

VESTERGAARD FRANDSEN

DISEASE CONTROL TEXTILES



Social Entrepreneurship Report 2010



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Letter From the CEO

Vestergaard Frandsen is proud to share the goals of the United Nation's Global Compact, "a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption."

Since 2006 we have embraced these principles and woven them into our business strategy. At Vestergaard Frandsen, we operate under our own unique Humanitarian Entrepreneurship business model. This "profit for a purpose" approach has turned corporate social responsibility into our core business of creating life-saving products for the most vulnerable.

All of our products and concepts are designed to save lives and prevent the transmission of disease, reduce climate change and improve food security. The people who make our products are just as important to us as those who use them and we work hard to uphold the rights of all of our employees, and for many years we have contractually required the subcontractors we work with to expressly uphold these principles. We have recently begun to more closely monitor the activities of all our suppliers and their subcontractors, and are putting in place stricter control procedures to identify problems early and take swift corrective actions if needed. Our products and concepts are in direct support of the Millennium Development Goals and we are specifically working towards the achievement of MDG 1, reducing extreme poverty and hunger, MDG 4, 5 and 6 which are the health related MDG's relating to reducing child mortality, improving maternal health and combatting infectious diseases.

Most recently we launched support for MDG 7's environmental sustainability, which is directly linked to Global Compact Principle #9 addressing the diffusion of environmentally friendly technologies. This principal is at the core of our LifeStraw Family product that creates safe water for people in the developing world while removing the need for people to boil their water first to purify it. When our LifeStraw Family is used in large quantities it can greatly reduce the need to cut down trees for firewood, and can remove millions of tons of CO₂ from the atmosphere every year.

Finally, we take anti-corruption measures very seriously. We are proud of our work in organizing the Bed Net Industry Stakeholder Agreement to ensure high ethics and corporate integrity in all of our offices around the world.

Just meeting the minimum requirements for human rights, labor, environment and anti-corruption has never been acceptable to us. We want to be industry leaders in these fields, and commit ourselves to the constant vigilance and determination necessary to always improve our practices.



Mikkel Vestergaard Frandsen



Compact Principles

Principle 1: Protecting human rights

Vestergaard Frandsen is committed to promoting diversity and respect for all people—those within our corporate family and those with whom we do business. At all times we uphold the UN Global Compact's guiding principles on human rights and labour in our interactions with our customers, shareholders, stakeholders and employees.

We strive to constantly improve our human rights record and those of our suppliers and partners. In 2010 we improved our oversight and internal reporting mechanisms related to human rights.

See "Staff Diversity, Health and Safety" for further information.

Principle 2: Avoiding complicity in human rights abuses

As signatories of the Global Compact, we uphold human rights in all of our offices and operations. We supply new staff with information on how to report discrimination and human rights violations and maintain an up-to-date library of human resources reference documents made available to all staff. Concerns raised by staff members in

confidence are forwarded to members of the internal compliance committee (ICC) where they are discussed and recommendations are developed to rectify any issue.

In 2010 we improved the process by which new employees are educated on our human rights policies and streamlined the reporting mechanism to report possible abuses.

See "Corporate Governance" for further information.

Principle 3: Upholding freedom of association

We embrace and nurture new and challenging ideas, support freedom of association, and recognize that differences ultimately make us stronger and more adaptable to a constantly changing environment. We respect the rights of all staff to freely associate. All Vestergaard Frandsen operations and products are, at a minimum, in full compliance with applicable local and governmental requirements.

In 2010, the United States employees of Vestergaard Frandsen together identified gaps in the quality of health care coverage and pension benefits provided by the company. Working together they proposed improvements to



Compact Principles (cont.)

these programmes, which company management reviewed and approved.

See “*Staff Diversity, Health and Safety*” for further information.

Principle 4: Eliminating of all forms of forced and compulsory labour

Vestergaard Frandsen does not tolerate forced labour and proactively investigates its staff, suppliers and contractors to ensure that employees’ work conditions and treatment are in accordance with industry standard practices and labour laws, and aligned with Vestergaard Frandsen’s Business Conduct Principles.

See “*Corporate Governance*” for further information.

Principle 5: Abolishing child labour

All Vestergaard Frandsen operations and products fully meet applicable local and governmental requirements, including those on minimum working ages.

See “*Corporate Governance*” for further information.

Principle 6: Eliminating discrimination

Equal opportunity is stated in our recruitment policy and all job applicants receive equal treatment regardless of race, colour, nationality, disability, ethnic origin, tribal affiliation, gender, gender identity, marital status, religion, parental status, sexual orientation, HIV status, or age.

