised and measured at cost.

Inventories

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

The cost of goods for resale equals landed cost.

Accounting Policies

Receivables

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

Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Combined Group'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 Combined Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

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

Accounting Policies

Deferred tax assets and liabilities (continued)

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

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised costs; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Accounting Policies

Cash Flow Statement

The cash flow statement shows the Combined 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 Combined Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

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

This is the statutory corporate social responsibility (CSR) report, pursuant to sections 99a and 99b of the Danish Financial Statements Act. The report is part of the Management Review for Lars Larsen Group combined report, covering the financial year of 1 September 2021 – 31 August 2022.

Lars Larsen Group is not a legal group but defined as a number of groups and entities owned by the estate after Lars Larsen, the Brunsborg Family, and Lars Larsen's JYSK Foundation.

From hereinafter, this report is addressed as our sustainability report.

Lars Larsen Group

Lars Larsen founded JYSK in 1979 and opened the first JYSK store in Aarhus that same year. The opening of this store marked the beginning of the journey towards the establishment of Lars Larsen Group.

Lars Larsen Group is active within a broad range of business areas as majority owner and investor.

Lars Larsen Group business model

The ambition is to develop an active family ownership, with a long-term perspective, contributing to growth and value for society.

Besides our main asset JYSK, Lars Larsen Group owns companies within furniture, restaurants, and hotels and is an active investor in equities, funds, and real estate.

The Group employs 40,000 people in more than 50 countries.

The way we conduct 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.

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

Lars Larsen Group sustainability

Our most significant impact, in a sustainability context, derives from our role as majority owner and our investment activities respectively.

Responsible investment

Investments are made responsibly with the purpose to support a more sustainable development. We have implemented a policy for responsible investment. The policy serves as an overall framework, ensuring integration of environmental, social, and governance (ESG) evaluation of our investments, all the way from the initial investment process to our active ownership.

The ESG due diligence supports the overall evaluation of investment opportunities, in determining;

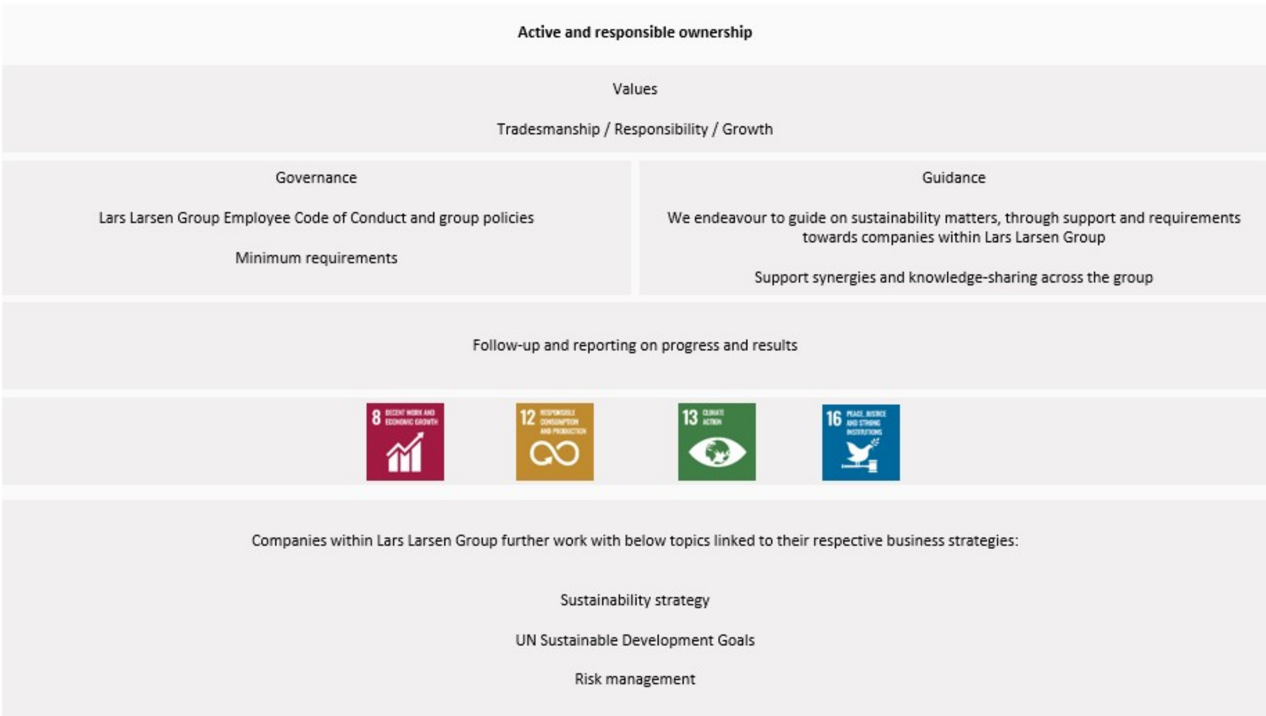
- If an investment opportunity is compliant with Lars Larsen Group values and requirements
- If an investment opportunity should not be pursued, due to ESG concerns

