



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

STATEMENT OF CONTINUED SUPPORT


Midsona's Code of Conduct clearly states that Midsona shall be a responsible company. In practice, this means that all matters relating to environment, working environment and human rights as well as product quality and product safety shall be handled in a responsible manner and that we shall always practice ethical business methods.

Midsona joined UN Global Compact in April 2011 and this is our first Communication. Through this report we express our continued support and we will continue to enact the ten principles of the UN Global Compact initiative in 2012/2013. This commitment also implies that we shall continuously evaluate the ten principles with regard to our conduct and performance in all parts of our businesses.

We recognize that a key requirement for participation in the Global Compact initiative is the annual submissions of a Communication in Progress. We support public accountability and transparency and therefore commit to report on progress annually according to the Global Compact COP policy.

Malmö, Sweden, 23 March 2012

MIDSONA AB (publ)



Peter Åsberg
CEO

DESCRIPTION OF MIDSONA

Midsona is a Swedish public company noted on Nasdaq OMX Stockholm since 1999.

The company is developing, producing and marketing products within the area of health and wellbeing.

Our home market is the Nordic countries and we have business in Sweden, Finland and Norway. The number of employees as of 31 December 2011 is 222.

Group sales in 2011 amounted to SEK 1.2 billion.

Midsona's vision is to become the Nordic leader in health and well-being and our mission is to make it easier for everyone to be able to contribute to a healthier daily life.

CEO is Peter Åsberg.

Chairman of the Board is Åke Modig.

Largest owner per 31 December 2011 is Midelfart Holding AS with 25.4 % of the votes and Stena Adactum AB with 24.7 %.

MIDSONA'S CORPORATE RESPONSIBILITY WORK

Midsona's communicated vision to make it easier for everyone to be able to contribute to a healthier life is the foundation for the Groups corporate responsibility work.

The basis of Midsona's work on corporate responsibility issues is the Group Code of Conduct.

In addition, a number of Group policies have been adopted within the following areas:

- Working environment
- Authorization and investments
- Communication
- IT
- Product quality
- Environment
- Cell phones
- Diversity
- Personnel (HR)
- Rehabilitation
- Travel
- Risk
- Company cars
- Treasury
- Road safety
- Trademarks
- Performance appraisal
- Insider/Logbook policy

2011/2012 IN BRIEF

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| Subsidiary Midsona Manufacturing was "Safe Products" certified by Lloyd's Register Quality Assurance |
| Group Diversity Policy adopted |
| Review of cleaning procedures in the production facility. |
| Decision to print Midsona's annual report in eco-friendly paper and to distribute only to those who order a copy |
| Start of project for mapping of energy consumption in production facility in cooperation with external consultant. |
| Start of project for risk assessment in production facility. |
| Midsona started cooperation with SOS Children's Villages to sponsor a village in Central African Republic |
| Group Car policy adopted including strict rules for environmental classes |
| Implementation of management system for security, health and environment in product facility. |
| Group Rehabilitation policy adopted. |
| Group Performance Appraisal policy adopted. |
| Group Insider/Logbook policy adopted. |

COMMUNICATION ON PROGRESS

| HUMAN RIGHTS | |
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| Principle 1 | <i>Businesses should support and respect the protection of internationally proclaimed human rights</i> |
| Principle 2 | <i>Businesses should make sure that they are not complicit in human rights abuses</i> |
| <p>Midsona supports and respects the international conventions regarding human rights and it is important for us to ensure that we in no way violate any human right. The areas covered by the principles of the UN Global Compact are included in Midsona's Code of Conduct – adopted in 2009.</p> | |
| <p>Implementation</p> <p>Midsona's Code of Conduct is available to all employees at the start page of the Midsona intranet. The contents of the Code of Conduct are included in the introduction session that is held twice a year for all new employees. It is also clearly stated that each manager has an obligation to ensure that the employees are informed about the contents of the Code of Conduct.</p> <p>Midsona's Diversity policy clearly states that the Group appreciates a dynamic diversity and the new ideas, perspectives, different behaviors and ways of working that are created through diversity. The policy also establishes that Midsona shall work actively to be an equal and open company by influencing the attitudes and values.</p> | |
| <p>Outcome</p> <p>No incidents of human right abuse within the Midsona Group have been reported.</p> <p>Midsona has started cooperation with SOS Children's Villages and provides a yearly financial support to a village in Bouar in Central African Republic. Initiatives have also been taken by Midsona as well as by employees to collect money as additional support.</p> | |

Future

Midsona will continue the cooperation with SOS Children's Villages during 2012.

