

Company Name: AAR Sector: Health Number of Employees: 781, Sales Representatives 1000 UN Global Compact Signatory since: 2008 Contact Person: Mrs Maryjka Beckmann Address: P O Box 41766 00100 Nairobi Kenya Email: mbeckamnn@aar.co.ke	
Number of Employees: 781, Sales Representatives 1000 UN Global Compact Signatory since: 2008 Contact Person: Mrs Maryjka Beckmann Address: P O Box 41766 00100 Nairobi Kenya	
UN Global Compact Signatory since: 2008 Contact Person: Mrs Maryjka Beckmann Address: P O Box 41766 00100 Nairobi Kenya	
Contact Person: Mrs Maryjka Beckmann Address: P O Box 41766 00100 Nairobi Kenya	
Address: P O Box 41766 00100 Nairobi Kenya	
Email: mbeckamnn@aar.co.ke	
Description of nature of AAR's business	
nature of the AAR provides managed healthcare solutions in the greater East African re	gion.
business Its vision is to become the provider of choice for innovative and quality hea	
care solutions in Africa. It operates in the 5 East African countries and has	
presents in Southern Sudan and eastern part of the Congo. Its own 23 prin	
health centres and has over a thousand member network of preferred hea	
care providers in the countries where it operates, providing preventative and	าป
curative health care to clients in all income brackets, as well as offering a	_
rescue and evacuation service to its members worldwide. AAR has its owr marketing arm which is commission based and comprises of over 1000 sa	
representatives divided into separate agencies situated throughout the rec	
	1011.
Being the leading healthcare solution provider in the managed health care	
sector in the East African region, AAR continues to expand its philosophy	
only to exist to put things right when things go wrong medically, but it strive	
prevent things from going wrong in the first place. Therefore, constant emp	
is being put into healthcare education of its staff and customers. The midd	
more affluent middle class is growing in the East African region and with the	
growth so are the medical challenges of this class: stress, high blood pres	
diabetes, hypertension and obesity among other ailments. Aging members	
base also brings its challenges. The health education department, strength to 6 employees, indicates how important preventive care is to the company	
Further to the 2009 COP and in line with the company's vision to be the pr	
of choice for innovative and quality health care solutions in Africa, Burundi	
now officially been added to AAR's portfolio. AAR is going into Ghana and	
Liberia by the end of 2011. As the new investors, IFHA, join AAR at the en 2010, Nigeria can now be marked off as an African country where AAR ha	
presence.	54
In the meantime, with the challenge of tightening regulatory procedures wi	
the insurance sector, as well as expanding competition in the healthcare a	nd
insurance sector, AAR endevours to continue its responsible business	
behaviour albeit impunity at all levels remains a major challenge. For examine	
on an everyday level, as AAR endevours to make ethical buying from busi	
partners, it is often compromised by the uncertainty of procuring from plau sources in spite of the fact that it has a pre-signed ' Supplier pre-gualifica	
document '. The latter document not only asks for the provider to be keep	
specific regulatory and legal mandatory qualification, but he/she is asked	ing to
whether the goods and services provided are not detrimental to the	
environment. Better monitoring procedures to manage this are continually	
looked into.	

