

## Nelly NLY AB

### Whistleblower Policy

#### 1. INTRODUCTION

Acting openly, honestly and responsibly is an important part of the culture of Nelly NLY AB ("Nelly"). We therefore expect employees and consultants, business partners and others with whom Nelly has contact or does business with and who have serious suspicions about impropriety, fraud, corruption, or other unsatisfactory states of affairs in Nelly's operations to step forward and talk about these suspicions. To allow people to report potential infringements and offences, Nelly has a whistleblowing process that is described in this policy. This policy is applicable to all employees of Nelly, including any and all candidates, trainees, hired staff, volunteers, secondees, interns, agency workers, consultants and members of management pursuant to the Swedish Whistleblowing Act (Sw. *Lag (2021:890) om skydd för personer som rapporterar om missförhållanden*), who will hereafter be referred to as employees.

The aim of this policy is to assure all of our employees that they can raise matters concerning Nelly without fearing a negative treatment or reprisals. Employees must feel confident that reports made in accordance with this policy are taken seriously and managed both professionally and confidentially.

#### 2. WHAT IS WHISTLEBLOWING?

It is usually the employees, those who are close to day-to-day operations, who first realize that something is not right. Nelly encourages employees to raise issues relating to suspicion of unsatisfactory states of affairs for discussion. It is unacceptable for us to turn a blind eye to serious incidents and suspicion of behavior that is detrimental to trust or other infringements.

Some employees may not dare step forward and talk about their suspicions as such actions may feel disloyal to colleagues and/or the employer or that may be concerned about reprisals as a consequence of making such a report. Nelly wants to encourage employees to step forward and report suspicions about serious infringements. The aim is to make management aware of potentially illegal acts and/or acts that are detrimental to trust.

#### 3. WHAT TYPE OF INFRINGEMENTS MAY BE REPORTED?

Infringements (Sw. *missförhållanden*) often mean 'impropriety', which is a generic term comprising acts of various types such as illegal, unethical, and illegitimate acts, for which there is a public interest of these being disclosed, for instance:

- a) an illegal act, whether it is a civil or criminal offence;
- b) a breach of Nelly's Code of Conduct or infringements that entail potential harm to Nelly's reputation;
- c) a serious threat to the environment or health and safety;
- d) unfair discrimination in connection with employment or provision of services;
- e) unprofessional behavior or behavior that does not meet established standards;
- f) abuse of authority for impermissible or concealed purposes;
- g) doubtful accounting and auditing practice;
- h) bribes and corruption;
- i) breach of any applicable EU-law;
- j) action that creates a conflict of interests or disqualification; and
- k) other acts that must be regarded as serious infringements.

This is not exhaustive. It aims only to indicate the type of action that may be considered to be inappropriate. Infringements under this policy does not include general dissatisfaction with an employee's personal working conditions or terms of employment, nor should reports under this policy be made for infringements that solely concern the reporting persons own working- or employment conditions. Crimes against an individual person or property, such as assault or burglary, should immediately be reported to local law enforcement personnel.

#### **4. HOW DO I REPORT AN INFRINGEMENT?**

An employee covered by this policy who, in a work-related context, notices suspected or actual occurrence(s) of infringements in the business of Nelly can report it through the internal reporting channels. Reports to the internal channel can be made in writing by e-mail or by letter/post as well as verbally by a voice message sent by e-mail.

E-mail: [whistleblowing@nelly.com](mailto:whistleblowing@nelly.com)

Letter/post: Nelly NLY AB, attn.: Agneta Haglund, HR Manager and Fredrik Emanuelsson, Accounting Manager, Box 690, 501 13 Borås, Sweden

An employee covered by this policy who attempts to report suspected or actual occurrence(s) of infringements directly to a manager or otherwise through the incorrect channel will be instructed to instead report through the correct internal channel.

A report under this policy can be done both in writing and verbally. Upon request, a report can also be made verbally in a physical or remote meeting, which is to be set up within a reasonable timeframe upon such request.

Furthermore, a report under this policy can be made:

- a) *Openly*: This means that you give your name and let the persons involved know who has raised the matter.
- b) *Confidentially*: This means that you give your name on condition that it is not disclosed without your prior consent.
- c) *Anonymously*: This means that you do not give your name and you therefore remain anonymous. Please note that reports made anonymously may only be made by voice message or by ordinary post to the specified recipient.

Reports that are made verbally will be documented and Nelly will keep minutes of the report or, upon prior consent from the whistleblower, a recording of the report. Reports that are made verbally through the internal channel may also be documented by a transcript of the report. The whistleblower will be offered the opportunity to check, rectify and agree to the minutes or transcript by signing them.

Written reports and minutes, recordings or transcripts of verbal reports will be stored by Nelly for no longer than what is necessary and will be deleted no later than two years after the follow up on the report has concluded.

#### **5. INFORMATION THAT SHOULD BE INCLUDED IN A WHISTLEBLOWING REPORT**

- a) What has happened? Please be as detailed as possible in your description.
- b) When and where did it happen?
- c) Who was involved?
- d) Can this be expected to happen again. If so, when and where?
- e) Who else knows about the above or has access to relevant information?
- f) Is there any documentation or are there other facts that can be used as evidence?
- g) Is there any other information that may be relevant or necessary for the investigation?

