

BASIS OF REPORTING

- FY25



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THE SOFA DELIVERY CO

Our Approach to ESG Disclosure

As we consider ESG to be integral to our strategy and business model, our most material ESG disclosures and data are covered primarily in our Annual Report and Accounts 2025, and this should be the starting point for ESG information gathering. Additional detail, which we did not have space to include in AR25, is set out below.

For transparency, we indicate the limited information which we choose not to disclose owing to commercial sensitivity or legal reasons and explain where our data or definitions differ slightly to suggested disclosures.

Where data is shared by supplier partners, which is difficult to verify, it is reported in good faith.

All information provided represents end-of-financial-year figures* (FY25 - 30 June 2025) unless otherwise stated.

*Figures are not static - up to 10% of these figures are in audit or unverified at any time



Our Planet

TIMBER - FSC/PEFC CERTIFICATION



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
Sustainably sourced timber (certified FSC or PEFC) used in all upholstery and home products by Dec 2025	<p>FY23 Home - 53% Upholstery - 27%</p> <p>FY24 Home - 80% Upholstery - 94%</p> <p>FY25 Home - 90% Upholstery - 99.75%</p>	<p><u>Scope</u> This metric includes all upholstery and home product ranges across DFS, Sofology brands.</p> <p><u>Definitions</u> Sustainably sourced timber refers to wood that has been grown and harvested using sustainable methods.</p> <p>FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) are both international non-profit, multi stakeholder organisations, established to promote responsible management of the world's forests via timber certification.</p> <p>Product range is a series of products which all have the same name, but come in multiple variations</p> <p>Upholstery product refers to furniture products with fabric or leather coverings.</p> <p>Home products refers to any products that do not belong to upholstery</p>	<p><u>Unit</u> % of FSC/PEFC certified timber</p> <p><u>Data source</u> Our timber assessment partner Track Record Global (TRG) has a live platform (Track Vision Timber) which we use to download timber certification data for both home and upholstery products.</p> <p>Once the download is completed, the totals are added into the current certification tracker before being compiled and a % worked out</p> <p>Upholstery is calculated at range level, home is at SKU level due to data formatting</p> <p>(Approx 10% of products are in assessment at any given time and so will not be included in the final percentage)</p>	<p><u>Upholstery products</u> Number of product ranges with FSC/PEFC certified timber / Total number of ranges containing timber</p> <p><u>Home Category</u> Number of SKUs with FSC/PEFC certified timber / Total number of SKUs containing timber</p>

Our Planet

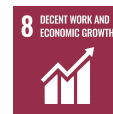
LEATHER - LWG CERTIFICATION



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
Leather used on upholstery will be sourced from supply chains with LWG certification by Dec 2024	FY23: 72% FY24: 76% FY25: 92%	<u>Scope</u> This metric includes all upholstery ranges across DFS, Sofology brands. <u>Definition</u> Leather Working Group (LWG) is a not-for-profit membership organisation, working to create meaningful change across the global leather supply chain.	<u>Unit</u> % leather sourced from supply chains with Leather Working Group (LWG) certification <u>Data Source</u> TRG carries out our leather supply chain assessments, gathering evidence at each tier of the supply chain right back to slaughterhouse/farm level. They corroborate claims of LWG certification for each of our suppliers' at wet blue and tannery tier against the LWG website	Total number of tanneries and wet blues with LWG certificate / Total number of tanneries and wet blues in our supply chain

