

Vestergaard Frandsen

CSR 2008





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Introductory Message

From Mikkel Vestergaard Frandsen, CEO

We at Vestergaard Frandsen are committed to preventing the transmission of disease among the least fortunate by providing safe drinking water and protection from malaria and other vector-borne diseases.

Turning commitment into action, we have developed several breakthrough products and concepts: LifeStraw®, PermaNet®, ZeroFly® and the Integrated Prevention Demonstration. These innovations have the potential to dramatically reduce suffering and save countless lives

In making this commitment, Vestergaard Frandsen has managed to turn humanitarian responsibility into core business. Strong support of the Millennium Development Goals, particularly reducing child mortality and combating HIV/AIDS, malaria, and other diseases, is a defining characteristic of our company. In addition, we aim to dramatically reduce the number of people without access to safe drinking water.

We are confident that our products and concepts can make a tremendous impact. It is therefore not only our responsibility, but our obligation to invest in making these goals a reality. Vestergaard Frandsen believes that private sector profit should be purpose-driven. The sustainable fight against infectious diseases, as well as furthering basic human rights, plays an equal part to profitability for our company.



Our purpose is clear:

- Develop lifesaving products and concepts
- Create jobs and nurture a culture of humanitarian entrepreneurship in the developing world
- Scale-up the availability of lifesaving products in support of the Millennium Development Goals
- Further support universal human rights, labor, anti-corruption and environmental policies within the Global Compact framework
- Carefully grow our business to assure sustainable development

Humanitarian Entrepreneurship is one of the many roles the private sector can play in the advancement of nations that are torn apart by poverty and disease. We must work together to reduce these burdens faced by the least fortunate in the developing world.

Every responsible CEO should ask themselves: "What have I done to further the Millennium Development Goals and the Global Compact today?" Shareholders alike should choose to invest in companies that show a commitment to corporate social responsibility. This does not, however, mean compromising on profitability. There is neither conflict, nor controversy between doing business and doing good.

