

This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact and
supporting broader UN goals.



Healthcare
As human as you

UN GLOBAL COMPACT REPORT 2021



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Message from the GCEO



As the world began to normalize, recovering from the effects of the Covid pandemic in 2021 whilst being faced with new variants and amidst new ways of conducting business, organizations continued to innovate within their businesses to ensure competitiveness and sustainability.

The AAR Healthcare Group was no exception, with sustainability initiatives integrated into its operations and implemented throughout the year.

The organization's three-year corporate strategy was crafted and this included Environmental, Social and Governance focal areas that will be implemented during the plan period. This shows our commitment to adopt sustainable and socially-responsible practices across the organization. Our operational efficiency programs all take into account the basic sustainability principles for human rights, labour, environment and anti-corruption.

Our new AAR Hospital commenced operations in July 2021 and we incorporated sustainability practices therein from day 1.

We also rolled out a new audit software which will support good risk management in our Group.

We remain committed to entrenching ESG principles in our organization.

Steve Okeyo

Group CEO, HHI

Scope of this CoP

This CoP Report covers our operational internal process in relation to our customers, our Staff, our suppliers, our community in adhering to the four main areas of the UN Global Compact:

- 1. Human Rights**
- 2. Labour**
- 3. Environment**
- 4. Anti-Corruption**

It also includes an update on the continuous improvement initiatives in the core areas of our water stewardship practice.



AAR HEALTHCARE KENYA



AAR Healthcare is a signatory to the UN Global Compact (UNGC). The Compact challenges businesses to operate according to ten principles covering human rights, labour, environment and corruption.

The following report is structured to highlight the company's commitment to the ten principles. The report covers data and progress from our 2021 fiscal year and includes content from our 21 outpatient centers and the head office in Kenya.

Human Rights



Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2:

Make sure that they are not complicit in human rights abuses.

Our adherence to fundamental human rights is enshrined in our HR policy and procedures manual available on our intranet which confirms, AAR Healthcare Kenya supports and respects the protection of internationally proclaimed human and employment right. It further confirms our commitment to respecting fundamental human rights and treating all employees and others with fairness, equality and respect to foster an open, transparent, and trusting environment, which is free from prejudice, discrimination, bias, harassment and/or violation.

The company undertook the following activities/assessments to promote human consistent to and in compliance to the law and also as per the company committed in the draft HR policy and procedures manual section 10.

1. Safety and Health Risk Assessment
2. Statutory safety and health audit
3. Fire safety audit report 2021
4. Annual environmental audit

The Occupational Safety and Health Act, 2007 and the Fire Risk Reduction Rule (FRRR), 2007 require fire risks to be adequately managed in work places. Specifically, rules 36 of (FRRR,2007) requires that every work place conducts a fire safety audit at least once in every 12 months. These audits should be conducted by the Directorate of Occupational Safety and Health Services (DOSHS)



Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4:

The elimination of all forms of forced and compulsory labour

Principle 5:

The effective abolition of child labour

Principle 6:

The elimination of discrimination in respect of employment and occupation.

1. Occupational Safety and Health Act (OSHA) audit in 2021

This was conducted to meet legislation requirement of the Occupational Safety and Health Act (OSHA). The company premises recorded zero fatal accidents, no occupational health diseases nor any near-misses and dangerous occurrences for the period under review. Compliance with statutory requirements and conformance with the company policies and procedures was noted to be good e.g. appointment and fire marshals; provision of firefighting appliances and welfare facilities; good housekeeping standards, etc.) Areas for improvement were also captured including the need for regular ergonomic training.



AAR Healthcare donating sanitary towels to Karuri Primary School in Ruaka - Kiambu County

Overall, the leadership and commitment to workplace safety that was noted during the audit and implementation of recommendations captured in the report ensured that AAR attains desirable safety & health standards and performance. Other activities falling under OSHA included:

- The formation of a committee that also met 4 times as per the OSHA requirements. The meetings were held once a quarter and minutes well documented.
- Provision of well stocked First Aid kits that are within reach for all.
- Pre-employment medical checkup (done to identify pre-existing injuries or underlying medical conditions and determine an employee's ability to perform the essential duties associated with his or her job).
- All machinery and equipment (though limited to office equipment) within AAR Healthcare (K) Limited – Head office have accessible manuals.
- Escape and evacuation procedures are well-specified and documented.

