

GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS 2013

SME VERSION

Company Name

Bestnet A/S

Date

01.05.2014

Address

Esbjergvej 16A
6000 Kolding

Membership date

01.02.2012

Country

Denmark

Number of employees

25

Contact name

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Sector

Private


Brief description of nature of business

Bestnet is in the business of life-improving and life-saving products. Bestnet specializes in product development, quality control, sales and marketing relating to vector and disease control, solar energy powered products and unique shelter rehousing solutions. The products developed and sold by Bestnet are marketed and distributed internationally. Along with our partners, collaborators, customers and clients, we are highly committed to the United Nations Millennium Development Goals (MDGs). Our innovative products are all designed to help answer the need for products that help achieve the MDGs.

Bestnet believes in creating shared-value and that social, environmental and economic sustainability goes hand in hand.

Statement of support

We hereby express our continued support for the Global Compact and renewing our commitment to the initiative and its principles.


Trine Angeline Sig
Managing Director

Introduction to the report

For the second consecutive year Bestnet files a communication on the progress report to the UN Global Compact. This report covers activities from 1 April 2013 to 31 December 2013. The report describes how we link the creation of business values with social values in Bestnet. The report is for all stakeholders with an interest in Bestnet, our end users and our customers, our partners and shareholders, our employees and society at large. Bestnet still has development potential in relation to both the further development of our CSR strategy, actions and reporting in terms of data quality and in terms of our intent to provide uniform reporting for all areas of Bestnet. The purpose of our reporting is to give all stakeholders an idea of the actions we have initiated, the challenges confronting us, and the goals we intend to pursue. In this report, we focus on actions and results for the financial year 2013. This report is a follow up on the progress made in relation to those central areas.

About Bestnet

At Bestnet, we are passionate about providing life-improving and life-saving products and service to people at risk in developing countries. Along with our partners, collaborators, customers and clients, we are highly committed to the United Nations Millennium Development Goals (MDGs). Our innovative products are all designed to help answer the need for products that help achieve the MDGs.

From its humble beginnings, the company has continuously grown and expanded its operations during the last several years into an organization that is truly global in scope. Bestnet currently has state of the art facilities and skilled personnel located on four continents.

Our global network of distributors and local agents consists of highly trained and experienced staff that understands local needs and cultural differences.

At the same time we are keeping sharp focus on our Six Sigma Quality Control methodology, our strong company Code of Conduct, our basic principle of Corporate Social Responsibility and our corporate commitment to being Environmentally Friendly. Throughout the world, Bestnet's personnel are dedicated to providing service promptly and accurately to meet the needs of our customers and the end-users of our products.

Our philosophy

Our philosophy is ... a network of life... and it is evident in our ever-expanding product line designed specifically to provide affordable and well-designed solutions that improve the lives of others.

Bestnet's product line features [Netprotect® Long Lasting Insecticide Incorporated Mosquito Nets \(LLINs\)](#) and [DuraNet® LLINs](#) – two of the world's largest brands of World Health Organization recommended LLINs for the control of vector-borne diseases. Our LLINs are durable, affordable and available in the widest number of sizes, shapes and colors available on the market. They can even be customized with imprints to bear a logo or message.

Our [Sunlife® Solar Solutions](#) offer an affordable and rugged line of modular solar products that deliver sustainable light and communications, especially in third world countries and in disaster relief situations.

Bestnet is bringing forward [Lifeshelter®](#) a patent pending rehousing solution that will eliminate the use of tent-houses that often ends up as waste. The solution is based on an innovative concept that is ideal for rapid temporary rehousing in emergency situations, as well as being repurposed for permanent housing.

At Bestnet, we are constantly working to develop innovative and intelligent new products that offer safe and cost efficient solutions that help us build ...a network of life!



Our Core Values and Competences

Vision

We want to become a world leader in providing quality products and services that help improve the lives of millions of people across the globe.

