

Corporate Social Responsibility 2008





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Introductory Message

From Mikkel Vestergaard Frandsen, CEO of the Group

"In 2008 alone, we invested approximately \$14 million USD in the research and development of lifesaving technologies, an increase of twenty fold since 2005."

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: LifeStraw®, PermaNet®, ZeroFly® and CarePack™. Our products along with the concepts of breaking silos with in biggest killer diseases such as the innovative Integrated Prevention Campaign have the potential to dramatically reduce suffering and save countless lives.

We are dedicated to improving the health of the most vulnerable people on earth by continuously improving our products. In 2008 alone, we invested approximately 14 million USD in research and development, an increase of twenty fold since 2005. In making this commitment, we have managed to turn humanitarian responsibility into our core business. Strong support of the UN 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 drastically reduce the number of people without access to safe drinking water.

We are confident that our approach 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.

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 UN Millennium Development Goals
- Further support universal human rights, labour, transparency and anti-corruption policies within the UN Global Compact framework
- Carefully grow our business to ensure environmentally responsible and 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 today?" Shareholders alike should choose to invest in companies that show a commitment to 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 of the Group



Company Profile

Vestergaard Frandsen is a European 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 Millennium Development Goals.

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



Mission Statement and Values

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

Innovation

Finding alternative solutions by combining both creative and traditional thinking.

Speed of Response

Working at a faster pace while displaying a high level of energy, flexibility and respect for the environment. Acknowledging that the rate and magnitude of change is increasing.

Passionate People

Contributing with enthusiasm, dedication and a positive spirit.

Precision

Creating unique, scientific-based 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.

Responsibility

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



Business Conduct Principles

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

The Business Conduct Principles govern how each corporate entity 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, transparency, and integrity.

In an effort to further integrate these values, the company and its employees have chosen to launch these Business Conduct Principles and to participate in the UN Global Compact program.

The incorporation 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 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.

An Internal Compliance Council appointed by the Board of Vestergaard Frandsen has 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 laws 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, transparent, 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 or bribery. Employees must never accept or give a bribe or kickback.

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 in all of their private and professional activities.

Business Conduct Principles

Labour standards and human rights principles



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 to 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 the company is not complicit in human rights abuses.

Wherever Vestergaard Frandsen operates, it 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.

Business Conduct Principles



Implementation

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

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

The Board of Vestergaard Frandsen has appointed an Internal Compliance Council and 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 and upholding of the UN Global Compact Principles,

implementation 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.



Monitoring/audit

Compliance with the Business Conduct Principles is now monitored bi-annually in all companies within Vestergaard Frandsen and an annual report will be created that includes 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 shall suffer adverse consequences, except for acts of libel and similar acts which are prohibited under the laws of Switzerland.



Innovation

Vestergaard Frandsen is known for its commitment to research and development. We are fuelled by our dedication to innovation, using the platform of technology 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. This includes our original long-lasting insecticidal PermaNet® 2.0 bed net that resists a minimum of 20 washes and our newly launched instant microbiological water purifier LifeStraw® Family. 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.



LifeStraw® Family

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

LifeStraw® Family is an instant microbiological purifier has been extensively tested in the United States at the University of Arizona for 20,000 litres, and complies with United States Environmental Protection Agency performance criterion for microbiological purifiers, removing at least 99.9999% of all bacteria, 99.99% of viruses, and 99.9% of parasites.

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," said Mikkel Vestergaard Frandsen, CEO of the Group. "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. 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%."

Innovation



LifeStraw® Family builds upon the success of LifeStraw®, 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 does not require electricity or spare parts, making it ideal for use in the developing world.



Integrated Prevention Campaign

Vestergaard Frandsen recently conducted 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 by the tens of thousands to participate in the week-long HIV counselling and testing campaign. As encouragement for their participation, local residents received a lifesaving CarePack™ containing PermaNet® long-lasting insecticidal 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 thousands to take a voluntary HIV test," said Mikkel Vestergaard Frandsen, CEO of the Group and the prime developer of the IPC concept.

