

**vari** <sup>®</sup> **2023**  
**ENVIRONMENTAL SOCIAL  
AND GOVERNANCE REPORT**





In spring 2022, Vari put an Environmental Social and Governance (ESG) committee in place to intentionally focus on doing what's right for our fans, employees, and the planet – something that's been part of our DNA since day one.

The principles of ESG are aligned with our values. We know that how we build our products and services, take care of our team, and deliver solutions to our fans impacts the world around us. And we **Believe it's Possible** to do business in an environmentally friendly way.

We deliver a positive social impact when we make decisions to better the lives of our people and communities, **Creating Lifelong Fans.**

By **Being Authentic** and ensuring we do everything with transparency and checks and balances, we can provide governance to keep our business running free of corruption.

And we seek to **Raise the Bar** and be better each day by creating tangible goals for improvement.



# Core Values

Creating a specific focus on environmental, governance, and social improvement has become a vital part of our strategy, as it is a testament to our commitment to serving the community. This report reflects our achievements to date, what we're working on, and the goals Vari as a brand aims to reach as we forge ahead.



Create Lifelong Fans

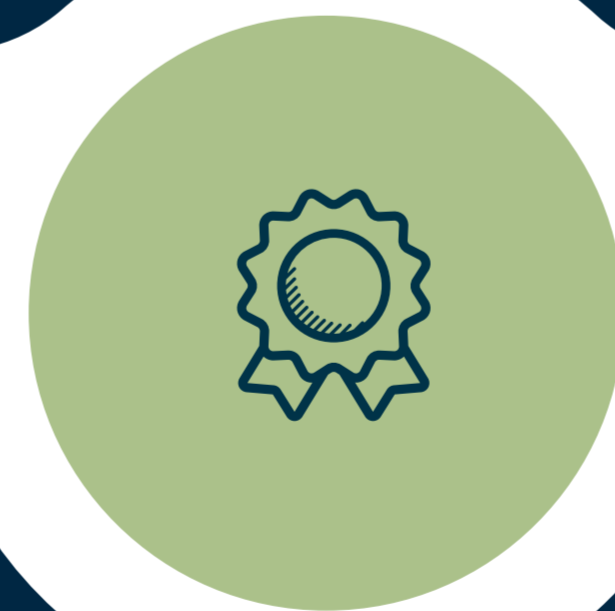
Believe It's Possible



Embrace Change



Be A Team Player



Raise The Bar



Be Authentic





# Our Report

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# Believe It's Possible

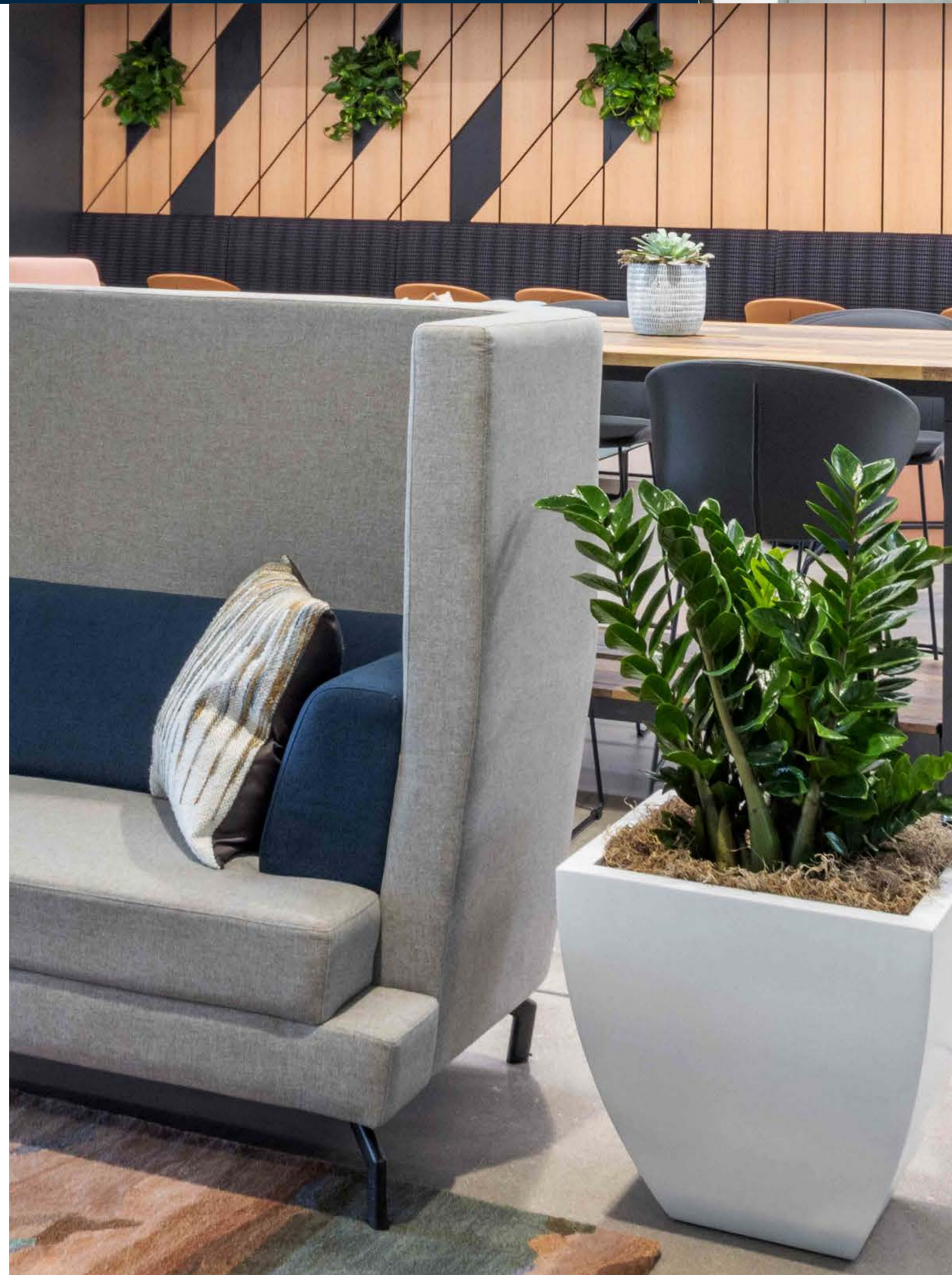
