



AAR Group CEO's Statement of Commitment 2013

For five consecutive years now, **AAR** has demonstrated unwavering support for the United Nations Global Compact, which it joined in 2008, and wherever possible, it has aligned its business practices to support UNGC's Ten Principles.

In 2013, the fiftieth anniversary of Kenya's independence has provided **AAR** with a unique opportunity to reflect anew on what Kenya and the other East African countries need, and how it can be positioned to address those needs. Consequently, **AAR** has redoubled its efforts to enhance the health of its citizenry through preventive health programmes, not only in Kenya but in all the other countries where **AAR** has a presence, and acknowledged the serious impact of global climate change on the countries' health and well-being by signing in December 2013, to the United Nations Global Compact Water Mandate.

Dr. Frank Njenga, Group Chairman of **AAR Holdings** Ltd., summarizes **AAR**'s perspective on the challenge of guiding present-day Kenya into a rich and healthy future in his contribution to the publication, "Fifty Years Since Independence - Where is Kenya?" In his words, "The next fifty years will require that Kenya build on those things it has done well, and consciously put in place a paradigm shift on what it considers good and equitable with respect to the duty owed by the present generation to the future." This can be adopted in all the countries where **AAR** has a presence.

In **AAR**'s view, proper stewardship of the organization requires the alignment of mission and work with the goal of improving the health, and therefore the education and economic well-being of its citizens. Currently, two Strategic Business Units (SBU's) comprise **AAR** - **AAR Insurance** and **AAR Health Care**. These have been set up, each with its own vision, mission, core values, and work. Across these SBU's, **AAR** invests in many solutions and aspects of health, with a growing concentration on preventive health care.

AAR strongly believes that healthier populations become better educated and more fruitful economically, and thus the company's work undertakes the betterment of health across its large and diverse landscape of modern-day Kenya, Tanzania and Uganda as well as sub-Saharan Africa.

During 2013, with new investors and partners Swedfund, **AAR Health Care** has set up four new health centres in the region, and it is strategising to increase this number considerably in the



coming years. These centres face many challenges, ranging from attracting, training, and retaining qualified staff to educating local populations in preventive health measures, often including sanitation, hygiene, and access to safe water.

The company's community education initiatives, working hand in hand with its trust (**AAR Beckmann Trust**), address these challenges, as does its additional work to address the consequences of global climate change. In fact, **AAR's** commitment to addressing the negative impact of climate change in the East African region - i.e., insufficient access to safe water - has led it to join the Kenya Climate Change Working Group (Health Thematic component), and, in December 2013, to sign on to the United Nations Global Compact CEO Water Compact. Like its fellow 80 signatories, **AAR** acknowledges that a global water crisis exists, and that the company wishes to be part of the solution.

AAR is particularly interested in growing its trust's already substantial *Trees for Health* Programme, both within Kenya, other East African countries where it has a presence and other sub-Saharan nations. With almost 50 percent of the developing world's population lacking access to safe water, thousands of children are sickened and killed each day, while many thousands more suffer impoverishment and diminished opportunities for health and education. *Trees for Health* Programme directly addresses this problem, especially as it is coupled with deworming, basic forestry addressing environment health, and hygiene education.

Conducting business in the East African region continues to be challenging, but **AAR** remains committed to maintaining its leading position as a provider of health care solutions as well as insurance services to its members and other service users.

AAR prides itself on its strong brand, which respects its core values, and ensures that its commitment to social responsibility is demonstrated across the company - from the boardroom to the front line. All **AAR** staff and sales representatives sign an annual Code of Conduct oath, and in return, receive training that incorporates, embraces, and helps implement the goals set forth in the UN Global Compact, the national Visions and the Millennium Development Goals. In this way, **AAR** endeavors to deserve its members' and other service users' trust, as it strives to advance their health and well-being.



Jagi Gakunju
AAR Group CEO
April 2014

UN Global Compact - AAR Sustainability Report 2013

Preamble

East African economies experienced serious economical and political challenges in 2013. Kenya, though had a calm March 4th 2013 elections and we celebrated Kenya's 50th Jubilee. In spite of these challenges, **AAR** saw the expansion of its network throughout the region and **AAR Health Care** has 30 health centres in the region at the end of 2013 with half a dozen more opening in the new year.

Two Strategic Business Units (SBUs) - AAR Insurance and AAR Health Care

AAR has always been aware of the fact that as it continues to run a sustainable and socially responsible business, its core values are daily being incorporated as the pillars in every decision and action the company makes. **AAR Insurance and AAR Health Care** now have their own independent vision and mission statements as well as core values which continue to make a difference and being of significance to the daily lives of employees, customers and many other stakeholders.

Staff and sales-representatives unquestionably need to understand that their 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, understands and appreciates the fact that **AAR**'s core values are its anchor in making a difference to the way the company does business and conducts its work. This is highlighted in every seminar, workshop and training session as well as in bulletins and newsletters.

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 are 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.

Overview of 2013 – AAR Insurance and AAR Health Care

In 2010 IFHA (Investment Fund for Health in Africa), bought a 20% stake in **AAR**, which then was increased to 68% in 2012. IFHA continues to invest and support **AAR** as it is focused on developing healthcare in Africa, with emphasis on pioneering market-based services to improve healthcare delivery in sub-Saharan Africa.

As per **AAR** strategy the investment supports the expansion of its health care delivery sector and the formation of **AAR Insurance Kenya**.

AAR Health Care opened 4 new health centres by end of 2013 which have further reinforced **AAR**'s expansion plans in the East African fast growing middle class market/increasing consumer population. In 2014 four to six more health centres will be opening throughout the region.



Brand

AAR's powerful brand in the East African region has kept it in the forefront of competitors. The East African region proves to be resilient to global downturn and continual corruption, political risks have diminished and the signing of the East African Community treaty has created a powerful trading bloc in a region which is marching ahead with many global branded companies opening their headquarters mostly in Nairobi but also in the other East African capitals to tap into the 139 million strong population and growing middle class. According to World Bank the growing middle class in sub-Saharan Africa is outpacing the global average.

With a current direct membership of some quarter of a million members, and some nearly million member and fee-for-service visitors coming through its health centre doors annually, **AAR** is not only the East African leader in primary healthcare delivery but is also the preferred healthcare provider for both the public and private sectors. Today **AAR Health Care** has 30 health centres spread over Kenya, Tanzania and Uganda; **AAR Healthcare Tanzania** has several factory clinics. **AAR** also prides itself with an expanded healthcare partnership network in East Africa, other parts of Africa and with many international prestigious healthcare-networks globally.

