



# Sustainability report 2019

Bygghemma Group First AB (publ)  
Nasdaq Stockholm: BHG

The sustainability report is part of the Annual Report for 2019



## SUSTAINABILITY REPORT

*Being Europe's largest e-commerce company within home improvement comes with both responsibilities and opportunities. We believe that sustainable growth is about assuming responsibility for all of our stakeholders: our customers, employees, investors and suppliers and the society that we live in.*

This Sustainability Report covers the Parent Company, Bygghemma Group First AB (corporate registration number 559077-0763), including its subsidiaries (see note 15) and was prepared in accordance with the provisions of Chapter 6 and 7 of the Swedish Annual Accounts Act. In addition, the Global Reporting Initiative (GRI) standards for sustainability reporting have been used to provide guidance for the report, including for the performance indicators that have been prepared.

### Business model

BHG is Europe's largest e-commerce company within home improvement and provides over 500,000 products as well as various services within DIY and Home Furnishing. BHG includes more than 30 proprietary online stores and over 70 showrooms.

The Group's head office is located in Malmö, together with certain Group-wide functions such as finance and accounting, legal and IT. The head office negotiates and decides on significant supplier agreements and supports the subsidiaries in tendering other supplier agreements in order to achieve economies of scale and ensure compliance with the Group's purchasing guidelines.

The Group has no manufacturing plants of its own. Instead, all products are purchased directly from suppliers or commercial agents in the Nordic region, Eastern Europe and Asia. Freight deliveries are primarily shipped from Asia and delivered by truck from Europe. All product deliveries to end customers in the DIY segment are conducted by external distributor companies, while an increasing share of deliveries in the Home Furnishing segment are carried out through our own last-mile service. 66 % of deliveries to end customers within DIY are distributed directly by external producers, and 34 % are distributed via BHG's various warehouses, including the central warehouse in Höör. 63 % of deliveries in the Home Furnishing segment in the Nordic region are distributed by external producers via BHG's central warehouse in Helsingborg and 37 % directly by the producer to the end customer. 100 % of deliveries in the Home Furnishing segment's operations in Eastern Europe are distributed via our own storage warehouses through our last-mile service.

### Starting point for sustainable development

The UN Global Compact (UNGC) is based on ten generally accepted principles concerning human rights, labour conditions, the environment and anti-corruption. All major global business and CSR organisations are part of the initiative, including the GRI (Global Reporting Initiative), ETI (Ethical Trading Initiative), ICC (International Chamber of Commerce) and OECD (Organisation for Economic Co-operation and Development). BHG's Code of Conduct and Sustainability Report are based on these ten principles.

### Governance and responsibility

The Board has overall responsibility for the Group and thus is also responsible for all sustainability aspects related to the operations. A number of specific sustainability aspects have been discussed during the year's Board meetings, and the full Sustainability Report was discussed at one of these meetings.

The CEO is responsible for enacting the decisions and strategies of the Board. The Group's Head of New Operations, who reports directly to the CEO, is responsible for leading and coordinating the Group's sustainability work and producing documentation for decisions, conducting analyses, and managing the preparation of sustainability reports. BHG's ambition is to involve all its employees so that they feel a sense of ownership over the sustainability aspects related to their own assignments. To achieve this, we conducted training in 2018 within our focus areas for sustainability, the Code of Conduct and business ethics guidelines.

### Policy documents and guidelines

The Board has adopted guidelines addressing such aspects as environmental issues, respect for human rights, labour conditions and anti-corruption that apply to the Group as a whole and decided on a Code of Conduct that applies to all employees as well as the Group's suppliers. The Code, which is based on the Ten Principles of the UN Global Compact, places particular emphasis on clarifying the company's position on issues concerning respect for the environment, human rights and labour conditions as well as sound business relationships and anti-corruption. All employees underwent training on the guidelines in the Code of Conduct in 2018, and all new employees receive a copy of the Code as an appendix to their employment contract. No significant changes were made to the policies or the Code of Conduct in 2019. The Code of Conduct is available on the Group's website, [www.bygghemmagroup.com/sustainability](http://www.bygghemmagroup.com/sustainability).





