



## **AAR COP of Sustainability 2012**

### **AAR Group CEO's Statement of Commitment and Preamble**

I am pleased to reiterate AAR's commitment and support, where applicable, for the UN Global Compact's 10 principles.

In addition to the above in March 2012 AAR became the signatory of the Code of Ethics for Business in Kenya as well as an ardent supporter for the Rights of the Child in Business which was launched in Nairobi in October 2012. AAR core values of Timeliness, Caring Attitude, Quality, Integrity and Team-ness stride shoulder to shoulder with human rights under which the above rights fall. The values also form the invisible glue that binds AAR and continue to evolve as part of the company's culture and therefore also clearly support UNGC's codes.

In 2012 the fast growing East African region continued to be challenging in the health sector, but in spite of this AAR maintained its leading position in providing health care solutions making a difference to the lives of its customers and other service users as well as to the community and the environment in which it does business. 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 make a difference to lives of its members as well as community in general.

Skilled staff deficiency continues as a challenge in all the East African countries where AAR does business, and competing for technically skilled staff, especially in the medical sector, with the moneyed NGO sector is challenging, but with the growing tertiary education facilities opening up, AAR believes to be able to have 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 continued to invest into training employees in 2012

further 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. All AAR Staff and AAR Sales Representatives annually sign a Code of Conduct oath.

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  
March 2013



  
*Your health - Our priority*

**CoreValues**

**Quality**

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

• [www.aarhealth.com](http://www.aarhealth.com)



## UN Global Compact Report of Sustainability 2012

### Preamble

In spite of economical and political challenges in all the East African countries in 2012, **AAR** saw the formation of two new companies being set up in 2012: AAR Healthcare Kenya Ltd, and AAR Insurance Kenya Ltd. At the beginning of the millennium the Economist had a leading article on Africa calling it the lost continent, but in 2012 we saw this prestigious magazine admit that Africa is now the continent of the future. **AAR** has felt this growth as its health service business caters to the fast growing East African middle class.

**AAR** membership of the UN Global Compact has allowed it to take part in the putting together of the Code of Ethics for Business in Kenya and was one of the first signatory. In October 2012 saw the Kenyan launch of Child Rights in Business which was earlier launched in Europe.

**AAR** has always been aware of the fact that as it continues to run a sustainable and socially responsible business, its core values *Timeliness, Caring Attitude, Quality, Integrity and Team-ness* are being incorporated as the pillars in every decision and action the company makes on a daily basis. These core values have to also make a difference and be of significance to the daily lives of its employees and customers.

The staff and company sales-reps need to understand without question that the company's values are not cosmetic as these are the pillars which give **AAR** the means of not only guiding but also evaluating its operations and its future planning, and allow **AAR** to differ in the market. Each employee, no matter at what level, must understand and appreciate the fact that **AAR**'s core values are its anchor in making a difference to the way it does business and conducts its work. This is highlighted in every seminars, workshops and training sessions as well as bulletin.

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.

## Measuring

The challenge for **AAR** is to ensure that each employee and sales representative, no matter at which grade, understands that the responsibility of the company's welfare lies with the individual. He/she is the ambassador of the company. Since September 2008, when **AAR** joined the Global Compact, it committed itself to support and advance the ten principles of the UN Global Compact within its sphere of influence and as said the challenge has been to make each employee and sales representative understand what personal and corporate responsibility means.

Through the Balance Score Card **AAR** is able to measure staff outputs. In 2012 the upgraded HR manual, available in the company intranet, is easily accessible for perusal.

Since 2004 **AAR** has had a Corporate Social Responsibility policy statement which states: to achieve commercial success in ways that honour ethical values, compliance with legal requirements and respect for people, communities and the natural environment. Through its newsletters, through bulletins, company seminars, workshops and training the social responsibility is brought to staff attention.

By 2009 understanding what CSR means was incorporated into the general customer care training CeSaaR manual: 'Customer Excellent Service Achieves AAR Results'. The training manual was collated in-house making it more relevant, meaningful and owned by all **AAR** staff and sales representatives. By the end of 2012 most employees have now been trained and this will continue into 2013

## An overview of 2012 – AAR Holdings Ltd

In 2010 **AAR** received a 20% boost when in 2010 IFHA, Investment Fund for Health in Africa, bought a 20% stake into its business, which then was increased to 66% in 2012. IFHA is focused on developing healthcare in Africa, with emphasis on pioneering market-based services to improve healthcare delivery in sub-Saharan African countries.



*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](http://www.aarhealth.com)

As per **AAR** strategy this supported the expansion of its health care delivery sector and the formation of **AAR Insurance Kenya**. By the end of 2012 three new clinics were opened in Kenya which has further reinforced AAR's expansion plans in the East African fast growing middle class market/increasing consumer population.

The holding company is made up of several businesses covering healthcare clinics, health insurance, health finance and medical evacuation services.

