




## AAR HEALTHCARE KENYA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

|  |                              |   |
|--|------------------------------|---|
| <br><b>Healthcare</b><br><i>As human as you</i> | <b>AAR HEALTHCARE(K) LTD</b> |   |
| <b>ENVIROMENTAL, SOCIAL AND GOVERNANCE (ESG)</b>   |                              |   |
| <b>SOP/POLICY No:</b><br><b>AHC/TRG/C/001</b>  | <b>Version:</b>              | <b>Effective Date:</b><br><b>Review Date:</b> |

Author: .....Date.....  
ESG Officer

Reviewer: ..... Date: .....  
Head Brand, Experience and Corporate Impact

Approving Authority: ..... Date: .....  
General Manager

#### Review/Approval for unchanged documents

*Completion of the following block signifies the review and approval of no change to the document.*

| Date | Author | Q.A Review | Approving Authority |
|------|--------|------------|---------------------|
|      |        |            |                     |

## 1.0 Statement

### 1.1 Vision

AAR Healthcare Kenya's vision is to be the provider of choice for innovative and quality healthcare solutions in Africa.

### 1.2 Mission

To provide healthcare solutions that make a difference to life.

### 1.3 Overview

This policy will inform our Environmental, Social, and Governance (ESG) efforts. This includes, but is not limited to, ESG reporting, disclosures (both material and non-material), business practices, procedures, investments, board activities, stakeholder engagement, and investor relations.

## 2.0 Policy Review and Updates

This policy shall be reviewed **annually** to ensure alignment with evolving best practices, regulatory requirements, and strategic goals.

## 3.0 Document Control

The document is version controlled and shall be discussed at ESG Committee meetings as required. Recommended changes must be approved by the Board before being operationalized.

## 4.0 Purpose

The purpose of this policy is to provide guidance on integrating ESG into AAR Healthcare Kenya's (AHCK) entire business framework, ensuring sustainability and ethical operations while creating long-term value.

## 5.0 Scope

This ESG Policy applies to:

- **All AHCK employees** (permanent, temporary, and third-party workers).
- **Suppliers and service providers**, ensuring responsible procurement.
- **Direct operations** and services delivered to customers.
- **Governance practices** to ensure ethical leadership and transparency.

## 6.0 Abbreviations

- **AHCK:** AAR Health Care Kenya
- **CSR:** Corporate Social Responsibility

- **ESG:** Environmental, Social, and Governance
- **HVAC:** Heating, Ventilation, and Air Conditioning

## **7.0 Roles and Responsibilities**

Assigning responsibilities to various departments within the company streamlines and manages the implementation of ESG practices.

### **7.1 The Board of Directors**

- a) Approves the ESG Policy and amendments.
- b) Oversees sustainability reporting and ESG performance.

### **7.2 The General Manager**

- a) Ensures ESG integration across business operations.
- b) Recommends policy updates to the Board.

### **7.3 ESG Committee**

The committee will be composed of 12 members, selected through a competitive and transparent process. It will include eight OPC representatives, along with one representative each from HR, Quality, and Finance. The ESG Officer will serve as the secretary, while the Head of Brand, Experience, and Corporate Impact will chair the committee.

An internal advertisement will be shared with staff to invite applications for the eight OPC representative positions. After a thorough review, selections will be made based on the applicants' demonstrated passion for ESG, ensuring the right individuals are chosen to effectively drive this agenda forward.

These positions will have a two-year term, after which they will be reviewed, and a new application process will be conducted.

### **7.4 Composition**

- 5 OPC Representatives-Members
- 3 Members from COP-Members
- ESG Officer- Secretary
- Head Brand, Experience and Corporate Impact – Chair person