2. Fire safety audit 2021 as required by law that occupiers of workplaces should ensure that their workplaces are audited annually by an approved fire safety auditor. The 2021 audit report indicated that the company was in compliant with the Fire Risk Reduction Rules. Over 90% of the Act's requisites had been adhered to. Below are a few areas of compliance:

- 46 staff were trained as Fire marshals. The rest of the staff underwent an online fire safety session.
- Fire drills are conducted annually as stipulated.
- The firefighting appliances have been inspected and are regularly maintained.
- An alarm system with Break Glass Activation points has been installed in most outpatient centers.
- Emergency first aid kits have been provided within reach.

Other than the mandatory audits AAR Healthcare also underwent the international Safe Care Audit. Achieving Safe Care accreditation means joining a collaborative

of superior service providers in healthcare. A SafeCare accredited facilities earns distinction in service provision and positions themselves as a center of excellence.

The safe care audit processes focused on the below areas:

- HR Resourcing processes
- Policies and procedures for consistency in operations and all employee's updates
- Learning & Development standards and implementation of training
- Performance Management processes and implementation
- Locum Staff (Sourcing, learning and engagement)

3.Security -Due to the nature of our business our staff are exposed to people from all walks of life. It's because of this reason that we have fitted our OPC's with panic buttons that are easily accessible by all staff in case of a hostile situation.

4. PPE-The company has been providing PPE's to all staff for the last two years. PPE's are designed to protect staff from harmful substances such as chemicals or infectious agents. In a pandemic situation like Covid 19, PPE's can also help prevent the transmission of infection between staff and patients. PPE's is one measure within the hierarchy of controls used in the workplace. The type of PPE provided to staff depends on the work environment and procedures carried out by staff.

5.Covid 19 prevention and control measures

- Disinfecting surfaces around our offices and OPC'S - Disinfection of high-touch surfaces such as doorknobs, tables, handles, light switches, and countertops is done on an hourly basis to reduce transmission of COVID-19 in all out offices and outpatient centers.
- Marking seat and social spaces - Social and physical distancing measures aim to slow the spread of disease by stopping chains of



transmission of COVID-19 and preventing new ones from appearing through marking/labeling out seat and social spaces for proper spacing. The spacing encourages people not to sit within 2 meters of each other in our OPC'S. Staff seating positions also changed to accommodate the 2 meters' space between each other. In cases where this was not possible staff were encouraged to work from home.

- Staff vaccination - AAR Healthcare was at the forefront of advocating for staff vaccination against Covid 19. This was because 85% of our staff are frontline workers. Through building Covid vaccine confidence in staff the management provided regular updates and information on where and how to get the vaccine. This encouraged and ensured 98% of the staff were fully vaccinated.

Labour Principles

AAR Healthcare is committed to employee policies that are in adherence to the labour laws of Kenya, International Labour Organization (ILO) Conventions and other International Standards, eliminating all forms of labour malpractices and also enforcing a culture of cAARe being an equal opportunity employer in support to a zero tolerance attitude in respect to employment and occupation.

AAR Healthcare states clearly that no staff shall be discriminated against due to sex, race, color, political opinion, HIV status and beliefs.

Human resource status

69% of employees are female compared to 31% male. Employees are adults and voluntarily employed. The table below gives a percentage of age distribution of our employees:

TOTAL NUMBER OF EMPLOYEES FULL TIME	
Female (Full-Time)	234
Male (Full-Time)	105
AGE DIFFERENCE	
Aged 18-24 Years (Full-Time)	2
Aged 25-35 Years (Full-Time)	184
Aged >35 Years (Full-Time)	153
Total Number of Part-Time Employees	
Female (Part-Time)	154
Male (Part-Time)	103
Aged 18-24 Years (Part-Time)	13

Staff Training

AAR Healthcare recognizes the need to continually grow staff competencies. The company conducted human resource related activities and trainings that were geared towards developing staff.

Principle 7:

Businesses should support a precautionary approach to environmental challenges

Principle 8:

Undertake initiatives to promote greater environmental responsibility

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.



Environmental Principles

As a company, we are committed in ensuring that we operate and take initiatives that will promote our company as environmentally responsible and one that embraces environmentally friendly technologies in its businesses. Below are our 2021 activities under the environmental principle.