### Brand

**AAR** powerful brand in the East African region has kept **AAR** in the forefront of competitors. The East African region has proved to be resilient to global downturn and albeit of above average corruption, political risks have diminished and with the signing of the East African Community treaty creating a powerful trading bloc in a region which is marching ahead with global branded companies opening their headquarters especially in Nairobi. (prediction: Brian & Company).

With a current membership of some 200,000, **AAR** is not only the East African leader in healthcare but is also the preferred provider for both the public and private sectors in East Africa. Today **AAR** has 26 health centres spread over Kenya, Tanzania and Uganda; **AAR Tanzania** has 5 factory clinics, and **AAR** prides itself with an extensive partner-provider medical network.





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## OurMission

We provide healthcare solutions that make a difference to life.

• [www.aarhealth.com](http://www.aarhealth.com)

It is **AAR**'s flexibility, innovation and readiness to respond to the needs of its clients that have today made **AAR** leading healthcare and insurance company in East Africa, as encapsulated in its vision, mission and core values which state that **AAR** want to be provider of choice for innovative and quality health care solutions in Africa, where it provides health care solutions that make a difference to life.

### **AAR Corporate Social Responsibility Policy**

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

In March 2012 **AAR** signed the Code of Ethics for Business in Kenya, and it is this code which will enable **AAR** employees to imbibe an ethically friendly culture as they understand the

- 4 UNGC principles: **Human & Labour Rights, Environment & Anti-corruption**
- Accept and live the company's policies & codes of conduct
- Understand and absorb AAR CSR policy – stated here above
- Live and understand the company's mission and vision statements
- Live AAR's Core Values of **Timeliness, Caring Attitude, Quality, Integrity and Team-ness**



*Your health - Our priority*

## OurVision

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

• [www.aarhealth.com](http://www.aarhealth.com)

## AAR 2012 Report of Sustainability

The **Codes for Business** listed here under, integrate into **AAR's Mission, Vision** as well as **Core Values** of Timeliness, Caring Attitude, Quality, Integrity and Team-ness which form the invisible glue that binds AAR. The Codes, the mission the vision and values all evolve as part of the company's culture and therefore clearly support UNGC's codes. This report will take the code as a reference.

### Code of Ethics for Business in Kenya

**AAR**, as a signatory of the Code of Ethics for Business in Kenya concurs to the ethics, which are inspired by the UN Global Compact Initiative; hence commitments have been drawn in line with the ten principles on Human Rights, Labour Rights, Environment and Anti-corruption

### Explanations of the Code of Ethics for Business in Kenya

The Code of Ethics for Business in Kenya identifies the stakeholders of a business and its specific commitments. The stakeholders are: **Organizations; Shareholders and Investors; Users of Products and Services; Suppliers, Contractors & Agents; Society; State & Government and Natural Environment**



- The commitments are based on respect, responsibility, compliance and corruption prevention with respect to each stakeholder. These commitments will serve to guide how businesses will interact with these stakeholders and hence companies are expected to design policies and actions that will make the Code a living document
- Commitments shall be renewed annually. Companies that adopt the Code shall be expected to report on this commitment on a yearly basis, a copy of which shall be availed to the Global Compact Network Secretariat at the Kenya Association of Manufacturers. The reports shall be availed publicly
- The Code shall apply to private businesses and is intended to complement, not replace, company codes
- Adoption of the Code will be on voluntary basis and adherence will not only require companies to visibly promote responsible business but also making public this commitment by way of annual reports, stating on the website and participating in relevant seminars
- Violation of the Code shall lead to measures being taken against the transgressing company by organized business (established business membership organizations). There are steps laid out for handling non-adherence and it shall involve discussion with the transgressing company, releasing of public statement expressing moral disapproval of the transgression and public exclusion of the company from the Code until the transgression has been corrected

**AAR, as a signatory of the Code of Ethics for Business in Kenya concurs to the ethics, which are inspired by the UN Global Compact Initiative; hence commitments have been drawn in line with the ten principles on Human Rights, Labour Rights, Environment and Anti-corruption.**

**As a leader, AAR sets the ethical tone in its organisations. AAR demonstrates its ethical commitment by crating policies and structures to implement the values and obligations of this Code in its organisations, and by reporting annually on its adherence to this Code.**





## Code of Ethics for Business in Kenya (signed by AAR in March 2012)

By adopting the Code, businesses are opting for a proactive means of handling responsible behaviour through self-regulation. This creates a thriving operating environment, devoid of too much regulation from government. AAR will endeavour to introduce the principles of the code in all the countries where it has a business presents.