See “*Staff Diversity, Health and Safety*” for further information.

Principle 7: Exhibiting a precautionary approach to environmental challenges

Vestergaard Frandsen values a precautionary approach to preventing environmental pollution and therefore addresses a broad range of environmental challenges. An internal audit in 2010 identified areas in which we could improve





Compact Principles (cont.)

our approach. We effected key changes based on that audit.

A green formulation project was implemented to reduce the use of solvents by our suppliers in the manufacture of PermaNet® 2.0 and PermaNet® 3.0. In addition to delivering obvious environmental benefits, this voluntary change also reduced workers' exposure.

See *"Safeguarding the Environment"* for further information.

Principle 8: Promoting greater environmental responsibility

Vestergaard Frandsen designs its products so that end users do not need to buy or acquire replacement parts, batteries or electricity that can have a negative environmental impact. This approach provides



employees, the communities in which we work, and our suppliers

with significant health benefits and leads to a reduction of our environmental footprint.

For example, our LifeStraw® Family instant water purifiers are designed to require zero maintenance while allowing for uninterrupted use for up to three years, giving households access to clean water without need for chemicals, energy, or repeat intervention.

Additionally:

- A system for the treatment of fumes has been implemented at one of our suppliers' manufacturing locations with our support. The specific aim of this project was to reduce operators' exposure to fumes emanating from the extrusion of certain yarns for Vestergaard Frandsen production
 - Production at one of our suppliers' locations was moved from the city centre to an industrial zone. At this location, a new waste water treatment system was installed.

See *"Safeguarding the Environment"* for further information.



Compact Principles (cont.)

Principle 9: Diffusing environmentally friendly technologies

In 2010 Vestergaard Frandsen planned a high-impact, certified carbon reduction project using environmentally friendly technology to provide safe water to millions of residents of Kenya's Western Province. The campaign, to be rolled out in 2011, will lead to significant environmental impact; in addition to reducing millions of tons of carbon emissions into the atmosphere, the project reduces exposure to indoor pollution caused by boiling water, thereby reducing the risk of respiratory disease.

Vestergaard Frandsen also seeks solutions for other environmental issues, especially regarding the impact of bed net disposal and the reduction of the company's own greenhouse gas emissions. We favour industry-wide approaches to minimizing product life cycle environmental impacts that will result in common ground and clarity, without impacting competition on price, quality and ability of public health tools to deliver benefits.

See "Safeguarding the Environment" for further information.

Principle 10: Working against corruption

Vestergaard Frandsen is a signatory of the Bednet Industry Stakeholder Agreement, and our internal compliance council (ICC) and chief compliance officer have been charged by the company's board of directors to ensure application and control of our Business Conduct Principles (BCPs). Vestergaard Frandsen's BCPs are based on the United Nations' Global Compact and guide the company to operate with integrity and consideration for the environment, employees, suppliers, customers and society at large.

The ICC meets twice a year to examine Vestergaard Frandsen's current performance with respect to the BCPs and explore ways to improve our performance. Vestergaard Frandsen believes in robust governance structures to ensure that our profit comes at no expense to our highly held principles.

See "Corporate Governance" for further information.



Corporate Profile

From humble beginnings in 1957 as an apparel manufacturer, Vestergaard Frandsen has evolved to address global health needs with innovative disease control textiles designed for large-scale distribution in public health campaigns and complex emergencies. Today, the company is an award-winning, international business leader, weaving the principles of humanitarian entrepreneurship into every facet of its operations.

We are convinced that closeness to our partners is the key to creating trusting, lasting and mutually beneficial relationships. Since the start of the company's activities in development and humanitarian work, we have sought to establish offices in the global south, to become neighbors with our partners. We opened our first African regional office in Kenya in 1995, and since then we have added seven more locations throughout Africa and Asia.

Our local footprint allows us to quickly deploy better, smarter public health solutions from concept to delivery, and is widely admired and appreciated.

Vestergaard Frandsen has historically based staff in, and recruited staff from, the countries

Read "Work Smarter: Vestergaard Frandsen" in *Wired*:

www.wired.co.uk/magazine/archive/2010/04/features/work-smarter-vestergaard-frandsen

Follow us on Twitter for company news:

www.twitter.com/vesfra

www.twitter.com/lifestraw

and regions we serve. Most of our products are manufactured in developing countries, offering jobs, career development, and training in developing contexts, helping to prevent "brain drain" of talented scientists, engineers, and logisticians to other parts of the world.

We are a proud supporter of the United Nations Global Compact, which we signed in 2006, and we strive to operate above and beyond its guiding principles.





