



2016

Humanitarian Entrepreneurship Report

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VESTERGAARD® 
IMPACTING PEOPLE



HUMANITARIAN IMPACT

More than 1.5 billion people have benefited from our bed nets, water filters and food security products.

37 million LifeStraw® Guinea Worm filters are helping eradicate Guinea worm disease which afflicted 3.5 million people in 1986; 25 people in 2016.

750 million PermaNet® long-lasting insecticidal bed nets have contributed to the 60% reduction in malaria deaths from 2000 to 2015.

250,000 ZeroFly® Screens, Targets & Traps are keeping tsetse flies from infecting humans and animals with sleeping sickness disease.

5.5 million LifeStraw® water filters are preventing waterborne diseases for some of the 2.1 billion people without access to safe, readily available water at home.

250,000 ZeroFly® Storage Bags support food security by protecting post-harvest grains and seeds from losses due to pest infestation.



FROM OUR CEO



In 2016, we conducted a strategic review of our businesses to ensure that our goals are closely aligned with the United Nations Sustainable Development Goals. We developed a strategic plan leading up to 2020 around our core competencies in global health, safe water and food security, and found that we could contribute to more than half of the 17 UN Global Goals.

We also invested resources to make sure that the way we achieve our goals – how we operate – is as highly regarded as what we want to achieve. We strengthened policies and augmented operations. Then we conducted intensive training to ensure that employees and colleagues throughout the supply chain are respected, corruption is not tolerated, our workplace is a healthy and safe haven, and our environmental impact is minimized.

Throughout the year, we also engaged in several programs that improve the lives of vulnerable populations. We brought safe water to more than half a million kids in Kenya

through our Follow the Liters campaign. We took a more active role in helping to eradicate two insidious neglected tropical diseases – Guinea worm and sleeping sickness. And we launched an independently run Safe Water Fund to bring drinking water to victims following natural disasters, including people displaced by the earthquake in Ecuador and the flood in Haiti.

Vestergaard has been fortunate to carve out a meaningful niche in this world, one in which we thrive as a company when the most marginalized people on our planet are thriving. We recognize the responsibility this privilege carries. Moving forward, an invigorated, focused company – Vestergaard 2.0 if you will – will embrace this responsibility with a vengeance. We'll be bold, visionary, driven and undaunted by tough challenges as we continue to positively impact the people we exist to serve.

Mikkel Vestergaard, CEO
Vestergaard



COMMITMENT TO THE HIGHEST ETHICAL STANDARDS

Vestergaard has been a member of the United Nations Global Compact for 11 years.

Official Vestergaard documents direct internal compliance.

Business Code of Conduct

Guides responsible approach to doing business; mirrors UNGC principles.

Anti-Bribery Policy

Reinforces zero-tolerance policy regarding corruption, extortion and bribery.



Vestergaard fully abides by the United Nations Global Compact (UNGC) which encourages companies to act as socially responsible members of the international community by committing to ten principles regarding human rights, labor standards, environment and anti-corruption.



ENFORCED BY

Internal Compliance Council

Oversees implementation and adherence to Code of Conduct and UNGC principles.
Reports to Board of Directors.

Employee Training

All employees take part in Compliance training and/or participate in general business meetings related to Compliance, organized by location and/or region.

Reporting Systems

Employees are encouraged to report infringements through secure mechanisms internally (e.g., quarterly compliance certification) or externally (e.g., anonymous whistle-blowers hotline). All reports are followed up.

A responsible supply chain

Vestergaard's Responsible Supply Chain management team ensures that suppliers and other third-party business associates adhere to strict ethical business standards detailed in the company's Supplier Code of Conduct.
First tier suppliers must communicate these principles to their supply chains and ensure compliance. Supplier employee training is conducted regularly. Formal auditing tracks compliance.



In 2016 Vestergaard secured SA8000® certification which is expected in 2017. This leading global social certification ensures the highest quality of social compliance and fair treatment of workers.

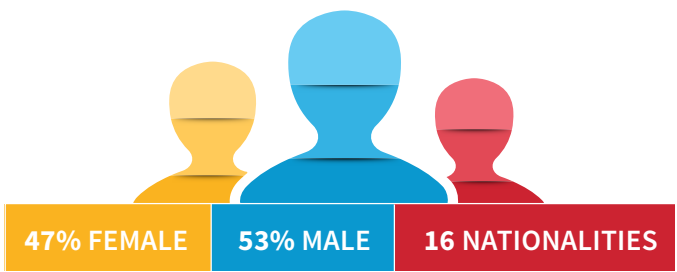


EMPLOYEES: OUR GREATEST ASSET

Vestergaard demonstrates the high regard it has for its employees by fostering a collaborative culture that encourages employee growth and satisfaction.