Mission

With our new Business Strategy, Nets ´n more 2012-2016, it is the ambition of the partner group to position the company on a new trajectory of growth. Having successfully proven the viability of the current business model since the company was founded in 2004, the partner group has decided to take a new and bold step forward towards a broader and more sustainable business platform.

In pursuit of this new and visionary goal we have conditioned our success on accomplishing a transition of the company from being an entrepreneurial, single product, start-up business fueled by courage, pioneering spirit and hard work to a values led, professionally managed, innovation and knowledge driven brand centric company.

Values

Our core brand values are:

Commitment – Integrity – Sustainability - Courage

We are complying with all basic rules when interacting with people of different cultures and customs.

Our operational values are:

Quality - Reliability - Flexibility - Competitiveness - Responsiveness

- All key words in our daily activities.

Strategic Focus Areas

We focus on 4 strategic business areas:

- Disease prevention
- Shelter
- Clean water
- Solar powered products

Our Core Competencies are:

- Global mindset – "Think globally and act locally"
- Passionate organization (Corporate Pride)
- Entrepreneurial spirit
- High ethical standards and global governance
- Global aid & relief market experience & knowledge
- Agile and flexible organization
- Local Market Capabilities (insight & network)

Goals

Bestnet's goal is to make great products even better – to continuously develop ideas and to investigate and evaluate these with respect to their potential in fighting malaria and other vector borne diseases.

Bestnet takes pride in striving towards perfection and performs product development in close interaction with the market to ensure that Bestnet's products fulfill market and end-user requirements.



Bestnet aims to save lives with their products and to ensure sustainability by building competencies locally and by technology transfer in a comprehensive manner.

Last but not least, Bestnet puts efforts into developing products that positively act to preserve our common environment.

Code of Conduct

Bestnet is working with suppliers, agents, distributors and customers in most regions of the world. Bestnet has a global perspective on matters such as human rights, working conditions, environmental matters, laws and regulations, and we comply with the same standards as would be the case, if we were operating solely in Europe. When choosing collaborators, Bestnet will give high priority to environmental awareness, both with respect to internal and external environmental issues. Bestnet will respect the culture and religion of the countries where we are represented, either directly or through partners and suppliers.

In order to secure compliance with the global standards regarding these matters Bestnet compiled a code of conduct. This code of conduct is an integrated part of every contract entered into by Bestnet with agents, distributors, suppliers and subcontractors.

Furthermore Bestnet's Code of Conduct is an integrated part of all employment agreements. By signing the employment agreement, the employee accepts to abide by the Code of Conduct.

Actions in 2013

World's Best News

In April 2013 Bestnet joined as partners for the first time in the campaign "*The World's Best News*". The campaign is arranged by 85 Danish Development Organizations in cooperation with DANIDA and UN and has since 2010 together with Danish companies spread the good news; "*We Can End Poverty*"!

The World's Best News is a nationwide campaign that informs the Danes of the positive progress towards the United Nation's Millennium Development Goals (MDGs), which range from halving extreme poverty rate rates to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015. 24% of the Danes are already familiar with the UN's MDGs, but we need to spread the message to even more Danes.

Bestnet decided to join as partner for the following reasons:

1. We support in a clear and trustworthy way a cause that most people have a strong sympathy for.
2. Strong co-branding. We stand out as clearly active partners for UN, DANIDA and all Danish Development organizations.
3. It's a good opportunity to communicate our CSR-actions or ethics to employees, collaborators and customers.
4. There are many options for using the partnership and the campaign's logo to different kinds of own campaign activities.

The campaign ran in the period from 13 August to 28 September 2013. More than 90 private companies, 90 development organizations, DANIDA and UN helped nailing the campaign as a credible way of informing about significant progress in the developing countries.



Human Rights

Principle 1: Business should support and respect the protection of internationally proclaimed human rights.

Principle 2: Business should ensure that they are not complicit in human rights abuses.

