



2019 REPORT TO SOCIETY ENABLING INNOVATION



About the cover

Adrian Kenya is a leading engineering and construction solutions provider enabling innovation in East and Southern Africa. We are doing so directly by providing innovative products and services and indirectly, by making it possible for people to innovate through optimizing communication between people, equipment and systems.

At the heart of our operations are people: our employees who carry our vision; our customers whose needs we meet with tailor made solutions and our communities, who have given us the license to operate.

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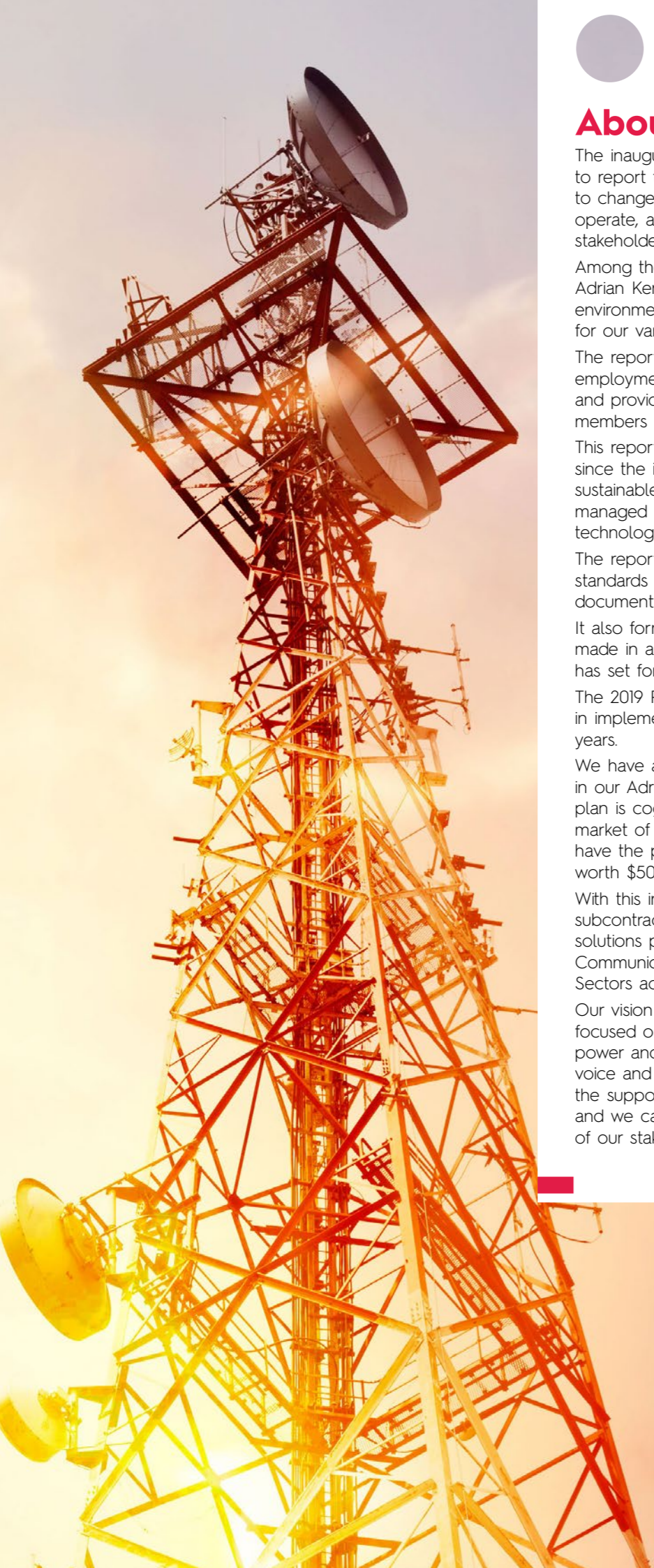
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About this report

The inaugural Report to Society of Adrian Kenya seeks to report the progress we have made in our efforts to change lives, protect the environment in which we operate, and generate sustained financial value for our stakeholders.

Among the highlights in the 2019 report is the contribution Adrian Kenya has made in the conservation of the environment in which we work as we implement projects for our various clients.

The report also details the progress made in creating employment, creating growth opportunities for employees and providing training and apprenticeship opportunities for members of the communities in which we operate in.

This report also contains an analysis of the steps taken since the inception of the company to make it financially sustainable and to grow into a reputable and well-managed institution that can provide innovation and technology products and services to society.

The report is in compliance with GRI Core reporting standards and the requirements by our partners to document our sustainability efforts and progress.

It also forms the basis for future reports on the progress made in achieving the very realistic targets Adrian Kenya has set for the next quarter of a century.

The 2019 Report to Society highlights the progress made in implementing sustainability efforts over the past six years.

We have also defined objectives for the business outlined in our Adrian Kenya Transformation Plan 2019-2044. Our plan is cognizant of the fact that there is a serviceable market of \$2 billion in the sub-Saharan region and we have the potential to increase our market share to 0.8% worth \$500 million.

With this in mind, we are keen on transforming from a subcontractor to an end-to-end technology-enabled solutions provider serving customers in the Information, Communication and Technology, Energy and Oil and Gas Sectors across sub-Saharan Africa.

Our vision goes beyond generating revenue. We are focused on transforming Africa by connecting people to power and providing access to communication through voice and data. We recognize that to do this, we need the support of our clients, staff, shareholders, and society, and we cannot do this without being accountable to all of our stakeholders.

ABOUT ADRIAN KENYA

Who we are:

Adrian Kenya is a leading engineering and construction solutions provider enabling innovation in East and Southern Africa. Our blend of innovative, high quality and reliable technologies is transforming the continent by supporting seamless operations and optimizing communications between people, equipment and systems.

Our approach to business is always to begin with our customers' needs in mind, enabling us to develop solutions that are tailor made to their needs, no matter which sector they operate in, be it telecommunication, power, ICT or oil & gas.

What we do:

The core of our business is the deployment and maintenance of infrastructural solutions in Telecommunications, Power, IT, and Oil & Gas. Our expertise includes end-to-end construction of telecommunication infrastructure, building integrated platforms to simplify IT solutions, fiber solutions, and managed services across our business sectors.

We employ different strategies for delivery such as direct projects, managed and building with a focus on long term partnerships so as to deliver intended business results to our valued clientele.