Our Planet

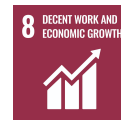
TEXTILES - OEKO-TEX STEP CERTIFICATION



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
<p>OEKO-TEX STeP certification for upholstery ranges</p> <p>Cotton -July 2022</p> <p>Viscose -July 2023</p> <p>Polyester -July 2024</p>	<p>FY23 Cotton - 90% Viscose - 80% Polyester - 82%</p> <p>FY24 Cotton - 89% Viscose - 89% Polyester - 73%</p> <p>FY25 Cotton - 60% Viscose - 65% Polyester - 62%</p>	<p><u>Scope</u> This metric includes all upholstery ranges across DFS and Sofology.(main body fabric only)</p> <p><u>Definition</u> OEKO-TEX® STeP stands for Sustainable Textile & Leather Production and is a modular certification system for production facilities in the textile and leather industry. The goal of STeP is to implement environmentally friendly production processes in the long term, to improve health and safety and to promote socially responsible working conditions at production sites.</p>	<p><u>Unit</u> % of cotton, viscose, and polyester textiles with OEKO-TEX STeP certification.</p> <p><u>Data source</u> We collect data on OEKO-TEX STeP certification directly from our suppliers.</p> <p>Every quarter, we request suppliers to complete a textile information form which provides us with up-to-date information on every textile used in DFS Group product ranges (excluding scatters).</p> <p>On this sheet they confirm the composition of the fabric and whether it holds OEKO-TEX STeP certification. The certification is required for the mill that produces the textile, not our supplier. If the mill is certified, we request a copy of the certificate as evidence.</p> <p>We then validate the certificate using the label checker on the OEKO-TEX website</p> <p>For anything in progress, we request a letter committing to achieving certification within the next 12-months.</p> <p>The supplier responses are then correlated into a master tracking sheet which is used to calculate our results.</p>	<p>Total number of textiles sourced from mills with OEKO-TEX STeP certification / Total number of textiles in our product ranges.</p> <p>We calculate this metric both in aggregate and by textile type (cotton, viscose and polyester).</p> <p>As we are constantly changing our product mix this result is prone to regular fluctuations and is not linear</p>

Our Planet

TEXTILES - BETTER COTTON INITIATIVE



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
<p>Cotton textiles sourced through suppliers with Better Cotton membership (BCI) by July 2024</p>	<p>FY23 43%</p> <p>FY24 37%</p> <p>FY25 19%</p>	<p><u>Scope</u> Metric applies to all upholstery ranges across DFS and Sofology. (main body fabric only)</p> <p><u>Definitions</u> The Better Cotton Initiative (BCI) is a non-profit, multi stakeholder governance group that promotes better standards in cotton farming and practices across twenty-one countries.</p>	<p><u>Unit</u> % BCI certification on all virgin cotton used in upholstery body fabric</p> <p><u>Data source</u> We collect data on Better Cotton directly from our suppliers. Every quarter we request suppliers to complete a textile information form which provides us up to date information on every textile used in DFS Group product ranges (excluding scatters). On this sheet they confirm the composition of the fabric and whether it contains Better Cotton. If so, we request the BCI Membership number. We then validate the membership number on the Better Cotton download (updated every couple of months). If this is not listed, we request a screenshot of their certification on Better Cotton platform.</p> <p>The supplier responses are then compiled into a master tracking sheet which is used to calculate our results.</p> <p>This is for virgin cotton only - any recycled cotton currently excluded from target.</p>	<p>Total number of cotton textiles sourced with BCI membership / Total number of virgin cotton textiles in our product ranges</p> <p>As we are constantly changing our product mix this result is prone to regular fluctuations and is not linear.</p>

Our Planet

PACKAGING - ZERO POLYSTYRENE



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
Zero polystyrene in product packaging by December 2024.	<p>FY23 Home - 3% Upholstery - 100%</p> <p>FY24 Home - 92% Upholstery - 100%</p> <p>FY25 Home - 96% Upholstery - 100%</p>	<p><u>Scope</u> This metric includes all product within the DFS Group. Upholstery has already achieved target so our focus is now on Home Category</p> <p><u>Definitions</u> Polystyrene is a high-impact plastic that is durable and strong. It is made of petroleum and natural gas, which are non-renewable resources. When used in packaging or other objects, it is not easily recycled because it does not easily break down into its original components.</p>	<p><u>Unit</u> % of product with zero polystyrene in its packaging</p> <p><u>Data source</u> Home The commercial team confirms whether there is polystyrene used in the packaging of each new SKU as it comes to market.</p> <p>A document is provided containing every supplier they use and total number of SKUs with polystyrene vs without.</p> <p>This is available as a total count and on a product by product basis.</p>	Number of polystyrene-free SKUs / Total live SKUs within the DFS Home Category.