Diverse

Vestergaard provides equal employment opportunities in recruitment, selection, compensation, promotion, job transfer and assignments. Our staff is as diverse as the end users of the products we provide.



Valued

Comprehensive policies ensure employee safety, satisfaction and fair working conditions.

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

Additionally, programs are designed by the local offices to promote employee health and well-being. Since many of our employees travel to remote locations, we offer International SOS. This service helps prepare employees for travel to unfamiliar locations, then supports them while on the trip.

Engaged

49% of all employees have been with the company for 5+ years; 17% over 10 years

In 2016 Vestergaard launched an online human resources tool and performance management system. Under this online system, performance reviews become ongoing collaborations and employees are empowered to manage their performance and plan for future growth.

Follow the Liters

In 2016, as in previous years, staff members from several offices supported our “Follow the Liters” campaign, helping install LifeStraw® water purifiers in hundreds of schools without access to a safe water source in rural Kenya. Employees witnessed the company’s mission in action and the enormous impact our products have on people who desperately need them. And they formed bonds with diverse co-workers they likely would never have met.



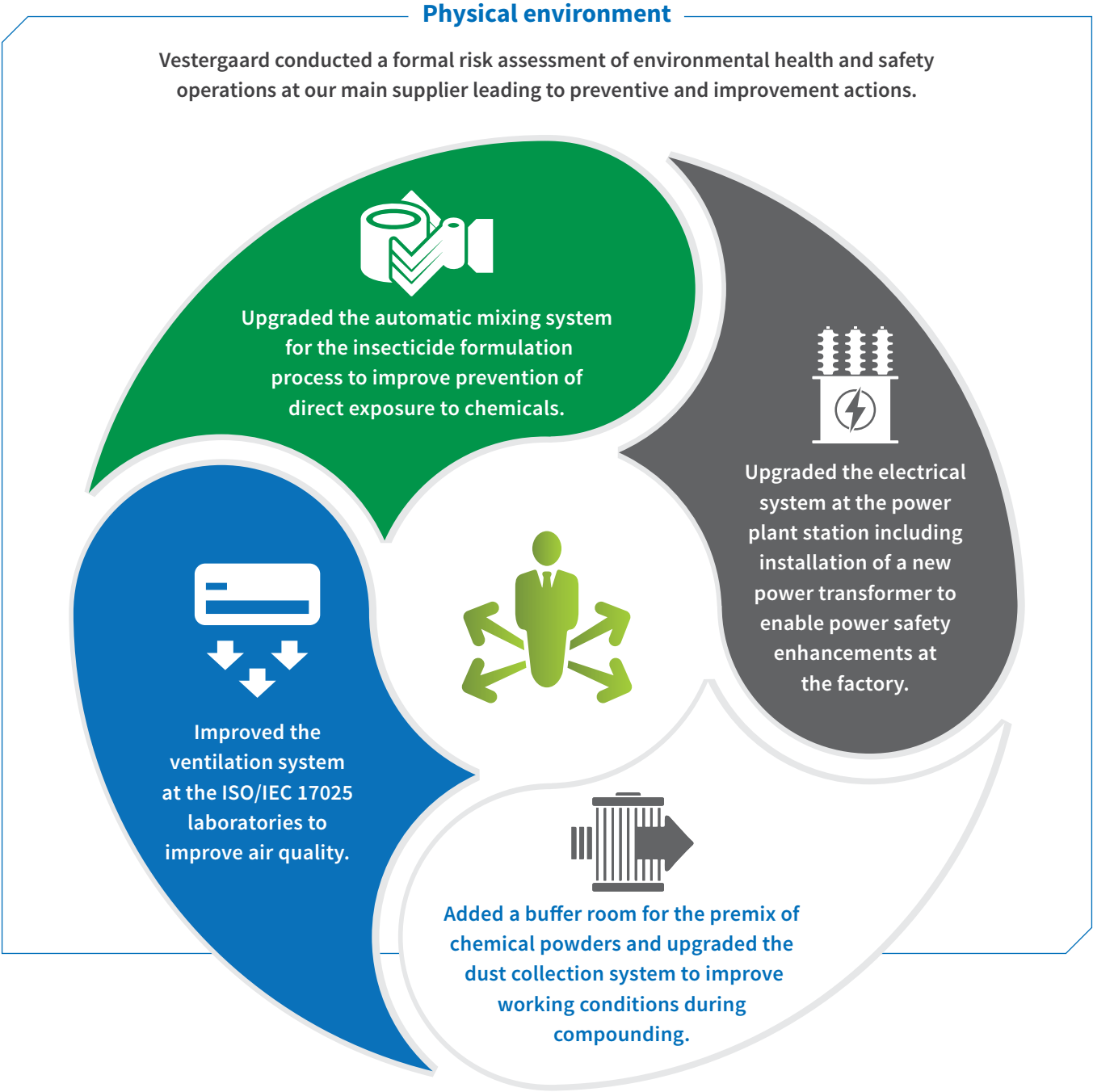
Vestergaard enjoyed excellent scores against International Labour Standards criteria in 2016

