



## DFS Leather Policy

### DFS Trading Limited - Leather Policy

This Policy was issued on 20th December 2019 and will be reviewed annually for accuracy, completeness and relevance.

This Policy applies to all products purchased by DFS Trading Limited containing any amount of natural leather, whether for sale to our customers, or for use in our business.

This Policy forms part of DFS Trading Limited's Environmental, Social and Governance Programme, whereby we report our performance annually. This Programme is subject to annual third-party audits.

### Leather supply chains

Natural leather is a beautiful, hard-wearing and desirable material used widely in DFS Trading Limited's products. Our leather is natural and synthetic, natural being a by-product of the meat industry. Creating safe, durable leather requires many processes often involving several different value-adding businesses from around the world.

DFS Trading Limited recognises that good practice throughout the leather production process is essential to avoid environmental and social damage and we will endeavour to reduce or mitigate any pollution of water through the processes involved in tanning and colouring of the hides.

### Our commitment

We commit to sourcing all our leather from supply chains which meet our Leather Minimum Performance Requirements (see below) and to continuously improve and report our sourcing performance – year on year – via our Environmental Social Governance (ESG) Programme.

### Minimum Performance Requirements

- ✓ All leather used in DFS Trading Limited products must come from animal skins which are a by-product of the meat industry
- ✓ Animal skins used in leather production for DFS Trading Limited products **must not** be obtained from aborted or live animals or from endangered species (including any species listed on the three CITES Appendices)
- ✓ The Supplying partner must declare the species of animal and country of slaughter for all products containing leather - prior to production for DFS Trading Limited
- ✓ DFS Trading Limited will require evidence - from its supplying partners - to demonstrate that their leather supply chains do not contribute to deforestation
- ✓ All leather-containing products will be subject to DFS Trading Limited's Risk Management Procedure (see below)

### DFS Trading Limited – Risk Management Procedure

All Supplying partners of products containing leather are subject to our Risk Management Procedure:

- ✓ We seek to develop and maintain mutually beneficial and longstanding relationships with all our Supplying partners, supporting trusted and efficient communication between parties in the Assessment of Risk

- ✓ We regularly visit our Suppliers. During those visits, we will clearly communicate the requirements of this Policy, and make it clear that it applies to every link in each leather supply chain. We make it clear that our specification of Leather includes full traceability from product to animal origin which applies to every link in each leather supply chain
- ✓ It is the supplying partners responsibility to ensure the requirements of this Policy are effectively communicated to their Suppliers, and to obtain information requested by us as part of our risk management procedures
- ✓ DFS Trading Limited conducts an annual (at a minimum but it may be more frequent) Risk Assessment process to establish and review risk indicators for leather products and the associated supply chains (e.g. species, country of slaughter, purchase volume, supplier). In Addition, supplying partners undergo an annual audit against the DFS Code of Practice where leather is traced from product to animal origin. From this, DFS Trading Limited can identify product/supply chain risks based on assessed levels of risk and the extent to which those risks are mitigated by requested documentary evidence (that demonstrates compliance with DFS Trading Limited's Leather Policy).
- ✓ DFS Trading Limited has a robust Risk Monitoring system for all leather Products. For supply chains that are rated as High Risk, we may assess Policy compliance for each shipment. We will only continue to buy leather Products from High Risk supply chains for a specified period which will be set by DFS Trading Limited and agreed by all parties. At the end of that period if the Supplying partners supply chains and products are still rated as High Risk, we will cease trade with that Supplier. For Low Risk supply chains, we will undertake due diligence annually.

**Risk monitoring includes:**

- Working with Suppliers to create Supply Chain Diagrams (mapping their sources of supply as far back as possible – in some cases to farm level)
  - Collecting Documentary Evidence of Policy compliance from the businesses shown in the Supply Chain Diagram
  - Requiring species and country of slaughter disclosure for each product.
- ✓ We have a clear Risk Mitigation plan for leather Products:
- We will insist that our supplying partners source from tanneries which meet Leather Working Group standards
  - We will not accept production from supplying partners where information required to assess the level of Risk is not provided within the agreed timetable.



Karl Thomas  
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