It is AAR's flexibility, innovation and readiness to respond to the needs of its clients that have today made AAR the leading healthcare and insurance company in East Africa

As a driving force in the health provision sector **AAR's employees** are strongly aware of their responsibility to the company's members, service users, suppliers and community at large. **AAR staff** and **AAR sales representatives** take up their tasks earnestly guided by their company's constant dedication to adhere to the ethos of the company's values which in 2013 have been expounded. The company is looking forward to celebrating its 30 years anniversary in 2014 knowing that its values have made a difference to millions of lives over the course of its 30 year history.

AAR will celebrate its 30 year anniversary in 2014

Investments

IFHA – Invests into AAR in 2010 – Swedfund invests in AAR Health Care in 2013

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. In 2014 IFC will invest into **AAR** regionally.

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 over 15 years of experience with working with the private healthcare sector in Africa.



Swedfund Investment: Sub-Saharan Africa is an area of growth markets and Swedfund (fully owned by the Swedish Government) saw an opportunity in investing into **AAR Health Care**. April 2013 saw Swedfund come in with a substantial investment having found its match. Swedfund provides risk capital, expertise and financial support and its mission is 'to encourage economically, environmentally and socially sustainable developments.' Its vision is 'to establish long-term sustainable, profitable businesses with good working environments and corporate cultures. Only well-functioning businesses and industries can ensure economic growth, create jobs and satisfy the demand for goods and services. This nurtures stability and prosperity while combating poverty.'

Swedfund continually evaluates its investments from an ethical point of view. In ongoing dialogue with its partners and other interested parties, it stresses the importance of cohesive corporate cultures, *social responsibility*, human rights and supportive workplaces. Aware that economic development affects the environment, Swedfund identifies and strives to minimize any negative impact in its investments.

It, therefore, assesses the ethical and environmental consequences of its investments on the basis of Swedfund's Policy for Sustainable Development, which proceeds from ILO, UN, World Bank, EDFI and OECD guidelines. The policy is the updated version of its Environmental Policy and Code of Best Practice – (see web). Swedfund has attested to the UN Global Compact.

Measuring

The continual 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 the challenge has been to make each employee and sales representative understand what personal and corporate responsibility means. Through the Balance Score Card (BSC), a modern performance management tool, **AAR** is able to measure staff outputs. The HR manual – separate one for each country where **AAR** has a presence - is available for perusal in the company intranet and is easily accessible by **AAR staff** and **AAR representatives**.

<p>Since 2004 AAR has had a Corporate Social Responsibility policy statement stating</p>	<p><i>Corporate Social Responsibility - policy statement</i> to achieve commercial success in ways that honour ethical values, compliance with legal requirements and respect for people, communities and the natural environment</p> <p>Working in collaboration with Ufadhili Trust info@ufadhilitrust.org</p>
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<p>Disseminating information</p>	<p>Through its newsletters, through bulletins, company seminars, workshops and training the social responsibility, in all its components, is brought to the public, staff and service users' attention</p>
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By 2009 understanding what CSR means was incorporated into **AAR's** 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. Continual training took place throughout 2013.

What does CSR mean in **AAR**

Social Responsibility, whether personal or corporate, means the willingness by **AAR** to take responsibility and be accountable for the impacts created by its activities and decisions.

CSR in AAR is <u>not</u>	<ul style="list-style-type: none">• collection of discrete practices• occasional gestures• a collection of initiatives led by short-term motivations based on marketing, public relations or other business benefits <p>Working in partnership with Ufadhili Trust info@ufadhilitrust.org</p>
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Corporate Social Responsibility in **AAR** is making a difference while making a profit

CSR in **AAR** aim is to make business profitability a better indicator of social welfare by ensuring that the self-interested actions of business guided by the profit motive contribute to the prosperity of the business and also further the common good

CSR in **AAR** involves managing and balancing stakeholder relationships and interests so as to add the following values to produce a positive sustainable impact for the business and society:

- social
- environmental and
- economic





Trees for Health Deworming programme at a rural schools

Combining human health and environmental health

Combining the health of the environment by *tree* planting in schools to address school's *energy needs* while addressing basic health issues such as:

- **worm infestation** — a major neglected life threatening condition
- **access to drinking water** - a major neglected issue in many schools
- **access to water at toilets for washing hands** — prevention is better than cure

Elements of CSR in AAR

- **Corporate Governance**
 - Corporate Governance is the process of decision making in AAR by persons charged with the responsibility of undertaking the organizations objectives with the aim of increasing shareholders value while taking into account the interests of all other stakeholders: employees, customers, community, business partners, government, the general environment and nature
- **Workplace (Labour & Human Rights) & Employee Welfare**
 - This process incorporates the principles of accountability, transparency and integrity, therefore quality assurance managers and officer positions were established in 2013. This creates an environment conducive to enhance:
 - Human Rights are the basic rights and freedoms to which all humans are entitled. They are essential to the rule of law and form the basis of any business. They are broadly categorized as civil and political rights, as well as social, cultural and economic rights. A business should carry out its operations while respecting promoting, and defending human rights. AAR also champions human rights issues amongst those in its supply chain
 - Labour Rights is the relationship between the business and those it affects directly and indirectly with its policies and practices relating to work performed within it, by it or on its behalf
- **Comply with all regulatory needs in the various areas of its business**
 - A company's impact on society in the marketplace is made up of the impact of what it produces and in AAR case the services it provides and how it buys and sells these services.
 - How much value or harm do its services generate: no survey has been done but its approach to marketing advertising and procurement is fair and honest, as well as effective
 - This concerns the ethical conduct of the business in its relationship with those it comes in contact with including partners, suppliers, government agencies, contractors, competitors and communities as well as the environment
 - This includes: service information; ethical advertising; pricing; consumer rights; service safety; consumer support services; consumer data protection and privacy and responsible supply chain behaviour
- **Community Engagement and Corporate Giving**
 - This is the relationship between the business and other institutions operating in the community as well as its interaction with society in promoting better standards of living
- **Environmental Stewardship**
 - Environmental stewardship is concerned with the direct and indirect impacts of the business on living and non-living natural systems including ecosystems, land, air, bio diversity and water. Some of the major Principles of Responsible Environmental Stewardship are having a precautionary approach; recycling management and engagements; pollution management; sustainability; climate change mitigation; rehabilitation

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Sustainability and Code of Ethics in Business in Kenya

In March 2012 **AAR** signed the Code of Ethics for Business in Kenya, and it is this code which enables **AAR** employees to imbibe an ethically friendly culture as they understand the **4 UN Global Compact principles**:

- Human & Labour Rights, Environment & Anti-corruption
- Accept and live the company's policies & codes of conduct
- Understand and absorb **AAR** CSR policy:-
to achieve commercial success in ways that honour ethical values, compliance with legal requirements and respect for people, communities and the natural environment
- Live and understand the company's mission and vision statements
- Live its Core Values

Preamble

The Codes for Business listed hereunder integrate into **AAR's Mission, Vision** as well as **Core Values** 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 and principles.