- ▶ 100% of full-time employees enjoyed ≥15 vacation days/year
- ▶ 100% of women had access to maternity programs
- ▶ 100% of subcontracted sites ruled out child labour as defined by ILO Convention 138



OCCUPATIONAL HEALTH AND SAFETY

Vestergaard made many enhancements in 2016 to ensure that the product lifecycle is handled in an efficient, environmentally responsible and safe manner.



Systems and standards

Safety and hygiene practices and standards were strengthened at all production locations. This included implementation of the internationally recognized 5S method for workplace organization which leads to improved efficiency, service and safety.

Supplier training

In 2016, Vestergaard initiated extensive training programs totaling 9,632 hours of training for 1,500 employees (average of 6.42 hours per production employee). Topics covered included:

- 5S management
- chemical safety
- hygiene
- emergency response
- first aid
- fire safety
- SA8000®



1

Reduced the solid waste % of produced output from 2.3% to 0.3% at compounding, and from 8.8% to 7.8% at extrusion by optimizing production line operations.

ENVIRONMENTAL STEWARDSHIP

Vestergaard continuously seeks to reduce the environmental impact of its operations. Highlights in 2016 include these activities.



2

Reduced the waste of PBO at extrusion by 6%, from 14% to 8% , by optimizing the process conditions and process control plan.



3

Improved treated waste water quality by 30% through enhanced monitoring achieved by setting up a waste water laboratory at the manufacturing location enabling quick adjustments of the needed physico-chemical process parameters.



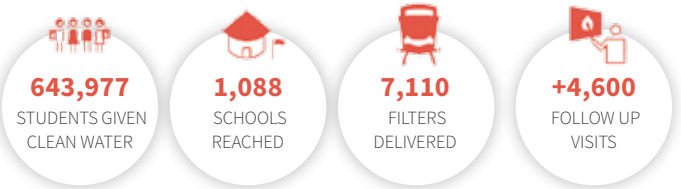
SOCIALLY RESPONSIBLE INITIATIVES

Our core business and socially responsible initiatives contribute to more than half of the 17 UN Sustainable Development Goals. Here are some activities.

Bringing safe water to schools kids

We connect consumer sales of LifeStraw® water filters to impacting people in developing countries without access to safe water through the ongoing LifeStraw® Follow the Liters program. For every LifeStraw® product purchased, we provide safe drinking water to a school child in a developing country for an entire year. LifeStraw® makes a five-year commitment in every school including ongoing training, education and maintenance.

Results after 3 annual distributions



Supporting mosquito control plans

IR Mapper is an online database and interactive mapping tool created by Vestergaard in 2012. It supports evidence-based decisions regarding malaria control programs by offering customized reports of insecticide resistance in *Anopheles* mosquitoes, the species that transmits malaria. In 2016, IR Mapper was expanded to include reports of insecticide resistance in *Aedes aegypti* and *Aedes albopictus*. These are the mosquitoes that transmit diseases including Zika, Yellow Fever, Dengue and Chikungunya.

The *Anopheles* mosquito resistance mapping includes 17,066 field records from 2,415 localities in 60 countries. New *Aedes* mosquito resistance mapping includes over 5,000 field records from 831 localities in 59 countries and territories.