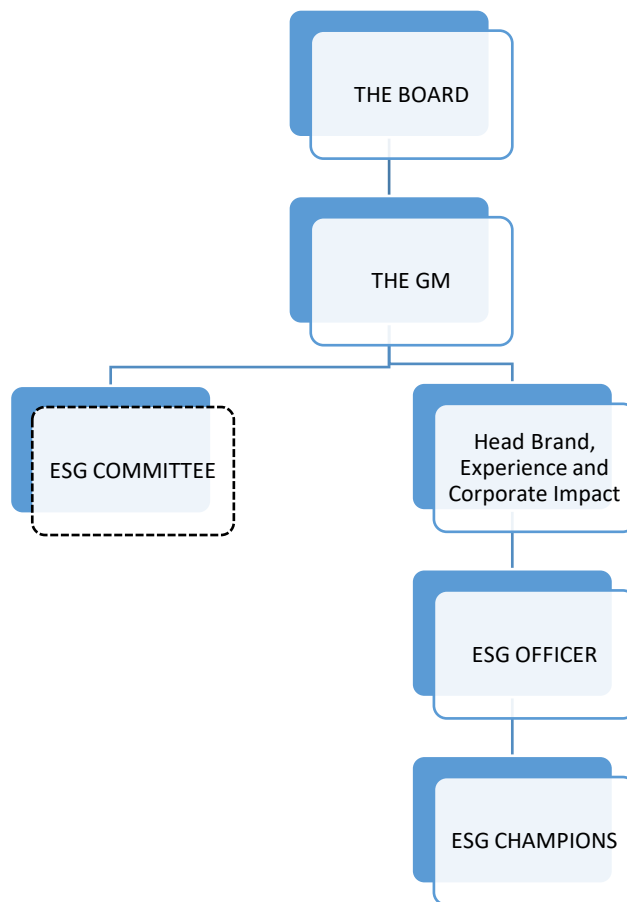
### **7.5 Responsibilities**

- a) Review ESG-related operational, regulatory, and reputational risks.
- b) Guide management on ESG strategies and reporting.
- c) Ensure ESG compliance across departments.
- d) Submit progress reports to the Board **semi-annually**.

## 7.6 Proceedings of the ESG Committee Meetings

- a) **Frequency of Meetings:** The Committee shall meet biannually. The Committee may meet in person or telephonically, and at such times and places as the Committee determines.
- b) **Chairperson:** Shall be the Chairperson of the Committee. In the absence of the Chairperson, the senior present in the meeting shall preside.
- c) **Quorum:** The quorum for a meeting shall be a minimum of six members.
- d) **Voting:** Each member shall have one (1) vote. All matters submitted for approval shall require a majority of the members present and voting. Non-members shall have no voting rights.
- e) **Reporting to the Board:** The ESG Committee will update the General Manager on progress and action plans Semi-annually.

## 7.7 ESG Organogram



## **8.0 Performance Improvement**

Compliance shall be monitored using:

- Key Performance Indicators (KPIs): Measurable targets for ESG activities.
- Audits: Integrated into Quality & Patient Safety monitoring.
- Annual ESG Reports: Highlighting ESG performance, gaps, and improvement plans.
- Materiality Assessments: To prioritize ESG impact areas.
- Feedback Mechanism: ESG hotline & staff reporting channels.

### **8.1 Measures Utilized**

- a) Key Performance Indicators: Related to identified ESG activities.
- b) Periodic Audits: As part of the Quality Assurance and Net Promoter Score monitoring.
- c) Monthly and Annual Reports: Summarize performance of the company's ESG status.

### **8.2 Tools Utilized**

- a) ESG Reporting Frameworks: We shall utilize established reporting frameworks that include the UNGC COP and IFC Toolkit.
- b) Materiality Assessments: We shall conduct to identify the most relevant ESG issues for the organization and prioritize efforts based on their potential impact on stakeholders and business value.

## **9.0 Environmental Practices**

### **9.1 Deforestation & Afforestation**

- Expand T4H tree-planting program, requiring one tree per ten patients.
- Enforce zero deforestation in procurement contracts.
- Partner with suppliers certified for sustainable sourcing.

### **9.2 Energy Efficiency**

- Implement LED lighting and HVAC energy conservation measures.
- Mandate energy-efficient equipment maintenance schedules.

### **9.3 Waste Management & Pollution**

- Segregate and dispose of waste per NEMA regulations.
- Implement recycling programs in operational centers.

### **9.4 Water Conservation**

- Install low-flow plumbing fixtures.
- Conduct monthly leak detection checks.

### **9.5 Green Procurement**

- Prioritize eco-certified products and services.
- Include environmental clauses in procurement contracts.

## **10.0 Social Responsibility**

### **10.1 Health & Safety**

- Ensure safe working conditions and fair labor practices.
- Conduct regular OHS training.

### **10.2 Diversity, Inclusion & Employee Wellness**

- Embed D&I principles in HR recruitment and training.
- Offer mental health & work-life balance programs.