AAR Insurance – *You are in Control*

Mission: we deliver value by empowering people to take control of the things that matter most

Vision: to be the insurance partner that protects Africa's future

Values: empowerment, flexibility, efficiency, ethics and legacy

AAR Healthcare – *As human as you*

Mission: to provide healthcare solutions that make a difference to life

Vision: to be the provider of choice for quality healthcare solutions in Africa

Values: nurturing, excellence, ethics, integrity and legacy

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.

AAR signed the Code of Ethics for Business in Kenya in March 2012.



Components of the Code of Ethics in Business in Kenya

- 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

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

By having adopted the Code, **AAR** is 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** endeavours to introduce the principles of the code in all the countries where it has a business presence.

Benefits & Results of the Code of Ethics in Business

- 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

Being sustainable

Making a difference while doing business



School before 1996



Same school after 14 years, 2010

Sustainability/AAR Code of Ethics Report

Contents

- **AAR** - Labour & Human Rights
- **AAR** - Shareholders & AAR Investors
- Users of **AAR** Services
- **AAR** - Suppliers, Contractor, Medical Agents & Agents
- **AAR** - State & Government
- **AAR** - Community Social Investment & respect of the Environment
 - **AAR** - Natural Environment

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

- **Responsibility**

AAR takes responsibility for providing decent and safe healthy work environments for its employees, and for developing their talent

Systems

In 2012, **AAR** HR department was able to compile all the various separately documented policies touching on staff welfare into one comprehensive policy document.

This document is easily accessible to all **AAR** Staff as well as **AAR** Sales

Representatives via the company intranet

The policy document has been prepared into 3 versions for each East African country, Kenya, Uganda and Tanzania, by customizing them to suit their local legislations

- **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

Scope & Activities

Throughout 2013 **AAR** HR conducted HR policy awareness and education to all staff and sales persons via the intranet, workshops, seminars, newsletters and bulletins

Outcome

To have better management control, compliance of SOPs – Standard Operation Procedures - Assurance Manager and officer positions has been established in **AAR** throughout the East African region in 2013

This enhances compliance to human quality assessment schemes, customer handling and uniformity of service and ensure that someone is setting the standards

- **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 HR manual which is accessible to staff on the intranet. The manual calls for the declaration of corruption-free and conflict of interest when one joins **AAR**; 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

With the new Quality Assurance Managers and Officers in place, ongoing compliance and monitoring takes place on every front. When fraud is detected impunity still persists in the whole of the East African region in various degrees, which still renders bringing the culprits to book challenging



Measurement

AAR's systems are open to third party auditors for verification (Ernst & Young to end of 1012 and Deloitte & Touches from 2013)

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 courts of law

The Balanced Scorecard (BSC), a performance measurement tool continues to be used throughout the company

AAR upholds *Children Rights in Business – signed 10th October 2012 putting into action children's rights through **AAR Deworming programme in Schools through the Trees for Health** project, **combining environmental health with human health.**

See: **Trees for Health** School deworming programme here below

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

Children's Rights and Business Principles were developed in consultation with business experts, child rights 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 interactions with children.

Children's rights are an essential investment into any 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.

AAR Shareholders and AAR Investors

- **Respect**

AAR respects its shareholders and other potential investors for financing the organisation, thus creating employment in the countries where **AAR** does business

Investment

2013 saw further investment by IFHA enabling to put into effect the company's strategy of setting up two separate **AAR** companies: **AAR Healthcare** and **AAR Insurance Kenya**. The investment has allowed for a healthy return on investment in 2013 as well as seeing the establishment of 4 new health centres

- **Responsibility**

AAR takes responsibility for economic development by pursuing a healthy return on investment

Swedfund invested into **AAR Health Care** and IFHA has continued to invest into **AAR** generally which has seen a healthy return on investment in 2013 as well as seeing the establishment of 4 new health centres in the East African Region

- **Compliance**

AAR complies with principles of good governance that inspire investor confidence

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 responsible for maintaining and preserving a balance between innovation and transparency

- **Corruption Prevention**

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

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 answers 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 intercompany **AAR** business*

Measurement

AAR has a third party auditor, Deloitte & Touche who do the statutory audit. Quality Assurance Manager and Officer staff members, established in 2013, monitor standard operation procedures, statutory requirement compliance, look into accreditation in various relevant areas such as structural, technical, environmental, disposal as well as staff safety. They make sure there is uniformity of service throughout the company

Users of AAR Services

- **Respect**

AAR respects its customers and clients, does not mislead or exploit them, and values their feedback

AAR Mission statements

- **AAR Insurance** delivers value by empowering people to take control of things that matter most
- **AAR Health Care** mission is to provide healthcare solutions that make a difference to people's lives

- **Responsibility**

Services offered in **AAR** see: <http://www.aarhealth.com>

Responsible conduct of business as stated in company's CSR policy and other company policies which are available for perusal by all employees on company intranet

- **Compliance**

AAR Vision & Mission statements and Values

AAR Insurance to be the insurance partner that protects Africa's future
You are in control to deliver value by empowering people to take control of the things that matter most
Values: empowerment, flexibility, efficiency, ethics and legacy

AAR Health Care to provide healthcare solutions that make a difference to life
As human as you are to be the provider of choice for quality healthcare solutions in Africa
Values: nurturing, excellence, ethics, integrity and legacy

- **Corruption Prevention**

Code of Conduct

AAR has a strict code of conduct which guides behaviour as its officers, staff and sales representatives interact with suppliers, customers and the general public. All employees annually sign a Code of Conduct policy statement

- **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

- **Measure**

Surveys are conducted throughout the year to measure customer satisfaction



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 & Compliance**
AAR encourages its business partners to share its commitment responsible business
AAR complies with all contractual and legal obligations agreed with its business partners, and it pays them on time
Contracts are signed with its suppliers and medical business partners - separate contracts are signed depending on department's needs
- **Corruption Prevention**
AAR does not give or receive bribes and avoids corrupt practices that can harm its relationships with its business partners
*Partners are encouraged but not forced to adhere to **AAR** ethics. With the setting up of quality assurance managers and officers there will be a greater overview of adherence.*
Awareness
The existence of corruption, including extortion and bribery increases the cost of doing business and diminishes proper governance of an institution
Measure
Working on a pre-qualification due diligence of suppliers during the 1st and 2nd quarters of 2014. Some of the requirements will be; signing an agreement; tax compliance; legal recognition as a business; employee work ethics & compliance with labour laws

In 2013 **AAR Insurance** communicated a compliance and legal communication requirement with all its partners.