Mission Statement and Values

Mission Statement

“With growing responsibility in global society, Vestergaard Frandsen wants to fulfil the demand for disease-control textiles.”

Values

Innovation

Finding alternative solutions by combining creative and traditional thinking.

Speed of Response

Working at a faster pace while displaying a high level of energy and flexibility.

Passionate People

Contributing with enthusiasm, dedication, and positive spirit.

Precision

Creating unique science-based tools expressly to fit the needs of those in developing countries. Demonstrating commitment by delivering high-quality results in line with company policies, norms and values.

Responsibility

Performing our duties in a highly ethical and responsible manner for the benefit of the least fortunate members of society.

Corporate Governance

Corporate governance, which we define as company-wide adherence to principled and transparent decision-making mechanisms, complements the other three pillars of corporate social responsibility: environmental, economic and social performance. Vestergaard Frandsen believes strong corporate governance structures are crucial to its success, both to guarantee organisational efficiency and to shape a responsible business.

During the last two years the majority of our board positions have been filled by new members. The board is now a strong and diverse group, many of whom are independent of the company. Each member brings different strengths and perspectives, with both the private and public sectors represented.

Additionally, our Internal Compliance Council (ICC) and chief compliance officer (CCO) have been charged by the board with ensuring application and control of our Business Conduct Principles (BCPs) throughout the company. Vestergaard Frandsen's BCPs are based on the United Nations' Global Compact and are designed to ensure that Vestergaard Frandsen operates with integrity and consideration for the environment, its employees, suppliers, clients and

society at large.

The ICC meets twice a year to examine Vestergaard Frandsen's performance against the BCPs and explore ways to improve.



Read Business Conduct

Principles: www.vestergaard-frandsen.com/our-passion/business-conduct-principles

Staff Diversity, Health and Safety

By Emmanuelle Pigueller, Human Resources Manager

At Vestergaard Frandsen, we are committed to promoting diversity and upholding the Global Compact's guiding principles on human rights and labour in all interactions with our customers, shareholders, stakeholders and employees.

Upholding diversity means that Vestergaard Frandsen can attract, retain and develop local talents. Our recruitment policy is equal opportunity and all job applicants receive equal consideration regardless of race, colour, nationality, disability, ethnic origin, gender, gender identity, marital status, HIV status, religion, parental status, sexual orientation, or age.

We embrace and nurture new and challenging ideas, support freedom of association, and recognize that differences ultimately make us stronger and more adaptable to a constantly changing environment. We maintain an enduring commitment to the health and safety of our staff. All

Vestergaard Frandsen operations and products are, at a minimum, in full compliance with applicable local and governmental requirements. Vestergaard Frandsen exceeded these requirements in close collaboration with its partners in several instances in 2010:

- Vestergaard Frandsen implemented a green formulation project to reduce the use of solvents by our suppliers in the manufacture of PermaNet® 2.0 and PermaNet® 3.0. In addition to delivering environmental benefits, this voluntary change also reduced workers' exposure.
- We have instituted a system for the treatment of fumes at one of our suppliers' manufacturing locations. The specific aim of this



Staff Diversity, Health (cont.)

project was to reduce operators' exposure to fumes arising out of the extrusion of certain yarns for Vestergaard Frandsen products.

- Vestergaard Frandsen has moved one suppliers' production out of the city center and to an industrial zone. A new waste water treatment system was also installed.

are forwarded to the Internal Compliance Committee (ICC), which discusses the matter and issues recommendations to rectify any issue.

Vestergaard Frandsen does not tolerate forced labour and investigates any claims of improprieties. We seek to ensure that all employees' work conditions and treatment are in accordance

with industry standards and labour laws, and are aligned with Vestergaard Frandsen's Business Conduct Principles.

We strive to make Vestergaard Frandsen a

pioneering workplace that brings passionate people from all over the world together to solve seemingly intractable public health challenges by fostering creative ideas and new ways to do business better.

As signatories of the Global Compact, we uphold human rights in all of our offices and operations: we supply new staff with information on how to report discrimination and human rights violations and maintain an up-to-date library of human resources reference documents made available to all staff. Concerns brought by staff members in confidence



Staff Spotlight: Araba Sam Annan



What is your background?

I was born and brought up in Cape Coast along the western coastline of Ghana. My interest is in

sustainable development and the key role that public health has to play. After all, the health of any group of people is their wealth.

How did you find Vestergaard Frandsen? Why did you decide to work here?

