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Finnwatch ry
Sonja Vartiala

SOCIAL RESPONSIBILITY PROGRAM OF ONEMED GROUP

OneMed took its first steps in social responsibility control in 2008. A more systematic program was adopted in 2010. At that time, OneMed Group's Corporate Social Responsibility Policy as well as a more detailed Code of Conduct document were established. The leading principle and basis for the program was from the beginning that OneMed cannot transfer the responsibility in social issues to its subcontractors, but is responsible for its own supply chain.

OneMed's Social Responsibility Policy and Code of Conduct were communicated to all Group suppliers. The Code of Conduct explained OneMed Group's intentions and objectives in following key areas: compliance with laws and regulations, child labour, forced and compulsory labour, health and safety, freedom of association and collective bargaining, discrimination, working hours, remuneration, fraud and corruption, and environment. International Labour Organization (ILO) Conventions, United Nations' Universal Declaration of Human Rights as well as international regulations and standards formed the basis for the work. As an indication of commitment, the suppliers were asked to sign and return the signed Code of Conduct back to OneMed.

As next step, a self-assessment questionnaire was sent to prioritized subcontract producers having a factory in a country where the probability to find social responsibility problems was expected to be high. Self-assessment questionnaires serve as conversation starters with the supplier, as a measure of transparency and they provide information which can be challenged during site audits.

Finally, compliance of subcontract producers is verified through an audit program. In 2012, OneMed established its Far-East office in Shanghai, China. In addition to sustainability and CSR functions, the office has responsibilities in sourcing, quality assurance and logistics. All employees at Shanghai office speak Chinese. Two persons have successfully completed a 5-day SA8000 Auditor Course. Major part of OneMed's subcontract producers are located in China which means that OneMed's own certified CSR auditors can carry out audits. In other Far-East countries, services of third-party consultant auditors are used. The ultimate goal of OneMed is to accomplish an initial CSR audit, to request the supplier to take corrective actions, to carry out necessary follow-up audits and finally to establish in co-operation with the supplier a continuous CSR improvement process.

Social compliance is a complex issue and one should not expect that all problems can be solved at once. What is important is that there is a sound development process and that improvement actions are correct and taken without delay. OneMed or its CSR consultant partners have so far audited major part of OneMed's Far-East suppliers. The target by Q2 of 2014 is that 100% of Asian suppliers of own-branded products will be audited at least once. Re-audits will then be carried out at least once a year for follow-up the implementation of corrective actions.

OneMed has grouped its suppliers into two groups – A) subcontract producers of OneMed's own branded products and B) other Group suppliers (agencies). Group A subcontractors are exposed to a complete CSR surveillance program, while approval of OneMed's Code of Conduct has been accepted at first stage as compliance indication from Group B suppliers. The intention is to expand the program later such that Group B suppliers, too, would be better covered.

Semperit has been several years one of the suppliers of gloves to OneMed. In the extensive CSR auditing program the order of individual audits was determined on the basis of risk evaluation. Semperit was not classified to belong into the group of companies requiring an urgent CSR audit. Therefore, social responsibility aspects at Siam Sempermed's factory had not yet been audited by OneMed.

OneMed takes Finnwatch's draft report seriously. The representatives of OneMed will visit Siam Sempermed factory already in this week. Originally, CSR issues were planned to be only one element in the meeting agenda. In the light of Finnwatch report, major attention will be paid to sustainability aspects, however. A meeting with the top management of Semperit has been booked to take place in early April.

On the basis of findings reported to OneMed, Siam Sempermed has been re-classified into the group of factories to be audited with high priority. The CSR audit will be carried out by OneMed's certified auditors as soon as reasonably possible. Future co-operation with Semperit will be re-evaluated after the audit on the basis of audit results and commitment of Semperit to take proper corrective and improving actions.

best regards

OneMed Group Oy



Juhani Kivijärvi
Quality Director