All services were provided free of charge by Vestergaard Frandsen at 30 temporary clinic sites open from September 16-22. By conducting HIV testing and counselling on approximately 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 by 2010.

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 (MoH) will provide people who tested positive with follow-up medical care and counselling at a Vestergaard Frandsen has sponsored a health centre at Emusanda to contribute to support MoH's initiative. This approach marks a profound increase in the speed and number of

Innovation

participants in an HIV-testing campaign.

“For the first time, a campaign provided a care package of various health interventions as encouragement for voluntary HIV counselling 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 counselling and testing, and the Millennium Development Goals. The IPD campaign was designed to be replicated, and therefore holds the potential of reducing the burden of disease and saving 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 1,964 people tested positive for HIV, out of which 1,834 people were within the sexually reproductive 15-49 years age group.

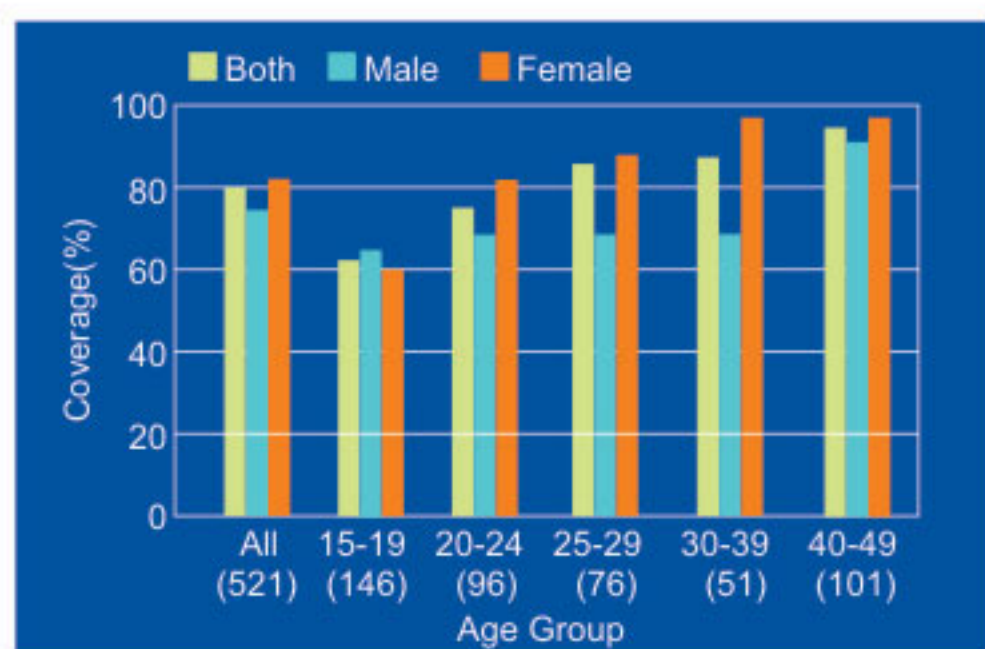
An analysis of the uptake of interventions after the campaign demonstrated high usage of bed nets and water purifiers. A survey of residents taken two months after IPD showed near-universal bed net