Our Planet

CARBON REDUCTION - SCOPE 1



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
Reduce Scope 1 & 2 CO2 emissions by a minimum of 54.6% (baseline FY23) by 2033	FY23 15,290 (tCO2e) FY24 14,441 (tCO2e) FY25 14,013(tCO2e)	Scope 1 GHG emissions refers to emissions from stationary combustion, gas heating across our buildings. Mobile combustion from our fleet, (e.g. Petrol, Diesel and Kerosene) It also includes any fugitive emissions in our operation (refrigerants within HVAC systems)	<p><u>Stationary Combustion</u> Our energy consultants, compile the gas usage (based on invoice) across all of our UK sites by month and share the data in a spreadsheet with sustainability team in the required format for uploading directly into the platform. Data for additional fuel used in sprinklers and generators is compiled by the property team</p> <p><u>Mobile Combustion</u> All fuel consumed within commercial vehicles and company own vehicles is tracked using the fuel card system, which is managed by the fleet team. The listing shows the consumption by vehicle type (cars and delivery fleet) and fuel type (petrol and diesel). Electricity consumption data for hybrids and electric vehicles are captured in scope 2, hence out of this scope. Additionally, any fleet emissions not captured within the fuel card system is extracted from our expenses portal and included in the Normative upload. Fuel used for forklifts is compiled by the property team</p> <p><u>Fugitive Emissions</u> Data on our HVAC installations is gathered by our facilities maintenance partner for DFS and the Sofology estate team. It is added to a template and uploaded to the platform</p>	<p>The data is uploaded into the Normative portal and based on the emission factors in their database the emission figure (CO2e) is automatically calculated.</p> <p><u>Emission factors</u></p> <p>Chosen by the normative platform as the most relevant to the material information provided</p>

Our Planet

CARBON REDUCTION - SCOPE 2



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
<p>Reduce Scope 1 & 2 CO2 emissions by a minimum of 54.6% (baseline FY23) by 2033</p>	<p>Market based:</p> <p>FY23 49 (tCO2e)</p> <p>FY24 64 (tCO2e)</p> <p>FY25 61 (tCO2e)</p> <p>Location based:</p> <p>FY23 5,684 (tCO2e)</p> <p>FY24 5529 (tCO2e)</p> <p>FY25 4848 (tCO2e)</p>	<p>Scope 2 GHG emissions refers to indirect emissions from the consumption of grid electricity that we use across the sites within our operational boundaries.</p>	<p><u>Electricity</u></p> <p>Our energy consultant compiles the electricity usage (based on invoice) across our locations by month. This includes the electricity consumption from our on-site EV charging stations. The data is added into the required template (provided by our carbon partner) and then shared with DFS' Sustainability Team who upload the data into the Normative platform. Electricity used to charge company electric vehicles remotely from sites is captured through the company fuel card programme and uploaded to the platform separately, charging done at home is considered as falling into 3.07 employee commuting.</p>	<p>The data is uploaded into the Normative portal and based on the emission factors in their database the emission figure (CO2e) is automatically calculated.</p> <p><u>Emission factors</u></p> <p>Chosen by the normative platform as the most relevant to the material information provided</p>

Our Planet

CARBON REDUCTION - SCOPE 3



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
<p>FY23 - Supplier commitment to calculate their own footprint and set science-based targets within the next 5 years = 20% of scope 3 emissions (FY22/23 spend data as baseline)</p>	<p>FY23 375 (tCO2e)</p> <p>FY24 201k (tCO2e)</p> <p>FY25 254k (tCO2e)</p>	<p>Scope 3 GHG emissions refers to emissions from our supply chain. We track our emissions across 10 scope 3 categories as defined by GHG Protocol</p> <ul style="list-style-type: none"> 3.01-Purchased goods and services 3.02-Capital goods 3.03-Fuel and energy related activities 3.04-Upstream transportation and distribution 3.05-Waste generate in operation 3.06-Business travel 3.07-Employee commuting 3.08-Upstream leased assets 3.11-Use of sold products 3.12-End of life treatment of sold products 	<p>The data used for this scope was a mixture of activity and spend based data.</p> <p>Financial year calculations are done by majority Spend data so it can be validated and used as part of our financial reporting and SBTi reduction pathway. Activity data is only used where it comes from a verifiable source such as a third party eg business travel and waste</p>	<p>The data is uploaded into the Normative portal and based on the emission factors in their database the emission figure (CO2e) is automatically calculated.</p> <p>Emission factors</p> <p>Chosen by the normative platform as the most relevant to the material information provided</p>