### The Code

- **Is an initiative by the business community of Kenya (*and with the recent signing of the Common Market treaty, it is sincerely hoped that a similar taking up of an ethical code and signing will soon take place in the rest of the East African region*) to promote and enhance the ethics of business conduct in Kenya in line with the ten principles of the UN Global Compact in the areas of Human Rights, Labour Standards, Environment and Anti-corruption**
- **Applies to private companies who expect their business partners likewise to adhere to it, and**
- **Does not replace, but complements, individual company codes of ethics**

### The Code goes on to state:

We, the business community, recognise that ethical business brings about good business. We are committed to play a proactive role in building a globally competitive and prosperous nation, with a high quality of life, as envisioned in Vision 2030.

As good corporate citizens, we commit to treating our stakeholders with Respect, to run our businesses with Responsibility, to act with Compliance with applicable laws, and to be actively involved in Corruption Prevention. Our commitment to these ethical standards determines our interaction with our stakeholders (that is, our organizations; our shareholders and investors; users of our products and services; our suppliers, contractors and agents; our society; and our state and government) and the environment.

- ❖ As good corporate citizens, we commit to treating our stakeholders with Respect, to run our businesses with Responsibility, to act in Compliance with applicable laws, and to be actively involved in Corruption Prevention



### Benefits & Results

- ❖ It is expected that with these ethics in place, integrity in the conduct of businesses will be increased. This will help create a clean business environment, which has an ultimate effect of reduced cost of doing business
- ❖ This is the business' way of enhancing the sustainability agenda. By acting responsibly, businesses will contribute towards a better society and country; hence avoid instances of violations and harmful/misleading actions
- ❖ A company may also derive increased company profile arising from being associated with good corporate citizenship. It has been demonstrated that good corporate citizenship is a useful tool for competitive advantage. The reverse of this is damaging a company's image, once dented, is very hard to rebuild and could even be costly in terms of loss of market

### AAR - Labour & Human Rights

- **Respect**

AAR respects the human rights and dignity of all our employees and does not encourage unfair discrimination or favouritism

#### **Policy**

*AAR as an organization will uphold all internationally proclaimed human and labour rights principles across its operations. It complies with all legal and regulatory demands in countries where it does business and adheres to labour laws*

#### **Systems**

*In 2012, AAR HR department was able to compile all the various separately documented policies touching on staff welfare and conduct and instead formulated and compiled one comprehensive policy document. The policy document has been prepared into 3 versions for each East African country, Kenya, Uganda and Tanzania, by*



- **Responsibility**  
AAR takes responsibility for providing decent, safe and healthy work environments for its employees, and for developing their talent
- **Labour & Human Rights Compliance**  
AAR complies with labour laws and related regulations, safety and health policies, and standards of decent work programmes, institute internal control systems, and build a culture of corruption-free business practice

*customizing them to suit their local legislations*

### **Scope & Activities**

*In this regard part of the AAR HR function agenda for part of 2012 & 2013 was and continues to conduct HR policy awareness and education to all*

*staff via the intranet, workshops, seminars, newsletters and bulletins. Further, through the AAR HR Department, management is continuously equipped with necessary skills and understanding so as to interpret these policies as they apply them in their respective operations. AAR HR Department in 2012 upgraded the Staff Manual, as well as a Code of Conduct, which is annually signed by all AAR staff & sales representatives*

### **Outcome**

*The expected outcome is to have an informed workforce and in particular to have a staff force understand the various staff policies, code of ethics and company values as well as to have an easily accessible document to every AAR employee and/or AAR sales representative through the company intranet. All applications are also accessible through the intranet which allows for easier monitoring/review/amendments by management where necessary*



- **Corruption Prevention**

AAR actively develops anti-corruption programmes, institutes internal control systems, and builds a culture of corruption-free business practice

**Compliance**

*Compliance is comprehensively covered under AAR's new HR manual. The manual calls for declaration of conflict of interest when one joins AAR as an employee or as a sales representative; it also calls for such declaration whenever the circumstances demand for ongoing employees. The internal audit department is independent and offers objective assurance and consulting services to add value and improve AAR's operations. It helps AAR accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes*

**Outcomes**

*Measurements are still being put into action – albeit when fraud is detected impunity still persists in the whole of the East African region in various degrees, depending on the country, which still renders bringing the culprits to book challenging*

**Measurement**

*AAR's systems are open to third party auditors for verification (Ernst & Young) The company demand disclosure of gifts received in the course of one's duty, among other disclosures to dissuade corrupt practices. AAR takes deterrent*



### **Measurement**

*action as a last resort the action could range from termination of contract with AAR to prosecution in courts of law.*

*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*

*AAR is upholds Children Rights in Business – signed 10<sup>th</sup> October 2012*

### **AAR Shareholders and AAR Investors**

- **Respect**  
AAR respects its shareholders and other potential investors for financing the organisation, thus creating employment in the nations where AAR does business
- **Responsibility**  
AAR takes responsibility for economic development by pursuing a healthy return on investment
- **Compliance**  
AAR complies with principles of good governance that inspire investor confidence

