

# Corporate Social Responsibility

REPORT 2020





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*2020 is a year we will never forget.  
We had to navigate different ways of  
working, but we made the most out of  
the challenging year and found new  
opportunities for growth as a company.*

*Michael Joos*

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## LETTER FROM THE CEO

The effects of the COVID-19 pandemic have rippled across organisations worldwide and Vestergaard was no different. Vestergaard operates in multiple countries, so we focused on keeping our people safe while safeguarding our supply chain and flow of products to partners who distribute them to vulnerable populations.

We traded travel and in-person events for webinars and online meetings, and we learned new ways to collaborate digitally. And despite widespread uncertainty, we were able to make progress on our global health projects without disruption. We saw our new long-lasting insecticidal nets (LLIN), like PermaNet® dual prototypes yield promising results, our Tiny Targets continue to reduce cases of sleeping sickness, our SmartNet Initiative become one of Malawi's largest two-way digital connections to individual households, and our food security pilot, using Zerofly® storage bags and our GroЯ® platform, ready to upscale to the next phase.

In addition to all the changes around the world, the LifeStraw and Vestergaard brands demerged into two stand alone businesses this year following different and independent paths. Notwithstanding this meaningful change, both companies remain aligned in common values driven by the belief that doing good is good

business.

While our products provide public health solutions, building a sustainable future means we must also consider the environmental and social impacts of our activities. We have been a member of the United Nations Global Compact (UNGC) since 2006, but we wanted to do more to help create a sustainable future. So in 2020 we sought to become a Certified B Corporation® via a stringent review process that can take up to 12 months.

For us, this certification is a way to re-energise our environmental efforts and achieve new goals when it comes to sustainability and social responsibility. In addition, we aim to establish systems that better measure our environmental performance. These will include a materiality assessment, a carbon accounting assessment and a cleaner production assessment. The data we acquire will help us set clear targets and reduce our carbon footprint.

**In 2021, we look forward to joining the global movement of Certified B Corporations committed to redefining the role of business in our community.**

*Michael Joos*

Michael Joos  
CEO Vestergaard







**INTRODUCTION: SUSTAINING  
THE POSITIVE IMPACT**



## INTRODUCTION

Through **innovation, technology** and multi-sectoral **partnerships**, Vestergaard has created quality products to eradicate disease and improve the health of marginalised communities around the world. Our water filter, which was developed in the 90s and used in the Carter Center's Guinea Worm Eradication Program, has almost wiped out the disease. Our portfolio of PermaNet® mosquito nets have been crucial in reducing the burden of malaria in low- and middle-income countries in the face of growing insecticide resistance. Tiny targets, the vector control tool controlling tse-tse flies, has made it possible, together with developments in screening, diagnostics and treatment, to target eradication of sleeping sickness by 2030.

This corporate social responsibility report allows us to consider the progress we have made over the previous year in creating a business that can positively impact people in their day-to-day lives and help create a better world.





A photograph of two women in a rural, outdoor setting. The woman on the right is holding a large white storage bag above her head with both hands. The bag has the text 'ZeroFly®' with a green logo, 'Hermetic', and 'Storage Bag | by VESTERGAARD'. She is wearing a colorful patterned headwrap and a matching top. The woman on the left is standing next to her, looking towards the camera. She is wearing a purple and pink patterned top. The background shows a field of dry grass and trees.

ZeroFly®  
Hermetic  
Storage Bag | by VESTERGAARD

**CORE VALUES:** CONNECTING OUR  
PASSION TO PURPOSE.



## 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**, designing game changing products and building programs that deliver real **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 sector, public sector experts, scientists and engineers we work with 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 **manufacture products at scale**. 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 2006** 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.







**MALARIA:** INNOVATION AND ACCESS  
WHEN IT'S NEEDED MOST



## INNOVATION AND ACCESS WHEN IT'S NEEDED MOST

For decades, we have worked to ensure our **PermaNet**® long-lasting insecticidal nets (LLINs) protect the people sleeping under them. We conduct extensive quality control and product testing, and develop key relationships with stakeholders to ensure our **malaria prevention** tools are effective and truly long-lasting.





## ENSURING A RELIABLE SUPPLY CHAIN FOR PERMANET® LLINS

Despite the challenges presented in 2020 by the COVID-19 pandemic, our ability to deliver on our commitments has not been affected. We continued to manufacture and maintain a reliable supply of our LLINs thanks to our resilient workforce and extensive planning and risk mitigation measures. We continued to manufacture and maintain a reliable supply of our LLINs thanks to our resilient workforce, our extensive planning, and risk mitigation measures.

During the pandemic, LLINs have become an even more critical commodity in saving lives from malaria, due to additional pressures placed on health systems of malaria-endemic countries and disruptions in access to diagnostics and treatment.

But insecticide resistance is compromising the efficacy of our standard LLINs and hindering our disease elimination efforts. We therefore decided to continue to upscale the production of pyrethroid-piperonyl butoxide (PBO) nets. These next-generation nets have increased efficacy against resistant mosquitoes and are setting a new standard in African countries with high malaria rates. In 2020, we tripled the production of PermaNet® 3.0, the first PBO LLIN brought to market.

### **In India, Vestergaard is in charge of freight and in-country logistics for deliveries of nets**

The pandemic has created challenges for net distribution-operations, such as keeping community health workers and the populations receiving them safe, and minimising disruptions to deployment. During India's first lockdown, trucks became stuck at ports and were unable to transport goods to final warehouses in malaria-endemic states like Assam and Tripura. When faced with such challenges, Vestergaard has had to adapt and find solutions to deliver the nets.