I first heard of Vestergaard Frandsen during a conference in South Africa when I was working on a project by DANIDA (Danish International Development Assistance). It was the first time I saw the LifeStraw® water filter. A job had opened, so I interviewed and was offered the position. It has been an amazing three years; I have learned a lot. The whole concept of doing business by doing good embedded in the Vestergaard Frandsen business model is great. I find much satisfaction in knowing that our life-saving tools bring relief to many others.

For United Against Malaria, Vestergaard Frandsen was

involved in several malaria education campaigns, and for World Aids Day, you were involved in similar education activities in Ghana. Why is health education important?

Preventive health is so simple yet many people, especially in my part of the world, take it less seriously, perhaps because they do not understand the health threat very well. I feel fulfilled when I can contribute to health education, making people aware about a disease and preventing it from spreading.

People often say that at Vestergaard Frandsen, the work we do isn't just a job, but a passion. Would you agree?

Yes, I do agree. Meeting people and talking about preventive health care makes it more than a job. At the end of the day it is not just your salary that brings about the satisfaction of a job well done but also the positive impact you make in peoples' lives. Vestergaard Frandsen also helps you to learn and to improve upon your own knowledge. My background is not in health, but now I know more than I bargained for, and I do not regret it one bit. Travelling and meeting people of different cultures makes it awesome. It is a whole experience that cannot be traded. It is not just a job but so much more.



A Trusted Partner

In less than 20 years, Vestergaard Frandsen has become a major and trusted player in global development. Our products are part of the daily lives of millions of people, providing protection against disease and promoting healthier lives.

The benefits of insecticide-impregnated bed nets, our most popular product, in the fight against malaria are well understood. For example, insecticide-treated nets can reduce deaths in children by 20 percent and episodes of malaria by half. Net-protected populations are also less susceptible to other diseases, allowing the existing public health infrastructure to better leverage its capacity. Similarly dramatic benefits accrue from Vestergaard Frandsen's other products, such as LifeStraw® water filters, and the combination of such tools shows even more promise.

To measure the real-world impact of our public health tools, Vestergaard Frandsen relies on objective, scientifically accepted evidence. Additionally, to continue improving its products, Vestergaard Frandsen actively seeks input from users, independent academic researchers, public health professionals, and our partners.

The trust Vestergaard Frandsen has earned in the development

community is, to a large extent, due to the quality of its products which are designed to perform in the particular conditions where they are used: high technology content is combined with low or zero maintenance needs and a strict attention to low lifecycle cost. The awards and accolades we have garnered from international media and our partners are a welcome expression of that trust; recently we have earned The Economist's Economic and Social Innovation Award and the Financial Times 2010 Social Innovation Award for Most Innovative Small For-Profit, while CEO Mikkel Vestergaard Frandsen was named a World Economic Forum Global Young Leader 2010.

Vestergaard Frandsen's strategic objectives are directly aligned with the Millennium Development Goals (MDGs); as we further expand our role in global development, we will keep the MDGs firmly in mind.

Community Investments

Responsibility for a community's well-being rests not just with governments, but also its citizens, faith-based organisations, community groups, NGOs, and private companies. Together, all stakeholders can strive to do more good, and engage in more opportunities for cooperation and collaboration.

Vestergaard Frandsen is committed to supporting the communities we live and work in, and engages both public and private partners in alliances that address local and regional priorities for achieving the Millennium Development Goals.

CEO Mikkel Vestergaard Frandsen is one of the two private sector board members of the Roll

Back Malaria Partnership. Roll Back Malaria gathers all actors involved in fighting malaria, including UN organisations, bilateral donors, NGOs, faith-based organisations, members of the scientific academic and research communities, and malaria endemic countries. The private sector delegation includes our competitors in the vector control industry, pharmaceutical and diagnostic companies, large employers, and consultancy companies. Vestergaard Frandsen represents the whole private sector through its board seat and strives to bring private sector strengths and thinking and a unique corporate perspective to a large and diverse partnership.

In 2010, Vestergaard Frandsen



Scenes from the Grandmothers Against Malaria Initiative (GAMI) bed net distribution include (clockwise from left) opening dancers, the Kenyan Prime Minister's wife Ida Odinga with Mama Sarah Obama and with Yvonne Chaka Chaka and children.



Community Investments (cont.)

strengthened existing corporate partnerships with the Global Business Coalition On HIV/AIDS, Malaria, and Tuberculosis and the Global Health Council. We were honored to join several new public-private partnerships including the Komen Global Health Alliance, to address cancer prevention in the developing world, and United Against Malaria, to focus the world's attention and awareness for malaria in advance of the 2010 World Cup.