### Materiality analysis

The Board of Directors and company management have conducted an overall analysis to determine which aspects of sustainability are most essential for BHG's operations. The analysis was based on risks and opportunities connected to sustainability in areas such as the environment, corporate social responsibility, HR issues, respect for human rights, business ethics and anti-corruption. The results of the materiality analysis are presented on the following pages.

### The Ten Principles of the UN Global Compact

The Global Compact is a UN initiative with the aim of creating international principles on human rights, labour, the environment and anti-corruption targeted at companies. The

principles are based on the UN Universal Declaration of Human Rights, the ILO's fundamental conventions on human rights and rights at work, the Rio Declaration and the UN Convention against Corruption.

	UN principles	Examples of BHG's commitments
 HUMAN RIGHTS	<p>The companies are to:</p> <ul style="list-style-type: none"> <li>• support and respect international human rights and</li> <li>• ensure that their own companies are not involved in violations of human rights</li> </ul>	<ul style="list-style-type: none"> <li>• All employees have studied the Code of Conduct, either during recruitment or training (employed prior to 2018).</li> <li>• BHG's Code of Conduct has been sent to all suppliers with significant purchase volumes and all new suppliers must sign the Code of Conduct, or prove that they have their own equivalent code of conduct.</li> </ul>
 LABOUR	<p>The companies are to:</p> <ul style="list-style-type: none"> <li>• uphold freedom of association and acknowledge the right to collective agreement negotiations</li> <li>• eliminate all forms of forced labour</li> <li>• abolish child labour</li> <li>• counteract discrimination in recruitment and work duties</li> </ul>	<ul style="list-style-type: none"> <li>• BHG's Code of Conduct regulates interactions between customers, suppliers and employees</li> </ul>
 ENVIRONMENT	<p>The companies are to:</p> <ul style="list-style-type: none"> <li>• support the prudence rule as regards environmental risks</li> <li>• take the initiative to increase environmental awareness</li> <li>• promote the development of environmentally friendly technology</li> </ul>	<ul style="list-style-type: none"> <li>• BHG engages in an ongoing dialogue with our logistics solutions partners in order to boost the efficiency of our deliveries and returns.</li> <li>• BHG works on continuously carrying out energy-saving measures at our warehouses, showrooms and offices in partnership with property owners.</li> </ul>
 ANTI-CORRUPTION	<p>The companies are to:</p> <ul style="list-style-type: none"> <li>• combat all forms for corruption, including blackmail and bribery</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-corruption is part of our Code of Conduct for Suppliers.</li> <li>• In 2018, all employees received information on our business ethics guidelines and preventive work against corruption and bribes, as did all new employees from 2019 and onwards.</li> </ul>

### BHG's foremost sustainability issues in respect of the Ten



### Principles of the UN Global Compact

#### Responsible purchasing

For the most part, BHG purchases products through intermediaries, and not directly from the plants where the products are manufactured. There are over 500,000 different products, which provides a challenge when assessing each individual product from a sustainability perspective. We also have high ambitions when it comes to ensuring ethical purchasing of products, traceability and supplier compliance with the requirements in the Group's Code of Conduct and other standards. As such, all of the Group's business partners and agents are evaluated and the Code of Conduct is included in supplier agreements. Our business partners and agents, in turn, conduct regular site visits to subcontractors and on-site audits to ensure compliance with our sustainability policies.

In cases where the Group is a direct importer, a new process for assessing new suppliers has been implemented, with a detailed checklist and self-assessment in relation to the Group's sustainability policies. In this way, we can analyse data and monitor results before a decision is taken on any supplier partnership. An overall summary of risks and preventive measures is presented below.

We provide all suppliers with significant purchasing volumes with a copy of the Code of Conduct. New suppliers must sign the Code of Conduct, or prove that they have their own equivalent code of conduct. In 2019, we monitored our sustainability efforts through self-assessments and/or site visits to suppliers' manufacturing plants in low-cost countries where the risk of deviations is assessed as being the greatest.