Furthermore, as part of our overall investment strategy, we work to actively identify areas for investments that contribute to a green transition.

Active ownership

Our sustainability strategy, for our active and responsible ownership, is based on a governance framework, ensuring a common group foundation for our work with sustainability, anchored with our group policies, minimum requirements, and a set of KPIs that companies report on annually. The governance framework communicates a direction and support standardized structures and processes in line with relevant international standards.

Figure 1



The core of the strategy is the commitment of our companies to comply with Lars Larsen Group Employee Code of Conduct and to work actively with implementation of our shared group policies.

Active ownership, however, is more than governance, requirements, and compliance. Alongside the framework, we aim to support the companies within the group with relevant guidance, tools, and facilitation of training and workshops.

Furthermore, anchored with the headline “cross-company initiatives”, we have identified areas, where we encourage our companies to work together and benefit from synergies across the group.

During the last couple of years, we have worked with a shared ambition to:

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

Within this group framework, companies manage and operate their respective sustainability agendas independently.

Dialogue shows the way forward

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

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 show the way forward when it comes to improving social and environmental conditions.

Whistleblowing service

Lars Larsen Group strives to maintain a transparent business environment and high business ethics. Our Whistleblowing service should be regarded as a supplement to the dialogue and openness that we value in Lars Larsen Group.

The Whistleblowing service is an early warning system aimed to reduce risk. It is an important tool to foster high ethical standards and maintain confidence in us.

Our Whistleblowing service is intended for 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 the financial year, Lars Larsen Group received seven (7) reports.

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

Data

This report comprises data from JYSK, Actona Group, Bolia, ILVA, ScanCom International and SOFACOMPANY.

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

Legal entities	**As referred to hereinafter**
JYSK country companies	JYSK
Actona Group A/S	Actona Group
ILVA A/S	ILVA
Bolia A/S	Bolia
ScanCom International A/S	ScanCom International
Sofaco Holding ApS	SOFACOMPANY

JYSK, Bolia, ILVA and SOFACOMPANY 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 International is a furniture company, operating in a business-to-business market, with their head office located in Denmark. ScanCom International owns production units in Vietnam, Brazil, and Indonesia.

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

Risks

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

Policy	What is the risk?
Environment and Climate	Greenhouse Gas (GHG) emissions and sustainable sourcing are significant focus areas. A dedicated focus on reducing GHG emissions as well as to integrate sustainability within the choice of raw material, both regarding sourcing and processing of raw material, is necessary to reduce our negative environmental 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. Our industry and global presence present an exposure to risks related to infringement of Human Rights and/or Labour Rights.
Social and Employee Terms	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 professionally, there is a risk that this will affect our business negatively.
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.