	AAR differs significantly from other medical solution providers in East Africa not only because of its comprehensive value chain which can successfully treat those who are unwell, but also as it has a strong focus on clinical risk management, with a strong focus on provision of preventive care. This ensures that AAR members receive the most cost effective access to healthcare on a sustainable basis.
	Prevention and good health starts with the environment – therefore for many years from Board level right down to the line employees and sales representatives, AAR has been involved in environmental projects, projects which eventually have a positive health aspect and impact, thereby further adding to its company mission to provide healthcare solutions that make a difference to life.
<u>Scope of</u> 2010 COP	Scope of this 2010 COP As we live in times of transformation especially in the third world, corporations are being overwhelmed by changes from all sides of business operations. The repercussions of the global financial crises impacted on East African businesses by end of 2009, but with the same globalisation, customer expectations continued, and continue, to increase.
	In 2004 AAR adopted a strategic evolution as the company unbundled, splitting into semi autonomous business units under one holding company with the intention to maximize the potential of each unit. The challenges that emerged were to find a ways to maintain the spirit of all these units so they pull in the same direction. By joining the UN Global Compact this exercise becomes more focused. AAR 2009 COP said that by joining the UNGC it had committed to support and advance the ten UNGC principles, the challenge lies in getting the employees, who are the engines of the company, to understand their role in making this possible. The understanding of this commitment accelerated in 2010 with more emphasis being put into staff training.
	AAR has always been aware of the fact that as it continues to run a sustainable and socially responsible business, its core values <i>Timeliness, Caring Attitude,</i> <i>Quality, Integrity and Team-ness</i> 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 the training sessions.
	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 Scope of this COP	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.
	Since 2004 AAR's Corporate Social Responsibility policy statement states: to achieve commercial success in ways that honour ethical values, compliance with legal requirements and respect for people, communities and the natural environment.
	In 2007 AAR set up an official CSR department as an arm of the HR Department. Since inception The CSR department has formally held training sessions throughout the company so that there is a greater understanding by employees and reps what CSR means in AAR. By end of 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 2010, 400 employees have now been trained. The 4 day CeSaaR training continues throughout 2011 to encompass all employees and sales representatives. Issues addressed
	Workplace welfare : This means that while employees should uphold their responsibility to supply labour to the company, the employees and reps in return should be fairly remunerated, respected and accorded opportunities for development. This is strongly highlighted during the CeSaaR training, stressing the fact that AAR staff and sales reps need to focus on customer satisfaction resulting by a competitive return on investment. It is for the employees to offer value-for-money at all times.
	Ethical Advertising and Responsible Market Place Practices: There has to be an understanding at all levels of employment that as AAR advertises within well defined policies which are truthful, fair, ethical and honest; it is stressed that each employee and sales rep holds the responsibility of being the living example of these values by personally living the company values and in this way become the live company advertisements. During the training enormous and constant emphasis is put on the buy-in and therefore understanding of the company's vision, mission and values.
	Signing of declaration of Conflict/Code of Conduct Document: At the beginning each year, every AAR employee as well as sales rep is required to sign a declaration of 'conflict of interest' form and 'code of conduct' form which outlines the need for employees to conduct themselves in an ethical manner devoid of any personal interest/interference with the laid down rules and regulations. Emphasis is put on ethical conduct in the procurement of goods and delivery of services on behalf of the company.

-	
	Responsible Supply-Chain behaviour: Employees and sales reps have to understand that AAR procurement and suppliers and other partner relationship policies are legally compliant, ethical, fair and honest.
	Community Engagement: From the outset AAR has been closely involved in community engagement programmes whereby the employees and reps, at all levels, are closely involved in the betterment of society through its social community works as a company and through EVP, employee volunteering programmes.
	Environmental Stewardship: through AAR's close engagement with the environment, starting with Board members, senior management and right across the staff and sales strata, AAR has been associated with being continually and positively involved in internal and external programmes that impact on the betterment of the environment: using resources more efficiently; by reducing, recycling and where necessary disposing of toxic (medical) waste in an ethical and sustainable manner. Staff and sales reps are made aware through training and constant reminders to be the agents of climate change mitigation.
Human	Human Rights
Rights	Principle 1: Business should support and respect the protection of internationally proclaimed human rights Principle 2: Business should ensure that they are not complicit in human rights abuses Human Rights
	Current Commitment AAR HR policies and practices are in compliance with all labour laws and laws of the lands where AAR has a presence, in upholding all forms of employee rights and human rights.
<u>Commitment</u> <u>Statement</u> Human Rights	Commitment Statement: AAR commits to uphold and respect its employees in the most fair and humane manner in the course of their employment and will not in any way encourage or support any act of forced labour or child labour
<u>Systems</u> Human Rights	Systems AAR has various policy documents in place which are posted on the 24-hour AAR Staff Intranet and accessible to all employees and sales reps. The documents posted are for internal consumption only. Other pertinent documents are also posted: <i>AAR Business Code of Good Conduct</i> . This document is read and signed annually by all employees enabling them to maintain high ethical standards at all times. This document, in addition to the <i>AAR Staff Manual</i> , annually signed by all staff, enables employees to appreciate any restrictions in place and to understand their responsibilities as well as their rights. Another document, ' <i>Conflict of Interest Declaration and Conformity with Ethical</i> <i>Standards</i> ' form is also completed and signed annually. This policy states that AAR expects all employees to conduct themselves with the highest level of integrity at all times. Employees are expected to abide by all laws of the country as well as to abide by all polices and guidelines issued to staff from time to time.