### **Investment in 2012**

*2012 saw further investment by IFHA\* enabling to put into effect company's strategy of setting up to separate Kenya companies:*

*AAR Healthcare Kenya and AAR Insurance Kenya.*

*The investment has allowed for a healthy return on investment in 2012*

### **Board of Directors**

*Through the Board of Directors the company promotes a culture of awareness and sensitivity at all levels to potential conflicts of interest,*





- **Corruption Prevention**

AAR avoids corrupt practices that can harm the good reputation of its shareholders and other investors

***Compliance – Board of Directors***

*responsible for maintaining and preserving a balance between innovation and transparency*

***Action - Fully fledged Internal Audit***

*The setting up of a fully fledged and autonomous internal audit function in 2012 is a significant step in anti-corruption fight in AAR. The internal audit department answer directly to the Board Audit Committee*

***Scope of the Internal Audit***

*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 the suppliers, customers, general public and even within AAR itself*

***Measurement***

*AAR has a third party auditor, Ernst & Young.*

*Other measurement tools will be looked into in 2013*



*\*IFHA – Investor into AAR* - The Investment Fund for Health in Africa (IFHA) is a private equity fund dedicated to small to medium size (equity) investments in private healthcare companies in Africa. IFHA invests in private healthcare companies that operate in fast-growing markets and show unique advantages over the competition.

The IFHA team consists of professionals with a diverse range of experience in senior management, healthcare and health insurance. The IFHA team originated from PharmAccess Foundation, an organization that aims to contribute to building sustainable healthcare in Africa, and brings in together over 15 years of experience with working with the private healthcare sector in Africa.

### Users of **AAR** Services

- **Respect**  
AAR respects its customers and clients, does not mislead or exploit them, and values their feedback
- **Responsibility**  
AAR communicates truthfully on its products and services and takes responsibility for the safety of its customers and quality of its services
- **Compliance**  
AAR complies with consumer protection laws, refrains from anti-corruption practices, and ensures that its services meet health and safety standards
- **Corruption Prevention**  
AAR embraces corruption-free practices to ensure that users can trust its services

**AAR Mission**  
*to provide healthcare solutions that make a difference to life*

*Services offered in **AAR**  
(see below – AAR today to end 2012)  
Responsible conduct of business as stated in company's CSR policy*

**AAR Vision**  
*to be the provider of choice for innovative and quality healthcare solutions in Africa*

**Code of Conduct**  
*AAR has a strict code of conduct that guides behaviour when its officers, staff and sales representatives interact with the suppliers, customers and general public*



## **AAR Suppliers, Contractors, Medical Agents and Agents**

- **Respect**  
AAR interaction with its business partners is based on mutual respect and therefore AAR engages in win-win relationships
- **Responsibility**  
AAR encourages its business partners to share its commitment to responsible business
- **Compliance**  
AAR complies with all contractual and legal obligations agreed with its business partners, and it pays them on time
- **Corruption Prevention**  
AAR does not give or receive bribes and avoids corrupt practices that can harm its relationships with its business partners

### ***Contracts***

*Contracts are signed with its suppliers and medical business partners - separate contracts are signed depending on department's needs*

*Partners are encouraged but not forced to adhere to AAR ethics*

### ***Compliance***

*More stringent commitments will be perused in the course of 2013*

### ***Awareness***

*The existence of corruption, including extortion and bribery increases the cost of doing business and diminishes proper governance of an institution*

### ***Measurement***

*Stricter measurements to be implemented in 2013*



## **AAR Society (Corporate Social Investment)**

- **Respect**

AAR respects the people and social and cultural norms of the communities in which it operates

- **Responsibility**

AAR takes responsibility for the impact of its operations on local communities, and it contributes to the development and strengthening of the societies in which it operates

- **Compliance**

AAR complies with the ethical norms of the society from whom it earn its license to operate

- **Corruption Prevention**

AAR collaborate with communities and civil society organisations to create a corruption-free society

### **CSR – policy statement**

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

### **Responsibility**

*AAR, whose activities are in the medical field, takes its social responsibility very earnestly and is involved in many social project and programmes. AAR signed*

*\*The Children's Rights and Business Principles – extract from the rights*

*Trees for Health project also caters to schools with children with challenges*

*See various programmes - below*

*- AAR has 150 schools on board the*

*Trees for Health Project by end of 2012*

*- The Cluster Foundation – helping to improve lives of paraplegics*

### **\*Children's Rights and Business Principles**

"Children's Rights and Business Principles were developed in consultation with business experts, child right experts, civil society, governments and children. Save the Children, UNICEF and the United Nations Global Compact hope they will serve as an inspiration and guidepost for all businesses, everywhere, in their interactions with children.

Children's rights are an essential investment in our sustainable future. Human rights apply to all children. Safeguarding these rights helps build the strong, well-educated communities that are vital to crating a stable, inclusive and productive business environment.



