

### INDEX

"If you have an impact where millions of people are alive because of the work you do, you don't spend a lot of time thinking about the meaning of life - you're probably on the right path."

Mikkel Vestergaard Frandsen Owner & Board member

She

LETTER FROM THE CEO	0
INNOVATION FOR A BETTER WORLD	0
ENSURING ACCESS TO NEW TOOLS TO FIGHT MALARIA	0
PARTNERSHIPS TO ELIMINATE SLEEPING SICKNESS	1
TRANSFORMING FOOD INSECURITY	1
CORE VALUES	2
CORPORATE GOVERNANCE	2
VALUING EMPLOYEES	3
A RESPONSIBLE SUPPLY CHAIN	3
OCCUPATIONAL SAFETY AND HEALTH	3
ENVIRONMENTAL STEWARDSHIP	3

# IT IS WITH GREAT PLEASURE THAT I WRITE THE FIRST "LETTER FROM THE CEO" AS THE FIRST NON-FAMILY, CEO OF VESTERGAARD.

We see our business activities and corporate responsibility as integral to our core motto: "doing good is good business". This idea of "doing good" motivates the development of innovative products and projects, strengthens the connection between our employees, and guides our business decisions. Our business model has been built to create positive impact for global health and we will continue to do just that.

At Vestergaard, we see the UN's Sustainable Development Goals (SDGs) and ESG (environmental, sustainable, governance) factors as a non-negotiable part of good business practice. ESG considerations grant us a strategic lens to view and assess our business decisions under an SDG-led scenarios, always with the aim to positively impact people and the environment. While our 2019 CSR report will not address our business activities as they relate to targeted SDGs and metrics, we are developing initiatives in 2020 that will clearly align with these targets. You

can look forward to this in our next report. But first, a snapshot of this report.

Following our successful track record building products that help reduce morbidity and mortality (Guinea Worm, Malaria, Sleeping Sickness) as well as provide safe, clean drinking water, we see a number of future opportunities. These include sustainable business opportunities that will help smallholder farmers break out of the poverty trap and reduce food insecurity through improved farming production yields. We believe overcoming rural poverty through transforming smallholder agriculture as an opportunity to support the community and the economy. We also see Vestergaard making important contributions in the field of digital health which, especially in infra-structure poor regions like Sub-Saharan Africa, can help leap-frog the building of Western-style healthcare infra-structure just like the cell phone leapfrogged the landline and Fintech is leapfrogging traditional banking infra-structure. In 2020, we will begin looking into ways to tackle the plastic problem related to production of our bednets.

As we aspire to continue creating value for our employees, the local community, and the environment, we continuously reassess our business to identify areas for greater accountability. In 2020, we will make the necessary steps to become a Certified B Corporation. Certified B Corporations are social enterprises certified based on their ability meet a set of verified social and environmental performance, public transparency

and legal accountability to balance profit and purpose. We have always strived for Vestergaard to be a catalyst of social change for the private sector, becoming a Certified B Corporation helps to strengthen that vision. As a company, we are committed to maintaining the highest standards to benefit the most. We will continue innovating and scaling-up to achieve this.

Michael Joos CEO Vestergaard

Michael Joos



INNOVATION FOR A BETTER WORLD. VESTERGAARD BELIEVES IN THE POWER OF BUSINESS TO IMPROVE THE LIVES OF THE MOST VULNERABLE POPULATIONS IN THE WORLD. WE HAVE BEEN FORTUNATE ENOUGH TO SEE THIS AS OUR POWER IN ACTION AS OUR PASSION FOR POSITIVE IMPACT HAS DRIVEN SWEEPING CHANGE.



For more than two decades, Vestergaard has focused its innovation platform on creating scalable solutions that can eradicate disease and decrease hunger and malnutrition among the most at-risk populations, especially those living in low- and middle-income countries. From creating high-quality evidence-based tools to spearheading new ways to accelerate deployment through programme innovation and integration, our impact is broad.

## IN THIS REPORT, WE SHARE SOME OF OUR PROUDEST ACCOMPLISHMENTS IN 2019.



SINCE THE EARLY 2000s,
WE HAVE PRODUCED MORE
THAN 900 MILLION LONGLASTING INSECTICIDAL NETS
(LLINS). WITH AT LEAST 2
PEOPLE SLEEPING UNDER
A NET, WE ESTIMATE THAT
OUR PERMANET® LLIN HAS
PROTECTED MORE THAN 1.6
BILLION PEOPLE.

We played an early leadership role in scaling-up production for LLINs and contributed significantly to the goal of providing universal access for populations at-risk of malaria.

Vestergaard has been a leader in the fight against malaria since 2004, when the company introduced PermaNet® 2.0 as the first LLIN brought to scale. LLINs are credited with being the most impactful intervention to reduce malaria in the last two decades. By the end of 2019, we produced 65.4 million nets which were converted into PermaNet® 2.0 and 3.0.

In 2019, we further scaled-up production of PermaNet®3.0, the first pyrethroid-piperonyl butoxide (PBO) LLIN with increased efficacy against insecticide resistant mosquitoes. To reignite the pace of progress in the global malaria fight, these nets were deployed in Africa as part of the "high burden to high impact" country-led response – catalysed by WHO and the RBM Partnership – to reignite the pace of progress in the global malaria fight. Currently, our PermaNet® 3.0 has the highest PBO content of any available PBO LLIN and is the only LLIN that retains PBO for the full 3 year lifetime of the net.