## Our Commitment To The Environment



We are deeply committed to improving environments, from the workplace to the world. To fulfill our sustainability responsibilities, we actively work towards reducing our company's carbon footprint, designing greener solutions, and creating healthy spaces where our team can thrive.

Our goal is to build a sustainable future that not only benefits our business but also creates a better world for future generations. We continuously educate our employees, suppliers, and customers on sustainable practices, encouraging them to join us in our mission.

As a company, we are proud to lead the charge in sustainable business practices and remain committed to making a positive impact on both the environment and society.





Our products are in 130 countries, and we ship to 30+ worldwide. We've taken steps to ensure that we're environmentally conscious throughout the supply chain, from sourcing to vendor selection to distribution.

Our focus is on creating a resilient business model. We partner with multiple third-party service providers across the supply chain, including freight carriers, warehouse providers, ocean import freight forwarders, and installation service teams. One of our goals is to look for partners with ESG commitments.

We're also making changes to our internal operations. For example, our efforts will focus on reducing the packaging sizes when feasible so that our products can ship more efficiently, removing the need for a paper instruction sheet, and ensuring that our products are delivered in recyclable packaging.

Finally, to close the environmental loop, Vari Community Giving saves many returned products from reaching landfills while doing good in the community by donating products and design services to non-profit organizations across the United States.