AAR State & Government

- **Respect**
AAR respects the elected governments, the rule of law, and all organs of the state in countries where it conducts business
- **Compliance**
AAR adheres to laws of the countries where it does business. Its policies and practices are all in compliance where necessary
- **Responsibility**
AAR is responsible and law-abiding corporate citizen who co-operates fully with governments to promote good governance in countries where it conducts business
AAR is member of various government bodies
- **Measurement**
AAR has a 3rd party auditor, Deloitte & Touche, assuring compliance to laws and regulations and advises on tax matters and compliance. **AAR** has an Internal Audit department which directly reports to the Board Audit Committees
- **Corruption Prevention**
AAR does not bribe public officials or engage in corrupt practices, it reports corruption. To stamp out corruption, **AAR** collaborates with governments where it conducts business



- **Compliance, Measurement**

Internal Audit

The internal audit departments carry 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 keenly aware that corruption, especially involving bribery and extortion, compromises the entire internal control system

AAR Community Social Investment and Respect of the Environment

- **Respect**

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

CSR policy statement clearly has a communities and environmental component:

- **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, most of whose activities are in the medical field, takes its social responsibility earnestly and is involved in many social projects and programmes. **AAR** signed The Children's Rights and Business Principles – Extract from the Rights

<p>Children's Rights and Business Principles</p>	<p>"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.</p> <p>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.</p>
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N.B.

The Company's community engagement programme **Trees for Health** project (see: various programmes below) which by end of 2013 was partnering with 150 schools, also caters to schools with children with physical and mental challenges

- **Compliance**

See: here under various programmes

- **Trees for Health Project by end of 2013 AAR has 150 schools on programme**
- **The Cluster Foundation (TCF)** — helping to improve lives of paraplegics — combining proceeds from office recycling with making a difference in the community — a 'newspaper at a time' donated to **TCF**
- **Recycling of office paper and plastics** — proceeds go towards paraplegic programme **TCF**
- **Sitting on boards, trust and advisory committees**
 - Kenya Climate Change Working Group (KCCWG) sitting on the Health Thematic
 - Ruarka Uhai Neema Hospital — **AAR Beckmann Trust** sitting on hospital board
 - Ujamaa Family Centre — **AAR Beckmann Trust** sitting on centre's advisory board
 - School Impact Career Talks — EVP* (Employee Volunteer Programmes) managed by **AARBT**

*EVP: **AAR** offers its employees ways to be a part of the company's sustainability impact



- **Corruption Prevention**

AAR does not give or receive bribes and avoids corrupt practices that can harm its relationships with partners. **AAR** collaborate with communities and civil society organisations to create a corrupt-free society

*The same strict **AAR** code of conduct that guides behaviour when its officers, staff and sales representatives interact with suppliers, customers and general public, apply in all its dealings with non-business stakeholders in the community*

- **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

The company's EVP programmes allows employees to be involved in various community and environmental programmes

- **Measures**

A. Measures contributing to a healthier nation

B. Measures against Kenya Vision 2030 & other National Visions

C. Measures contributing to MDGs

D. Measures EVP, translating values into statements of action

A. Measures contributing to healthier nations where **AAR has a presence**

a.	Deworming programmes	- investing into human capital
b.	Planting of trees in schools	- unhealthy environment impacts on human health
c.	Recycling programmes	- reduce, reuse, & recycle – be an active player
d.	Making the difference	- AARBT sitting on various hospital boards, schools & community centre committees

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 (non-communicable diseases) drag causes for poor school performance are intestinal worm infestation. 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. Girls are the biggest beneficiaries.

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



Why de-worm?

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

Extracts from Web: Partnership for Child development support by WHO, Child to Child, UN Children's Fund, UN Educational, World Bank, PCD, US Aid, 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. De-worming can benefit children's learning and substantially increase primary school attendance and significantly increase a child's ability to learn in school.

Differences in test performance equivalent to a six-month delay in development has been noted.

De-worming is an exceptionally low cost intervention

Operational research in Ghana, Tanzania, Kenya, Far East has demonstrated that for the first five years of intervention, the average yearly cost of delivered treatment is very inexpensive. Children aged 5 – 15 years make up the group with the highest infection rate and highest worm burden, which contributes greatly to the contamination of the environment and poor sanitation and hygiene. It is estimated that about 400 million school-age children are infected with roundworm, whipworm and hookworm worldwide (Chan et al. 1994). (T.V. Luong Imperial College UK)

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 which clearly indicates that de-worming is an efficient investment in human capital



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

AAR's community engagement programme called
Trees for Health, a programme combining children's and the health of the environment

De-worming adolescent girls and women of child-bearing age

Studies clearly show that the contribution of hookworm infection to anaemia is such that all women of child-bearing age could benefit from periodic treatment in areas where these worms are endemic. There are three critical periods to consider for the intervention to improve or restore iron status in women. The first is around puberty, in preparation for the years of reproduction and greatest economic activity. Deworming during the pubertal growth spurts, yield a height benefit that a girl would carry with her throughout her life, thus reducing her risk of complications during childbirth, and increasing her physical capacity for work. The child she will bear has an enormous chance of being healthy.

De-worming has major externalities for untreated children & 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.

AAR Natural Environment

- **Respect**

AAR treats natural environment and biodiversity with respect

AAR's Environment Policy Statement

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

AAR 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*

- **Responsibility**

AAR takes responsibility for its impact on the natural environment, supports green business practices, and takes remedial actions to ensure the sustainability of natural resources

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

- **Compliance**

AAR complies with environmental laws and regulations and implements environmentally sustainable practices wherever possible

Internal

*Offices, agencies, **AAR Insurance** Branches and **AAR Health Centres** make an effort to implement environmentally sustainable practices: water and electricity conservation; 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, the **Trees for Health** Project was born in 2007 (aarbeckmanntrust@aar.co.ke)

- **Corruption Prevention**

AAR avoids corrupt practices that can degrade our natural heritage & complies through its policies

Community Engagement Programmes

Trees for Health

AAR Holdings Ltd took a strategic decision in 2007 and the **AAR Beckmann Trust (AARBT)** was set up with the aim of facilitating 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 a better/healthier environment and sanitation.

In the 1990s **AAR** recognised schools as being a major user of firewood and it began to encourage them to plant their own energy. In 2009 the **AARBT** decided to further intervene by introducing the **Trees for Health** project into **AAR**'s EVP community engagement programmes. **Trees for Health** project aims 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. (See: **Trees for Health** here under)

The **Trees for Health** project has three components:

- 1) **School Tree Planting** programme
- 2) School **De-worming** programme which is directly the result of the school tree planting programme
- 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 schools and provides continuity

1) *Trees for Health* 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.

