

## Nelly Group AB (publ)

### Business Partners Code of Conduct

Nelly Group (also "we") is committed to conducting our business with a high ethical ambition. We strive to conduct our relationships with our business partners in a proper way and we seek to develop relationships with business partners that conduct their business in an ethical manner.

Among other things, we expect our business partners to:

- ensure that their business is conducted in accordance with applicable legislation and regulations;
- compete fairly and ensure that they do not engage in any form of corruption or bribery;
- support universal human rights in compliance with the UN's conventions on human rights, the UN's convention on the right of the child and ILO's convention on decent employment opportunities;
- respect the business partners' employees' freedom of association;
- judge the business partners' employees and contractors based upon their ability to do their jobs and not upon their physical and/or personal characteristics or beliefs, affirming the principle of no unlawful discrimination based on ethnical background, religion, nationality, gender, gender identity or gender expression, marital status, age, sexual orientation or any other status unrelated to the individual's ability to perform his/her job;
- provide a safe workplace for the employees, with policies and practices in place to minimise the risk of accidents, injuries, and exposure to health risks;
- neither employ anyone under the legal working age, nor condone physical or other unlawful abuse or harassment, or the use of forced or other compulsory labor in any of the business partners' operations;
- compensate their employees fairly and competitively relative to their industry in full compliance with applicable labor laws and regulations, and to offer opportunities for employees to develop their skills and capabilities; and
- conduct business in a sustainable way that protects and preserves the environment.

Therefore, we have adopted the Business Partners Code of Conduct (outlined in [Appendix 1](#) below), which we require our business partners to read, accept and comply with. This should be done by including the Business Partners Code of Conduct as an appendix to the agreement between Nelly Group (or any of its subsidiaries, as applicable) and the relevant business partner.

## **APPENDIX**

### **CODE OF CONDUCT FOR BUSINESS PARTNERS**

#### **1. INTRODUCTION**

- 1.1 Nelly Group AB (including its subsidiaries) - hereafter "**Nelly Group**" or "**we**" - is committed to ensuring a high standard of ethical and environmental trade practices, including the provision of safe working conditions and the protection of workers' rights across its businesses.
- 1.2 We conduct our business in accordance with the provisions of this Business Partners Code of Conduct (the "**Code**") and require our business partners (e.g., manufacturers, suppliers and carriers) to comply with the Code's provisions and to demonstrate a similar commitment to an ongoing programme of ensuring and, where necessary, improving, ethical and environmental practices.
- 1.3 We are committed to working closely with our business partners to achieve a long-term, sustainable social and environmental standard in facilities in which products that are supplied to us are produced and in the operations of our business partners.
- 1.4 We base our requirements mainly on internationally recognised standards such as the Universal Declaration of Human Rights, The UN Convention on the Rights of the Child, applicable International Labour Organisation ("**ILO**") Conventions, and national legislation. Furthermore, we are a part of amfori BSCI and apply the amfori BSCI Code of Conduct.
- 1.5 Our requirements respect and promote the fundamental rights set out in the ILO Declaration on Fundamental Principles and Rights at Work, namely:
- (a) effective abolition of child labour (ILO Convention 138 and 182);
  - (b) elimination of all forms of forced or compulsory labour (ILO Convention 29 and 105);
  - (c) elimination of discrimination in respect of employment (ILO Convention 100 and 111);
  - (d) freedom of association and the effective recognition of the right to collective bargaining (ILO Convention 87 and 98); and
  - (e) a safe and healthy working environment (ILO Convention 155 and 187).
- 1.6 Our requirements are applicable irrespective of the ratification by the local country of the relevant internationally recognised standards.

#### **2. HUMAN RIGHTS AND WORKING CONDITIONS**

##### **2.1 CHILD LABOUR**

All employees must have reached the age of 15 years or have reached the minimum legal working age under local law, whichever is the higher.

All legal limitations on the employment of persons below the age of 18 years must be followed. We recognise the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

##### **2.2 FORCED AND COMPULSORY LABOUR**

We do not accept any form of forced or bonded labour and we do not accept harmful or degrading working conditions or the use of illegal labour in any part of the business partner's activity, such as the production of goods or services.

Employees must be free to leave their employment upon reasonable notice.

##### **2.3 DISCRIMINATION**

No employee shall be discriminated against in employment or occupation on the grounds of gender,

gender identity or gender expression, age, pregnancy, sexual orientation, religion, political opinion, ethnic or national origin, disability or union membership.

#### 2.4 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

All employees have the right to form or join associations of their own choosing, and to bargain collectively. We do not accept disciplinary or discriminatory actions from an employer against employees who choose to peacefully and lawfully organise or join an association.

#### 2.5 ADDITIONAL EMPLOYEES' RIGHTS

##### Identification Documents / Deposits

An employer must not require an employee to lodge deposits or identification documents as a condition of work.

##### Agency Workers

Employees employed through an agent or contractor are the responsibility of the business partners and are thus covered by this Code.

##### Migrant Workers

Migrant workers shall have the same entitlements as local workers. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer.