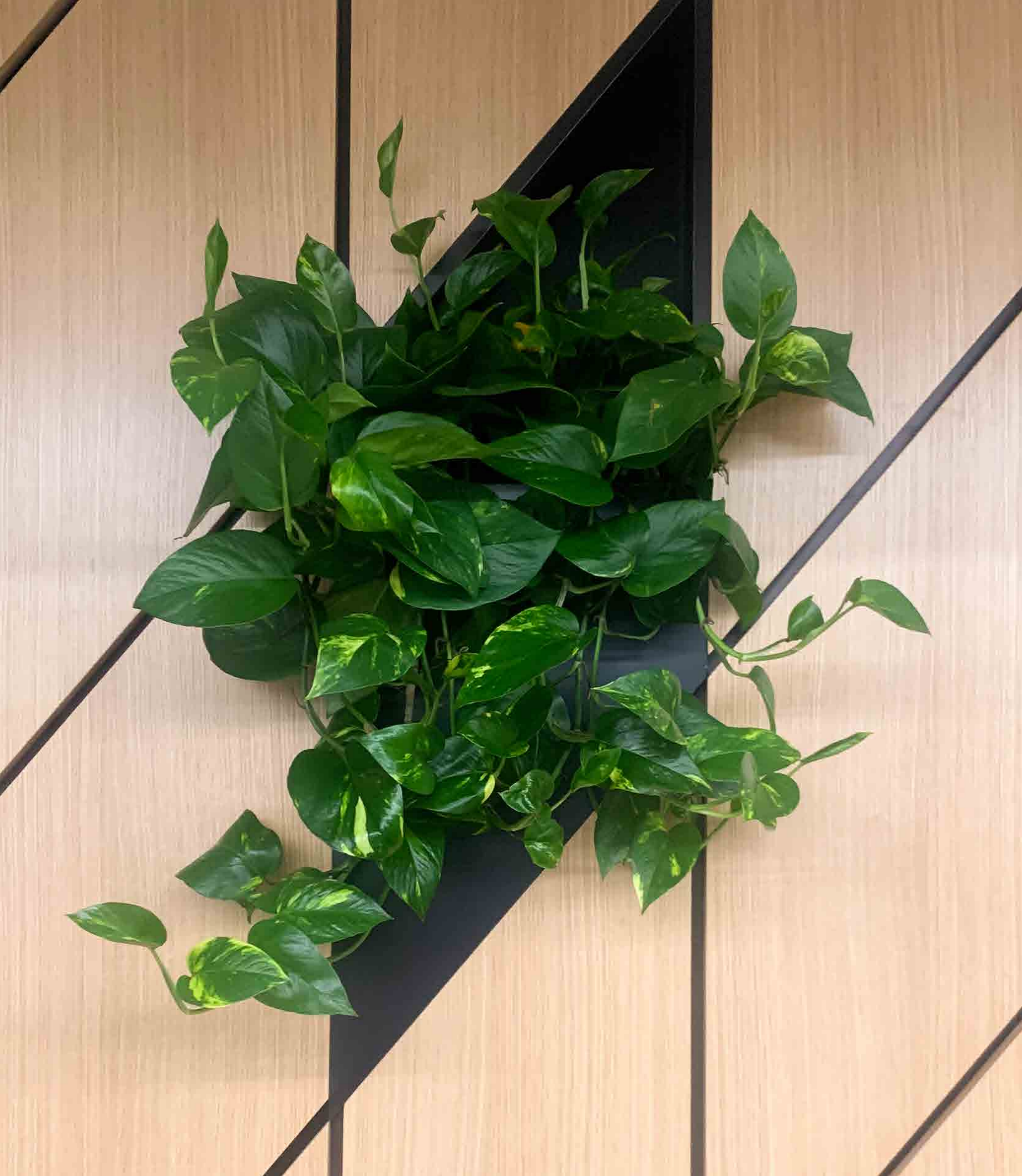




Vari Community Giving saves many returned products from reaching landfills while doing good in the community by donating products and design services to non-profit organizations across the United States.







## **Creating A Healthy Environment For Our Team**

At Vari, our mission is to create workspaces that elevate people. We live that out every day by creating a happy, healthy, productive space for our team to come to work. We currently have 350 employees, with more than 90% of our workforce offices out of our global headquarters.

We ensure that the Vari team has fair and safe labor conditions. This is vital to ensure the working environment is pleasant and conducive to employee satisfaction and happiness.