### INNOVATION

According to the WHO, less than one per cent of R&D health funding goes to diseases like malaria. Of that funding, only six per cent goes towards developing vector control products. Vestergaard decided to help fill this gap. In 2011, the Vestergaard-Noguchi Memorial Institute of Medical Research at the University of Ghana was created as a way to accelerate malaria elimination through R&D. The insectary has a high production capacity of more than one million mosquitoes per year and the bioassay lab conducts testing on all types of LLIN samples and other treated materials. In 2019, we continued our efforts to develop new, innovative tools, focusing on LLINs which are urgently needed to address the growing threat of insecticide resistance, to prevent malaria and to save lives.

Beyond bednet innovation, Vestergaard has rested at the forefront of advocacy efforts to ensure effective malaria

policies and programmes. This innovation is critical as the rate of the decline in malaria incidence slowed dramatically between 2014 to 2018. Vestergaard is doing our part to change this trend. Specifically, we have advocated for the importance of high-quality bednets, for data on insecticide resistance to support local malaria programmes in their decision-making, and finally, to ensure that the right tool is deployed in the right place. In the case of bednets, this means deploying the most effective bednets where insecticide resistance is confirmed.

The first large-scale deployment of PBO LLINs was in Uganda in 2017 as part as the mass distribution campaign of free nets to the population. This distribution also became the setting of a large-scale randomised controlled trial (RCT).

A landmark RCT study\* published in 2019 and based on this trial concluded that PBO LLINs were most effective, both at killing mosquitoes and at reducing malaria in the population. Specifically, at six months, 26% fewer malaria cases were observed in children in the PBO LLIN clusters compared to those that received pyrethroid LLINs. After 12 and 18 months there were 27% and 16% fewer malaria cases detected, respectively.

\*Staedke, S et al. LLIN Evaluation in Uganda Project (LLINEUP) – Effect of long-lasting insecticidal nets LLINs) with, and without, piperonyl butoxide on malaria indicators in Uganda: a cluster-randomised trial embedded in in a National LLIN Distribution Campaign (November 22, 2019). Available at SSRN: <a href="https://doi.org/10.1186/s13063-019-3382-8">https://doi.org/10.1186/s13063-019-3382-8</a>

### PBO NETS MORE PROTECTIVE AGAINST MALARIA WHERE THERE IS INSECTICIDE RESISTANCE



\*Malaria prevalence was adjusted for baseline and compared for PBO nets against standard pyrethroid-only nets



### VESTERGAARD'S INVESTMENT TO SUPPORT THE GLOBAL FIGHT AGAINST MALARIA IS SIGNIFICANT.

### **IR MAPPER**

IR mapper is an online database and interactive mapping tool supported by Vestergaard and is freely available to the global public health community. It is the most comprehensive online tool for mapping insecticide resistance in malaria vectors. It consolidates reports onto filterable maps to guide decision making for deployment of the most effective insecticidal tools in specific areas.

### **PARTNERSHIPS**

We firmly believe a mix of partners across many sectors is critical on the path to achieving the elimination of malaria.

### **MALARIA NO MORE INDIA**

Vestergaard and Malaria No More worked together in India to elevate the priority of universal LLIN coverage through thought-leadership and advocacy, participation in the Malaria Action Coalition - a new public-private platform, in Odisha - and through advocacy workshops in two other states, Bihar and Uttar Pradesh. We also contributed to a successful LLIN





replacement effort for Odisha state, where progress has been measured in a 90% reduction in malaria cases over the past three years.

### KINGSLEY HOLGATE FOUNDATION

Support for Humanitarian Work and Natural Disasters. Vestergaard has donated over 400,000 PermaNet® to the Kingsley Holgate Foundation since 2005. This humanitarian organisation is dedicated to bringing aid directly to hard-to-reach communities in Africa. When we are able, we also work with organisations like Kingsley Holgate to provide disaster-relief.

In 2019, Cyclone Idai raised concerns over the increased risk of a variety of diseases, including malaria transmission. After the floods and high winds associated with the cyclone receded, the environmental damage caused by the cyclone was anticipated to increase the amount of stagnant water and the number of mosquito breeding sites. Knowing that malaria is a disease we can fight, Vestergaard donated 20,000 PermaNet® 3.0 PBO LLINs to Save the Children and the National Malaria Programme, which were distributed by Kingsley Holgate Foundation in Mozambique to prevent the rise of malaria incidence.

### **CROSS-SECTOR COLLABORATION FOR ELIMINATION**

We wish to recognise some of our other public and private long term partners supporting private sector's engagement

in the fight against malaria: the Business Alliance Against Malaria, the Private Sector Constituency to the Board of the Global Fund to fight AIDS, Tuberculosis and Malaria, and the United Nations Foundation Nothing but Nets.

Thanks to collaborations across sectors, we can overcome malaria.



2020 & BEYOND - FOR MORE THAN TWO DECADES, WE HAVE USED SCIENCE, TECHNOLOGY AND INNOVATION TO MANUFACTURE HIGH-QUALITY TOOLS THAT CAN ERADICATE DISEASE AND LOOKING AHEAD, WE WILL CONTINUE TO DO THAT & MORE.

## WE ARE COMMITTED TO ENSURING THE HIGHEST QUALITY STANDARDS FOR OUR PERMANET® BRAND.

Our products undergo a multi-step quality control and assurance process and the bioefficacy of a sample of each batch of finished products is tested at the Vestergaard-Noguchi Memorial Institute of Medical Research laboratory. We also make a continued investments in post-marketing surveillance of our nets to monitor the performance of our products in the field.

We are committed to accelerating R&D to strengthen the toolbox of malaria prevention tools in areas where mosquitoes have developed insecticide resistance. Additional effective tools against pyrethroid resistant mosquitoes will be available within the next three years.

