

2018  
HUMANITARIAN  
ENTREPRENEURSHIP  
REPORT

VESTERGAARD®





# LETTER FROM OUR CEO



In 2018, the Vestergaard team regularly reminded me of their drive to consistently do more when it comes to helping vulnerable people in need.

Our public health unit, the leading manufacturer of long-lasting-insecticidal nets (LLINs), reacted to the significant rise in malaria cases after years of decline. Vestergaard experts became highly vocal advocates at malaria events throughout the year, calling for equitable access by all countries to the most effective vector control tools and for prevention of low quality LLINs. We also scaled up production to meet the increasing demand for our PermaNet® 3.0 LLINs which have increased efficacy against insecticide resistant mosquitoes.

### Providing safe water

Our water unit provided safe water to communities following natural disasters. We reached a milestone with the LifeStraw® give back program through which every product purchased provides a school child in need with safe water for an entire year. By the end of 2018, the program reached over two million kids and expanded from Kenya to include India and Mexico. We continued to provide LifeStraw® Guinea worm filters (over 38 million through 2018) to eradicate a disease that afflicted 3.5 million people in 1986 and only 28 people in 2017.

### Eliminating sleeping sickness

Our food security unit, one of the only suppliers and donors of vector control tools to fight sleeping sickness, continued to provide ZeroFly® Targets and Traps to countries plagued by this deadly disease. In 2018 we continued our multi-year donation, giving an additional 60,000 ZeroFly® Tiny Traps to a consortium working to eliminate sleeping sickness by 2020.

### Integrity and respect

On the operations side, we incorporated additional measures to ensure that we function with integrity and respect. For our employees, we added benefits to demonstrate our appreciation for their dedication to positive change and a can-do-attitude that allows Vestergaard to make a global impact.

Mikkel Vestergaard, CEO Vestergaard.

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# OUR IMPACT

Vestergaard's humanitarian products have benefited over 1.6 billion people worldwide. These products contribute to over half of the 17 UN Sustainable Development Goals.



800,000 million

PermaNet® long-lasting insecticidal nets have protected an estimated amount of 1.6 billion people to date from malaria.

5.5+ million

LifeStraw® water filters and purifiers are providing safe water and preventing waterborne illness around the world.



400,000

ZeroFly® Screens, Targets and Traps are keeping tsetse flies from infecting humans and animals with sleeping sickness disease.



6.5+ million

ZeroFly® Storage Bags are supporting food security by protecting post-harvest crops from losses due to pest infestation.



38 million

LifeStraw® Guinea worm filters are helping eradicate Guinea worm disease.



FIVE VALUES  
GUIDE WHAT WE  
DO. AND THE  
SPIRIT IN WHICH  
WE DO IT.

OUR FIVE VALUES.

01

PASSIONEERING\*

We believe that true innovation of life saving products is created at the intersection of our passion to drive global change and our cutting-edge engineering or what we call Passioneering\*. Within this unique passion-driven creative space we engineer human-focused solutions, designing game changing products and building programs that deliver real social, environmental and public health impact.

02

INNOVATIVE CHALLENGER

We approach challenges with an "everything is possible" attitude and push the boundaries on business as usual to find more effective solutions and smarter ways to address global health and development problems. Vestergaard values immersive engagement, diverse opinions and expertise from the private sector, public sector experts, scientists and engineers we work with to develop high quality products and sustainable solutions.

03

DELIVER WITH PRECISION

We make considerable investments in scientific research and development to spur the creation of new products and to refine current ones. We rely heavily on data-driven evidence, in the lab and in the field, and encourage independent verification by third parties. We are also committed to raising industry standards to ensure the best products reach the people who need them.

04

SPEED OF RESPONSE

Keenly aware that timely delivery of our products and services impacts lives, we have established state-of-the-art production facilities and flexible supply chains to quickly produce products at scale. We ensure rapid delivery to end users through strategic distribution networks in concert with local governments, aid agencies, NGOs, retail markets and business entities. And, we encourage dialogue with the people who use our products to drive adoption and optimize impact.

05

RESPONSIBILITY

Vestergaard is committed to defining the role of the private sector in doing good. We believe that corporates can and should have responsibility at the core of their missions. On the operational front, we have been a member of the UN Global Compact since 2007 and embrace its code of conduct to protect human rights, maintain fair labor practices and safe work environments, respect employees and business partners, defend the environment and root out corruption.



