



## **DFS Furniture PLC**

### **Responsible and Sustainable Business Committee –**

#### **Terms of Reference**

##### **1. Constitution**

The Responsible and Sustainable Business Committee (“Committee”) was constituted as a committee of the board of directors of DFS Furniture PLC (“Company”) at a meeting of the Board of Directors held on 14 September 2021 in accordance with the articles of association of the Company. These Terms of Reference will be published on the corporate website.

1.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference.

1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit including, without limitation, the establishment of sub-committees which are to report back to the Committee.

##### **2. Duties**

2.1 The Committee shall carry out the following duties for the Company and its subsidiaries (Group) and advise the Board appropriately on the key areas of focus:

- Social - our People (Inclusion & Diversity) & our Communities (Charity and volunteering, Modern Slavery)
- Environmental - Our Planet (Sustainable sourcing, carbon reduction and circular business)
- Governance - Compliance, legal and regulatory requirements, reporting and ethics

as these form part of the Group’s overall ESG strategy. To ensure the Group uses its experience, scale, and influence to bring about positive change for our stakeholders and the wider society.

(a) ensure that the Group’s responsibility and sustainability strategy is appropriate and that it remains fit for purpose and consistent with the Group’s purpose, culture and values whilst supporting the Group’s long-term sustainable success;

- (b) oversee and make recommendations to the Board on the proposed short and long-term objectives, the ESG Targets and on the key metrics;
- (c) monitor and review the effectiveness of the Company's strategy and the governance in place to ensure the successful delivery of agreed ESG Targets and the Group's overall ESG strategy;
- (d) monitor key projects developed in response to implementing the Company strategy in relation to the key areas of focus;
- (e) ensure that all relevant codes of practice and policies are regularly reviewed and updated and remain in compliance with any relevant national and international laws and regulations;
- (f) receive regular reports from the management teams tasked with implementing the ESG strategy for the brand;
- (g) monitor, review, and approve all recommendations and procedures in response to our key areas of focus and review the execution and implementation of plans previously approved by the Committee;
- (h) monitor, review, and consider stakeholder engagement in activities and review key external disclosures;
- (i) any other matter referred to it by the Board or another Board Committee; and
- (j) approve the Responsibility and Sustainability report included in the Company's Annual Report and any other external reporting on the Group's ESG strategy.

### **3. Reporting responsibilities**

3.1 The Committee Chair and/or any other member so nominated by the Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The minutes of the Committee meeting will be circulated to the Board for noting.

3.2 The Committee shall make whatever recommendations to the Board or the Audit and Risk Committee it deems appropriate on any area within its remit where action or improvement is needed.

### **4. Membership**

4.1 The RSC Committee shall consist of at least four members (the "Committee"), each of whom shall be appointed by the Board on the recommendation of the Nomination Committee of the Board.

4.2 The Committee will comprise at least three independent non-executive directors and the CEO. Other Directors may attend Committee meetings but only members of the Committee

have the right to vote on any decision. Other Group colleagues and external advisers may be invited to attend all or any part of any meeting as and when appropriate and necessary.

4.3 The Board shall appoint the Committee Chair from the independent non-executive director members. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Board shall not be Committee Chair.

4.4 The Committee Chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

## **5. Secretary**

5.1 The Company Secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## **6. Meetings**

6.1 The quorum necessary for the transaction of business shall be a majority of members present in person or linked by telephone or video conference facilities. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6.2 The Committee shall meet at least three times a year and at such other times as its business requires as determined by its members or the Chair.

## **7. Notice of meetings**

7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.

7.2 The Secretary of the Committee shall give notice of each meeting confirming the venue, time, and date together with an agenda of items to be discussed and any supporting documentation to each member of the Committee and any other person required to attend no later than three working days before the date of the meeting.

## **8. Minutes of meetings**

8.1 The Secretary of the Committee (or their nominee) shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

8.2 Minutes of Committee meetings should be circulated promptly to all members of the Committee and once agreed, circulated to all members of the Board.

## **9. Authority**

9.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

9.2 The Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice on matters within its terms of reference.

## **10. Decisions of the Committee**

Any decisions of the Committee shall be taken on a simple majority basis. The Chair shall have a casting vote in the event of equality of voting.

## **11. Other matters**

The Committee shall: (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

(b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

(c) at least once a year review its own performance, constitution, and terms of reference to ensure it is operating appropriately and recommend any changes it considers necessary to the Board for approval; and (d) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the Companies Act 2006 and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules, the Task Force on Climate-related Financial Disclosures, the Sustainability Accounting Standards Board (SASB) Framework, and any other applicable rules and regulations, as appropriate.

As adopted by the Board on 11 July 2024

DFS Furniture PLC