We commit to doubling our production capacity for pyrethroid-PBO LLINs in 2020. Within five years, we will scale up our production capacity for PBO and dual active-ingredient LLINs. This scale-up will allow us us to switch most of our supply for our key donors and partners to affordable PBO and next generation PermaNet® nets.

In 2020, we will launch a first pilot at scale of our Smartnet Initiative in Malawi in partnership with the US President's Malaria Initiative (PMI). The SmartNet Initiative is a unique engagement programme that uses mobile technology to gather critical feedback from our PermaNet® users in the community while also informing them on how to protect themselves from malaria.

Based on reviews of available data, we estimate that 20%-50% of bednets are not used regularly. To safeguard the gains made thus far and to stay on track to achieve malaria elimination, we have an opportunity to optimise the bednet usage of at-risk populations to ensure better protection. We believe community data-driven engagement will be instrumental in eradicating malaria.

## TOTAL PERMANET PRODUCED (2019) 65 MILLION

TOTAL PERMANET
PRODUCED SINCE 2002
900 MILLION





IN 2017, LSTM TINY TARGETS AND VESTERGAARD DEVELOPED A NEW COST-EFFICIENT TOOL TO CONTROL THE VECTOR TRANSMITTING SLEEPING SICKNESS. TO DATE, TINY TARGETS HAVE PROTECTED AN ESTIMATED 1.7 MILLION PEOPLE AT RISK AND CONTRIBUTED TO THE WORLD HEALTH ORGANISATION GOAL OF REDUCING THE INCIDENCE OF HUMAN AFRICAN TRYPANOSOMIASIS TO LESS THAN 2.000 GLOBALLY.



SINCE 2001, 2 MILLION
ZEROFLY® SCREENS,
TARGETS AND TRAPS ARE
KEEPING TSETSE FLIES FROM
INFECTING HUMANS AND
ANIMALS WITH SLEEPING
SICKNESS DISEASE.

Sleeping sickness, or trypanosomiasis, is a vector-borne disease transmitted by tsetse flies that afflicts sub-Saharan Africa. It accounts for sickness and deaths among livestock and humans in rural populations that rely upon agriculture, fishing and animal husbandry are most exposed to the tsetse fly and therefore to the disease.

The challenge with sleeping sickness lies in its complexity. As there are no clinical signs specific to the disease, diagnosis is a challenge. If left untreated, sleeping sickness usually results in death. Currently, there is no vaccine or chemoprophylaxis for sleeping sickness, thus control relies on vector control, diagnosis and treatment.

In close partnership with the Liverpool School of Tropical

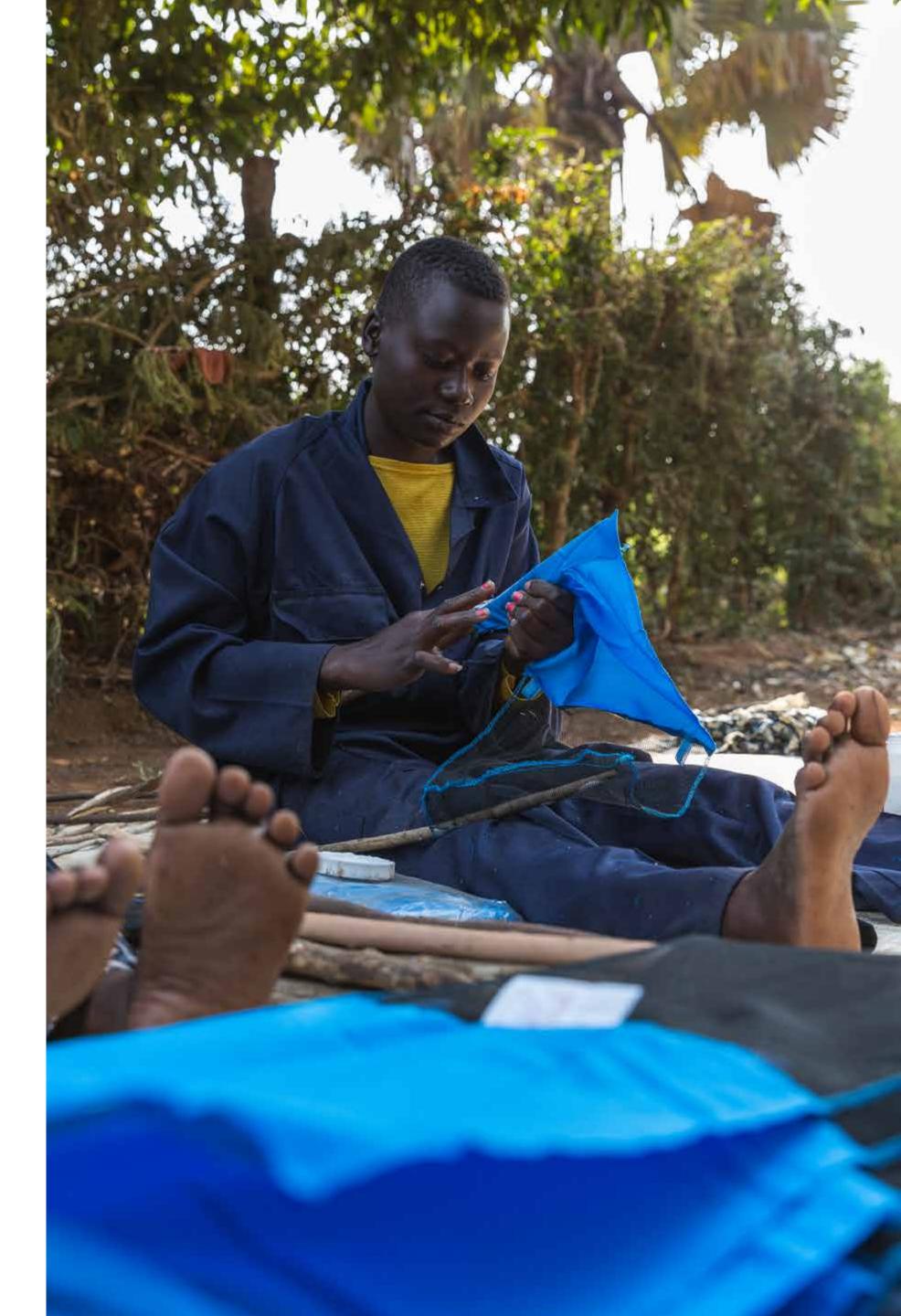
Medicine (LTSM) and other international research institutes, Tiny Targets were developed. An international team of researchers determined that tsetse flies were attracted to a particular blue colour. Our role was to then develop and manufacture various types of screens, traps and targets impregnated with the biodegradable insecticide, deltamethrin, that would attract tsetse flies to the blue-coloured material that would then trap and/ or kill them upon contact. 'Tiny Targets' have become a cost-effective method of controlling the tsetse fly.