Our Impact:

Over the last 6 years, we have grown to become one of the leading systems integrator in the region, providing our services to over 1000 clients on fixed data connectivity, built over 800 cell sites, provided employment to over 300 people on permanent contracts and an additional 600 on contract basis. We have grown our client base from the initial telecommunication sector to clients in ICT, power and oil & gas. In 2019, in ambitious move, we opened our doors to the rest of the continent by opening offices in South Africa.

We Provide superior ICT, Energy and Oil & Gas solutions through strategic partnerships in Africa



Our Responsibility to Society:

Our commitment to transforming Africa by connecting communities and businesses through sustainable technology is driven by a desire to create lasting impact on the continent, not just for businesses, but also in the lives of individuals and communities. To do so, we have formed lasting relationships that have made it possible to offer innovative solutions and reach previously unreached people.

In order for us to sustain our business, we acknowledge the importance of building a strong enough foundation for growth of the next generation. As such, as we continue to invest in our business development and in expanding our operations, we are similarly investing in communities through driving innovation, job creation, women empowerment, technical training youth programs and environmental conservation.



OUR VISION

"Transforming Africa by connecting businesses and communities through sustainable technologies"



OUR MISSION

"To provide superior ICT and Energy Solutions through strategic partnerships in Africa"



OUR CORE VALUES

Our Core Values are formed build the ACRONYM - ADRIAN

<p>A Accountability: We are champions of our company and we do that we say we shall do. We act with openness, integrity and trust.</p>	<p>D Drive: We are relentless in our pursuit of success, approaching each day with energy, passion & persistence to exceed expectations</p>	<p>R Responsibility: We are responsible for achieving our objectives</p>
<p>I Innovativeness: We do things differently each day for better results</p>	<p>A Assertiveness: We are self-assured and firm in decision making</p>	<p>N Networking: We are one company across all functions, and geographies working towards a common vision through cooperation and team work.</p>



OUR GOAL:

Our goal is to offer services that support seamless operations and optimize communication between people, equipment and systems.

CHAIRMAN'S MESSAGE

Welcome to Adrian Kenya's inaugural Report to Society. We have set out, in this report, to demonstrate the progress we have made so far in establishing a business that is sustainable in all ways – for the environment in which we work, amongst the communities in which we go about our work and with the governance structures that we hope will drive us forward for the next 25 years.

This report is intended to serve for both target-setting and as a communication tool that talks to our partners, clients and stakeholders about what we do, and intend to do to improve the well-being of society while taking care of the environment.

When we started the journey with Adrian Kenya six years ago, it was as a contractor for original equipment suppliers. Our goal was to provide solutions, as an integrator, that could enable our clients meet their goals in serving society while making sense from a financial perspective.

We have managed to achieve most of the goals we set over that period, and we are now optimistic, more than ever, that we have set a good foundation for growth over the foreseeable future.

We take sustainability seriously at Adrian Kenya because we believe in doing the right thing and going about business in the right, ethical way. We have set targets in the Environmental and Social Governance of the company that we shall endeavor to meet, knowing that when we do so, we shall have a sustainable business. That is why

we call this a Report to Society.

We have begun a continuous process of mapping out how we are going to improve and embed sustainable business practices in our internal processes as a company for the benefit of our stakeholders.

As a Board, our role is to ensure that the business meets the targets set for the integration of sustainability efforts.

Our vision is to guide Adrian Kenya so that as we implement our strategy, we live up to our responsibility to the company's employees, which is to ensure they operate in a safe and predictable environment.

The communities we work in need to be confident that they are engaging with a company that cares about their future and which considers their input in the implementation of projects.

Adrian Kenya's shareholders will need to be assured that the company is sustainable and in a position to give good returns on its investments in the long-term.

We are well on our way to a better future and on behalf of the Board, I would like to extend our appreciation to all the stakeholders that have supported and in some cases guided Adrian Kenya in our sustainable growth journey.

We welcome all stakeholders to support us as we seek to implement our strategy and to become a more sustainable company in Kenya's corporate scene.



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MD'S MESSAGE

Sustainability has been part of our ethos at Adrian Kenya from the very beginning. We have always sought to do things the right way even as we aspire to meet the interests of our shareholders and achieve our targets.

Having sustainability as part of our modus operandi has enabled us to maintain our commitment to society, our people, and the environment. We are committed to lifting the lives of the communities that have given us a license to operate and stemming the tide of environmental destruction.

We have always operated with the knowledge that our core services - construction, fiber solutions, managed services and training - leaves an environmental footprint, which means that our initiatives remain a continuous undertaking.

When we started off our journey as a young company in 2013, our aim was to offer telecommunications services to a niche market that was previously controlled by multinationals and equipment vendors.

Our intention was to become a system integrator of choice in an area that was growing rapidly.

Our journey started as sub-contractors for original equipment suppliers before we became a fully-fledged, accredited and recognized contractor for leading telecommunication firms and equipment suppliers.

Throughout this journey, we have embraced sustainable operations because we believe that we have a big role to play in entrenching good

business practices in the countries we operate in.

We now employ over 350 employees directly and have about 600 casual workers at any one time. The business has expanded across borders and we now have active operations in Kenya, Tanzania and recently South Africa.

Through these operations, we have, in addition, impacted at least 1,000 people indirectly. Employee welfare is very important to us and we are proud of the fact that our attrition rate is very low: a total of 90 percent of the employees who started off with us in 2013 are still with us.

The average age of our employees is 28, many of whom were recruited fresh from engineering schools, and we have partnered with several universities to get their engineering graduates to apply for supporting roles in our work at BTS sites.

Each year, we bring on board 45 graduates from public universities and technical vocational training institutes which ensures that we get engineers with hands-on training joining our workforce.

We have also started a deliberate process of identifying and encouraging female engineers to join the organization as part of our efforts to bring the gender balance to at least 60:40 over the next two years*. To this end, we regularly host these students from local universities to informal engagements to encourage them to pursue careers in that line of work.



Throughout this journey, we have embraced sustainable operations because we believe that we have a big role to play in entrenching good business practices in the countries we operate in.



At Adrian, we believe that our Pan African ambition will only be met by investing in our people and building their capacity to handle complex engineering work.



SUSTAINABLE DEVELOPMENT GOALS

At Adrian Kenya we have embraced seven of the 17 Sustainable Development Goals, which were developed by the United Nations to improve people's lives by tackling poverty. The SDGs we have adopted are:



After adopting these goals, we have been continuously aligning our operations accordingly.