Our company offers a Hybrid Work Program for our corporate employees to reduce the energy consumption related to getting to work.



In fall 2022, our company moved into our new HQ, VariSpace Coppel. We are located in the Dallas-Ft. Worth metro area, and it is the third building in DFW to be Fitwel- certified.

VariSpace Coppel has received Fitwel's Best in Building Health Awards for 2023 Highest Score: Multi- Tenant Whole Building v2.1(Design).

Fitwel is a green building certification system designed to improve, enhance, and safeguard the health and well-being of tenants and residents in buildings and retail spaces.





For developers, the Fitwel standard is a blueprint for making positive changes that are scientifically proven to enhance occupant health and well-being. VariSpace Coppel has achieved Fitwel certification based on wellness criteria such as:

Policies encouraging the use of stairwells over elevators

Access to nature and green spaces

Provision of standing desks, collaboration spaces, and a healthy marketplace

Indoor and outdoor amenities, such as a fitness center and walking trails





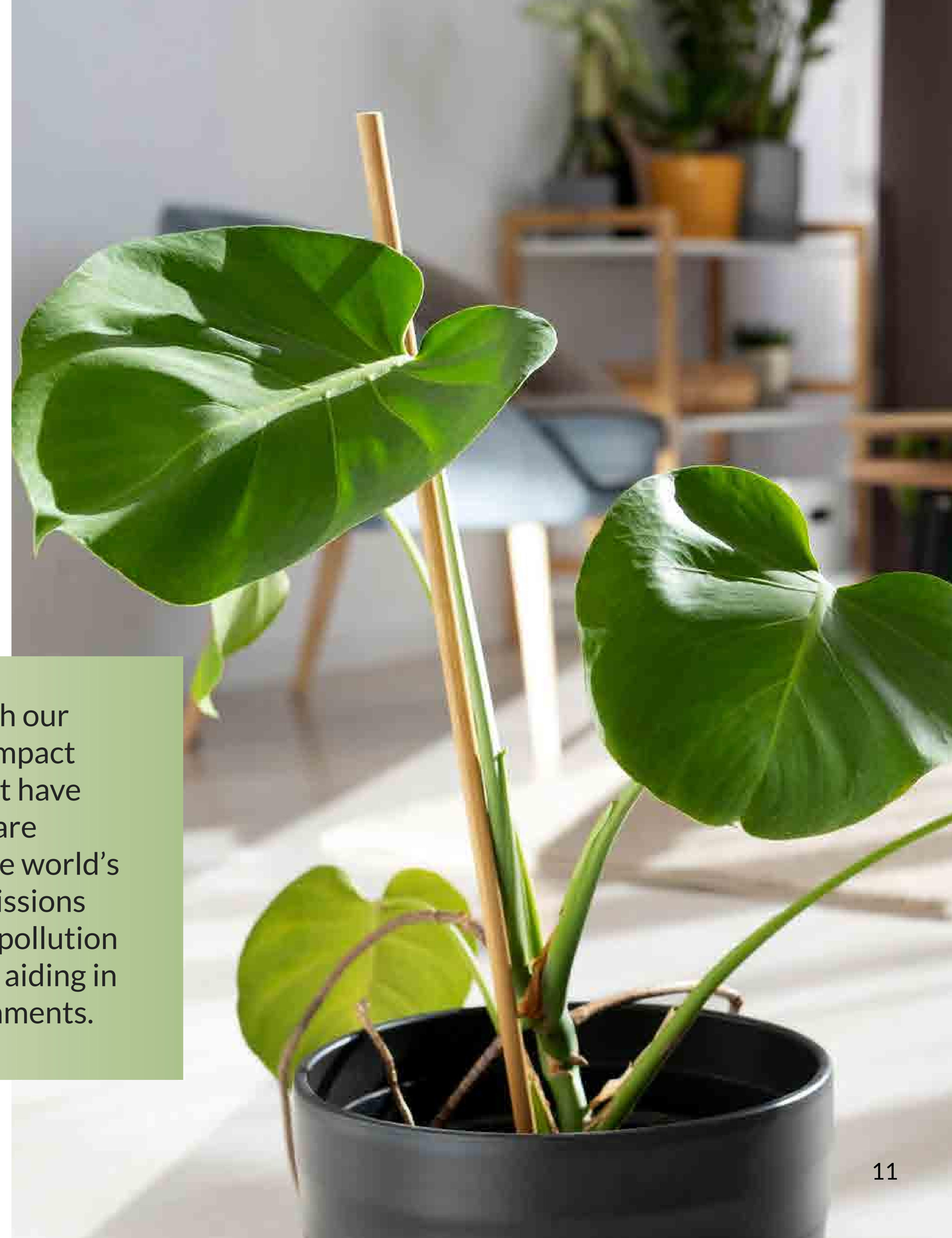
## Greener Solutions For Our Fans

Our products are designed to create healthy indoor environments.

Whenever testing is possible, Vari's products are certified in accordance with GREENGUARD standards, and many are GREENGUARD Gold Certified. GREENGUARD tests products to ensure they meet the industry standards for low emissions, making buyers confident that the materials and items have low chemical emissions, improving air quality.



The products we use to build and furnish our indoor environments can significantly impact indoor air pollution levels. Products that have achieved GREENGUARD Certification are scientifically proven to meet some of the world's most rigorous, third-party chemical emissions standards, helping to reduce indoor air pollution and the risk of chemical exposure while aiding in the creation of healthier indoor environments.

