



AAR Group CEO's 2011 Statement of Sustainability

AAR core values of *Timeliness, Caring Attitude, Quality, Integrity* and *Team-ness* form the invisible glue that binds the company and continue to evolve as part of the company's culture.

Doing business in the East African region continues to be challenging in 2012 with the upcoming elections scheduled for the end of the year. In spite of 2011 also being a demanding year financially with the East African region being hit by world financial turmoils, AAR continues to maintain its leading position in providing health care solutions making a difference to the lives of its customers and other service users. AAR prides itself with a strong brand which it knows reads and respects the five core values stated above, which allows it to expand the delivery of its health solutions that give a choice of medical diversity to lives of its members as well as the community in general.

In most areas of businesses and especially in the service delivery sector, signing of the East African Common Market accord early in 2010 has seen the start of the harmonization of policies in this region. Kenya still outperforms the other East African countries albeit skilled staff deficiency is a challenge in all the East African region but especially Tanzania and Uganda. Competing for technically skilled staff with the moneyed NGO sector is constantly challenging, but with the growing tertiary education facilities opening up, AAR believes to be able to have easier access and choice to a wider scale of proficient employees in all areas of its business.

As AAR keeps on expanding its social responsibility from shareholder to board level right down to the line employee, it made above average investment into training employees throughout 2010 and 2011 which extends into 2012, thereby installing an increased culture of excellence and synergy across the structure of the company so there is a bigger buy-in in the understanding what AAR medical services, medical solutions and brand stand for. Managers freely sign a Management Oath where each one of them accepts the responsible ethical role of being a leader, not only as this impacts the day to day execution of his/her role, but how this influences on the future of the company and society as a whole.

As customer expectations go on increasing the company's continual training enhances employee understanding of his/her responsibilities and company's values. These values incorporate, support, embrace and enact the goals spelled out in the UN Global Compact ten principles as well as the Millennium Development Goals where applicable.

Jagi Gakunju
AAR Group CEO
February 2012



Your health - Our priority

OurMission

We provide healthcare solutions that make a difference to life.

• www.aarhealth.com

AAR – an Overview

AAR is a conglomeration of six distinct but complementary companies whose synergies have given it a competitive edge in the market guaranteeing its customers international healthcare standards in East Africa. Unlike other healthcare companies in the region, AAR offers a comprehensive value chain. AAR is the only healthcare company that focus on clinical risk management and provision of preventive care. This strategy ensures that its members and other users of its facilities receive the most sustainable and cost-effective access to healthcare.

AAR medical facilities are the best in the region, equipped with advanced medical equipment and manned by experienced and qualified medical and management staff. AAR uses internationally approved disease management protocols and drug formulary, supported by state-of-the-art information technology systems to provide consistent treatment of its members and other users of its services.

AAR has its own marketing arm which is commission based and comprises of over 1000 sales representatives divided into separate agencies situated throughout the region. AAR Kenya alone has 11 agencies.

Being the leading healthcare solution provider in the managed health care sector in the East African region, AAR continues to expand its philosophy of not only to exist to put things right when things go wrong medically, but it strives to prevent things from going wrong in the first place. Therefore, constant emphasis is being put into healthcare education of its staff and customers.

The middle and more affluent middle class is growing in the East African region and with this growth so are the medical challenges of this class: stress, high blood pressure, diabetes, hypertension and obesity among other ailments. Aging membership base also brings its

challenges. The health education department, constantly strengthened by intake of new employees, indicates how important preventive care is to the company.

The East African population is growing, and the population is young. The medial age of the population in the East African region is 18 years and AAR sees interesting opportunities for expansion. AAR has been a fast growing health care company which attracted a new investor IFHA in 2010 whose focus is to invest and help companies in the healthcare sector in Africa to realise and develop their potential as expressed in AAR's objectives:

- To deliver affordable and sustainable managed healthcare and emergency services of the highest standards to an expanding customer base
Well-managed, highly motivated and caring teams will achieve the above through the innovative effort of its staff, franchisees and business partners
- AAR will continue to be a market leader in its sector of business
- And will conduct a business, which is invaluable to its customers, rewarding to its staff, profitable to its shareholders, respectful and adherent of the legal frameworks where it does its business as well as being considerate of the environment



Your health - Our priority

OurVision

To be the provider
of choice for
innovative and quality
healthcare solutions
in Africa.