1. Annual Environmental Audit –This is in compliance with the NEMA Regulations and EMCA, (CAP, 387). AAR healthcare consulted a NEMA registered expert and had the below objectives included in the audit
 - review of legal and institutional framework of the company.
 - Collection of background information on environment.
 - Social welfare of the workers and the neighbouring community evaluation.
2. The findings indicated that AAR Healthcare is dedicated to ensuring safe and sound environment for all and is committed to comply with policy requirement as well as relevant statutory legalisation. These relevant statutory legislations include but not limited to;
 - The Environment Management and Coordination Act, CAP, 387
 - The Water Act, Cap 372,
 - The Public Health Act, Cap 242
 - The Science and Technology Act, Cap 250, and
 - The Occupational Safety and Health Act, 2007.
3. Medical Waste management -AAR Healthcare works with a contracted waste disposal company that is approved and licensed by NEMA as per the EMCA and Waste Management Regulations, 2006. The company owns and operates the largest thermal treatment plant in Kenya and has the capacity to treat and dispose approximately 50 tons a day. The OPC'S waste is safely collected and transported to plant where it is disposed. Through a regular visit to the plant we were informed that some of the waste is treated and recycled into bricks that are in return used to make things like pavement walk ways and other construction materials.
4. Water effluent analysis - Medical waste is a major source of pollution and it is because of this that AAR Healthcare conducts an annual water effluent analysis to ensure that the water discharged into the sewer system is safe and does not harm the environment in any way. The 2021 water effluent report results indicate that water collected and analyzed from all our OPC's was safe for disposal.
5. Paper Waste recycling - Our paperless campaign emphasizes on the 3 r's- Reuse, reduce and recycle. Through this campaign paper wastage has reduced drastically. The waste paper from all our offices and OPC's is recycled through Chandaria Industries and funds channeled towards the purchase of sanitary towels, books tissue paper and soap which is in return distributed to needy schools. 2021 we recycled 10 tonnes of waste paper and raised approximately Ksh 154,800 shillings which in return was donated to 1800 girls in different schools.
6. Trees for Health-Tree planting initiative- As we move towards a post-COVID-19 world, we recognize that environmental conservation and protection is a key aspect of recovery, hence trees are a symbol of life, tree planting is likely to be part of the projects that will help the world recover. Through our tree planting campaign of "a tree per every 10 patients" (The company seeks to honor all patients by planting a tree for every 10 patient treated in any of its AAR outpatient centers countrywide the previous year.) We are proud to be playing our role in increasing of the forest cover in Kenya. It is our hope that through this initiatives Kenya will achieve and maintain a tree cover of at least 10 per cent. In 2021 we planted 23,423 trees all around the country in partnership with different stakeholders and partners. Through T4H we are able to manage and ensure survival and proper maintenance of the trees planted for the first 3 years after which the trees are able to grow with minimum maintenance.
7. The AAR Healthcare Annual Environment Day – The 2021 Annual

environment day marked the fifth (5th) consecutive year in the company calendar. This is a day set aside to nurture the environment by planting trees. The event took place at the Ngong Road Forest and 6,100 trees were planted.

8. Trees for health New Partnerships -To advance company's effort on environmental protection, T4H in initiated a project Memorandum of Understanding (MoU) with Kenya Forest Services. The Project's joint collaboration seeks to increase tree coverage in the Ngong Road forest. With this partnership KFS assigned AAR healthcare 8 acres of land for rehabilitation for the next 5 years. The project hopes to plant more than 100,000 trees during this time.
9. Environmental Mentorship School Program - The T4H project mentors school going girls and boys in both primary and secondary schools on environmental protection and conservation. The project has fully transformed the school environment by increasing tree coverage within the school compound.
10. World Environmental Week -On 5th– 8th June, 2021, 13 staff from our Roysambu OPC joined the St. Dominic primary school in Mwiki for a tree planting event that was organized by the county of Nairobi Environment department.
11. Wangari Maathai Day –on March 3, 2021 the AAR Healthcare team joined the Rabai Road primary school community to mark the Wangari Maathai days. Wangari Maathai was a 2004 Nobel Prize winner who ia celebrated all over the world for her contribution towards sustainable development, democracy and peace. Wangari also founded the Green Belt Movement which rallies women in Kenya to combat deforestation.



Dr.Sitonik The Head of Clinic Operations planting a tree with a student and a teacher from Rabai Primary school.