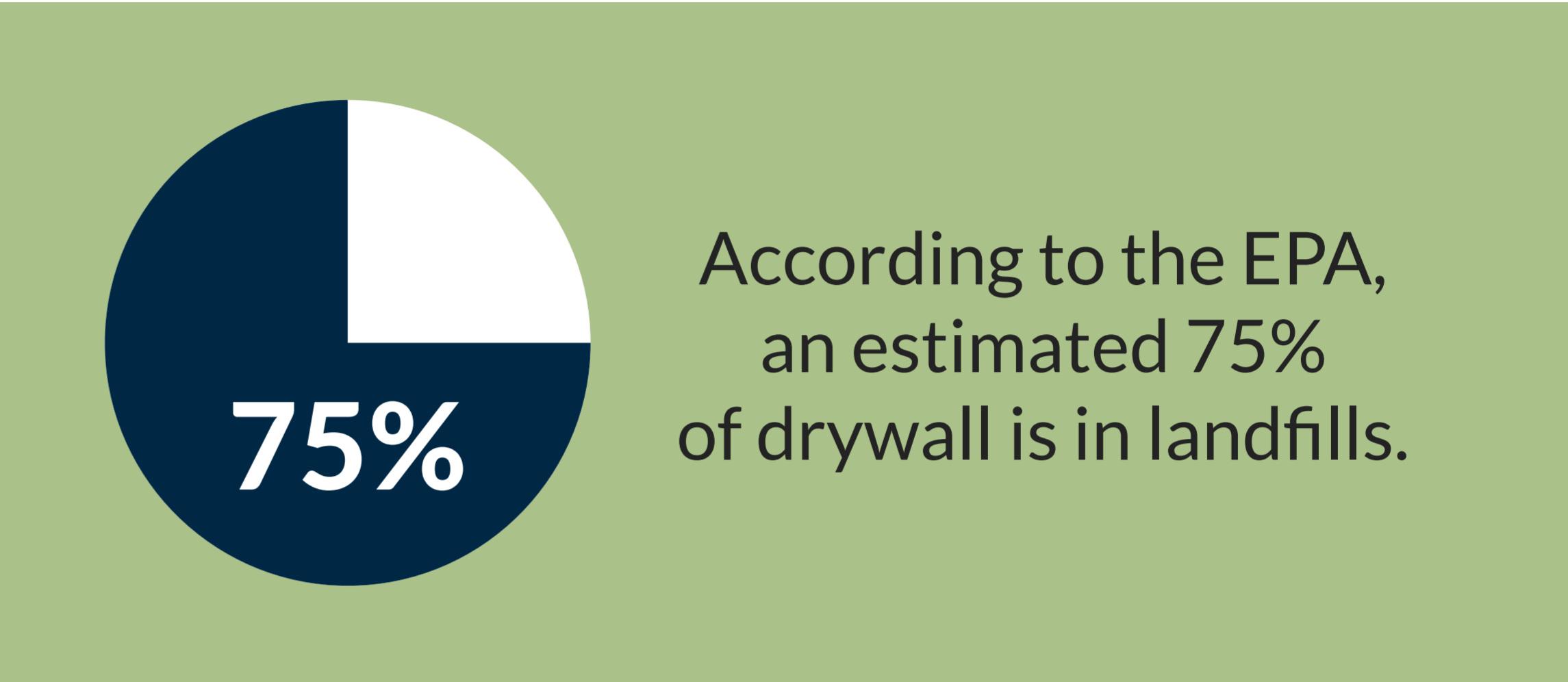




We design our products to last.

All our products are tested to ensure they meet or exceed BIFMA standards. They are built to last and stand up to high commercial usage.

Our modular wall system, QuickFlex Walls<sup>®</sup>, is adaptable and can shift with the need of a business. For example, using QuickFlex Walls, a company can avoid dumping drywall into the landfill whenever space is flexed.



The Business and Institutional Furniture Manufacturers Association provides standards of furniture safety and performance and promotes sustainability throughout the lifecycle of commercial furniture.





