

# **VARNER CODE OF CONDUCT**

## **PURPOSE AND SCOPE**

As a fashion retailer our ambition is to meet customers with unique fashion concepts and brands and provide the best shopping experiences within retail. Our customers are always our main focus.

At the core of our entire business, we have a strong focus on sustainable principles. Our objective is to combine sound business practice with responsible and ethical behavior. The Code of Conduct and our values are the foundation of how we do business and describes the main principles for the way we aspire to work, the standards for how we should behave and how we should make decisions. The Varner Code of Conduct does not address all situations that may arise. It sets out general principals rather than a complete set of detailed rules to cover all situations. When we make decisions, we must not only consider “Can we do it?” but also “Should we do it?”

The Code of Conduct applies in all countries in which Varner operates and to all staff working for Varner, including subcontractors. We are all expected to comply with applicable laws and regulations. In case of divergence between national laws and regulations, the Varner Code of Conduct and the Varner Supplier Manual, the strictest standard shall apply. When we are uncertain of what to do or how to act, it is our responsibility to look for advice. Sources of advice could be a manager, the HR-department, the Security department, our sustainability- or other relevant specialists.

### **Principle of the Code**

The Varner Code of Conduct is based on the relevant legal requirements and internationally agreed upon standards. Primarily the The UN’s Universal Declaration of Human Rights, The United Nations Global Compact, The UN Guiding Principles on Business and Human Rights and the International Labour Organization’s Conventions.

### **Applies to all people working for Varner**

All people working for Varner and subsidiaries, whether permanent or temporary employed, subcontractors, consultants or volunteers, are subject to our Code of Conduct.

### **Leadership by example**

Our managers at all levels have a responsibility to ensure compliance with our values and the Code of Conduct. It is also an individual responsibility in non-managerial positions to comply with our standards.

## **OUR VALUES**

Our values are the foundation for all our business and further success. It is important that we have a common understanding of how we work within Varner and how we act towards each other. Varner is a family-owned company, and our philosophy is simple with a few basic values we live by. Our values set the direction for our focus, how we do business, work together and relate to each other. Guided by our values we can make the right choices and decisions. The Code of Conduct should always be read and understood in the context of our values. The values are closely related and must always be seen in relation to each other.

The Varner values:

- Business minded
- Passion
- Make it Easy
- Friendship
- Happiness
- Responsible

## OUR CODE OF CONDUCT: HOW WE DO BUSINESS AND HOW WE BEHAVE

### **We act professionally and with honesty**

- We conduct our business in an honest and responsible way.
- We value integrity.
- We keep our promises and put our pride to keep deadlines.
- We care for how our decisions, directly or indirectly, affect our customers, colleagues and stakeholders.
- If we have concerns or doubts about what is the right thing to do, we ask questions and seek advice.

### **We act according to laws, regulations and internal rules**

- We are aware of and follow the rules, requirements and processes that apply to our specific roles and responsibilities.
- We are trustworthy and honest.
- We recognize and strive to comply with not only the letter of the law but also with the spirit of the law.
- We do not commit or encourage anyone to commit illegal activities.
- We ask and seek advice if we have any doubts whether a decision is in violation of laws, regulations or internal guidelines.

### **We have our customers in constant focus**

- We design our products to meet the needs of identified customer groups, sales and marketing activities are targeted accordingly.
- We appreciate getting feedback from our customers and handle complaints in a timely, just and reliable way.
- We provide honest information to our customers.
- We keep the highest focus ensuring the products we sell are of good quality and do not pose any harm or risk to the consumer.

### **We collaborate and treat each other with respect and dignity**

- We support and believe in each other and work together to achieve our ambition.
- We strive to be the very best at what we do, both in the eyes of our customers, partners and co-workers.
- We treasure our common values and a truly a team.
- We listen to and appreciate input from others, both internal and outside of Varner. We see the value in how different views add value to good and sustainable solutions.

