COMMUNICATION OF PROGRESS 2016



AAR Group has demonstrated unwavering support for the United Nations Global Compact, since it joined in 2008, and wherever possible, it has aligned the company's business practices to support UNGC's Ten Principles.

AAR group continues to run its companies, AAR Insurance and AAR Healthcare, keeping in mind proper stewardship of aligning the companies' missions and values and work with the goal of facilitating accessible insurance packages enhancing a better peace of mind. High quality health services are provided through AAR Healthcare which constantly works to improving the health, and therefore the education and economic well-being of citizens in the countries where AAR has a presence.

AAR continues to strongly believe that healthier populations become better educated and more fruitful economically, and thus its work undertakes the betterment of health across the large and diverse landscape of modern-day East Africa and aiming at the rest of sub-Saharan Africa.

Environment

"Sooner or later, we will have to recognize that the Earth has rights too, to live without pollution. What mankind must know is that human beings cannot live without Mother Earth, but the planet cannot live without humans". Evo Morales

The year of 2016 was an amazing year for Trees For Health (T4H), we saw the rise of new partnerships, the excitement in the eyes of the staff when the time came for T4H activities and even better the support that we received from Management. All this combined ensured that T4H moved on smoothly. In 2016 we were able to deworm over 50,000 students, plant over 19,000 trees and reach through mentorship and career talks over 5,500 students. Partnerships were with Institutions of higher learning, religious institutions and the military institutions were not left behind.

With all this in mind, Trees For Health is even going further for we are just laying the foundation and the growth potential is immense and thus we strive to continue forging ahead and with the support of every one, we can reach even further.

AAR developed Standard Operation Procedure as code (SOP) for its operations and products that confirms commitment to care for health and the environment We created a managerial experts that oversees the company application of precaution, in particular risk management in sensitive issue areas ,We established two-way communication with stakeholders, in a pro-active, early stage and transparent manner, to ensure effective communication of information about uncertainties and potential risks, preventing environmental damage may entail additional implementation costs, environmental remediation often costs much more, for instance in the form of treatment costs, or in terms of company reputation. The hospital continues to segregate wastes, check affluents of some departments on toxic entities and ensure proper disposal of biohazardous waste.

"I know we have still done very little, and that the main tasks still lie ahead of us. I would say that we have just completed a year of preparation in which the conditions for a new environment have been created." Vaclav Havel



Mrs. Beckmann planting trees with the T4H team and the Military. T4H team member deworming school children.

Human Rights

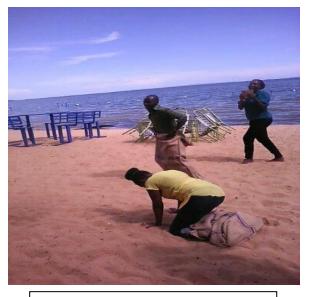
AAR upholds the principles laid out in the Universal declaration of Human Rights. Our human resources policies and procedure guidelines are all in line with statutory provisions that govern management of people at work and interpersonal relationships generally.

All employees are entitled to annual leave with full pay totaling to 21 working days every 12 calendar months of continuous employment. The hospital staffs are further entitled to sick leave, compassionate leave and maternity leave.

We also have an open door policy where management door is open to each employee to encourage open communication, & feedback. This develops employee trust and managers use the information to make necessary changes in the workplace.

AAR Group in its Recruitment Policies and practices adhere on safe and healthy working conditions, guaranteeing freedom of association with trade union, ensuring nondiscrimination in personnel practices, by ensuring that they do not use directly or indirectly forced labour or child labour in its operations, by providing access to basic health, education and housing for the workers and their families and further by making reasonable recruitment procedures for all applicants regardless to' religious, ethnics, association, briefs and tribes are purely prohibited to be observed and not practiced

AAR Group have explicit policies that protect the human rights of workers in its direct employment and throughout its supply chain the company further established a monitoring/tracking system to ensure that its human rights policies are being implemented, moreover the company actively engage in open dialogue with stakeholder groups, including civil society organizations, and finally the company have an explicit policy to ensure that its security arrangements do not contribute to human rights violations.



Team building at Lake Victoria.

Labour Standards

AAR Group is committed to promoting opportunities for women and men to obtain decent & productive work, in conditions of freedom, equity, security and dignity.

AAR Group builds and maintains fair economic and positive social relations with our employees. We want them to sustain a good standard of living and engage with the Company on terms of mutual trust and respect.