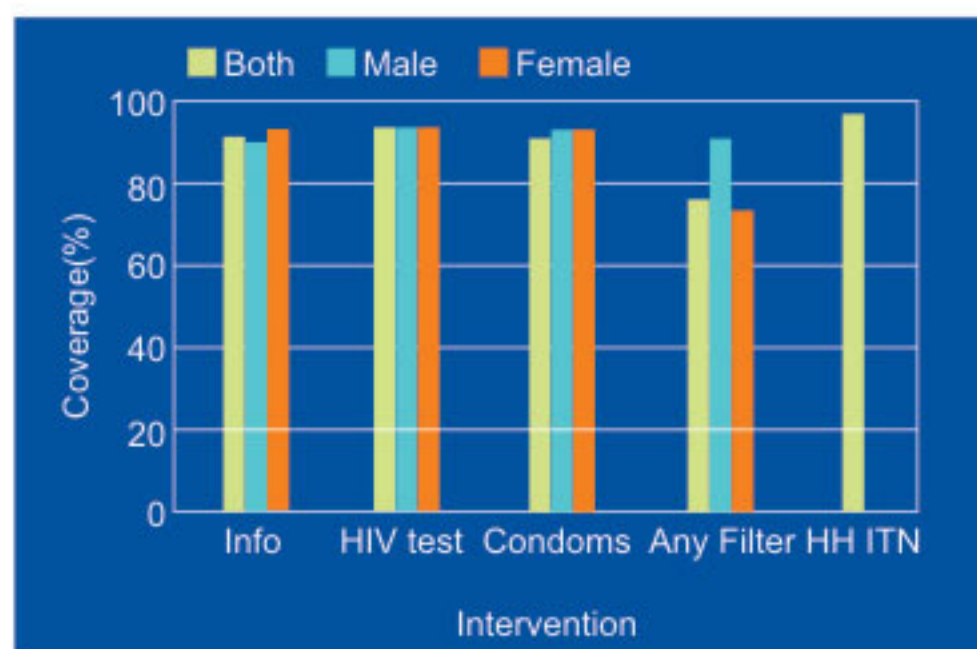
coverage, with over 95% of households reporting that they owned a bed net and over 85% claiming to be sleeping under one. Before the IPD campaign, fewer than 5% of households in Lurambi had a water filter. Post-campaign, nearly 75% of the households had one, and of this group, 75% reported using the filter. Before the campaign, only half thought their water was safe for drinking. This rose to 95% among those using the water purifiers.

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 travelled 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.



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



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

Innovation



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 extreme logistical challenges, but they were met with characteristic resilience by all staff. Whether it was the torrential rains damaging the temporary clinic sites or vehicles submerging in the muddy roads, the dedicated team pushed their way through to quickly adapt to and overcome the chaotic situations.

Of approx. 48,000 people who participated in the campaign, some 1964 were identified as being HIV positive. Knowing that each of those tested received a CarePack™ of disease prevention tools, employees feel that they have contributed to saving lives that may 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.



Wapatele Kazi kutiukue pandaji boma
Tandaa sanaa-umia ya
CarePack
Mwaka kuche na wazi alimwae
"hali ya wazi ya pandaji" ya wakimu dhidi ya mgoni
"hali ya wazi ya pandaji" Pandi
Kuhitaji na kuingia dhidi ya wazi wa wazi

CarePack™

VESTERGAARD FRANDSEN
DISEASE CONTROL TEXTILES



Environmental Responsibility

Vestergaard Frandsen is committed to finding new ways to contribute responsibly to environmental challenges. We are currently in the process of carefully evaluating our manufacturing processes 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. As a result, we debuted new, environmentally sound product packaging in 2008.

PermaNet® Oxo-biodegradable Plastic Bag

Long-lasting insecticidal nets save numerous lives every year from malaria. However, most of these nets are packaged in plastic bags that are left scattered after large-scale bednet distributions, resulting in clogged landfills and choked rivers. Pollution from plastic packaging is a major environmental issue in developed and developing countries alike. Vestergaard Frandsen is sensitive to this and has therefore introduced an eco-friendly packaging

solution—PermaNet® oxo-biodegradable plastic bags.

PermaNet® oxo-biodegradable plastic bags are 100% degradable and non-toxic. Before degrading they are totally recyclable. The bags contain a unique additive that enables them to oxo-biodegrade after disposal. The additive loosens the carbon-carbon bonds of the plastic, allowing it to break down easily. Oxygen is the initiator of the degradation process, which occurs naturally in the same way as a leaf or plant material degrades. Prior to degradation, PermaNet® oxo-biodegradable plastic bags look and perform in exactly the same way as regular plastic.



Corporate Human Resources

Vestergaard Frandsen has more than doubled our staff size in the past three years. 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 African employees, 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 Innovation, Passion, Speed of Response, Precision, and Responsibility. 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.