At Adrian, we believe that our Pan African ambition will only be met by investing in our people and building their capacity to handle complex engineering work.

As part of our support to our suppliers, we have instituted training programmes to bring partner businesses up to speed in terms of operational efficiency and integrating sustainability in their operations. We train them on how to run business operations, from the basics of book keeping to marketing. So far, we have trained over XX business operators who have gone ahead and integrated the lessons learnt in their operations.

At Adrian Kenya we have embraced seven of the 17 Sustainable Development Goals, developed by the United Nations emphasizing a holistic approach to achieving sustainable development for all.. The SDGs we have adopted are: Quality Education (4) Gender equality (5), Affordable and clean housing (7), Decent work and economic growth (8) and Industry, innovation and infrastructure (9), Responsible Resource Production and Consumption (12) and Partnerships for the Goals (17). After adopting these goals, we have been continuously aligning our operations accordingly.

We undertake projects in ICT, power and telecommunications, which help take mobile telecommunications to areas that have no

coverage. To date, we have built more than 800 Base Transmission Site stations, thereby improving connectivity and mobile penetration in the country. We have impacted on communities through various initiatives such as providing casual employment during the construction period of the BTS as well as entrenching a culture of planting trees. At every construction site, we plant and nurture trees as well as provide seedlings to surrounding communities.

As a business, we realize that the future is green. That is why we are engaging with internationally recognized manufacturers of solar equipment – such as General Electric – to tap into this renewable resource.

We were the first company in the region to adapt to solar as an energy source for powering our BTS sites. So far, we have 280 BTS stations that run entirely on solar energy.

We remain committed to engaging with partners with whom we can drive the sustainability agenda for the betterment of society and protection of the environment.

We'll continue to pride ourselves as a society-oriented company, and to work towards the goals we have set for sustainability, as we participate in the transformation of Africa by connecting businesses and communities through sustainable technologies.



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OUR HISTORICAL MILESTONES

Where we started

In 2013, when we began our journey, our aim was to offer telecommunications services to a niche market that was previously controlled by multinationals and equipment vendors. Our intention was to become a system integrator of choice in an area that was growing rapidly.

We started this journey as sub-contractors for original equipment suppliers with Airtel Networks enlisting us as a GSM Contractor and Solutions Provider. Before long, we had established ourselves as a fully-fledged, accredited and recognized contractor for leading telecommunication firms and equipment suppliers.

In 2014, our status was elevated to Tier 1 Contractor by Safaricom barely a year after we started and in 2017, we were voted as the "Best in deployment services" Company, a testament to our dedication to delivering world class services.

Our Milestones- The business

In the past six years, our project size capability has grown from less than a billion to KSh 3 billion. We have managed to grow our revenue, transform the way we perform financially, and to diversify our revenue sources. We have grown our client base from the initial telecommunication sector to clients in ICT, power and oil & gas. Since we began, our workforce has grown to over 300 people on permanent contracts and an additional 600 on contract basis.

We are currently providing our services to over 1,000 clients on fixed data connectivity, and have built over 800 cell sites thereby improving connectivity and mobile penetration in the country. We are proud to see internet connectivity giving rise to new business models at the community level and increasing penetration and access to information and vital services in health care and education like tele-consultancy, tele-prescription and online learning.

In 2019, we became the first company in the region to adopt solar energy as a power source for powering our customer's BTS sites. This has resulted in elimination or reduced diesel usage in over 280 BTS stations leading to a reduction in carbon emissions for our clients.

In 2019, in an ambitious move, we opened our doors to the rest of the continent by opening offices in South Africa. We are set on establishing ourselves as a co-creator by partnering with multinationals to develop Internet of Things (IoT) solutions specific to the African market.



2013

Year we began our journey

2014

our status elevated to Tier 1 Contractor by Safaricom

300

People on permanent contracts

600

People on contract basis.

2017

Voted as the "Best in deployment services" Company, a testament to our dedication to delivering world class services.

KSh 3 billion

our status elevated to Tier 1 Contractor by Safaricom

18%

Percentage of our workforce comprised of women

90%

Percent of the employees who started off with us in 2013 are still with us.

Our milestones -The People

Our efforts towards becoming an inclusive and gender- balanced organization have seen us achieve a 60:40 representation of men vs women at the board level, and our goal is to change this to realize a 50:50 representation.

So far, 18 percent of our workforce is comprised of women, a significant achievement for an engineering company. We are not stopping here, and have put training programs in place to ensure an increase in the number of female employees. In 2019, 15 out of 20 women who went through this training, joined Adrian as full time employees.

Women receive equal pay for equal work, there is no difference in salaries of men and women performing the same role. Adrian also supports women owned businesses amongst its suppliers :10 out of Adrian's 50 suppliers are run by women, who are offered training in technology, strategy and business planning

Additionally, we are onboarding young people into our workforce through a graduate training program. Each year, we onboard 45 graduates from public universities and technical vocational training institution for operational experience within Adrian. We have retained a huge number of these trainees and they are now a core part of our work force.

There are currently two persons with disabilities (PWD) employed by Adrian, with plans to increase this number to 5 in 2020.

We are proud of the fact that our attrition rate is very low: a total of 90 percent of the employees who started off with us in 2013 are still with us. We have maintained zero casualties/ fatalities through regular training and certification to work at height, and provision of protective and appropriate gear.

Our milestones -The Community

Our business operates not only for the sole purpose of offering services for profits, but also to create positive impact in the lives of communities we operate in. We have invested in communities through driving innovation, job creation, women empowerment, technical training youth programs and environmental conservation.

We equip youth in rural areas with basic technical skills required to service and maintain telco infrastructure through a 6-month technical training program ran by our Operations Team.

In addition, we have set up mentorship opportunities between our staff and 5 local schools in Makueni, Isiolo and Mombasa counties and have impacted over 1000 students. We have also successfully rolled out a tree planting program dubbed "Mwanafunzi Adopt-a-tree" in schools around Meru and Coast Regions.