## DESIGNING RESPONSIBLE PRODUCTS

Vestergaard designs products to be fit for the people, purpose and context for which they will be used.

### OUR PRODUCT DEVELOPMENT CRITERIA

- ⚙️ Designed without the need for repeat intervention
- ⚙️ Technologically advanced but easy to use and maintain
- ⚙️ Affordable at scale
- ⚙️ Durable and long-lasting even in harsh environments
- ⚙️ Responsible—minimizing negative environmental impact

### COMMITMENTS

- 🕒 Within five years, we will scale up our production capacity for new products, enabling us to switch our entire supply for our key donors and partners to affordable PBO and next generation PermaNet® nets only.
- 🕒 In 2020, we will launch a high throughput emergency LifeStraw® purifier with an option for heavy metals reduction for this product.

### Evidence based product claims and testing

All products undergo independent testing and certification by accredited laboratories against global standards, including the National Science Foundation, the US Food and Drug Administration and the World Health Organization.



## 2018 PRODUCT HIGHLIGHTS

**PERMANET® 3.0.** In 2018, this LLIN, with increased efficacy against insecticide resistance, was purchased by the President’s Malaria Initiative and the Global Fund for countries with serious documented resistance to pyrethroids including Burkina Faso, Ghana, Tanzania and Nigeria. This expands distribution of 10 million PermaNet® 3.0 nets to more than a dozen countries. Vestergaard has scaled up production to meet the increasing demand.

For every LifeStraw® purchased at retail, a school child in need receives safe water for an entire school year.

**LIFESTRAW® FLEX GRAVITY FILTER.** Designed for groups hiking, camping or impacted by natural disasters, the two-stage filtering system removes microplastics and lead while filtering out bacteria and parasites. The ultralight, versatile filter can be used alone as a straw filter or in-line with a hydration pack.

**LIFESTRAW® HOME.** The sleek at-home water filter pitcher, launched early 2019, is sustainably made (using glass and recyclable plastic components) and is the first to address serious water quality issues in well-resourced nations, including contaminants in tap water. LifeStraw® Home protects against bacteria, parasites, microplastics, lead and a variety of harmful chemicals.



## PUBLIC HEALTH IMPACT

# ADVOCATING FOR THE MOST EFFECTIVE MALARIA PREVENTION

Long Lasting Insecticidal Nets have been the frontline defense against malaria, responsible for 68 percent of the 6.2 million lives saved between 2000 and 2015. However, data from 2015-2017 WHO World Malaria Reports shows that progress has stalled. There were 3.5 million more cases among the ten highest burden African countries in 2017 than in 2016. Pyrethroid resistance is threatening the efficacy of LLINs and jeopardizing the larger public health goal of eliminating malaria.

As a social good company, our mandate is to deliver innovative global health tools. While developing and testing the next generation of LLINs, Vestergaard is a vocal advocate for the accelerated deployment of the most effective prevention tools available today to drive impact, PBO LLINs, and getting malaria control back on track.

Our messages this year were two-fold.

- 1: In the drive for universal coverage, greater efforts should be directed to ensure country programs have equitable access to the right tools in the right place and data to inform their decisions.
- 2: Quality matters. There is growing consensus about the need for consistent standards around the quality of LLINs with a greater adherence to WHO prequalification specifications. We believe each LLIN manufacturer must be held accountable for the quality of each net. Accountability is about responsibility—holding each other responsible to achieve our common goal—eliminating malaria.

We drove these important messages with an active voice at major malaria events throughout the year. We spoke directly with like-minded stakeholders such as the Bill and Melinda Gates Foundation and the President’s Malaria Initiative, working to form coalitions, and reached larger audiences by hosting educational symposia and participating in events. Some venues we attended:

FEBRUARY	Asia Pacific Leaders Malaria Alliance, Bangkok.
APRIL	Multilateral Initiative on Malaria conference, Dakar. Commonwealth Malaria Summit, London.
MAY	Malaria No More Gala–World Health Assembly, Geneva.
JULY	1st Malaria World Congress, Melbourne.
SEPTEMBER	UN General Assembly, New York.
OCTOBER	UN Foundation Global Dialogue, New York. Pan African Mosquito Control Association Annual Meeting, Victoria Falls. RBM Sub-regional Network Meeting, Dakar.
NOVEMBER	American Society of Tropical Medicine & Hygiene meeting, New Orleans.