Policy	What is the impact?
Environment and Climate	Insufficient focus on GHG emissions and lack of supplier requirements may lead to a significant negative impact on environment and climate. Furthermore, there is a long-term risk of shortage of raw material due to unsustainable management of supply chain.
Human Rights	Insufficient implementation of Employee Code of Conduct, Human Rights policy, and supplier requirements may lead to infringement of Human Rights and/or Labour Standards, with potential severe negative consequences for affected parties.
Social and Employee Terms	Lack of procedures and attention towards work safety, work satisfaction, and development may lead to long-term negative effects on our employees. Moreover, if employee competences are not developed in a direction and pace that corresponds with customer- and

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

	market demands, there is a risk that our company may not be able to follow market- and customer development.
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	A dedicated effort towards reducing GHG emissions, implementation of Supplier Code of Conduct, and other relevant supplier requirements. Ongoing focus on more sustainable design, raw material, and processing.
Human Rights	Implementation of Employee Code of Conduct and Human Rights policy, Supplier Code of Conduct, and follow up both internally as well as in our supply chain.
Social and Employee Terms	Systematic work with health and safety. Ensure that HR processes support employee satisfaction and competence development, in line with market and customer development.
Anti-Corruption and Bribery	Implementation of Employee Code of Conduct, Anti-Corruption and Bribery policy, and Supplier Code of Conduct supported by systematic risk evaluation as well as ongoing information and training of employees.

Due Diligence

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

Figure 2

	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, and Anti-Corruption and Bribery. Furthermore, we work with group Policies on the topics; Gender Equality and Data Ethics, which are published individually.

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. 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 efforts 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 benefits and value for our company.
Environment and climate considerations are implemented in decision making processes, strategically as well as in our everyday business activities.

Environment and climate considerations are integrated with the management and operations of the companies within Lars Larsen Group, where we strive to reduce the negative impact of business activities.

Furthermore, strategic partnerships and initiatives have been initiated across companies within Lars Larsen Group.

In the following we highlight the most essential strategic initiatives, shared across the group. One of these initiatives is our engagement with The Forest Stewardship Council® (FSC®).

About FSC®:

- The Forest Stewardship Council® (FSC) is an international non-profit organisation that promotes environmentally appropriate, socially beneficial, and economically viable forestry worldwide.
- FSC forest management certification ensures that the forest is being responsibly managed in a way that preserves biodiversity and benefits the lives of local people and workers.
- FSC-certified material is identified and tracked along the supply chain during the manufacturing and distribution process – from the forest to the market.
- In an FSC-certified forest the forest area will be the same generation after generation. Rare and threatened species and their habitats are protected, all workers along the supply chain are ensured proper working conditions, including education, safety equipment, and fair pay.

It is our aim that an increasing part of the wood used by companies in the group should originate from responsibly managed FSC-certified forests and other controlled resources (FSC® N004152).

Another strategic initiative is our ambition to map and reduce our GHG emissions. We have engaged in a partnership with an external partner, who supports companies within Lars Larsen Group on this journey. It is our ambition that this project will support companies within the group to set a reduction target for their GHG emissions.

Lastly, it has been decided to strengthen environmental requirements towards our supply chain. To support this ambition, we have engaged with Amfori Business Environmental Performance Initiative (BEPI).

BEPI is a business-driven service for retailers, importers, and brands committed to improving environmental performance in supply chains. BEPI provides a practical framework including a platform, learning activities, consultancy, and third-party assessments to understand and improve environmental performance as well as reducing the negative environmental impacts throughout the supply chain.

Companies within Lars Larsen Group work with individual Key Performance Indicators (KPIs) related to Environment and Climate. These are communicated in the following sections.

Policy implementation and progress

JYSK

Internal focus:

JYSK has made sustainability a self-standing pillar of the company strategy and added dedicated resources to drive the sustainability agenda.

One of the key focus areas within JYSK's sustainability strategy, is to reduce their greenhouse gas emissions. JYSK strives to cut the GHG emissions from powering and heating all stores, distribution centers, and offices in half by 2030 with baseline year in 2019.
Moreover, JYSK has set KPIs to increase the use of more sustainable raw material.

Wood:

By the end of 2024, all JYSK products and packaging made from wood, cardboard, or paper will be FSC®-certified.

By January 2022, all new products launched in JYSK, made from wood, cardboard, or paper are FSC-certified.

Within this financial year, JYSK has 1644 products with wood-based materials in active assortment. 21,8% of these products are FSC-certified. The FSC products range across indoor furniture, mattresses, garden, homeware, and bathroom accessories.

All hard wood products within garden are 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 the end of 2024. Furthermore, all new products from 1 January 2022, are in FSC-certified packaging.