Our Commitment

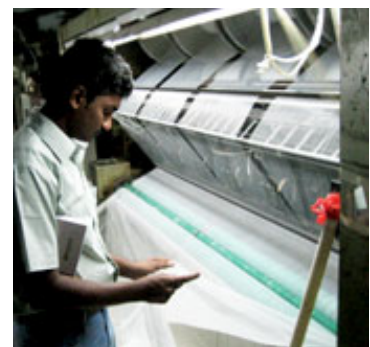
Bestnet wishes to strengthen our focus on diversity in the company at every level, and we work constantly to create a tolerant work place with plenty of room for difference. We believe that diversity is a productive force for our company and serves to broaden our horizons. This means that in the process of hiring, promoting or firing, we are conscious of not infringing the fundamental Human Rights principles.

Bestnet observes and respects the UN Universal Declaration of Human Rights Act and will seek to promote its principles with partners within our sphere of influence. Bestnet considers any form of encouragement or assistance in the violation of these rights or knowingly ignoring such incidences as constituting a violation. Bestnet will always conduct its activities in respect of local culture and religion.

What we do – actions we have taken

All our employees, agents, distributors, suppliers and collaborators are required to sign, acknowledge and uphold our Code of Conduct.

Twice a year our international staff and management are assembled in our Headquarter in Kolding for a corporate staff week. During the corporate staff week in 2013 we organized training on CSR and the UN GC Principles for all staff and management. By providing these training sessions in the UN GC Principle for all Bestnet corporate staff we hope that the fundamental principles will get so deep under our skin that it will be part of our natural inclination to uphold these fundamental principles by the way we perform our job and in our comings and goings. We believe that awareness of the UN GC Principles creates changes in the way we think and act among colleagues and fellow human beings.



Labour

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Business should uphold the elimination of forced or compulsory labour.

Principle 5: Business should uphold the effective abolition of child labour.

Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation.

Our commitment

Bestnet seeks adherence to the ILO Standards and uphold the fundamental right of freedom to organize and the right to be a member of any trade union the employee may choose and the right to collective bargaining.

Bestnet will not accept the use of forced or compulsory labour, dangerous work, unreasonably long working days or pay, which is lower than the current industrial rate in the country of production.

Bestnet will not accept the use of child labour. We will specifically and continuously address this issue with all new and existing collaborators. We will demand from our collaborators that no child under the age of 18 will do any hazardous work, which is likely to jeopardize the child's physical, mental or moral health or hinder their education.

What we do – actions we have taken

In our first Communication on Progress Report 2012 we mentioned a survey we conducted in our production facilities in India and China regarding labour related issues, showing that only in one production facility out of three, the employees had the right to be a union member. We addressed the infringement of the ILO fundamental principle; the right to freedom of association and the right to collective bargaining to the owners of the two production facilities in question.

However, we realize that over 94 percent of India's working population is part of the unorganized sector. The unorganized occupational groups include among others those engaged in labeling and packing, building and construction workers, leather workers and weavers.

China has also never been known as a bastion of worker's rights. Nevertheless the ACFTU (All China Federation of Trade Unions) that serves as a government endorsed umbrella for the world's largest trade union organization, have a couple of years back implemented a mass unionization initiative that is likely to increase the unions' significance in the coming years.

Health and safety

The health and safety of our employees is of utmost importance and we strive to make sure that all workers at our production facilities have access to the best possible health and safety equipment, e.g. the following:

- Hand soaps are provided to all operators to clean themselves.
- In the extrusion division the operators are provided with gloves, masks and safety glasses.
- Exhaust fans are provided for ventilation and getting fresh air inside.
- In the knitting division operators are provided with earplugs and masks. In the rest of the divisions masks are provided to all employees.
- Purified mineral water is provided to all employees for drinking purpose.
- Fire alarms and fire extinguisher are provided for fire safety.
- Ceiling fans are installed in some of the divisions to reduce the temperature during summer seasons.
- Overcoats are provided in some divisions for safety.
- Tea and biscuits are provided to all employees during their breaks.
- Employee State Insurance (ESI) is a medical insurance provided to all employees. This insurance also covers their close family members.
- Provident Fund (PF) is provided to all employees. It is a monthly saving scheme. The company pays 53% of it and employee pays 47%.