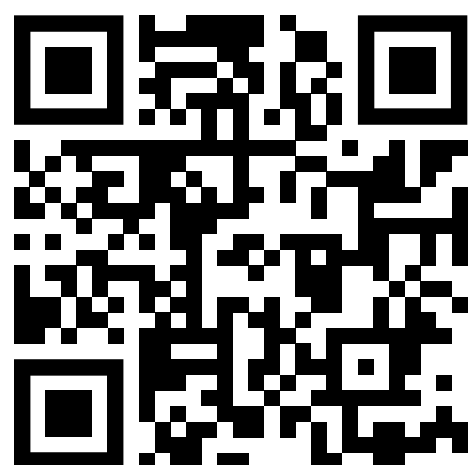
**In India we worked with the Ministry of Health to redistribute thousands of LLINs from a locally held stock to a slum in Delhi to help protect its inhabitants against malaria.**





## IR MAPPER: AN ONLINE INTERACTIVE TOOL MAPPING INSECTICIDE RESISTANCE

[The World Malaria Report 2020](#) has identified insecticide resistance (IR) in malaria mosquitoes as a biological threat that could derail efforts towards malaria control and elimination. To mitigate the effects of IR in malaria-endemic countries, resistance monitoring is key. Since 2012, IR Mapper has consolidated data on insecticide resistance from peer reviewed literature, producing monthly updates. It centralises data into user-friendly maps that can be filtered to help inform the deployment of the most effective insecticidal tools in target geographical areas.





## UNIQUE AND RESPONSIVE

In 2020, IR Mapper partnered with the Geospatial Modelling of Insect Vectors group (GMIV), within the Big Data Institute at the University of Oxford, to address gaps in data in Sub-Saharan Africa. IR Mapper was able to use their maps that predict localised variation in insecticide resistance and the probability that malaria vector populations will exceed resistance thresholds to fill its own gaps relating to monitoring activities.

## KNOWLEDGE SHARING AND CAPACITY BUILDING

In 2021, the IR Mapper team will contribute to a section of a Massive Open Online Course on insecticide resistance management (MOOC IRM), focusing on Anopheles mosquitoes. The MOOC will be developed by the Vector Control Working Group (VCWG) of the RBM Partnership to End Malaria. IR Mapper will discuss the value of mapping tools and sharing information on insecticide resistance.

To make significant ongoing progress in the fight against malaria, we need to elevate and strengthen expertise in Africa. IR Mapper works closely with the [Pan-African Mosquito Control Association \(PAMCA\)](#), an African professional body of scientists dedicated to the control of mosquitoes and mosquito-borne diseases.

**In 2021, IR Mapper and PAMCA will collaborate in order to increase African-led efforts in collecting, storing and visualising entomological data and using it as evidence in vector control decisions.**





## THE VESTERGAARD-NOGUCHI MEMORIAL INSTITUTE FOR MEDICAL RESEARCH (NMIMR) VECTOR LABS

The research, development and testing of our vector control tools is key to product quality. The Vestergaard-NMIMR Vector Labs was established as a public-private partnership between Vestergaard and the Noguchi Memorial Institute for Medical Research (NMIMR) in Accra, Ghana. It provides opportunities for knowledge sharing, capacity building and collaboration in vector control.

Product testing cannot be conducted remotely so the lab team was unable to work from home in 2020. After some initial modifications that allowed staff to continue onsite, they successfully met testing demands in 2020. During the year, the lab processed 85 requests with a total of 966 samples and produced almost 60,000 mosquitoes for testing, focusing on standard WHO assays or tests to evaluate and monitor pyrethroid and non-pyrethroid products. Beyond Vestergaard-NMIMR Vector Labs in Ghana, Vestergaard works with leading institutes in malaria-endemic countries throughout Sub-Saharan Africa on product testing and evaluation.





# 10 YEARS

## CELEBRATING 10 YEARS OF PARTNERSHIPS IN VECTOR CONTROL

At the end of 2021, we will celebrate the **10th anniversary** of the **Vestergaard - NMIMR Vector Labs**. This meaningful landmark is a testament to the strength of our **partnership** and our joint commitment alongside the Noguchi Memorial Institute for Medical Research at the University of Ghana to the science of bednets. We are excited to further cement our partnership in the future and together develop the highest quality vector control tools as we continue to make progress in the **fight against malaria**.



## SUPPORT FOR THE NEXT GENERATION OF ENTOMOLOGISTS

The testing of new products can only be conducted by entomologists in countries where malaria is a problem. Entomologists must therefore have access to infrastructure and adequate training resources among other requirements. In order to help support the next generation of entomologists, Vestergaard sponsored prizes for the best entomology masters' thesis at the Entomological Society of Côte d'Ivoire in 2020.





## GLP ACCREDITATION FOR NEW STUDIES AND NEW WAYS TO INNOVATE

Submitting a product for prequalification to the WHO must include data from an experimental hut study conducted ideally at a Good Lab Practice (GLP) accredited facility. When it comes to malaria control, GLP accreditation aims to ensure consistent, high-quality vector control processes and tools through non-clinical and laboratory testing. Experimental hut studies offer a good simulation of real-life conditions in Sub-Saharan Africa, where our bednets are often used. To gain GLP accreditation, a field trial site must have conducted a study to GLP standards, which can be a costly investment.

In 2020, the Innovative Vector Control Consortium (IVCC) approached Vestergaard to support the Swiss Scientific Research Centre (CSRS) in Côte d'Ivoire in conducting a hut study as part of their efforts to gain GLP accreditation. This was an opportunity for us to work with scientists on an experimental hut study to determine the mosquito killing efficacy of LLINs. In addition, we believe increasing the capacity of lab sites in Africa through GLP accreditation will benefit both manufacturers and the malaria research community.

CSRS tested an existing PermaNet® products as well as a new prototype of an upcoming dual-active ingredient net. The promising results from the CSRS study of the prototype gave us the confidence to move forward with other studies that would then be submitted for WHO prequalification.

**In 2021, we intend to submit this new dual-active ingredient net to the WHO.**

There remains much to learn about mosquitoes' behaviour and the best ways to test new active ingredients. **In 2021, Vestergaard will work with the Liverpool School of Tropical Medicine (LSTM) to better understand mosquito behaviours such as blood feeding and survival following exposure to LLINs. The aim is to develop new evaluation methods for measuring the efficacy of LLINs.**





## THE rPET MOSQUITO BEDNET: A SUSTAINABLE SOLUTION IN THE FIGHT AGAINST MALARIA

Long-lasting insecticidal nets offer countless advantages: they are cost-effective, simple to use and when slept under, are proven to control the spread of malaria. However, LLINs and their individual packaging are predominantly composed of plastics. While Vestergaard is proud of the many lives our nets protect every year, we are aware that our products impact the environment.