OUR HISTORICAL MILESTONES

Our Stakeholders

Adrian has always placed the highest priority on serving customers, and their appreciation has been above board, as evidenced by consecutive glowing reviews in every quarter. Our employees and suppliers are aligned in their mission to achieve the best in quality in delivery across all our divisions. We have deliberately planned our development and

training for our suppliers, who we call our Partners, to ensure that their capabilities match the expectations of our clients. We see our success in theirs. Adrian employees continue to make us proud; many of our leaders today have risen through the ranks. Our efforts have led to high levels of trust amongst our customers, where we have seen quick turnaround of projects, high network uptime,

site handovers and acceptance of new, innovative ideas that add value. We believe there is no better way to show our shareholders our commitment to quality growth than achieving customer satisfaction. Our stakeholders are aligned towards achieving this goal, above and beyond, again and again, year after year.



Strategic Partnerships



United Nations
Global Compact



“
We remain committed to engaging with partners with whom we can drive the sustainability agenda for the betterment of society and protection of the environment.

2019

YEAR IN REVIEW



LEARNING & DEVELOPMENT

- Stanford Seed
- Culture Transformation Program
- Development Of E-teaming Portal
- Transactional Management/ International
- Trade-Citibank



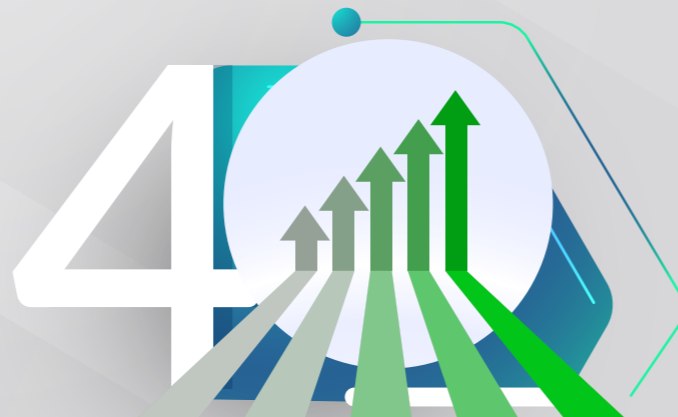
ASSOCIATIONS & PARTNERSHIPS

- AMCHAM
- FKE
- Financier/New Banker
- CITIBANK
- Fingertech/Astonfield/KAM



NEW HR DEVELOPMENTS

- Re-Organization Of Divisions
- Digitization of HR Function
- E.G
- E-Payslips
- E-Learning
- E-Leave Application
- New Positions/Departments
 - Business Analyst
 - PR And Strategic Communication
 - Ict, AI & Software Devt



GEOGRAPHICAL EXPANSION

- Adrian South Africa
- Additional Assets
- Adrian Fleet Acquisition



ACCOMPLISHMENTS IN 2019



Commenced process automation



Opened a regional office in South Africa



Created new high level business positions (Additional Director, CFO, PR and branding, Business analyst)



Trained a team of 70 on management and leadership



Engaged new partnerships and associations



Formulated a new 3 year strategic plan F20- F22



ADRIAN TRANSFORMATION PLAN

In May 2019, guided by our vision of “Transforming Africa by connecting businesses and communities through sustainable technologies”, we embarked on a journey to redefine the way we do business.

This is because ours is a vision that goes beyond revenue generation and is focused on impacting the continent by connecting its people to power and providing access to communication through voice and data.

Our journey, geared towards transforming our business from a subcontractor to an end-to-end technology enabled solutions provider in sub-Saharan Africa, is going to change the narrative regarding indigenous businesses built on the continent.

In order to do so, we formulated the “Adrian Transformation Plan”, a blueprint outlining our strategy for the next 5 years. This plan will enable us meet 4 ambitious goals: pivot to a technology company to reposition Adrian brand as a business solutions partner by 2022 and expand regionally to 15 countries in sub-Saharan Africa by 2030; grow revenue turnover 10x by 2024 and fully automate our Value Delivery System (VDS) by 2022.

The Adrian Transformation Plan is based on 5 pillars.

Our pillars of transformation

- 1. Adoption of Software Technologies:** To transform into a fully technology company, we need to adopt software technologies into our enterprise management model to make ourselves agile.
- 2. New Product and Geographic Expansion:** Grow & scale our product portfolio while increasing our geographical footprint to 15 countries.
- 3. Regional Brand Positioning:** Leverage our brand collateral to communicate our brand position so as to enhance our brand experience across all our customer touchpoints.
- 4. Invest in **Talent development and key hires**
- 5. Invest in **Governance and investor readiness**

The ATP covers all aspects of the business and how they are undergoing transformation.

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Scope

We are transforming the scope of our operations through: expanding our geographical presence in the region from the current presence in 3 to 15 countries in Sub Saharan Africa by 2030; exploring new markets by expanding our client base in the ICT, power and oil & gas; building new capacity to provide turkey solutions in power generation and transmission projects, deliver projects for over \$10,000,000 project value per project, smart city technologies and solar power projects.

Competitive Advantage

We are transforming how we operate to increase our competitive advantage on order to become a regionally recognized brand through: designing

end-to -end proprietary technology solutions; designing customized solutions for ICT, Energy and Oil & gas; implementing strong corporate governance; forming strong global alliances and partnerships; engaging in ethical business practices; experienced and highly skilled management; maintaining a highly trained and motivated workforce.

Logic

We are transforming the logic that defines our business through: developing a clear go-to market strategy; defining a clear outsourced model, and energy as a service model; developing a financing & pricing strategy; setting up a sales pipeline and encouraging institutionalized organizational habits that acknowledge innovation, culture, & collaboration.

Strategy

We are transforming key operations in: Sales, marketing, optimizing our value chain. In addition, we are redefining organizational design, our operating plan and business ethics.

Sales Strategy

We will operate a standardized workflow for sales by analyzing our customers' needs, designing solutions based on these needs, pricing them accordingly and documenting and packaging them for presentation to the customer.

We are hiring different technical specialties for each offering and putting in place dedicated teams per scope. In addition, we are monitoring of market trends and incentivizing outstanding performance.

Marketing Strategy

Our marketing strategy will be driven by tendering, cross selling, targeted and reference marketing through established networks. We will operate on a value-based pricing model and drive marketing effectiveness through data-driven marketing and business analysis and continuous training of our marketing personnel.

Value Chain Optimization

We are taking various measures to optimize our value chain that include creating an efficient outsourced service model, procuring equipment directly from manufacturers, negotiating favorable credit terms and prices and implementing an inventory management system.

We also aim to reduce our project deployment time by 20% - 30%, convert long term casuals to short term contracts, purchase own equipment and vehicles and open accounts with suppliers to discontinue cash payments.