##### Respect and Dignity

Every employee of the business partner shall be treated with respect and dignity. Under no circumstances do we accept the use by our business partners and/or their subcontractors of humiliating or corporal punishment, and no employee shall be subject to physical, sexual, psychological or verbal harassment or abuse.

##### Employment Contract

All employees shall be entitled to a written employment contract, in the local language, stipulating the employment terms and conditions. The employer should ensure that all employees are aware of their legal rights and obligations.

##### Wages

Wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the employee. The minimum requirement is that employers shall pay at least the statutory minimum wage, the prevailing industry wage or the wage negotiated in a collective bargaining agreement, whichever is higher. All other types of legally mandated benefits and compensations shall be paid. No unfair deductions are allowed, and the employee should have a right to a written specification of how the wage has been calculated.

The business partner must ensure that all legally mandated benefits, such as health benefits and insurance, are covered.

##### Working Hours

Ordinary working hours must not exceed the applicable legal limit and shall never exceed 48 hours per week. Overtime hours must not exceed the numbers allowed by the local labour laws. If such limits do not exist, overtime work should not exceed 12 hours per week. Overtime work must always be voluntary and compensated in accordance with the law. Piece-rate work should not be exempted from the right to overtime compensation. Employees should be entitled to at least one day off in every seven-day period.

##### Leave

Employees shall be granted and correctly compensated for any types of paid leave to which they are

legally entitled. Examples of such leave include annual leave, maternity/parental leave and sick leave.

## 2.6 HEALTH AND OCCUPATIONAL SAFETY

### Working Facility Safety

We require our business partners to make the employees' safety a priority at all times. No hazardous equipment or unsafe working facilities are acceptable. Protective equipment and protective clothing shall be provided where necessary.

### Fire Safety

Emergency exits on all floors must be clearly marked, well-lit and unblocked all the way out of the building. Evacuation through emergency exits must be possible at all times. Every person working on the premises must be trained at regular intervals in how to act in case of fire or other emergency. Regular evacuation drills for all employees should be conducted; evacuation plans and firefighting equipment must be in place.

### Accidents and First Aid

An employer must work proactively to avoid accidents that may cause harm to any employee in the workplace. Relevant first aid equipment must be available.

### Working Environment

The premises must be regularly maintained and cleaned and must provide a healthy working environment.

### Accommodation

If a business partner provides accommodation facilities for its employees, the above requirements regarding fire safety and cleanliness should also cover that accommodation. The accommodation must be separated from the workplace and have a separate entrance. The employees should have free access to the accommodation.

## 3. ENVIRONMENT

Nelly Group strive to minimize or remove any negative environmental impact. We therefore require our business partners to acknowledge that environmental responsibility is an integral part of conducting a sustainable business and agree to make continuous improvements in their operations to:

- prevent and minimize negative impacts on the environment;
- conserve natural resources; and
- reduce energy use.

Nelly Group's Environmental Policy provides further guidelines on Nelly Group's sustainability work.

### 3.1 ENVIRONMENTAL PROTECTION

The environment is of increasing concern globally and we expect our business partners to act responsibly in this respect. Our business partners must comply with all applicable environmental laws and regulations in the country of operation. The business partners must have relevant environmental permits and licenses for their operations. All certificates and permits should be made available to us upon request.

We expect our business partners to use resources such as water and energy efficiently and to avoid or reduce any waste and emissions as a result of their business activities. Employees shall be instructed on how to mitigate environmental risks. Business partners shall monitor, track and document their consumption of natural resources such as water and raw materials, as well as their energy consumption and the use of various sources of energy. Documentation shall be provided to Nelly Group upon request.

### 3.2 WASTE MANAGEMENT

All waste must be managed responsibly and as a minimum according to applicable regulations. Our business partners shall do their utmost to minimize weight and volume of product packaging and to reduce the content of hazardous substances and constituents in packaging materials.

Water should be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged.

### 3.3 HAZARDOUS SUBSTANCES & RESPONSIBLE CHEMICAL MANAGEMENT

Chemicals and other materials, posing a hazard to humans or the environment, shall be identified, labelled and managed in accordance with applicable law and in such a way that ensures their safe handling, transport, storage, use and recycling or disposal.

### 3.4 SUBSTANCES IN PRODUCTS

Business partners shall abide by all applicable laws and regulations and customer specifications regarding the prohibition or restriction of specific substances. This includes mandatory labelling for recycling and disposal.

## 4. BUSINESS INTEGRITY

Our business partners must always be lawful and ethical in all of their business dealings when representing Nelly Group in any capacity. We require all our business partners to conduct business in compliance with internationally agreed standards of business ethics and to adhere to all applicable anti-bribery and anti-corruption laws. The business partners shall compete fairly and not give, offer, agree or promise to give any benefits of value to obtain any undue or improper advantages.

### 4.1 ANTI-BRIBERY

Nelly Group have a zero tolerance for corruption and bribery. Bribes or other means of obtaining an illegal or improper advantage shall not be offered, accepted, promised or received. This prohibition applies in relation to both the public and the private sector, and to bribes both given directly or indirectly, e.g. by the means of a third party, such as an agent. We also prohibit facilitation ("grease") payments, even if such payments are legitimate under national legislation. Policies and procedures that address anti-corruption issues shall be implemented and monitored to ensure compliance with anti-corruption laws.