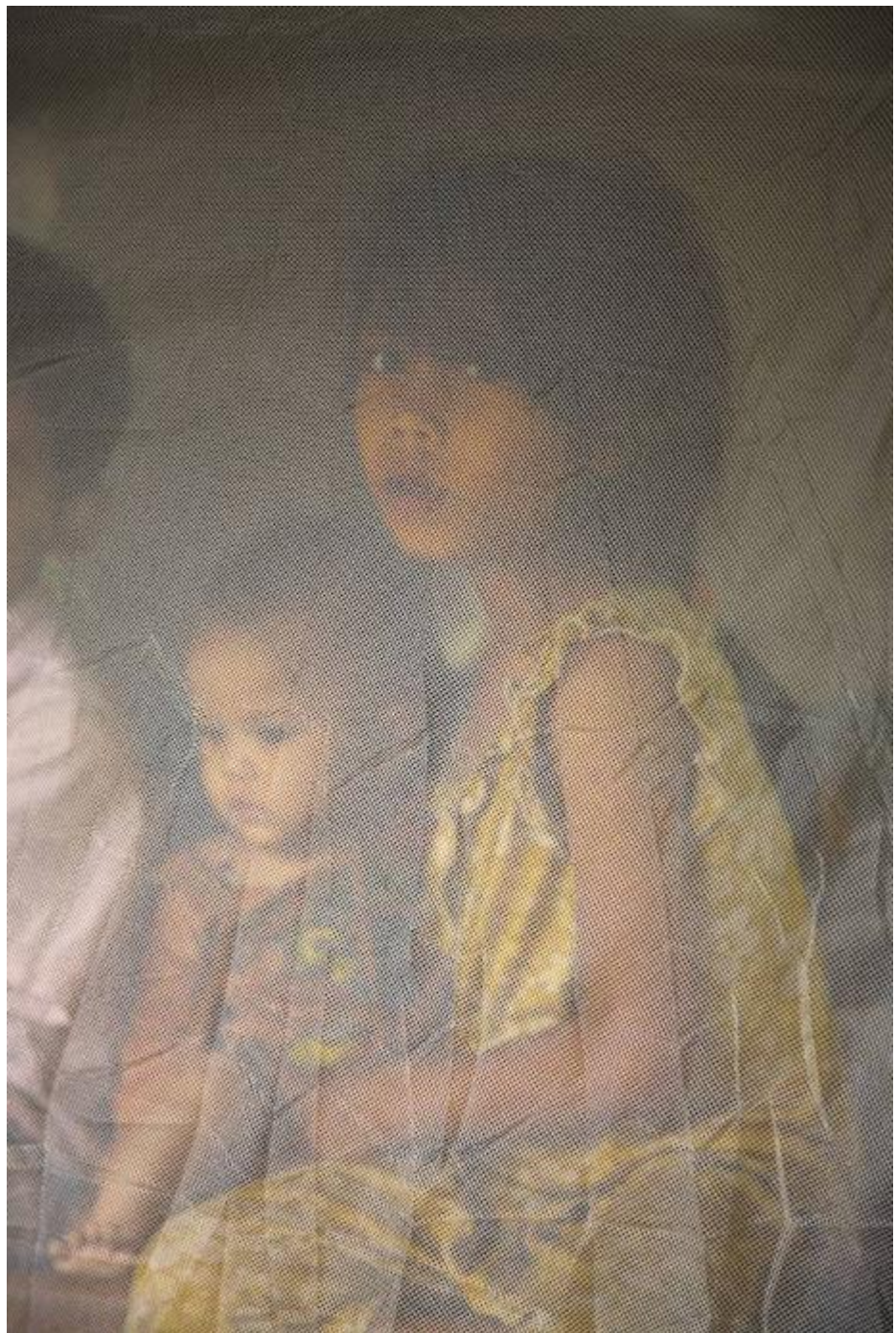
Mikkel Vestergaard Frandsen
CEO



Company Profile

Vestergaard Frandsen is an international company specializing in complex emergency response and disease-control products. The company operates under a unique Humanitarian Entrepreneurship business model. This “profit for a purpose” approach has turned corporate social responsibility into its core business. Vestergaard Frandsen was founded in 1957 and has since evolved into a multinational leader focused on helping to achieve the UN's Millennium Development Goals.

For more information please visit www.vestergaard-frandsen.com



Mission

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



Values

Imagineering

Daring to dream big by challenging existing ideas and exploring new ways to exceed expectations. Finding alternative and creative solutions by combining both creative and system thinking.

Passionate People

Contributing with enthusiasm, dedication and a positive spirit.

Speed of Response

Working at a faster than average pace while displaying a high level of energy and flexibility. Acknowledging that the rate and magnitude of change is increasing.

Precision

Creating unique, scientific tools expressly designed to fit the developing world's needs. Demonstrating commitment by delivering high quality results in line with company policies, norms and values.



- General business principles
- Business integrity principles
- Labour standards and human rights principles
- Health, safety and environment principles
- Implementation
- Monitoring/audit
- Appendices

Business Conduct Principles

The Business Conduct Principles set forth in this document govern how each company and all people within Vestergaard Frandsen shall conduct their professional affairs.

Vestergaard Frandsen, an international company with a presence in many developing countries, strives to be a business based on responsibility and integrity. These values have been the core guiding principals of the company for a long time, and represent the ideals we will carry into the future.

In an effort to further integrate the abovementioned values in the company and with its employees Vestergaard Frandsen has chosen to launch these Business Conduct Principles and to participate in the UN Global Compact program.

The employment of the UN Global Compact framework and the Ten UN Global Compact Principles will happen within the scope of the Business Conduct Principles.

All Vestergaard Frandsen personnel will learn and adhere to the Business Conduct Principles and the guidelines. Examples set forth in the appendices are meant as a practical help to Vestergaard Frandsen personnel.

We will implement a continuing monitoring and evaluation system. An Internal Compliance Council appointed by the Board of Vestergaard Frandsen will have the overall responsibility for the monitoring and reporting and have the authority to implement new initiatives within the Business Conduct Principles.

Business Conduct Principles

General business principles



Compliance with the Law

Vestergaard Frandsen will comply with all applicable law and regulations of the countries in which the company operates.

Responsibility and Integrity

Vestergaard Frandsen respects the personal dignity, privacy and rights of all individuals.

Vestergaard Frandsen tolerates no personal discrimination.

Vestergaard Frandsen is an open and honest company that acknowledges and stands by its responsibilities.

Vestergaard Frandsen shall apply the Business Conduct Principles in its dealings with joint venture partners, agents, contractors and other third parties with whom Vestergaard Frandsen has business relationships.

Business integrity principles



Competition

Vestergaard Frandsen supports free competition and will compete fairly and ethically within the frame of applicable competition laws and regulations.

Money Laundering

Vestergaard Frandsen will not participate in any form of money laundering and all financial transactions must be documented and transparent.

Political Contributions

Vestergaard Frandsen only makes contributions to political parties, organizations or their representatives in accordance with applicable legislation.

Corruption

Vestergaard Frandsen will not tolerate corruption, extortion and bribery. Corruption is the abuse of entrusted power for private gain.

Employees of Vestergaard Frandsen must never accept or give a bribe or kickback etc. (see appendix 1 for details)

Labour standards and human rights principles

Conflicts of Interest

Vestergaard Frandsen considers it important to prevent conflicts of interest and it is therefore crucial that employees of Vestergaard Frandsen avoid conflicts of interest between their private and professional activities.



Labour Standards

Vestergaard Frandsen supports the upholding of the freedom of association and the recognition of the right to collective bargaining.

Vestergaard Frandsen will not tolerate any form of child labour and supports the effective abolition hereof.

Vestergaard Frandsen supports the elimination of all forms of forced and compulsory labour and the elimination of discrimination in respect of employment and occupation.

Vestergaard Frandsen shall as a minimum operate in accordance with the minimum wage level and working time regulations of the individual country where it is present.

Human Rights and Religion

Vestergaard Frandsen supports and respects the protection of internationally proclaimed human rights and makes sure that Vestergaard Frandsen is not complicit in human rights abuses.

Wherever Vestergaard Frandsen operates, Vestergaard Frandsen will respect the culture and religion of the countries and the people who live there.

Health, safety and environment principles



Vestergaard Frandsen regards good health as a basic human right.

Vestergaard Frandsen respects and values each employee as a treasured member of our corporate family, and we have built a well-regarded system to ensure that they are all treated fairly.

Vestergaard Frandsen ensures that all employees fully understand the hazards of diseases and conditions we seek to prevent. Staff and their family located in areas with infectious diseases are provided with health tools and offered the necessary preventive health care.