A business that integrates respect and support for children into its strategy and operations generates benefits for children, society; and can generate real benefits for business as well. Positive action for children's rights can build reputations, improve risk management and enhance the social license to operate – including gaining and maintaining the support of the people who live and work where the business is conducted. A commitment to children can also help recruit and maintain a motivated workforce. For example, by supporting employees in their roles as parents and caregivers, and promoting youth employment and helping to ensure that the next generation has the skills a business needs to prosper – these are some of the concrete steps that a business can take.

**The Children's Rights and Business Principles** identify a range of actions that all business should take to respect children's rights – to prevent and address any adverse impact on children's human rights, as well as measures all business is encouraged to take to help support and advance children's rights. It recognizes the tremendous positive power of businesses large and small, and seeks to promote the best business practices. The principles call on the entire business community around the world to evaluate their impact on the rights of children; and to take action to make a difference for children.

### **Actions for Business**

Ten principles identify actions for all businesses to respect and support children's rights.

**Principles 1** outlines three core actions to be taken to achieve this corporate responsibility to respect children's rights – **policy commitments, due diligence** measures and **remediation**. It also encourages all businesses to go beyond respect for children's rights to the next steps of supporting and promoting children's rights. These actions are based on four basic principles of children's rights – survival and development; concern for their best interest, participation and freedom of expression; and equal treatment regardless of their status such as race, gender or disability. The remaining nine Principles encourage business to implement these core actions by considering the impact on children of all their activities and their relationships related to the workplace, marketplace, community and the environment.

**Principle 1** Meet their responsibility to **respect children's rights** and commit to supporting the human rights of children





- Principle 2** Contribute to the **elimination of child labour**, including in all business activities and business relationships
- Principle 3** Provide decent work for **young workers, parents and caregivers**
- Principle 4** Ensure the **protection and safety of children** in all business activities and facilities
- Principle 5** Ensure that **products and services are safe**, and seek to support children's rights through them
- Principle 6** Use **marketing and advertising** that respect and support children's rights
- Principle 7** Respect and support children's rights in relation to the **environment and to land** acquisition and use
- Principle 8** Respect and support children's rights in **security arrangements**
- Principle 9** Help protect children affected by **emergencies**
- Principle 10** Reinforce **community and government** efforts to protect and fulfill children's rights

## **AAR Deworming programme in Schools**

De-worming is an efficient investment in human capital

**Worm infestation is one of the major neglected diseases which hamper the ability of communities to pull themselves out of poverty. (WHO, UNICEF, World Bank...)**

According to the AAR research medical team one of the main demographic NCD drag causes for poor school performance are intestinal worms. WHO, UNICEF as well as the Kenya Ministry of Education, and Kenya Ministry of Health have clearly indicated that worm infestation is one of the major neglected diseases which hamper the ability of communities to pull themselves out of poverty.

Regular deworming contributes to good health and nutrition for school-age children, which in turn leads to increased enrollment and attendance, reduced class repetition, and increased educational attainment. The most disadvantaged children often suffer the most from poor health and malnutrition, and stand the most to gain from deworming.

The overwhelming effects of school-based deworming are a crucial step towards achieving universal global education.



Rural children waiting to be dewormed, others planting trees and others getting ready to wash their hands

### **Trees for Health** – (see: under Environmental)

AAR has put into place a programme called **Trees for Health** project where it combines the health of children with that of the environment.

Extracts from web:

#### **Evidence that school de-worming is beneficial and cost-effective**

**Partnership for Child development support by WHO< Child to Child, UN Children's Fund, UN Educational, World Bank, PCD, USAid, Pan American Health Organization, WFP, Save the Children and further endorsed by EA Network of HIV/AIDS & Education EA as well as Kenya Ministry of Education)**

#### **De-worming contributes to Education for All**

Studies in low-income countries of Africa, South America and Asia confirm that children with intense worm infections perform poorly in learning ability tests, cognitive function and educational achievement. Differences in test performance equivalent to a six- month delay in development

Absenteeism is more frequent among infected than uninfected children - half much as their uninfected peers



De-worming can benefit children's learning and substantially increase primary school attendance and significantly increase a child's ability to learn in school

#### **De-worming is an exceptionally low cost intervention**

Operational research in Ghana and Tanzania has demonstrated that for the first five years of intervention, the average yearly cost of delivered treatment is very inexpensive [5].

#### **De-worming gives a high return to education and labor income**

A randomized evaluation of school-based mass de-worming for schistosomiasis and intestinal worms in Kenya reduced absenteeism by one-quarter.

De-worming was the most cost-effective method of improving school participation among a series of educational interventions.

De-worming is therefore an efficient investment in human capital.