• www.aarhealth.com

AAR mission is to make quality healthcare accessible to all and to make a difference to people lives

Strategy

AAR is the only healthcare company in Eastern Africa with a network of health centres, managed and staffed professionally to international standards. This network has made it possible to provide cost-effective healthcare for substantially less of a cost charged by other providers in the region. AAR's strategy is guided by its vision to be the preferred healthcare company in Africa that prioritises the health of its members. The strategic location of the health centres complements its mission to make quality healthcare accessible to all and to make a difference to people lives.

The company's competency and professional integrity have earned it market leadership in the East African region and it now offers primary care to clients of other medical insurance companies in the region, as well as the general public. This foresight is behind the increased demand for its services that is projected to increase by about 50 per cent by 2015. The present membership is close to 200,000 members.

AAR is building a foundation for the promotion of health and provision of top quality primary healthcare in a personalised, convenient and cost-effective manner, much in the same way as a personal physician, only better.

Besides providing essential health care plans AAR offers benefits such as Health Promotions, Credit Facilities and Reward programmes – where the company goes into partnerships enhancing health additional value.



Your health - Our priority

CoreValues

Caring attitude

We anticipate, understand and focus on meeting the needs of our teams, customers and partners.
We like what we do.
Our well being is interlinked to the well being of our customers.
We care.

• www.aarhealth.com

Health Promotion & Prevention

AAR's health promotion initiative is targeted at putting healthcare back into the hands of its members, by promoting healthy living. Healthy individuals translate into happy families and productive workforces, hence its focus on prevention rather than treatment.

AAR invest a lot of resources and time on creating awareness on how to avoid and manage emerging lifestyle conditions like diabetes, hypertension, HIV/Aids, and other chronic ailments.

International Standards

AAR benchmarks its healthcare service with the World Health Organisation's standards of disease management and treatment, encompassing the entirety medical treatment and health management such as:

- Nutrition
- Medication
- Lifestyle modification

By benchmarking its services, AAR guarantees that its customers' health is assured through measurable and reputable medical principles. AAR services comply with all medical regulations in all the countries where it operates in: such as medical practitioners' and dentists' boards, nursing councils, pharmaceutical societies, and medical laboratory technicians' and technologists' boards. For every disease type, it follows international treatment and management plans. All its medical staff are familiar with these plans. AAR is also fully compliant with environmental regulations of bodies in the region, especially in terms of medical waste disposal.

Over 570,000 patients who visit its health centres every year receive personalised service, thanks to an advanced Management Information System that links all its health centres throughout the region.



Your health - Our priority

CoreValues

Timeliness

We thrive on challenge and success and perform our activities with a high sense of urgency. We believe in getting things done right the first time.

• www.aarhealth.com

AAR Rescue Services

AAR Rescue Services is the emergency arm of the AAR group of companies. AAR recognizes that 70% of fatalities attributed to accidents or serious medical emergencies can be prevented if immediate professional medical attention is provided. In response to this AAR has developed the specialised rescue business package. www.aarhealth.com



Looking Ahead

As AAR continuously looks out for new opportunities on the continent it is committed to fulfilling its vision of being the provider of choice for innovative and quality health care solutions in Africa it receives and studies a number of special interests and invites from government of countries neighbouring the East African region – including eastern Congo, Somalia, Ethiopia and Sudan – who wish to benefit from its services in their countries.

AAR is also alert to continuously challenging health/medical needs of its customers and therefore is always ahead in its service delivery and is committed to the continuous improvement of its services and infrastructure.

It has implemented robust clinical and administration systems to create and support this ever challenging service delivery. Its ever-growing number of health centres throughout the region, increased membership and diversification of skills base, has placed AAR at an advantageous position to be at the helm of healthcare in Africa.

Tightening regulatory procedures and expanding competition in the healthcare sector and within the insurance sector throughout the East African continues, albeit impunity at all levels remains a major challenge.