Our Planet

CARBON REDUCTION - SCOPE 3



Our Approach	Scope	Methodology
<p>DFS conducts greenhouse gas accounting and reporting in accordance with the Greenhouse Gas Protocol (GHGP), through our carbon partner Normative</p> <p>In order to align ourselves to SBTi we have moved away from using activity data from third parties as it cannot be validated and have calculated the majority of this years scope 3 emissions (purchased goods and services) based on our spend data other then in key areas where we hold the data such as commuting and waste</p> <p>We will continue to adjust our methodologies where required to align with the Greenhouse Gas Protocol and The Science Based Targets Initiative</p>	3.01	<p><u>Manufacturing Partners</u> These were all calculated using Spend based data. Where possible, we used material specific emissions for spend for DFS Manufacturing.</p> <p><u>Goods Not For Resale Suppliers and service partners</u> These were all calculated using Spend based data</p>
	3.02	<p><u>Capital Goods</u> Calculated using spend data</p>
	3.04	<p><u>Upstream transport and distribution</u> Calculated using activity data sourced from key areas within the business including fully mapped data for all of our Far East and Euro air, sea and rail shipments as well as trucking and deliveries carried out by third party logistics partners</p>
	3.05	<p><u>Waste Generated in Operations</u> Calculated in full using activity data from our multiple commercial waste and recycling contractors</p>
	3.06	<p><u>Business Travel</u> Booked through contracts with specialist providers which allowed for accurate, auditable activity data covering all hotels stays and air, sea and rail travel. Anything not captured on the platform was pulled from the expense portal NOTE - SBTi calculation methodology does not include emissions hotels stays (see page 14 for full breakdown of variance)</p>

Our Planet

CARBON REDUCTION - SCOPE 3



Our Approach	Scope	Methodology
<p>Exclusions</p> <p>We have excluded 6 categories from our GHGP calculations as they do not apply to the operational or financial structure of DFS Group</p> <p>3.08 - currently none to report</p> <p>3.09 - All deliveries are completed by The Sofa Delivery Company or an upstream transportation partner</p> <p>3.10 - DFS only sells finished products</p> <p>3.13 - DFS Group is not a lessor of any assets to third parties.</p> <p>3.14 - DFS Group does not own any franchises.</p> <p>3.15 - DFS Group does not does not possess any investments for profit or otherwise.</p>	3.07	<p><u>Employee Commuting</u></p> <p>Captured through an Employee Survey we asked specific questions to gather as much commuter information as possible, this survey will be run annually</p> <p>NOTE - SBTi calculation methodology does not include emissions for working from home (see page 14 for full breakdown of variance)</p>
	3.11	<p><u>Use of Sold Products</u></p> <p>Calculated using activity data collected from our various website providers on the number and location of views. Assumptions were also made on the use of electricity for recliners based on information provided from Athena our internal data bank by the data team and figures on average usage and watts provided by Satra</p> <p>NOTE - SBTi calculation methodology does not include emissions for website usage (see page 14 for full breakdown of variance)</p>
	3.12	<p><u>End-of-life Emissions</u></p> <p>Calculated using product sales data and weights pulled from Athena our internal data bank. Assumptions about WEEE recycling made using data based on units sold and weight of electrical components</p>

***Carbon Recalculation Policy**

If actual emissions vary by more than $\pm 5\%$ from the initial figures, a recalculation will be triggered. This applies to any scope (1, 2, or 3) where data deviations impact reported totals. Recalculations must be documented, justified, and verified by the data owner. Updated figures will be disclosed in the next reporting cycle, and material changes will be communicated to stakeholders.