#### **De-worming has major externalities for untreated children and the whole community**

By reducing the transmission of infection in the community as a whole, de-worming substantially improves health and school participation for both treated and untreated children, in treatment schools and in neighboring schools. As a result, treating only school age children can reduce the total burden of disease due to intestinal worm infections by 70% in the community as a whole.

They also explain why de-worming is beneficial even without improvements in sanitation.

#### **De-worming targets one of the most common, long-term infections of children in low-income countries.**

For girls and boys aged 5 to 14 years in low-income countries, intestinal worms account for an estimated 11 and 12 percent, respectively, of the total disease burden, and represent the single largest contributor to the disease burden of this group.

An estimated 20 percent of disability adjusted life years lost because of communicable disease among school children is a direct result of intestinal worms.

### **Combining environmental health with human health - recycling**

#### **The hub of hope for those who have been hopeless**

Some five years ago TCF, The Cluster Foundation, was set up which involved itself to improve the quality of life for people who suffer from paralysis (PWP) as a consequence of accidents. TCF rallies paraplegics out of their homes and it has become a hub through which PWPs are encouraged to come back into the mainstream of society bringing them hope. What TCF is doing & has done look up:

[www.theclusterfoundation.org](http://www.theclusterfoundation.org)



In order to raise money The Cluster Foundation has found an ingenious way of doing just that: it collects newspapers in offices the sale of which allows them to run their office.

Here is where AAR has been helping by rallying its staff and reps to bring their old newspapers.

AAR also encourages other companies to do the same.

Encouraging staff to participate in such a simple act as bringing its old newspapers creates a sense of wanting to help the less fortunate.

## **AAR State and Government**

- **Respect**  
AAR respects the elected governments, the rule of law, and all organs of the state in countries where it conducts business
- **Responsibility**  
AAR is responsible and law-abiding corporate citizens who co-operates fully with governments to promote good governance in countries where it conducts business
- **Compliance**  
AAR complies with all laws and regulations of countries where it conducts business, and it pays its taxes
- **Corruption Prevention**  
AAR does not bribe public officials or engage in corrupt practices, it reports corruption, and it collaborates with governments where it conducts business, to stamp out corruption

### ***Adhering to the laws***

*AAR adheres to laws of the lands where it does business. Its policies and practices are all in compliance where necessary*

### ***Member of various government bodies***

*KEPSA, FKE etc*

### ***Measurement***

*AAR has a 3<sup>rd</sup> party auditor Ernst & Young, assuring compliance to laws and regulations and advises on tax payments and compliance*

### ***Internal Audit***

*The audit department carries out scheduled audits based on the annual plan. The audit plan is a product of a risk base process that identifies key areas that pose the greatest risk to AAR business health. AAR is very much aware that corruption, especially involving bribery and extortion, compromises the entire internal control system*





## **AAR** Natural Environment

- **Respect**  
AAR treats natural environment and biodiversity with respect
- **Responsibility**  
AAR takes responsibility for its impact on the natural environment, supports green business practices, and take remedial actions to ensure the sustainability of natural resources
- **Compliance**  
AAR complies with environmental laws and regulations and implements environmentally sustainable practices

### ***Environmental Policy Statement***

*to practice and take business decisions which do not impact negatively on the environment*

#### ***It does this through:***

- *drawing awareness of staff to the equitable use of resources without degrading the environment or risking health and safety*
- *encouraging the conservation and enhancement of natural as well as man-made heritage, including biological diversity and unique ecosystems*
- *encouraging the improvement of conditions and productivity of degraded areas*
- *drawing awareness and understanding of the link between environment and development*
- *promoting individual and community participation in the company in making a positive impact on the environment around themselves*

*AAR acknowledges the fundamental right to environmental protection so that we humans have the right to live in a healthy environment*

### ***Office and Health Centres***

*Offices and AAR health centres make an effort to implement environmentally sustainable practices: water, electricity,*





wherever possible

*laboratory and other medical waste,  
recycling of paper*

**External**

*Being in the health sector, AAR has  
concentrated on how the environment  
impacts on human health, especially that of  
children – introduced **Trees** for **Health**  
**Project** [aarbeckmanntrust@aar.co.ke](mailto:aarbeckmanntrust@aar.co.ke)*

- **Corruption Prevention**  
AAR avoids corrupt practices  
that can degrade our natural  
heritage

*Complies through its policies*

### **AAR - **Trees** for **Health** - project**

AAR Holdings took a strategic decision in 2007 and the AAR Beckmann Trust was set up with the aim to facilitate development of a healthcare environment which impacts right down to the lowest income earners. One of the trust's goals is to improve human, especially children's, health conditions through better environment and sanitation.

It was in the 1990ies that AAR recognised schools as being a major user of firewood and AAR began to encourage them to plant their own energy. In 2009 the AAR Beckmann Trust decided to further intervene by introducing the **Trees** for **Health** project. The aim is to both educate and directly enroll schools in the art and benefits of tree planting and how this can impact on human and environmental health.

