

## MIGRANT LABOR POLICY

*This policy is developed by the Varner CSR team and is regularly revised by both Varner and expert organizations.*

### ABOUT VARNER

---

Varner is a leading Scandinavian fashion retailer comprised of the following private brand and retail concepts; Bik Bok, Carlings, Cubus, Dressmann, Dressmann XL, Urban, Days Like This, Volt and Wow. We do not own any production units ourselves. We cooperate closely with 180 approved suppliers and 300 approved factories (please find our complete factory list at our sustainability page at [varner.com](http://varner.com)). Our production offices is located in our four biggest production countries, China, Bangladesh, India and Turkey. Read more about us here: [www.varner.com](http://www.varner.com).

### ADDRESSING MIGRANT WORK

---

According to the ILO, there are more than 277 million migrants around the world.<sup>1</sup> Economic globalization together with increased unemployment, poverty and conflict have driven many workers to seek work in other countries. We know that the textile industry and garment sector employ an increasing number of migrant workers globally. We also know that migrant workers are vulnerable to exploitation, discrimination and poor human rights protection. They are at risk of getting lower wages than local workers are, and must often work under poorer working conditions. They also meet language barriers when trying to articulate and demanding their rights in the workplace.

### OUR POSITION

---

Varner commits to work to protect migrant workers in our supply chain and protect their human rights and worker rights. By migrant worker, we mean international migrant individuals of all ages who are employed in their current country of residence. We consider migrant workers a particularly vulnerable group in our supply chain because of the following issues: risk of pay discrimination, unfair deductions, decreased freedom of association, language barriers, weak legal support, forced labor and gender discrimination.

We require that suppliers respect our ethical requirements in our Supplier Code of Conduct. Included in our ethical codes, we explicitly demand that the Supplier Code of Conduct covers migrant workers in the same manner as local workers. We do not accept any discrimination against any individual or group.

Furthermore, employment contracts must be in an understandable language to each worker and the terms must be the same regardless of nationality. It shall be ensured that employment training is completed in an understandable language (training will include but not be limited to training on labor rights and labor law, compensation and benefits, health & safety, grievance procedures, working contract). Employee handbooks, guidelines and security notices must be in a language understandable to all workers. All workers must have a legal working permit.

### OUR EFFORTS ON MIGRANT LABOUR

---

Varner has made a commitment to work towards improving the conditions for migrant workers in our supply chain. We commit to perform due diligence in our supply chain and have established a system to map, mitigate, prevent and develop improvements plans in our supply chain that cover our ethical requirements. We have established remediation measures to be prepared to handle cases with migrant workers when they occur. Varner continuously identify and assess where in own operations and business relationships there is risk of unfair treatment of migrant workers. Our local presence in our production countries enables us to closely follow-up our suppliers and subcontractors. We constantly monitor suppliers and factories in order to properly address the issue with illegal migrant work.

---

<sup>1</sup> ILO Global Estimates on International Migrant Workers, 2018. ([https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_652001.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_652001.pdf))

If migrant workers without legal working permits are found in any of the production facilities producing for Varner, our local staff initiate immediate remediation support from a local expert organization. We have initiated a cooperation with appropriate organizations in order to be prepared if we face issues with migrant workers. Together with the local experts, we assess the severity of the situation and develop a plan for improvement of the workers situation. The worker must immediately apply for a legal working permit. Together with the factory management, we monitor each case until the case is at a satisfactory risk level and we believe the workers rights are respected. We have experience from cases with illegal migrant workers in Turkey where remediation support was implemented. We have implemented a refugee hotline together with our partner organization in Istanbul to prevent further cases. (Please find a list of collaborating organizations at our sustainability page at [varner.com](http://varner.com))

Capacity building and competence projects are important in order to improve all workers' rights and responsibilities. Remediation support in this regard include but is not limited to training session with internal staff and/or third party labor organization on freedom of association, social dialogue and worker engagement. By initiating these activities, we want to develop communication channels and skills to the factory workers and improving their ability to demand fair treatment. We believe capacity and competence training will prevent future cases from happening and strengthen the workers' rights.

Varner will ensure ongoing dialogue and consultation with workers, expert organizations and other stakeholders to receive feedback to evaluate the effectiveness of the process. Remediation measures covering partnership with migrant labor organization in our most vulnerable production countries are reviewed regularly. Varner will as a part of ongoing sustainability reporting publically report annually on the efforts to respect and support migrant worker's rights. Please find our Supplier Code of Conduct and our annual ethical trade report on [varner.com](http://varner.com).

*Varner senior management support this policy.*



Marius Varner  
Chief Executive Officer