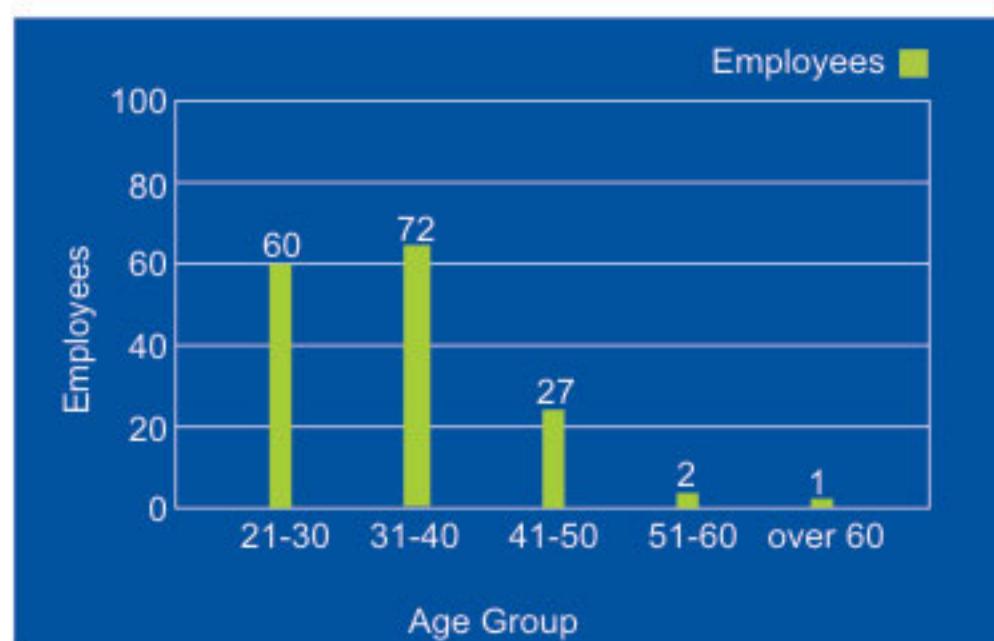
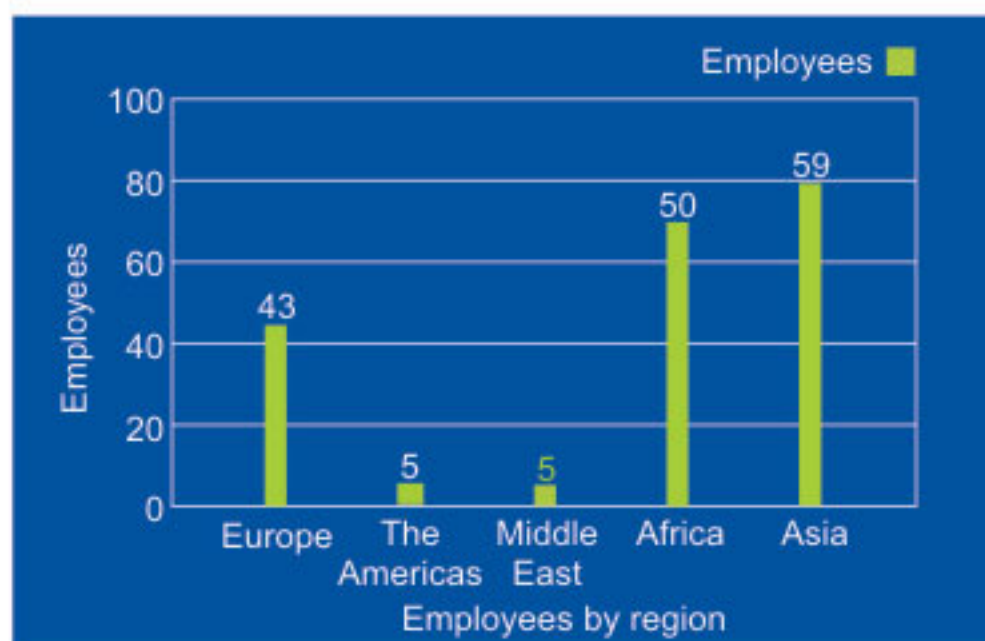
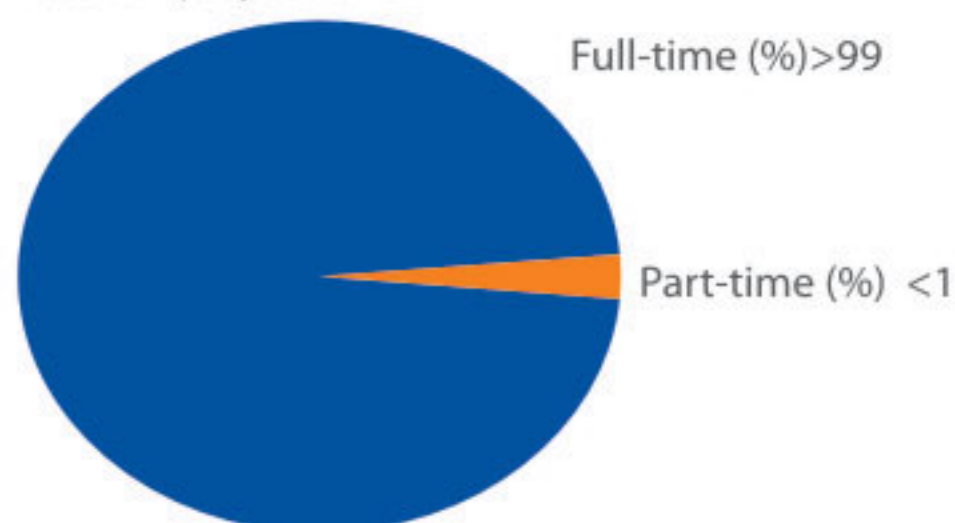
Vestergaard Frandsen is a place where people want to work and develop. With regular reviews, the HR department takes steps to ensure Vestergaard Frandsen remains a highly diverse and desirable place of employment.

