

Nelly Group AB (publ)

Employee Code of Conduct

1. INTRODUCTION

At Nelly Group (also the "**Group**" or "**we**" below), we perform our work with a high ethical ambition. Nelly Group has adopted this Code of Conduct (the "**Code**") to ensure that all employees know what is expected of them.

We expect every employee to:

- read and understand this Code;
- provide a written confirmation that they have done so;
- put the content of the Code into practice; and
- ensure that our business partners are aware of the Code.

The Code exists to make it easier to do the right thing, through:

- clarifying our responsibilities as employees;
- guiding us in our business relationships and on resolution of potentially adverse situations;
- protecting the interests of Nelly Group and our shareholders;
- giving us tools for reporting irregularities; and
- describing to external parties how we conduct ourselves.

The Code applies to all of us

The Code applies to all employees and board members within the Group (including all subsidiaries), in every market and regardless of form of employment. Each and every one of us has a responsibility to be aware of the Code and its content, Nelly Group's policies (that are available on the intranet) and those laws and rules that are relevant for our work tasks.

How the Code should be used

The Code should be used in order to maintain and increase the trust of our customers, suppliers, shareholders and other parties. In most situations, it is easy to determine how the Code should be used, while in other situations it may be more complicated. Always use your best judgement. Since it is not possible to provide guidelines in a code of conduct for every possible situation that may arise, a first step in case of uncertainty about how to act in a particular situation can be to ask yourself the following questions:

- Is it legal?
- Is the action, or failure to act, in line with the Code or Nelly Group's policies and values?
- Would you be comfortable telling your bosses, colleagues, family or friends about the action or failure to act?
- How would the action, or failure to act, be perceived by others if it was published, e.g. on social media or in the media?

All employees are responsible for shedding light on matters related to ethics, harassment, or discrimination. If you are unsure about how you should use the Code, or how to act in a certain situation, you should approach your immediate manager or Nelly's Head of HR.

2. OUR CUSTOMER RELATIONSHIPS

The customers' trust and handling of the customer data

We work for our customers and are dependent upon their trust in us. Through responsiveness we learn about the customers' needs and can exceed their expectations. We always treat our customers in a friendly and professional manner. We always strive to provide the customers with easily accessible and complete information. Our customers should always understand the terms and conditions that apply to their purchases and have a clear picture of the level of service they can expect. It should be easy to shop with us.

The Group has access to customer data that we process in accordance with applicable legislation and internal policies and guidelines regarding personal data processing/data protection. We are committed to preserving the customers' privacy and to prevent unauthorized access to personal data. Only authorized colleagues may process customer data. All customer information, such as e.g. name, address, accounts, credit card details, and order history, is confidential and may only be used for its intended purpose. Further detailed guidelines on how the Group handles personal data can be found in Nelly Group's Personal Data Policy.

Customer contacts in social media

We communicate via social media in order to be open and easily accessible. Through this dialogue we can develop ourselves, answer questions, share knowledge and pick up important remarks. Our purpose is to help, to clarify, and to identify solutions. Therefore:

- we refrain from negative criticism related to competitors;
- we do not publish information about our customers without first asking for permission and ensuring that the publication is in accordance with applicable customer data legislation and internal policies and guidelines regarding personal data;
- we do not disclose confidential information about the Group; and
- we stick to facts and do not engage in guessing or speculation.

3. AN ATTRACTIVE WORKPLACE

Having employees with the right attitude and skills is business-critical for us. With a diverse and committed workforce we can ensure an optimal offering for our customers. As a result, we work strategically to attract, recruit, develop, and retain employees who can uphold and optimize our long-term development.

As an employer, the Group has a responsibility that all employees are treated equally, with respect and dignity, and are given equal opportunities for recruitment, training, promotion, and development. When we assess someone for recruitment, training, development, or promotion, we look at the relevant factors: the individual's ability and potential to do the job. All Nelly Group employees are responsible for making sure – every day – that the physical as well as psychological working environment is attractive and safe and that every employee is appreciated and respected.