Vestergaard Frandsen continuously seeks to reduce the environmental impact of its operations.

Vestergaard Frandsen uses the best possible accident prevention measures in regards to the planning of workplaces, equipment, safety management and personal behaviour in the everyday workplace.

Vestergaard Frandsen supports a precautionary approach to environmental challenges.

Vestergaard Frandsen supports to undertake initiatives to promote greater environmental responsibility.

Vestergaard Frandsen encourages the development and diffusion of environmentally friendly technologies.

Implementation



Employees of each company of Vestergaard Frandsen must know and act in accordance with the Business Conduct Principles when acting on behalf of Vestergaard Frandsen.

Relevant employees and intermediaries shall receive specific training in the Business Conduct Principles.

The Board of Vestergaard Frandsen shall appoint an Internal Compliance Council who shall appoint a Chief Compliance Officer. The Internal Compliance Council will have the overall responsibility for the implementation of the Business Conduct Principles and for the continuing implementation and upholding of the UN Global Compact Principles, and to overview the progress herewith.

The Chief Compliance Officer reports to the Internal Council.

The Internal Compliance Council is responsible for drafting the necessary code of conduct principles to be implemented in the organisation, hereunder draft contract clauses to be implemented in relevant agreements entered into between Vestergaard Frandsen with third parties and its employees if this has not already taken place.

Monitoring/Audit



Compliance with the Business Conduct Principles shall be monitored bi-annually in all companies within Vestergaard Frandsen and an annual report, including a Communication on Progress (COP) with regard to the implementation of the UN Global Compact Principles.

The Chief Compliance Officer and the Internal Compliance Council shall define and implement appropriate controls and amongst others prepare a bi-annual Compliance Report to the Board

Any internal or external complaint received by employees of Vestergaard Frandsen about the group's business practices must be reported to the Chief Compliance Officer, who will decide on appropriate action. No person reporting a complaint, or complaining, shall suffer adverse consequences, except for acts of libel and similar acts which are prohibited under the laws of Switzerland.

Appendices



The attached appendices are meant as a detailed explanation of the Business Conduct Principles of Vestergaard Frandsen with examples, cases and practical advice on how to live up to the principles in the everyday workplace.

APPENDIX 1: ANTI-CORRUPTION COMPLIANCE

This document explains more fully Article 2.4 of the Business Conduct Principles and what Vestergaard Frandsen expects from all Vestergaard Frandsen employees, directors and officers ("Employees") in order to ensure compliance.

General practice

Vestergaard Frandsen's position on corruption is clear - bribery, kickbacks etc. of any kind is prohibited.

Vestergaard Frandsen seeks to ensure that agents, consultants, contractors, suppliers etc. do not give bribes on behalf of Vestergaard Frandsen.

This means that Employees are prohibited from promising, offering, giving, inducing the giving of or authorizing such giving or accepting anything of value directly or indirectly, e.g. through an intermediary such as agents, business consultants etc., in order to obtain an improper advantage or to influence official action.

To a large extent it will be up to each Employee to ensure that business partners and other third parties who will act on behalf of Vestergaard Frandsen understands and abides by the Business Conduct Principles.

The prohibition applies to transactions with government officials and government employees of any kind as well as private companies, private not for profit organizations and their employees in both domestic and international businesses. Bribes, kickbacks etc. can besides money take many forms, such as: gifts and gratuities inappropriate travels etc. contributions to organisations made on demand and with no business relations' unreasonable employment offers to family members and friends

Gifts, contributions and gratitude's

Small gifts, contributions and gratuities can be offered in accordance with the Business Conduct Principles if they are not given or received for the purpose of obtaining an improper advantage (Corruption is the abuse of entrusted power for private gain). Permissible gifts could be flowers, chocolate, fruit baskets, wine, books or similar inexpensive items. Such permissible gifts should always be given openly and transparently. The same types of gifts are also allowed in case of birthdays, anniversaries etc. If in doubt, Employees should consult the Chief Compliance Officer for advice.

Travels, meals and entertainment

Travel, meals and entertainment can be provided or received in accordance with the Business Conduct Principles if not provided for the purpose of obtaining an improper advantage. Furthermore the travels, meals and entertainment must be business related, reasonable in value and occasional. Travels, meals and entertainment provided outside of the above-mentioned scope must be approved by the Chief Compliance Officer.

Local law

Vestergaard Frandsen will in selected jurisdictions issue additional anti-corruption guidance consistent with the Business Conduct Principles to address specific requirements of local law.

Questions

It is not possible to make a wording of general instructions to apply in any given situation which may cause a violation of anti-corruption legislation in the many countries in which Vestergaard Frandsen conducts its business. Each Employee must use his/her common sense to assess and identify activities which might violate anti-corruption legislation or have this done by the Chief Compliance Officer. If there is any doubt at all, the Employee should always contact the Chief Compliance Officer.

Monitoring/Audit

The Chief Compliance Officer and the Internal Compliance Council shall define and implement appropriate controls. These shall include additions to the internal control system, e.g. regarding approval of business transactions self-assessments, through pre-defined reporting formats, by all senior managers, for all divisions and locations compliance audits by process, division or location, led by the Chief Compliance Officer.

Based to a large extent, but not only, on the self-assessments and compliance audits mentioned, the Chief Compliance Officer and Internal Compliance Council prepare a bi-annual Compliance Report to the Board.



