



## **DFS Furniture Group Leather Policy**

# Leather Policy

<b>Contents</b>	<b>2</b>
<b>Document Control</b>	<b>2</b>
Version Control	2
Review History	2
Reviewers	2
Approvers	2
<b>I. Policy</b>	<b>3</b>

## 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
Group Timber Policy	DFS Corporate Website
Group Code of Conduct	DFS Corporate Website

## 1. POLICY STATEMENT

- 1.1 Animal derived materials, such as leather, are extensively used throughout the homeware industry and it is important that these materials are sourced in a responsible way. As the market leading sofa retailer, DFS Furniture PLC (“DFS Group”) recognises its responsibility to uphold stringent standards in the leather production process throughout our supply chain.
- 1.2 This policy applies to all products containing leather purchased by the DFS Group, 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 Natural leather is a beautiful, hard-wearing and desirable material used widely in the DFS Group’s products. Our leather is natural, synthetic and a by-product of the meat industry.
- 2.2 The DFS Group recognise that good practice throughout the leather sourcing and production process is essential to uphold animal welfare standards, and to avoid environmental and social damage.
- 2.3 We endeavor to mitigate any pollution of water through the processes involved in the tanning and colouring of hides.
- 2.4 Our approach to 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 Timber 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 leather from supply chains which meet our Leather Minimum Performance Requirements:

- All leather used in DFS Group products must come from animal skins which are a by-product of the meat industry.
- Animal skins used in leather production for DFS Group products **must not** be obtained from aborted or live animals or from endangered species (including any species listed on the three CITES Appendices).

## Leather Policy

- The Supplying partner must declare the species of animal and country of slaughter for all products containing leather – prior to the production for the DFS Group.
- The DFS Group will require evidence from its supplying partners to demonstrate that their leather supply chains do not contribute to deforestation.
- All leather-containing products will be subject to DFS Group's Risk Management Procedure (below).

### 4. DFS Group Risk Management Procedure

4.1 All suppliers of products containing leather 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 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 leather supply chain. We make it clear that our specification of leather includes full traceability from product to animal origin which applies to every link in each leather 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 leather products and the associated supply chains (e.g. species, country of slaughter, purchase volume supplier). In addition, supplying partners undergo an annual audit against the DFS Code of Practice, where leather is traced from product to animal origin. From this, the DFS Group can identify product/supply chain risks based on assessed levels of risk and the extent to which those risks are mitigated by requested documentary evidence (that demonstrates compliance with this Policy).
- v. The DFS Group has a robust Risk Monitoring system for all leather products. For supply chains that are rated as High Risk, we may assess Policy compliance for each shipment. We will only continue to buy leather products from High Risk supply chains for a specified period which will be set by the DFS Group and agreed by all parties. At the end of that period if the supplying partners supply chains and products are still rated as High Risk, we will cease trade with that Supplier. For low risk supply chains, we will undertake due diligence annually. Risk Monitoring includes:

## Leather Policy

- Working with suppliers to create Supply Chain Diagrams (mapping their sources of supply as far back as possible – in some cases to farm level).
- Collecting Documentary Evidence of Policy compliance from the businesses shown in the Supply Chain Diagram.
- Requiring species and country of slaughter disclosure for each product.
- Suppliers may be instructed to conduct additional third party due diligence at their expense and share findings with DFS Group to help monitor and assess risk.
- DFS Group is committed to establishing best practices within the leather industry and expects all leather tanneries and finishers within a manufacturers supply chain to be Leather Working Group certified by December 2024.

**vi.** We have clear Risk Mitigation plan for leather products:

- We will insist that our supplying partners source from tanneries which meet Leather Working Group standards.
- We will not accept production from supplying partners where information required to assess the level of Risk is not provided within 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 employee's 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