



The SJ Group's Supplier Code of Conduct

1 Introduction

In SJ's Supplier Code of Conduct, we state our basic requirements in respect of human rights and working conditions, the environment, and business ethics. SJ's suppliers shall, as a minimum level, apply the principles described in this code of conduct in respect of their supply of goods, provision of services or execution of construction works for SJ. Further, SJ encourages its suppliers to apply the principles described in this code of conduct in all their commercial activities. The code of conduct covers all suppliers and their subcontractors, as well as other business and cooperation partners (also referred to as "the supplier") and is based on internationally accepted initiatives and standards (see Chapter 2.1, Statutory Compliance).

2 Statutory compliance and business ethics

2.1 Statutory compliance

As a general rule, the supplier must always comply with national legislation in the countries in which it operates. If any of the requirements in the code of conduct deviate from those set forth in national legislation, the more stringent requirement shall apply.

All goods, services, and construction which are delivered to SJ must be produced under conditions which are compatible with:

- The Universal Declaration of Human Rights (1948)
- Article 32 of the UN Convention on the Rights of the Child
- The Ten Principles of the UN Global Compact
- The ILO's eight fundamental Conventions (nos 29, 87, 98, 100, 105, 111, 138 and 182)
- The worker protection and work environment legislation applicable in the country of manufacture
- The work method, including minimum wage legislation and national insurance protection, applicable in the country of manufacture
- The environmental protection legislation applicable in the country of manufacture
- The UN Convention against Corruption

Some of the foregoing requirements and principles are discussed in detail below.

2.2 Bribery and corruption

The supplier may not participate in or tolerate any form of corruption, including extortion, fraud, favouritism, bribery and embezzlement. The supplier may not offer or accept any benefits or anything else in order to gain any unfair or inappropriate advantage.

2.3 Contingency plan

The supplier must prepare a contingency plan. The contingency plan must clearly describe how the operations are to continue in the event of an operational disruption or emergency situation. It must also state the amount of the operational capacity which the plan seeks to restore.

2.4 Protection of third party rights and information

The supplier must respect intellectual property rights and protect confidential information by securing such rights and information against misuse, theft, fraud or unauthorised disclosure.

3 Human rights and working conditions

The supplier must support and protect human rights both in the workplace and, more generally, throughout its business activities. All employees must be treated with dignity and respect.

3.1 The work environment and fire protection

The supplier shall provide a safe and healthy work environment. Suitable information regarding any health risks, work environment training, and protective equipment must be provided for all employees. The supplier must take measures to prevent the risk of workplace accidents. Emergency exits on all floors must be clearly marked, well lit, and free from obstruction. All employees must receive regular training regarding how they are to act in the event of a fire or other emergency situation. There must be evacuation plans and firefighting equipment.

3.2 Freedom of association and the right to collective bargaining

The supplier must give employees the freedom to exercise their legal right to organise freely and bargain collectively. This means that the supplier may not, in any manner, prevent the formation, maintenance, or administration of employee organisations or collective bargaining negotiations. In countries where freedom of association is limited, the supplier must facilitate allowing employees to meet with company management to discuss wage and working conditions without the employees suffering negative consequences.

3.3 Wages and working hours

The supplier must pay wages directly to the employee, at the agreed time and in full. The supplier must endeavour to ensure that the employees are paid a living wage and, in any event, may not pay less than the legislated national minimum wage. The employees are entitled to employment contracts. The employees must have at least one day of rest per week, and working hours may not exceed the legal limits in the country of manufacture.

Employees must be granted annual vacation, sick leave, parental leave, and other holiday leave as required by law or as is customary in the country of manufacture.

3.4 Forced labour

The supplier shall ensure that there is no form of forced, slave, or penal labour. Since all work, including overtime work, is optional, the employees must be entitled to terminate the employment following reasonable notice. The employees must always be entitled to leave the company's premises and area. The supplier may not require employees to turn over identification documents, work permits, or objects of value as a condition of employment.

3.5 Child labour and young workers

The supplier must ensure that no employee is younger than 15 years of age or younger than the minimum working age if this age is more than 15 years of age. Young people under the age of 18 may only work with non-hazardous tasks and the work may only be performed if the young person has completed national compulsory school attendance or the work is undertaken parallel to completion of compulsory school attendance.

3.6 Discrimination and harassment

The supplier may not discriminate against employees in conjunction with employment, wage setting, promotion, or termination. Under no conditions may the supplier discriminate on the basis of ethnic identity, sex, age, religion, social origin, physical disability, political opinions, state of health, membership in an employee organisation (including trade unions), or sexual orientation.

No harassment, including threat and oppression, is permissible at the supplier. "Harassment" means subjecting employees to hard or inhumane treatment, including sexual harassment or any form of psychological or physical punishment.

4 Environment

The supplier must conduct systematic environmental work in order to minimise the negative environmental impact of the activities. The supplier must endeavour, through routines for identifying, measuring, and following up on its environmental impact, to continuously improve its environmental performance and minimise resource consumption and discharge. The supplier must actively work to minimise its waste and discharge into the soil, air, and water.

5 Compliance and audits

Supplier chain transparency is necessary in order to guarantee compliance with the code of conduct. The supplier must have suitable monitoring systems to ensure compliance with SJ's code of conduct.

The supplier must enable verification of compliance with the code of conduct. Such verification includes fully or partially oral or written, scheduled or unscheduled, audits and/or spot checks. If SJ performs its own audit related to the code of conduct or instructs a third party to conduct such an audit, the supplier must cooperate completely in order to achieve the goal of the audit.

The supplier must take appropriate measures for the implementation of, and compliance with, this code of conduct in its own business activities as well in the entire underlying supplier chain.

A breach of any of the provisions in this code of conduct may constitute a material breach and will thus entitle SJ to immediately terminate any and all underlying agreements. A breach of items 2.2, 3.4, 3.5, 3.6 will always constitute a material breach.