Corporate Human Resources

Workforce structure - 2008

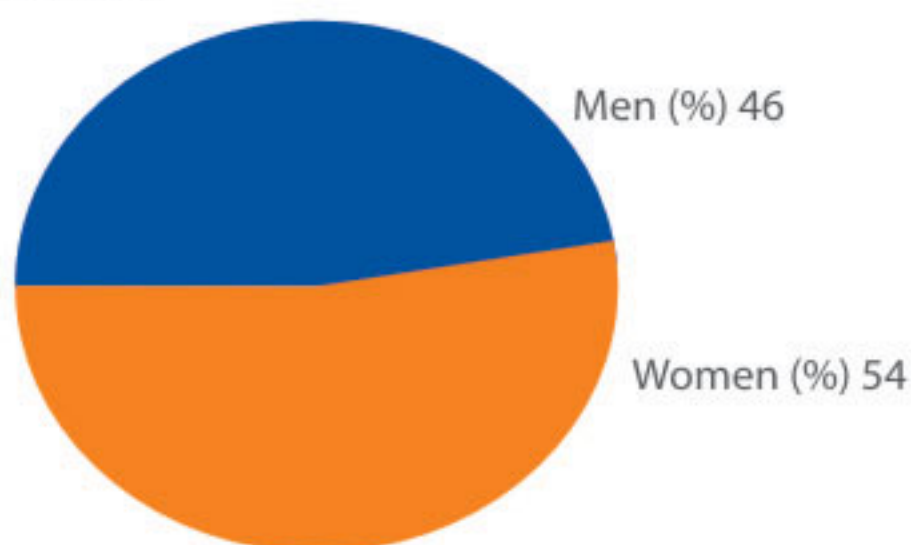
The following statistics are the first in a newly established yearly workforce review:

Total Employees : 162



Average age - 32.4 years

Gender



ILO Labour 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 labour as defined by ILO Convention 138 (%)	100
Age of the youngest employee	21



Donations

At Vestergaard Frandsen, we recognize that partnership is the key to improving global health. 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. As a testament to our generosity, we donated millions of dollars towards good causes in 2008.