Furthering scientific knowledge

The Vestergaard-NMIMR Vector Labs in Ghana is a partnership with the Noguchi Memorial Institute for Medical Research where it resides. The state-of-the-art insectary and laboratories strengthen research and development of Vestergaard's PermaNet® bed nets and our other public health tools. It provides an opportunity for knowledge sharing,

Ghana lab by the numbers:

- 450,000 mosquitoes produced
- 245,000 female mosquitoes used for testing
- 14,000 samples of net and other treated materials collected/tested
- 12,000 reactions analyzing 3000 mosquito samples

capacity building and collaboration and is used by NMIMR's department of parasitology for testing. Vestergaard has also supported training of the field staff and visiting students from Africa and outside the continent

Helping victims of natural disasters



The LifeStraw® Safe Water Fund, launched in 2016, provides a means for socially-minded individuals and organizations to engage in high-impact safe water programs around the world. Contributors to the Fund can select programs they wish to engage with, such as safe water for schools or to help victims of natural disasters. In 2016, the Fund brought safe water to victims of the earthquake that struck Ecuador and the hurricane that hit Haiti. In both instances, Vestergaard worked with local partners who provide a continuing presence on the ground.

Engaging in high-impact partnership

Vestergaard contributes as members of many industry organizations, including:

- APMEN (Asia Pacific Malaria Elimination Network)
- Camber, Outdoor Women's Association
- Cambodia National Malaria Program
- Engage for Good
- European Outdoor Association
- GAFTA (Grain and Feed Trade Association)
- IRAC (Insecticide Resistance Action Committee)
- Innovation to Impact
- National Institute of Malaria Research, New Delhi, India
- National Institute of Malariology, Parasitology and Entomology, Hanoi, Vietnam
- Private Sector Delegation of the Global Fund to Fight AIDS, Tuberculosis and Malaria
- Private Sector Malaria Coalition
- Roll Back Malaria Vector Control Working Group
- Thirst.org



HELPING ERADICATE NEGLECTED TROPICAL DISEASES

For more than two decades, Vestergaard has dedicated its innovative platform to product development and partner engagements aimed at reducing the burden of neglected tropical diseases. Two of these diseases are on the road to eradication.

Sleeping sickness

Vestergaard has been a long-term partner in the fight against Human African Trypanosomiasis or HAT (also known as sleeping sickness). HAT is a parasitic disease spread by the tsetse fly; it affects people in resource-limited settings in Africa, with more than 56 million people living at risk. The disease is almost always fatal if left untreated.

For the past 20 years, Vestergaard has supplied long-lasting vector control tools for the fight against sleeping sickness. Our ZeroFly® Screens, Targets and Traps are impregnated with insecticide, and function by attracting disease-carrying tsetse flies to the screens, which trap or kill them.

Recently, we took on a more active role — to lead the Industry Liaison Group of the Trypta-No! Partnership. This consortium of experts, funded by the Gates Foundation, is working to eliminate HAT in certain countries by 2020. Vestergaard's highly effective and inexpensive ZeroFly® Tiny Targets will be used by the project to control the tsetse flies.

Guinea worm disease

Guinea worm is a devastating disease caused by a parasite found in unsafe drinking water. It is mostly found among people in developing countries. It's excruciatingly painful and incapacitates people for long periods of time, making them unable to care for themselves or others.

In 1997, Vestergaard began working with The Carter Center, which established the Guinea Worm Eradication Programme. We created the LifeStraw® Guinea Worm filter, a plastic pipe with a stainless steel mesh that filters out Guinea worm larvae from contaminated water. Vestergaard has supplied more than 37 million LifeStraw® Guinea Worm filters to The Carter Center. We partially donated the filters over the years and, since 2014, have increased the amount donated to 100%.



Incidences of Guinea worm disease have been reduced from an estimated 3.5 million in 1986 to 25 in 2016. If the downward trend holds steady, as expected, Guinea worm disease will soon be the second human disease ever eradicated and it will be the first one eliminated without the use of a vaccine.



DONATIONS

Vestergaard routinely contributes funds and products to worthy causes around the world. Here are a few activities in 2016.

Donated 250+ ZeroFly® Storage Bags and actively participated in engagement activities to support the USAID Feed the Future Innovation Lab for the Reduction of Post-Harvest Loss.

Provided funds to support operations at the Emusanda Health Centre in Lurambi, Kakamega, Kenya.

Partnered with the Gates-funded Trypta-No! Consortium working to eliminate Human African Trypanosomiasis (sleeping sickness) by 2020 by supplying ZeroFly® Targets and Traps for vector control and taking on leadership of the Consortium's Industry Liaison Group.

Donated 15,000 PermaNet® 3.0 bed nets for refugee camps in South Sudan and worked with the Mentor Initiative to set up a pilot study to test their effectiveness.

Donated 500+ ZeroFly® Traps to support a state of national emergency in Costa Rica by controlling the infestation of blood-feeding stable flies breeding in crop residues, destroying livelihoods of smallholder farmers and killing animals.

Donated LifeStaw® Guinea Worm Filters to contribute to the eradication of Guinea worm disease.



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