An employee survey will be conducted during 2012 including questions regarding discrimination and human rights issues. The results will be monitored both centrally and within each working group.

| LABOUR | |
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| Principle 3 | <i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</i> |
| Principle 4 | <i>Businesses should uphold the elimination of all forms of forced and compulsory labor</i> |
| Principle 5 | <i>Businesses should uphold the effective abolition of child labor</i> |
| Principle 6 | <i>Businesses should uphold the elimination of discrimination in respect of employment and occupation</i> |
| <p>Midsona supports and respects labor laws in the respective country where we have operations (Sweden, Finland and Norway). We do not accept any discrimination in employment opportunities or work or any kind of involuntary work.</p> <p>In all questions concerning employment, which include recruitment, promotion, relocation, lay-off, disciplinary action, remuneration and benefits, the related decisions shall only be based on the qualifications and proficiencies required for the work concerned.</p> <p>Midsona value a healthy staff and encourage physical activity. Health and safety at work matters are given attention in order to preserve and strengthen our employee's ability and opportunity to work throughout their lives.</p> | |
| <p>Implementation</p> <p>Midsona's Code of Conduct confirms the employees' rights to be represented by unions and their right to take part in collective agreements.</p> <p>Midsona has adopted policies within the labor area:</p> <p>The Working environment policy clearly states that Midsona always shall treat health and safety issues with openness and that every employee shall be given the opportunity to influence their own working environment.</p> <p>Midsona's Rehabilitation policy contains routines and tools for managing rehabilitation cases in the best way to help sick employees to recover the best possible capacity and conditions for a normal working life.</p> | |

Midsona has adopted a ***Performance appraisal policy*** which is a control instrument for the development of business skills and thus a successful development also for the employee.

All employees within the Midsona Group are linked to a health care system and are entitled to a monetary contribution to physical activities.

Outcome

No case of breach of any labor legislation has been reported. No case of harassment or discrimination has been reported.

Absence due to illness is only 3.5 % of the working hours.

Future

An employee survey will be conducted during 2012 including questions regarding stress, the physical working environment, how conflicts are handled and how the cooperation with colleagues and managers is experienced. The results will be monitored both centrally and within each working group.

| ENVIRONMENT | |
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| Principle 7 | <i>Businesses should support a precautionary approach to environmental challenges</i> |
| Principle 8 | <i>Businesses should undertake initiatives to promote greater environmental responsibility</i> |
| Principle 9 | <i>Businesses should encourage the development and diffusion of environmentally friendly technologies</i> |
| <p>Midsona's Environment policy clearly states that our goals are to integrate the environment work into the daily work and if possible always take the environment into consideration in every business decision. We shall always prioritize environment friendly products when possible and we encourage our employees to always consider telephone and video conference meetings before travelling. It is our ambition to reduce our consumption of energy and office supplies.</p> | |
| <p>Implementation</p> <p>In 2010 Midsona made a decision to print the annual report in eco-friendly paper and to distribute only to those who order a copy.</p> <p>During 2011 Midsona initiated three environment projects in our production facility:</p> <ul style="list-style-type: none"> - Review of cleaning procedures in order to reduce wastewater emissions. - Mapping of energy consumption. This project is done in cooperation with external consultant. - Risk assessment and implementation of management system for security, health and environment in product facility. <p>Group Car policy has been adopted including strict rules for environmental classes.</p> <p>Routines for waste sorting/separation have been implemented end of 2011.</p> | |

Outcome

Reduction in number of annual reports distributed.

Video conference systems now available on all offices and an increased use of the equipment.

Future

Follow-up of environment project in production facility will be made during 2012.

ANTI-CORRUPTION

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

Midsona encourages fair competition. Fair competition is the basis for all business development and innovation. It is our fundamental principle that all companies within the Group and all employees at all times shall respect and observe prevailing competition legislation

Implementation

Midsona's **Code of Conduct** clearly presents the company's zero tolerance on corruption and cartel behavior:

- Midsona takes its business decisions based on what is best for the Company, and not on personal considerations or relations. Employees may not benefit from business opportunities that arise as a direct consequence of Midsona's business activities. Employees are not permitted to engage in business activities in companies or organizations that compete with Midsona.
- Employees of Midsona may not offer or accept gifts, benefits, commissions or entertainment to or from any third party that could influence the employee's professional judgment upon performing work for Midsona.
- Midsona does not make any contributions or gifts to political parties or individual politicians, and employees may not make such contributions on behalf of Midsona.
- Board membership in competing companies or with customers or suppliers shall be approved in advance by the employee's immediate manager.
- Each employee is encouraged to report any illegal or unethical behavior.

Outcome

No case of breach of any competition or anti-corruption legislation has been reported.

Future

Midsona will continue to communicate the company's zero tolerance on corruption and cartel behavior and will continue to monitor in every possible way that there are no breaches of any competition or anti-corruption legislation.