Environment

Principle 7: Business should support a precautionary approach to environmental challenges.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.

Our commitment

Bestnet strives toward implementing technologies, which protect the environment, are less polluting, and which recycle more of their wastes and products.

We are committed to the environment and employ every green methodology we can in the manufacture of Netprotect® and DuraNet® Long Lasting Insecticide incorporated Nets (LLINs). We constantly develop new ways to reduce our impact on the environment.

We encourage the adoption and use of environmentally sound and fully sustainable technologies, while requiring from our suppliers both voluntary approaches and a regulatory framework that nurtures innovation and economic, social and environmental accountability, all of which provide them with the necessary know-how, goods and services, equipment and organizational and managerial procedures.

We focus on making sure that our suppliers receive the necessary knowledge, management skills and technical and maintenance capabilities, in view of the fact that it is them that have to be able to implement the technology in question.

What we do – actions we have taken

Bestnet prides itself on being an eco-friendly company and endeavors to follow our corporate guidelines and policies that require us strive to continuously decrease the impact that our products and services have on our environment. Our business practices encompass the three pillars of sustainability - which are the economic, environmental and social aspects of the long-term responsible use of natural resources.

From our manufacturing facilities to the delivery of our products to end-users, we are constantly looking for ways to be environmentally conscientious in the utilization of renewable resources, to find unique methods to reduce waste, and to employ environmentally sound practices in all aspects of our business.

In addition to our standard and customized bag options, Bestnet offers two alternative packaging options that provide green solutions; bulk packaging and oxo-degradable bags.

The first alternative packaging option, bulk packaging, is in response to the concern that individually packaged nets result in large volumes of plastic bags left scattered around villages. Bestnet has created an option for customers who would prefer to completely eliminate the need for an individual bag. As an added bonus, since this method of bulk packing decreases volume and weight per individual bale it saves approximately 3% on transportation costs as we can transport a larger volume for the same costs.



The second alternative packaging option, oxo-degradable bags, are made of polyethylene (PE) with a 2% Green Ready® additive that accelerates the natural degradation process. Netprotect® oxo-degradable bags are completely free of the heavy metals often found in other biodegradable materials. Knowing that our nets are often stored in warehouses for long periods of time before distribution, Bestnet has carefully chosen to use the 2% Green Ready® additive which renders our Netprotect® bag less vulnerable to degrade in heat and under mechanical stress than other biodegradable bags. Once exposed to outdoor conditions, the degradation begins in full.



Anti-corruption

Principle 10: Business should work against all forms of corruption, including extortion and bribery.

Our Commitment or Policy

Bestnet has adopted a zero-tolerance policy against corruption, bribery and extortion covering Bestnet itself, its employees, agents, distributors and partners.

Bestnet recognizes that the markets in which it operates are to a large extent funded by donations by governments, organizations and individuals. These donations are to mitigate the hardship caused by diseases for the individual and to improve the livelihood and outlook for households, communities and countries on levels of health, society and economy.

Bribery and other improper conduct of business profoundly impede the development of societies at every level. Bestnet recognizes that improper conduct of business may jeopardize the social benefit intended and expressed in donations from countries, organizations and individuals, monetary and otherwise, which are fundamental to achieve the MDGs 2015.

What we do – actions we have taken

During the Bestnet corporate staff week in 2013 we conducted a training program on CSR and the UN GC Principles with enhanced focus on how to handle corruption. All our employees and management participated in this training. One of the main topics was the UK Bribery Act that entered into force on 1 July 2011. With the new UK Bribery Act in force we want to make sure, due to our engagement with UK companies, that all our employees are well informed and prepared when cooperating with our UK agents, distributors and partners.

It is important for us to develop a zero tolerance culture within the Bestnet Group and we require from all our agents, distributors, collaborators and partners that they sign, acknowledge and uphold our Code of Conduct.