KPIs	2019	2018
Proportion of suppliers evaluated or who have signed the Code of Conduct	83 %	95 %
Proportion of assessments conducted	65 %	93 %

#### Bribes and corruption

In 2018, all employees received information on our business ethics guidelines and preventive work against corruption and bribes, as did all new employees from 2019 and onwards. Anti-corruption is also part of our Code of Conduct for Suppliers. The Board of Directors is responsible for compliance with policies and guidelines. Responsibility for certain policies and guidelines has been delegated to various functions in BHG. Any deviations from the Code of Conduct and the Group's business ethics guidelines can be reported anonymously through the Group's whistleblower system.

KPIs	2019	2018
Number of cases of corruption	0	0

#### Climate

Logistics is one of the areas where our company has the greatest climate impact. CO<sub>2</sub> emissions make up a significant portion of BHG's total emissions. We engage in an ongoing dialogue with our logistics solutions partners in order to boost the efficiency of our deliveries and returns. A higher fill factor and smarter packaging and loading can reduce both emissions and the use of packing material. In addition, we have created our own logistics systems in Stockholm and Gothenburg, and continue to expand in the Öresund region and Helsinki in order to optimise transport to the end customer, thereby reducing CO<sub>2</sub> emissions.

The return of delivered products presents a challenge from an environmental perspective since this increases the amount of transport and, as a result, CO<sub>2</sub> emissions. At approximately 3 %, the share of returns for BHG is currently low in comparison to almost all e-commerce retailers. The combination of e-commerce, where products are transported collectively to the customer, and a low return rate creates a sustainable business model.

Energy-saving measures are carried out continuously at our warehouses, showrooms and offices in partnership with property owners. As part of these efforts, we have initiated an expansion of our central warehouse in Helsingborg in order to enhance the efficiency of our logistics. The existing property was put into operation in 2018 and is environmentally adapted and certified through Green Building. Average energy consumption for heating at the warehouse is currently 9 kWh per m<sup>2</sup>/year, which can be compared with the Swedish National Board of Housing, Building and Planning requirement of a maximum 45 kWh. The expansion is being carried out by Catena in partnership with BHG's logistics partner, Nowaste Logistics, and is expected to be completed in September 2020, thereby contributing to more effective distribution management and a reduction in energy consumption for the warehouse.

KPIs	2019	2018
Greenhouse gas emissions (WTW, CO <sub>2</sub> -ekv kg)/ number of deliveries	2.02 kg	2.56 kg



### **Equality and diversity**

BHG strives for diversity and an equitable gender distribution in its operations. The goal is for women and men to each represent 50 % of the total number of employees and 50 % of the number of managers. The Group's diversity goal also includes a more equitable distribution as regards employees with non-Swedish backgrounds.

Other priority areas include health and safety. Local health and safety work is conducted in various ways. In certain major workplaces, this is carried out in accordance with various certifications, such as AFS 2001. The goal is to ensure a healthy work environment, reduce sick leave and prevent workplace injuries. On-the-job training and other forms of competence development are also important parts of the development of all employees in their respective roles in BHG.

<b>KPIs</b>	<b>2019</b>	<b>2018</b>
Total proportion of women and men	39/61	48/52
Proportion of women and men managers	42/58	20/80
Sick leave	4 %	4 %
<b>Average age</b>	<b>2019</b>	
Under 25 years	25 %	
25- 34 years	48 %	
35-44 years	15 %	
45-54 years	8 %	
Over 55 years	4 %	



# OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

The UN 2030 Agenda for Sustainable Development and 17 Sustainable Development Goals (SDGs) represent an ambitious agenda that has been adopted by various countries around the world. Achieving the SDGs will require the cooperation of governments, civil society and the business community.

At Bygghemma Group, we contribute to the SDGs through our sustainability agenda and the way in which we conduct our operations. Bygghemma Group's target areas are directly linked to a number of the SDGs (5, 7, 8, 12, 13).



**5.** Gender equality is a prerequisite for sustainable and peaceful development. Equality also entails ensuring an equitable distribution of power, influence and resources. At Bygghemma Group, we consider equality and diversity to be important success factors, since a mix of female and male employees from different backgrounds can contribute to more innovative work groups, which in turn can help our operations to develop. We aim to have an even distribution of women and men among our employees both in general and at the management level.