Vestergaard Frandsen has also developed new CSR partnerships, such as linking Coca-Cola Nordic to Water For All, a South African clean water NGO, to distribute 35,000 LifeStraw® filters to schoolchildren in Kenya. The company's commitment to innovation has been further strengthened by participation in LAUNCH, a NASA-sponsored

innovation and clean technology conference.

In 2011, we look forward to doing more good and reaching more people in need with our partners. We have invested in communities, education and research via the following partners and groups:

- Bulamu Children's Village
- Carter Center
- Clinton Global Initiative
- Drive Against Malaria
- Global Business Coalition
- Imperial College London
- LIVESTrong
- Malaria in Pregnancy Consortium
- Princess of Africa Foundation
- Project Hope
- Right To Play
- Summit Series
- United Against Malaria
- Roll Back Malaria
- Women Deliver
- Susan G. Komen for the Cure
- "F" Cancer



Scoring against malaria: not only do youth gain valuable football playing skills at these camps, they also learn to protect themselves from malaria.



3 Litres of Clean Water

Partners

Coca-Cola Nordic, Water For All

Website

www.3literrentvand.dk

Description

In 2010, for every bottle of Coca-Cola Nordic's Kildevæld® brand water purchased by Danish consumers, the company donated three litres of clean water to rural Kenyan school students in the form of a LifeStraw® water filter. In less than a year, Danish consumers spurred the donation of more than 51 million litres of clean water.

In October, Coca-Cola, South African NGO Water for All, and Vestergaard Frandsen visited Kwasyokimanza Primary School and Kimanza Secondary School in Kenya's Matungula District, and donated over 27,000 of the high-tech water filters to the community. Water For All ensured that the students received age-appropriate user education to maximize the filters' benefits..

"This campaign has clearly shown that even small changes in everyday routine can create large results," remarked Coca-Cola Nordic country manager Søren Kristensen. "Thanks to the fantastic support from Danish consumers,

millions of litres of clean water have been pledged—and are now helping children and families in Kenya."

Now students who walk long distances to school can safely drink clean water along the way, avoiding debilitating bouts of sickness that have historically keep them at home. When students stay healthy and stay in school, the whole community wins.

Due to the runaway success of this year's campaign, Coca-Cola Nordic and Vestergaard Frandsen plan on expanding this project in 2011.

3 Litres of Clean Water on Facebook:
www.facebook.com/pages/3literrentvand/358917431570

Video of moments from the LifeStraw® distribution:
www.youtube.com/watch?v=Fu60XgnrMDw

Photo gallery of distribution:
www.flickr.com/photos/vestergaardfrandsen/sets/72157625065707391/

Press release for distribution event:
www.vestergaard-frandsen.com/news/press-releases/298-danish-consumers-donate-27000-high-tech-water-filters-to-students-teachers-and-families-in-eastern-kenya





United Against Malaria

Partners

Kingsley Holgate, Right To Play

Website

www.unitedagainstmalaria.org

Description

United Against Malaria is a partnership of NGOs, football clubs, governments, and African businesses that worked together to raise the profile of malaria and malaria prevention activities in the run-up to the 2010 FIFA World Cup in South Africa. Vestergaard Frandsen played a leading role, sponsoring two United Against Malaria-branded initiatives: the 2010 Kingsley Holgate Expedition and a campaign with sports and development NGO Right To Play.

For the 2010 Kingsley Holgate Expedition, the famed African explorer departed from South Africa on World Malaria Day in a caravan of ten Land Rovers to visit seven countries before the 7 June start of the World Cup. He raised awareness about malaria and distributed 5,000 of Vestergaard Frandsen's PermaNet® bed nets

along his journey. The expedition was sponsored by Vestergaard Frandsen, Land Rover, Nando's, Motorola, and others. The expedition culminated with an ascent of Mount Kilimanjaro, and the unfurling of a PermaNet® bed net at the "top of Africa" to symbolically show that the 2010 goal of universal coverage could be attained.



Concurrently, Vestergaard Frandsen and Canadian non-profit Right To Play partnered on a series of events in Ghana, Uganda and Mozambique that connected professional footballers to their young African fans. These



United Against Malaria (cont.)

events used football matches and skills clinics with professional footballers to teach the importance of malaria awareness and how to prevent the disease. At each event approximately 1,000 donated PermaNet® bed nets and football trading cards featuring famous African footballers Didier Drogba and Michael Essien and educational messages were distributed.

The two campaigns merged when Kingsley happened upon a football pitch full of students at a Right to Play event. He played a game of pickup football which local

health and government officials also joined. The game's message? "Always use a bed net—don't let the mosquitoes score."