The programme directly contributes to the Kenya 2030 Vision to see a 10% tree cover from about 1.7% cover in 2004 and showing a growth of up to 6.99% at the end of 2013

See: Kenya National Forest February 2014

School children take direct responsibility for preparing holes for seedling planting, then 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.





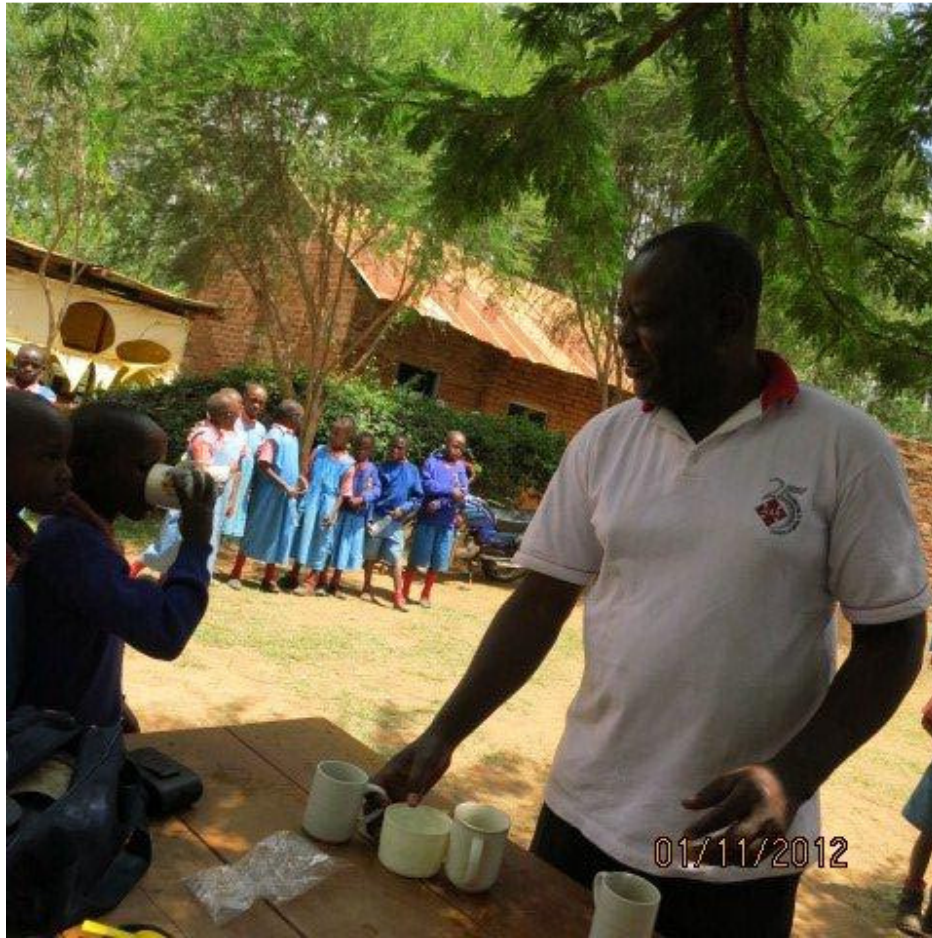
Continuing tree planting demonstration in Kenyan rural schools

2) *Trees for Health* School Children *De-worming* programme

According to WHO, UNICEF and **AAR** research medical team, one of the main demographic neglected diseases is worm infestation. Worms enter children bodies through the water they drink or the food they eat. Worms steal vital nutrients from children's digestive tract and deplete their intellectual energy, cause malnutrition, malaise and fatigue. (See: Extracts showing under MDG here above '[Evidence that school de-worming is beneficial and cost-effective](#)')

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

The School Children *De-worming* programme is co-financed by parents (establishing self-sustainability) or with the savings generated through the savings made by growing trees on school grounds and aiming at becoming independent for energy needs. Any remaining monies are used for other essential health requirements such as access to proper sanitation and clean water among others. Lack of proper and dignified sanitation is still, unfortunately, a big problem in schools and low income communities. Bringing water to the toilets for hand washing is a priority.



Continued Deworming in the field

3) *Trees for Health* 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 to the community.

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. AARBT partners the government, with Novartis, with Ruaraka Neema Uhai Hospital, with OLN Primary School, with Ujamaa Family Centre among other partners.

Trees for Health project impacts

- Addresses basic health issues: 50,000 children have been dewormed
- **Re-forestation**
Kenya Vision 2030 aims at 10% forest cover by 2030 – 30,000 trees have been planted in 150 schools– by end 2013 the 1.57% tree cover in 2000 has risen to 4% (Source - Kenya Forest Service)

- **Encouraging self sustainability**

Schools growing their own firewood on school grounds

- **Generated/saved funds used for basic preventive health needs**

- De-worming of school children (addressing MDGs) – 50,000 children dewormed
- Encouraging & improving better sanitary conditions - dirty toilets are a source of re-infection – (addressing MDGs)
- Introduction of cleaner and more efficient cook stoves – multiplier effect into community
- Introduction of safe drinking water and
- Water accessibility for hand washing at the toilets

- **Environmentally conscious generation**

directly involving schools, communities, teachers and children, in the tree planting process from hole preparation to care and management of planted trees, hence encouraging an environmental conscious generation – 30,000 trees planted on school ground

- **Enhancing self-sustainability**

AAR Beckmann Trust joins the *Kenya Climate Change Working Group (KCCWG), and sits in the Health Thematic Group which constitutes of various organizations and individuals in the health sector. The Health Thematic Group is the technical arm of KCCWG on matters concerning Climate Change and Health

*The Kenya Climate Change Working Group, KCCWG is a forum that brings together Civil Society Organizations, donor partners, government departments and agencies working in climate change and for climate justice; for the purpose of creating synergies, harmonizing and strengthening the efforts in the design and implementation of activities that address Climate Change, as well as advocating for favorable national policies in the promotion of climate justice for all, especially the most vulnerable.

AAR Beckmann Trust partnering with KCCWG

A major force combating the ill effects of climate change in Kenya, KCCWG supports projects that are effective, replicable, and easy to implement. *Trees for Health*, conceived and implemented by the **AAR Beckmann Trust**, is such a project, with significant, demonstrable impact on current and future Kenyans.

Simply stated, *Trees for Health* convenes groups in school settings to plant trees; learn basic forestry management; and partake in crucial health improvement programs, including deworming and basic sanitation education.

Since 2007, at little cost, *Trees for Health* has created projects in 150 school-based sites by the end of 2013. Schools are selected as the bases for operation for several reasons. First, schools are natural gathering places for children, the primary target population, and secondarily, for their teachers and families.

