

Modern Slavery and Human Trafficking Statement

Year ending 29 June 2025



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Introduction

As a company with over 50 years' expertise in the manufacturing and retailing of furniture in the UK, we are proud that our culture has been built on making good decisions and doing the right thing.

Our Purpose is Furnishing Better Lives, Together and our Mission is that through our passion for style and comfort, we help customers create spaces they love to live in. It's important to us that our business is built on the right ethical foundations. It is a priority for the DFS Group to ensure that we trade ethically, source responsibly and work to prevent modern slavery and any form of forced labour or human trafficking throughout our organisation and in our supply chain.

We recognise that no supply chain is without risk of modern slavery and whilst we know that there is still a journey ahead of us to further develop our resilience to the risk of modern slavery, we know that it is our responsibility to work proactively to identify and mitigate this risk. Over the last few years we have further developed our policies and procedures, systems and controls to ensure we can be confident there is no modern slavery anywhere in our Group.

We also audit our key suppliers in the UK and overseas and make it a contractual obligation on all our suppliers that they have in place the necessary policies and procedures to prevent any form of modern slavery taking place anywhere in our supply chain.

There is no single international definition of modern slavery. It is a term used in policy and law where one person takes away the freedom of another person, exploiting others for personal and commercial gain. Modern slavery is a serious crime that violates human rights; it is an umbrella term encompassing slavery, servitude, forced or compulsory labour and human trafficking and, under UK legislation, all modern slavery offences are punishable by a maximum sentence of life imprisonment. This type of exploitation is contrary to our values and our commitment to respecting the rights of our workforce and all those employed in our supply chain.



"Modern slavery has no place in our business or in our supply chains. We have a zero-tolerance approach to all forms of modern slavery and forced labour. In the DFS Group we aim to actively build systems that protect dignity, fairness and human rights and prevent modern slavery."

Tim Stacey, Group CEO

Our Business

The DFS Group is the UK's leading retailer of living room and upholstered furniture. Accordingly, we have the opportunity and privilege to lead in many areas including designing, manufacturing, selling, delivering and installing an extensive range of furniture for our customers under our market leading DFS and Sofology brands.

- DFS is the leading retailer of sofas in the UK with over 55 years' heritage.
- Headquartered in Doncaster, we operate 115 showrooms in the UK and Republic of Ireland, under our DFS brand and a leading web platform.
- Our Sofology brand has 55 showrooms across the UK.
- The majority of our sofa orders are fulfilled on a made-to-order basis manufactured either in our own factories or by our long-standing partners.
- As well as in our nationwide showrooms, our people are employed at DFS' Group support centre in Doncaster, Sofology's head office in Golborne, our nationwide customer distribution centres ('CDCs') and in our factories and mill in the Midlands and South Yorkshire – where a substantial proportion of handmade to order, upholstered products are manufactured.



Ethical Supply Chain

We acknowledge that the manufacturing sector is considered an elevated risk in terms of the production of imported commodities being linked to forced or child labour, particularly in areas where there:

- are migrant workers (country to country or within a country);
- is a high presence of refugees;
- are minority groups;
- are young workers and a risk of child labour; and/or
- are contract, agency, and temporary workers.

This risk is heightened in the case of global supply chains, as we may have less visibility of suppliers beyond Tier 1 (being our direct suppliers). Furthermore, raw materials such as timber, textiles, and leather are commonly used in the manufacture of our products and made to be supplied up the supply chain by Tier 2 (our Tier 1 suppliers' suppliers) or Tier 3 (the Tier 2 suppliers' suppliers). We therefore recognise that there is an enhanced risk of modern slavery, associated with the desire of suppliers to produce cost effective materials, products and services.

As well as the furniture we manufacture in our own factories, using raw materials sourced directly from our Tier 1 suppliers, we currently work with 11 other large upholstery suppliers across the UK, Europe, and the Far East. Our top five highly regarded upholstery suppliers, with whom we have deep and long-standing relationships, supply 80% of our upholstered products. Additionally, DFS and Sofology sell an extended range of furniture, including bedroom furniture, dining room furniture and accessories which we source from a small number of trusted wholesalers.

We expect all of our Tier 1 and Tier 2 suppliers and business partners to comply with our Supplier Code of Practice, our policies, all relevant legislation and international standards for their industry, including those relating to child labour, forced labour, health and safety of workers, non-discrimination, employment law, human rights, fraud, anti-bribery, and corruption. Failure to do so would provide us with the right to terminate their contract, in accordance with our mandatory clauses supporting our ESG agenda.

Distribution is primarily managed and operated in-house by The Sofa Delivery Company Limited. We directly employ delivery drivers, crew and warehouse operatives who work out of our own UK-based distribution centres. Our shipping is outsourced to a small number of highly regarded multinational shipping companies.

Our internal procurement team oversee the procurement process of all goods and services not for resale to customers. The DFS Procurement Policy includes ethical evaluation criteria. Suppliers must provide a copy of their modern slavery statement and policy as part of the procurement process.