Dispatches from the Kingsley Holgate expedition:
www.vestergaard-frandsen.com/news/kingsley-holgate

Flickr photo gallery of Kingsley Holgate:

www.flickr.com/photos/vestergaardfrandsen/sets/72157624127435682/



Innovating for a Healthier World

By Dr. Helen Pates Jamet, Head of Entomology

Mosquito nets were first used in ancient Egypt, where fishermen used their fishing nets to protect themselves from mosquitoes at night. It was not until the early 1980s that insecticide was first applied to mosquito nets to provide additional protection to the physical barrier of the net, therefore significantly reducing transmission of malaria when used by many households in a community. The arrival of long lasting insecticidal nets (LLINs) in the early 2000s enabled the massive expansion of vector control critical to achieving the MDG targets for malaria reduction.

Sadly, today in some parts of Africa, insecticide-resistant mosquitoes can be found sitting on freshly sprayed walls or brand new LLINs; this paradox may deter people from using their nets. Insecticide resistance may become one of the largest challenges in reducing malaria-related morbidity and mortality as we are faced with an ever-diminishing choice of insecticides.

A major technological advance against resistance was made with Vestergaard Frandsen's PermaNet® 3.0, a combination net

with increased efficacy due to the synergist that is incorporated in the roof of the net. Experimental hut and village-based studies are ongoing in areas where insecticide resistance has been documented, as is mathematical modeling to predict the impact of increased efficacy on malaria transmission in different regions.



The fight against malaria isn't the only battle Vestergaard Frandsen scientists are waging. Research in the area of waterborne diseases has concentrated on improving the user-friendliness of the microbiological water filter LifeStraw® Family, using feedback from the field to further adapt the design of the filter. We are designing the upgraded version to enable use with limited instruction.

The year 2011 will be an exciting one for product innovation, as we continue our mission to innovate products supported by thoroughly researched scientific data.



Logistics of Saving Lives

By Thomas Hansen, Regional Director for East Africa

The past decade saw a massive increase in support for all malaria-related activities, mostly Africa and parts of Asia. The war against malaria began in earnest. Vestergaard Frandsen has been represented in or around all malaria-prone geographies, and has thus played an essential role in the rapid progress towards achieving the MDG 2015 targets regarding greater access to LLINs.

Funding, programmes and delivery mechanisms for malaria programmes have changed dramatically over the years: from small-scale NGOs providing nets to targeted groups in the 1990s... then to subsidy programs for entire populations in the early 2000s... to today, when increased funding and policy changes have paved the way for massive free distributions with the aim to achieve an ambitious 80 percent coverage rate in malaria-endemic areas.

In response to the growing demand, Vestergaard Frandsen has continuously adapted, partnering with many different organisations to ensure the shortest possible delivery times of PermaNet®. At the same time we've offering local support and safe delivery

even when faced with logistical challenges. (Indeed, the places that need bed nets the most are often the most inaccessible.)

In 2010, we successfully delivered 2.9 million nets (purchased by The Global Fund to Fight AIDS, Tuberculosis and Malaria) to 29 destinations within infrastructure-poor South Sudan. We were in a race against time to effectively impact the area's malaria burden; it became a race against time to ensure that the nets would arrive before the rains, as Southern Sudan becomes inaccessible by road with the season's first torrential downpours. The massive task involved 148 cargo containers and





Logistics of Saving Lives (cont.)

close coordination with our NGO partners on the ground, all against the backdrop of a fragile political and security situation. After the distribution, the containers were left behind and are now being used as storage, office space and even housing.

Over the years hundreds of millions of PermaNet® bed nets have been delivered throughout the world and we will continue to expand in accordance with the world's massive need for effective malaria prevention tools.

Even as we expand our production, we must support our product development with scientific data, and so we have sponsored a fully equipped insectary in Ivory Coast under the aegis of the Swiss Centre for Scientific Research. This lab supports many different countries in Africa that lack local entomological capacity or even access to basic lab tools. In addition, we have refurbished and equipped a new insectary in Kampala, enabling entomologists in Uganda to enhance their work and build local capacity for insect research. Entomologists from all over Africa have participated in technical workshops in monitoring and evaluation via our partnership with the Kenya Research Medical Institute and the U.S. Centers

for Disease Control, and at our laboratory in Vietnam. Vestergaard Frandsen believes strongly that developing capacity among scientists from malaria-endemic countries will facilitate more effective malaria control efforts.