Innovation

Vestergaard Frandsen is synonymous with research and development. We are fueled by our dedication to innovation, using this platform for technological breakthroughs to aid in changing the face of global health. First, we develop simple and easy-to-use tools which require neither electricity, spare parts, nor any maintenance whatsoever. From our original breakthrough long-lasting, insecticidal net PermaNet® 2.0 that resists up to 20 washes to our newly released microbiological water purifier LifeStraw® Family, our commitment to innovation rings loud and clear. Last but not least, we use our business skills to develop a culture of trade for the lifesaving products that are so desperately needed in the developing world.

Our dedication to improving the health management of the most vulnerable people on Earth has an impact on the way we do business and interact in our business environment. In 2008 alone, we invested approximately 14 million USD in research and development, an increase of twenty fold since 2005, when our "Whatever Ten Takes" strategy was initiated.

After many years of research and development, 2008 culminated in the launch of a new product and concept that have already been proven to save lives in the developing world.



Continuing its commitment to fight waterborne disease, Vestergaard Frandsen launched the newest member of the LifeStraw® group of products, LifeStraw® Family.

LifeStraw® Family

LifeStraw® Family is an instant microbiological purifier that can provide at least 18,000 litres of water, enough to provide a typical family with clean and safe drinking water for at least three years. The product has been extensively tested in the United States at the University of North Carolina and University of Arizona, and complies with United States Environmental Protection Agency guidelines for microbiological purifiers, removing at least 99.9999% of all bacteria, 99.99% of viruses, and 99.9% of parasites.

Recent studies have established that household interventions, like LifeStraw® Family, are twice as effective in preventing diarrhoea as common source-based interventions like new drinking wells, boreholes, and communal tap water stands. In 2006, The Cochrane Collaboration published a systematic review of 38 randomized, controlled trials of various water quality interventions to prevent diarrhoea. Of these interventions, filtration provided by far the most reduction (63%), compared to other methods like chlorination (37%) and solar disinfection (31%).

"LifeStraw® Family will meet a critically important need in the developing world, where 1.8 million people, mostly children, die each year from waterborne diseases," added Mikkel Vestergaard Frandsen, CEO of Vestergaard Frandsen. "The need for safe and clean water is especially acute for people living with HIV and AIDS. Chronic diarrhoea is a leading cause of death for people with AIDS, and it affects up to 90% of HIV patients. Further, diarrhoea is one of the leading causes of morbidity and mortality among HIV-infected children. Thankfully, products like LifeStraw® Family can make a huge difference. In a study among HIV-infected persons in Uganda, for example, the use of safe drinking water decreased diarrhoeal illness by 36%."

LifeStraw® Family builds upon the success of LifeStraw® Personal, a portable water filtration device developed three years ago by Vestergaard Frandsen and designed to be used outside of the home. The products were designed to complement each other, providing people with access to safe drinking water at home and outside. Like its predecessor, LifeStraw® Family has no moving parts and does not require electricity or spare parts, making it ideal for use in the developing world.



Integrated Prevention Demonstration

Vestergaard Frandsen hosted the largest ever private sector campaign combining multiple disease prevention interventions.

September 2008 saw the launch of Vestergaard Frandsen's pioneering public health campaign called the Integrated Prevention Demonstration (IPD), which combined diarrhoea, malaria and HIV/AIDS disease control interventions. This pilot project took place within the Lurambi division of Kakamega central district, in the Western Province of Kenya.

Men, women and young people of reproductive age 15-49 years came out in tens of thousands to participate in the week-long HIV counseling and testing campaign. As encouragement for their participation, local residents received a lifesaving CarePack™ containing PermaNet® long-lasting insecticide-treated bed nets (LLINs), LifeStraw® water purifiers, condoms and educational materials for the prevention of malaria, diarrhoeal diseases and sexually transmitted diseases, respectively.

"The IPD campaign was a monumental achievement. Never before have people lined-up by the tens of thousands to take a voluntary HIV test and counseling," said Mikkel Vestergaard Frandsen, CEO of Vestergaard Frandsen and the developer of the IPD concept.

All services were provided free of charge by Vestergaard Frandsen at 30 community-based delivery sites open from September 16-22, 2008. By conducting HIV testing and counseling on 48,000 people, the campaign demonstrated that it is possible for Kenya to reach its national goal of having 80% of adults know their HIV status.

During the campaign, 18,000 men between ages 15-49 were tested for HIV; a previously hard to reach group.. The Kenyan Ministry of Health will provide all people who tested positive with follow-up medical care and counseling at a Vestergaard Frandsen-sponsored health centre. This approach marks a profound increase in the speed and number of participants in an HIV testing campaign.

"For the first time, a campaign provided a care package of multiple health interventions as encouragement for voluntary HIV counseling and testing. By offering a lifesaving CarePack™ benefiting both HIV positives and negatives, we have enabled a significant majority of the population to know their HIV status, while protecting them from three of the largest killers in Kenya: malaria, diarrhoea and HIV," added Mikkel Vestergaard Frandsen. "Lessons learned from this campaign will contribute to Kenya's national scale-up plan for HIV counseling and testing, and the Millennium Development Goals. The IPD campaign was designed to be replicated, and therefore holds the potential to reduce suffering and save lives far beyond the borders of Kenya."