AAR healthcare MD-Charles Kariuki watering a ceremonial tree they planted with the chief guest Mrs.Charity Munyasya –Deputy Chief Conservator (KFS) and Major Mwandago of the Kenya Air Forces.

Principle 10:

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



Anti- Corruption Principle

AAR Healthcare has zero-tolerance to bribery and corruption. Consequently, AAR employees are mandated at all times to act with integrity and ensure that all decisions are based on legitimate considerations. It therefore follows that breaching of the same can attract disciplinary action.

Gift Acceptance-Gifts must not influence or appear to influence the recipients' decision to a business decision. No employee shall receive from an outsider or supplier any form of a gift that might influence a business decision to be as it would otherwise not be, were it not for the gift. Such gifts include anything of monetary value. Employees receiving gifts valued higher than the equivalent of US\$ 50 should declare these with HR Department. Failure to declare such a gift is tantamount to breach of the Company's policy and may result in serious disciplinary action.

Whistle Blowing-The AAR Code of Conduct requires all staff members to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the company, staff are expected to practice honesty and integrity in fulfilling their respective work responsibilities and compliance with all applicable laws and regulations. It is the responsibility of all staff members to comply with the Code and to report violations.

AAR HEALTHCARE UGANDA



AAR Healthcare Uganda (AHCU) is a leading pioneer private outpatient medical service provider in Uganda with a growing branch network of 11 Out-Patient Centers currently attending to an average of 18,000 clients per month.



Human Rights

AAR Healthcare Uganda Ltd incorporated in its policies all the principles of human rights. These include, but not limited to respect, fairness, equality and dignity.

The HR team ensures that the policies protect all employees regardless of who they are, what they believe and how they live. Employees are also made to understand these principles so that they do not violate others and stakeholders' rights by sharing the HR manual with all staff annually, routine sensitization sessions after which staff declare to adhere to the policy and uphold all values, meetings among other avenues.

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Fire drill exercise to emphasize OSH safety at Buganda Road Clinic



Labour



The GM with Gulu clinic staff marking 10years of the clinic existence in the region

AAR Healthcare Uganda amidst the challenges especially those triggered by the pandemic has continued to provide all its employees with decent working conditions characterized by fair income and workplace security.

To ensure non-discrimination amongst employees, equal opportunities and treatment of both our female and male staff and freedom to express workplace concerns we have clearly described the rights, interests, duties, responsibilities, obligation and discipline of workers and employer in the HR manual and continued to update it in line with the labor laws of Uganda and International Labor Organization (ILO).

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

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The elimination of discrimination in respect of employment and occupation.



Accolades for staff rewarding performance

Environment

AAR Health care Uganda strives to take initiatives that reduce harmful impact on the environment even though it is an uphill battle since any form of industrial development has a negative effect on the environment.

The first step is to ensure that all staff work in a safe environment that is free from pollutants like chemicals and smoke. Fire preparedness is another training that the company undertakes periodically to ensure staff work in a safe environment. All staff have participated in fire drills and fire training sessions.

The company has also taken the responsibility to ensure that medical waste is managed in a manner that is consistent with National Environmental Management guideline by analyzing laboratory water effluent annually and in turn, taking initiatives to ensure that it is treated before disposal into the main sewer.

As a responsible citizen, the company has also taken part in sanitation projects in the community. This also goes hand in hand with educating the masses on the importance of environmental conservation. The company also has plans to change power back up from non-renewable to renewable energy in some facilities to reduce on fuel consumption which has been known to increase greenhouse gases.



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The Gulu clinic team with the area Mayor and Woman MP jointly cleaning the city streets

Anti-Corruption



Orientation and onboarding session of staff where the company policies like anti-corruption and anti-bribery are explained to the new team members

Principle 10:

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

In its bribery and corruption policy, AAR Healthcare Uganda Ltd clearly states and requires its employees to stay alert to the risk of risks of fraud and money laundering and to assist AAR Healthcare Uganda management in its efforts in combating it.

Staff are encouraged to follow controls and procedures in place to decrease the risk of fraud. Strange and unusual events such as requests to do unorthodox transactions or attempts to involve the Company in deals which do not seem to have a clear purpose are reported to Line Managers and the Head Human Resources.

AAR Healthcare Uganda holds confidential information received in respect of funds and protect the “Whistle Blower”.



AAR Uganda Staff training on fire and safety.