### **We avoid or manage conflicts of interest**

- We are aware that conflicts of interest can arise in our work.
- Employees in Varner should always pay attention to how their own position and corporate position can be affected by external relations.
- We identify situations where conflicts of interest might occur and actively work to prevent them.
- We know which actions to take if a conflict-of-interest situation has occurred or seems likely to occur and handle it accordingly.

**We have zero tolerance for corruption and bribery**

- We never give/offer or request/receive/accept any remuneration in connection with a position, assignment or task.
- We never accept or request sums of money or gifts that easily can be converted into cash under any circumstance.
- We only offer or accept gifts and hospitality in accordance with strict internal rules and always aim at avoiding conflict of interest.
- We report issues that may relate to bribery or corruption to relevant stakeholders when appropriate.

**We are qualified and competent**

- We take responsibility for our own continuous development by being curious and through informal and formal learning.
- We help each other grow by giving timely and constructive responses and feedback on behavior and performance.
- We are generous with our knowledge and experience and share what is relevant both within our organization and to external stakeholders.
- We strive to ensure that everyone has the right skills and competence to succeed in their role.
- We have established a training system in order to provide proper training to relevant functions within the organization.

**We stand for equal opportunities and a diverse workplace**

- We know that diversity of people contributes to our success.
- We are inclusive, we show respect and let people be themselves.
- We employ, promote and compensate based on responsibilities, competencies, performance and values.
- We do not tolerate any form of discrimination, e.g., based on ethnicity, parenthood, age, (dis)ability, religion, unionization, political affiliation, sexual orientation, gender, or gender identity.

**We ensure a secure and respectful work environment**

- We seek to provide a safe, healthy and productive workplace.
- We comply with national health and safety laws and our internal rules and guidelines.
- We work proactively to prevent workplace accidents or injuries, by evaluating the risks in our daily work environment.
- We take responsibility for our own safety, health and wellbeing at work.
- We all contribute to a positive and respectful work environment and do not accept any form of wrongdoing, harassment, bullying or similar violations.

**We are brand ambassadors and communicate truthfully**

- We are all brand ambassadors that represent our company. We recognize the effect our individual actions, in real life, online and on social media, have on Varner's reputation.
- We are honest and have good intentions with our communication; we do not deliberately mislead or deceive others.
- We communicate with our stakeholders and take their concerns into account.

**We protect Varner's assets**

- We are all responsible for protecting material and immaterial assets that belongs to Varner. Immaterial assets include such as but not limited to, copyright, design rights, methods and systems.
- We only use Varner's assets for appropriate business purposes.

**We care for the environment**

- We work to ensure that our products are manufactured in a responsible manner, are safe and do not contain hazardous substances.
- Our aim is to minimize the environmental impact of our products through their whole life cycle.
- We cooperate with stakeholders in order to achieve lasting improvements.
- We work to reduce the environmental footprint of our operations and in our value chain.
- We embrace and support the digitalization of the value chain, and technological advances that can bring social and environmental benefits.
- We respect biodiversity in our own operations and in our value chain.
- We respect animal welfare in accordance with The Five Freedoms for animals.

**We uphold labour rights**

- We ensure that our employees have written employment contracts and that terms of employment are provided in a language they understand.
- Our employees are paid a mutual agreed and fair wage, in a timely manner. We respect the upper limits on regular and overtime hours allowed by the local laws and legislation.
- We respect and recognize, in accordance with the laws of the country in which employees are employed, the right to freedom of association and collective bargaining. Employees will be free to leave in accordance with established rules.
- We uphold the effective abolition of child labor, i.e., labor performed by children or minors under the minimum working age.
- We do not accept any form of forced labor or modern slavery in our value chain.
- We demand that all suppliers in our production meet the requirements in our Varner Supplier manual.

**We respect the right to privacy**

- We collect and process personal and customer data reasonably, lawfully and transparently for appropriate business purposes.
- We are compliant with our legal and reporting obligations and strive to use the minimum principle when we collect, process and transfer data and information during the different processes.
- We respect individuals' right to be in control of what data they share with us and for what purposes, within the limitations of legal requirements.
- We only give access to personal and customer data in accordance to our Privacy Policy and to those who are authorized and need the information in their work internally in Varner, and externally, e.g., third parties we collaborate with.
- All Varner employees are subject to a duty of confidentiality according to their employment agreement and the duty applies to information associated with the entire Varner Group, and not just the employer. Furthermore, the employee must be discrete about other employees' personal matters.
- Our commitment to privacy remains also after the relationships with employees and customers have ended.