AAR differs significantly from other medical solution providers in East Africa not only because of its comprehensive value chain which can successfully treat those who are unwell, but also as it has a strong focus on clinical risk management, with a strong focus on provision of preventive care. This ensures that AAR members receive the most cost effective access to healthcare on a sustainable basis.

Prevention and good health starts with the environment – therefore for many years from

Board level right down to the line employees and sales representatives, AAR has been involved in environmental projects, projects which eventually have a positive health aspect and impact, thereby further adding to its company mission to provide healthcare solutions that make a difference to life.

CoreValues

Quality

We take pride in what we do and deliver high quality - value added solutions.

www.aarhealth.com

Increasing access to medical care in lower income groups

AAR is now closely working together with PharmAccess, the foundation arm of its partners IFHA: Tanykina Community Healthcare Plan is a low cost medical insurance plan that was rolled out in the North Nandi District of Eldoret. TCHP is a joint initiative of AAR (Health insurance) and PharmAccess (a Dutch Not-for Profit organization) and Tanykina Dairy Plant Ltd (a middle sized milk producing firm)

TCHP was launched on 1st of April 2011 and currently has a membership of over 1500 lives. The medical scheme targets farmers in the catchment area of Tanykina who are mainly dairy farmers and who supply milk to Tanykina Dairy Plant Ltd.

The Tanykina Community Healthcare Scheme is the first program in Kenya which provides affordable quality health care to farmers and their families that AAR has partnered in. The program has been developed together with Tanykina Dairy Plant Ltd, a company owned by 4,000 dairy farmers and PharmAccess Foundation developed under the Health Insurance Fund.

The main long-term objective of the partnership is to develop a sustainable model fostering increased access to basic healthcare services and treatment for currently uninsured people with low and middle income.

Short term objectives of the partnership include building local financial, administrative and medical capacity in the public and private healthcare sector among others.

AAR's contribution in this partnership is favoured by the seamless service offered across E. Africa with systemized clinical history and benefit administration for all or members. These operations are supported by the robust ICT systems that we have invested in. Our regional reach has also provided us with important learning which has helped improve our products to cater for the wide market.

The well trained workforce has enabled smooth implementation of this program as well as the favourable partnerships with various healthcare providers i.e. doctors, specialists and hospitals across the country.

The partnership with PharmAccess and Tanykina Dairy Plant will enable AAR achieve its vision of becoming the provider of choice for quality health care solutions in Africa. AAR is excited at this new venture and looks forward to reaching out to the untapped low end income market that encompasses majority of its population. Healthcare provision is a worldwide challenge especially for third world Africa, AAR sees this as an opportunity to tackle and offer solutions to this challenge.

AAR vision of reaching over 500,000 across Africa is on the horizon with such pilot projects. PAF has successfully worked with other models in Nigeria and Tanzania and is optimistic of the success of this one of a kind scheme in Kenya



From PharmAccess web one can read: “At the new Tanykina Dairy Plant Building, over a thousand community members and senior officials of AAR, PharmAccess and the Tanykina Dairy Plant Ltd witnessed the launch of the Tanykina Community Healthcare Plan. The Tanykina Community Healthcare Plan (TCHP) is a joint initiative between Tanykina Dairy Plant Ltd., AAR and PharmAccess Foundation, supported by the Health Insurance Fund and the Netherlands Ministry of Foreign Affairs. The aim is to provide affordable primary and (limited) secondary healthcare to Tanykina members and their households.

To mark this special occasion, Ambassador of the Kingdom of the Netherlands to Kenya, Laetitia van den Assum revealed a plaque and Sjoerd van Keulen, Board Member of the Health Insurance Fund, had the honour to symbolically hand out the first health insurance card to one of the Tanykina families. Other special guests present were the Honourable Kenyan MP David K. Koech, world champion athlete Moses Kiptanui, representatives from the Ministry of Medical Services, the Ministry of Public Health and Sanitation, AAR and PharmAccess. After the official ceremony a band started playing, raffle games were held and lunch was served.