The **Trees** for **Health** project has three components: 1) the **School Tree Planting** programme; 2) the **De-worming** programme which is directly the result of the first; and 3) **TOT – Trainers of Teachers** programme, based on learning and action, this programme creates awareness of environmental stability by creating a multiplier effect in communities situated around the schools and provides continuity.

#### **School Tree Planting** programme

AARBT works with schools in low income populations to educate students and teachers on the need for environmental conservation and the benefits that a healthy eco-system provides. It also directly contributes to the Kenya 2030 Vision to see a 10% tree cover from today's 1.5% cover.



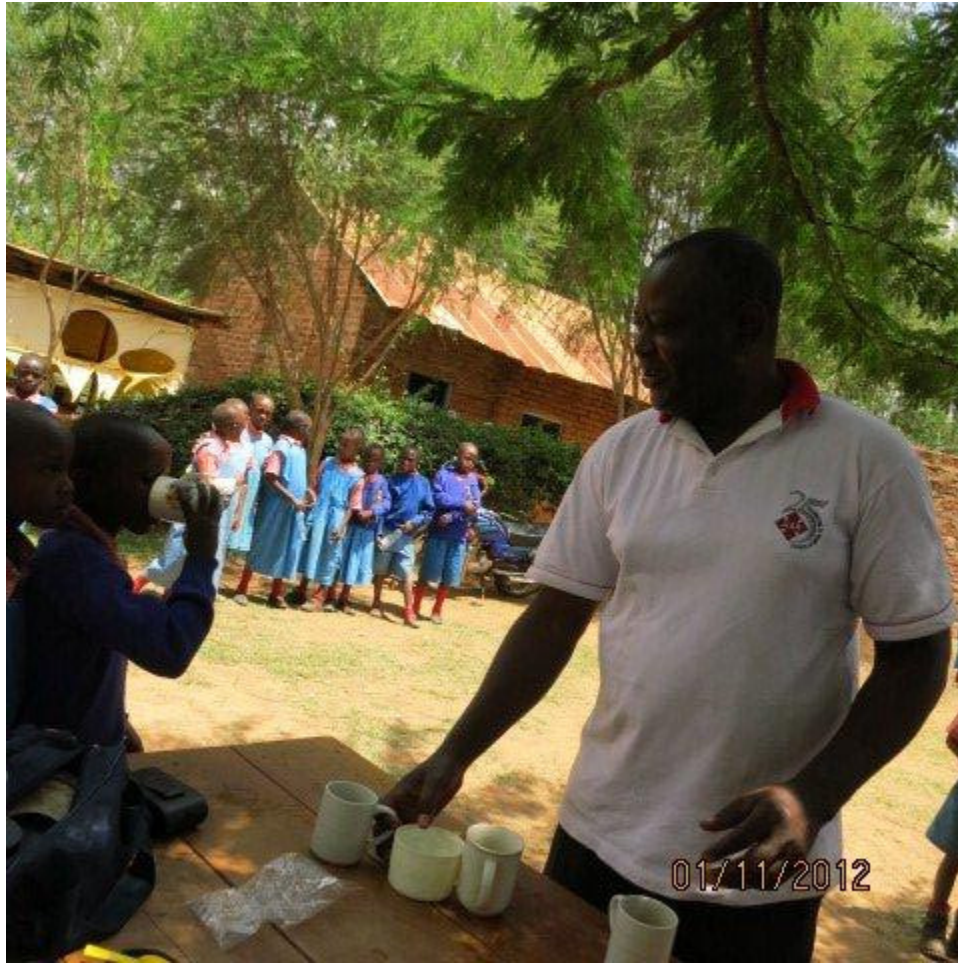
Tree planting demonstration in a Kenyan rural school

School children take direct responsibility for preparing the tree holes, planting the seedlings and caring for them until they mature. This is achieved through practical lessons in tree planting and caring.

Schools are a large user of firewood, as they grow their own source, they free up resources which can now be spent on life saving health initiatives such as de-worming and improvement of sanitary conditions.

#### School Children **De-worming** programme

According to WHO, UNICEF and AAR research medical team, one of the main demographic neglected diseases is worm infestation. Worm enter children bodies through the water they drink or the food they eat. Worm infestation drags school performance down and once established in the host i.e. children, they steal vital nutrients from the children's digestive tract and deplete their intellectual energy. Among other things it causes iron deficiency anaemia. Anaemia is an insidious illness that may cause no apparent symptoms, but will eventually present with malnutrition, malaise and fatigue.



Deworming in the field

The problem can be easily and **inexpensively** tackled by having a regular de-worming programme in place.

The School Children **De-worming** programme is financed by parents (establishing self-sustainability) or with the savings generated through the savings made through the sustainable energy system created by planting trees on school grounds. Any remaining monies are used for other essential health requirements such as access to proper sanitation and clean water among others. Lack of proper sanitation is a big problem in schools and low income communities.