It is incredible to look back, from the creation of Roll Back Malaria until today, and see the achievements in the fight against this relentless disease. While 2010 was a milestone for malaria control, with more people now covered by nets than ever before, too many people still suffer and die from this completely preventable illness. The complexity involved in battling malaria increases every day because of larger vector populations; growing insecticide resistance; pollution; changing biting behaviours; and the lack of a vaccine, among many other factors. Therefore continued funding remains critical if we are to reduce malaria's death toll to zero.



Haitian Earthquake

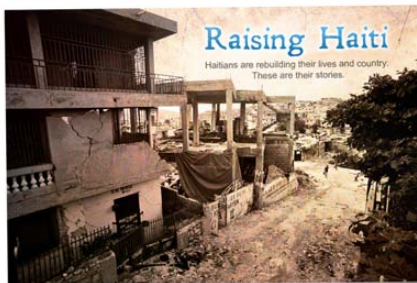
On January 12, 2010, a magnitude 7.0 earthquake originating close to Haiti's capital, Port-au-Prince, brought down government buildings, homes, businesses, and schools. Hundreds of thousands of people were killed, and many more left homeless.

Since then, the world community—NGOs, governments, multilateral organisations, the private sector, grassroots groups, the Haitian diaspora—have worked to help Haitians back to their feet.

Vestergaard Frandsen staff were on ground in Haiti shortly after the earthquake, ensuring that our partners had the tools they needed to save lives. We were still there after the first transitional shelters were built, helping to prevent further illness and death. Vestergaard Frandsen donated thousands of LifeStraw® water filters and ZeroFly® plastic sheeting kits to prevent vector-borne disease and enhance temporary shelters. We have continued our work after the advent of cholera, which has recently emerged in Haiti as another major public health threat.

The public health needs in Haiti are huge, and much work is still to be done. The video and photos by Adam Stoltman/E2 Productions for the Raising Haiti microsite are a testament to the resilient spirit of the

Haitian people as they have begun to rebuild.



We were fortunate to work with driven grassroots and powerful international partnerships on the ground in Haiti including:

- World Vision
- ACTED
- Project Hope
- CRS
- IOM
- Rotary International
- GrassRoots United
- Sister Eunice
- IMA
- Mentor Initiative

See impact of our products in Haiti here:

www.vestergaard-frandsen.com/raising-haiti

Flooding in Pakistan

In July 2010, torrential monsoon rains contributed to Pakistan's worst natural and humanitarian disaster since the 2005 earthquake. Massive and long-term flooding affected an estimated 20 million people, many of whom escaped with only their lives; entire towns were rapidly flooded and washed away. Hundreds of thousands of people were stranded, and over 1,700 people died.

When the waters began to recede over two months later, nearly 1.9 million homes had been

damaged or destroyed and over two million hectares of crops lost. Disease, hunger, and uncertainty followed.

Vestergaard Frandsen's Dubai-based staff traveled to Pakistan to assist partners in bringing safe and clean water solutions with LifeStraw®, and protection from mosquitoes and the elements with PermaNet® bed nets and ZeroFly® plastic sheeting. Despite heavier rains and ever-rising waters, we were able to deliver these lifesaving products to displacement camps.





Integrating Health For All

By Alexandre Doyen, Global Portfolio Manager for Joint Health Impact

When I joined Vestergaard Frandsen in March 2001, I was one of two people worldwide working in customer support, providing generic relief products for use in disaster- and conflict-affected areas. We had launched PermaNet®, firmly refocusing our disease control textile development efforts on malaria prevention. In parallel, public health programmes began financing access to insecticide-treated mosquito nets and advocating their use as a malaria control tool. Vestergaard Frandsen had turned a page, and went from becoming a mere supplier to a

product innovator and market leader. It was an exciting time and PermaNet® was creating a major impact, improving peoples' lives in Africa and around the globe.

The huge improvement that PermaNet® represented over the status quo ante—when nets had to be retreated with insecticide every six months—made me realize that private sector companies had a lot to contribute to the effort to solve the world's greatest health challenges. In university, I had studied tropical agronomy, however public health was more interesting due to the human factor, and working at Vestergaard Frandsen has allowed me to delve into this field in new and creative ways.

Concurrently, evidence was



Integrating Health For All (cont.)

emerging regarding the impact of simple interventions such as safe water and bed nets on the health of persons living with HIV/AIDS and the ancillary benefits for their households.

Discussions around integrated approaches and the possibility

of improving public health through a combination of improved products and services started brewing. In 2008, Vestergaard Frandsen's Integrated Prevention Demonstration was launched in Lurambi, Kenya, to prove that health incentives could be used to dramatically increase voluntary HIV testing and counseling in a

community and reduce the negative social behaviour towards people who are HIV positive. Many people learned their HIV status for the first time, and for many of the residents of rural Lurambi, the campaign marked the first time they met a person who was openly HIV-positive.