For more information on the IPD campaign, please visit <http://www.vestergaard-frandsen.com/ipd.htm>

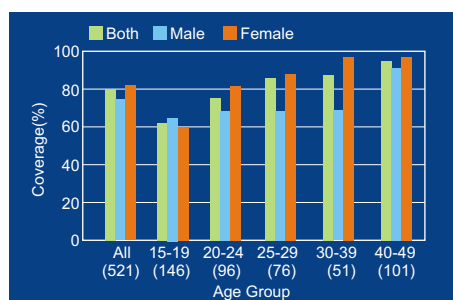


Results Show the IPD to Be a Feasible and Acceptable Approach to Fight Stigma and Multiple Diseases

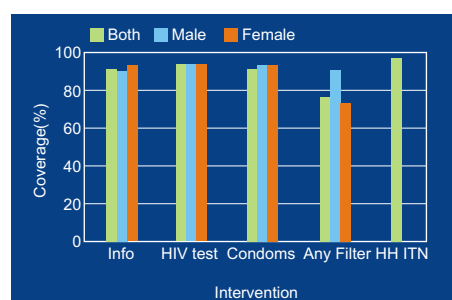
The IPD reached 48,000 individuals, including some 41,000 living within the target age range of 15-49 years old, making Lurambi perhaps the first area of rural Africa to meet the international targets for HIV testing. Some 2,016 people tested positive for HIV, out of which 1,834 people were within the sexually reproductive 15-49-year-old age group. Among those who tested HIV-positive, 30% were male and 70% were female.

Feasibility studies indicate that IPD is a scalable and replicable approach, which can be used to reach more than 80% of the population, including adult males who have been a difficult group to reach in delivering any health service. During the IPD, as the campaign gained momentum, more and more adult men showed up – 18,000 men in total – adding significantly to IPD's achievement.

An analysis of the uptake of interventions highlights high usage of bed nets and water purifiers. A survey of residents taken two months after the campaign showed near-universal bed net coverage, with over 95% of households reporting that they owned a bed net and over 85% claiming to be sleeping under one. Before the IPD campaign, fewer than 5% of households in Lurambi had a water filter. Post-campaign, nearly 75% of the households had one, and of this group, 75% reported using the filter. Before the campaign, only half thought their water was safe for drinking. This rose to 95% among those using the water purifiers.



Campaign attendance by age and gender, Lurambi 2008
(Source: Dr. Mark Grabowski)



Coverage of services and commodities by gender, among those attending campaign, Lurambi 2008
(Source: Dr. Mark Grabowski)



Vestergaard Frandsen celebrates its 50th Anniversary by Embracing Humanitarian Entrepreneurship

The Integrated Prevention Demonstration campaign was a unique way of celebrating Vestergaard Frandsen's 50th anniversary in a socially responsible manner. Nearly 150 passionate employees traveled from all across the world to a common place with a common objective – to help save lives of vulnerable people and prevent the transmission of malaria, HIV and diarrhoeal disease.

One action-packed week saw virtually all Vestergaard Frandsen employees exhibiting their dedication to humanitarian responsibility. Their passion surfaced during all operational aspects of the campaign, from social mobilization to giving product demonstrations to distributing the lifesaving CarePack™. The campaign faced logistical challenges, but they were met with characteristic resiliency by all staff. Whether it was the torrential rains damaging the temporary tents or vehicles submerging in the muddy roads, the dedicated team pushed their way through to quickly adapt to the chaotic situations.

Of the 48,000 people tested for HIV, 2,016 were identified as HIV-positive. Knowing that each of those tested received a lifesaving CarePack™ of disease prevention tools, employees feel that they have contributed to saving lives that would have otherwise been claimed by opportunistic infections like malaria and diarrhoea.

The Integrated Prevention Demonstration was not just an overwhelming success for the Lurambi community; it was a life changing experience for everyone involved. There is no doubt that the campaign will remain with Vestergaard Frandsen staff for the rest of their lives.



Environmental concerns

Vestergaard Frandsen cares deeply about the environment, and we are committed to finding new ways to contribute responsibly to environmental challenges. We are currently in the process of carefully evaluating our production to pinpoint specific areas for improvement, in an attempt to take a precautionary approach to environmental sustainability. Vestergaard Frandsen also aims to reduce the amount of waste generated by our products themselves. As a result, we debuted new, environmentally sound product packaging in 2008.

PermaNet® biodegradable bag

Large-scale bed net distributions are a blessing to people living in areas affected by malaria. Long-lasting, insecticidal nets can prevent the transmission of this terrible disease which claims one million lives per year, mostly those of children under five and pregnant women. Unfortunately, these same lifesaving tools can wreak havoc on Mother Nature, with their plastic packaging clogging landfills and choking rivers.

Sensitive to these concerns, Vestergaard Frandsen has once again proved itself a leader in technological innovation. We are the first long-lasting, insecticidal bed net producer to announce the development of a new eco-friendly packaging solution—PermaNet® biodegradable bag.

Each PermaNet® biodegradable bag contains a unique additive which enables it to rapidly biodegrade by loosening the carbon-carbon bonds of the plastic. Although the bag looks and performs in the same way as our original PermaNet® packaging, it will degrade naturally with exposure to oxygen. What's more, the bag can also be mixed with normal plastics where recycling is available.

PermaNet® biodegradable bag is now standard for all NGO orders. In just the few short months since implementing this change, more than 8 million have already been distributed. That's the equivalent of roughly 500 cubic metres of refuse—plastic that will disappear completely in just two years, reducing and eliminating additional pollution and environmental damage in the developing world.