Cotton:

Another raw material in focus at JYSK is cotton. JYSK is a member of Better Cotton (BC). BC is the world's largest cotton sustainability program. Their mission is to help cotton farmers and cotton communities survive and thrive while protecting the environment. JYSK has set the following KPI related to cotton: By the end of 2024, all cotton sourced for JYSK's textile products will be either recycled or produced in a more sustainable way (i.e., recycled, BC, or organic).

Furthermore, JYSK are also working with 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 polystyrene completely. By using fewer types of plastic, JYSK wants to decrease complexity when handling waste and increase recycling of plastic. An example of this is a new sustainable packaging for bedsheets. The new packaging includes cardboard instead of plastic, which saves 26 million plastic bags per year.

External focus:

To strengthen the external focus on Environment and Climate, JYSK made a commitment to The Amfori Business Environmental Performance Initiative (BEPI).

BEPI is currently required for suppliers of indoor furniture and garden products. The next product group will be included once furniture and garden suppliers are fully onboarded to the BEPI platform.

Measured in value of open orders, 19% of the suppliers have a valid and completed SAQ (self-assessment questionnaire) from the BEPI platform.

Actona Group

Internal focus:

During this financial year, Actona Group has worked dedicatedly to map their greenhouse gas emissions. Following their mapping, they set the targets to; reduce emissions by 70 percent before 2030 and make the company carbon neutral before 2050.

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

Actona Group is FSC-certified, and all wood used in products from the Actona-owned factory, Ambiente, is FSC-certified. Moreover, Actona Group has set a target to solely use certified wood in products by 2025.

Actona Group has taken actions to reduce plastic in packaging materials. Since June 2021, packaging material for new products are free from EPS (expanded polystyrene), which is a material consisting of air and polystyrene. During 2022, Actona Group has started to reduce all plastic in packaging on existing products, starting with the products with the highest volume.

External focus:

To strengthen the external focus on Environment and Climate, Actona Group has made a commitment to The Business Environmental Performance Initiative (BEPI).
62% of suppliers have been implemented on the BEPI platform.

Bolia

Internal focus:

During this financial year, Bolia has initiated a mapping of their greenhouse gas emissions. The mapping of scope 1 and 2 was ready during the end of October 2021, while the mapping for scope 3 will be finalized during the end of 2022.

Bolia has decided to increasingly use FSC®-certified wood. All new products are made from FSC-certified wood. By the end of 2022 at the latest, all wood products in Bolia will be made from FSC-certified wood, and so far, more than 95% of wood products in Bolia are made from FSC-certified wood.

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.

Furthermore, Bolia has reduced the use of plastic in packaging, which means that new rugs are now packaged in hessian instead of plastic. Moreover, Bolia has removed styropor plastic from all Como marble tables and replaced with cardboard instead.
External focus:

To strengthen the external focus on Environment and Climate, Bolia has made a commitment to The Amfori Business Environmental Performance Initiative (BEPI). Status will be reported for FY 23.

Furthermore, Bolia is looking into working with MÅLBAR, a company who specializes in Life Cycle Screenings and providing accessible and valuable insights and knowledge about the climate emissions of products.

ILVA

Internal focus:

A core environmental focus area is the ambition to increase purchase of products with FSC-certified wood. 100% of the wooden garden furniture purchased for ILVA is FSC-certified.

During the financial year 2021, ILVA set the following Key Performance Indicator: By the end of 2024, all wood products in ILVA will be made from FSC-certified wood, which ILVA is working on fulfilling.

Furthermore, ILVA has implemented a new manual for packaging. In the new manual, ILVA communicates directions concerning the use of plastic in packaging, where it is also specified which plastics are authorized for use and which plastics that are not authorized to be used together with packaging. Furthermore, the manual has defined the labelling which helps to separate the packaging materials both at the storage facility and with the end consumer.

External focus:

As part of ILVA's sustainability journey, Amfori Business Environmental Performance Initiative (BEPI) was implemented during the financial year 2021. Currently approximately 85% of suppliers have onboarded BEPI, the last 15% are in progress with deadline at the end of second quarter of FY 23.

ScanCom International

Internal focus:

All ScanCom International production facilities are ISO 14001-2015 certified.

All wood used for products by ScanCom International are FSC®-certified.