Our Planet

CARBON REDUCTION - SCOPE 3



Our Approach	Methodology				
<p>SBTI Variance</p> <p>SBTI excludes some categories of scope 3, for visibility these are highlighted below.</p> <p>3.06-Business travel Hotel stays</p> <p>3.07-Employee commuting Working from Home emissions</p> <p>3.11-Use of sold products Website Usage</p>					
		FY25	FY24	% Increase/ (decrease)	FY23
	3.06-Business travel*	1,170.22	770.46		603.22
	Hotel stays	-84.63	-66.83	54.28	-75.28
	3.07-Employee commuting*	3,386.07	3,462.73		3,799.74
	Working from Home emissions	-22.74	-29.40	-2.04	-37.89
	3.11-Use of sold products*	304.03	333.75		264.35
	Website Usage	-28.19	-31.75	-8.66	-17.00
Carbon Recalculation Policy	<p>If actual emissions vary by more than $\pm 5\%$ from the initial figures, a recalculation will be triggered. This applies to any scope (1, 2, or 3) where data deviations impact reported totals. Recalculations must be documented, justified, and verified by the data owner. Updated figures will be disclosed in the next reporting cycle, and material changes will be communicated to stakeholders.</p>				

Our People

PROTECTED CHARACTERISTICS



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
50% of employees engaged in data collection of protected characteristics in order to set more specific diversity targets by December 2023	<p>FY23 63%</p> <p>FY24 2960/4730= 63%</p> <p>FY25 3,363/4705= 71%</p>	<p><u>Scope</u> All colleagues across DFS Group.</p> <p><u>Definition</u> Protected characteristics are personal characteristics that are protected by law against discrimination. In the UK, there are nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.</p>	<p><u>Unit</u> % of colleagues who completed YourSay survey</p> <p><u>Data source</u> In March 2023, we conducted our first in-house colleague engagement survey called Your Say, which included capturing colleague's demographic data. This process is repeated annually.</p> <p>The total number of colleagues is calculated as the total headcount of colleagues recorded in our HR system as of 30 June 2025.</p> <p>The figure included is the lowest response rate across all demographic data fields, which for FY25 is 'Sexual Orientation'.</p>	Colleagues who completed YourSay survey and shared their protected characteristics / Total colleagues across DFS group

Our People

GENDER EQUALITY



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
A minimum 50% of showroom management will be female by Dec 2024 (set in 2021)	FY21 24:76 FY22 29:71 FY23 33:67 FY24 32:68 FY25 33:67	All colleagues across DFS Group. <u>Store Managers</u> We define showroom management as colleagues who work in our stores within Grade D and above; DFS: BGMs, AMs, and Manager Designate Sofology: Snr Store Manager, Store Manager, DSMs	<u>Data source</u> Gender information is collected from the colleague's information within our HR system. The total number of colleagues is calculated as the total headcount of colleagues recorded in our HR system as of 30 June 2025.	Number of female showroom managers included in roles in scope/ Total number of showroom managers across DFS Group in scope

Packaging

RECYCLED PLASTIC PACKAGING



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
50% Recycled content in all plastic Packaging June 2026	<p>FY24 Baseline:</p> <p>9.88%</p> <p>(50% content and above - June 24)</p> <p>FY25: 10.73%</p>	<p><u>Scope</u></p> <p>Target applies to all product packaging used by GFS suppliers (Home and Upholstery). All GNFR suppliers excluded</p> <p><u>Definition</u></p> <p>50% recycled plastic packaging would not only reduce tax costs but lower the Group carbon footprint. Additionally it would ensure the business is ready should the tax criteria (percentage content or cost) increase in the near future.</p>	<p><u>Data source</u></p> <p>We collect data on plastic packaging directly from our suppliers.</p> <p>Bi-annually we ask suppliers to complete a packaging request which provides us with up-to-date information on every plastic type used in DFS Group product packaging.</p> <p>On this form, the supplier confirms the plastic type, country of origin and percentage of recycled content. If any plastics listed do contain recycled content, we request a copy of the relevant certificate or a declaration from the supplier as evidence.</p>	<p>Total number of plastics used for packaging which contain 50% recycled content or more / Total number of plastics used for packaging across all of our ranges.</p>