Organizational Design

We are coming up with an elaborate incentive policy to recognize performance based on the scorecards, centralizing and decentralizing various functions and mapping and aligning our resources.

We are also investing in transforming our culture and investing in staff wellbeing through welfare programs, monthly staff engagement sessions, celebrating achievements, training, and leadership development. This will not only achieve high employee retention and satisfaction but will also grow leaders within the organization.

Change management

We are redesigning our operational structure, creating value for our stakeholders and working towards accomplishing our vision and mission.

We are changing the way we communicate, empower and hold ourselves accountable to our key stakeholder groups outlined below:

Our customers - change intro mails, face-to-face customer meetings, monthly newsletter, updated customer touchpoints

Our staff - Internal trainings, brand launch events, monthly newsletter and magazine, monthly corporate meetings, periodical stand-up meetings, management and staff retreats.



“ We are transforming the logic that defines our business through: developing a clear go-to market strategy; defining a clear outsourced model, and energy as a service model; developing a financing & Pricing Strategy; setting up a sales pipeline and encouraging institutionalized organizational habits that acknowledge innovation, culture, & collaboration. ”

ADRIAN TRANSFORMATIONAL PLAN

Governance

Our commitment to good governance involves implementing the following: a complete organizational structure, detailed contracts in supply chain (suppliers/subcontractors) and personnel (HR, reporting system and archiving, performance management system & reward scheme, Defined policies & standard operating procedures and sustainability tracking and reporting.

Business Ethics

Our transformed business ethics will see us migrate to a digital inventory management system from an analogue system, outsource auditing services (tax compliancy) and enforce policies on anti-corruption.

Risk and Mitigation

We have also mapped out potential risks to our business and come up with appropriate mitigation measures such as geographical diversification, strong organizational culture and active marketing. We did this using strategic risk detection mechanisms such as quality assurance system, financial performance and employee satisfaction index.

Refined Operating Plan

We have mapped out specific initiatives in order to meet our ambitious goals: expand regionally to 15 countries in sub-Saharan Africa by 2030; reposition Adrian brand as a business solutions partner by 2022; grow revenue turnover 10x by 2024 and fully

automate our Value Delivery System (VDS) by 2022.

These include: operationalize a regional office in South Africa, open new networks for business development in Mozambique, Ethiopia, Zambia, Namibia among others; execute brand campaigns; sustainability reporting; create new revenue streams and diversify our client base.

We have also evaluated our current and projected financial performance and come up with a comprehensive list of resource requirements for the Adrian Transformation Plan and the financial investment required for its success.

We are confident that by doing so, we have begun writing the story of our future success.



Operationalize a regional office in South Africa, open new networks for business development in Mozambique, Ethiopia, Zambia, Namibia among others; execute brand campaigns; sustainability reporting; create new revenue streams and diversify our client base.

Materiality Assessment

As 2020 marks the year that we publish our inaugural sustainability report, Adrian will take a deeper dive into the positive and negative impact it has on the environment, society and the economy in which it operates. Our team has a strong drive to discover these material issues and

address them to maximize the positive impact. This drive is reflected in our current actions and initiatives to serve the community and minimize negative environmental impacts at our project sites, whose integrity is managed by adhering to the highest quality and safety standards. We ensure all sites are beautified and well maintained with the support of the local communities.



We have put systems in place for employees to discuss any arising issues with our human resources personnel and when necessary, encourage employees to use the Compliance Reporting System, which is designed to ensure a careful & thorough response to all issues raised.

SOCIAL SUSTAINABILITY

OUR PEOPLE:

Since we began our journey 6 years ago, the milestones we have made as a business have been made possible by our most valued resource - our employees. Becoming a fully-fledged contractor, increasing our revenue, expanding our client base and growing our project size capability is as result of hard work and the commitment of our staff to the vision of the company.

When we started, our team comprised of xx number of people that has grown to over 300 employees on permanent contracts and an additional 600 on casual basis. We are proud of the fact that our attrition rate is very low; 90 percent of the employees who started with us in 2013 still work with us.

This can be attributed to the fact that we put our employees first, and have invested in creating a conducive environment where each member not only feels valued and motivated but is also accorded opportunities to

grow. Most importantly, we have gone an extra mile to create a community where each employee has a sense of belonging in the company.

We have done so through various channels:

Talent Development

We have put in place a learning, development, and training programs on the latest industry trends and practices, management techniques and business process management for our staff that are geared towards continuous learning and improvement.

In August 2019, we launched an e-learning portal where staff can take courses on Communication, Professionalism and Customer Care, among others. We have partnered with Zydii, an online learning and teaching platform, to customize these courses to our employee and business needs. So far, over 70 employees have been trained on topics such as leadership

and succession management.

We also invest in the onboarding of new talent through the **Adrian Technology Training Center (ATTC)**, a program where fresh STEM university graduates are taken through an intensive technical training and hands on work experience by our technical teams. This way, these trainees are quickly inducted into the company's operations with some of them joining the company as full time staff and are now a core part of our work force.

Many of the HoDs and senior leadership at Adrian have risen from within the company, especially through the Adrian Technology Training Center (ATTC).

Each year, we onboard 45 graduates from public universities and technical vocational training institution for operational experience within Adrian.



CASE STUDY

Robert Odhams was fresh out of university armed with a degree in Telecom Engineering and wondering what to do next when he came across the Adrian Technology Training Center (ATTC) program online. It was one of several he had seen, but the only one he applied to, appealed to by the program's unique Fibre Training module. In July 2014, he began his training alongside 5 others; theirs was the first cohort of trainees.

The ATTC is Adrian Kenya's platform for onboarding new talent where fresh STEM university graduates are taken through an intensive technical training and hands on work experience by our technical teams. This way, these trainees are quickly inducted into the company's operations over a period of 3 months. Robert remembers taking part in on-ground of fibre installation in Kileleshwa, the hands-on experience helping him understand the integration of fibre into the whole network. This was one of his most memorable learning experiences, having only learnt this in theory during his university studies. So efficient is the program that most of the HoDs and senior leadership

at Adrian have risen from within the company, especially through the ATTC. Robert is one of these HoDs, now heading the Building and Construction Department with 70 people under him at Adrian and close to 100 temporary staff.