TINY TARGETS LEVERAGE
OUR KNOWLEDGE IN
INSECTICIDE TREATED
TEXTILES WHILE ALSO
DELIVERING THE TECHNOLOGY TO POSITIVELY
IMPACT WELLBEING AND
CONTRIBUTE TO THE ELIMINATION OF A NEGLECTED
TROPICAL DISEASE.

Through collaboration with key partners, our core business will continue to focus on developing tools that target vectors to ultimately address public health in low- and middle-income countries.

At the WHO Global Partners Meeting on Neglected Tropical Diseases in 2017, Vestergaard pledged to donate Tiny Targets and work closely with partners and stakeholders until the elimination of sleeping sickness, which was projected to be 2020. By 2019, Vestergaard donated nearly 548,000 Tiny Targets covering the total demand from the Trypa-NO! Partnership (Uganda, Chad, Guinea, Cote d'Ivoire) and Tryp-Elim Project (Democratic Republic of the Congo) (where 90% of HAT occurs).

Unfortunately, the elimination of sleeping sickness was not achieved by 2020. The new WHO roadmap for neglected tropical diseases 2021-2030 set to meet in 2020 offers Vestergaard the opportunity to reaffirm our commitment to a new target for elimination. We look forward to continuing our commitment and to seeing how innovative partnerships can lead to the elimination of another neglected tropical disease.





## INNOVATION FOR THE SAFE STORAGE OF GRAIN, SEED AND PULSES.

In 2016 Vestergaard turned its attention and strategic focus to the Sustainable Development Goals (SDGs) and looked at areas where our technologies and knowhow could generate sustainable impact. Our company narrowed in on SDG 1 "End Poverty" and SDG 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture".

In the countries where our public health products are distributed, more than 70% of the population live as smallholder farmers many around or below the poverty line. SDG 2 (End Hunger) calls for an increase in small holder farmers productivity and income of no less than 100% and as a result, this is where we decided to invest heavily from 2016 onwards in developing tools to do just that.

Vestergaard initiated developing a series of technologies addressing these two goals, ensuring improved access to sustainable livelihoods, entrepreneurial opportunities and productive resources while empowering people living in poverty and addressing the disproportionate impact of poverty on women.

We strongly believe that only by involving smallholder farmers in the whole value chain can help them to increase their productivity and income by 100%.

In 2019, we launched ZeroFly® Hermetic Storage Bag. The only storage bag that protects post-harvest grains and seeds against external and internal insect attacks while maintaining quality and nutrition. The ground-breaking patented innovation offers small- and medium-size farmers trouble-free storage for up to two years by integrating two technologies – hermetic storage protected by an outer layer of insecticide incorporated plastic. Its multi-usage makes it environmentally-friendly and uniquely suitable for rural storage: one bag does it all while eliminating the need to fumigate or usage of chemicals during storage.

Making available cost-efficient storage solutions to smallholder farmers is an important part of increasing their income but not enough to warrant a 100% increase and it also does not tackle increase in productivity.

In order to further increase small holder farmers income Vestergaard leveraged the ZeroFly® Hermetic bag technology to pilot the ZeroFly® Chombo microwarehousing and trading platform.

We believe ZeroFly® Chombo could potentially help millions of smallholder farmers grow themselves out of poverty to achieve higher harvest yields and income by providing them access to

offtake agreements, quality inputs, lower-cost financing and upskilling needed to increase their productivity and income with no less than 100%.

In 2019, ZeroFly<sup>®</sup> Chombo piloted successfully purchased, stored and traded 70 metric ton of dry agricultural products sharing profits with 100 participating farmers in Kenya

In 2020, ZeroFly<sup>®</sup> Chombo pilot aims to purchase, store and trade 700 metric ton from around 1,000 farmers and if successful these farmers will be first farmers to be enrolled in our income and productivity increasing platform.

10-30%

OF WORLDWIDE ANNUAL FOOD PRODUCTION IS LOST DURING POST-HARVEST PROCESSES.



### **POST HARVEST LOSSES**

The post harvest losses impact food security, increase malnutrition and sustain the poverty trap. An estimated 10 to 30 percent of worldwide annual food production is lost during post-harvest processes. This impacts the farmer with loss of profitability and has a detrimental effect on global food security.