**We support and respect human rights**

- We respect fundamental and internationally recognized human rights in all areas of our value chain.
- If we discover a breach of human rights directly or indirectly involving Varner's operations, we take action to set right adverse human rights impacts.
- We are committed to taking voluntary action in order to support the protection and fulfilment of human rights, paying special attention to the rights of vulnerable groups. We work to minimize the risk of human rights abuses in our value chain.
- We make a great effort to act responsibly in all areas affected by our business to ensure that the production of our goods does not negatively affect individuals working in our value chain.

**We take responsibility to speak up**

- We all have the responsibility and right to speak up.
- We express our concerns and report our observations if we see or suspect that something is illegal or unethical.
- If we speak up, we do it in good faith and in an orderly manner.
- We have the courage to challenge established truths and ask questions, and we participate in open conversations with our managers on matters of concern.
- We do not threaten or retaliate against anyone who in good faith and in an orderly manner raises a concern or against those who assist with the inquiries or investigation.

**We carefully manage risk in our value chain**

- We commit to conduct due diligence on our most significant risks in our own operations and in our supply chain.
- We commit to respect responsible purchasing practices.
- We commit to a worker engagement approach where workers are listened to, and their concerns are addressed.
- We commit to listen and address all complaints against the enterprise regarding own operations regardless of how they are raised; and to hear and address measured and substantiated complaints that the enterprise has caused or contributed to in its supply chain that are raised through legitimate processes.
- If our operations directly or indirectly cause harm to people or the environment, we commit to remediation support.

**THE CODE IN PRACTICE****Violation of the Code of Conduct**

In Varner we live by our values and follow the Code of Conduct. Appropriate action is taken towards employees who violate the Code of Conduct, other internal rules, laws or regulations. Breaches may result in reactions like reprimands, written warnings or in severe cases, termination or dismissal. Suspicion of crime is reported to the authorities. Concern about a possible violation must be addressed as soon as possible. Failure to raise concern can lead to Varner being exposed to unacceptable operational risks, as well as reputational risk. All concerns will be evaluated for further inquiry or investigation and handled with due care and according to national laws.

All inquiries about unacceptable circumstances will be handled professionally and as effectively as a proper investigation can be conducted. A notice shall be processed on the basis of a balance between the confidentiality of the notifier and the right of defense for the notified party. The notifier is given a protection against retaliation in connection with proper notification.

Unethical behavior, serious breaches, concerns or notifications can be reported in different ways. If possible, the first point of contact for a notification is the nearest manager. The formal notification channel is WhistleSystem: [Varner - WhistleSystem](#). The internal procedure for notifications is published on our internal page, MyVarner and Varners homepage.

### **Information about the Varner Code of Conduct**

All employees are introduced to the Varner values. Managers in Varner should lead by example and encourage a culture that stands for common sense and ethical conduct in all situations. The Code of Conduct is approved by the board of directors and is available for employees in Varner on our intranet and communicated publicly, on our Varner-website. In addition, we have made an extract of Code of Conduct that follows the employment agreements in Varner, called Good Business Practice.

### **Varner Compliance Group**

Varner Compliance Group is responsible for coordinating and securing the overall content and for publishing the document both internally and externally. The Varner Code of Conduct includes many different perspectives on ethical conduct. Various functions in Varner have drafted the Code of Conduct and they are each responsible for their respective sections. The main responsible functions must ensure that the content and wording of the respective conduct are correct, that appropriate internal rules are in place to support the particular conduct as required, and that monitoring of the respective principles are performed where relevant.

### **Monitoring and reporting**

Varner Compliance Group will provide an annual Code of Conduct report presented to the Board of Directors. When we do the right things, and behave in the right way, our customers will trust and value us. In return, we can all take pride in the company we represent.