During the planning stage of the campaign, we had some natural fears about whether people would

participate. Those were allayed definitively after launch, when massive crowds came and eagerly accepted the products we offered and also consented to testing. Our longstanding preparatory efforts and careful planning had been validated.

The community's perception of



HIV had been changed forever, and by coming out to test as an entire community, residents of Lurambi went a long way toward shaking off the social stigma associated with HIV.

It was a privilege to be part of a successful programme that had a positive impact on so many lives, and I count it as one of my greatest personal experiences to date.



Media Spotlight: *The Test*

Kenya has one of the highest HIV infection rates in sub-Saharan Africa, yet testing rates among sexually active adults are worryingly less than 20 percent. Social stigma lessens people's willingness to get tested and prevents HIV-positive people from engaging in counseling and treatment programmes, not to mention finding acceptance and integrating fully into their communities.

Often, people who are known to be HIV-positive find that work and educational prospects are closed to them, making it difficult to provide for themselves and their families.

Without treatment or preventative measures, people with HIV often are co-infected with other opportunistic diseases that keep them sick, weak, and less able to work and take care of their families. Not surprisingly, many people prefer to simply not know their status because the alternative—poor medical support, social rejection, an uncertain future—is so appalling.

In 2008, Vestergaard Frandsen initiated an integrated public health

campaign in Lurambi District, Kenya that aimed to tackle both the low testing rate and social stigma attached to testing in a novel way. Local residents were offered a CarePack® of preventive interventions containing a water filter, anti-malaria bed net, condoms, and educational material as incentive to participate in a

voluntary HIV counseling and testing program. This simple incentive that awarded every participant with tools that could prevent diarrheal disease, HIV infection, and malaria, brought an overwhelmingly enthusiastic response from the community.

The Test, a documentary film supported by Vestergaard

Frandsen and produced by Cielo Productions, follows the lives of several individuals in the months after this integrated campaign. Not only has this film received acclaim in the public health sector, but it also has been screened and won awards at high profile film festivals around the world.

Watch the trailer and check out screening locations at www.thetestfilm.com.



Safeguarding the Environment

More than ten years ago, Vestergaard Frandsen pioneered a dramatic reduction in the environmental impact of its main bed net product by launching PermaNet®. This entirely new product avoided the need for repeat intervention through insecticidal reimpregnation every six months.

In addition to significant health, compliance and cost benefits, a significant amount of material and, especially, fossil-fueled transport was taken out

of the environmental equation. This major innovation of creating longer-lasting insecticide-treated nets has now become the industry standard.

Vestergaard Frandsen designs its products with zero maintenance in mind, with similarly convincing combined results in terms of health benefits, cost, and environmental footprint. Our Lifestraw® instant water filter requires no maintenance while allowing for uninterrupted use of up to three years, giving individuals access to safe water without any need for chemicals, energy, or repeat intervention.

The company's LifeStraw®

Family water purifiers also significantly reduce the need to boil water using wood or charcoal. In 2011 Vestergaard Frandsen will launch a high-impact, certified carbon reduction project to address this issue. It represents a unique instance of “development for free” combined with significant

environmental impact. In addition to reducing carbon emissions, the programme will reduce indoor pollution caused by boiling water over wood fires, thereby reducing the risk for respiratory disease.

Vestergaard Frandsen is also seeking solutions for other environmental issues, specifically in relation to the environmental impact of bed net disposal as well as regarding the company's own operational greenhouse gas emissions. With respect to product lifecycle environmental impacts, we believe that the industry should develop a clear, common approach without impacting competition on price, quality and ability to deliver for the benefit of the populations served by public health tools.



A close-up photograph of a young child with dark skin, looking down at a small blue object held in their hands. The child is wearing a white shirt with thin blue and red vertical stripes. The background is a textured, light brown wall.

Afterword

At Vestergaard Frandsen, we seek to innovate novel lifesaving technologies and quickly provide them to those who need them the most. In 2011, we will continue to aid the least fortunate; tackle emerging public health issues in new arenas; launch new products that do more good; and forge new partnerships focused on achieving the MDGs and keeping more people healthy. To follow Vestergaard Frandsen company and product news and CSR activities in 2011, subscribe to our e-newsletter at www.eepurl.com/gC3f.

Created by the Vestergaard Frandsen Communications Department.

media@vestergaard-frandsen.com

www.vestergaard-frandsen.com