ScanCom International continues to work on reducing CO_2 emissions from all production sites in Vietnam, Brazil, and Indonesia.

Furthermore, ScanCom International is in the process of reducing plastic in packaging. This includes replacing stretch film with biodegradable plastic wrap. Moreover, ScanCom International has replaced polyethylene (PE) foam with pelure paper, kraft paper, and carton sheets.

External focus:

To strengthen the external focus on Environment and Climate, ScanCom International has made a commitment to The Amfori Business Environmental Performance Initiative (BEPI). Status will be reported for FY 23.

SOFACOMPANY

During this financial year, SOFACOMPANY has initiated a process to map their GHG emissions and set a reduction target. SOFACOMPANY is in the beginning of this process.

All SOFACOMPANY's products are FSC®-certified.

Human Rights

Lars Larsen Group respect Human Rights. We acknowledge the responsibility we have towards our employees and the communities in which we operate, and we expect the same of our 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 Compliance, Human Resources, and 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 levels, with the overall purpose of ensuring a safe workplace for all employees. Moreover, systematic registration, reporting, and follow-up is performed on work accidents. Data on accidents based on below definitions are included in this report:

- Number of lost time injuries (LTI).
  Work related injuries that require the employee to stay away from work more than 24 hours or one shift.
- Lost time injury frequency rate (LTIFR)
  (Number of lost time injuries in reporting period) x 1.000.000) / (Total hours worked in the reporting period)

Across the group, we share the following KPI for work-related accidents: We strive for zero work accidents and actively work to reduce lost time injury frequency rate every year.

Common for the companies encompassed by this sustainability 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.

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.

Going forward, companies within Lars Larsen Group will continue to work dedicatedly with human rights due diligence to regularly identify, prevent, or mitigate potential adverse impacts, internally as well as in our supply chain.

Policy implementation and progress

JYSK

Internal focus:

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

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

Distribution Centre	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
Uldum	39	21	12
Radomsko	4	7	4
Nässjö	20	9	9
Bozhurishte	7	11	7
Kammlach	3	5	N/A[2]
Zarrentin	15	9	N/A
Homberg	12	8	N/A
Cheste	2	9	N/A

Distribution Centre	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Uldum	41,2	21,0	16,8
Radomsko	3,6	7,4	4,9
Nässjö	46,8	21,9	27,9
Bozhurishte	18,3	33,4	23,3
Kammlach	17,8	11,6	N/A
Zarrentin	47,2	14,5	N/A
Homberg	45,1	22,4	N/A
Cheste	37,3	64,7	N/A

Based on the above data, there will be increased focus on accidents in the next financial year due to the increases in Distribution Centre Uldum and Distribution Centre Nässjö.

As preventive measures in the Distribution Centres, JYSK also register all incidents and near-by accidents. The circumstances are investigated to take the necessary steps to improve the work situation and work safety.

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.

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[2] JYSK has changed the calculation method, thus previous data are not comparable

JYSK incorporated the Amfori BSCI Code of Conduct in the company's own Supplier Guideline (Supplier Code of Conduct).

All suppliers[3] accept the Supplier Code of Conduct when they sign a supplier contract. During this financial year, 987 of JYSK's suppliers, based in risk countries, has received audits based on Amfori BSCI guidelines.

Audits in percent:

In financial year 2021, 45% of the suppliers, located in risk countries, received audits based on Amfori BSCI guidelines, against 71% in financial year 2022.

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

Integration of the BSCI efforts internally is essential to succeed with BSCI as a strategic focus area. 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 purchaser is presented to establish how the suppliers, in their respective product area, are performing measured against the BSCI principles.

Actona Group

Internal focus:

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

Safety is a core focus. In the scheme below work-related accidents registered within this financial year are illustrated:

Company	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
Actona Company (Denmark)	3	4	2
ASL (China)	3	9	10
Ambiente (Ukraine)	0	0	0
Theca (Lithuania)	7	N/A[4]	N/A

SITS (Poland) was acquired by Actona Group in July 2022 and will be included in next financial year.

[3] Direct suppliers, first tier
[4] Theca was acquired by Actona Group in FY 2022

Company	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Actona Company (Denmark)	5,3	7,1	5,3
ASL (China)	4,5	10,6	17,6
Ambiente (Ukraine)	0	0	0
Theca	7,7	N/A	N/A

SITS (Poland) was acquired by Actona Group in July 2022 and will be included in next financial year.