Approximately 200 million LLINs are distributed worldwide every year. When these plastic nets reach the end of their lifecycle, there is at present no eco-friendly way to dispose of them, with accumulated plastic ending up in landfills, dumps and waterways. We have a responsibility to support a sustainable product lifecycle management for mosquito nets. To achieve the UN's Sustainable Development Goal (SDG) 12, which focuses on "responsible consumption and production", we must reconsider our business practices in an attempt to reduce this negative environmental impact.

With this in mind, we have been working to develop a cleaner solution. In 2020, we validated the technology and manufactured the industry-first LLINs made of old nets,

without compromising on quality. Bringing this technology to the market will require partnerships and close collaborations with national environmental authorities and national malaria control programmes in recipient countries. It will also require donor organisations to finance LLINs and distribution partners to establish supply chains and a process for collecting old nets.

**In the future, we plan to pilot an rPET distribution. We will use this opportunity to learn more about the challenges, opportunities and partnerships needed to develop a circular economy for LLINs.**







**DIGITAL HEALTH:** TRANSFORMING HEALTH OUTCOMES  
IN AFRICA WITH DIGITAL TECHNOLOGY



## TRANSFORMING HEALTH OUTCOMES IN AFRICA WITH DIGITAL TECHNOLOGY

Every year, millions of bednets are distributed to protect people from malaria when they sleep. However, bednet users don't always use LLINs, which means they are not fully protected against the disease.

**The SmartNet Initiative aims to accelerate our progress towards malaria elimination.** It uses mobile technology to gather critical information about users of insecticide-treated nets (ITNs) to eventually be able to educate users on how they can protect themselves from malaria. This data is shared with the at-risk community to activate and encourage them to optimise their bednet usage.

Vestergaard partnered in 2020 with National Malaria Control Programmes and the US President's Malaria Initiative (PMI) among others to launch our **first at-scale pilot in Malawi**. Antenatal clinics distributed 300,000 ITNs in March 2020 that included a label with a short-code inviting recipients to join the SmartNet participant network. After using the shortcode to dial in, recipients completed a survey via their mobile phone. Questions captured location, sociodemographic and geographic indicators, net usage and presence of malaria-like illnesses. Overall engagement totalled 54,000 individuals with 18,555 (35%) completing an Unstructured

Supplementary Service Data (USSD) and 14,947 of those respondents that completed the survey provided their unique ITN code. This ongoing project represents one of the largest conducted in malaria control within the Malawi context see further result findings from March 2020 - March 2021 on page 24. While generalisability of the data is still being determined, the project reveals the opportunities in Malawi to engage directly with communities impacted by malaria via a two-way dialogue that provides valuable health messaging while collecting important information in real time.

Our global dependence on technology offers exciting opportunities when it comes to improving people's health and wellbeing. The top 10 diseases in Sub-Saharan Africa can be treated easily and cost-effectively if they are diagnosed early, and most diagnoses can be made via existing low-cost mobile technology. Digital engagement combined with an annual distribution of millions of ITNs worldwide will allow Vestergaard to create a digital bridge with individuals, which will help them to address their priority health issues more effectively.

**In 2021, we will vigorously explore how we can expand the use of digital health technologies to positively impact the fight against malaria and other diseases.**





# MALAWI SMARTNET INITIATIVE FINDINGS

OF RESPONDENTS BETWEEN **MARCH 2020 - MARCH 2021**



\* Insecticide-treated nets: The umbrella term by the WHO for all nets treated with an insecticide, insect-growth regulator and/or synergist.  
<https://www.who.int/news-room/q-a-detail/new-types-of-insecticide-treated-nets>

\*\*the previous night





**SLEEPING SICKNESS:**  
TARGETING ELIMINATION



## TARGETING THE ELIMINATION OF gHAT

A meaningful industry-academia collaboration between LSTM and Vestergaard led to the development of Tiny Targets, a cost-effective tool to control vector-borne Gambiense Human African Trypanosomiasis (gHAT), more commonly known as sleeping sickness. To date, Tiny Targets have protected an estimated 3.7 million people at risk from the disease.