Once a contract is awarded, oversight of labour rights and modern slavery risks may include risk assessment, ongoing monitoring activities, ethical audits, contractor performance management and, as necessary, working with our business partners to resolve any issues, should they arise.

Governance

The risk of modern slavery is a key consideration for the whole of the DFS Group. Our approach to addressing the risk sits within our wider Environmental, Social and Governance agenda and our commitment to independent ethical audits of our suppliers of Goods Not for Resale (GNFR) (which are the goods and services which we purchase to support our operations and activities) and Goods for Resale (GFR) (which are the goods sold directly to our customers).

We proactively work to identify and eliminate to the fullest extent practicable all modern slavery and human rights abuses anywhere in our business or supply chain. For this reason, our approach to modern slavery is managed by the Group Chief Legal & Assurance Officer, in conjunction with the Group Legal function and the DFS Quality team with further input from across the Group as required.

The Group leadership team accepts responsibility for the implementation of any policy in relation to this matter and for the provision of adequate resources to ensure that slavery, servitude, or human trafficking is not taking place in the Group or its supply chain.

We have a Modern Slavery Working Group chaired by the Chief Legal & Assurance Officer which meets quarterly to discuss the Group's strategy for minimising the risk of modern slavery.

The Chief Legal & Assurance Officer then reports to the Group Chief Executive Officer and the DFS Group Board on modern slavery issues. The DFS Group Board has approved this statement and formally reviews policy and performance on ethical trading and modern slavery annually.

We have also recently appointed a new Whistleblowing Officer who reports to the Governance Risk and Compliance Committee on a monthly basis so that the committee is aware of all reports concerning modern slavery.



Supplier Audits

Having worked with our suppliers for many years to help them understand their obligations, all our external supplier partners have signed up to SMETA “SEDEX Members Ethical Trade Audits”. To get here, our Quality team have worked hard to engage with all of our suppliers in our global supply chain, developing the ability to conduct truly effective onsite audits.

The team, which includes a colleague who is fluent in Chinese, regularly visit Tier 1 and Tier 2 suppliers’ factories to conduct audits and address any “live” issues at the time of the visit. The advantage of having a Chinese speaking colleague is the team can also review and check relevant documentation relating to any particular worker, in both English and Chinese on the day. Over the course of the year, the Quality team conducted supplier audits on forty-seven (47) Tier 1 suppliers and twelve (12) Tier 2 suppliers in the UK, China, Poland, Lithuania and Vietnam.

In relation to lower risk suppliers of GNFR, we continue to conduct desktop audits. This includes reviewing a suppliers’ own modern slavery statements as well as requiring them to self-certify compliance with the legislation.

Due Diligence Processes and Risk Assessment for Slavery and Human Trafficking

We maintain awareness of risks common to our industry which can be contributing factors to modern slavery such as: short lead times, prices that do not meet ethical standards, delayed payments, and unapproved subcontractors. As part of the Procurement process, all new GNFR suppliers are required to complete a modern slavery questionnaire. In addition, we have recently introduced a new onboarding process for new and existing GNFR suppliers which requires each supplier to provide a copy of their modern slavery policy or alternatively agree to adhere to the DFS modern slavery policy.



Our Policies

The DFS Group takes seriously any allegations that human rights are not being respected within the business or in our supply chain. We continually review and develop our policies to ensure that they are up to date and compliant with legislation with input from in-house experts, suppliers and external stakeholders. All our policies are available at our Corporate Website at www.dfscorporate.co.uk/governance/policies-statements.

Human Rights Policy

Approved by the Responsible and Sustainable Business Committee, the policy reiterates our support for the UN Guiding Principles on Business and Human Rights to recognise and manage the risk of harm associated with human rights violations. The policy explicitly states our commitment to respecting the human rights of vulnerable groups and to the International Labour

Organization's Conventions (the UN agency responsible for setting labour standards and developing policies and programmes promoting decent work for all women and men) core labour standards, concerning the right of our workers to join trade unions, and supporting the elimination of child and forced labour.

Whistleblowing Policy

The policy, which is available on our corporate website, encourages our employees to report any concerns relating to the direct activities or the supply chain of the DFS Group. This includes any circumstances that may give rise to a risk of slavery or human trafficking. An independent hotline and a QR code allow any concerns to be raised anonymously by employees, contractors, or by any of our suppliers. We investigate every case and seek to achieve resolution within the shortest possible timescales.

Anti-Slavery and Human Trafficking Policy

Available to investors and to customers on our Corporate website and DFS and Sofology's website. The policy reiterates our stance against all forms of modern slavery and outlines our procedures and processes which have been designed to guard against the occurrence of modern slavery or human trafficking anywhere within our business operations and our supply chain.

Group Code of Conduct

Reflects our commitment to acting ethically and with integrity in all our business relationships, making good decisions and implementing and enforcing effective systems and controls to ensure that slavery and human trafficking is not taking place anywhere in our supply chain.

Supplier Code of Practice

We insist on ethical standards from all of our suppliers and we expect them to adhere to our Supplier Code of Practice. Suppliers are required to confirm that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law in their use of labour.