Our Planet

TEXTILES



Target	Performance	Scope and Definition	Data Source and Unit	Calculation
20% of all new textiles contain recycled content by 2027	FY24 Baseline: 3.97% FY25: 5.6%	<p><u>Scope</u></p> <p>Target applies to all new upholstery ranges (main body fabric only)</p> <p><u>Definition</u></p> <p>Textile production is resource intensive contributing to climate change, pollution, water scarcity change and loss of biodiversity. Using textiles made with recycled content helps to minimise our impact as we work towards circularity</p>	<p><u>Data source</u></p> <p>We collect data on textiles directly from our suppliers.</p> <p>Every quarter, we request suppliers to complete a textile information form which provides us with up-to-date information on every textile used in DFS Group product ranges (main body fabric only)).</p> <p>On this sheet they confirm the composition of the fabric and whether it contains recycled content. If a textile does contain recycled content we request a copy of the relevant certificate or a declaration from the supplier as evidence.</p>	<p>Total number of textiles containing recycled content (with evidence) / Total number of textiles - in new ranges from July 24</p>

Our Planet

WASTE



Our Approach	Data	Scope	Methodology
<p>At DFS Group we are focused on reducing our impact on the planet, whilst aligning with all current and future waste legislation.</p> <p>We do this by ensuring any waste we generate is handled and disposed of in the most sustainable method. We are keen to recycle and reuse as much as possible with the eventual aim of achieving zero waste to landfill.</p>	<p>FY25 - Waste Outcomes (tco2e)</p> <p>Incineration (RDF) - 16.57</p> <p>Anaerobic Digestion - 0.21</p> <p>Recycled - 36.01</p> <p>Landfill - 192.17</p>	<p>We currently have contracts with a number of different waste disposal providers to meet the needs of our brands.</p> <p>These include bulk waste disposal, confidential waste shredding, timber waste and hygiene waste.</p> <p>Our primary provider is Biffa who this year handled approx half of all our generated waste</p>	<p>Our waste partners provide us with data evidencing;</p> <ul style="list-style-type: none"> - The frequency of collections, - The volume and type of waste collected from each site in our portfolio - The type of waste disposal used (incineration, anaerobic digestion, recycled or landfill) <p>We use this data to calculate overall waste and treatment outcomes to track our success and guide us on our future plans</p>

Our Planet

WATER



Our Approach	Data	Scope	Methodology
<p>Our operations do not contribute significantly to the Group's water use, but we recognise that freshwater is finite and good governance is essential.</p> <p>To this end we monitor and report the businesses consumption across its operations and try to minimise our consumption, where possible</p>	<p>FY25 - Est Usage</p> <p>67,352,000 Litres</p>	<ul style="list-style-type: none"> - Using technology to continually monitor and assess our consumption; - Improving monitoring and setting reduction targets when we have a sufficiently robust baseline - Encouraging a water-saving mindset among colleagues to drive behaviour change. 	<p>As of the reporting period, we have accurate water consumption data for approximately 70% of our property portfolio. This figure reflects the portion of sites where metered data is available and accessible for reporting purposes.</p> <p>The remaining 30% of sites either lack water meters entirely or are equipped with analogue meters that do not provide timely or site-specific usage data. In some cases, these meters are managed by third-party landlords or form part of shared utility arrangements, further limiting our access to reliable consumption figures.</p> <p>As such, our reported water data is based on actual readings from metered sites only. We continue to explore opportunities to expand metering coverage and improve data quality across the full estate as part of our broader resource efficiency strategy.</p>

Data is correct as of 30th June 2025

(Figures are not static - up to 10% of these figures are in audit or unverified at any time)

If you have any queries or would like further information, please contact us at:

sustainability@dfs.co.uk

