DFS GROUP

DFS Furniture PLC
Corporate Criminal Offence Policy
Criminal Finances Act 2017

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Related Documents

Document Name	Document Location
Group Whistleblower Policy	The Hub
Group Tax Strategy	DFS Corporate website

1. POLICY STATEMENT

1.1 Our values inform everything we do. The Group is committed to conducting its business in full compliance with all applicable laws. This commitment includes adhering to those requirements of Part 3 of the Criminal Finances Act 2017 ("Criminal Finances Act") that took effect from September 2017 in the UK.

1.2 We conduct our business in an honest and ethical manner. We take a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. Our tax strategy which makes clear our approach is published on the DFS corporate website https://www.dfscorporate.co.uk/media/qubesx03/tax-strategy-fy25.pdf

1.3 The Group is committed to the following:

- We will conduct all of our business in a fair, honest and ethical manner. We take a zero-tolerance approach to facilitating tax evasion.
- We are committed to acting professionally, fairly and with integrity in all of our business dealings and relationships wherever we operate; and to implementing and enforcing effective systems to counter tax evasion facilitation.
- We expect everyone who works for or with our company to fully comply with their tax obligations.
- We will never buy or sell any product or service where we know or suspect that any aspect of the transaction is being misused, abused, or otherwise corrupted for the purposes of tax evasion.
- We will immediately terminate any agreement or business relationship as soon as our company learns of or suspects tax evasion may be taking place.
- We will not tolerate any contractor, business partner, representative or third party associated with us failing to uphold this policy. Our zero-tolerance approach to tax evasion and foreign tax evasion will be set out in our contracts with all our suppliers and contractors.

2. PURPOSE

2.1 The policy sets out our responsibilities, and of those working for and on our behalf, in observing and upholding our position on preventing the criminal facilitation of tax evasion and provide information and guidance to those working for us on how to recognise and avoid tax evasion.

2.2 As an employer, if we fail to prevent our employees, workers, agents, suppliers or service providers facilitating tax evasion we can face criminal sanctions including an unlimited fine, as well as damage to our reputation. We therefore take our legal responsibilities very seriously.

2.3 In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2.4 This policy does not form part of any employee's contract of employment and we may change the policy at any time.

3. WHO MUST COMPLY WITH THIS POLICY

3.1 This policy applies to everyone working for any Group Company or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

4. TAX EVASION FACILITATION

4.1 For the purposes of this policy;

(i) **Tax** means all forms of UK taxation, including but not limited to Corporation Tax, Income Tax, Value Added Tax, Stamp Duty Land Tax, national insurance contributions and their equivalent in any non-UK jurisdiction in which we operate as well as any duty or other form of taxation.

(ii) **Tax Evasion** means the deliberately cheating the public revenue or fraudulently evading the payment of UK Tax, and is a criminal offence.

(iii) **Foreign tax evasion** means evading tax in a foreign country.

(iv) **Tax evasion facilitation** means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (UK or foreign) by another person.

4.2 Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a company where it has been facilitated by a person acting for and on behalf of them, an '**associated person'**. The associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer for it to be an offence. If it is through accident, ignorance or negligence, then it is not a corporate offence.

4.3 Tax evasion involves deliberate and dishonest conduct and is not the same as tax avoidance or tax planning, which are not illegal and involve taking steps within law to minimise tax payable (or maximise tax reliefs).

5. YOUR RESPONSIBILITIES

5.1 You must ensure that you read, understand and comply with this policy.

5.2 It is not acceptable for you (or someone on your behalf) to:

(a) engage in any form of facilitating tax evasion or foreign tax evasion;

(b) aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;

(c) fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy;

(d) threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

5.3 The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of everyone.. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

5.4 You should raise concerns about any issue or suspicion of tax evasion or foreign tax evasion immediately.

5.5 If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a foreign country, you must notify your line manager as soon as possible.

5.6 If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your line manager or a member of the Finance Leadership team or the Company Secretary as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or "turning a blind eye" to suspicious activity could amount to criminal facilitation of tax evasion.

6. SUPPORT

6.1 To help support you identify any potential risky behaviour there is a list of “red flags” in the appendix to this policy

6.2 E-Learning is mandatory for those colleagues with the highest risk exposure, this include colleagues involved in procurement, invoice processing, property transactions, payroll and all senior colleagues within Finance, Procurement, Legal and Compliance functions.

7. COMPLIANCE

7.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

7.2 We will terminate our relationship with any individual or organisation working on our behalf if they breach this policy.

7.3 The board of directors of DFS Furniture PLC has responsibility for ensuring this policy complies with our legal and ethical obligations, and that everyone complies with the policy.

7.4 The CFO has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and ensuring internal control systems and procedures are effective.

8. AUDIT

8.1 In order to ensure that we have 'adequate procedures' in place to prevent the facilitation of tax evasion we may carry out audits through the Internal Audit team as part of our annual audit plan, or by the use of third party sector experts.

9. WHISTLEBLOWING

9.1 If you do not feel comfortable reporting concerns to your line manager, then you can always use the Group Whistleblowing procedure. Please refer to the Group Whistleblowing Policy located on the hub.

9.2 Individuals who raise concerns or report another's wrongdoing. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

10. CONTACTS

Whistleblowing hotline	Tel: **0800 047 4037**
Employee Assistance Programme	UK: **0800 028 0199** ROI: **1800 936 071**
Whistleblowing Officer	**Group Head of Audit** DFS Group Support Centre 1 Rockingham Way Redhouse Interchange Adwick-le-Street, Doncaster DN6 7NA Email: whistleblowing@dfs.co.uk Phone: **07596 868337**
Chief Legal & Business Assurance Officer	**Liz McDonald** Email: liz.mcdonald@dfs.co.uk Tel: **07849083971**
Protect (Independent whistleblowing charity formerly known as Public Concern at Work)	Helpline: **(020) 3117 2520** E-mail: **whistle@protect-advice.org.uk** Website: **www.protect-advice.org.uk**

Approved by the Board of Directors of DFS Furniture PLC
18 June 2026

Appendix

1. POTENTIAL RISK SCENARIOS: "RED FLAGS"

1.1 The following is a list of possible red flags that could indicate concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only:

(a) You become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax, has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction), has delivered or intends to deliver a false document relating to tax, or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority;

(b) you become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT;

(c) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;

(d) you become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;

(e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;

(f) a third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly;

(g) a third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;

(h) you receive an invoice from a third party that appears to be non-standard or customised;

(i) a third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated;

(j) you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;

(k) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;

(l) you become aware in the course of your work that a staff member's tax code has been amended wrongly by a member of the payroll team.