In addition to the systematic work by Human Resource- and Health and Safety departments, all production facilities owned by Actona Group are audited regularly by 3rd party audit companies.

This audit process is managed equally to the supplier audit process explained in the following section.

External focus:

External focus on human rights within the supply chain is addressed through a membership of Amfori Business Social Compliance Initiative (BSCI).

Actona Group has been a member of Amfori, BSCI since 2009.

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

During this financial year, 94% of suppliers to Actona Group, located in risk countries, received audits based on Amfori BSCI guidelines.

During this 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 implemented to meet both requirements and risk levels of the countries where Bolia is present.

Safety is a core focus. Work-related accidents registered within this financial year are illustrated below:

Company	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
Bolia	3	5	5

Company	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Bolia	2,6	12,5[5]	9,8

External focus:

Human rights within the supply chain are 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 in supplier contracts and supplier audits will be managed according to Amfori, BSCI guidelines. During this financial year, 75% of suppliers to Bolia, 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.

ILVA

Internal focus:
ILVA 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 ILVA is present.

[5] Calculation error in data from FY 21. Corrected in the above data

Safety is a core focus and below scheme illustrates work accidents registered within this financial year:

Company	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
ILVA	7	8	5

Company	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
ILVA	4,5	4,7	4,5

External focus:

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

ILVA has been a member of Amfori, BSCI since 2018. The Amfori BSCI Code of Conduct has been implemented with the supplier contracts, and supplier audits are managed according to Amfori, BSCI guidelines.

During the financial year, 49% of suppliers, based in risk countries, have received audits based on the Amfori BSCI Code of Conduct.

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

ScanCom International

Internal focus:

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

Safety is a core focus. Work-related accidents registered within this financial year are illustrated below:

Company	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
ScanCom Vietnam	34*	43[6]	54
ScanCom Brazil	3	0	1
ScanCom Indonesia	0	2	2

**Out of the total of 34 lost time injuries, 3 are unfortunately fatal. This happened during a fire at ScanCom International's factory in Vietnam. The incident has been investigated by the police and has been ruled as a tragic accident.*

Company	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
ScanCom Vietnam	6,8	3,7	4,3
ScanCom Brazil	19,45	0	6,4
ScanCom Indonesia	0	3,9	4,1

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

External focus:

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

During the financial year, 100% of suppliers based in risk countries have been audited 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.

SOFACOMPANY

Internal focus:

Safety is a core focus for SOFACOMPANY.

Work-related accidents registered within this financial year are illustrated below:

[6] Calculation error in data from FY 21. Corrected in the above data

Company	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
SOFACOMPANY	1	5	N/A

Company	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
SOFACOMPANY	2,0	9,7	N/A

External focus:

Human rights within the supply chain are addressed through a Code of Conduct which SOFACOMPANY has implemented with its five main suppliers. Furthermore, SOFACOMPANY is working closely with the biggest supplier, which is placed in Vietnam, to uphold BSCI- and FSC®-certification.

Social and Employee Terms

Lars Larsen Group aim to provide responsible working conditions and employment terms for all employees within the Group. We follow and comply with legislation, collective agreements as well as International Labour Organization (ILO) conventions.

We seek to attract, develop, and retain qualified and motivated employees in a professional environment.

Our policy on Social and Employee Terms communicates a requirement to perform employee satisfaction surveys (ESS), staff development interviews, as well as workplace assessments.

Across the group, we share a KPI related to the Employee Satisfaction Surveys: We strive for a response rate of minimum 80%.

Employee Satisfaction Surveys are performed within the respective companies, and data in this report is based on the number of employees who have been invited to and responded on the surveys.

The companies included in this report aim to engage with community work through strategic partnerships, donations, sponsor agreements, events, and other ways of supporting.

Policy implementation and progress

JYSK

At JYSK, corporate values include a right and duty to speak up.
Every second year, 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 was conducted in January 2022 with a response rate of 94%.