Activities Human Rights	Activities Evaluation of 2010 Activities: The OHS training for all staff at H/O has not been achieved yet. It was realized that the OHS working team needed to re-formulate the manual and implement it fully with the assistance of an external consultant before roll-out to staff. The 2009 BSC* was successfully implemented and evaluated early 2010. All Employees throughout the company have been evaluated. *The Balanced Scorecard (BSC) is a performance measurement tool. AAR officially recognizes and uses this tool to its entire staff to evaluate their performance each quarter and at the end of each year. The structure of BSC: Performance is evaluated based on 4 perspectives (broad areas): • Financial • Customer • Internal business processes • People (Learning and Growth)
<u>Outcome</u> Human Rights	Outcome As a result of implementing the 2009 BSC, it yielded increased revenue growth in the company and increased profitability in the Kenya operations. In return over 40% employees received performance-based bonuses and all employees had a minimum of 10% salary increment.
<u>Present and</u> <u>Future</u> <u>Activities</u> Human Rights	Present and Future Activities AAR policies and procedures are clear and conform to all labour legislation and ILO provisions in all areas including working hours, leave entitlement, recommended duration of workweek and harmonized salary structure as well as workplace ergonomics.
	AAR is continually in the process of implementing a comprehensive Occupational Health & Safety policy and procedures manual. A working OHS committee has been trained to work along with an OHS consultant to implement the policy.
	HR department is currently in the process of reviewing its HR Manual to make distinct provisions in all staff welfare issues including fair treatment, non-harassment and non-discrimination, grievance handling and employee privacy. In addition, AAR will explicitly highlight the equal treatment of our locum staff in terms of giving them priority for permanent employment opportunities in accordance to policy, applicable benefits and other conditions of work.
	In addition, AAR shall create extensive awareness of the revised policies to generate acceptance and compliance by all staff. This is being done by having all staff go through a four day training, CESAAR, 'Customer Excellent Service Achieves AAR Results' which is to revolutionise service culture in AAR. By the end of January 2011 all Kenyan staff and sales representatives will have undergone the training.
	Steps are being put into place to have the whole of AAR staff and sales representatives CeSaaR trained by the end of 2011.

Labour Rights	Labour Rights UN Global Compact principles covered Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
	Principle 4: Business should support the elimination of all forms of forced
	and compulsory labour Principle 5: Business should support the effective abolition of child labour Principle 6: Business should support the elimination of discrimination in respect of employment and occupation
<u>Commitment</u> <u>Statement</u> Labour Rights	Commitment Statement AAR HR policies and practices are all in compliance with the labour laws and laws of the land in upholding all forms of employee and human rights.
	The status still remains that AAR staff are not unionizable and no policy provision prevents them from being affiliated to a union. However, the HR Manual clearly provides for channels/avenues of handling staff grievances.
	Principles 3 – 6 still not applicable in our business set up.
<u>Systems</u> Labour Rights	Systems The annually signed AAR staff manual, which is accessible at all times by AAR employees through the Company Intranet, stipulates, recognizes and respects the right of the employees to freely air their grievances and seek redress when required
<u>Activities</u> Labour Rights	Activities As under Human Rights
<u>Outcome</u> Labour Rights	Outcome All staff clearly understand the *BSC and as a result they are motivated to work in an environment where performance targets are clearly and openly shared across company.
	 *More information on the Balanced scorecard: The Balanced Scorecard (BSC) is a performance measurement tool. AAR officially recognizes and uses this tool to its entire staff to evaluate their performance each quarter and at the end of each year. The structure of BSC: Performance is evaluated based on 4 perspectives (broad areas): Financial Customer Internal business processes People (Learning and Growth)
<u>Future</u> <u>Activities</u> Labour Rights	Future Activities 2010 <u>These are similar to those under 'Human Rights'.</u> HR department is currently in the process of reviewing its HR Manual to make distinct provisions in all staff welfare issues including: fair treatment, non- harassment and non-discrimination, grievance handling and employee privacy. In addition, AAR will explicitly highlight the equal treatment of our locum staff in terms of giving them priority for permanent employment opportunities in accordance to policy, applicable benefits and other conditions of work.