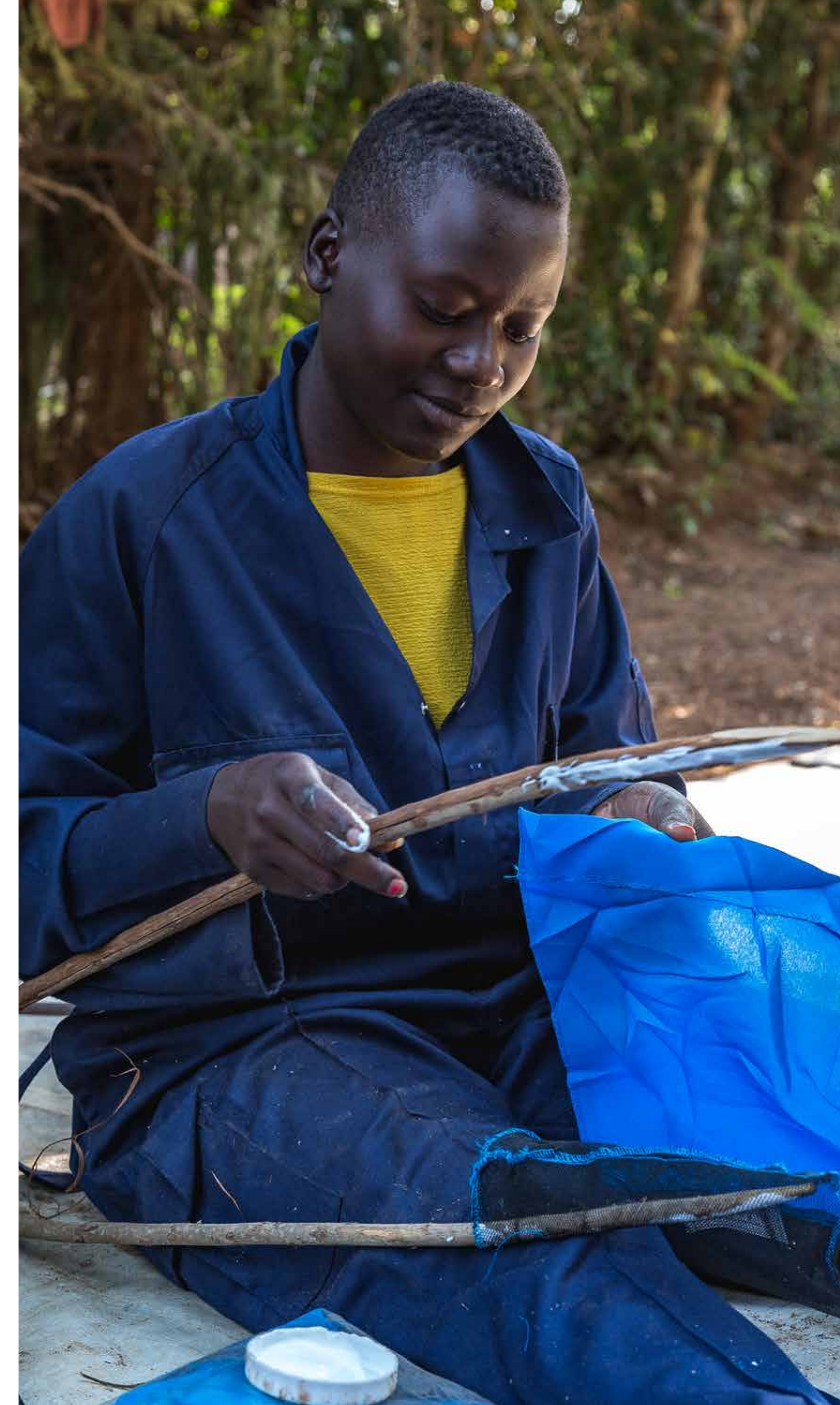
In 2020, Togo submitted validation of HAT elimination to the WHO, thanks to innovative vector control tools and improved screening, treatment and diagnostic testing. Côte d'Ivoire is expected to follow suit in 2021.

Sleeping sickness is transmitted by tsetse flies that afflict Sub-Saharan Africa. Treatment options over the decades have been difficult or dangerous to implement, so strategies have focused on controlling the vector, which transmits the parasite that causes the disease. Early research showed that tsetse flies were attracted to a particular blue colour, which led to the idea of a blue “target” that was dipped in insecticide and placed in areas where people were being infected, in the hope of wiping out the disease at the local level.

From this idea came Tiny Targets, which have been used to successfully control tsetse flies since 2017. Tiny Targets are now an integral part of large-scale gHAT elimination programmes in regions where 80% of the disease occurs. Sustaining and expanding the use of this tool will be critical to our collective success until we eliminate the disease.

**In 2020, we donated over 150,000 Tiny Targets through our Trypa-No! project in Uganda, Chad, Guinea, and Côte d'Ivoire and through our Tryp-Elim project in the Democratic Republic of the Congo. In our commitment to support the WHO roadmap to end neglected tropical diseases (NTDs) by 2030, Vestergaard has pledged to donate Tiny Targets until gHAT transmission is interrupted and the disease is eliminated.**

Through Tiny Targets we can apply our knowledge in insecticide-treated textiles to drive elimination of a neglected tropical disease and positively impact wellbeing. We are excited to contribute to the elimination effort.







**FOOD SECURITY:** DISRUPTING THE CYCLE  
OF POVERTY AND FOOD INSECURITY



## DISRUPTING THE CYCLE OF POVERTY AND FOOD INSECURITY

In the countries where we distribute our products, more than 70 per cent of the population subsist as smallholder farmers, living around or below the poverty line. The UN's SDG 2, which aims to “**end hunger, achieve food security, improve nutrition and promote sustainable agriculture**”, calls for an increase in productivity for smallholder farmers. This also addresses SDG 1, which aims to “**end poverty, in all its forms, everywhere**”.

With these SDGs in mind, we developed a series of technologies to ensure smallholders have improved access to sustainable livelihoods, entrepreneurial opportunities and productive resources. We believe our tools will empower people living in poverty and help to address the disproportionate impact of poverty on women.

Through the **GroЯ®** model, the smallholder farmer can achieve a higher income, increased output, improved food security and complete value chain transparency. Combining post-harvest technology with a digital farm management and trading platform, **GroЯ®** can maintain the quality and quantity of grains, seeds and pulses, track and trace their harvest, and gain the best price available.

By involving smallholder farmers in the whole value chain, we can enable them to increase their productivity and grow their net income significantly.

### HOW DOES GROЯ® WORK?

After crops are harvested, farmers sell to us, and we store their yields in our **ZeroFly®** Hermetic Storage Bags. These cost-efficient bags offer environmentally friendly protection against external and internal insect attacks, without the need to fumigate or use chemicals. However, these bags will not guarantee a significant increase in income and productivity. To achieve this, we combine the benefits of the **ZeroFly®** bag technology with the **GroЯ® trading platform**.

SUSTAINABLE DEVELOPMENT GOALS





**GROЯ® MICRO - WAREHOUSE & TRADING PLATFORM**

This platform enables the farmers’ harvest to be stored near their home in micro-warehouses. In partnership with Farmshine Kenya, Vestergaard then aggregates the products from multiple warehouses and sells to large off-takers at the best possible prices. In exchange for their participation, farmers not only benefit from higher prices but also enter our farm production training programmes, which give them further opportunities to increase their net income through a trading and quality inputs programme.