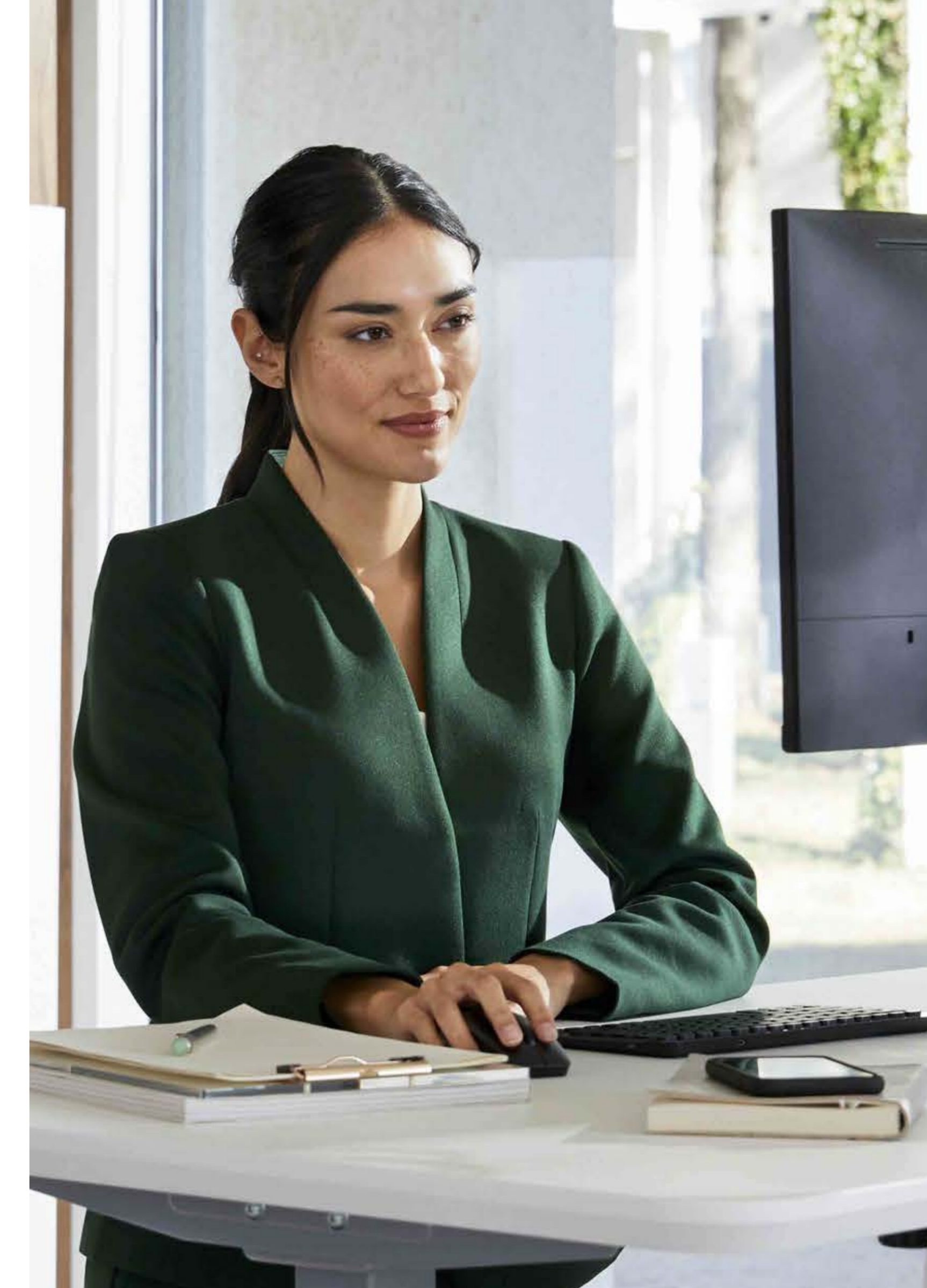
# Create Lifelong Fans



## Our Support For Social Causes

At Vari, we believe that promoting diversity, equity, and inclusion is not just the right thing to do, but it is also critical to the success of our business. We support out and support underrepresented groups, including women, minorities, and individuals with disabilities, in our hiring and business practices.

Additionally, we understand the importance of giving back. We engage in charitable and philanthropic activities that address the needs of our local communities. We understand that our success as a company is tied to the success of the communities that we operate in, and we are dedicated to making a positive impact.







Vari deeply values people. As such, we hold social causes in high regard. We are involved in various endeavors to uplift the communities we work with. From maintaining fair and safe work environments to celebrating diversity and inclusion, we seek to make a positive impact both locally and globally.





Our Diversity Council was founded in 2020 to foster a culture of diversity, equity, and inclusion. Our Diversity Council has established four guiding pillars, based on our focus and goals, to help us achieve a culture of inclusivity, bring awareness to blind spots, and reinforce the importance of diversity, equity, and inclusion throughout Vari. Each pillar was developed into a subcommittee where council members can push for change on an initiative that particularly speaks to them.



**Minority/Women-Owned Business Enterprise Spend:**  
Increase company spend with Minority and Women-Owned Businesses to 15% of uncontrollable spend by end of 2023