Tanykina Dairy Plant Ltd

TCHP will result in increased access to good quality health care, delivered by qualified medical staff in upgraded clinics and hospitals (with sufficient beds and available medication). The cost of the TCHP will be deducted at the end of each month from each participating member's milk account in order to pay for the coverage. With a low coverage cost starting at Kshs 375 for a 1 person family size to a maximum of Kshs 1,499 for a 7 or more family size, the THCP ensures that each member of Tanykina Dairy Plant Ltd can access this unique healthcare plan. The Health Insurance Fund subsidizes part of the premium to make the plan even more affordable.

First reactions

Laetitia van den Assum, Ambassador of the Kingdom of the Netherlands to Kenya was happy to note the private sector approach used in developing a healthcare product with the Tanykina Dairy Plant Ltd. "The TCHP is more than just health insurance coverage, it includes enhanced facilities, services, medical supplies and insurance coverage that will result in increased access to good quality healthcare. It should be viewed as a full package or scheme that will enable an improvement in the health of farmers and their families which leads to an improved economic situation by enabling the farmers to keep working and not being forced to sell key assets to cover medical costs"

Mr. Alex Kirui who is the chairman of the Tanykina Dairy Plant Ltd was pleased that this product is now launched. "This healthcare plan provides affordable access to quality healthcare for the Tanykina members and their families. It takes into consideration the members healthcare needs and financial requirements and is a welcome product"

Hon. David K. Koech, MP for Mosop Constituency was delighted that people within the Tanykina catchment area would now be able to access quality health care. "The people of Tanykina and surrounding communities will benefit immensely from this healthcare plan. We do hope to see more members signing up since this is truly an affordable healthcare plan"

Health facilities

Through the TCHP, health facilities within the Tanykina catchment area have been upgraded to provide quality primary health care. These new facilities are located at Kaiboi, Kaigat, Chepkemel, Kabiemit and Chepterwai. The TCHP will also provide referrals to two quality referral facilities: AAR Clinic in Eldoret and the Moi Teaching & Referral Hospital. The TCHP also covers transport for emergency cases and ensures that there are no additional costs incurred by a member.

Several marketing activities have been planned to promote the healthcare plan and get additional members signed up. Member events will be held every week where information about the healthcare plan will be provided. A radio sponsorship is currently underway and will increase the recruitment efforts. Trainers will also be visiting farmers conducting door to door recruitment and educational visits."

AAR Corporate Social Responsibility statement

To achieve commercial success in ways that honour ethical values, compliance with legal requirements and respect for people, communities and the natural environment

This is reflected in AAR's Mission and Vision Statements

Vision

To be the provider of choice for innovative and quality health care solutions in Africa

Mission

We provide health care solutions that make a difference to life

Preamble to the company's CSR

The integral part of AAR's business is to provide win-win solutions for both the community and its business. AAR focuses on the most common arenas of CSR through making sure that all the stakeholders: customers, employees, shareholders, government and all its business partners are engaged at all levels and all times.

Governance

From board and senior management level, individuals take their responsibility seriously, creating a conducive environment allowing transparency, open communication, accountability and complying to legal and regulatory demands. Management teams ensure that there is correct, skilled and available human, financial and natural resources to conduct a viable business and that these resources are used efficiently, without compromising the ability of various stakeholders to meet their immediate and future needs.

Labour & Human Rights:

AAR policies and procedures are clear and conform to all labour legislation and laws of the land in upholding all forms of employee and human rights as well as ILO provisions in all areas including working hours, leave entitlement, recommended duration of workweek and harmonized salary structure as well as workplace ergonomics.

The status still remains that AAR staff are not unionizable and no policy provision prevents them from being affiliated to a union. However, the HR Manual clearly provides for channels/avenues of handling staff grievances.

AAR is continually in the process of implementing a comprehensive Occupational Health & Safety policy and procedures manual. A working OHS committee has been trained to work along with an OHS consultant to implement the policy.