What's more, our yearly donations have increased more than thirteen fold, from approximately \$150,000 in 2005 to several million USD in 2008, proving that Corporate Social Responsibility is one of Vestergaard Frandsen's core values.

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

Integrated Prevention Demonstration: \$ 2.9 million USD

This innovative campaign provided HIV tests and counselling to nearly 50,000 people as well as a

lifesaving CarePack™ of disease-prevention interventions

Malaria No More: \$500,000

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

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 neighbouring nations

Against Malaria: \$125,000

This foundation raises awareness and promotes

Donations

malaria-prevention campaigns and activities in Africa and the US

UN Foundation: \$100,000

The UN Foundation is a public charity which advocates for the UN and connects people, ideas and resources to help solve global problems. This donation sponsored World Malaria Day activities and events

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 five

World Vision: \$50,000

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



Africa Outside Edge Expedition

Vestergaard Frandsen teamed up 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 from the Cape of Good Hope, South Africa. More than a year and a half later, the expedition reached its goal of circumnavigating the African 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 10,000 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 disease that kills more Africans each year than HIV/AIDS."

The leading producer of long-lasting, insecticidal nets, Vestergaard Frandsen is committed to preventing malaria and the havoc it wreaks on the developing world. "We salute Kingsley Holgate for his dedication to helping bring malaria awareness to the world and long-lasting, insecticidal nets to those who need them most," said Mikkel Vestergaard Frandsen, CEO of the Group.

With the expedition lasting for more than a year, the Holgate team visited 33 countries on the outside edge of Africa. "The journey was tough, but with all this incredible goodwill behind us and a great 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."



UN Millennium Development Goals

Vestergaard Frandsen believes strongly in humanitarian responsibility. Our commitment to the UN 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:

Eradicate extreme poverty and hunger

Current Situation

84% of the population without access to an improved source of drinking water lives in rural areas¹. Malaria imposes a growth penalty of 1.3% per year on some African nations by incapacitating the workforce,

leading to decreased productivity². 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 year³.

Our Contribution

PermaNet® long-lasting insecticidal nets and curtains and LifeStraw® safe water interventions minimise the risk of vector-borne and waterborne disease respectively, promoting economic gain by reducing healthcare expenses and increased productivity.

Goal 2:

Achieve universal primary education

Current Situation

443 million school days are lost each year due to water-related illness⁴. African children have between 1.6 and 5.4 episodes of malarial fever each year, preventing them from regularly attending school⁵.

¹WHO and UNICEF Publication 'Meeting the MDG Drinking Water and Sanitation Target - The Urban and Rural Challenge of the Decade' 2006

²WHO, 2000 "The Abuja Declaration and the Plan of Action in The Africa Summit on Roll Back Malaria", RBM Partnership Secretariat.

³RBM Partnership Secretariat, The Abuja 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.

⁴Human Development Report 2006

⁵Murphy 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.

UN Millennium Development Goals

Our Contribution

The consumption of safe drinking water through LifeStraw® prevents children from acquiring diarrhoea and other waterborne diseases. Sleeping under a PermaNet® bednet every night helps ensure that children wake up healthy each morning to continue their education.

Goal 3:

Promote gender equality and empower women

Current Situation

The average distance that women in Africa and Asia walk to collect water is 6 km⁶. Moreover, the average weight of water that these women carry on their heads can be anything up to 20kg – the equivalent of your airport luggage allowance⁷. The task of obtaining and carrying water over long distances robs women and young girls of dignity, energy, and time.

Our Contribution

LifeStraw® and LifeStraw® Family empower women and girls by facilitating access to safe drinking water. LifeStraw® Family works on highly turbid water, which allows women to convert 'dirty' water collected from any nearby source into a drinkable one.

