



MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Year ending 30 June 2019

OUR PURPOSE

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (“the MSA”) and sets out the steps that DFS Furniture Plc (“DFS”) has taken to continue our work to assess the risk of modern slavery occurring in our business and to consider further what steps can be taken and procedures implemented to mitigate the risk of modern slavery occurring in our supply chain.

OUR COMMITMENT

We have a zero-tolerance policy to any form of slavery, servitude, forced labour or human trafficking, whether within our own business or within our wider supply chain, here in the UK and overseas. We are committed to acting ethically and will continue to take steps to assess the risk of Modern slavery, taking place in our supply chain further we expect our suppliers and business partners to comply with our Supplier Code of Conduct and to take their own pro-active steps to ensure compliance with the Act within their own businesses and supply chains.

OUR GOVERNANCE

Modern slavery is a consideration for the whole of the DFS Group. The DFS Board of Directors has overall responsibility for corporate governance, including any anti-slavery initiatives. We have a Governance Committee made up of our Senior Leadership team, Company Secretary and other senior managers from each of our group businesses which is chaired by the Chief Information Officer.

The Company Secretary reports to the Senior Leadership Team and the DFS Group Board on modern slavery issues. The DFS Group Board has approved this statement.

OUR BUSINESS

DFS is the UK’s leading retailer of upholstered furniture, we design, manufacture, sell, deliver and install an extensive range of upholstered and other furniture products for our customers under our DFS, Sofology, Dwell and Sofa Workshop brands. Almost all of our upholstered products are handmade to order, a large proportion of them are manufactured in our three DFS upholstery factories and two wood mills here in the UK. The business operates a network of upholstered furniture showrooms throughout the United Kingdom, the ROI, Spain and the Netherlands, together with an online channel. These have been established and developed gradually over 50 years of operating history.



We employ over 5,500 people within the DFS Group across our 4 retail brands, in the UK, ROI, Spain and the Netherlands, our people are employed in our showrooms, group support centre, manufacturing and distribution sites.

OUR SUPPLY CHAIN

The DFS Group has long term relationships with the majority of its suppliers of both finished goods and raw materials both in the UK and overseas. With regards to upholstered products, and aside from our own UK-based internal manufacturing operations, the vast majority of the DFS Group externally sourced upholstered products come from our top five manufacturing partners in continental Europe and Asia. We have long standing relationships with these highly regarded suppliers. Members of the Senior Leadership Team, the quality teams and the buying and merchandising teams visit the suppliers throughout the year, to carry out inspections of their facilities.

- DFS, Sofology, Dwell and Sofa Workshop also sell an extended range of furniture, including bedroom, dining room furniture and accessories which we source from a small number of trusted wholesalers.
- Raw materials for the use in internal manufacturing of upholstered furniture including foam, fabric and wood are sourced directly from our suppliers.
- Our distribution is primarily in-house managed and operated. We directly employ delivery drivers, crew and warehouse operatives who work out of our own UK based distribution centres and warehouses.
- Our shipping is outsourced to a small number of highly regarded multinational shipping companies.
- Our goods not for re-sale are procured through our internal procurement team,

OUR POLICIES AND PROCESSES ON SLAVERY AND HUMAN TRAFFICKING

DFS takes seriously any allegations that human rights are not being respected within the business or the supply chain. We strive to act with integrity at all times and there are several internal policies already in place which help safeguard against human rights infringements. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

During the year we launched our Code of Conduct for employees which makes clear our approach to Modern Slavery <http://www.dfscorporate.co.uk/media/46609/Group-Code-of-Conduct.pdf>. Posters containing contact phone numbers have been distributed to all of our operating sites. We have directed any of our colleague who suspects that modern slavery is occurring to contact their management or our whistleblowing helpline.



Our Group Code of Conduct and our Anti-slavery policy <http://www.dfscorporate.co.uk/esg/modern-slavery> which sit alongside our whistle blower processes reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

We acknowledge there is a risk of exposure to modern slavery in our supply chain. We have a number of external suppliers who supply DFS with both upholstered and non-upholstered furniture, raw materials and a small number of home accessories.

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.

We expect all of our employees, suppliers, customers and business partners, the general public and any relevant third party to raise any concerns or suspicions they have about any of our procurement processes in complete confidence.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place a supply chain compliance programme. This consists of requiring of suppliers to confirm in writing that they:

- Sign up to our Anti-Slavery and Human Trafficking Policy;
- Comply with our Supplier Code of Conduct;
- Accept our standards and our right to audit their factories to ensure compliance; and
- Review their own supply chains to ensure that they comply with the with Modern Slavery Act.

DURING THE YEAR WE:

- Launched our Group Code of Conduct, raising awareness of the issue of Modern Slavery and encouraging all employees to report any concerns.



- Launched our new Supplier Code of Practice to all upholstery suppliers requiring them to be ethical and responsible, and to provide us with a 3rd party ethical audit from a recognised service provider required on an annual basis.
- Strengthened our Quality and Audit teams to provide increased resources to ensure compliance with our Supplier Code of Practice, which includes the Modern Slavery Act.
- Carried out 7 audits of our key supplier sites in China and South East Asia.
- Immediately ceased trading with a Supplier who we identified through an audit of the factory they there had been a breach local employment law. We worked with the Supplier to resolve the matter and Supplier was not allowed to supply us with any products until the issue was rectified and we were satisfied with their future process and governance.
- Increased standards of reporting both internally and externally by suppliers to encourage collaboration in following the guidelines of the Modern Slavery Act.

NEXT STEPS

- Continue to work with our tier 1 Suppliers and manufactures to ensure compliance with our policy.
- Roll out our Supplier Code of Practice to all remaining suppliers.
- Develop our 3rd party audit programme.
- Implement a full audit programme for our UK logistic contractors.
- Carry out refresher training for our key employee colleagues, roll out on-line training for our wider employee base.
- Continue to monitor developments in best practice.

BOARD OF DIRECTORS APPROVAL

The DFS Group will never knowingly enter into a business relationship with any organisation involved with slavery, servitude or human trafficking.

The senior leadership team accepts responsibility for the implementation of any policy in relation to this matter and to ensure the provision of adequate resources are in place to ensure we comply fully with our obligations. This statement has been approved by the Board of Directors of DFS Furniture plc and signed by the Group Chief Executive Officer of DFS.



dwell

SOFA
WORKSHOP



Tim Stacey

Group CEO

A handwritten signature in purple ink that reads 'T. Stacey'. The signature is slanted upwards to the right.

Date 23 January 2020