HR department constantly reviews and upgrades HR Staff Manual to make distinct provisions in all staff welfare issues including fair treatment, non-harassment and non-discrimination, grievance handling and employee privacy. In addition, AAR explicitly highlights the equal treatment of its locum staff in terms of giving them priority for permanent employment opportunities in accordance to policy, applicable benefits and other conditions of work. The annually signed AAR staff manual, which is accessible at all times by AAR employees through the Company Intranet, stipulates, recognizes and respects the right of the employees to freely air their grievances and seek redress when required.



AAR staff members taking part in a CEESAR training session

Policies: AAR creates extensive awareness of any revised policies to generate acceptance and compliance by all staff through the company's intranet.

Among others training opportunities and in order for the AAR employee to be able to deliver his/her work more efficiently and effectively HR has developed an in-house 4 day staff training session Cesaar, 'Customer Excellent Service Achieves AAR Results' with very definite objectives which revolutionise service in AAR; it transforms services in AAR and it gives the opportunity for the company to keep constantly upgrading and modernizing services in AAR through empowering the employee.

All staff undergo this training from senior managers to the office assistants. The CESAAR training promotes a culture of customer care and environment in which people are freed and encouraged to serve the needs of individual internal and external customers. In 2011 all of AAR Kenya underwent Cesaar training.

The Balanced Scorecard (BSC), a performance measurement tool continues to be used throughout the company to evaluate staff performance each quarter and at the end of each year. All staff clearly understands the BSC and as a result they are motivated to work in an environment where performance targets are clearly and openly shared across the company.

Performance is evaluated based on 4 perspectives aligned to the company's strategy: financial, customer, internal business processes and people (learning and growth)

In spite of the global and national financial down-turn which really hit East Africa at the end of 2009 into 2010, AAR continued to add fair and generous pay packages to its employees. 2011 was no different.

Workplace welfare: At the forefront of its corporate responsibilities AAR realizes that in order to be successful it needs to offer safe working conditions to its employees. From the outset AAR has encouraged an atmosphere where its staff has equal opportunities, fair remuneration and other benefits such as additional generous private pension funds.

This means that while employees should uphold their responsibility to supply labour to the company, the employees and reps in return should be fairly remunerated, respected and accorded opportunities for development. This is strongly highlighted during the Cesaar training, stressing the fact that AAR staff and sales reps need to focus on customer satisfaction resulting by a competitive return on investment. It is for the employees to offer value-for-money at all times.

Signing of declaration of Conflict/Code of Conduct Document: At the beginning each year, every AAR employee as well as sales rep is required to sign a declaration of 'conflict of interest' form and 'code of conduct' form which outlines the need for employees to conduct themselves in an ethical manner devoid of any personal interest/interference with the laid down rules and regulations. Emphasis is put on ethical conduct in the procurement of goods and delivery of services on behalf of the company.

Systems: AAR has various policy documents in place which are posted on the 24-hour AAR Staff Intranet and accessible to all employees and sales reps. The documents posted are for internal consumption only. Some of the pertinent documents posted: *AAR Business Code of Good Conduct*, *AAR Staff Manual* - these documents are read and signed annually by all employees enabling them to maintain high ethical standards at all times. The signing of these significant documents enables employees to appreciate any restrictions in place and to understand their responsibilities as well as their rights.

Another document, '*Conflict of Interest Declaration and Conformity with Ethical Standards*' form is also completed and signed annually. This policy states that AAR expects all employees to conduct themselves with the highest level of integrity at all times. Employees

are expected to abide by all laws of the country as well as to abide by all policies and guidelines issued to staff from time to time.

Customers:

AAR concentrates on providing quality services which are value for money and which are customer orientated. It further assures fair competition by working to strict business ethics and adherence to all legal obligations. Its advertising is honest and its procurement as well as partner relationship policies are fair and honest.

Ethical Advertising and Responsible Market Place Practices:

There has to be an understanding at all levels of employment that as AAR advertises within well defined policies which are truthful, fair, ethical and honest; it is stressed that each employee and sales rep holds the responsibility of being the living example of these values by personally living the company values and in this way become the live company advertisements. During the training enormous and constant emphasis is put on the buy-in and therefore understanding of the company's vision, mission and values.