#### **6. WHAT ACTION WILL THE COMPANY TAKE?**

Nelly will be receptive and act on suspicions of infringements that come under this policy. When Nelly has received a report on suspicion of infringements, the employee making the report will receive confirmation that the report has been received by Nelly no later than seven days after the report was received, unless the employee

states that he or she does not want to receive confirmation, or this may reveal the employee's identity. To protect everyone involved, an introductory investigation will be conducted by an impartial group of specially appointed persons within Nelly consisting of Agneta Haglund, HR Manager and Fredrik Emanuelsson, Accounting Manager. A decision will then be made on any full investigation and in applicable cases also on the form the investigation will take. If immediate action is required, this will be taken before the investigation is conducted. The general principle that Nelly will apply is to act in accordance with what is best for the company, its employees and its shareholders. Where deemed appropriate, the impartial group may involve the assistance of HR, the chief financial officer, the director of governance, risk and compliance or other functions within Nelly, or involvement by an independent auditor or other external party or an independent inquiry.

The impartial group will provide the whistleblower with final feedback on the investigation and the measures taken during the follow up and the reasons therefore within three months from the acknowledgement of the receipt or, if no acknowledgement was sent to the whistleblower for reasons not relating to the whistleblower, three months from the expiry of the seven-day period after the report was made.

Acknowledgement of receipt, requests for further information, final feedback, and other communications between the impartial group and the whistleblower will be carried out through the internal channels.

Nelly's action will vary according to the nature of the incident. Suspicions that are reported may be archived and either investigated internally or passed to the police or any other appropriate external authority.

## **7. PROTECTION OF THE WHISTLEBLOWER**

Nelly is aware that it may be difficult to report a problem, in particular on account of fear of reprisals by those accused of impropriety. Therefore, we do not tolerate harassment or bullying and will take action to protect everyone who reports their suspicions in good faith. Retaliation in any form is prohibited against a whistleblower who has used the internal channels to genuinely report suspected or actual occurrence(s) of irregularities noticed in a work-related context in the business of Nelly. Retaliation against such whistleblower will not be tolerated and anyone who retaliates against the whistleblower will be subject to disciplinary measures and may be at risk of termination of services or employment.

Where possible, the identity of the whistleblower will not be revealed unless this is required for the investigation or if the law so demands. Personal data included in reports will only be available for the impartial group and will be processed by them only to the extent it is necessary to follow up on the report. The identity of the whistleblower is protected by confidentiality, meaning that the identity of the whistleblower or other individuals involved in the matter may not be disclosed to any unauthorized party. Where it is necessary for the follow up on the report and the subsequent investigations, information that may reveal the identity of the whistleblower and other individuals involved in the matter may be shared only with those who strictly need the information for such follow up and investigation. The impartial group will inform the whistleblower prior to sharing any information that may reveal the identity of the whistleblower, unless informing the whistleblower would jeopardize the follow up on the report and the subsequent investigations.

Written reports and documentation of verbal reports will be retained for as long as is necessary, but never for more than two years after a follow-up investigation has been concluded. Personal data in a whistleblowing matter will be processed in accordance with the EU 2016/679 General Data Protection Regulation (GDPR) as complemented by the Swedish Whistleblowing Act. Further information on Nelly's processing of personal data in whistleblowing matters are available in [Appendix 1](#).

## **8. FALSE AND MISLEADING ACCUSATIONS**

It is important for anyone who is considering making a report to ensure that it is well-founded. No accusations may be made malevolently or in the knowledge that they are false. Nelly will regard each intentional submission of false or malevolent reports by an employee of Nelly as a serious disciplinary breach. Furthermore, employees reporting infringements will only be protected by the provisions of the Whistleblower Act if the employee reporting via the procedures set out in this policy had reason to assume that the reported information was correct at the time of reporting.

## **9. WHEN MUST THE WHISTLEBLOWING PROCESS NOT BE USED?**

The whistleblowing process must not be used for:

- a) personal conflicts or disagreements, dissatisfaction with bonuses/performances, dissatisfaction with tasks assigned and similar matters;
- b) evil intentions and reporting colleagues or managers for no reason; or
- c) matters that should appropriately be reported to HR, for example suspicions relating to colleagues with health and behavioral problems or similar.

## **10. EXTERNAL REPORTING AND PROCEDURES**

Nelly encourages individuals covered by this policy to use the internal channel to report suspected or actual occurrence(s) of infringements. However, a whistleblower may also choose to report such matters without risking retaliation if reports are made through external channels established by competent local authorities or through external channels established by competent institutions, bodies, offices, or agencies of the European Union (referred to as a "Union Body").

When reporting through an external channel established by a competent local authority or a competent Union Body, the relevant authority or Union Body will have procedures for the external channel and for the receipt of and follow up on reports.

For information on competent local authorities with external channels in Sweden and their relevant areas of responsibility, please refer to the at each time applicable schedule to the Regulation on Protection for Persons Reporting on Irregularities (Sw. *Förordning (2021:949) om skydd för personer som rapporterar om missförhållanden*). The Regulation and schedule can be accessed via this link or via the Swedish Government's webpage, [www.riksdagen.se](http://www.riksdagen.se).

## **11. CONSTITUTIONAL RIGHTS**

Everyone has the principal freedom to obtain and communicate information to the press or the media anonymously or under protection of confidentiality without risking retaliation from the government or from the authorities. These fundamental freedoms are set out in the Freedom of the Press Act (Sw. *Tryckfrihetsförordningen*) and in the Fundamental Law of Freedom of Expression (Sw. *Yttrandefrihetsgrundlagen*).

## **12. FOLLOW-UP AND IMPLEMENTATION**

The content of this policy ought to be annually revised by HR and updated versions of the policy shall be revised and approved by Nelly's Board of Directors. All managers with responsibility for staff are responsible for ensuring that this policy is known and complied with within their department/area of responsibility. All employees have access to Nelly's policies, instructions, guidelines, and similar documents via Nelly's intranet.