

Independent Assurance Statement to Dunelm Group Plc ('Dunelm') Management

Scope

We have been engaged by the management of Dunelm (Soft Furnishings) Ltd on behalf of Dunelm Group plc to perform a 'limited assurance engagement' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Dunelm Group plc's selected performance data (the "Subject Matter") indicated with a green RCF flag "RCF" within Dunelm Group plc's Annual Report and Accounts (the "Report") for the period from 27th June 2021 to 2nd July 2022 (FY22), namely;

- The reduction in Dunelm's Scope 1 greenhouse gas emissions on a tCO₂e/£1m Group revenue basis against the FY19 baseline (Pages 34 and 67)
- The percentage of own brand cotton products which meet Dunelm's 'More Responsibly Sourced' standard (Page 35 and 67)
- The percentage reduction in virgin plastic packaging of own brand products (by weight g per £1 turnover) against the FY20 baseline (Pages 35 and 67)
- The percentage of the Dunelm range which can be taken back, by percentage of total sales value (Pages 35 and 67)

We have only sought evidence to support the FY22 performance data across the Subject Matter, as well as the FY19 baseline for the Scope 1 intensity metric, and the FY20 baseline for the virgin plastic packaging intensity metric. We do not provide conclusions on any other data from prior years. Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Dunelm

In preparing the Subject Matter, Dunelm applied their FY22 Basis of Reporting documents published on their website and referenced on page 34 (collectively the 'Criteria').

Dunelm's responsibilities

Dunelm's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000' Revised), and the terms of reference for this engagement as agreed with Dunelm on 3rd May 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures

selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and ISQC¹, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, 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.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

1. Conducted interviews with relevant staff in order to understand the data reporting processes, the key sources of information and the boundaries used for reporting. We did this to obtain an understanding of the internal control environment for the data, performance of KPIs in the period and reporting processes both at a group and site level.
2. Completed a visit to Dunelm's headquarters to obtain a better understanding of Dunelm's business operations and reporting practices.

¹ Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1).

3. Checked a selection of management documentation and reporting tools, including guidance documents, to understand internal controls, reporting processes and policies to further inform our assurance approach and procedures.
4. Identified those data points (and associated data processes and systems), that are most material, in order to inform and target our testing procedures.
5. Confirmed our understanding of the key risks to data integrity and the controls associated with the collection and collation of the data.
6. Reperformed calculations to check the accuracy of the data collation and KPIs reported.
7. Tested underlying documentation for a sample, based on professional judgement, of the Subject Matter to determine the accuracy and completeness of data within the data sets shared by Dunelm's management.
8. Challenged the accuracy of global data aggregation for reporting purposes - including the use of any specific tools, systems or estimation methods.
9. Examined the Report for the appropriate presentation of the Subject Matter, including the discussion of limitations and assumptions relating to the data presented.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of Matter

In the calculation of the metric "percentage reduction in virgin plastic packaging of own brand products (by weight g per £1 turnover) against the FY20 baseline" as disclosed (Pages 35 and 67) in the Report, Dunelm has assumed (in the FY20 baseline) that all primary plastic packaging of own brand products was virgin plastic due to the lack of available data. As a result, it is possible that a higher reduction percentage has been achieved than if Dunelm had established its baseline using actual virgin plastic packaging data, as the Group has been able to do for the final quarter of FY22. Relevant disclosures in relation to this metric can be found on page 24. This does not affect our conclusion on the Report as set out below.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter as of 2nd July 2022, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Dunelm management and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP

12th September 2022

London, United Kingdom