Goal 4:

Reduce child mortality

Current Situation

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 nets⁸. Diarrhoeal diseases claim more than 6,000 lives per day most of them children under five⁹. The risk of dying from diarrhoea is 11 times greater for infants

who are HIV-infected¹⁰.

Our Contribution

Randomized trials of bednets have shown a 50% reduction in malaria and a 17% reduction in all cause mortality among children¹¹. Our annual production of PermaNet® 2.0 long-lasting insecticidal nets has the potential to save the lives of countless children per year. Point-of-use water filters have been shown to reduce incidence of diarrhoea by 64%¹². LifeStraw® and LifeStraw® Family are both point-of-use water filters,

Goal 5:

Improve maternal health

Current Situation

Some 50 million pregnant women are exposed to malaria each year, with malaria in pregnancy contributing to nearly 20% of low birth weight babies in endemic areas¹³. In Africa, up to 200,000 newborn deaths occur as a result of malaria in pregnancy¹⁴.

Our Contribution

Studies have shown that when compared to a situation in which no nets were used, ITNs such as PermaNet® reduce the rate of miscarriage/ stillbirth by 33%¹⁵.

Goal 6:

Combat HIV/AIDS, malaria and other diseases

Current Situation

HIV/AIDS has killed more than 25 million people; over 33 million people are currently living with the disease¹⁶. Malaria poses a threat to more than 2.1 billion people and claims 1.1 million lives each year¹⁷. HIV infection has been linked to a doubling in the frequency of malaria and lower CD4-cell counts are associated with a greater risk of malaria¹⁸. Diarrhoea, a very common symptom of

⁶Water Supply and Sanitation Collaborative Council

⁷Water Supply and Sanitation Collaborative Council

⁸Lengeler, C, 2004. Insecticide-treated bed nets and curtains for preventing malaria, Cochrane Database Systematic Review. 2: CD000363. Cochrane Database Systematic Reviews.

⁹UNICEF 2008, Child Survival Fact Sheet: Water and Sanitation.

¹⁰Thea, D.M. et al (1993). A prospective study of diarrhea and HIV-1 infection among 429 Zairian infants. New England Journal of Medicine 329(23):1696-702.

¹¹Mermin, J. et al. Effect of cotrimoxazole prophylaxis, antiretroviral therapy, and insecticide-treated bednets on the frequency of malaria in HIV-1-infected adults in Uganda: a prospective cohort study. Lancet. 2006 Apr 15;367(9518):1256-61.

¹²Interventions to improve water quality for preventing diarrhoea (Review) © 2006 The Cochrane Collaboration. Published by John Wiley & Sons, Ltd.

¹³Crawley et al (2007).

¹⁴Ribera, JM et al, 2007. Malaria in pregnancy: what can the social sciences contribute? PLoS Medicine 4(4) e92.

¹⁵Gamble 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.

¹⁶UNAIDS report, 2007

¹⁷World Health Organization

¹⁸Whitworth, J. et al. Effect of HIV-1 and increasing immunosuppression on malaria parasitaemia and clinical episodes in adults in rural Uganda: a cohort study. Lancet 2000; 356: 105156.

UN Millennium Development Goals

HIV and AIDS, affects 90% of people living with HIV/AIDS (PLWHA) and results in significant morbidity and mortality^{19,20}. HIV testing and counselling rates remain low in many countries. In 2003, it was estimated that only 0.2% of adults in low- and middle-income countries received voluntary HIV counselling and testing services²¹.

Our Contribution

Consistent use of insecticide-treated nets is associated with reduction in cases of malaria and all cause mortality among children²². The use of safe drinking water is associated with 25% reduction in episodes of diarrhoea, 33% reduction in days with diarrhoea and 24% reduction in episodes of diarrhoea with blood or mucous in stool²³. Male latex condoms provide approximately 80-90% protection, when used consistently²⁴. Vestergaard Frandsen's CarePack™ is comprised of evidence-based interventions such as PermaNet® long-lasting, insecticidal net, LifeStraw® Family instant microbiological purifier, condoms and co-trimoxazole prophylaxis, which together have the potential of delaying the progression of HIV to AIDS. Our Integrated Prevention Demonstration campaign in rural Kenya used free distribution of CarePack™ as an incentive to break social stigma attached to HIV testing. More than 80% of the 15-49 year-old target population attended the campaign, out of which 95% were voluntarily tested and counselled for HIV.