WATER IMPACT

## GIVING BACK THROUGH RETAIL

For every LifeStraw® product purchased, a school child in need receives safe water for an entire school year. Since its inception in 2014, the give back program has provided over 2 million children with safe water for an entire year. This program is fully supported and sustained by retail purchases, providing consumers with a tangible way to address the global water crisis.

At the end of 2018, our give back program reached over 2 million children.



2,190,569 children with one year safe water



1,633 Schools



229,423,200 Litres of water



10,482 Follow-up visits

LifeStraw® held its first give back program in western Kenya in 2014. Since then, the program has expanded to include India in 2017 and Mexico in 2018.

LifeStraw® is committed to designing lifesaving products and implementing them in the field. Therefore, rather than just drop off filters, we conduct extensive training on-site and employ local staff who conduct follow up for five years.

This comprehensive approach ensures sustainability of the program and the public health impact. In Kenya, 97.5% of the give back program staff are local. They collect usage data during regular visits and share this information on our website.

### CONTRIBUTING TO GUINEA WORM ERADICATION

When Guinea worm disease is eradicated, it will be the first disease to be removed from the planet without the use of a vaccine.

**OVERALL** We have provided over 38 million LifeStraw® Guinea worm filters to The Carter Center for eradication of the disease.

**IN 1986** There were 3.5 million annual cases of Guinea worm disease in roughly 21 countries.

**IN 1994** LifeStraw® began working with The Carter Center, creating a simple mesh filter to remove Guinea worms from drinking water.

**1999+** This work evolved into the first LifeStraw® pipe filter. Throughout the following decades, we have continued to provide these filters to The Carter Center, and have increased the number of filters that Vestergaard is donating to the cause.

**IN 2015** Beginning this year and in all subsequent years, 100% of the Guinea worm filters provided to the Carter Center were donated by LifeStraw®.

**IN 2017** LifeStraw® donated 149,000 Guinea worm filters, for distribution in African countries affected by Guinea worm disease.

**IN 2018** LifeStraw® donated 192,000 Guinea worm filters which have been distributed to three countries with the remaining 28 cases.

**IN 2019** We will provide more than 300,000 filters to The Carter Center.

## HELPING ERADICATE SLEEPING SICKNESS



Sleeping sickness, known also as trypanosomiasis, is a deadly disease which in one form or the other is prevalent throughout most of Africa. It accounts for sickness and deaths among livestock and agricultural losses, thus enhancing rural poverty. In humans, trypanosomiasis is endemic in some parts of Africa.

World Health Organization, the Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC), the US Food & Agricultural Organization and the Bill & Melinda Gates Foundation as a long term partner in the fight towards elimination.

For the past 20 years, Vestergaard has been one of the only international suppliers and donors of high-quality long-lasting vector control tools to fight against sleeping sickness. In this regard, we are recognized by key organizations such as the

Vestergaard manufactures various types of tsetse fly screens, traps and targets which are impregnated with deltamethrin, a biodegradable insecticide, and function by attracting tsetse flies to the cloth screens that trap and/or kill them. This technique reduces tsetse numbers significantly.

Support for communities in need

## THE LIFESTRAW® WATER FUND

The LifeStraw® Safe Water Fund is a 501(c)3 organization run by the New Venture Fund. It provides a means for socially-minded individuals and organizations to engage in high-impact safe water programs around the world and respond rapidly to emergencies.

The Safe Water Fund enables us to crowdsource contributions from individuals, non-profits and foundations in order to expand our ability to respond to disasters and serve school children in vulnerable communities around the world.

The Safe Water Fund has supported our work in Argentina, Haiti, India, Kenya and South Sudan, as well as funded our involvement in recent natural disasters in Puerto Rico, India and Indonesia.

### Emusanda Maternity Ward



#### LURAMBI DIVISION, KENYA.

On International Women's Day in 2018, Vestergaard opened the doors of a 12-bed maternity ward in western Kenya's Lurambi Division that the company had funded. The ward, equipped with technologies previously unavailable in this region, provides high quality maternal and neonatal healthcare to the rural women of this community. Since opening, there have been an average of 9 births per month, with a total of 91 births in 2018! The Emusanda Maternity Ward demonstrates Vestergaard's long-standing commitment to the health and well-being of this community and the government of Kenya.