Victimization and harassment

The Group supports diversity and appreciates and respects differences. We do not tolerate victimization or harassment based on a person's gender, gender identity or gender expression, ethnic origin, religion or other faith, disability, sexual orientation, age, or any other factor. Harassment is not accepted in any form, whether verbal, physical, or visual.

We provide a workplace in which everyone treats each other with respect. Sexual harassment is not tolerated. This, as well as other forms of harassment, is considered as a human resources issue the Group, not a private concern of the victim. Everyone can help to prevent harassment in the workplace by thinking about choice of words and behavior, counteracting unacceptable behavior by others, and supporting people who are being harassed.

Co-workers at Nelly Group have a responsibility to act in a manner that is not offensive to others, and everyone must be aware of how others perceive one's conduct.

Health, safety, and security

We work to promote a productive and healthy workplace with the objective to contribute to employees' health, safety, and well-being. A good organizational and social work environment promotes better health among employees and generates higher job satisfaction and conditions for achieving good business performance. We maintain a safe workplace by demonstrating consideration and sound judgement, being observant to warning signals regarding work related risks and taking action to prevent accidents.

Our workplace is drug and alcohol free. If someone is under the influence of drugs or alcohol in the workplace, we have a duty to inform our immediate manager or HR. Our workplace is also smoke and pet free. To minimize the risk related to passive smoking, we allow smoking only in designated areas outside our offices.

Human rights

We respect the fundamental human rights and work to ensure that all employees are aware of, understand, and apply these principles in the workplace. We do not tolerate discrimination, harassment, or abuse in any form, whether physical, psychological, sexual, or verbal. We do not accept forced labor, child labor or other harmful or degrading working conditions in any form.

Our assets

The Group has many different assets, such as physical assets (i.a. equipment, inventory), intellectual property assets (i.a. computer software, web platforms, trademarks), and trade secrets (business plans, price information, strategic plans). The Nelly Group name, the Group's assets, premises, resources, or business relationships may only be used for legitimate business purposes and may not be used for personal gain, fraudulent purposes or in any other improper manner.

Employees should protect the Group's assets against damage, loss and criminal acts. The employees should protect any information that the Group considers confidential or business critical. Information that is confidential must never be discussed with persons that are not employees at Nelly Group, including friends and family members. Even if the employee leaves the Group, the employee is still obligated to maintain confidentiality of such information.

Climate and environment

Nelly Group strives to minimize negative environmental impact. Initiatives to promote greater environmental awareness and proactive measures are encouraged.

Employees should be cautious with financial and material resources and have a responsibility to comply with all relevant and applicable environmental laws and regulations.

Further detailed guidelines on the Group's sustainability work can be found in Nelly Group's Environmental Policy.

Political and religious activities

The Group do not engage in political or religious activities or give donations to political or religious organizations, parties, or candidates.

Nelly Group respect the rights of all employees to organize themselves, to join a labor union in order to protect their interests as employees, and to negotiate pay collectively or individually.

4. RELATIONSHIPS WITH SUPPLIERS, OTHER BUSINESS PARTNERS AND COMPETITORS

As employees of Nelly Group, we should ensure that the company competes vigorously and constructively. We are convinced that free and fair competition is to our advantage.

Our contractual relationships with suppliers, other business partners and customers are critical to our success. When we select services, goods, and suppliers, we always keep the best interests of the Group in mind. In practice, this means that we always make our business decisions based on objective factors such as price, quality, availability, delivery, reliability, and service.

We select our business partners with care and assess every business partner based on objective criteria. Agreements that we enter into with suppliers should be in line with the Code as a whole. This means that our external partners ought to commit to respecting and observing our internal rules and ethical principles.

Healthy competition

We conform to applicable competition law and avoid situations or activities that might lead to illegal behavior or have a negative impact which constrains competition, such as e.g. inappropriate discussions or agreements related to prices, production volumes, product sales or marketing strategies.

Information about competitors

Knowing what competitors are doing is a vital aspect of competition. Information for competitive purposes must always be gathered ethically and in compliance with laws and regulations that protect information that belongs to others. We must never use deceptive methods when gathering information about our competitors.