The **GroЯ®** trading platform offers smallholder farmers and large off-takers complete transparency. From the moment the smallholder farmer puts our supplied seeds in the soil to post-harvest storage and then sale to off-takers, they can track and trace their crops and the prices they are sold at.

Through our local partner, we build trust and capacity in the community. Farmers who remain on the **GroЯ®** platform will receive heavily discounted inputs such as seeds and fertilisers the following season, financed by **GroЯ®**. We also offer them access to legumes or pulses like red kidney beans, sesame and millet that will offer them a higher net profit.

Offering farmers insight into the value chain, building their trust and mitigating risk to build their income is the cornerstone of the **GroЯ®** sustainable business model.

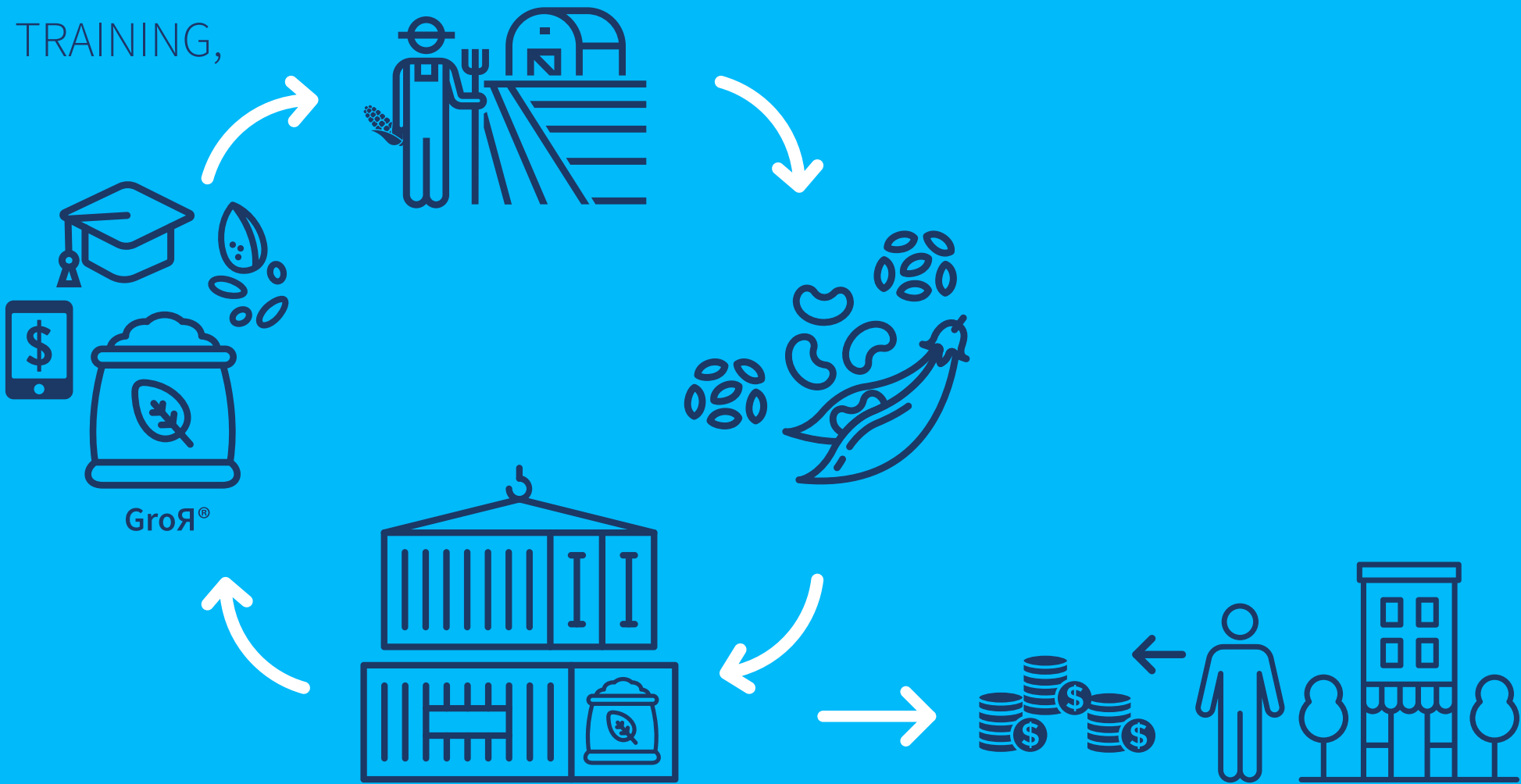
**TRADITIONAL MODEL**

NON-TRANSPARENT CASH TRANSACTION  
BASED VALUE-CHAIN.



**GROЯ MODEL**

AGRITECH PLATFORM THAT INCREASES  
FARMER INCOME VIA SUPPORT, TRAINING,  
AND DIGITAL PAYMENTS.





## UPSCALING CHALLENGES

Our goal in 2020 was to launch our first pilot and trade 500 tonnes from around 450 farmers. This pilot succeeded, with 500 tonnes traded from 520 farmers. These farmers are now enrolled in our income and productivity increasing platform.

**In 2021, we will upscale to 4,000 farmers and we expect to trade more than 4,000 tonnes of produce.**

These pilots aim to demonstrate the scalability of the **GroA**® platform, which can successfully measure a farmer's productivity and net income. Upscaling the project will come with challenges, but we remain optimistic in its overall feasibility as a profitable and sustainable business model to support SDG 1 and SDG 2.







**GOOD GOVERNANCE:**  
IN SUSTAINABLE DEVELOPMENT



# GOOD GOVERNANCE IN SUSTAINABLE DEVELOPMENT

Vestergaard’s governance structure ensures that we operate in a way that is both good for business and good for the world.

## GUIDING

The United Nations Global Compact (UNGC) encourages organisations to act as socially responsible members of the international community, abiding by 10 principles that dictate responsible behaviour with regards to human rights, labour, environment and anti-corruption.

Vestergaard has been a member of the UNGC since 2006, and our Code of Conduct mirrors its principles and includes guidelines on doing business with integrity, avoiding bribery and corruption, protecting company assets, and creating a positive workplace environment.