Employee Satisfaction Survey	FY 22	FY 21	FY 20
Response rate	94%	Scheduled for next FY	98%

In addition to the employee satisfaction survey, JYSK performs annual staff development interviews (in JYSK also known as PDP). PDP is an abbreviation for Personal Development Plan. PDPs are performed at all levels of the organisation, ensuring that individual career plans and goals are aligned and clear for each employee.

Actona Group

At Actona Group, a safe and healthy working environment combined with employee development is considered 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 Group, surveys on employee satisfaction (ESS) are performed systematically every year in January. Results of these studies are followed by a process, where Actona Group works attentively to improve identified focus areas, while also maintaining a continued effort within already successful areas.

The latest employee satisfaction survey, performed in January 2022, had a response rate of 86%.

Employee Satisfaction Survey	FY 22	FY 21	FY 20
Response rate	86%	87%	92%

In addition to above mentioned activities, Actona Group once a year performs staff development interviews. These interviews are conducted with each individual employee.

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) every second year. The most recent survey in 2022 had a response rate of 75%.

In the scheme below the latest ESS results are illustrated.

Employee Satisfaction Survey	FY 22	FY 21	FY 20
Response rate	75%	Scheduled for next FY	80%

Bolia will work systematically with the results of the survey.
Furthermore, Bolia has appraisals twice a year for every employee. For sales employees, Bolia performs Sales Performance Evaluations every second month.

ILVA

At ILVA, employee development and wellbeing are managed mainly through Human Resource procedures. Every second year, all employees are invited to take part in an employee satisfaction survey (ESS). The last employee satisfaction survey was performed during last financial year, and the next is scheduled for the financial year 2023.

Employee Satisfaction Survey	FY 22	FY 21	FY 19
Response rate	Scheduled for next year	94%	97%

Furthermore, ILVA also, two times a year, performs staff development interviews. These interviews are made with each individual employee.

ScanCom International

At ScanCom International, a safe and healthy working environment combined with employee development is considered a key condition for the company’s ongoing success.

ScanCom International aims to perform staff development interviews at least once a year.

ScanCom International in Vietnam performs employee satisfaction surveys (ESS) annually. The most recent employee satisfaction survey was in December 2019 (direct workers) and July 2020 (office and management) which reached a response rate at 100%. Due to COVID-19 no employee satisfaction survey was performed in December 2020 and in July 2021 as seen in below table. For the financial year 2022 the employee satisfaction survey was postponed from December 2021 and July 2022 to the fall of 2022, which is after ended financial year, and therefore there is no data for FY 22.

Employee Satisfaction Survey	FY 22	FY 21	FY 20
Response rate	N/A	Scheduled for next FY	100%

SOFACOMPANY

SOFACOMPANY performs Employee Satisfaction Surveys once every second year, with a history of high response rates. Furthermore, SOFACOMPANY performs staff development interviews once a year as a minimum, and for some positions more than that. SOFACOMPANY performed an employee satisfaction survey in FY 21 and another survey is planned for FY 23.

Employee Satisfaction Survey	FY 22	FY 21	FY 20
Response rate	Scheduled for next FY	92%	N/A

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 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.

Across the group, we share the following KPI: Annual information to/training of employees in risk positions on Anti-Corruption and Bribery policy and procedures.

Going forward, companies within Lars Larsen Group will continue to work dedicatedly with Anti-Corruption due diligence, to ensure sufficient analysis of the risk of corruption, and implementation of adequate Anti-Corruption initiatives.

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 JYSK head office.

Relevant policies are published on the company Intranet, to guide employees on adequate behaviour to ensure that employees conduct business in alignment with company expectations. Moreover, based on a systematic approach, relevant policies are included 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, to ensure that the implemented precautions always correspond to the current risk profile.

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

Anti-corruption initiatives are managed at two levels.

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

If JYSK head office has classified a country and/or industry as 'high risk', local management is responsible for matching the risk with proportional efforts in e.g., training in JYSK's 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 is presented to a select group of employees.

Moreover, JYSK has implemented a shared IT-platform for all JYSK entities enabling access to written guidelines for employees regarding travel, representation, and gifts.