PASSIONEERING®.

WE BELIEVE THAT TRUE
INNOVATION OF LIFE SAVING
PRODUCTS IS CREATED

AT THE INTERSECTION OF
OUR PASSION TO DRIVE
GLOBAL CHANGE AND OUR
CUTTING-EDGE ENGINEERING
OR WHAT WE CALL
PASSIONEERING®.

Within this unique passion-driven creative space, we engineer human-focused solutions, design game changing products and build programmes that deliver real and positive social, environmental and public health impact.



INNOVATIVE CHALLENGER.
WE APPROACH CHALLENGES
WITH AN "EVERYTHING IS
POSSIBLE" ATTITUDE AND
PUSH THE BOUNDARIES
ON BUSINESS AS USUAL
TO FIND MORE EFFECTIVE
SOLUTIONS AND SMARTER
WAYS TO ADDRESS GLOBAL
HEALTH AND DEVELOPMENT
PROBLEMS.

Vestergaard values immersive engagement, diverse opinions and expertise from the private and public sector, scientists and engineers to develop high quality products and sustainable solutions.



DELIVER WITH PRECISION.
WE MAKE CONSIDERABLE
INVESTMENTS IN
SCIENTIFIC RESEARCH AND
DEVELOPMENT TO SPUR
THE CREATION OF NEW
PRODUCTS AND TO REFINE
CURRENT ONES.

We rely heavily on data-driven evidence, in the lab and in the field, and encourage independent verification by third parties. We are also committed to raising industry standards to ensure the best products reach the people who need them.



SPEED OF RESPONSE. **KEENLY AWARE THAT** TIMELY DELIVERY OF OUR PRODUCTS AND SERVICES IMPACTS LIVES, WE HAVE **ESTABLISHED STATE-OF-**THE-ART PRODUCTION FACILITIES AND FLEXIBLE **SUPPLY CHAINS TO QUICKLY RESPOND TO MARKET DEMAND AND PRODUCE** PRODUCTS AT SCALE.

We ensure rapid delivery to end users through strategic distribution networks in concert with local governments, aid agencies, NGOs, and business entities. And, we encourage dialogue with the people who use our products to drive adoption and optimise impact.



RESPONSIBILITY.

VESTERGAARD IS COMMITTED

TO DEFINING THE ROLE

OF THE PRIVATE SECTOR

IN DOING GOOD. WE

BELIEVE THAT CORPORATES

CAN AND SHOULD HAVE

RESPONSIBILITY AT THE

CORE OF THEIR MISSIONS.

On the operational front, we have been a member of the UN Global Compact since 2007 and embrace its code of conduct to protect human rights, maintain fair labour practices and safe work environments, respect employees and business partners, defend the environment and root out corruption.



### **GUIDING**

The United Nations Global Compact (UNGC) encourages companies to act as socially responsible members of the international community, abiding by ten UNGC principles which dictate responsible behaviour with regards to human rights, labour, environment, and anti-corruption.

Vestergaard has been a member of the UNGC since 2007, and the Company's Code of Conduct mirrors its principles and includes guidelines regarding doing business with integrity, avoiding bribery and corruption, protecting company assets, and creating a positive workplace environment.

The Company has a set of global policies that help employees in their daily work, complemented by a system of internal controls that ensures compliance in daily transactions and minimises business risks.

All employees receive annual compliance training and participate in business meetings or working sessions related to compliance.

### **MONITORING & REPORTING**

The Internal Compliance Council of Vestergaard oversees the implementation of and adherence to the Code of Conduct and compliance in general. The Council reports to Vestergaard's Board of Directors. Employees are encouraged to report infringements and/or allegations in good faith through secure