Responsible Supply-Chain behaviour:

Employees and sales reps have to understand that AAR procurement and suppliers and other partner relationship policies are legally compliant, ethical, fair and honest.

Community Engagement:

From the outset AAR has been closely involved in community engagement programmes whereby the employees and reps, at all levels, are closely involved in the betterment of society through its social community works as a company and through EVP, employee volunteering programmes.

Environmental Stewardship:

Through AAR's close engagement with the environment, starting with Board members, senior management and right across the staff and sales strata, AAR has been associated with being continually and positively involved in internal and external programmes that impact on the betterment of the environment: using resources more efficiently: by reducing, recycling and where necessary disposing of toxic (medical) waste in an ethical and sustainable manner. Staff and sales reps are made aware through training and constant reminders to be the agents of climate change mitigation.

Community engagement:

As it started business some 30 years ago, AAR has been closely involved in community programmes where the staff is part of this investment. Through its close engagement, starting from the Chairmen, CEOs right across the staff strata, AAR has been associated with impacting on the social sustainability as well as being aware of any impact its business might have on the environment. It has succeeded in this by being closely involved in many social works as well as environmental programmes. It does this through its trust the AAR Beckmann Trust.

Community and Environmental Investment – AAR Beckmann Trust

EVP programmes:

AAR's corporate social responsibility in the area of community and environmental investment promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. The key areas of concern are environmental protection as well as the well being of employees: occupational health and safety and labour practices are being adhered to.

Constant efforts are being put into community investments. AAR employees have and continue to be included at every stage of community engagement through EVP programmes:

health camps, tree planting both at a personal and company level, giving time to children and old people's homes, setting up a Blood Donors Club, tying the latter with tree planning within the Trees for Health project headed by the company's trust: AAR Beckmann Trust. Further, AAR continues to engage with the community through dialogue and many of its programmes involve working with low-income schools.



Dr. Frank Njenga, renowned psychiatrist, and AAR Holding Ltd. Group Chairman with the Ujamaa Family Centre Manager

Ujamaa Family Centre in Mukuru kwa Njenga Slum

Through its trust; AAR has been involved in setting up, building and activating a community family centre, the Ujamaa Family Centre situated in the middle of one of the largest slum of Nairobi and next to a 2000 child-primary school. This centre functions to educate and create awareness on child nutrition, democracy, security, HIV/AIDS and alcoholism. In order to improve on performance in the school, parents have been encouraged to join either one or more of its programmes to get empowered and raise their self esteem, thus transferring the same to their children. The centre serves as a pool of information to empower the community for the future, as opposed to hand outs which are likely to leave the community poorer.

The empowerment results in the community members being able to initiate programmes on their own, running them successfully and benefiting themselves, their community as well as their children – most of whom attend the neighbouring government primary school. The vision is to see this family centre replicated.

Ruaraka Uhai Neema Hospital

Through its trust, AAR has been the instigator of funds and then the initiator of expanding a major surgical unit in Ruaraka Uhai Neema Hospital, a new hospital coming up close to large parts of low-income residential estates in the eastern part of the 4 million large city of Nairobi therefore in this way bringing affordable health care facilities closer to the people.

Recycling and being environmentally conscious

AAR will continue encouraging its staff and members to be more environmentally responsible through:

Water usage: AAR continues to encourage minimisation of water usage in its work place and encouraging its employees to do the same at home. Email reminders are being sent in this regard.

Litter disposal: AAR contracts licensed waste handler to dispose of medical waste. It encourages paper generated in the office to be taken for recycling. Plastics are also recycled wherever possible



Milk packages collected at AAR Head office, are re-used for tree seedlings propagation

Re-cycling: Paper recycling continues and any proceeds generated are further donated to the less fortunate and in this particular case to a paraplegics association.



In line with continual upgrading and expanding its community engagement programmes AAR continues to encourage staff members to get more involved in environmentally impacting programmes close to their own homes: cleaning surroundings of litter, fighting for mending roads, educating on the wise use of water, fighting for putting in cycle lanes and continual combating to keep common land from being grabbed.