### Support for Cox's Bazar Bangladesh Refugees

The Rohingya people are a religious and ethnic minority who formerly lived in the Rakhine State within Myanmar, but were forced out when their village was destroyed by extreme violence and discrimination in 2017. Over 700,000 Rohingya refugees crossed the border into Cox's Bazar, Bangladesh to live in a temporary settlement, the Rohingya Refugee Camp, which houses over 1 million refugees.

In 2018, LifeStraw® began operating a product service and distribution center there to provide safe water. Working with global NGO partners, LifeStraw® has provided over 3,000 LifeStraw® Family 2.0 and over 300 LifeStraw® Community purifiers to the refugee community last year and will continue to support it until a long-term living solution is provided.

#### Tsunami in Palu, Indonesia

Vestergaard raised funds for 26 LifeStraw® Community water purifiers, distributed by implementation partners including the H.E.A.R.T Foundation and Team Rubicon.

#### Project SOURCE in Aurora, Philippines

1,995 LifeStraw® Family 2.0 water purifiers distributed to households and 299 LifeStraw® Community purifiers installed in community establishments within Aurora, providing safe water to 15,000 people. The campaign, spearheaded by the NGO ASSIST, partnering with financing organization Deutsche Investitions (DEG) and Vestergaard, was called "Supply of unpolluted clean drinking water to rural communities in the Philippines" (SOURCE).

#### Kingsley Holgate Expedition—Cape Town to Nepal

Donated PermaNet® nets and LifeStraw® water filters to Kingsley Holgate's first-ever Cape Town, South Africa to Kathmandu, Nepal trek, for distribution to hard-to-reach populations along the way.

#### Kerala, India Floods

Supported installation and training of 650+ LifeStraw® Community purifiers and 1,500 LifeStraw® Family 2.0 purifiers, in partnership with the Art of Living Foundation, secured through a procurement by WHO and the Government of India.

#### Sleeping Sickness Elimination

Donated 60,000 ZeroFly® Tiny Targets to an international consortium working to eliminate sleeping sickness by 2020.

#### Refugees in Cambodia

Donated 64,800 PermaNet® 2.0 nets to the CDC for distribution to refugees in internally displaced person (IDP) camps in Cambodia.

#### Malaria Resurgence in South Africa

Donated 60,000 PermaNet® 3.0 to the Ministry of Health in South Africa to address the resurgence of malaria, in partnership with singer Yvonne Chaka Chaka's Princess of Africa Foundation.

#### LifeStraw® Partnership with Conservation Alliance

Developed a Special Edition "Big Adventure, Small Footprint" LifeStraw® Go bottle with a portion of the proceeds from sales going to The Conservation Alliance.

#### Partnership with Jaguar Land Rover & ClimateCare

349,468 children in the hardest to reach areas of rural western Kenya now have safe water due to the partnership between LifeStraw® and Jaguar Land Rover & ClimateCare.

#### Bed Nets for DRC

Donated 2,000 PermaNet® 2.0 nets to the Malaika Foundation for distribution in the Democratic Republic of the Congo.

#### Refugees in Kenya

Donated 85,200 PermaNet® 2.0 nets to the Centers for Disease Control and Prevention (CDC) for distribution to refugees in IDP camps in Kenya.

#### Venezuela Malaria Resurgence

Donated 3,000 PermaNet® 2.0 hammocks to Eglee and Stanford Zent from the Venezuelan Institute for Scientific Research to mitigate the health emergency among indigenous populations of the Venezuelan Amazon.

#### Partnership with Abercrombie & Kent Philanthropy

Working in partnership with the luxury global travel company, provided safe water to the Maasai people of western Kenya. In 2018, covered all schools around the Masai Mara, reaching 14,632 children. In early 2019, the partnership is expanding to reach over 1,000 children in Vietnam and in mid-2019 will reach communities in Tanzania.

# OPERATING WITH INTEGRITY

## GUIDING

The United Nations Global Compact (UNGC) encourages companies to act as socially responsible members of the international community, abiding by ten UNGC principles which dictate responsible behavior with regards to human rights, labor, environment and anti-corruption. Vestergaard has been a devoted member of the UNGC since 2007. Our Code of Conduct mirrors its ten principles and includes guidelines regarding doing business with integrity, avoiding bribery and corruption, protecting assets and creating a positive workplace.

