



**midsona**



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

We welcome feedback on its contents.

This document is Midsona's communication on progress for 2013 and was submitted to UN Global Compact on 1 March 2014. The document will be made available on Midsona's website [www.midsona.com](http://www.midsona.com) in addition to being published on the UN Global Compact's homepage.

# STATEMENT OF CONTINUED SUPPORT

Midsona is a leading player in the health and well-being business in the Nordic countries and our Code of Conduct clearly states that Midsona shall be a responsible company. In practice, this means that our business partners, customers, consumers and owners can rely on us and our products. It also means that all matters relating to environment, working environment and human rights 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 third 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 2014/2015. 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, 1 March 2014

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 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 2013 was 157.

Group sales in 2013 amounted to MSEK 916.

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 owners per 31 January 2014 are Stena Adactum AB with 25.1 % of the votes, Nordea Invest with 7.9 % and Handelsbanken Fonder with 7.8 %

# **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:

- Authorization and investments
- Cell phones
- Communication
- Company cars
- Competence Development
- Diversity
- Environment
- Health policy
- Insider/Logbook policy
- IT
- Performance appraisal
- Personnel (HR)
- Product quality
- Rehabilitation
- Risk
- Road safety
- Salary policy
- Sponsorship policy
- Trademarks
- Travel
- Treasury
- Work carried out by lone employees
- Working environment

## 2013 IN BRIEF

Midsona has acquired one new company: Supernature AS in Norway
Following the acquisition of Supernature, we have established ourselves in a new line of business, namely superfood.
Follow-up of the 2012 Employee Survey has been conducted and action plans have been prepared in order to address issues that need further attention.
Midsona has conducted a one year leadership program to further develop the group's managers.
Midsona has continued its cooperation with SOS Children's Villages to sponsor a village in Central African Republic and we have also raised money through contributions from employees and by store promotions of our products. In addition, we have donated a lump sum in connection with the typhoon in the Philippines.
Midsona has been one of the sponsors of Våruset, one of the world's largest running events for women. Våruset stands for health for all and that the runners can participate in their own pace, according to their individual circumstances and have fun together, which fits perfectly with Midsona's vision and mission. Våruset is also cooperating with SOS Children's Villages.
One of our new products, Friggs Te+, has won the Swedish award for The Year's Best Healthfood 2013.
Midsona's subsidiary Dalblads Nutrition has received an IP-certification, i.e. Dalblads meet production rules concerning, for example, product development and manufacturing of nutritional products and supplements.
During the period, policies within the areas of salary and sponsorship have been adopted.

# COMMUNICATION ON PROGRESS

HUMAN RIGHTS	
<b>Principle 1</b>	<i>Businesses should support and respect the protection of internationally proclaimed human rights</i>
<b>Principle 2</b>	<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 of 2009.</p>	
<b>Implementation</b>	
<p>Midsona's <b>Code of Conduct</b> is available to all employees at the start page of the Midsona intranet. The contents of the Code of Conduct are included in introductions for 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 <b>Diversity policy</b> 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>An employee survey as well as a follow-up survey has been conducted including questions regarding discrimination and human rights issues.</p>	
<b>Outcome</b>	
<p>No incidents of human right abuse within the Midsona Group have been reported and nothing was found in the employee survey that suggests that Midsona violate any rules in this field.</p> <p>Midsona has continued its cooperation with SOS Children's Villages and provides a yearly financial support to a village in Bouar in Central African Republic.</p> <p>One new policy within the field have been adopted during 2013, namely a <b>Sponsorship policy</b>, clarifying that our sponsorships should be of benefit to society and the environment in which we operate and lead us to be seen in contexts where social engagement and social and</p>	

environmental responsibility are the focus. Our sponsorship shall always support our values.

**Future**

Midsona will continue the cooperation with SOS Children's Villages during 2014.

Midsona will sponsor the activities of "Team Rynkeby" during 2014, i.e. raising of funds to fight children's cancer.

## LABOUR

<b>Principle 3</b>	<i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</i>
<b>Principle 4</b>	<i>Businesses should uphold the elimination of all forms of forced and compulsory labor</i>
<b>Principle 5</b>	<i>Businesses should uphold the effective abolition of child labor</i>
<b>Principle 6</b>	<i>Businesses should uphold the elimination of discrimination in respect of employment and occupation</i>

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.

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.

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.

### Implementation

Midsona's **Code of Conduct** confirms the employees' rights to be represented by unions and their right to take part in collective agreements.

Midsona has adopted policies within the labor area:

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.

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.



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.

Midsona has adopted a **Competence development policy** stating that the employee's needs and desires of professional development shall if possible be met when these coincide with the company's requirements and needs.

A **Health policy** has been adopted stating that Midsona shall be a health promoting company and indicating how Midsona shall work with health issues.

One new policy within the field have been adopted during 2013, namely a **Salary policy** stating that Midsona strive for a just and equal wage policy and shall not have any wage differences related to gender or other discriminatory factors. No employee shall be discriminated because of their membership or not membership of a trade union.

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

During 2013 a follow-up employee survey was conducted including questions regarding stress, the physical working environment, how conflicts are handled and how the cooperation with colleagues and managers is experienced.

## **Outcome**

No case of breach of any labor legislation has been reported. No case of harassment or discrimination has been reported. Nothing was found in the employee survey that suggests that Midsona violate any rules in this field.

Midsona has conducted a one year leadership program to further develop the group's managers.

A co-operation with Flexpay Easy was initiated during 2013. Flexpay is a system that allows our employees to enjoy advantages in various areas, such as training, health care, nutrition counseling, insurance and household services.

Absence due to illness is still at a low level – 3.37 % of the working hours during 2013.

**Future**

Midsona will continue the cooperation with Flexpay.

Midsona will continue to work to keep the absence due to illness on a low level.

<b>ENVIRONMENT</b>	
<b>Principle 7</b>	<i>Businesses should support a precautionary approach to environmental challenges</i>
<b>Principle 8</b>	<i>Businesses should undertake initiatives to promote greater environmental responsibility</i>
<b>Principle 9</b>	<i>Businesses should encourage the development and diffusion of environmentally friendly technologies</i>
<p>Midsona's <b>Environment policy</b> 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><b>What happened in 2013</b></p> <p>Following the acquisition of Supernature, Midsona is established within the segment of superfood which is food that comes from sustainable farming and production and should benefit those people who are involved. All raw materials classified as superfood are completely herbal with low environmental impact.</p>	
<p><b>Future</b></p> <p>Superfood is a new line of business for Midsona and we shall continue to develop the concept and if possible launch in other markets.</p> <p>Midsona will continue to prioritize the environment in business decisions. An updated system for video conference meetings will be installed to further reduce travelling.</p>	

## 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.