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DFS Furniture Group Water Policy

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Version Control

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Review History

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Reviewers

| Version | Reviewer Name | Reviewer Role | Review Date |
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| V1 | GLT | Group Leadership Team | October 202 |
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Authorised by

| Version | Approver Name | Approver Role | Approved Date |
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Water Policy

1. POLICY STATEMENT

1.1 Water is essential to life on this planet, so it's important that it is managed in a responsible and sustainable way. As the market-leading sofa retailer, DFS Furniture PLC (the "DFS Group") recognises the issues that water scarcity and water contamination can cause as well as its responsibility in maintaining the world's ecosystems.

1.2 This policy applies to the management approach of the use of water in our own operations and our expectations of our suppliers.

1.3 This policy will be reviewed at least annually for accuracy, completeness and relevance.

2. OUR APPROACH

2.1 The DFS Group uses relatively little water in our direct operations for a business of our size or in the manufacturing of our product. However, we recognise the use of water in aspects of our value chain, including in the raw material processing of leather and cotton.

2.2 We recognise that freshwater is a finite and precious resource that we share across the globe and must treat it with respect. We consider water to be a natural capital that must be protected for future generations.

2.3 The DFS Group recognise that good practice of water management is essential to sustainable life on this planet

2.4 Our approach to ethical and responsible sourcing ensures that we maintain ethical standards whilst providing our customers with the best products.

2.5 This policy should be read in conjunction with our Environmental, Sustainable Sourcing Policy and Leather Sourcing policies and forms part of the DFS Group's Environmental, Social and Governance Programme, whereby we report annually.

3. OUR COMMITMENT

- Continually monitoring and assessing our operational use of water using technology and acting upon opportunities to minimise consumption where possible
- We will set reduction targets on our operational consumption of water when we have a sufficiently robust baseline
- Monitor and risk assess our consumption relative to each site's water basins using publicly available data integrated into our Environment Management System
- We will encourage a water-saving mindset with our colleagues, highlighting opportunities to minimise their consumption
- We will engage our manufacturing partners and wider value chain to risk assess the consumption of water in the production of our product and seek efficiencies and the implementation of management

systems where needed

4. DFS Group Risk Management Procedure

OUR OPERATIONS

- DFS Group will assess and monitor our water consumption across all our sites using data monitors to identify anomalies in consumption to identify infrastructure issues
- We will review our water impacts using the WWF Water Risk tool to identify the impacts and dependencies of water in our operations
- Using the monitoring data, we will work to address issues identified where they are in our control or collaborate with businesses and organisations where needed
- We will continually review initiatives to reduce water consumption used in our operations, where possible, and benchmark our efforts against our baseline

OUR VALUE CHAIN

- DFS Group will work with our direct suppliers to develop value chain maps to identify products and processes that have water impacts and dependencies and assess these using the WWF Water Risk Tool
- In our Leather supply chains, Wet Blue/Curers and Tanneries are required to achieve Leather Working Group (LWG) certification by December 2024. LWG certification includes water management assessments, including consumption monitoring and waste treatment standards, amongst others, which our value chains will need to comply with to be certified.
- All main-body upholstery textiles used in our upholstery should be manufactured in OEKO-TEX STeP-certified mills by July 2024. The OEKO-TEX STeP certification includes water management criteria with an integrated water and carbon assessment tool and stipulates best practices in the treatment of chemicals and wastewater treatment, particularly in the dyeing process.
- All cotton, a textile with intensive water cultivation and production methods, should be Better Cotton Initiative ((BCI), a chain of custody initiative which supports farmers and businesses who utilise sustainable practices which meet the BCI criteria. The BCI protocol integrates better water stewardship.

DFS Group will continually engage, review and assess the impacts of our products and value chain and update the requirements as required.

6. Approval

This policy has been approved by the Responsible and Sustainable Business Committee, a committee of the Board of Directors of DFS Furniture PLC. It is not part of any employee's employment contract, and we may amend it at any time.

9 November 2023