A month after completing his training, he received a call for an internship offer. Upon his return, he joined the Fixed data team before moving to the Business Development team. Despite having no educational background or prior experience in the new team's operations, he learnt on the job. He developed an all rounded perspective of the business; the structure, culture and core values. It was during this time that he participated in the tendering process of the company's first major contract with Safaricom Limited, an accomplishment he is very proud of. 5 months after joining as an intern, he became a permanent employee.

When he left the Business Development Team to join the Network Engineering Department, it was because he was looking for a challenge, and to put his educational background into use, becoming a Team Lead in the Radio optimization team.

In 2017, he was tasked with leading the Riggers Team, a team that was then characterized by low morale among members and lack of a sense of belonging to the company. People expected him to fail but what he saw an opportunity to turn this into one of the best performing teams at Adrian. Within 3 months, he oversaw the digitization of tasks thus increasing operational efficiency. This increased team's revenue threefold. He transformed the team into a highly motivated one that felt appreciated and valued. As a result, he was awarded the Best Employee in innovation in 2017.

In April 2018, Robert was promoted to Project Manager in Radio Network Optimization before becoming the HoD. His team has grown since then, and one thing he is particularly proud of is the increase in female staff working in his department. He is passionate about growing his team members, and his approach is one that promotes collaboration as a team, taking the back seat for the team to win, learning from mistakes and giving second chances.

Robert Odhams, HoD Building and Construction Department



Within 3 months, he oversaw the digitization of tasks thus increasing operational efficiency. This increased team's revenue threefold. He transformed the team into a highly motivated one that felt appreciated and valued. As a result, he was awarded the Best Employee in innovation in 2017.





Hiring and performance

Adrian Kenya's policies toward realizing the ideal of decent work go beyond promotion of diversity and inclusion among our human capital around the world to include a variety of other initiatives reflecting the globalization of business, from worldwide implementation of fair employee evaluation systems and working conditions to ensuring that executive positions are open to employees from all regions.

We ensure that hiring and promotions are conducted in an open and transparent manner, and offer equal opportunities to potential candidates. We also conduct regular job performance evaluations and appraisals that are objective and fair and offer competitive remuneration packages and benefits to our employees for the invaluable work they do.

We will continue to promote the creation of open, fair work environments that provide greater job satisfaction, in accordance with the business conditions and economic environment of each individual country and region.

Employee Rights

At Adrian Kenya, we believe we owe it to our employees to ensure their rights are respected, and any violation does not go unaddressed. We are in open and continuous dialogue with each employee about their basic rights and career development.

We have put systems in place for employees to discuss any arising issues with our human resources personnel and when necessary, encourage employees to use the Compliance Reporting System, which is designed to ensure a careful & thorough response to all issues raised. Other contact points include the Health & Safety Committee & labor unions.

We are also engaged in raising awareness of human rights and promoting the use of

grievance mechanisms to address employee concerns throughout Adrian Kenya. At the same time, we are strengthening human rights due diligence and expanding the scope of other human-rights-related activities.

In 2019, we joined the Federation of Kenyan Employers to leverage their expertise to grow Adrian into a star employer. By complying with all work-related laws & regulations & creating a work environment that maintains & develops fair employment relations and makes full use of the abilities of its diverse human capital, our aim is to be a company in which all employees can engage in safe and fulfilling work.

Efficient internal systems

We created a new software division to digitize the company's administration and improve operational efficiency, in addition to shifting to digital and paperless systems. Our employees are now able to access basic staff services such as pays slips and leave applications online. now

Gender equality

We have made great strides towards becoming an inclusive and gender - balanced organization and our efforts have seen us achieve a 60:40 representation of men vs women at the board level, and our goal is to change this to realize a 50:50 representations. We are driving the women empowerment agenda through various programs run by the HR Department. These include the EEO program, Two-Third Gender Rule initiative, and Women Empowerment.

So far, 30 % of our workforce is comprised of women, a significant achievement for an engineering company. Women receive equal pay for equal work, there is no difference in salaries of men and women performing the same role.

The Adrian Tech Ambassador Program for



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SOCIAL SUSTAINABILITY

young women graduates takes them through training in leadership, sales and marketing. In 2019, 15 out of 20 women who went through this training, joined as full time employees.

In addition, we run a management training programme for capacity development for Adrian's 2020 to 2023 strategic plan out of which 50% were women.

Health and Safety

Our Health, Safety & Environment Policy defines strategic objectives to minimize all HS&E risks and environmental impacts inherent to our activities and products. This is above and beyond our basic obligation to comply with all applicable health, safety and environmental regulations. Our Health, Safety and Environment Manual provides guidance for the implementation of the policy.

Our telecom, power & fiber sites adhere to strict regulations (such as

Working at Height, PPEs), and several sites have certified health & safety and/or environmental management systems officers (OHS and/or ISO). Our QHS&E managers drive and support the change in safety culture by developing operational standards, improving working environments, raising awareness and training personnel.

Most importantly, we recognize the need for personal initiative, professional and safe behavior, safety awareness and respect for each other and the environment to implement the HS&E policy. We follow a progressive maturity development model to foster a proactive safety culture, in which teams lead HS&E activities and every employee takes personal ownership of their safety and that of their colleagues.

Involving all levels of the organization to identify, report and prevent near-misses and unsafe acts and conditions

helps us focus on risk reduction. The Adrian Kenya HS&E reporting tool was implemented in 2016 to support alignment, improve follow-up and reporting, underpin best practices and facilitate the monitoring of changing regulations. By sharing knowledge and unifying HS&E practices, such as standardized root cause analysis, and HS&E rules company-wide, we seek to make our processes more efficient.

Our Management's commitment to HS&E is reinforced by our Corporate HS&E and Sustainability Steering Committee (CHSSC) spearheaded by our MD. It defines Adrian Kenya strategies and policies regarding HS&E and sustainability, advises and assists the divisions with their implementation and follows up on progress.

We are registered with the Blue Company, which commits the company to upholding ethics and ensuring corruption-free operations.

OUR SUPPLIERS

Our suppliers are more than that; they are our business partners. Last year, we held a Suppliers' Summit, which provided an interactive forum for us to take our subcontractors through our new model of business and opportunities for them to tap into.

At Adrian, we will reinvest in their companies, give them access to financing through Citi Bank, free training on ethics and Occupational Health and Safety (OHS), teach them on best practice and use its technology to make their processes more efficient.