Recruitment Policy and Procedure

We operate a preferred supplier list and work only with recruitment agencies which share our commitment towards anti-slavery and the prevention of human trafficking.

Modern Slavery Guidance for Managers

In our work context, forced labour is the type of modern slavery we are most likely to encounter on a day-to-day basis. This guide helps our managers to understand the key indicators of modern slavery, and how to respond in a situation where an employee believes they have identified a potential victim of modern slavery.

Supplier Adherence to Our Values and Ethics

We have a zero-tolerance approach to all aspects of modern slavery. All GFR suppliers are required to:

- Sign up to our Anti-Slavery and Human Trafficking Policy;
- Comply with our Supplier Code of Practice;
- Accept our standard contract terms including an obligation to ensure compliance with the Modern Slavery Act and agreement to our right to audit their factories to ensure compliance; and
- Review their own supply chains to ensure that they comply with modern slavery legislation.

We are committed to always act in the event of any continuing non-conformity by any of our suppliers, the outcome of which could result in the termination of their contract.

Training and Raising Awareness

We believe that education is key to the prevention of modern slavery in our supply chain. Our colleagues and suppliers play a key role in helping us to identify and prevent modern slavery in our supply chain. To ensure everyone has a good understanding of the risks of modern slavery and human trafficking in our supply chain and our business, we provide training to our employees to raise awareness of the risk of modern slavery.

This year our training initiatives included:

An e-learning course on modern slavery. During the year, 1500 employees undertook online learning on labour rights and modern slavery risk management. The course is primarily aimed at people who work in relevant operational roles and is mandatory for all colleagues in management functions. The course is also available to any other colleague who wishes to undertake it and is also required learning for our colleagues who work for Ascensos, our customer services partner.

Nearly all of our Quality managers have now completed training for SMETA 7 – the updated auditing and reporting process by SEDEX.

Our Group Code of Conduct online training which complements our policy is mandatory for all DFS Group employees. The training which covers all aspects of the Group's employee code of conduct, does touch on modern slavery with the aim of helping colleagues recognise the indicators of modern slavery both at work and out in the wider community.



Highlights

This year we have:

- Audited even more of our Tier 1 and Tier 1 Suppliers – auditing 59 Tier 1 and Tier 2 suppliers in the UK, Europe and the Far East with no instances of unethical practices identified;
- Seen almost all of our Group Quality Managers undertake a SEDEX SMETA 7 Qualification. SMETA's social audit methodology uses both the ETI base code and ILO conventions and brings them together to ensure that the labour, health and safety and ethical standards are upheld to the highest of the two standards;
- Introduced additional safeguarding measures in our payroll team to regularly check our records to identify bank account/detail duplications and take action to investigate any anomalies which are discovered;
- Appointed a new Whistleblowing Officer and introduced a new approach for reporting concerns using QR codes which makes it easier for colleagues to report their concerns;
- Reviewed and updated our Whistleblowing policy;
- Expanded our online training on how to spot the signs of modern slavery and how to report it, to an extra 400 colleagues;
- Reviewed and updated our Group Anti-Slavery and Human Trafficking policy in light of the changes to EU law around Forced Labour;
- Continued to monitor developments of best practice in the tackling of modern slavery, including reviewing and considering the UK Government's response to the House of Lords Modern Slavery Act 2015 Committee report.

Looking Forward

1. The updated Anti-Slavery and Human Trafficking and Whistleblowing policies for the Group will be formally approved by the Board.
2. All Tier 1 suppliers of GFR will be required to sign a modern slavery declaration every six months to confirm that they will report to us any concerns they have regarding modern slavery in the supply chain.
3. We will continue to expand the number of colleagues who have obtained a SEDEX SMETA 7 Qualification.
4. We are in the process of reviewing our procedures in relation to recruitment / agency workers to ensure that we only work with reputable employment agencies to source labour and always verify the practices of any new agency before accepting workers from that agency.
5. We will continue to require all our suppliers to have robust policies and processes to combat modern slavery.
6. We will continue to monitor world events as we recognise political instability and armed conflict can drive migration and cause disruption in employment and access to education, creating an increased risk of modern slavery. We will further develop our audit approach to ensure that we identify and understand human rights risks in key geographic sourcing regions.

Board of Directors' Approval

This statement has been approved by the Board of Directors of DFS Furniture PLC on behalf of itself and its subsidiary companies (together "the DFS Group") pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 ("the Act"). It covers the activities and actions undertaken by the DFS Group during the financial year ending 29 June 2025, to ensure that slavery and human trafficking is not taking place in our supply chain or in any part of our business.

This statement covers the activities of DFS Furniture PLC and the following companies which are its subsidiary undertakings:

- DFS Trading Limited
- Sofology Limited
- The Sofa Delivery Company Limited

This statement will be published on the UK Government's online Modern Slavery Statement Registry and will be available on all DFS Group websites. A hard copy is also available from the Group Company Secretary.

Tim Stacey
Group CEO
DFS Furniture PLC
Date: 15 January 2026