	In addition, AAR shall create extensive awareness of the revised policies to generate acceptance and compliance by all staff. This is highlighted during the CeSaaR, Customer Excellent Service Achieves AAR Results, training sessions. In spite of the global and national financial down-turn which really hit East Africa at the end of 2009 into 2010, AAR continued to add fair and generous pay packages to its employees. Constant efforts are being put into community investments by the company. AAR employees have and continue to be included at every stage of community engagement through EVP programmes: health camps, tree planting both at a personal and company level, giving time to children and old people's homes, setting up a Blood Donors Club, tying the latter with tree planning within the Trees for Health project headed by the company's trust: AAR Beckmann Trust. Further, AAR continues to engage with the community through dialogue with low-income schools. Through its trust; AAR has been involved in setting up, building and activating a community family centre, the Ujamaa Family Centre. This centre functions to get empowered and raise their self esteem, thus transferring the same to their children. The centre serves as a pool of information to empower them for the future, as opposed to hand outs which are likely to leave them poorer. The empowerment will result in the community members being able to initiate programmes on their own, running them successfully and benefiting themselves, their community as well as their children.
	Through its trust, AAR has been the instigator of funds and then the initiator of expanding a major surgical unit in Ruaraka Uhai Neema Hospital, a new hospital coming up close to large parts of low-income residential estates in Nairobi therefore in this way bringing health care facilities closer to the people.
Environment	UN Global Compact principles covered Principle 7: Business should support a precautionary approach to environmental challenges Principle 8: Business should undertake initiatives to promote greater environmental responsibility Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies
<u>Commitment</u> Environment	Commitment AAR has been involved in environmental programmes, by complying to relevant environmental legislations in spheres where it has been conducting its business, i.e. health care, therefore the rules and regulations from the Ministry of Health are adhered to.
Present & Future Activities	Activities and Future Activities (Also see: Activities under Human and Labour Rights) AAR has collaborated and partnered with UNEP (UN Environmental

Environment	Programme) in 2010 in various areas: it continues to be a member of the Billion Tree Campaign, AAR collaborates with UNEP's Climate Neutral Network including participating in the UN World Environment Day 5 th June celebrations in Rwanda and Nairobi this year.
	Delivering affordable but sustainable health services to the lower-income population in mind AAR set up the AAR Beckmann Trust in 2007. The prime objective of the trust is to promote research and add value into activity areas which directly impact on health of the ordinary person who makes up the majority of the population. One of the AAR's community programmes started in 1996 now taken over by its Trust, was to actively encourage a healthier population by promoting 'better health' through environmental initiatives in schools. This was the start of the Trees for Health project which encourages schools to plant their own energy needs instead of buying firewood. Savings made by not having to buy firewood, are used for health needs of the school.
	AAR continues to inform stakeholders by regular statements in its emails, newsletters, bulletins, informative advertising and the media.
	Employee Volunteer Programmes, EVP, and Community Engagement
	In AAR EVP is what the employees of the company give back to the outside community outside office hours on a voluntary basis. It is part of the company's social responsibility. But, this giving back to the community, or to the less fortunate of the community, should give satisfaction to the volunteers i.e. they should find joy that they were able to give back to the community.
	Community: giving back to the less fortunate through Community Engagement Programmes by community investments such as employee giving their time allowing students' to shadow them at work. Employees volunteer their time giving career talks, helping with litter collection, volunteering time to health camps, children and old people's homes. Employees, as does the company, donate to charities.
	As it started business AAR has been closely involved in community programmes where the staff is part of this investment. Through its close as engagement as shown above 9and further read below) starting from the Chairmen, CEOs right across the staff strata, AAR has been associated with impacting on the social and environmental embitterment.
	Environment: AAR's corporate social responsibility in this area promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. The key areas of concern are environmental protection as well as the well being of employees: occupational health and safety and labour practices are being adhered to.
	The impact of what the company does on a daily basis is considered against the broader ecological system within which the business operates. It takes into account the following: energy conservation; waste disposal; recycling of paper waste; tree planting as a company and encouraging the staff to plant as individuals. All planted trees are logged into the Billion Tree Campaign data.
<u>Future</u> <u>Activities</u>	Future Activities Our mission in AAR is 'to provide health care solutions that make a

