

Independent Limited Assurance Report

to the Directors of DFS Furniture PLC (“DFS”)

DFS Furniture PLC (“DFS”) commissioned DNV Business Assurance Services UK Limited (“DNV”, “we”, or “us”) to undertake independent assurance of selected Key Performance Indicators published in the ‘DFS Annual Report’ (the “Report”) for the financial year ended 30th June 2023.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained below.

Selected Information

The scope and boundary of our work is restricted to the key performance indicators (KPI’s) included within the Report (the “Selected Information”), listed below:

Indicators	Unit
DFS Scope 1 Greenhouse Gas (GHG) emissions intensity for the financial year 1 st July 2022 to 30 th June 2023	Tonnes of Carbon Dioxide equivalent (tCO ₂ e) per £ million gross sales
DFS Scope 2 Greenhouse Gas (GHG) emissions intensity for the financial year 1 st July 2022 to 30 th June 2023	Tonnes of Carbon Dioxide equivalent (tCO ₂ e) per £ million gross sales

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used DFS’s reporting criteria which include the KPI definitions as described in the Report and are stated above.

We have previously provided assurance on Calendar Year 2021 Scope 1 GHG emissions reduction, FSC Chain of Custody supplier certification and percentage of store management team who are female. This work was in relation to a Sustainability Linked Loan and completed in April 2022. This work scope, plus an additional indicator – Percentage of Suppliers with Leather Working Group (LWG) certification at 31st December 2022, was repeated in Spring 2023 on Calendar Year 2022 data.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Reviewing DFS’s internal protocols and basis of measurement documentation;
- Conducting interviews with DFS’s management and its relevant suppliers regarding energy procurement and management and carbon emissions reporting, to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and the context provided to us by DFS for the Selected Information is prepared in line with the Criteria; and
- Reading the relevant Report extract and narrative accompanying the Selected Information to confirm it is in line with the Criteria.
- We adopted a 5% materiality threshold for this assurance.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by DFS have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.



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to the Directors of DFS Furniture PLC (“DFS”)

WHEN TRUST MATTERS

Our observations and areas for improvement will be raised in a separate report to DFS’s Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

Data Quality

The accuracy, balance, clarity, comparability, reliability and timeliness of information presented in the Report, as well as the quality of underlying data management systems.

1. The provision of KPI protocols, including the methodology for compilation, sources of data, in scope and out of scope data, dates of determination and roles and responsibilities, provides the basis for an audit trail and supports consistent and accurate reporting. During the assurance process a Scope 2 protocol has been issued and the Scope 1 protocol updated. We recommend these are developed with further detail so every step of the data gathering process is defined.
2. DFS switched suppliers and platform to calculate its Greenhouse Gas emissions in 2023. We were able to gain confidence in the controls and approach used by the platform. Data consolidated into the reporting templates required for data input was not linked to the source records introducing potential for transposition errors. We recommend these are linked in future.
3. DFS continued to improve the completeness of the data with the inclusion of minor Scope 1 GHG emission sources from forklifts, a biomass burner, data from the spend ledger and back-up diesel generators.
4. We found minor data errors which were corrected during the process or were insignificant and under the materiality threshold.
5. We recommend DFS provides guidance and training to all team members involved in data collection so there is a consistent audit trail, estimations and assumptions are documented (where actual data is unavailable), all sources are fully referenced and internal controls to check input data are improved.

Standards used and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

We utilised the Global Reporting Initiative (GRI) Reporting Standards 101 Foundation:2016 Reporting Principles for defining report quality: Accuracy, Balance, Clarity, Comparability, Reliability, Timeliness and the WBCSD/WRI Greenhouse Gas Protocol 2015 as criteria to test the data against.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Responsibilities of the Directors of DFS and DNV

The Directors of DFS have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to DFS in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. <https://www.dnv.co.uk/services/independent-assurance-for-sustainability-linked-loans-and-rcfs-173397>