### 4.2 CONFLICT OF INTERESTS

Decisions shall only be taken on the basis of objective, business-related considerations and not be influenced by any personal interests.

### 4.3 ANTI-MONEY LAUNDERING

The business partner shall fully comply with all applicable anti-money laundering and counter-terrorism financing laws, and the business partner shall only accept funds received from legitimate sources. The business partner must always have thorough knowledge of its counterparties and only conduct business with reputable business partners involved in legitimate business activities.

### 4.4 COMPETITION LAW

We require our business partners to respect fair competition and conduct every business activity in compliance with applicable competition and anti-trust laws and to avoid situations or activities that might lead to illegal behavior or have a negative impact which constrains competition. We strongly support and believe in a fair market where products and services compete on their merits. Our business partners shall not have any anti-competitive discussions or enter into any anti-competitive agreements, including e.g. illegal price-fixing, market sharing and customer allocation, at any level of the production or distribution chain.

#### 4.5 EXPORT, IMPORT AND TRADE COMPLIANCE

All business partners engaged in foreign trade activities must comply with export, import and other trade compliance laws and regulations. Thus, business partners must refrain from transactions that are unlawful or irregular under applicable laws or regulations relating to e.g. trade embargoes and economic sanctions, export controls, anti-boycott, cargo security, import classification and valuation, and product/country of origin marking.

All requisite export and import licences and approvals under applicable import, export and sanctions regulations must at all times be obtained.

#### 4.6 PERSONAL DATA

We expect our business partners to respect every individual's right to privacy and follow applicable privacy laws and regulations. When collecting, processing and retaining personal data, business partners shall do so in a proper and legal manner and shall be committed to protect personal data from any misuse.

Nelly Group is committed to preserving the customers' privacy and prevent unauthorized access to personal data. All data from Nelly Group's customers that the business partners may obtain, such as e.g. name, address, account, credit card details, and order history, is confidential and may only be used for its intended purpose.

#### 4.7 CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

Business partners shall respect Nelly Group's confidential information and intellectual property rights shall be respected and shall be protected against misuse, mishandling, counterfeit, theft, fraud or improper disclosure. Confidential information shall only be disclosed to the extent necessary and permitted in accordance with applicable law and the contractual terms with the Nelly Group. If collaboration between Nelly Group and the business partner ends, the business partner is still obligated to maintain confidentiality of such information.

Intellectual property includes, but is not limited to, trademarks, inventions and patents, designs and knowhow.

### 5. IMPLEMENTATION AND COMPLIANCE

In order to maintain compliance with this Code, local labor laws, environmental laws and other applicable legislation or standards, the business partners shall:

- implement policies, processes, internal controls and monitoring systems to ensure compliance with this Code;
- maintain relevant records to demonstrate compliance with this Code;
- evaluate its supply chain to ensure compliance with this Code. We require our business partners to ensure compliance within their own supply chains (including e.g. sub-suppliers and carriers);
- upon request, provide information and documentation in order to certify that the relevant business partner complies with the principles and requirements set out in this Code;
- upon request, business partners shall disclose the identity of relevant sub-suppliers and how the relevant business partner has ensured that such suppliers comply with the principles and requirements set out in this Code;
- implement corrective measures, or request sub-suppliers to implement such corrective measures, in case of a violation of this Code; and
- immediately report suspected or actual breaches of this Code. Such concerns shall be reported by email to [whistleblowing@nelly.com](mailto:whistleblowing@nelly.com)

## **6. MONITORING, AUDITS AND ENFORCEMENT**

### **6.1 TRANSPARENCY AND COOPERATION**

We acknowledge that our business partners may be in various stages of maturity in relation to certain standards of this Code. However, if an audit, or other sources of information, indicates or verifies that a violation of this Code has occurred, we expect our partners to work together with us to achieve continuous improvements by implementing corrective measures.

We expect our business partners to be transparent. We believe in cooperation and are willing to work with our business partners to achieve sustainable solutions.

### **6.2 MONITORING AND AUDITS**

Our business partners are obliged to keep us informed at all times of where each product is being produced. Relevant and verifiable documentation must be maintained for auditing purposes. We reserve the right to make unannounced visits to all units producing goods or services for us. We also reserve the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with this Code. During audits we require unrestricted access to all areas of the premises, to all documents and to all employees for interviews. We also demand the right to provide employees with our contact details.

### **6.3 CORRECTIVE ACTION**

Audits aim to identify gaps between the requirements in this Code and the actual practices and conditions in the workplace. The audited business partner will usually be given the opportunity to propose and implement a corrective action plan. We will follow up the implementation of the plan and verify that violations have been remedied.

A business partner failing to undertake sustainable improvements within the stipulated time frame would seriously damage its relationship with us. In case of unwillingness to cooperate or repeated violations of this Code and/or serious violations of applicable law we reserve the right to immediately terminate any or all contracts with the business partner.