### POLICIES WHICH SUPPORT THE CODE OF CONDUCT

- ⚙️ DELEGATION OF AUTHORITY POLICY
- ⚙️ EMPLOYEE HANDBOOK
- ⚙️ TRAVEL POLICY
- ⚙️ PROCUREMENT POLICY
- ⚙️ DISTRIBUTORS AND AGENT POLICY
- ⚙️ IT POLICY

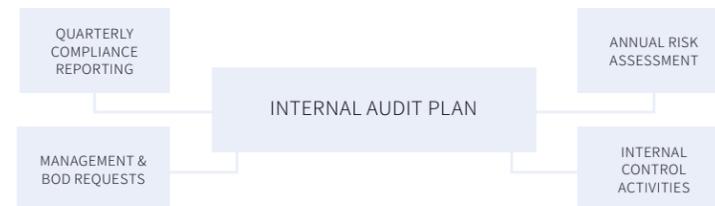
## MONITORING

Vestergaard's Internal Compliance Council oversees implementation and adherence to the Code of Conduct. The Council reports to Vestergaard's Board of Directors. All employees receive compliance training and participate in business meetings or working sessions related to Compliance. Employees are encouraged to report infringements through secure mechanisms internally or externally. All reports are followed up.



## ENFORCING

An Internal Audit Plan, updated annually, verifies that all systems, monitoring, and measurement components are in place to ensure ongoing compliance.



## COMMITMENTS

- 🕒 In 2018, all employees followed compliance training (Code of Conduct) using a newly instituted online compliance learning platform.
- 🕒 In 2019, Vestergaard will continue to provide compliance training to new staff and will develop a plan to provide continuous and tailor-made compliance training, including evaluating the possibility of adopting a micro-learning platform.



We're proud to report that nearly half of all employees have been with the company for 5+ years.

# RESPECT FOR EMPLOYEES

Vestergaard's bold and passionate employees are the company's most valuable and valued assets.

We seek a diverse workforce and offer the same opportunities to all employees regardless of race, gender or ethnic affiliation.

### Living our mission in Kenya

Each year, Vestergaard staff are invited to participate in LifeStraw's give back program implementation. In 2018, more than 70 staff travelled to rural Kenya where they spent 7 long days, mostly in the field, eating meals on the go, while they helped set up LifeStraw® Community purifiers at schools throughout the region, demonstrated our technology and entertained thousands of kids at 525 schools.

Through this program, employees get to experience and embrace Vestergaard's driving principles. This enhances loyalty to the company and motivation to support our mission.

### COMPREHENSIVE POLICIES ENSURE EMPLOYEE RIGHTS

- 🕒 Code of Business Conduct & Ethics
- 🕒 Equal Employment Opportunities
- 🕒 Child Labour
- 🕒 Flexible Working Hours
- 🕒 Anti-Harassment
- 🕒 Maternity, Paternity, Adoption & Parental Leave
- 🕒 Recruitment and Induction

### WORKFORCE STRUCTURE—2018

- 50% Female
- 50% Male
- 139 Total Staff
- 17 Nationalities



## RESPONSIBLE SUPPLY CHAIN



### Improved Management Systems

In 2018, our manufacturing sites maintained their SA8000:2014 accreditation verified through bi-annual audits performed by reputable international auditing bodies.

As part of SA8000 improvements, in 2018 human resource management software was successfully launched at our main manufacturing facilities and is being used to ensure accurate implementation of social management practices such as financial compensations and benefits for employees.

### Conducted Extensive Training

Training in 2018 totalled 6.04 hours per production employee for 1764 employees. Topics included:

-  Chemical safety & emergency spillage response practice for Tier 1 & Tier 2 suppliers
-  Labour safety & hygiene
-  First aid
-  SA8000\*
-  Fire safety & fire drills
-  Radiation safety

### Received High Grades from WHO PQ Audit

In November 2018, a World Health Organization (WHO) PreQualification (PQ) inspection team visited our two manufacturing facilities in Vietnam. After a thorough 10-day audit, they deemed the sites to be highly compliant against audit requirements. Vestergaard appreciates WHO's commitment to a PQ system for LLIN manufacturers to ensure that the highest quality nets are deployed to communities of people who desperately need them.

#### COMMITMENTS

- 🕒 In 2019, our main factory employees will receive ISO14001:2015 environmental management system training.
- 🕒 In 2019, human resource management software will be launched at our newest manufacturing facility.

# OCCUPATIONAL HEALTH & SAFETY

Many improvements to the work environment were instituted in 2018

20%

REDUCED PHYSICAL WASTE

On our polyester net production lines by standardizing the cutting process with semi-automatic cutters and other measures.