Goal 7:

Ensure environmental sustainability

Current Situation

The spraying of chemicals to halt the spread of malaria-transmitting mosquitoes is on the rise. Plastic bags, which are commonly used to package long-lasting insecticidal nets, are left scattered after large-

scale bednet distributions, resulting in clogged landfills and choked rivers.

Our Contribution

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. Moreover, PermaNet® bednets are packaged in eco-friendly oxo-biodegradable plastic bags, which are 100% degradable, non-toxic and recyclable.

Goal 8:

Develop a global partnership for development

Current Situation

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.

Our Contribution

Vestergaard Frandsen invests 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. Vestergaard Frandsen's Integrated Prevention Demonstration campaign combining voluntary HIV counselling and testing (HCT) with distribution of CarePack™ was a result of joint partnership between the civil society, Kenya MoH and private sector. This campaign tested 80.2% of the 15-49 years target population within one week, successfully contributed towards the Kenyan national scale-up plan for voluntary HCT that aims to test 80% of Kenya's adult population by 2010.

¹⁹Katabira, E.T. (1999). Epidemiology and management of diarrheal disease in HIV-infected patients. *International Journal of Infectious Disease* 3(3):164-7.

²⁰Monkemuller, K.E. & Wilcox, C.M. (2000). Investigation of Diarrhea in AIDS. *Canadian Journal of Gastroenterology* 14(11):933-40.

²¹UNAIDS report, 2007

²²Lengeler C. (2004). Insecticide-treated bed nets and curtains for preventing malaria. *The Cochrane Database of Systematic Reviews*, Issue 2, Art. no. CD000363.

²³Lule, J.R. et al. Effect of home-based water chlorination and safe storage on diarrhea among persons with human immunodeficiency virus in Uganda. *Am. J. Trop. Med. Hyg* 73(5): 926-933, 2005.

²⁴Hearst, N. & Chen, S. Condom promotion for AIDS prevention in the developing world: is it working? *Stud Fam Plann* 2004;35:39-47



Vestergaard Frandsen strongly supports the Global Compact's Ten Defining Principles in four main areas: human rights, labour rights, environment and anti-corruption; and takes active steps to assure that 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

UN Global Compact	Relevant Documentation	Initiatives Taken
Principle 1: Protecting human rights	Business Conduct Principles (p. 4)	Enactment of the group-wide Business Conduct Principles (p. 4)
Principle 2: Ruling out human rights abuses	Business Conduct Principles (p. 4)	Creation of a corporate Human Resources department (p.16)
Principle 3: Upholding freedom of association	Business Conduct Principles (p. 4)	Enactment of the group-wide Business Conduct Principles (p. 4)
Principle 4: Elimination of all forms of forced and compulsory labor	Business Conduct Principles (p. 4)	
Principle 5: Abolition of child labor	Business Conduct Principles (p. 4)	
Principle 6: Elimination of discrimination	Business Conduct Principles (p. 4)	
Principle 7: Precautionary approach to environmental challenges	Business Conduct Principles (p. 4)	Enactment of the group-wide Business Conduct Principles (p. 4)
Principle 8: Initiatives to promote greater environmental responsibility	Business Conduct Principles (p. 4)	Introduced environmentally friendly PermaNet® biodegradable bag (p. 15)
Principle 9: Diffusion of environmentally friendly technologies	Business Conduct Principles (p. 4)	
Principle 10: Anti-corruption measures	Business Conduct Principles (p. 4)	Enactment of the group-wide Business Conduct Principles (p. 4)
		Establishment of a whistle blowing procedure and Internal Compliance Council (p.4)

Contributors

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