#### TOT – Trainers of Teachers programme –

##### **Multiplier effect into the communities**

As we know training others is the best way to spread knowledge and empower individuals, AARBT has developed a school programme that teaches students, teachers, and community members how to plant trees, take care of them and perpetuate the training of others. The consequence is a multiplier effect.





Based on learning and action, this programme creates awareness of environmental stability by creating a multiplier effect in the community and provides continuity to the Trust's **Trees** for **Health** planting project in schools.

#### Trees for Health project impacts

- Re-forestation (Kenya Vision 2030 aims at 10% forest cover by 2030)
- **Encouraging self sustainability:** Schools growing their own firewood on school grounds
- **Generated/saved funds used for basic preventive health needs** such as
  - De-worming of school children
  - Encouraging & improving better sanitary conditions (dirty toilets are a source of re-infection)
  - Introduction of cleaner and more efficient cook stoves – multiplier effect into community
  - Introduction of safe drinking and water accessibility for hand washing
- **Environmentally conscious generation:** directly involving schools, communities, teachers and children, in the tree planting process from hole preparation to care and management of the tree, hence encouraging an environmental conscious generation
- **Enhancing self-sustainability:** community i.e. parents pay for the inexpensive de-wormers – less than USD 0.50 a child

#### Conclusion

## AAR Today

With a current membership of 200,000, AAR is not only a leader in the provision of healthcare and other medical and life solutions, but is also the preferred provider for both the public and private sectors in East Africa

**AAR** is also alert to the need to be always ahead in its service delivery and is committed to the continuous improvement of its services and infrastructure. By the end of 2012 AAR had expanded its clinical base to 26 throughout the East African region. It also runs factory clinics in Tanzania, and works closely with an extended partner network

#### Clinics – Health Centres

**AAR** is today the largest and most successful private healthcare company with a footprint in the East African region. It operates 26 health centres spread over Kenya, Uganda and Tanzania and 5 factory clinics in Tanzania; through its partner network it



has a presents in Rwanda, Burundi, Southern Sudan; it provides preventative and curative healthcare to clients from all walks of life

### **Health promotion and prevention**

**From the outset it is in AAR's culture to have prevention right in the forefront of services offered in all AAR Health Centres**

### **PREVENTIAON – PREVENTION – PREVENTION and EDUCATION**

Prevention is better than cure. This is an integral part of services provided in AAR's health centres

### **Nurse Help Line and 24 hour Call Centre and 24 hour medical facilities**

AAR has a twenty four hour Nurse Help Line and Emergency Call Centre. It now offers a 24 hour telemedicine service.

### **Rescue**

**AAR** offers rescue and evacuation services to its members from anywhere in the world

### **Insurance**

**AAR** has 2 separate insurance companies, AAR Insurance Tanzania and AAR Insurance Kenya, and in the course of 2013 AAR Uganda will be set up. These companies are regulated by the laws of the different countries they operate in as medical and general insurance companies

### **AAR Credit**

Through AAR Credit Services, **AAR** members have a facility that finances their premiums and allows them to conveniently pay their annual membership fees and other personalized loans. Through this service, AAR goes the extra mile by adding value to its members by easing their cash flow and allowing them to upgrade and retain their membership. The credit service is currently available to AAR members in Kenya, Uganda and Tanzania





### **IT System**

**AAR** has renewed and implemented a new, robust clinical and administration IT system to create and support its 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

### **Rewards/Customer Loyalty Programmes**

In order to enhance its services to its members, **AAR** has incentive programmes which entitles its members and non-members but users of its services to special offers. The aim of these programmes is to provide AAR members with additional value above that provided to them through their health plans. The special offers are made available through a network of selected partners. Redeeming of offers from partners is applicable to AAR members across its membership base regardless of membership type. The ultimate goal is the strengthening of customer relations and enhanced customer loyalty

### **AAR Beckmann Trust**

The CSR arm of AAR is administered by the AAR Beckmann Trust which was set up in 2007. It also runs the Employee Volunteer Programmes, and its aim is to facilitate the development of a healthcare environment and network that ensures competency and quality of life.

The Trust's vision is to see an East Africa where every individual can access health and enjoy a wholesome quality of life and its mission is to improve health and living conditions of low-income communities in East Africa by involving and empowering the lower income sector of the population in initiatives that foster a healthy environment.

### **Looking Ahead**

**AAR** is committed to fulfilling its mission and its vision and is continuously on the lookout for opportunities on the African continent. AAR already has a presents in Nigeria and Ghana. It has received and is studying a number of special interests and invites from the governments of countries neighbouring Eastern Africa - including Somalia, Ethiopia, Zambia, Eastern Congo and Southern Sudan – who wish to benefit from its services and learn from its experiences