	difference to life '. Therefore 2011 will see the enhancement and continuation of environmental projects which on the whole impact on the general health of the population. Through the Tree for Health project the motto continues to be: make a difference to the community and to the earth even if it is one tree at a time.
	Through the AAR Beckmann Trust community engagement programmes and EVPs will focus on the following areas: Enhancing health and environmental promoting programmes and initiatives at the office, home and in the community; Taking up and further supporting existing environmental programmes (see *Trees for Health Programmes); Education: career talks and job shadowing; Undertaking personal health improving initiatives.
Environmental	AAR will continue encouraging its staff and members: Water usage: AAR continues to encourage minimisation of water usage in its work place and encouraging its employees to do the same at home. Email reminders are being sent in this regard. Litter disposal: AAR contracts licensed waste handler to dispose of medical
	 waste. Re-cycling: Paper recycling continues and any proceeds generated are further donated to the less fortunate (paraplegics. *Trees for Health – planting trees on school grounds: 2010 saw the birth of the Trees for Health project, whereby like thinking partners have been taken on board. Officially AAR is now working with 17 schools and is looking at taking in another 11 by the end of 2011. Recent surveys by the Global Health Group ¹indicate one in every three school-going children has at least one type of soil transmitted intestinal worms; in turn these worms impede effective learning and full productive growth. However there seems to be little or no budget allocation for de-worming programmes in schools, as worms continue to be the largest health hazard. Rather much of the school resources are concentrated in buying wood-fuel for cooking school meals. Field surveys carried out by AAR indicate on average a school spends about Ksh 60,000 every school term on wood-fuel. Trees for Health project aims at enabling schools grow trees on their periphery
	and provide a self-sustaining source of firewood. Money previously spent on firewood can now be invested in de-worming programmes and ensuring hygiene-sanitation standards are maintained in the school environment. The challenge is to get the schools' buy in.
	Surveys are being put into place targeting over 400 schools.
	Aim is to have 40 schools on board by end of 2011.
	Community Engagement - Expanding the AAR Beckmann Trust projects: In line with continual upgrading and expanding its community engagement programmes AAR continues to encourage staff members to get more involved in environmentally impacting programmes close to their own homes: cleaning surroundings of litter, fighting for mending roads, educating on the wise use of water, fighting for putting in cycle lanes and continual combating to keep common land from being grabbed.
	Every employee has personally planted at least one tree each in 2010. They are encouraged to go further and in 2011 plant a tree for each family member as well as themselves. Employees are constantly alerted by email in the

	company's newsletter on the needfulness for general environmental consciousness. In partnership with UNEP, AAR will aim at improving the understanding, raising awareness and generating dialogue, on the role of trees and forests in areas where it has influence in the development and transformation to green low-carbon economies. 2011 is the year of the forests in UNEP.
Anti-	Anti-Corruption
Corruption	UN Global Compact principles covered: Principle 10: Business should work against corruption in all its forms, including extortion and bribery Anti-corruption
Commitment Anti Corruption	Commitment The scope of work of the internal audit activity is to determine whether the organisation's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure risks are appropriately identified and managed, among others issues.
	The existence of corruption, including extortion and bribery increase the cost of doing business and diminishes proper governance of an institution. AAR has a strict code of conduct that guides behaviour when its officers interact with its suppliers, customers, general public and even within AAR itself.
	AAR ensures that every employee signs a conflict of interest declaration annually and practices to the letter and the spirit the virtues contained therein.
	There is also staff manual and procedures and guidelines to guide staff, reps, directors, locums and associates in ways that enhance good governance.
	The company demands disclosure of gifts received in the course of one's duty, among other disclosures, to dissuade corrupt practices. AAR takes deterrent action as a last resort. The action could range from termination of contract with AAR to prosecution in the Courts of law. Impunity is still a major challenge in this area.
Activities Anti Corruption	Activities throughout 2009-2010 AAR ensures that every staff member signs a conflict of interest declaration annually and practices to the letter the virtues contained therein.
	Staff Manual: In order to guide employees in ways that enhance good governance AAR employees sign annually the easily intranet accessible, Staff Manual. It is geared to expose the employees, reps, directors, locums and associates to company procedures and guidelines.
	The company demands disclosure of gifts, among other disclosures, received in the course of one's duty to dissuade corrupt practices.
	AAR takes deterrent action as a last resort; the action could range from termination of contract with AAR to prosecution in the courts of law.

How is the COP available to the company's stakeholders	How does AAR make the COP available to its stakeholders? AAR publicizes its UNGC membership in the company's newsletters and health bulletins.
---	--

ⁱ. Article by Gavin Yamey on "Do schools Hold the key to controlling parasitic disease?. Global Health Group has projects in schools on malaria in Africa. The study was sponsored by Kaiser Family Foundation and KEMRI. Mr. Yamey is the leader of the, Evidence to Policy Initiative (E2Pi), Global Health Group, University of California