Working with UNEP: 2011 was the year of the forests in UNEP and AAR employees are continually encouraged to plant a tree for each family member as well as themselves. Employees are regularly alerted by email, through bulletins and in the company's newsletter on the needfulness for general environmental consciousness. In partnership with UNEP, AAR aims at improving the understanding, raising awareness and generating dialogue, on the role of trees and forests in areas where it has influence in the development and transformation to green low-carbon economies.

Sinai Fire Victims



AAR donated surgical materials to Kenyatta National Hospital. The donation was towards treatment of Sinai fire victims -26 September 2011

Kenyans for Kenya

In 2011, AAR staff and reps joined other Kenyans in the fight against hunger by participating in the 'Kenyans for Kenya' an initiative that was coordinated by AAR Beckmann Trust. For one week AAR staff across the country forfeited milk in their office tea, the amount saved hereby together with cash and in-kind donations saw the purchase of a lorry load of high energy food-stuff that was handed over to Kenya Red Cross Society on 18 August 2011 to support the drought stricken areas of northern Kenya.



Kenyans for Kenya – supporting the drought stricken areas of northern Kenya

Nairobi Remand Prisons

AAR has been donating to the Nairobi remand in order to raise standards of living in the prison. In 2011 AAR donated an autoclave machine, suture packs, wound dressings and food stuff to the prison

AAR Group CEO (left) presents an autoclave and suture packs to former officer in charge of Nairobi Remand Pauline Wanja (in uniform)



Environment

AAR has been involved in environmental programmes, by complying to relevant environmental legislations in spheres where it has been conducting its business in the health care sector, therefore the rules and regulations from the Ministry of Health are adhered to. AAR's mission is **'to provide health care solutions that make a difference to life'**, 2011 saw the enhancement and continuation of environmental projects which impact on the general health of populations especially the low-income groups. Through the Tree for Health project whose motto is: make a difference to the community and to the earth even if it is one tree at a time.

Surveys put into place targeting over 400 schools have actually surveyed 600 schools, and 45 schools are on board the Trees for Health Project by the end of 2011.

Activities and Future Activities

UNEP - Collaboration

AAR has collaborated and partners with UNEP (UN Environmental Programme) in various areas: it continues to be a member of the Billion Tree Campaign, AAR collaborates with UNEP's Climate Neutral Network including participating in the UN World Environment Day 5th June celebrations.



Tree planting at Nzayo Primary school - Mtito Andei 2011

Trees for Health

'We can meet the challenges we face – the economic crisis, climate change, rising cost of food and energy, the effects of natural disasters. We can overcome them by putting people at the centre of our work.' UN Secretary, Ban Ki-moon said to mark the International Day for Eradication of Poverty on 17th October 2011. He called for greater efforts to accelerate the achievement of the Millennium Development Goals ([MDGs](#)), the anti-poverty targets world leaders have pledged to achieve by 2015.

Millennium Development Goals (MDGs)

The MDGs provide a framework for the entire international community to work together towards a common end – making sure that human development reaches everyone, everywhere. If these goals are achieved, world poverty will be cut by half, tens of millions of lives will be saved, and billions more people will have the opportunity to benefit from the global economy.

AAR's mission statement clearly states 'to provide healthcare solutions that make a difference to life. Therefore by delivering affordable but sustainable health services to the lower-income population in mind AAR set up the AAR Beckmann Trust in 2007. The prime

objective of the trust is to promote research and add value into activity areas which directly impact on health of the ordinary person who makes up the majority of the population.

One of the AAR's community programmes started in 1996 now taken over by its Trust, was to actively encourage a healthier population by promoting 'better health' through health programmes such as de-worming initiatives combined with environmental ones in schools.