Vestergaard’s global policies support employees in their daily work, while a system of internal controls ensures compliance in daily transactions, which helps to minimise business risks.

All Vestergaard employees receive annual compliance training and participate in meetings and sessions related to compliance.

POLICIES PORTAL

COMPLIANCE TRAINING

INTERNAL CONTROL SYSTEM

## GUIDING

INTERNAL COMPLIANCE COUNCIL

COMPLIANCE CERTIFICATION

WHISTLEBLOWER HOTLINE

## MONITORING & REPORTING

INTERNAL AUDIT ACTIVITIES

SUPPORT OF INTERNAL PROJECTS

## ENFORCING / ENSURING

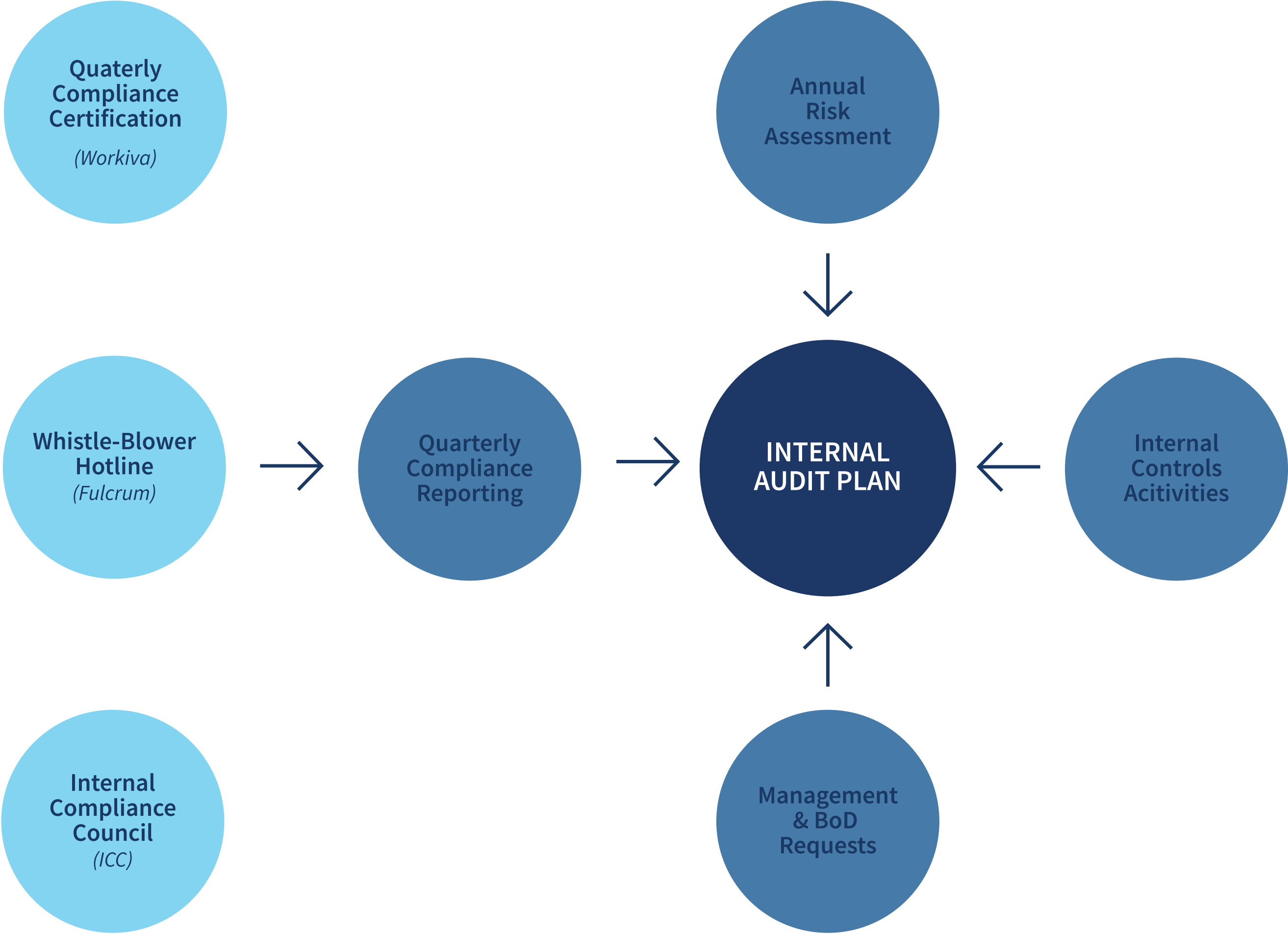


MONITORING AND REPORTING

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 internal mechanisms (as a compliance certification) or externally (as whistleblowers). All reported infringements and allegations are investigated and followed up.

ENFORCING/ENSURING

Our Internal Audit Plan, updated annually and approved by the Board of Directors, is based on a risk assessment model that collects data and information via both bottom-up and top-down reporting mechanisms throughout the company. It ensures that critical business areas are identified and looked at, and that appropriate systems and monitoring and measurement components are in place to minimise business risks and ensure ongoing compliance.



**Internal Audit Plan**  
Based on a risk model that collects data and information, bottom-up and top-down, using different tools and reporting mechanisms throughout the company.





**SUSTAINABILITY:** THE FRAMEWORK  
TO SET SCIENCE-BASED TARGETS



## THE FRAMEWORK TO SET SCIENCE - BASED TARGETS

At the heart of Vestergaard is a desire to integrate sustainability into our business activities and to reinforce our position as a leader in the industry. We recognise our responsibility to create a sustainable business for our employees, the people our products serve and the planet where we all coexist.