In 2019, we facilitated a Women in Business Training to step up progress towards empowering women-run businesses. We also support women owned businesses amongst our suppliers within our procurement database. Currently 20% of suppliers are run by women, who are offered training in technology, strategy and business planning.

REGULATORS

We ensure that we remain compliant with statutory & regulatory requirements by assessing our processes against all applicable laws and regulations. We also engage with our regulators & government agencies pro-actively on all issues through a variety of channels (please see the Stakeholders section of this report for further information about these important relationships).

Our engagement with regulatory bodies & compliance with regulatory requirements is managed by the

Corporate Regulatory & Public Policy Department. delivering services of adequate quality. Accordingly, Quality of Service (QoS) measures has developed capacity to be done internally.

OUR COMMUNITY:

Our business operates not only for the sole purpose of offering services for profits, but also to create positive impact in the lives of communities we operate in. Our impact on society, is being driven by community investment and development guided by the belief that a responsible business is one that is focused on establishing and nurturing the foundation of growth for the next generation. We have invested in communities through driving innovation, job creation, women empowerment, technical training youth programs and environmental conservation.

We are engaged in community development activities focused on the following areas stated in our Policy on Corporate Citizenship:

- Bridging the digital divide using Training & Research
- Environmental conservation through Gitaru Annual Cleaning
- Sound development of youth through Adrian NextGen 13yrs+ Leadership Program
- Social and cultural support - Children's Home Support

Going forward, we will continue to fulfil our social responsibilities and contribute to society through these activities.

Adrian sites generate a direct

employment of 35-40, along with indirect employment of 30-40 people from the local communities. We equip youth in rural areas with basic technical skills required to service and maintain telco infrastructure through a 6-month technical training program ran by our Operations Team.

Wherever our projects take us, we actively identify the needs of the communities around our project sites. Phone charging is provided for the local people, especially in remote areas with no connection to the national power grid.

In Garissa county, we have installed water tanks in 2 schools to promote access to clean water for students, alleviating the water problem they face.

In Meru and Mombasa, we have renovated schools and planted trees along with students, who then look after the trees, thus building awareness and respect for the environment at the same time. The program dubbed "Mwanafunzi Adopt-a-tree", has been a great success, and our goal is to plant over 25,000 trees by 2023.

Our employees not only visit these schools for mentorship sessions with over 1,000 students but have also donated sanitary pads for female students, some of whom previously had to miss school several days a month. All in all, we spent about KShs.3 million for three CSR projects in 2019, covering three different schools in Makeni, Isiolo and Mombasa counties, with the goal of increasing this amount to xxxx

CASE STUDY



Zero fatalities

Adrian Kenya offers 2 types of services- active maintenance of the radio equipment and passive maintenance of the infrastructure and power generating equipment at a given site. We are currently maintaining roughly 1100 sites, 280 of which are located in North Eastern and the rest in the Mt. Kenya Region. We carry out both active and passive maintenance for the remote sites (N. Eastern) and passive management for those in the accessible (Mt. Kenya) region

We are proud that in the course of our work, we have reported zero casualties/ fatalities which has been achieved by regular training and certification to work at height, and provision of protective and appropriate gear. There is also a fleet management system that measures driving speed for people out in the field. In addition, training and ingraining a culture of safety in the team has gone a long way in instilling a sense of personal responsibility for safety. The HOD and safety marshal also visit the sites several times a month to ensure safety and adherence to safety procedures.

Solomon Adenya ,HOD, Managed Services



An aerial photograph showing a vast, dense forest with a rich green canopy. The trees are packed closely together, creating a textured, undulating surface of green. The lighting is even, highlighting the natural beauty and density of the woodland.

ENVIRONMENTAL
SUSTAINABILITY

Adrian's corporate activities are only possible if the earth, is healthy and well taken care of. This is why we are so determined to fight climate change, conserve resources, manage our waste, protect biodiversity, and take other needed steps to protect the environment.

True to this commitment, we conduct our business in a sustainable manner and provides environmentally conscious products and services, always seeking to deliver innovation and develop uniquely superior technologies. We also work hand-in-hand with stakeholders to help build a more sustainable society.

As part of our ongoing commitment to the SDGs and to the environment, in particular, we are committed to maximizing our positive impact and mitigating our negative impact through the continued alignment of our efforts with SDG Goal 3 - which advocates for the promotion and use of affordable and clean energy, both within our network and the homes of employees. In our commitment to attaining this goal, we aim to extend the advocating for, implementing and promoting the responsible consumption of renewable resources

The measures we have put in place to track our progress include the following:

- **Achieve Net Zero by 2050 initiatives:** Monitoring our DG Sets and MV emissions and introducing science based carbon reduction targets
- **Continued compliance:** Compliance with regulations regarding plastics, air quality and noise levels
- **Waste management:** e-waste collection initiative and internal end to end waste management programme
- **ISO 14001 certification:** Upgrades to Environmental Management System (EMS) and successful



We were the first company in the region to adapt to solar as an energy source for powering our BTS sites. So far, we have 280 BTS stations that run entirely on solar energy. The introduction of green energy has since seen a reduction in reliance on diesel powered generators by up to 12 to 20 hours.

transition to ISO 14001:2015

Affordable and Clean Energy

Our environmental conservation efforts are aimed at protecting our planet and conserving natural resources, this is the main reason one of our product offerings is providing solar solutions, both off grid and mini grid. We remain committed to helping our clients reduce their carbon footprint while at the same time saving costs.

We are aggressively working to sell the idea of clean energy especially to clients who mostly rely on generators to power their operations.

Internally, we have also put in place measures to reduce our resource consumption. One example is installing printing rights to limit the quantity of paper used.

As a business, we realize that the future is green. That is why we are engaging with internationally recognized manufacturers of solar equipment to tap into this renewable resource.

We were the first company in the region to adapt to solar as an energy source for powering our BTS sites. So far, we have 280 BTS stations that run entirely on solar energy. The introduction of green energy has since seen a reduction in reliance on diesel powered generators by up to 12 to 20 hours, consequently reducing the amount of emissions from the sites.

As a driver of green solutions in the telecommunications sector, we aim to introduce the utilization of solar power energy on a larger scale across the country, achieving zero down time and adding 400 sites for active maintenance in the Mt Kenya region.

We remain committed to engaging with partners with whom we can drive the sustainability agenda for the betterment of society and protection of the environment.