### **10.3 Community Engagement**

- Integrate T4H activities (tree planting, deworming, mentorship).
- Promote staff participation through EVP (Employee Volunteer Program).

### **10.4 Employee Wellness**

Implement programs to support employee health and well-being, such as wellness initiatives, mental health resources, and work-life balance policies.

### **10.5 Occupational Health and Safety (OHS)**

Compliance is a key aspect of ESG through the "S" (Social) aspect. Creating a safe and healthy work environment for employees not only demonstrates a company's commitment to social responsibility but also contributes to employee well-being, engagement, and productivity, ultimately enhancing the social sustainability of the organization.

## **11.0 Governance Practices**

### **11.1 Ethics & Compliance**

- Enforce whistleblower policies and anti-bribery measures.
- Conduct annual ethics & compliance training.

### **11.2 Risk Management**

The ESG Committee plays a critical role in identifying, assessing, and mitigating risks related to sustainability, ethics, and corporate responsibility. It ensures that ESG risks are managed proactively, aligning business strategies with sustainable practices to protect the company from financial, legal, reputational, and operational risks.

### **11.3 Key Responsibilities of the ESG Committee in Risk Management**

- 1) Identifying & Assessing ESG Risks
  - a) Conducts risk assessments to identify potential ESG-related threats (e.g., climate change, regulatory non-compliance, labor issues).
  - b) Engages stakeholders (employees, investors, regulators, communities) to understand ESG concerns.
  - c) Uses ESG materiality assessments to prioritize risks that could significantly impact the business.
- 2) Developing ESG Risk Mitigation Strategies
  - a) Establishes policies and frameworks to manage risks related to sustainability, ethics, and governance.
  - b) Works with internal departments (HR, Legal, Operations) to implement risk mitigation measures.
  - c) Ensures compliance with global ESG standards (e.g., GRI, SASB, TCFD, UN Global Compact).
- 3) Monitoring ESG Performance & Compliance
  - a) Tracks ESG key performance indicators (KPIs) to measure risk exposure and effectiveness of mitigation efforts.
  - b) Conducts ESG audits and reporting to identify compliance gaps.
  - c) Ensures the company follows regulatory requirements and emerging ESG laws (e.g., EU Green Taxonomy, SEC climate disclosure rules).
- 4) Crisis Management & Response
  - a) Develops response plans for ESG-related crises (e.g., environmental disasters, workplace safety incidents, governance scandals).
  - b) Coordinates with legal and PR teams to handle reputation risks and communicate ESG commitments transparently.
  - c) Engages in stakeholder communication to rebuild trust after ESG-related crises.
- 5) Integrating ESG into Business Strategy
  - a) Advises the Board and Executive Leadership on ESG risks and opportunities.
  - b) Promotes sustainable business practices to minimize long-term risks (e.g., shifting to renewable energy, improving supply chain ethics).
  - c) Aligns ESG risk management with corporate goals and investor expectations.
- 6) Driving ESG Culture & Accountability
  - a) Ensures that executives and employees understand their role in managing ESG risks.
  - b) Provides training and awareness programs on ESG risk management.
  - c) Encourages transparent ESG reporting and disclosure to maintain accountability.

### **11.3 Stakeholder Engagement**

- Host bi-annual ESG town halls with employees and investors.
- Implement grievance redress mechanisms for employees.

#### **11.4 Tax Compliance**

- Ensure adherence to local tax regulations and transparent tax reporting.
- Avoid aggressive tax strategies that contradict ESG principles.

#### **11.5 Donations & Lobbying**

- Ensure all charitable donations align with T4H and ESG values.
- Maintain transparency in lobbying activities to avoid conflicts of interest.

---

### **12.0 Related Documentation**

- Environmental Management Policy:
- IPC Policy:
- OSH Policy:

### **13.0 References**

- a) **HR Manual:**
  - a. **OSH Policy**
  - b. **Grievance Policy**
  - c. **Anti-Bribery and Corruption Policy**
- b) **International Finance Corporation Guidebook:** Available at: [IFC Guidebook](#)
- c) **International Finance Corporation Self-Assessment and Improvement Guide:**  
Available at: [IFC Self-Assessment Guide](#)
- d) **International Finance Corporation Toolkit:** Available at: [IFC Toolkit](#) Accessed on 16/04/2024
- e) **United Nations Global Compact:** Available at: [UN Global Compact](#) Accessed on 15/04/2024.