Actona Group

Actona Group performed an Anti-Corruption risk assessment in February 2021, and in June 2022 a risk assessment was performed at the factory in China. In addition to supply chain risks, Actona Group also identified its own production sites, located in Ukraine and China, to represent the highest risk exposure. The sites are subject to compliance audits via BSCI, where Anti-Corruption risk assessment is included.

Furthermore, all staff at the factory in China have been trained in anti-corruption, as well as signed a letter of commitment regarding this topic. The factory in China has set up an anti-corruption supervision group to conduct quarterly personal investigations and prevent corruption. Supporting the policy on Anti-Corruption and Bribery, Actona Group 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.

Bolia

Bolia works systematically with implementing the Anti-Corruption and Bribery policy, and the management have identified the biggest risks regarding corruption and bribery. Guidelines to support the policy, with the overall aim to guide the employees to conduct business according to company expectations, have been published on the company intranet, and relevant information has been shared at meetings for both office employees and store employees.

Bolia has implemented guidelines regarding travel, representation, and gifts.

Bolia has identified employees in risk positions, and anti-corruption training has been completed for these employees.

ILVA

At ILVA, the Anti-Corruption and Bribery policy has been implemented as part of the implementation of Lars Larsen Group Employee Code of Conduct.

Supporting the policy on Anti-Corruption and Bribery, ILVA has also implemented related guidelines on e.g., Travel, Representation and Gifts, and made these guidelines available in the employee handbook.

ILVA performed an Anti-Corruption and Bribery Risk analysis during last financial year (FY 2021). Findings from the analysis was communicated to the management team and shared with relevant departments.

Moreover, ILVA performed mandatory online anticorruption training to staff in risk positions during this financial year (FY 2022).

Furthermore, the implementation of the Whistleblowing system across Lars Larsen Group has increased the awareness and positively contributed to minimizing risks related to Anti-Corruption and Bribery in ILVA.

ScanCom International

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

ScanCom International has implemented a corruption prevention procedure and guidelines on travel, entertainment, and gifts.

SOFACOMPANY

A risk assessment regarding corruption and bribery was performed in June 2022. All management and relevant employees received training facilitated by the mother company in June 2022.

Guidelines regarding travel and hospitality has been implemented. SOFACOMPANY also has a written group policy regarding gifts and entertainment.

Reporting on §99b

At Lars Larsen Group a policy on Gender Equality has been implemented. The purpose of the policy is to ensure career development on an equal basis.

Furthermore, a target has been set for the gender composition at board level, striving for male and female board members to be represented equally[7] by year 2024.

The Board of Directors has two male board members and one female board member. Therefore, gender representation is assumed equal.

Board	Total	Female	Male
Board of Directors LLG A/S	3	33%	67%
Board of Directors LLPT Holding ApS	3	33%	67%

LLPT Holding ApS has 0 employees. Therefore, no target and no further reporting on gender composition for LLPT Holding ApS is included in this report.

LLG A/S has 47 employees and gender composition is illustrated below. The number of employees is decided by end of financial year, 31 August 2022.

LLG A/S	Total	Women in percent	Men in percent
Employees, total	47	55%	45%
*Management level 1	4	25%	75%
**Management level 2	7	57%	43%

In the above scheme leadership positions are split on the following two management levels:
*Management level 1: The executive board and the persons who organisationally operate at the same level as the executive board.
**Management level 2: Managers with employee/personnel responsibility, and who have reference to the first management level.

[7] Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency

Lars Larsen Group, and the companies owned by Lars Larsen Group, will continue to work actively with our Gender Equality Policy.

Below scheme summarises an accumulated overview of the gender composition within management levels across Lars Larsen Group[8]. The number of employees is decided by end of financial year, 31 August 2022.

Lars Larsen Group	**Women in percent**	**Men in percent**
Employees, total	55%	45%
Leadership positions	47%	53%

In the above scheme, leadership positions are defined as employees with staff responsibility. As of next financial year, above statement on accumulated overview across Lars Larsen Group will be aligned with the definitions for management levels used for LLG A/S.

Individual reports on §99b of the Danish Financial Statements Act for JYSK A/S, Actona Group A/S, Bolia A/S, ILVA A/S, ScanCom International A/S and Sofaco Holding ApS are included in their respective annual reports.

[8] Data for all companies owned by LLPT Holding ApS and LLG A/S