

## GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS 2012

### SME VERSION

**Company Name**

Bestnet A/S

**Date**

01.05.2013

**Address**

Esbjergvej 16A  
6000 Kolding

**Membership date**

01.02.2012

**Country**

Denmark

**Number of employees**

25

**Contact name**

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**Sector**

Private

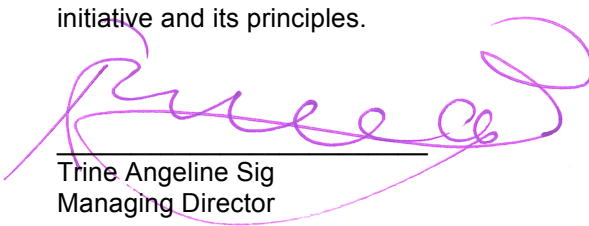
**Brief description of nature of business**

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 and solar energy powered products. 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.

  
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Trine Angeline Sig  
Managing Director

## 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 is working with suppliers, agents, distributors and customers in most regions of the world. We have a global perspective on matters such as human rights, working conditions, environmental matters, anti-corruption, laws and regulations and we comply with the same standards as would be the case, if we were operating solely in Europe.

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

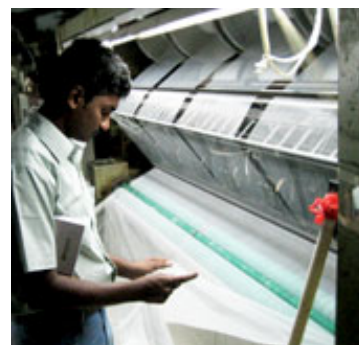
Bestnet wishes to strengthen our focus on diversity in the company at every level, and we work constantly to create a tolerant work place with plenty of room for difference. We believe that diversity is a productive force for our company and serves to broaden our horizons. This means that in the process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

In 2012 we established an internal CSR group, putting CSR on top of the agenda with the aim of identifying areas to address within the UN GC principles.

We revised our Code of Conduct and Agency and Distributor Agreements to include appendixes on CSR and the UN GC principles in accordance with our Code of Conduct. All our agents, distributors and collaborators are required to sign, acknowledge and uphold our Code of Conduct.

We organized training on CSR and UN GC Principles for the Headquarter staff and management, and for all Bestnet's international staff and management.

In the autumn of 2012 the CSR group sent questionnaires to our production facilities in India and China within social, labour and environmental issues in the Bestnet supply chain. The aim was to identify if any infringement of the UN GC principles are taking place in our supply chain. Based on the answers provided to us by our local Production Managers we found that all of our production facilities uphold the fundamental Human Rights principles.



## 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 will at all times as a minimum, act in accordance with local regulations regarding basic wage levels, daily working hours and all other relevant regulations and laws of the individual countries we operate in.

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

As mentioned above our CSR group sent questionnaires to our production facilities in India and China. Within labour issues the answers provided to us by our local Production Managers showed that only in one production facility out of three the employees have the right to be a union member. We will address this infringement of the ILO fundamental principles; the right to freedom of association and the effective recognition of the right to collective bargaining to the management of the two production facilities in question.

The answers provided to the questionnaires also showed that none of our production facilities were availing themselves of forced or compulsory labour, child labour or discrimination in respect of employment and occupation.



## 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® 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

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.

In the questionnaires sent to our production facilities in 2012 the answers provided to us by our local Production Managers regarding environmental issues showed that all of our production facilities are recycling the water used for heating and cooling the yarn. Furthermore all production facilities are recycling waste fabric (i.e. plastic buckets, mugs, trays etc.), as per guidelines given by Bestnet.

We continuously focus on areas where we can optimize processes and therefore safeguard the environment even more than we do today. One of the areas we will look into is to see if there are ways we can save water that goes into the cooling bath at the extruder, either by recycling even more than we already do, or avoid possible spillage or leakage when using the baths.





## ANTI-CORRUPTION

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

### Our Commitment or Policy

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 MDG 2015.

### What we do – actions we have taken

Bestnet shall pursue to compete on fair grounds relating to price, product and service and shall not seek to obtain advantage in violation with local or international law.

Bestnet will not engage in any form of bribery, corruption or extortion, or otherwise seek to unjustly influence public officials or members of non-governmental organizations to obtain undue or improper advantages.

Hospitality and entertainment gifts of reasonable value are accepted as long as the above principles are observed. If there is any doubt in this regard, a director must be consulted.

Third parties must not be used to circumvent any of these principles. Bestnet will when contracting agents, distributors, consultants or third parties to act on its behalf require full transparency and documentation in regards to contracts and fees for services, deliverables and payments, and accounting, documentation and deviations.

We encourage open discussion between management and employees regarding ethical and compliance matters. It is the duty of every employee to report if a violation of Code of the Ethics is believed to have occurred.

Methods of reporting of violation may be made in person or writing to any of the directors in Bestnet. If a violation has been made the person in question will be fired.

We are committed to educating our staff, agents and distributors of our Code of Ethics as well as training them in the compliance to the Code in their operational context. Furthermore are all our agents, distributors and collaborators required to sign, acknowledge and uphold our Code of Conduct.