Corporate Human Resources

In just several years, Vestergaard Frandsen has seen tremendous internal change. In May 2005, we implemented our 'Whatever Ten Takes' strategy, which aims to grow the company ten-fold by the year 2010. To achieve these goals, we have hired more than 80 new employees in ten offices worldwide, doubling the staff count. This growth necessitated the creation of a Corporate Human Resources department. The department now boasts four full-time employees: a Corporate HR Manager based at the headquarters in Switzerland, an HR Partner in Kenya responsible for all Africa, as well as HR Coordinators in Switzerland and Kenya.

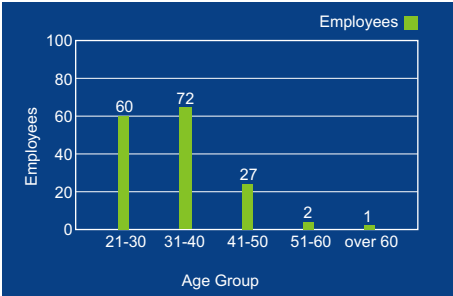
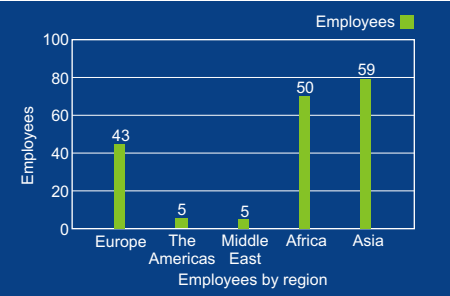
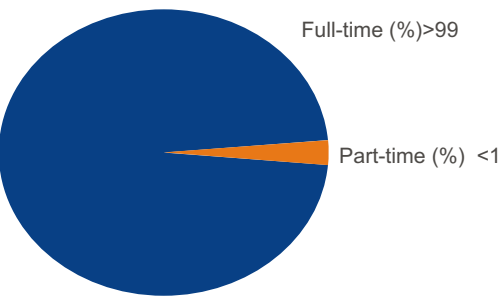
The Human Resources department is responsible for marrying business performance with employee satisfaction. The team consists of experienced professionals who display the Vestergaard Frandsen core values of Imagineering, Passion, Speed of Response and Precision. On a day-to-day basis, they tackle the challenges of recruitment, retention, development, compensation, and performance management. This includes finding the right people for the right job, performing appraisals, finding the right mix of compensation and benefits, and defining/achieving HR initiatives.

With the implementation of an HR software system, Vestergaard Frandsen is now able to easily track progress and performance in these areas, as well as provide detailed data and statistics on our staff. With regular reviews and controls, the HR department can take steps to ensure Vestergaard Frandsen remains a highly diverse and desirable place of employment.

Workforce structure - 2008

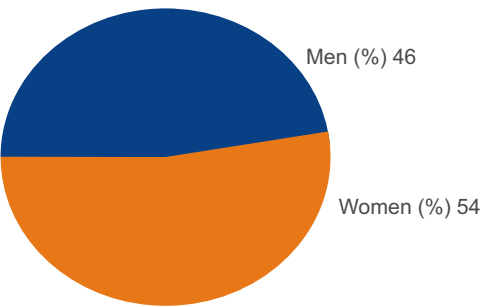
The following statistics are the first in a newly established yearly workforce review:

Total Employees : 162



Average age - 32.4 years

Gender



ILO Labor Standards

Full-time employees with ≤48 working hours (%)	100
Full-time employees with ≥15 vacation days/year (%)	100
Women with access to maternity programs (%)	100
Employees covered by collective agreements (%)	100
Sites that rule out child labor as defined by ILO Convention 138 (%)	100
Age of the youngest employee	21



Donations

Vestergaard Frandsen is not alone in its quest for improving global health. We recognize that partnership is the key to realizing this challenging, yet attainable goal. As proof, we support and work closely with numerous dedicated individuals and campaigns determined to make a difference. Whether distributing PermaNet® to mothers and babies in Angola or raising awareness of waterborne disease in Bangladesh, Vestergaard Frandsen is proud to participate. A testament to our generosity, we have donated more than a million dollars toward good causes in the past few years alone.

What's more, our yearly donations have more than quadrupled, from approximately \$150,000 in 2005 to \$1,152,000 in 2008, proving that Corporate Social Responsibility is one of Vestergaard Frandsen's core values.

Our donations over the past years have gone out to hundreds of different charities, causes, foundations, and partners, including, but not limited to, the selection of highlights listed below:

Malaria No More: \$500,000

This US-based NGO specializes in communications and awareness-raising for malaria-prevention campaigns and projects in Africa

Against Malaria:\$151,000

This foundation raises awareness and promotes malaria-prevention campaigns and activities in Africa and the US

GBC: \$150,000

The Global Business Coalition on AIDS, Malaria and Tuberculosis is an international business alliance dedicated to fighting and preventing these diseases, through the business sector's unique skills and influence

Zambezi Expedition:\$150,000

World Malaria Day sponsorship of this successful cross-border malaria prevention and treatment program which saw boats full of doctors, nurses and health workers travel the Zambezi River to highly inaccessible communities in Zambia, Mozambique and other neighboring nations



PermaNet®: \$70,000

Samples and small donations Africa-wide to schools, NGOs and private individuals

AOE Expedition: \$50,000

Sponsorship in the form of PermaNet donations to this Kingsley Holgate-led Africa Outside Edge Expedition featuring a net distribution and malaria-prevention campaign focusing on pregnant women and children under 5 in over 25 countries

World Vision: \$50,000

Humanitarian projects in the developing world for this US-based NGO

New York Academy of Science: \$27,000

Helped to establish a new organization called Scientists Without Borders to spread knowledge and trained scientific staff to needed areas of the developing world.