POLICIES PORTAL | COMPLIANCE TRAINING | INTERNAL CONTROL SYSTEM

GUIDING

INTERNAL COMPLIANCE COUNCILL | COMPLIANCE CERTIFICATION | WHISTLEBLOWER HOTLINE

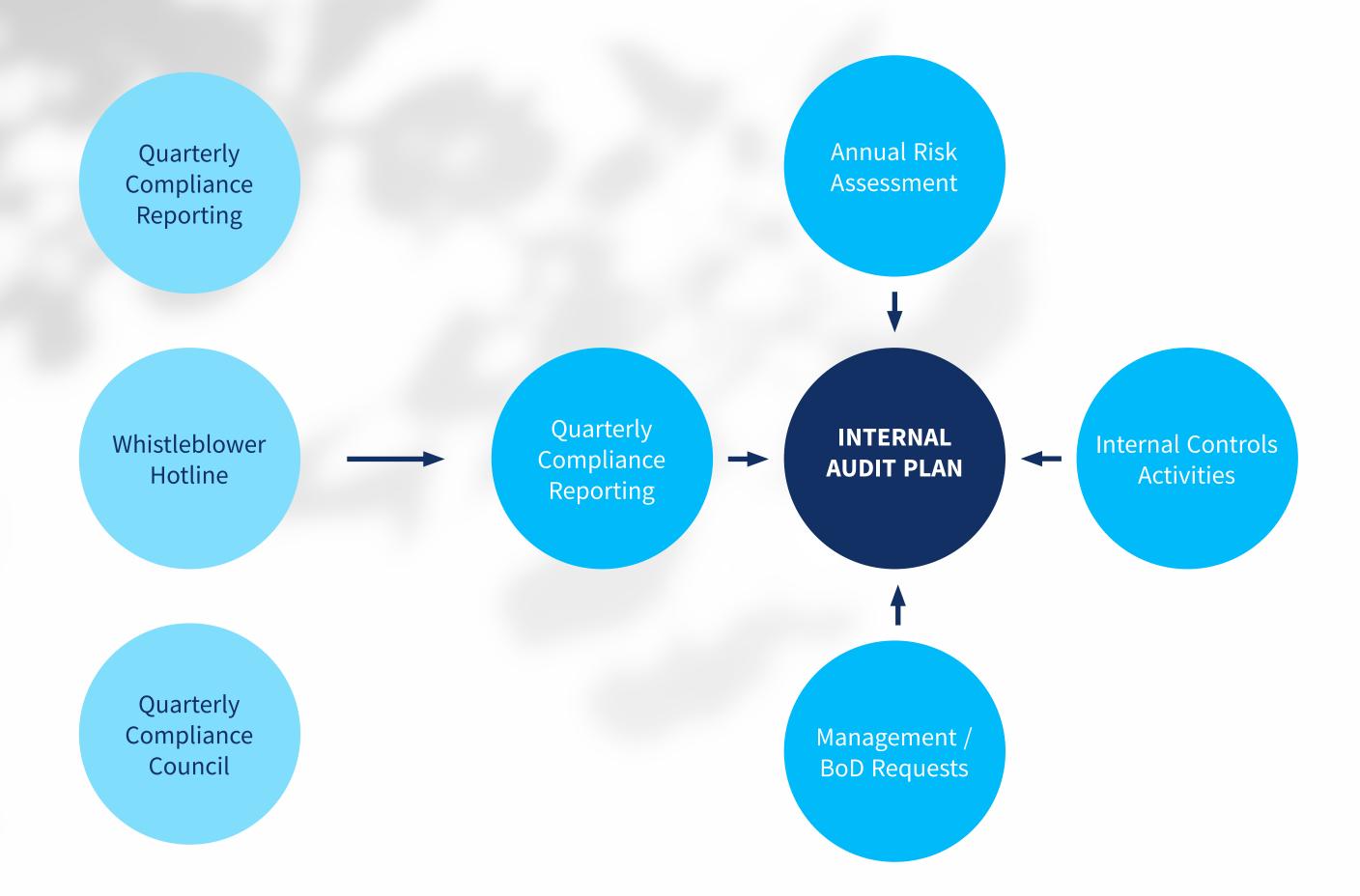
MONITORING & REPORTING

ENFORCING/ENSURING

mechanisms internally (compliance certification) or externally (whistle-blower). All reported infringements and allegations are investigated and followed up.

### **ENFORCING/ENSURING**

An Internal Audit Plan, updated annually and approved by the Board of Directors, ensures that critical business areas are identified and looked at, and that appropriate systems, monitoring, and measurement components are in place to minimise business risks and ensure ongoing compliance. The Audit Plan is fed by the Board approved Risk Management Report, the compliance reporting process, and other internal control activities.



### **BOARD MEMBERS**

### **BILL BURNS (CHARMAIN)**

Bill Burns has more than 40 years of industry experience, including 23 years at Roche Pharmaceuticals, culminating in his tenure as CEO from 2001 to 2009. Mr. Burns has held numerous non-executive board positions including F. Hoffmann La Roche, Chugai Pharmaceuticals, Genentech, Shire PLC and Biotie. Mr. Burns was a Governor on the board of Wellcome Trust from 2016-2020 and continues as a trustee of the Institute of Cancer Research, London.

### **MIKKEL VESTERGAARD FRANDSEN (OWNER)**

Mikkel Vestergaard Frandsen is the owner and board member of Vestergaard®, LifeStraw® and Sceye®. He has structured the company around a humanitarian entrepreneurship business model. Mikkel's contributions to humanitarian efforts have earned him the Social and Economic Innovation Award from The Economist, the Saatchi & Saatchi Award for World Changing Ideas, and a spot on the "Women Deliver 100" list of the most influential people contributing to the health of women and girls around the world.

### MICHAEL FRANCIS

Michael Francis is a seasoned corporate executive, entrepreneur, business adviser, investor and marketing and communications expert. He is the founder and CEO of Farview Associates; a strategic investment and consulting firm focused on brand creation and retail activation. Advertising Age named Francis as one of the world's top marketers and both Business Week and Fast Company have listed him as a top global innovator. He is involved with many civic and cultural organisations including The Smithsonian Institution and St. Jude Children's Research Hospital.

### **DR. PETER PIOT**

Peter Piot MD PhD is a physician and microbiologist known for his research on Ebola and AIDS. Peter played a key role in ensuring access to life saving antiretroviral drugs in low- and middle-income countries while Executive Director of UNAIDS and Under Secretary General of the United Nations. Currently, Peter is Director of the London School of Hygiene & Tropical Medicine. He has been the recipient of numerous awards, including the 2014 TIME Person of the Year, and has authoured 17 books, including his memoir No Time to Lose, and over 600 scientific articles.

### **IDO LEFFLER**

Ido Leffler is an entrepreneur, investor, and advisor. He is an investor and advisor to a variety of startups and established companies and is the co-founder of multiple successful companies developed with a social mission, and is the co-author of Get Big Fast and Do More Good: Start Your Business, Make It Huge, and Change the World, a guide to entrepreneurship and brand-building. Ido was named by Fast Company as one of the most creative people in business and by Australian Unlimited as one of the top 50 Achieving Australians outside of Australia.

### **JOSETTE SHEERAN**

Ambassador Josette Sheeran is a global economic and humanitarian diplomat and leader. Currently, she serves as President and CEO of Asia Society and is the United Nations Special Envoy for Haiti. Previously, Josette was Vice Chair of the World Economic Forum and Executive Director of the United Nations World Food Programme. She also served as United States Under Secretary for Economic, Business, and Agricultural Affairs, and as a deputy U.S. Trade Representative and Ambassador. In 2011, Forbes named her the world's 30th most powerful woman and Foreign Policy has listed her among its top 100 global 'Twitterati'.