Contacts with our competitors should be handled with care and always be organized in a way that ensures compliance with applicable competition rules.

Contracts

We strive to document all agreements with our business partners. Contracts must identify the parties and other key commercial terms and conditions and be signed by authorized signatories. Original contracts must be stored at the respective workplace and saved in our contract database.

5. MANAGING CONFLICTS OF INTEREST ETC.

Employees must never use their position or influence for any purpose other than to promote Nelly Group. We avoid conflicts of interest and situations that might force us to choose between our personal, business, or financial interests or the interests of the Group.

Assignments outside Nelly Group

As employees of Nelly Group, our due responsibility and commitment to the company, is vital. If you wish to engage in external activities, you should first obtain your immediate manager's approval to do so. Examples of such activities include:

- accepting employment outside Nelly Group (part-time or full-time);
- being on the board or comparable body of another company or organization; and
- pursue business activities of any kind.

Employees may volunteer to take on non-profit board assignments or corresponding tasks in their building society, villa- or community association, as well as in non-profit associations, to the extent this does not constitute a risk of a conflict of interest, does not diminish the employee's ability to perform her/his job and does not violate provisions of this Code. Employees are always entitled to engage in trade and/or labor unions.

Conflicts of interest

Private interests should not influence the judgement or conduct of an employee in the performance of her or his duties. Situations may however arise from time to time that could cause, or be perceived to cause, a conflict of interest for an employee. In such situations, the employee should inform her or his direct manager and seek advice as to whether a conflict of interest exists and how to best handle the situation to maintain a high degree of business integrity. Mitigating actions that could be taken to address a conflict of interest could for example be to re-allocate work or a decision to another employee in the business who is not affected by a conflict of interest, or to ensure that several employees are involved in the work or decision, and that the employee who is affected by a conflict of interest recuses herself or himself from the final decision-making. Potential conflicts of interest should be adequately documented regardless of mitigating actions that may be taken, for example through saved e-mail correspondence or meeting minutes.

Gifts and business entertainment

Business decisions shall be made solely on commercial grounds and in the best interests of the Group. We comply with anti-corruption laws and regulations and do not tolerate bribery or any other inappropriate benefits from a third party.

Employees must obtain advance approval from their immediate manager to offer a gift or entertainment to a business partner. All business entertainment must be carried out restrictively and with good judgement and always have an immediate connection with our business. Employees are free to accept invitations to lunch with a business partner. All other business entertainment requires advance approval from the employee's immediate manager.

Bribe means giving or offering a benefit, directly or indirectly, to any person or organization in order to retain, obtain or control business or to obtain any other type of undue advantage in the course of one's activity. Whether or not a benefit is to be considered a bribe or not must be assessed on a case-by-case basis. The answer is not always self-evident, but there are five questions we can ask ourselves that may help us determine whether a benefit constitutes a bribe:

1. Is this a benefit and why is it being offered to me?
2. Is there a link between the benefit and the exercise of my duties?
3. How is the benefit disposed and what is it worth?
4. What influence do I have on Nelly Group's relationship with the party that is offering the benefit?
5. Do I want to read about myself and this benefit in the newspapers?

Employees who are uncertain about any of these aspects should bring up the matter with their managers for assessment. Nelly Group will take proper action in case of detection or suspicion of irregularities.

Payments to government officials

We do not permit bribes, kickbacks, or other illegal payments to representatives of governments or public authorities in any country. Employees of the Group are not permitted to pay, offer, or approve payments or other benefits to members of government or employees of regional or national governments or public authorities in order to guarantee business transactions or secure more favorable treatment.

6. EXTERNAL COMMUNICATIONS

As a listed company, we disclose financial and other significant information in accordance with applicable regulations. Nelly Group's Communications Manager (or another suitable employee/consultant that had been appointed to this role by the CEO) has an overall responsibility for all media contacts. Nelly Group's CEO, CFO or Communications Manager, handle the Group's external communications and make statements to the media or to authorities on behalf of Nelly Group.

Employees that are contacted by media regarding Nelly Group related matters, must always refer the media representatives to Nelly Group's Communications Manager.