London School: \$30,000

Malaria-prevention research and events for the London School of Hygiene and Tropical Medicine

Malaria Consortium: \$15,000

Consortium Event funding for seminar/conference in Ethiopia for this prominent organization dedicated to improving delivery of prevention and treatment to combat malaria and other communicable diseases in Africa and Asia

Global Fund: \$10,000

Donation to Rockhopper TV BBC program on visceral leishmaniasis in India, and its prevention and treatment.



Africa Outside Edge Expedition

Vestergaard Frandsen teamed with famed adventurer Kingsley Holgate to provide more than 10,000 PermaNet® to families in Africa. Holgate's latest trip, called Africa Outside Edge, kicked off on April 27, 2007 from the Cape of Good Hope, South Africa. More than a year and a half later, the expedition reached its goal of circumnavigating the continent and celebrated upon return to the Cape.

Throughout the trip, the team carried a scroll of peace and goodwill in support of malaria prevention which had been signed by Nobel Peace Prize laureates Archbishop Desmond Tutu and Mr. Nelson Mandela.

Linked to the Vestergaard Frandsen-supported One Net-One Life campaign for malaria prevention, Africa Outside Edge distributed tens of thousands of lifesaving PermaNet® to pregnant mothers and children under the age of five. "This has been a massive act of solidarity in the fight against malaria. Thanks to Vestergaard Frandsen, which committed more than 10,000 long-lasting, insecticide-treated mosquito nets to the campaign," declared Kingsley Holgate, leader of the expedition.

Concerned with the rising rate of malaria and other vector-borne diseases in Africa, Holgate has already dedicated numerous adventures to distributing long-lasting, insecticide-treated PermaNet® bed nets.. "The shocking statistic is that two children die every minute from the bloodsucking bite of the female anopheles mosquito," reminds Kingsley, "It's a killer disease that affects 3.5 million Africans annually—killing more people than HIV/AIDS."

The leading producer of long-lasting, insecticide-treated mosquito nets, Vestergaard Frandsen is committed to preventing malaria and the havoc it wreaks on the developing world. Says Mikkel Vestergaard Frandsen, CEO, Vestergaard Frandsen, "The time to act is now: We have the knowledge and the tools in place to eradicate this utterly preventable disease. We salute Kingsley Holgate for his dedication to helping bring malaria awareness to the world and long-lasting, insecticide-treated nets to those who need them most."

As its name suggests, Africa Outside Edge continued from its starting point of the Cape of Good Hope and circumnavigated the African continent. Lasting for more than a year, the Holgate family targeted 33 countries on the outside edge of Africa. "The journey was tough, but with all this incredible goodwill behind us and a great sponsor partner like Vestergaard Frandsen how could we possibly have failed," states Holgate, "Thanks for helping make a difference and showing that you care for Africa."

Millennium Development Goals

Vestergaard Frandsen believes strongly in humanitarian responsibility. Our commitment to the UN's Millennium Development Goals drives our business objectives and provides the impetus for our continued focus on innovation. We strive towards developing life-saving tools which, when implemented together with other dedicated partners, contribute to realising each of the eight MDGs. In particular, our September 2008 Integrated Prevention Demonstration saw Vestergaard Frandsen's first use of concept architecture to further the MDGs.

Goal 1: Current Situation

Eradicate extreme poverty and hunger

Malaria imposes a growth penalty of 1.3% per year on some African nations by incapacitating the workforce, leading to decreased productivity.¹

The macroeconomic impact of HIV/AIDS is estimated to reduce the annual growth rate of GDP in sub-Saharan African countries by 0.8% to 1.4% per year.²

Achieved through VF Products

PermaNet® brand long-lasting, insecticidal nets (LLINs) and LifeStraw® Personal and Family microbiological water purifiers minimise the risk of disease, promoting economic gain by reducing healthcare expenses and allowing for increased working hours for healthy individuals.

Goal 2: Current Situation

Achieve universal primary education

African children have between 1.6 and 5.4 episodes of malarial fever each year, preventing them from regularly attending school.³

Achieved through VF Products

Sleeping under PermaNet® every night helps ensure that children wake up healthy each morning to continue their education.

Goal 3: Current Situation

Promote gender equality and empower women

More than one billion people worldwide do not have access to safe drinking water⁴, and for some the only source is miles away. The task of obtaining and carrying water over long distances is left mostly to women and girls, robbing them of dignity, energy, and time.

Achieved through VF Products

LifeStraw® Personal and Family empower women and girls by facilitating access to safe drinking water.

Goal 4: Current Situation

Reduce child mortality

Every 30 seconds a child dies from malaria. It is estimated that 5.5 lives could be saved for every 1,000 children that are protected by insecticide-treated nets.⁵

Diarrhoeal diseases claim more than 6,000 lives per day—most of them children under five.⁶

Achieved through VF Products

Our annual production of 60,000,000 PermaNet® has the potential to save the lives of 330,000 children per year.