VALUING EMPLOYEES. VESTERGAARD'S BOLD AND PASSIONATE EMPLOYEES ARE THE COMPANIES MOST VALUABLE AND VALUED ASSETS. HUMAN RESOURCES REMAINS DILIGENTLY FOCUSED ON THEIR SUPPORT FOR OUR TEAM. OUR PEOPLE HAVE AN ESSENTIAL ROLE IN OUR EFFORTS AND OUR SUCCESS.

### **DIVERSITY IS CENTRAL TO OUR SUCCESS**

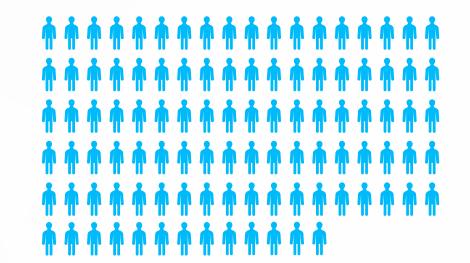
Diversity is central to our success. As our stakeholders are located in a variety of countries spanning across various continents, we believe it is vital that our workforce represents the cultures we engage with and the places where our products end up. A diverse and talented workforce strengthens the Company's mission and goals as each member brings a variety of skills and energy to our innovation. We will continue to support and create opportunities for current and new employees regardless of race, gender or ethnic affiliation.

### **COMPREHENSIVE POLICIES ENSURE EMPLOYEE RIGHTS**

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

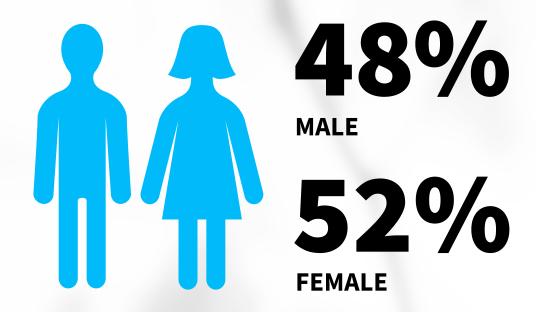
### **COMMITMENTS IN 2020**

Vestergaard will continue to follow our ambitious recruitment policy founded on diversity: we seek to attract and hire the very best, rejecting discrimination of any kind and embracing diversity within the group, prepare employees for elevated roles and responsibilities with customised training



### **EMPLOYEE RETENTION**

We believe a diverse and inclusive workforce leads to greater employee retention. By 2019, 60% of all employees had been with the company for 5+ years, with 32 % having been with the company for more than 10 years.



14

### **NATIONALITIES**

Our workforce is made up of individuals from North America, Europe, Africa and Asia.

### **NON-PERMANENT STAFF**

\*This staff is part of our supply chain in Vietnam, focused on the production/ manufacturing of our nets.

3000



AN ESSENTIAL PART OF OUR BUSINESS RESTS UPON INNOVATION. INNOVATION IS CRITICAL NOT ONLY FOR OUR PRODUCTS, BUT ALSO TO ENSURE THE LONGEVITY OF OUR BUSINESS AND THE ENVIRONMENT.

Our Quality Control Lab (QCL) in Vietnam represents the area where we have the most control to innovate, while also directly impacting our footprint. To maintain our focus on modernisation and development, we regularly assess and seek more efficient use of resources and output through this facility.

### **ACCREDITATION**

In 2019, our manufacturing sites successfully maintained their SA8000:2014 accreditation through bi-annual audits performed by the reputable and professional international auditing bodies BSI and SGS.

### **OCCUPATIONAL HEALTH & SAFETY**

Healthy and safe workplaces are a top priority. Vestergaard is committed to contributing to the creation of healthier and happier employees. Investing in the wellbeing of our people will lead to a more positive and sustained work output and retention.

The safety of the working staff at QCL is necessary to our operations and we aim for zero occupational injuries. All working conditions and environmental hazards are carefully considered. The QCL is regularly assessing and taking steps to encompass the most modern standards for air quality and chemical safety, to reduce waste and improve cleanliness.



### 1. CHEMICAL SAFETY IMPROVEMENT

As employees are exposed to any number of chemicals, we make ongoing improvements to ensure chemical safety. In 2019, the automatic chemical mixing system that reduced chemical exposure & chemical leaks was completed. Additional safety devices, such as eyewash and spill kits, are now available for quick response in emergency. Every factory employee received training on chemical leakage response, plan and practices. Finally, the warehouse was upgraded to improve safe storage conditions.

### 2. OCCUPATIONAL HEALTH

Occupational health checked for 100% of factory employees.

### 3. IMPROVED WORK ENVIRONMENT

An automatic fire fighting system (sprinklers) was installed at the new PermaNet® 3.0 extrusion workshop. In addition, manufacturing sites were renovated to improve hygiene.

### **COMMITMENTS IN 2020**

In 2020, we will install automatic sprinklers at the prime PermaNet® 3.0 extrusion workshop.



The automatic chemical mixing system at all sites that reducedchemical exposure & chemical



Additional safety
devices (eyewash, spill
kits) are now available
for quick response
in emergency cases



Every factory
employee received
training on chemical
leakage response
plan and practices



The chemical warehouse is upgraded to improve safe storage conditions



Air conditioners at the north manufacturing sites' canteens were installed to ensure acomfortable environment during lunch hours.



