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DFS Furniture Group Timber Policy

Timber Policy

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Version Control

V	Last Modified By	Change Description	Last Modified On
	R Bayles	Draft approved by the Board	17/02/2022

Review History

V	Document Owner	Review Comments	Reviewed Date
	K Wright	Next review March 2023	/03/2023

Reviewers

V	Reviewer Name	Reviewer Role	Review Date
	Liz McDonald	General Counsel & Company Secretary	/03/2023

Authorised by

V	Approver Name	Approver Role	Approved Date
	RSC Committee	RSC Committee	03/03/2022

Related Documents

Document Name	Document Location
Environmental Policy	DFS Corporate Website
Leather Policy	DFS Corporate Website
Group Code of Conduct	DFS Corporate Website

1. POLICY STATEMENT

- 1.1 Timber is an extensively used material throughout the homeware industry and it is important that it is sourced in a responsible and sustainable way. As the market leading sofa retailer, DFS Furniture PLC (the “DFS Group”) recognises the issues that deforestation causes and its responsibility in maintaining the world’s forest cover.
- 1.2 This policy applies to all products purchased by the DFS Group containing any amount of timber, whether for sale to our customers, or for use in our business.
- 1.3 This policy will be reviewed at least annually for accuracy, completeness and relevance.

2. OUR APPROACH

- 2.1 The DFS Group use timber in the vast majority of our products, due to its abundant nature, strength as a raw material and malleable properties.
- 2.2 We recognise that the forests from which we derive the timber we use is a renewable resource that captures carbon emissions and is at the center of the world’s efforts in combatting climate change – an issue which affects us all.
- 2.3 The DFS Group recognise that good practice throughout the timber sourcing process is essential to ensure sustainability.
- 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 and Leather Sourcing policies and forms part of the DFS Group’s Environmental, Social and Governance Programme, whereby we report annually. This programme is subject to third-party audits.

3. OUR COMMITMENT

- 3.1 The DFS Group Commit to:

Sourcing all our timber from supply chains which meet our Timber Minimum Performance Requirements:

- All timber used in DFS Group products must come from sources that do not contribute to deforestation in any part of the supply chain involving our products.
- Timber used in timber manufactured products for DFS Group products must come from sources that are proven (via appropriate due diligence) legal sources.
- Timber used in timber manufactured components or products for DFS Group products **must not come from:**

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- Any species listed on the three CITES Appendices
 - Forests managed or harvested in violation of traditional or human rights
 - Forests with high conservation values where harvesting regularly impacts on those values
 - Natural tropical rainforests or dry zone forests unless they are FSC certified
 - The supplier **must** declare the species, and country of harvest for all products containing timber – prior to production of products supplied to the DFS Group
 - All timber-containing products will be subject to DFS Group’s Risk Management Procedure (below).
- ii. Manage our impact on timber production and contribute significantly to reforestation efforts. We currently do this by:
- Planting a tree for every sofa order delivered, through our PlanTree and Planting Promise commitments.
 - Partnering with the Woodland Trust and planting trees through schemes such as the Carbon scheme (whereby we planted over 94,000 trees during 2021)

4. DFS Group Risk Management Procedure

4.1 All suppliers of products containing timber are subject to the below procedure:

- i. We seek to develop and maintain mutually beneficial and longstanding relationships with all our supplying partners, supporting trusted and efficient communication between parties in the assessment of risk.
- ii. We regularly visit our suppliers. During those visits, we will clearly communicate the requirements of this Policy, and make it clear that it applies to every link in each timber supply chain.
- iii. It is the supplier’s responsibility to ensure the requirements of this policy are effectively communicated to their suppliers, and to obtain information requested by us as part of our risk management procedures.
- iv. The DFS Group conducts at minimum, an annual Risk Assessment process to establish and review risk indicators for timber products and the associated supply chains (e.g. species, country of harvest, purchase volume, Supplier).

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From this, the DFS Group will calculate product/supply chain risk ratings (either Specified or Negligible), based on the assessed levels of risk, and the extent to which those risks are mitigated by the requested documentary evidence (that documents compliance with this Policy).

- v. The DFS Group has a robust Risk Monitoring system for all timber products. For supply chains that are rated as a specified risk, we may assess Policy compliance for each shipment. We will only continue to buy timber products from Specified Risk supply chains for a specified period which will be set by the DFS Group and agreed by all parties. At the end of the period if the supplier's supply chains and products are still rated as a Specified risk, we will cease trade with that supplier. For Negligible risk supply chains, we will undertake due diligence annually. Risk Monitoring includes:
 - Working with supplies to create Supply Chain Diagrams which will include the identification of all the links in the supply chain from the forest of harvest to the DFS Group.
 - Collecting mitigating documentary evidence of Policy compliance (proportionate to the risk of non-compliance) from the business shown in the Supply Chain Diagram.

- vi. We have a clear Risk Mitigation plan for timber products:
 - We insist that our suppliers source from FSC certified forests and ensure timber components are delivered to the DFS Group via FSC certified chains of custody.
 - We will not accept production from suppliers where information required to assess Risk is not provided with the agreed timetable.

5. Approval

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

Alison Hutchinson C.B.E
Senior Independent Director & RSC Committee Chair, DFS Furniture PLC
3 March 2022