5%

REDUCED PBO WASTE

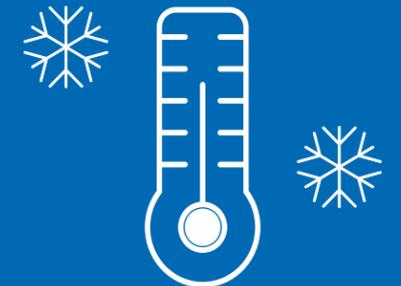
By upgrading a new pumping device at the extrusion workshop.



**OPTIMIZED THE AUTOMATIC CHEMICAL MIXING SYSTEM** at the coating process line to contain chemicals in an integrated, controlled system. Ensures accuracy and reduces the risk of mistakes; improves work safety and efficiency.



**OCCUPATIONAL HEALTH CHECKS** Conducted on 100% of operators (935 workers) at our main manufacturing site.



**IMPROVED WORKING CONDITIONS** at the knitting workshops by moving the oil heating devices outside the workshop, reducing the workshop temperature by 3° C (5.6° F).

#### COMMITMENTS

- 🕒 By 2019, we will complete all Tier 2 supplier training and upgrade their practices on O.H.S. standards.
- 🕒 By 2019, we will upgrade the fire alarm system of our main manufacturing site with the installation of a central fire alarm network.

# ENVIRONMENTAL STEWARDSHIP

Vestergaard continuously strives to find ways to produce with less usage of water and energy resources and less waste.

## Reduced waste

Reduced the waste of our polyethylene yarns by continuously improving our extrusion lines.



32% WASTE REDUCTION

Reduced hazardous waste by 50% through better control of the impregnation process, resulting in less defective, wasted netting (measured by kg hazardous waste/month/employee; compared to 2017).

Eliminated the use of 224,000 plastic bags for LifeStraw® products (approximately 3 tons) as a result of improved packaging and handling practices.



ELIMINATED 3 TONS OF PLASTIC BAGS

## COMMITMENTS

- Ⓞ In 2019, we will aim to recycle extrusion waste up to 100% (i.e., targeting zero waste for external treatment and disposal).
- Ⓞ In 2019, LifeStraw® will reduce 4.5 tons of plastic, an additional 250,000 foam bags, and convert 6 tons of packaging paper to FSC® certified packaging paper.
- Ⓞ By the end of 2020, Vestergaard will obtain ISO 14001:2015 certification at its main manufacturing site. Here's our roadmap:

## Saved energy

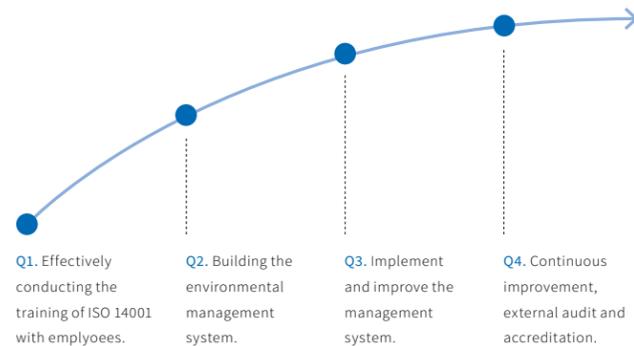
Improved efficiency of wastewater treatment from the compounding line through implementation of bio-treatment at the waste water treatment plant of the manufacturing site (vs. external treatment).

Improved tracking of water consumption during production with installation of a water gauge at the waste water plant to monitor consumption and discharge activity. Data will help us identify ways to reduce water consumption.

Improved waste water treatment by separating cooking oil from kitchen waste water at the factory kitchen by installing an oil separator at the canteen of the site. Collected oil and grease are sent to an external authorized service provider for disposal treatment.

Reduced electrical consumption by 30% through increased machine efficiency and worker training (measured by Kwh/month/employee; compared to 2017).

Improved LLIN stuffing inside containers by 45% in 2018 vs. 2014 for the most purchased LLINs, reducing the number of containers needed on the road and at sea and decreasing the cost to our customers who mostly pay for outbound logistics.



Improved efficiency of wastewater treatment





# OUR GLOBAL FOOTPRINT

VISIT US AT [VESTERGAARD.COM](http://VESTERGAARD.COM)  
TO LEARN MORE