All washooms at manufacturing sites in the North were renovated to improve hygiene.

## EMPLOYEES AT THE QUALITY CONTROL LAB RECEIVE TRAINING IN:













FIRST AID



SAFETY OPERATIONS WITH HAZARDOUS EQUIPMENT

### **TRAINING & AWARENESS-BUILDING**

Some of the greatest risks at QCL include lighting or ventilation, potential for fire and health risks to exposure to chemicals. To safeguard our supply chain, reduce the risk of any employee accidents, and ensure chemicals are processed in the correct and sustainable way, all employees at QCL undergo ongoing online training. In 2019, more than 16,000 hours of training were provided for 1,379 employees. This was an increase of nearly 100% in training hours over 2018. No accidents or incidents were reported in 2019.

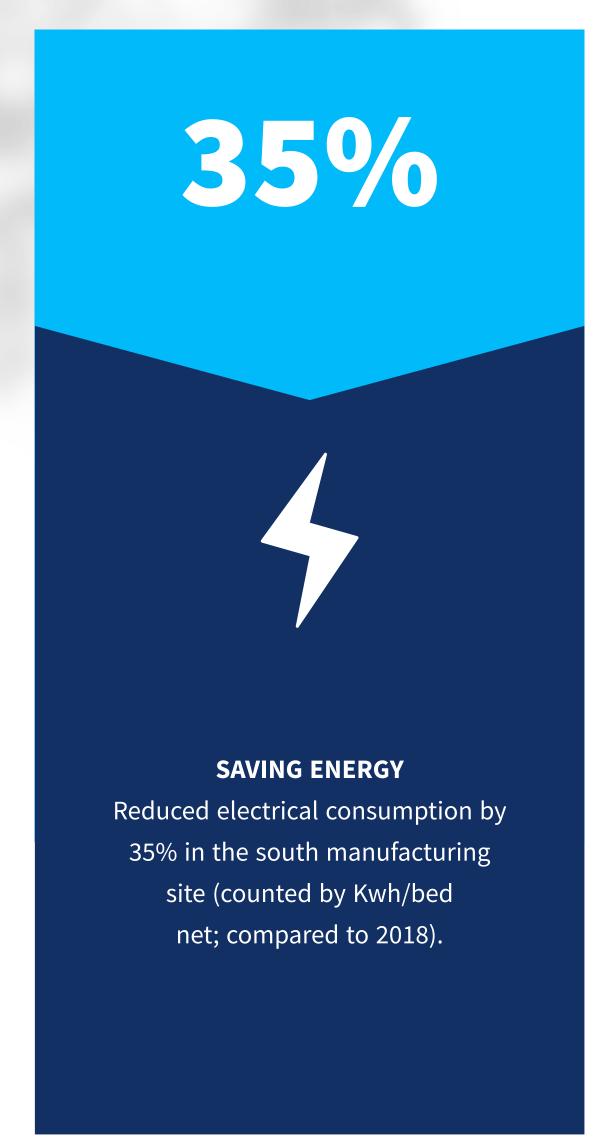
### **COMMITMENTS IN 2020**

In 2020, we will continue to enhance employees' self-awareness on environmental, safety and social compliances at work by providing the online training platform access to 80% of employees at all factories.

In 2020, we will provide training of the Occupational Safety & Health management system ISO 45001:2018 to factory employees.







ENVIRONMENTAL STEWARDSHIP.
OTHER AREAS WE TARGET
EXCLUSIVELY FOR SUSTAINABILITY AT QCL INCLUDE
WASTE REDUCTION, ENERGY
EFFICIENT INITIATIVES, AND
MONITORING AND IMPROVING
WATER USAGE.

COMMITMENTS IN 2020.
WE WILL OBTAIN ISO
14001:2015 CERTIFICATION
AT OUR MANUFACTURING
SITE IN THE NORTH.

## OTHER SUSTAINABILITY ACHIEVEMENTS FROM 2019



### **PURIFYING WASTEWATER**

Upgraded the wastewater treatment plant at the main manufacturing site by installing an anaerobic bio-treatment system to treat the sewage water.



### **REDUCING AIR POLLUTION**

Installed platforms of access and sampling points to monitor the air emission periodically at exhaust chimneys.



### **GROUNDWATER DETECTION**

Installed a water level
measurement device to
monitor the underground water
usage to ensure the water
resource exploitation does not
impact the environment.



### **PROTECTING NATURE**

Established an environment policy and monitored it closely.



### **BETTER RECYCLING**

Applied wastes classification and separation.

### PRODUCTS ARE DESIGNED ON FIVE DEVELOPMENT CRITERIA



**READY-TO-USE**Designed without the need for repeat intervention



**USER-FRIENDLY**Technologically advanced but easy-to-use and maintain



**AFFORDABILITY**Affordable at scale



**DURABILITY**Durable and long-lasting even in harsh environments



RESPONSIBILITY
Environmental impact
should be minimal

### DESIGNING RESPONSIBLE PRODUCTS.

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

All products are also designed based on five development criteria.

### **COMMITMENT IN 2020**

As an industry, we distribute over 100'000 tons of plastic polymer-based long-lasting insecticidal nets to the world each year. The disposal of these nets at the end of their life cycle represents an environmental challenge. In addition, polymer raw material costs constantly oscillate placing high-cost pressure on the budgets of donor organisations. We believe recycling can reduce the environmental impact, be done cost-effectively, and keep raw material costs stable. In 2020, our supply chain and engineering teams will begin exploring innovative solutions ranging from the use of biodegradable plastics as well as the re- and/or up-cycling of polyester materials.