Our training and development programmes range from technical training to managerial and leadership training and are specifically tailored to develop the full potential of our employees;

- ✓ Occupational health and safety training -To raise our workers' awareness of OHS, AAR Healthcare conducted training for supervisors and managers in accordance with national regulations. Through training and certification programmes by external parties, relevant employees are certified OHS champions.
- ✓ Fire marshals training -To anticipate fire emergencies that could occur at our OPC's a team of fire marshals underwent a through training that equipped them with skills and knowledge on how to handle such an emergency.
- Customer care training- AAR Healthcare carried out an intensive customer care training that was dubbed "CAARE" this training was meant to equip all staff with the proper customer care skills.
- ✓ **Team building**-A team building geared to motivate and energize the staff was organized by the HR department.
- ✓ Quality champions training-

Gender and other employment issues we believe that all of our employees should be treated equally, fairly and with respect. It is in this belief that we signed the UN Global Compact.

We adhere to all labour laws which cover issues such as freedom of association for our employees, decent pay and working hours, non-discrimination and the complete elimination of child or forced labour. Our commitment to fair labour practices is also emphasized in our employee handbook and employment practices. The Company has an equal opportunities policy on employment, banning discrimination based on race, national origin, religion, disability, gender, sexual orientation, union membership and political affiliation. Employees enter into our employment freely.

AAR Group has a clear policy not to use, be complicit in, or benefit from forced labour, We ensure that all company officials have a full understanding of what forced labour is We have made available employment contracts to all employees stating the terms and conditions of service, the voluntary nature of employment, the freedom to leave (including the appropriate procedures) and any penalties that may be associated with a departure or cessation of work; We write employment contracts in languages easily understood by workers, indicating the scope of and procedures for leaving employment. The minimum age for employment in any capacity is 18 years, as a signatory to the UN Global Compact, AAR Group is compliant to this and we are against any form of child labour. In addition to paying salaries on time, AAR Group provides employees and casual /locum workers with a range of benefits.

AAR Group respects the rights of all workers to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law; Also we put in place non-discriminatory policies and procedures with respect to trade union organization, union membership and activity in such areas as applications for employment and decisions on advancement, dismissal or transfer; we do not interfere with the activities of worker representatives while they carry out their functions in ways that are not disruptive to regular company operations. Moreover we allowing the trade union notices and Address any problem-solving or other needs of interest to workers and management, including restructuring and training, redundancy procedures, safety and health issues, grievance and dispute settlement procedures, disciplinary rules, and family and community welfare

AAR Group has instituted company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels, We assign responsibilities for equal employment issues at a high level, issue clear company-wide policies and procedures to guide equal employment practices, and link advancement to desired performance in this area, We Keep up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organization, Where discrimination is identified, develop grievance procedures to address complaints, handle appeals and provide recourse for employees, We provide staff training on non-discrimination policies and practices, including disability awareness. Reasonably adjust the physical environment to ensure health and safety for employees, customers and other visitors with disabilities.

In November 2016, Kampala Hospital Ltd participated in the Top100 Companies for the first time since founding. Participation in this event drives management to ensure regulations surrounding areas such as quality are actively enforced in the daily running of the hospital.



Staff lunch.

Kampala Hospital Ltd team at the Top 100 Mid-Size Companies dinner.

Anti-Corruption

AAR Group is working on implementing the following in the fight against corruption; Internally: Signing anti-corruption policies and programmes within their organizations and their business operations;

Externally: reporting all practice related to corruption practices in the Annual Harmonization meeting and share experiences and best practices through the submission of examples and case stories within peers organization within East Africa Countries and • Signing" Anti-corruption Call to Action", will be for all employees which is a call to address corruption and foster effective governance for a sustainable where our company's participation in this Call to Action will underscores continued efforts to integrate anti-corruption into our strategies and operations and Lastly whistle blower where an individual voluntarily provide information on intended or occured events which is perceived accommodating corruptions or unacceptable practices

AAR Group is committed to upholding the highest standards of integrity, openness and accountability and expects the same from staff, volunteers and others doing business with Kampala hospital.

As a foundation to ethical practice and good governance AAR Group has an anticorruption and whistle blowing policy which relates to bribery, corruption, fraud and theft.

Also, all medical staff are required to have valid practicing licenses. Management further ensures credentials are thoroughly examined for all licensed staff members.



A staff training session.