**DEI Training & Education:**  
Roll out Unconscious Bias training in 2023



**Brand & Marketing:**  
Audited existing creative and updated to ensure ongoing focus on inclusivity



**Diverse Hiring & Employment Practices:**  
In 2022, 41% of candidates hired are diverse\*







At Vari, we're committed to a culture of diversity, equity, and inclusion. And we believe that to truly have this thriving culture, it must be intentionally fostered, cultivated, and preserved. We embrace the things that make us unique – whether those differences are physical, mental, or spiritual. It's each individual's combination of these things that gives them their own outlook and thought process. We rise together when we bring all these unique points of view together.

Our stance on diversity, equity, and inclusion impacts how we hire, compensate, train, develop, and grow our team. It also shapes where we source our vendors, where we donate, and how we do business. We're committed to growing as a company and living these values more fully daily.





## Maintaining A Fair And Safe Environment

One of our goals is always to maintain a fair and safe environment. We look at team salaries on an ongoing basis to ensure pay equity.

Our employees also benefit from an open-door policy and are welcome to report any concerns that require HR attention anonymously. Red Flags is an anonymous platform that offers more accountability and ensures our employees can have their voices heard.

Vari has a robust emergency preparedness plan and committee to ensure team safety during times of crisis. Our cybersecurity program covers all security aspects, including ongoing training for all our employees.

