

A CIRCULAR APPROACH

Our strategy follows a circular approach, based on the life cycle of a sofa. All the way from the raw materials we source, the manufacture, sale and delivery of the sofa, right through to the end of the sofa's life.

The aim is to capture the complex and interlinked aspects of a sofa's life in one place, and ensure we build in sustainability wherever we can. For example, through ensuring we source FSC-compliant wood for the frames, or by planning the most efficient drop-off route for customer deliveries to minimise carbon emissions.



THE SOFA CYCLE

Our thinking follows the concept of the circular economy, which aims to keep products in use for longer, by reusing, recycling, or remaking; so any waste becomes the beginning of another process or a recovered resource. This approach is in contrast to the traditional linear economy, which takes materials from the earth, makes something, and then disposes of it.

The Sofa Cycle helps us visually articulate shared Group-level objectives. Each of our businesses can then use the Cycle to create activities and policies relevant to their brand, their size and their customers. It also has the flexibility to evolve over time as our business becomes circular in its approach, and the evolution of sustainable practices enables us to do more.

We appreciate that the Sofa Cycle very much addresses the product aspects of our business, rather than being people-focused. This acknowledges the fact that we can't address all aspects of ESG at once, and must take it step by step. Of course, people issues are vital - and we believe we are already good employers - so we will look to add more colleague-based initiatives in Phase 2 of our ESG strategy.

Roll over the images around the Sofa Cycle opposite to discover more.

Please download and view using Adobe Acrobat to see the interactive version



INITIATIVES LAUNCHED IN 2020

Within the Sofa Cycle, we have our crucial day-to-day business policies and initiatives - what we call our Foundation activities. Plus we run our big customer-facing Flagship projects.

We understand the importance of walking and talking in equal measure, by maintaining a good balance between the internal Foundation sustainability programmes and our Flagship initiatives.

Our ESG strategy launches with two of each, and you can follow the links across the page to read more about them.



Foundation initiative

SOURCING OUR WOOD AND LEATHER

We've been working hard to source wood as sustainably as possible, and we want to go further by contributing to reforestation. We also want to ensure the leather we use doesn't lead to deforestation. We're working with our suppliers on a rigorous verification programme for both, including lists of what we will not accept in our furniture, and have recently updated our policies on timber and introduced a new policy on the leather we use.

> See our 2020 Foundation activities

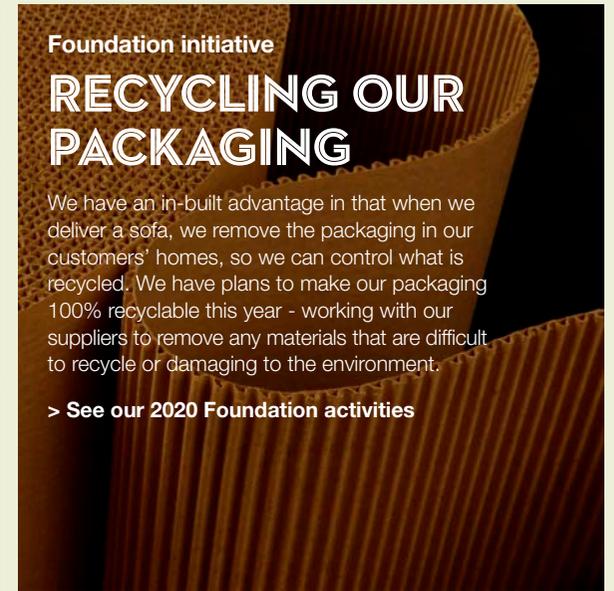


Flagship initiative

PLANTREE

Deforestation has become a massive global problem. While we work hard to source wood as sustainably as possible, we want to go further and contribute significantly to reforestation. That's the aim of Sofology's PlanTree campaign, where for every sofa order, we plant a tree in the UK, as part of accredited reforestation schemes run by the Woodland Trust. It's been so successful, we're rolling out similar schemes across our DFS Group companies.

> Discover PlanTree



Foundation initiative

RECYCLING OUR PACKAGING

We have an in-built advantage in that when we deliver a sofa, we remove the packaging in our customers' homes, so we can control what is recycled. We have plans to make our packaging 100% recyclable this year - working with our suppliers to remove any materials that are difficult to recycle or damaging to the environment.

> See our 2020 Foundation activities



Flagship initiative

SOFA RESCUE

Getting rid of an old sofa responsibly and conveniently is a real issue for customers. Unless old sofas are passed on to family, friends or charity, many go into landfill. Our experienced specialist partner Clearabee will collect customers old sofas and take them to the nearest recycling centre where it will be broken down to its component parts to reuse, recycle or create new energy.

> Discover Sofa Rescue

OUR PHASE 1 ESG TARGETS

Our Foundation activities

Our Foundation activities include tackling the major environmental and supply chain issues we face in our day-to-day business. This year we set agreed targets across the Group for Phase 1 of our ESG strategy, showing what we need to do over the next five years. Some of our brands may achieve these targets earlier than shown here. We will monitor, adjust and report against our targets annually, with the aim of always improving.

You can discover more about our **Foundation activities here.**

E: Environmental - reducing the impact we have on the planet

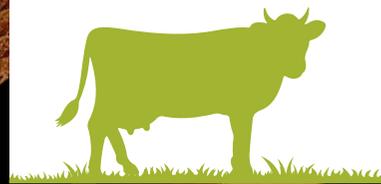
Wood sourcing

Wood sourcing - by 2025, we will build all our sofas using 100% FSC-certified wood.



Leather sourcing

By December 2021, the leather we use will not cause deforestation in the Amazon or anywhere else.



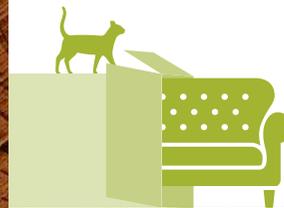
Plastic packaging

By December 2020, we'll ensure all the plastic packaging we use is recyclable.



Sofa packaging

By December 2020, we will recycle 85% of our sofa packaging.
By December 2022, we will recycle all our sofa packaging.



CO₂ reduction

By 2023, we will reduce the CO₂ emissions from our sofa delivery company by at least 10%.



CO₂ mitigation

By December 2020 we will offset all our scope 1 and 2 emissions for our UK operation.



OUR PHASE 1 ESG TARGETS (CONTINUED)

S: Social - our colleagues and our communities

Diversity

50%

minimum female representation for all Group apprenticeship programmes from 2020.

Diversity

50%

minimum female representation for all Group management development programmes by the end of 2020.

Diversity

50%

of store managers will be female by December 2024.

Charity and community

1,150

minimum paid days of volunteering for local communities across the Group by 2021.

G: Governance - how we manage what we do

Health and safety

**ISO
45001**

certified from December 2021.

Environmental management

**ISO
14001**

certified from December 2021.

Modern slavery

**DEC
2021**

onwards we will have independent ethical audits of our supply chain.