We are currently pursuing three projects that will help us measure our greenhouse gas (GHG) emissions: the materiality assessment, the carbon accounting assessment and the cleaner production assessment. **In 2021, we will use these key assessments to set science-based targets to limit global warming temperatures to 1.5C within 5-15 years.**

Through the materiality assessment based on the GRI reporting standards, Vestergaard will be able to identify environmental issues and opportunities linked to our activities. We will conduct internal and external analyses and invite dialogue from shareholders on the sustainability of our materials in order to inform a new sustainability strategy and create objectives for 2025. We will use this as a framework to develop science-based targets

that are consistent with our business and aligned with commitments to our stakeholders.

The carbon accounting assessment will consider our overall activities in 2021 to help us identify principle areas of our business that contribute to climate change and allow us to prioritise actions to reduce our environmental footprint.

**In 2021, we will take our commitment further through a cleaner production assessment at six of our 12 production sites. In collaboration with local partners in Vietnam, we will provide a technical analysis of our management relating to chemicals, energy and resources, and our methodology relating to cleaner production. This will give the company and the manufacturing sites in Vietnam action plans and tools to reduce negative environmental and social impacts as we continue to produce LLINs to fight malaria and other products.**





## PEOPLE: CREATING COHESION FROM WITHIN

Vestergaard's employees represent our most valuable and **valued assets**; recruiting exceptional talent and retaining it is key. Human Resources maintains a positive focus on strengthening our team in order to boost our overarching mission to **positively impact people** beyond our organisation.



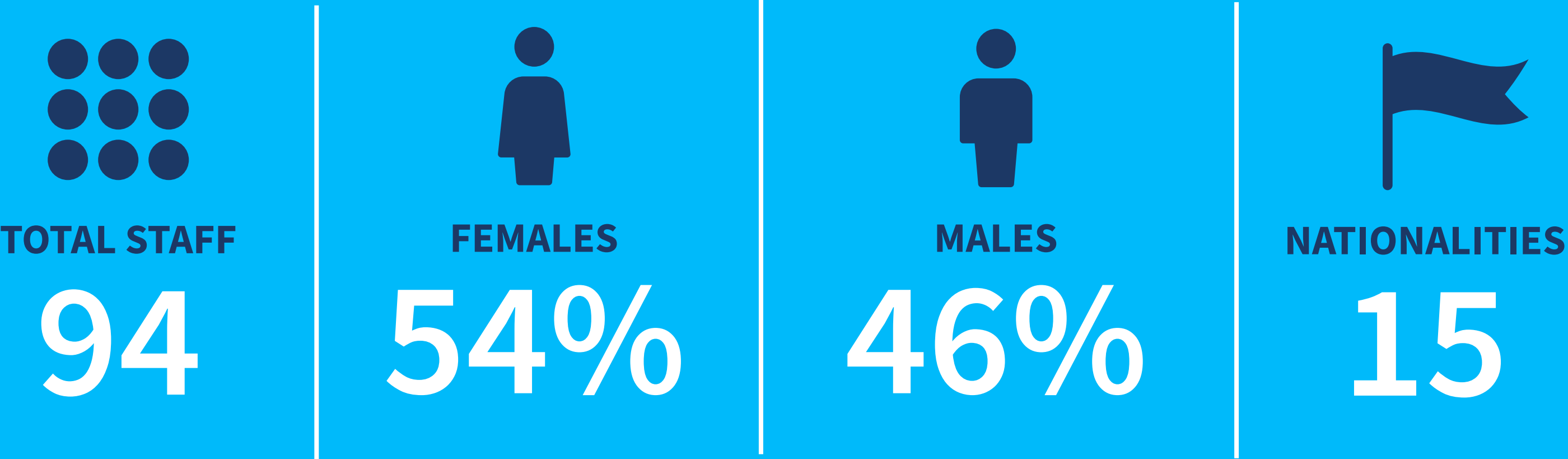


DIVERSITY AND VALUE IN ALL WALKS OF LIFE

Our stakeholders are located in multiple countries across different continents, so it’s vital that we create a diverse and talented workforce that represents the cultures we engage with and the populations who use our products. Our organisation is a dynamic and powerful combination of the skills and energy that each member brings.

We will continue to create opportunities for current and new employees regardless of age, race, colour, religion, gender, sexual orientation, nationality, marital status and physical or mental disability to create an inclusive, engaged and productive workplace.

WORKFORCE  
STRUCTURE  
2020



PROPORTION OF WORKFORCE THAT HAS BEEN WITH VESTERGAARD  
FOR MORE THAN 10 YEARS: 32% **7.8% TURNOVER IN 2020**



# COMPREHENSIVE POLICIES ENSURE EMPLOYEE RIGHTS

## VESTERGAARD’S POLICIES INCLUDE:

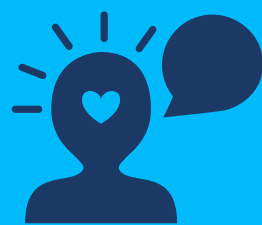
- Code of Business Conduct and Ethics
- Equal Employment Opportunities Policy
- Flexible Working Hours Policy
- Anti-Harassment Policy
- Maternity, Paternity, Adoption and Parental Leave
- Recruitment and Induction Policy
- Work from Home Policy

## EMPLOYEE HEALTH, FITNESS AND WELLBEING

All permanent employees can partake in health and fitness programs that promote a heart healthy lifestyle for overall physical health and mental wellbeing. From yoga and gym memberships to golf and other physical activities, staff have the freedom to choose the activities that are preferable to them over the course of a year. In 2021, we aim to increase participation through policy updates and reminders.

The COVID-19 pandemic created many disruptions to our work-life balance in 2020. For many, work was no longer a place away from home. Online meetings replaced in-person communication and colleagues were suddenly invited into personal spaces. As 2020 drew on and we witnessed the impacts of the pandemic on the mental health of our employees, many who felt isolated, we decided to offer increased wellness support. In 2021, we have sought to offer our teams innovative online ways to improve their resilience.

## COMMITMENTS FOR 2021:



Offer emotional resilience workshops



Designate an internal team to initiate social activities



Offer yoga and meditation



Implement a virtual office stewardship policy to encourage employees to consider changes in their home office practices that decrease their environmental footprint.