Market abuse

Nelly Group and all of our employees are obliged to strictly comply with applicable laws against market abuse. Market abuse regards insider dealing, unlawful disclosure of inside information and market manipulation.

Inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers (e.g. Nelly Group) or to one or more financial instruments (e.g. Nelly Group shares), and which, if it was made public, would be likely to have a significant effect on the prices of those financial instruments.

Insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments (e.g. Nelly Group shares) to which that information relates.

Unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession, or duties.

It is prohibited for everyone to (a) engage or attempt to engage in insider dealing; (b) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; (c) unlawfully disclose inside information; or (d) engage in or attempt to engage in market manipulation.

The Group has adopted a separate Insider Policy and the employees shall be aware of it and comply with the insider policy's provisions. The insider policy is available on Nelly Group's intranet.

Information security

Our Group is dependent upon IT and demands for fast and relevant information are steadily rising. Consequently, it is important that we handle information – our own and that of our customers, partners, and other stakeholders – securely and efficiently. Information security at the Group entails the following:

- our employees, customers, partners, and other stakeholders have access to information and information resources they need to carry out their tasks and fulfill their obligations (accessibility);
- our information is always accurate and our resources ensure that this information cannot be distorted through unauthorized or erroneous handling (accuracy);
- we can later show what has happened and who has done what in connection with use of our information and information resources (traceability); and
- our information and information resources are always protected against unauthorized access (confidentiality).

Use of the internet and social media

Employees who communicate via social media in their working roles represent the Group and the communication must always be consistent with the Group's values. As employees of Nelly Group, we are representatives of the Group at all times. It is therefore important, even in private contexts and in social media such as Facebook, X, TikTok, Instagram, LinkedIn, blogs, etc., that we do not reveal business critical details or otherwise portray the Group or its employees in a bad light.

Use of the internet for private purposes (during working hours) is permitted to a very limited extent if it is done with common sense and does not affect the employee's job. It is forbidden to use the company's computers, mobile phones and internet connection to visit websites with racist, pornographic, or clearly illegal content.

7. REPORTING IRREGULARITIES (SO CALLED WHISTLEBLOWING)

Transparent, honest, and responsible conduct is a key aspect of the Nelly Group culture. We expect our employees, business partners and others with whom the Group interacts or does business with, and who have serious suspicions of irregularities, fraud or corruption or suspect other adverse conditions within the Group's operations, to step forward and communicate these misgivings. Nelly Group has therefore adopted a so-called Whistleblower Policy.

The purpose of the Whistleblower policy is to reassure all employees that they can report concerns without fear of negative treatment or reprisals. Employees should feel secure that reports are dealt with professionally and confidentially.

The Whistleblower policy is available at Nelly Group's intranet.

8. CONSEQUENCES OF BREACHING THE CODE OF CONDUCT

Breaches of the Code may lead to disciplinary action. There are three steps in the disciplinary process:

1. oral reprimand – if an employee's behavior is not consistent with the Code, the employee is given an oral reprimand;
2. written reprimand – if the employee's behavior does not improve, he or she is given a written reprimand. The aim of the written reprimand is to clearly apprise the employee of the unsatisfactory conditions and to support the employee so that he or she can improve; and

3. dismissal – when all possibilities for correction have been exhausted, Nelly Group may decide to terminate employment on grounds related to the employee personally.

In the event of very serious acts/misconduct that destroy trust in the employee, Nelly Group may decide to give the employee notice of termination or immediate dismissal without performing above measures. The disciplinary process is carried out in accordance with applicable labor laws and established practice.

9. OUR POLICIES, INSTRUCTIONS, AND GUIDELINES

Nelly Group's current policies, instructions, guidelines etc. are available on our intranet. Every employee shall follow them and is responsible for staying abreast on any updates in these documents.

Confirmation of the Code of Conduct

I confirm that I have received, read, and understood the Nelly Group Code of Conduct and that my actions shall always comply with the norms established in the Code.

Place:

Date:

Signature

Print name

After you have signed this affirmation, please give it to your immediate manager or HR. Your affirmation will be kept on file by the HR Department.