**7.** Access to sustainable, reliable and renewable energy and clean fuel is a prerequisite for being able to address more of the challenges currently facing the world, such as poverty, climate change and inclusive growth. At Bygghemma Group, we continuously implement energy-saving measures in order to reduce our consumption of the world's energy, thereby contributing to Goal 7.3: "By 2030, double the global rate of improvement in energy efficiency."

**13.** Climate change is a real and undeniable threat to our entire civilisation. As a result of the continued increase in greenhouse gas emissions, we risk an increase in average global warming levels. Bygghemma Group is well aware of the climate challenges facing the world and engages in an ongoing dialogue with our logistics partners in order to boost the efficiency of our deliveries and returns.



**8.** Decent work promotes sustainable economic growth and is positive for society as a whole. At Bygghemma Group, we are careful when it comes to choosing our suppliers in order to ensure that they do not violate human rights, such as the right to decent work. We are also an attractive workplace, with a low average age among our employees.

**12.** Achieving sustainable development requires that we utilise the world's resources efficiently and sustainably. For Bygghemma Group, efficient use of resources is not just a matter of sustainability, but also impacts our profitability, which means that we conduct our operations in a way that conserves natural resources through energy efficiency enhancements.

# Auditor's report

To the general meeting of the shareholders of Bygghemma Group First AB (publ), corporate identity number 559077-0763

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Bygghemma Group First AB (publ) for the year 2019 except for the corporate governance statement and the statutory sustainability report on pages 40-44 and 35-39 respectively. The annual accounts and consolidated accounts of the company are included on pages 24-94 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 40-44 and 35-39 respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been

provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

#### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.



**Particularity important area****Valuation of intangible assets**

*With reference to Note 13.*

Goodwill and other intangible assets with an indefinite useful life represents a significant part of Bygghemma's assets. The Company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported.

This impairment test is based on a high level of judgements and assumptions regarding future cash flows. Information is provided in Notes 13 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins, overheads, working capital requirements, investment requirements and discount factor (cost of capital).

It is presented that no impairment requirement has been identified based on the assumptions undertaken.

**Recognition of acquisitions**

*With reference to Note 5.*

In the financial year 2019, Bygghemma made five business acquisitions across all business areas. Information on these acquisitions is presented in Note 5.

The total purchase price for the business acquisitions, net of acquired cash and cash equivalents, was SEK 346,6 million, of which SEK 62,3 million refers to identified fair value adjustments in the acquisition analyses for trademarks and customer relationships and SEK 300,1 million refers to goodwill.

The recognition of acquisitions involves a high degree of judgement by management. Significant estimates and judgements refer to the purchase price allocation of fair value in acquisition analyses for assets and liabilities, as well as referring to adjustments for adaptation to the group's accounting principles.

**How our audit considered the particularly im-portant area**

In our audit, we have evaluated the calculation model applied by management and conducted that the model is compatible with acceptable valuation techniques.

We have reconciled and critically tested essential assumptions against budget and strategic plan for the Company. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors.

We have tested the sensitivity analysis for key assumptions in order to assess the risk of need for impairment.

We have not noted any need for impairment based on procedures performed.

We have also assessed the correctness of the disclosures included in the financial statements.

Our audit of the acquisitions were partially based on assessment of the acquisition agreements as well as supporting documents for opening balances in the acquired companies. We have also evaluated the implemented adjustments for adaptation to the group's accounting principles.

Our audit has also included an assessment of significant estimates and judgements made in connection with the purchase price allocation of fair value in the acquisition analyses. We have also assessed the basis for the judgements and comparing those judgements with similar acquisitions in the group in previous years.

We have also assessed the correctness of the disclosures of acquisitions included in the financial statements and assessed supporting documentation for the accounting of the acquisitions.

No deviations were noted in our audit.

**Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-23 and 100-105. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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 the Board of Director's and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.



The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website:

[www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Bygghemma Group First AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's

equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### **The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 40–44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.



A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB has been the company's auditor since 2016

Malmö den 29 March 2020

Öhrlings PricewaterhouseCoopers AB

**The auditor's opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the statutory sustainability report on pages 35-39, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Eva Carlsvi  
Authorized Public Accountant