Secondly, schools typically are located in sites that suffer from deforestation, the loss of trees that is attributed both to climate change and to the over-harvesting of wood for fuel. Thirdly, schools are well-suited sites to implement the deworming of children, and to teach basic sanitation principles - including appropriate toilet behavior and hand-washing - that promote better health by inhibiting the spread of disease.

To date, *Trees for Health* has planted 30,000 trees in 150 locations, with local resources trained and responsible for their ongoing maintenance. Some 50,000 children have been de-wormed, erasing the negative health consequences of worm infestation, and equipping them to become healthier, and therefore, stronger students. And lastly, improved understanding of basic sanitation, including hand-washing, has yielded improved health and education readiness for all students involved.

B. Working towards achieving and measuring MDG

<p>Measure</p> <p>AAR</p> <p>addressing</p> <p>Millennium</p> <p>Development</p> <p>Goals – 2013</p>	<ol style="list-style-type: none"> <u>Eradicate extreme poverty and hunger</u> Achievements: Through AAR's community engagement programmes <ol style="list-style-type: none"> School de-worming programme. See: Trees for Health www.aarbeckmanntrust.com <i>Results: healthier children reflected in better academic results</i> School ground tree planting programme. See: www.aarbeckmanntrust.com <i>Results: healthier environment; wind break; available firewood as source of energy</i> <u>Achieve universal primary education</u> Achievements: Through AAR's EVP and AAR's community engagement programmes <ol style="list-style-type: none"> Career talks in schools <i>Results: general any medical studies guarantee a job. 8 last year students from a secondary school which had had career talks ended up taking up medical studies</i> School de-worming programme. See: Trees for Health www.aarbeckmanntrust.com <i>Results: improving children health for better education. De-worming was the most cost-effective method of improving school participation among a series of educational interventions which clearly indicates that de-worming is an efficient investment in human capital</i> <u>Promote a gender equality and empower women</u> Achievements: Through AAR's EVP and AAR's community engagement programmes – de-worming <i>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. Adolescent girls and women of child-bearing age when infected with worms, especially hookworm, are severely prone to anaemia which may stunt pubertal growth. Intervention to improve or restore iron status in women is very important from childhood, especially critical at puberty in preparation for the years of reproduction and greatest economic activity.</i> <u>Reduce child mortality</u> Achievements: Through <ol style="list-style-type: none"> Trees for Health School de-worming, tree planting & TOT programmes Working closely with community hospitals and clinics <u>Improve maternal health</u> Achievements: Through <ol style="list-style-type: none"> Trees for Health School de-worming, tree planting & TOT programme Working closely with community hospitals and clinics especially geared towards women & children WHO urges poor countries to offer deworming pills to pregnant women after a recent study in Nepal showed a 41% drop in the deaths of infants born to mothers who took the pills before giving birth. UNICEF says heavy infection of hookworm, one of the major common worms, causes anaemia among women, which is believed to be one of the factors contributing to maternal morbidity and mortality. Heavy or long-term intestinal worm infections frequently result in death if treatment is not given in time. It has been repeatedly reported that stunting at birth is also a result of worm infestation and the full impact of helminthes infections is often greatly under-reported or overlooked. <u>Combat HIV/AIDS, malaria and other diseases</u> Achievements: Through Trees for Health School de-worming, tree planting & TOT programmes <i>A weakened host is more susceptible to more common diseases and are prone to co-infection: malaria, HIV-Aids, TB, viral diseases such as colds</i> <u>Ensure environmental sustainability</u> Achievements: Through Trees for Health School de-worming, tree planting & TOT programmes To eradicate extreme poverty and hunger is to ensure environmental quality and quantity is improved and maintained <i>Communities to be involved in implementations for better and healthier environment to minimize disruption of environmental change</i> <u>Develop a global partnership for development – good governance</u> Achievements: Through complying to AAR's CSR policy <i>To achieve commercial success in ways that honour ethical values compliance with legal requirements, respect for people, communities and the natural environment</i>
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C. Measures: National Visions

Kenya Vision 2030

The Vision 2030 is Kenya's national long-term development blue-print. It is aimed to create a globally competitive and prosperous nation with a high quality of life by 2030. The vision aims to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment. The vision is anchored on three key pillars; economic, social and political governance.

- 'The MTP (*Mid Term Plan*) gives priority to devolution as spelt out in our constitution and to more rapid socio-economic development with equity as a tool for building national unity). The Second MTP also aims to build on the successes of the first MTP (2008-2012), particularly in increasing the scale and pace of economic transformation through infrastructure development, and strategic emphasis on priority sectors under the economic and social pillars of Vision 2030. Under this MTP, transformation of the economy is pegged on rapid economic growth on a stable macro-economic environment, modernisation of our infrastructure, diversification and commercialisation of agriculture, food security, a higher contribution of manufacturing to our GDP, wider access to African and global markets, wider access for Kenyans to better quality education and health care, job creation targeting unemployed youth, provision of better housing and provision of improved water sources and sanitation to Kenyan households that presently lack these. In doing all this, Kenya will pay full attention to securing our environment and building our resilience to climate change. Much of this will be done in collaboration with county governments and new urban management boards as provided for under the constitution and our laws. The overall aim of the plan is that by 2018 Kenyan families will have experienced a positive transformation in their earnings and quality of their livelihoods, and Kenya will be a more united, more prosperous society commanding respect in African and the world.'
- *Medium Term Plan 2013 – 2017 ...* 'intends to implement during the five year period starting 2013 to 2017 in order to deliver accelerated and inclusive economic growth, higher living standards, better education and health care, increased job creation especially for youth, commercialized agriculture providing higher rural incomes and affordable food, improved manufacturing sector and more diversified exports. All this is necessary in order to address the acute challenges of poverty, joblessness, and inequality and to facilitate faster realisation of Kenya Vision 2030.'

Uganda Vision 2040

'Uganda Vision 2040 provides development paths and strategies to operationalise Uganda's vision statement which is "A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years" as approved by Cabinet in 2007. It aims at transforming Uganda from a predominantly peasant and low income country to a competitive upper middle income country.

It builds on the progress that has been made in addressing the strategic bottle-necks that have constrained Uganda's socio-economic development since independence, including; ideological disorientation, weak private sector, underdeveloped human resources, inadequate infrastructure, small market, lack of industrialization, underdeveloped services sector, underdevelopment of agriculture, and poor democracy, among others.'

Tanzania Development Vision 2025

Tanzania Development Vision 2025

- To achieve a high quality livelihood for the people, attain good governance through people, attain good governance through the rule of law, and develop a strong and competitive economy



Taking action on Measures

AAR is part of the Kenya Climate Change Working Group – Health Thematic Group

Preamble to KCCWG Health Thematic Group

In the wake of Climate Change, Kenya is seen as one of the most vulnerable countries to Climate Change.