LifeStraw® Personal and Family prevent potentially deadly waterborne diseases like cholera and typhoid, contributing to the reduction of 2,000,000 annual child deaths.

Goal 5: Current Situation
Improve maternal health In Africa, up to 200,000 newborn deaths as a result of malaria in pregnancy.⁷

Achieved through VF Products
When compared to a situation in which no nets were used, ITNs such as PermaNet® reduced the rate of miscarriage/stillbirth by 33%.⁸

Goal 6: Current Situation
Combat HIV/AIDS, malaria and other diseases HIV infection increases the risk of malaria infection as much as four fold, swelling viral load, and contributing to a decreased response to standard anti-malarial treatment. Further, up to 90% of HIV patients are affected by diarrhoea.⁹

Achieved through VF Products
Mobilising PermaNet® and LifeStraw® can have a joint health impact, reducing the risk of both diseases in HIV-infected individuals.

Goal 7: Current Situation
Ensure environmental sustainability The spraying of dangerous chemicals to halt the spread of malaria-transmitting mosquitoes is on the rise.

Achieved through VF Products
VF's vector portfolio is made up of products that are fully factory-treated, low-pollution tools that reduce the risk of both human and environmental exposure to dangerous chemicals often used in malaria prevention.

Goal 8: Current Situation
Develop a global partnership for development 90% of current innovation is geared toward the target group of wealthy individuals in the developed world, while only 10% is focused on the developing world.

Achieved through VF Products
We invest heavily in the research and development of lifesaving tools for global health. We work in close partnership with the UN, NGOs, and governments to ensure that these tools are appropriate, effective, and reach those who need them most.

¹ WHO, 2000 "The Abjua Declaration and the Plan of Action in The Africa Summit on Roll Back Malaria", RBM Partnership Secretariat.

² RBM Partnership Secretariat, The Abjua Declaration and the Plan of Action in The Africa Summit on Roll Back Malaria, 2000, WHO2 Over, Mead, 1992. The Macroeconomic impact of AIDS in Sub-Saharan Africa, The World Bank, Technical Working Paper No. 3.

³ Murphy SC, Breman JG, 2001. Gaps in the childhood malaria burden in Africa: cerebral malaria, neurological sequelae, anemia, respiratory distress, hypoglycemia, and complications of pregnancy. American Journal of Tropical Medicine and Hygiene, 64(1-2 Suppl):57-67.

⁴ UNICEF 2008, Child Survival Fact Sheet: Water and Sanitation.

⁵ Lengeler, C, 2004. Insecticide-treated bed nets and curtains for preventing malaria, Cochrane Database Systematic Review. 2: CD000363. Cochrane Database Systematic Reviews.

⁶ UNICEF 2008, Child Survival Fact Sheet: Water and Sanitation.

⁷ Ribera, JM et al, 2007. Malaria in pregnancy: what can the social sciences contribute? PLoS Medicine 4(4) e92.

⁸ Gamble et al, 2007. Insecticide-Treated Nets for the Prevention of Malaria In Pregnancy: A Systematic Review of Randomised Controlled Trials, PLoS Medicine 4(3), e107.

⁹ Katabira, 1999. Monkmuller and Wilcox 2000.



Vestergaard Frandsen strongly supports the Global Compact's Ten Defining Principles in four main areas: human rights, labor rights, environment and anti-corruption and take active steps to assure our activities and those of our partners are in line with the ultimate goal of sustainable development. Listed below are the Global Compact's Principles, followed by the corporate documentation concerned and the initiatives Vestergaard Frandsen has taken to advance the principles. While our first Communication on Progress shows three specific efforts, we expect to have attained considerable progress towards implementing all ten principles in 2009.

Communication on Progress

Global Compact	Relevant Documentation	Initiatives Taken
Principle 1: Protecting Human Rights	Business Conduct Principles (p. 6)	Enactment of the group-wide Business Conduct Principles (p. 6)
Principle 2: Ruling out human rights abuses	Business Conduct Principles (p. 6)	Creation of a corporate Human Resources department (p.18)
Principle 3: Upholding freedom of association	Business Conduct Principles (p. 6)	Enactment of the group-wide Business Conduct Principles (p. 6)
Principle 4: Elimination of all forms of forced and compulsory labor	Business Conduct Principles (p. 6)	
Principle 5: Abolition of child labor	Business Conduct Principles (p. 6)	
Principle 6: Elimination of discrimination	Business Conduct Principles (p. 6)	
Principle 7: Precautionary approach to environmental challenges	Business Conduct Principles (p. 6)	Enactment of the group-wide Business Conduct Principles (p. 6)
Principle 8: Initiatives to promote greater environmental responsibility	Business Conduct Principles (p. 6)	Introduced environmentally friendly PermaNet® biodegradable bag (p. 17)
Principle 9: Diffusion of environmentally friendly technologies	Business Conduct Principles (p. 6)	
Principle 10: Anti-corruption measures	Business Conduct Principles (p. 6)	Enactment of the group-wide Business Conduct Principles (p. 6) Establishment of a whistle blowing procedure and Internal Compliance Council (p.6)

Contributors

This report was prepared by Vestergaard Frandsen's Communications Department. For further details, comments, or questions, please visit www.vestergaard-frandsen.com.