



Supplier Code of Conduct

We are committed to engaging in and developing responsible ways of operating. All Varma employees are bound by [Varma's Code of Conduct](#). Securing pensions is a significant social mandate that requires a high level of ethics and transparency. That is why we consider it important that our suppliers (service providers, goods suppliers and sales network representatives) also meet their corporate social responsibility obligations in an exemplary manner.

We expect our suppliers to bear their responsibility for the economic, social and environmental impacts of their operations. In addition, our direct suppliers must exercise due diligence and ensure that their subcontractors also comply with legislation and the Supplier Code of Conduct in their own operations. Suppliers are responsible for ensuring that the persons within their organisation whose duties relate to this Supplier Code of Conduct are informed.

We are prepared to share our own experiences and participate in joint development of operating methods in order to promote socially, economically and environmentally sustainable ways of operating.

Compliance with regulations

When conducting duties related to its social mandate, Varma must operate in an exemplary manner. This means that our suppliers must also have a high standard of ethics and a good reputation.

Suppliers must:

- comply with legislation and this Supplier Code of Conduct or other corresponding corporate social responsibility requirements;
- engage in competition ethically and honestly while complying with all applicable competition laws and regulations;
- meet their financial obligations and other obligations related to their business as required;
- ensure that confidential information is not disclosed, especially information concerning private individuals; and
- reject corruption and the giving and receiving of gifts that may be interpreted as an attempt to influence actions;

- identify and avoid any situations where there is a conflict of interest between the supplier and Varma. Suppliers must notify Varma of any potential conflicts of interest between the supplier and Varma;
- reject all forms of money laundering and ensure that terrorist activities are not contributed to in any way;
- control and ensure that the company's management, administration or parties exercising control are not banned from engaging in business activities; and
- ensure that employees have the possibility to report any non-compliant activities, suggest improvements and provide general feedback.

Human rights and the rights of employees

Varma is committed to promoting human rights and to operating in accordance with the UN Guiding Principles on Business and Human Rights. Furthermore, Varma considers the OECD Guidelines for Multinational Enterprises, the Council of Europe Recommendation on human rights and business and the eight core conventions of the ILO as key guiding principles for respecting human rights.

We require that our suppliers also comply with these principles. Suppliers must be able to demonstrate upon request the controls that they have in place for ensuring that human rights are respected in the supplier's operations and supply chain.

Suppliers must:

- identify and assess the human rights impacts and risks related to its own operations;
- ensure that the supplier or its supply chain is not complicit in any human rights abuses;
- oversee that human rights and the principles of human rights are respected throughout the organisation and supply chain. Any human rights abuses must be addressed, and corrective measures must be taken without delay;
- address any actions that are not in compliance with guidelines, values or international agreements related to human rights, or that are otherwise unlawful, and take corrective measures without delay; and
- regularly assess, monitor, and update the plans that they have drawn up.

Suppliers:

- allow employees to have the freedom of association and right to collective bargaining;
- comply with the minimum conditions for employment laid down in legislation and collective agreements with regard to their own operations and the operations of their subcontractors;
- must not allow any forced labour or labour subject to punishment in any form;
- undertake not to use child labour;
- provide their employees with pay, benefits and overtime compensation that are not below the level determined in national legislation and other corresponding agreements;
- commit to equal treatment in their work community and do not allow in the supplier's or its subcontractors' operations any discrimination, threats, oppression, or harassment in any form; and
- ensure that national legislation, collective agreements, and other corresponding agreements are complied with in terms of working time.

Occupational safety and health

Without exception, the work environment must comply with the requirements laid down in occupational safety and health legislation. Any accommodation provided by the employer must also be compliant with the aforementioned requirements.

- Accidents and injuries must be prevented at the workplace, for example, by ensuring that there is sufficient monitoring of the working environment and by providing the employees with protective equipment as well as appropriate induction and instructions.
- It is also important that any accidents and near misses related to occupational safety and health are documented and investigated.
- We encourage our suppliers to continuously assess their safety and health risks. Our suppliers must uncompromisingly require that their subcontractors also provide safe and healthy working environments.



Environment

Respect for the environment – in particular, mitigation of climate change and biodiversity loss – is an integral part of Varma’s corporate social responsibility. We also require that our suppliers are aware of their own environmental impacts and take them into account in their operations. Suppliers must be able to demonstrate upon request the controls they have in place for reducing environmental impacts in their own operations and supply chain.

Suppliers must:

- comply with environmental legislation;
- be able to demonstrate that they are committed to taking environmental aspects into account in their operations;
- pay attention to assessing, mitigating and preventing environmental impacts throughout the value chain;
- be able to provide relevant environmental information related to their own products and services, such as chemical use and waste disposal; and
- use a certified environmental management system or a documented method for environmental management.

We also encourage suppliers to develop and use environmentally friendly solutions. Especially in emission-intensive industries, suppliers should pay special attention to their carbon footprint and its monitoring and clear targets aiming to reduce environmental impacts.

Disclosure obligation and follow-up

If a supplier discovers a breach of the Supplier Code of Conduct related to its operations or its subcontractor network or suspects a breach pertaining to products or services supplied to Varma, the supplier must notify Varma of such a discovery or suspicion without delay.

Suppliers must upon request provide Varma with information regarding their compliance with the Supplier Code of Conduct.

Varma may conduct audits or have a third-party conduct audit in order to determine compliance with the Supplier Code of Conduct. Any audits are always conducted through co-operation, with the supplier assisting Varma in the audit, for example, by permitting inspections at the workplace.

If we discover that our supplier has breached the Supplier Code of Conduct and the breach is not rectified within the agreed time frame, Varma has the right to rescind the agreement to which the Supplier Code of Conduct is appended. As a further consequence of such a breach, it may be that the supplier will no longer be included in future bidding opportunities.

Varma’s Board of Directors approved the Supplier Code of Conduct on 15 June 2023.