**SUPPLY CHAIN:**  
OPERATING RESPONSIBLY



# OPERATING RESPONSIBLY

Our business relies on innovation, which is critical for our product development, the longevity of our business and our sustainability policies. Our Quality Control Lab (QCL) and manufacturing sites in Vietnam are where we have the greatest opportunities to innovate while also improving our footprint. Through these facilities, we regularly assess and seek more efficient uses of resources.

## TRAINING AND WELLNESS

Some of the greatest risks at QCL result from a lack of lighting or ventilation, potential for fire and/or exposure to chemicals. To safeguard our supply chain, reduce the risk of accidents and ensure chemicals are processed in a correct and sustainable way, all QCL employees undergo ongoing online training. In 2020, we provided 1,931 employees with nearly 31,300 training hours. This was an increase of nearly 38 per cent from 2019. In 2020, we reported no accidents or incidents.

### Training Topics Include:

- Chemical safety and emergency spillage response practice
- Labour safety and hygiene
- Fire safety and fire drill
- First aid
- The SA8000:2014 standard, the leading social certification for factories and organisations around the world
- The ISO 9001:2015 standard, which specifies quality management system requirements
- The ISO 14001:2015 standard, which ensures the business is focused on its environmental impact through effective management processes
- Safety operation with hazardous equipment (XRF, forklift, cranes, lifting...)

In 2020, we provided training to factory employees according to the occupational health and safety (OHS) management system standard ISO 45001:2018.

### COMMITMENTS FOR 2021:



More online training courses to increase awareness of Tier 2 subcontractors' employees, to cover chemical safety and emergency spillage response practices, and risk assessments for subcontractors



Online training for our manufacturer in south Vietnam



# 1. OCCUPATIONAL HEALTH AND SAFETY

Vestergaard is committed to the safety of our workplaces and the health and happiness of our employees. We believe investing in the wellbeing of our people will lead to more positive and sustained work output and retention.

The safety of all staff is crucial to our operations, and we aim for zero occupational injuries. We carefully consider all working conditions and environmental hazards. The QCL makes regular assessments and takes steps to meet stringent standards in air quality and chemical safety, and to reduce waste and improve cleanliness.

Additional health and safety measures:

## 5S program:

This is implemented at knitting and extrusion workshops to improve safety and efficiency.

## Safety improvement at extrusion workshop:

Machines have been improved to protect operators.

## Occupational health check:

Conducted on every Vestergaard employee, twice a year.

## ISO 45001:2018 OHS management system accreditation at the Co Bi factory in Vietnam:

Improvements included:

- a mobile elevating work platform (MEWP) and safety belt for working at heights.
- improved safety management with contractors, risk assessments to mitigate any risks due to contractor activities, and safety training for contracted employees.
- the establishment of new procedures for employees who conduct dangerous work.
- Personal Protection Equipment (PPE) for workers.

## Automatic fire fighting sprinkler system:

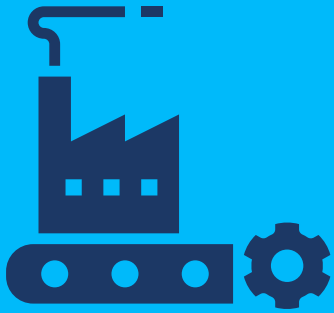
This was installed at the Compounding and Extrusion workshop at our Co Bi production site.

## Keeping workers protected during the COVID-19 pandemic via:

- a sanitation box.
- hygiene at all production sites combined with compulsory mask wearing.
- distance in common areas and the installation of more partitions.

In 2020, we engaged with external consultant TCS to advise on ways we could improve our health and safety. We also conducted a survey to inform our safety culture development plan in 2021.

# COMMITMENTS FOR 2021:



Sustain our OHS management system, and apply the ISO 45001:2018 OHS standard at other main production sites



Conduct a survey on “Safety Culture Behaviour” with key manufacturers



2. ENVIRONMENTAL RESPONSIBILITY

In order to improve our sustainability at QCL, we also strive to reduce waste and water use, recycle and improve our energy usage. Specifically, this includes:

Reducing Water Usage

We have addressed leakages in water pipe systems, gradually shifted to tap water instead of underground water, and continue to test solutions to reuse treated wastewater. In 2020 at our production facility in northern Vietnam, we reduced our water usage by 5 per cent.

Reducing waste

In 2020, production waste increased by 50 per cent (from 6 per cent to 9 per cent) due to a new production site. In 2021, the waste will reduce by 31 per cent (from 9 per cent to 6.2 per cent).

Recycling

In 2020, we ran a trial on waste recycling. Initial results demonstrated that 0.12 per cent of waste was reused in production. In 2021, 25 per cent of polyethylene plastic waste will be recycled. We also aim to sustain waste recycling at 5 per cent for mass production at the Co Bi and Hoang Hop sites in Vietnam.

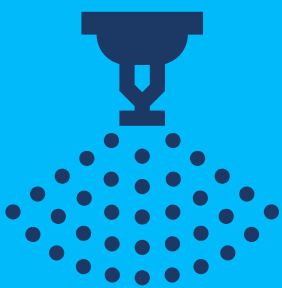
Seeking external advice from energy consultants

This will include ways to improve our boilers, and further opportunities to reduce our energy consumption in 2021.

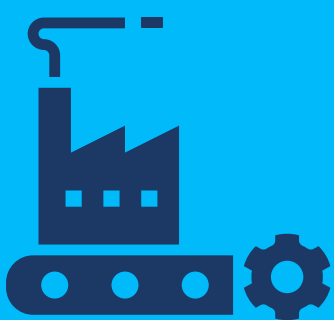
3. ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT

In 2020, we obtained the ISO 14001:2015 environmental management system (EMS) standard at our Co Bi factory. This requires EMS training at the factory in addition to continuous maintenance and improvements to the system.

COMMITMENTS FOR 2021:



Greater upgrades to the fire-fighting system with automatic sprinklers at the extrusion workshop



Apply the ISO 14001:2015 standard at our other main manufacturing sites





VESTERGAARD®   
IMPACTING PEOPLE