KAMPALA HOSPITAL



About Kampala Hospital

Kampala Hospital Limited is a secondary care private medical provider in Kampala. The hospital is part of the HHI Group, which is one of the largest private healthcare groups in East Africa.

The hospital has undergone major expansion since its inception and has recently built and expanded its IPD and OPD departments. In the year 2021, KHL expanded its physiotherapy department, implemented multiple community outreaches to improve on the patient footfall and increase brand awareness. We are currently in the process of planning to renovate our OPD, plan to introduce NICU services and expand our laboratory service to include microbiology tests.



Human Rights & Labour

Kampala Hospital is committed non-discriminative and equal opportunity employer which supports both national and international policies regarding Human Rights. Our basis or foundation for employment is guided by the Ugandan Employment Act 2006 in support with Human Rights Act.

With us working hours, holiday and leave management, disciplinary and grievances, contractual management are all guided by the ACT. This is reiterated in our Employee Handbook and personalized orientation for each and every individual recruitment and echoed in department and general staff meetings. We additionally subscribe to the Ugandan income tax Act when dealing with comprehensive compensation of staff. E.g., all mandatory statutory deductions and remittances are adhered to.

We extend to staff benefits of medical insurance, group personnel accident covers for staff in and out of the premises, professional indemnity insurance and we recently launched a staff provident fund. Staff were able to utilize their annual leave and maternity leave. At KHL we are able to equip our managers with working skills through management training. All staff were engaged in BLS Training and the laboratory team was trained in Bio safety and Bio security training.



All employees are treated equally with no bias of creed, age, education, position, sex, tribe, national etc. We manage this through our shared values of Nurturing, Integrity, Respect, Compassion, Accountability and Excellence. We strive at continuously improving the quality of work or work life balance.

Anti-Corruption

Kampala Hospital has zero tolerance for corruption and recognizes the role corruption plays in negatively impacting business development and the economy at large and as such has been very strict in developing policies and programs to mitigate the vice from rearing its head in the workplace.

Apart from the Employee handbook that guides on best workplace practices, the finance manual is clear on how to operate in an ethical manner. Additionally, continuous controls have been placed and one majorly being the hospital management system that has seen closure of leakages and improved revenues.

Apart from anti-fraud / corruption policies, we have an open-door policy. The staff is encouraged to use the whistle blowing method, staff feedback boxes have been availed for anonymity and feedback and at the same time trainings and orientation regarding the organization code of conduct are ongoing.

All fraud cases have been reported and some handled with the concerned stakeholders and legal bodies such as the Ugandan police.

Environment

The hospital participates and conforms to the national guidelines in regards to environment protection and conservation. We are registered and certified for workplace Occupational health and safety under the ACT 2006 and with the National Environment Authority.

Waste water disposal management was addressed this year. Initially we had a septic tank which would be emptied when full however due to safety precautions we engaged NWSC who conducted an analysis that showed we were safe. They later connected the hospital to the NWSC main sewer lines where our water is treated and recycled.

In-line with NEMA guidelines, waste is disposed of in the different color-coded bins around the hospital premises, Trainings for the medical and housekeeping teams are regularly done for proper waste management. The bins are labeled for easy use. The disposal of all waste from the premises is handled by a NEMA licensed medical waste company.

In the last month of December, we took part of a CSR activity where we helped improve the general cleanliness of Wandegeya market together with teams from our sister hospitals AAR Healthcare and Nakasero Hospital. During this activity we were able to offer free general doctor and nutritionist consultation services, free HIV and Diabetic screening, free deworming, magnesium and charcoal tablets with tablets to the community.



Under the above, we have ensured all our staff have undergone fire safety training (use of fire extinguishers, fire hydrants, water hoses and responses in case of a fire outbreak).

The hospital is still working tirelessly to implement a safe and pollution free environment while conserving natural resources. This has been so since 2014 and as part of our conservative efforts, we harvest water from the rain, we use LED bulbs and harvest power for use from the solar panels both in the wards and kitchen. Staffs are encouraged to switch off lights, turn off water if not using the space both night and day.

The drugs and laboratory consumables are managed / stored and disposed of using the National Drug Authority (NDA) guidelines. All expired drugs are kept safe and a licensed medical company will collect them for disposal. A certificate from NDA is issued after proper disposal. For continuous improvement, suggestion boxes for both staff and clients are around the premises to help management in better future decision-making.





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