The National Climate Change Action Plan's adaptation analysis explains that the key Climate Change impacts for Kenya are drought and water scarcity, flooding and sea level rise. Research suggests that temperatures will continue to increase and the frequency of hot days and nights will rise. Precipitation is expected to increase in some areas, with the largest rise in rainfall occurring in the highlands and coastal regions. However, the greater part of the country comprising of the arid and semi arid regions is expected to become significantly drier.

Environmental resources and conditions have a significant impact on many aspects of poverty and development. Additionally, achieving environmental sustainability is fundamental to achieving all of the MDGs.

According to UNICEF, almost fifty per cent of the developing world's population – 2.5 billion people – lack improved sanitation facilities, and over 884 million people still use unsafe drinking water sources. Inadequate access to safe water and sanitation services, coupled with poor hygiene practices, kills and sickens thousands of children every day, and leads to impoverishment and diminished opportunities for thousands more. Poor sanitation, water and hygiene have many other serious repercussions – children especially are open to many infections. Children – and particularly girls – are denied their right to education because their schools lack private and decent sanitation facilities. Women are forced to spend large parts of their day fetching water. Without WASH (water, sanitation and hygiene), sustainable development is impossible.

KCCWG Health Group

The Health Thematic Group constitutes of various organizations and individuals in the health sector, private, government and NGOs.. The Health Thematic Group is the technical arm of KCCWG on matters concerning Climate Change and Health. They will undertake a situation analysis looking into the impacts Climate Change has had on human health, carry out an impact assessment as well as establish and document those findings. Among the activities the group hopes to carry out include:

- To promote the health and wellbeing of children in pertinent areas of Kenya by starting a de-worming project in the various schools selected, in partnership with the AAR Beckmann Trust who have a proven track record of implementing this need in 150 schools
- To involve children in a planting of trees project (Trees for Health Project), teaching the students to nurture the trees and protect them from the domestic animals within the compound of the school and expanding the same to the larger community
- Engage with the communities, especially the women to develop projects for sanitation, water and other sustainable programmes
- Distribution of applicable Energy Saving Stoves in synergy with the U.N. Alliance as a means to reduce consumption of firewood and encourage boiling of river water prior to consumption coupled with other innovative methods of water heating using solar technology.
- Various activities will be implemented in 2014 and the 7 ASAL counties of Kenya will be targeted in particular. Many of the activities will centre round schools and 10 schools per county each hosting up to an average of 1000 students. This means that 70,000 primary school pupils will be targeted

Impact

The project will especially targets 7 ASAL counties networks who have been working with the Kenya Climate Change Working Group. The project will target 10 schools per county each hosting up to 1,000 students per school. A total of 70,000 primary school pupils will be targeted

Monitoring

An M&E framework will be designed complete with an efficient and effective management information system (MIS) which ensures the capture of relevant project data as the implementation occurs. A database will be programmed to facilitate the compilation and utilization of the information reported. The framework will incorporate input, activity and output monitoring

*On 18th December 2013 **AAR** signed the CEO Water Mandate to show it admits to the fact that a global water crisis exists and it wants to be part of the solution*



D. Measures EVP, translating values into statements of action

Through its EVP programmes AAR offers its employees ways to be a part of the sustainability of the company

1. AAR employees take part in all community and environmental programmes

- **School Impact Career Talks:** Employees are encouraged to hold career talks in schools. As there is a definite shortage of medical staff throughout the East African region, therefore career talks in the field of, nursing, pharmacy and laboratory technicians is encouraged as jobs in these fields are guaranteed. At the beginning of 2013 eight school finishers took up medical studies! This a great encouragement for **AAR** staff as they hold impact career talks. (See: Ministries of Health of all East African countries)
- Employees are encouraged to take part in all **AAR** field programmes

2. Recycling of office paper and plastics

AAR employees are encouraged to take active part

Office paper recycling exercise is ongoing and proceeds go towards the **TCF** programmes. (See hereunder)

Plastic bags (milk containers) are collected in the office and are used to grow tree seedlings

3. Forming the Future – AARBT sits on the Advisory Board of Ujamaa

Ujamaa Family Centre was set up in 2009; it is a place for adult education and a place for parents of children of the 2000 children strong OLN primary school, and for the community living around the school in the Mukuru kwa Njenga slum, to have the opportunity to be motivated and in this way facilitate education of their children. It is a centre where adults can develop their own skills, potentials to have access to information on human and property rights among other rights, interests and abilities for sustainable development of their families.

The centre falls under and is supported by the Marianist Association which has served in Africa since 1957 whose aim is to provide the poor with skills and training to become self-supporting. The centre was constructed with intervention of the Swedish Stockholm-Djurgården Rotary Club who continue to support the centre to date and **AAR Beckmann Trust** is a member of the Advisory Committee (www.ujamaafamilycentre.com)

Objectives of the Ujamaa Family Centre

- To be a Family Centre for education, awareness campaigns, motivation, counseling, self-help initiatives and income generating activities
- To provide opportunity for self-support among men and women in the Mukuru kwa Njenga slum
- To motivate parents and guardians to facilitate education of their children
- To help men and women to develop their potentials, interests, abilities and skills for a sustainable development of their families and the environment
- To support those suffering from alcoholism through counseling and support groups
- To support those who are infected and affected by HIV/AIDS through counseling and referral services



4. **Today's news is tomorrow's dreams**

In order to raise money **The Cluster Foundation (TCF)* has found an ingenious way of doing just that: it collects newspapers in offices the sale of which allows them to run their office as well as a project rallying paraplegics, PWPs, to join the main stream of the community.



TCF's project has been funded mainly by the collection and re-sale of old newspapers to recyclers.

TCF has now partnered with Eco-Pencil, a local company, to recycle the old newspapers into pencils – the **ONLY** pencils that are made from recycled newspapers in East Africa.

These environment-friendly pencils are sold and funds raised are used to rally PWPs (people living with paralysis) out of their homes and back into the mainstream of society

AAR has been helping by rallying its staff and sales representatives to bring their old newspapers. Encouraging staff to participate in such a simple act as bringing its old newspapers creates a sense of wanting to help the less fortunate! So simple but so powerful! **AAR** also encourages other companies to do the same.

The Cluster Foundation

Vision

To be a Hub of Hope for people living with disability

Mission

To promote the well-being of PWP's by changing their self-perception and that of the society in order to create a fully inclusive environment

Values

Innovation; Invention; Commitment

Personality

Fun, forward-looking, motivated, compassionate and daring

Brand idea

The Cluster Foundation is a hub of hope for people living with paralysis. Its goal is to provide services on a continuous basis that can be replicated within the region to facilitate access to better living standards for PWPs and to offer a positive life-style within the community

Though this programme, 'yesterday's news is today's dreams', the community is exposed to start understanding the challenges people with disability have.