### **We comply with all applicable laws and regulations, including:**

- Equal Employment
- Employment at Will
- Americans with Disabilities Act
- Final Pay Compliance

- California Consumer Privacy Act
- General Data Protection Regulation (EU)
- Digital Advertising Alliance
- OSHA



## Supporting Our Communities

Vari Community Giving is our award-winning charitable giving program. We believe in giving back to our community. We aim to help non-profit organizations focus their funds where they matter most. By donating Vari office furniture to non-profit organizations, we can help alleviate operation costs.

We give back with Volunteer Time Off. Our team receives paid time off to spend on volunteering. We support our team by helping them donate time to non-profits and causes that resonate with them. That means they can put their money back into the community. Together, we can help make the world a better place.

Since 2018, Vari has donated more than \$6 million in products to non-profit organizations.





# Creating An Active Workspace

The Vari Wellness committee leads health and wellness for the company. This committee meets monthly to support a healthy workplace. It is responsible for the gym, workout class schedules/offerings, fun events like 5K runs, and mental health activities, including our Employee Assistance Program.

Wellness is at the heart of our Benefits Program. Our Health Benefits Program incentivizes employees to be proactive about their health. Employees are rewarded with reduced health insurance premiums by participating in annual Biometric Screenings. We also offer a voluntary Health & Wellness Package including virtual care, alternative medicine coverage, fitness centers, and vitamin discounts. In addition, our Vari Wellness Program is a year-long program that provides opportunities to earn entries into monthly wellness prize drawings for participating in activities such as on-site fitness classes, flu shot clinics, 5k runs, meal prep classes, on-site yoga classes, and more.







# Be Authentic

## Our Commitment To Good Governance

At Vari, we recognize that good governance is essential to the success of our business. We are always committed to maintaining the highest standards of ethics and integrity in all our operations. We ensure that integrity is rooted in our company culture and upheld by every team member in every department, from company-wide ethics to top-level advisory committees.





“Having the depth of knowledge that these incredible experts bring will give us new ways of thinking and drive our business forward,” said CEO and Co-Founder Jason McCann. “With the traditional workspace model changing, we are focused on evolving our product and service offerings to help the world reimagine the future of workspace to elevate people.”

## Values-Driven Company

Vari is a values drive company. Our core values are the guiding principles for everyone in the company to uphold. In addition, we have established company-wide ethics training for each team member to create a company culture rooted in integrity.

## Advisory Board

In 2021, we announced the formation of the Vari Advisory Board, a group of innovative business leaders who will provide strategic counsel. The Advisory Board brings a wealth of experience in scaling the business as Vari continues its national expansion of sales offices and showrooms in new markets. Members will also provide critical insight into advancements in workspace innovation and technology.



# Raise The Bar

## Looking Forward

We are committed to doing the right thing for our fans, employees, and planet. In everything we do, we look to Raise the Bar and be better each day, and we have made tangible commitments to improve.

We are committed to the following:







## Environmental

- ▶ As of 2023, we request that all manufacturers meet recycling and disposal requirements. By 2025, we will require all manufacturers to recycle responsibly
- ▶ Remove 30% of paper instruction sheets from our packages by the end of 2024
- ▶ Decrease 5% of packaging materials by the end of 2025
- ▶ By the end of 2025, we will have near-shore production, reducing our emissions and carbon footprint







# Better Workspaces Delivered

# vari.®



## Social

- ▶ Level up our ongoing Pay Equity Exercise and proactively address any major pay disparity\*
- ▶ Continue to focus on bringing more diversity to our company's overall makeup as we recruit and hire
- ▶ Launch required company-wide DEI training to support efforts in Equal Employment by the end of 2023
- ▶ Increase company spend with Minority and Women-Owned Businesses to 15% of uncontrollable spend by end of 2023

\*Disparity of \$10,000 or greater





## Governance

- ▶ Establish required company-wide annual ethics training by the end of 2023
- ▶ Increase the visibility of our Employee Handbook and incorporate an annual acknowledgment by the end of 2023





“Creating a dedicated focus is the best way to drive movement and progress,” said McCann. “As we continue to evolve and grow, we know we are doing what's right for our business, fans, and employees.”

**The best is yet to come.**