Our Lady of Nazareth School in Mukuru slum in 1996 – devastation

The fact that the East African population is growing at a mean of 2% rate means that the various projects keep expanding. The Trees for Health project encourages schools to plant their own energy needs instead of buying firewood. Savings made are used for health needs of the school. 45 schools are on board this project as at end of 2011 and there is a growing and deeper partnership with GreenAfrica Foundation, VAP (Vijana Amani Pamoja), Best Buddies and Wildlife Clubs of Kenya



The same school 14 years after introducing Trees for Health

It is possible to change a depleted environment into one that is tree-bird – and child –friendly

At Our Lady of Nazareth School, in Mukuru kwa Njenga, 24 different bird species identified in September 2011 including the paradise fly catcher (pictured below)



De-worming programmes introduced into 45 schools by the end of 2011. Through AAR medical teams it has been identified that one of the biggest health hazard for children are worms. Children compete for nutrients with worms, which ultimately produces anemia and malnutrition, which in its more severe form causes breathlessness, leg swelling and exercise intolerance as well as lack of concentration and lack of physical strength. Bi-annual de-worming is an easy way of tackling this health problem therefore AAR Beckmann Trust went ahead and is introducing bi annual de-worming programmes to schools closely linked to the schools' tree planting initiatives.

1. **The destruction and depletion of tree** as we are all aware is leading to an unhealthy environment and is in the long run contributing to global warming. Sustainable de-worming programmes are being financed with the savings generated through the sustainable energy system created by the planting of trees on school grounds.



Depleted school ground



Growing of trees creates a child-friendly environment!

2. **Improving of sanitation conditions in schools as well as encouraging access to water:** The trust achieves this by encouraging and introducing tree planting to create a sustainable system by which the school can source their own firewood, or to harvest trees as a commercial source, freeing-up resources investing in specific basic but life saving health initiatives such as regular de-worming programmes, improvement of sanitation conditions and access to water.

Anti-Corruption

Business should work against corruption in all its forms, including extortion and bribery

Commitment

The scope of work of the internal audit activity is to determine whether the organisation's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure risks are appropriately identified and managed, among others issues.

The existence of corruption, including extortion and bribery increase the cost of doing business and diminishes proper governance of an institution. AAR has a strict code of conduct that guides behaviour when its officers interact with its suppliers, customers, general public and even within AAR itself.

AAR ensures that every employee signs a conflict of interest declaration annually and practices to the letter and the spirit the virtues contained therein.

There is also staff manual and procedures and guidelines to guide staff, reps, directors, locums and associates in ways that enhance good governance.

The company demands disclosure of gifts received in the course of one's duty, among other

disclosures, to dissuade corrupt practices. AAR takes deterrent action as a last resort. The action could range from termination of contract with AAR to prosecution in the Courts of law. Impunity is still a major challenge in this area.

Awards 2011

Medical Health Insurance provider, AAR emerged the winner of Best Medical Insurance provider of the year 2011 during this year's Insurance Awards. The awards ceremony held on 21 July 2011 had the presence of different key stakeholders in the Insurance Industry. The Insurance awards recognize and reward different insurance players who make and contribute to the Insurance Growth and retention.



AAR also picked the Most Socially responsible corporate in the insurance sector and a 1st Runner's up position - Best Customer Service Innovation.

Further, according to an independent survey done by Info Track, AAR as a Medical Insurance provider demonstrated proof of success of high level of retention; evidence of a clear customer oriented approach as well as the response to customer needs and enhanced quality of service. The company's socially responsible

program clearly demonstrated the positive results the programme has contributed to the growth and betterment of the community.

AAR Uganda scooped a prestigious IT prize for having met the technical financial assessment which include adoption of innovative and profitable writing strategies, innovative nature of products on offer, evidence of clear customer oriented approach underpinned by research into risks, response to customer needs and enhanced quality service as well as the While working towards achieving its vision and mission, the Trust however has faced several challenges many of which have triggered excellent ideas for future projects e.g. we no longer plant trees but grow them, and this means we really emphasis the need to have 98% survival rate. The trust wants to see more AAR employees and reps involved and taking part in the various project undertaken.

Reaching out to the community through the AAR Beckmann Trust

What has the Trust learned since it started approaching schools and encouraging them to plant trees and de-worming students

Here are some revelations:

- It has unlocked potentials by teaching the simple facts on personal responsibilities for health promotion and disease prevention
- Environmental development is closely linked to personal development
- By creating environmental values, we are able to generate economic and social values
- As a result, health becomes a conscious, socially engineered value
- Ultimately, there is no health without a healthy environment overall strategy for future growth