A Hub of Hope



The Cluster Foundation is a hub of hope.

Its goal is to provide services on a continuous basis that can be replicated within the region to facilitate access to better living standards for PWPs and to offer a positive life-style within the community.

Communities also to start understanding the challenges the people with disability have.

5. **AAR Beckmann Trust partnering with Ruaraka Uhai Neema Hospital**
AARBT sits on the hospital board and the *Trees for Health* deworming programmes
is involved with 40 schools under RUNH's Health Education Programme

Ruaraka Uhai Neema Hospital – Women and Child Hospital

The Ruaraka Uhai Neema Hospital, primarily a maternal and child healthcare facility is a hospital, run by WorldFriends www.runeemahospital.org, predominantly offering comprehensive obstetric care, but it also provides casualty general health care to the under privileged in north-eastern part of Nairobi through its Health Education Programme. RUNH has a newly built training centre where social workers and health providers are being trained. Its catchment area covers about 800,000 people on the eastern part of Nairobi where much of the population is the urban poor and it is the woman who mostly struggles to access maternal health.

In sub-Saharan Africa countries delivering a child is often hazardous. This situation is particularly alarming in the lower income population: 1/16 mother - 6% - risks her life during pregnancy or delivery; in industrialized countries, the rate is 1/3.800 - 0.02% - Source: UNICEF.

This situation is caused by lack of sanitary facilities and personnel, high costs of medical assistance, early pregnancies, lack of assistance at delivery, ill health at pregnancy. The consequences are dramatic: mother and babies risk serious complications which can provoke disabilities of the child, infections and often death to both mother and child as we note from statistics.

In Nairobi's slums, the maternal mortality rate has been estimated at 706 deaths per 100,000, which is 26 percent higher than the estimation for Kenya as a whole. This disparity is mainly due to lack of access to medical assistance during pregnancy and delivery.

The Health Education Programme offers psycho-social support to slum dwellers, in order to promote healthy living, behavioural change and access to basic healthcare within its target population.

The beneficiaries of the action are primarily children/young adolescents: many of the activities take place in schools (RUNH at present is working with 40 schools) and children are engaged at the time of laying the foundations of their adulthood, when their sexual behaviour is being shaped as well as when they start taking their first informed choices concerning their own health. Furthermore, the programme involves parents and teachers of these students, too: this makes the environment where these youth grow up more conducive to the social/behavioural change the action intends to generate.

RUNH plans to expand its reach further east and south of the hospital, where it has now begun to create a network of five maternity clinics located in the informal settlements in order to improve the referral system for maternal and child health care, particularly in cases requiring emergency care. RUNH has setup an ambulance system expanding the capacity of its maternity facilities. RUNH is planning to launch a health microinsurance product to make medical services more affordable to low income groups of the population.

Each year:

- around 350 disabled children will benefit from physiotherapy and rehabilitation services at Neema Hospital and in the outlying clinics
- around 150 children will undergo orthopaedic corrective surgery operations
- 10 local health workers will be trained annually
- To encourage the development of the most vulnerable through prevention measures

The Ruaraka Neema Uhai Hospital and its partners' activities mainly target the most vulnerable groups: women, children, street children

Each intervention includes elements of health education and socio-cultural incentives, principally focused on young people and women



AAR Today

With a current membership of over a quarter of a million members and close to a million individuals who visit its health centres, **AAR** - both **AAR Insurance** and **AAR Health Care** - is not only a leader in the provision of insurance covers, healthcare and other medical and life solutions, but is also the preferred primary healthcare provider for both the public and private health sectors in East Africa.

AAR is 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 2013 **AAR** had expanded its clinical base to 30 health centres throughout the East African region. It has plans to further expand by another half a dozen health centres by end of 2014.

AAR also runs factory clinics in Tanzania, and works closely with an extended partner network of primary and secondary health delivery in Africa and globally which it is constantly expanding and upgrading.

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

'Prevention is better than cure' is an integral part of services provided in **AAR**

Nurse Help Line, 24 hour Call Centre and 24 hour Medical Facilities

AAR has a twenty four hour Nurse Help Line and Emergency Call Centre.

It also offers a 24 hour telemedicine service

Rescue

AAR offers rescue and evacuation services to the public in general from anywhere in the world

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 implemented a new, robust clinical and administration IT system to create and support its service delivery. Its ever-growing number of health centres and **AAR Insurance** branch offices throughout the region, increased membership and diversification of skills base, has placed **AAR** at an advantageous position to be at the helm of healthcare and insurance in Africa.



AAR Beckmann Trust - AARBT

The CSR arm of **AAR** is administered by the **AARBT** which was set up in 2007. It also runs the company's Employee Volunteer Programmes, EVP, and its aim is to facilitate the development of a healthcare environment and network that ensures competency and quality of life. **AARBT**'s mission is to improve health and living conditions of low-income communities in East Africa by involving and empowering them in initiatives that foster a healthy environment and therefore better health.

- **AARBT** engages in many environmental and community engagement programmes
- **Trees for Health** project has 3 programmes: deworming, tree planting and training
- **AARBT** partners with **TCF, The Cluster Foundation**, empowering people living with paralysis with inspirational messages of achievement in the face of extreme adversity
- **AARBT** sits on the Health Thematic Group of KCCWG, Kenya Climate Change Working Group working to reduce climate change vulnerability of poor communities in Kenya through awareness and strengthening the capacity of Kenyan local communities and civil society to implement community based adaptation projects
- **AARBT** sits on various trustee boards of children homes, hospitals and family centres;
- Through its EVP programmes **AAR** works hand in hand with **AARBT** encouraging **AAR** employees to take part in all community engagement and environmental programmes as well giving career talks in schools

Looking Ahead

AAR, through its SBUs, **AAR Health Care** and **AAR Insurance**, is committed to fulfilling SBUs' missions and its visions and is constantly on the lookout for opportunities on the African continent.

During the launch of AAR Insurance Kenya Ltd in 2012 following the successful application for a general insurance license in Kenya, the **AARBT** activities strongly came to the fore and were given prominence. Its role in increasing literacy levels through the **Trees for Health** programme was seen as a shot in the arm for the insurance industry. The upcoming generation will not only be healthier and therefore good risk for the industry, but also better educated and a good pool for the work force. Indeed the future lies in better health and better education.

AAR through its partners has a presence 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.



*Making a difference where it counts as well as
making sure that as **AAR** reacts today, a sustainable future is formed*