CASE STUDY

Solar Power Rollout

We offer four different solar products - Grid Tied for Commercial and Industrial, Solar Offgrid, Minigrad and Utility Scale Solar. Grid Tie solar can reduce the power bill for customers by up to 30% and we have done this for manufacturing industries, malls and schools. Solar off-grid reduces diesel usage for remote sites; we are currently we managing 150 sites that are fully solar powered. We are also deploying energy storage Lithium Ion battery technology which is more efficient and stable than exiting

technology, further reducing the need for diesel.

We are also doing feasibility projects for wind farms at over 15 sites around Kenya, for projects up to 50MW.

We prize the safety of our personnel and have moved to digitize their safety and occupational health. We have a work permit system wherein workers are issued a permit only when they are able to demonstrate understanding of the job, upload certification and show evidence of having the right tools. This provides for monitoring of the entire process, simplifying audits as well.

We are also experts in customer on boarding for ISPs and have been able to onboard customers at the rate of 50-100 per day, and

support the end user with last mile connectivity. ISP clients appreciate our speed and reliability in customer service, support and reduced network downtime. This enables increased uptake of data services to a large and increasing customer base.

We are focusing on companies that are aligned in prioritizing safety. In new markets, customers expect institutionalized capacity of expertise, project and asset management. We strongly believe in empowering our team by internal training to ensure strong performance. We prioritize professionalism for the entire customer journey - from onboarding to servicing, to ensure that there are no gaps.



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Renewable Energy

In 2019, we introduced new products for our customers in renewable energy. These include solar grid tied, solar mini grid projects. We forged new partnerships with original equipment manufacturers to get new distributor rights for innovative products. We remain devoted to providing sustainable solutions for our clients. In 2019, Adrian prepared a proof of concept for a client showing that the adoption of Lithium Ion technology can reduce their cost of diesel by up to 70%. This was successfully demonstrated when the running of diesel generators reduced from 20-21 hours to about 4-5 hours with, a 75-80% reduction in diesel usage. This helped our client reduce their carbon

footprint as well, as CO2 is majorly generated from the use of diesel generators on sites. Going forward, we are focused on strengthening our green energy portfolio which will promise additional revenue estimated to be close to Kshs. 1 Billion. We also intend to maximize on training opportunities for both our staff and partners. In a bid to expand our footprint, we have our sights sets on new markets within the East Africa as we target to be present in 15 countries by 2024.

Carbon Footprint Management
We are currently channeling our potential towards tracking energy savings and carbon footprint reduction for all our clients. As such

we are heavily invested in ensuring the building materials we use in construction are degradable and have a minimal effect on the environment. We remain cognizant of our environment and have therefore ensured we introduce a tree planting culture around all our construction sites. The tree planting programme dubbed "Mwanafunzi Adopt - a - tree" has been successful in schools around Meru and Coast Regions. Going forward, we hope to increase the impact of our tree planting initiative in our sites across the country. We also aim to diversify our sustainable building and construction services beyond the telecommunication industry in the coming year.



“
We are working towards taking measures to make resource consumption management a top of mind priority among our staff.”

Resource Consumption

In 2019, we began measuring our resource consumption data in the following parameters; Fuel, Paper, Water and Electricity. We are working towards taking measures to make resource consumption management a top of mind priority among our staff.

These sustainable measures include;

- Increasing awareness on sustainability through staff training programs
- Regulating the number of printing papers per staff
- Installation of LED Lighting in the new Adrian building
- Installation of water sensors in the new Adrian building washrooms
- Implementing fuel management systems for company vehicles.



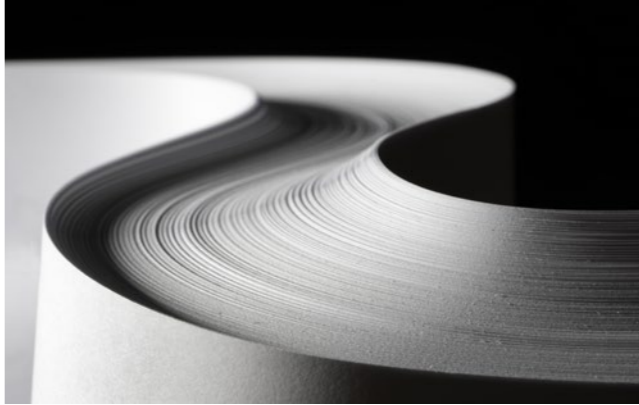
Fuel Consumption (Ksh)	
2019 Actual	49,522,626
2020 target	42,000,000



Water Consumption (Litres)	
2019 Actual	132,000
2020 target	108,000



Electricity Consumption (Ksh)	
2019 Actual	330,000
2020 target	270,000



Paper Consumption (Reams)	
2019 Actual	432,000
2020 target	345,600



E-waste management (Tonnes)	
2019 Actual	8
2020 target	0

CASE STUDY



Route Optimization through Artificial Intelligence

In an era where big data is king, and the driver behind the technological revolution, companies are now relooking the value and role of data in driving and growing their business. The availability of huge amounts of data available as a result of our work in the telecom industry made the decision to venture into this field a no brainer. In the last six months we have built 5 prototypes one of which, a machine learning algorithm, has been piloted in our Sales Department in the management of the company's fleet. This algorithm calculates the shortest route possible to any given destination leading to optimization in fuel, time

and cost of transport. Calculations in three regions our company serves have shown an average of 55 percent savings in costs. The application of this algorithm is not only a cost saver, but is also having a significant impact in the reduction of carbon emissions in our transport carbon footprint, a huge factor in driving sustainability in business. On sustainable development, we are looking at how technology can be applied as an enabler for the SDGs by creating smarter businesses, creating smarter businesses in agriculture and education (e-learning apps).



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Board Chair Eng Patrick Obath

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Kaye

Violet Nawire - Head of Fiber Division

Stanley Muia - General Manager.

Teresiah Burugu - Human Resources Director.



Makarios Agumbi - Chief Finance Officer

Solomon Adenya - Head of Managed Services Division.

Robert Odhams - Head of Construction Division

Maryjane Miako - Head of Supplychain Division

Feliz Nzuki - Head of Business Development

Gideon Chepkwony - Finance Manager

GOVERNANCE

We continuously aim to ensure that Adrian Kenya is run in an ethical, transparent and accountable manner by having strong governance processes and structures in place, along with explicit guiding principles and clear lines of responsibility.

The Board of Directors of Adrian Kenya is, ultimately, responsible for corporate governance throughout the organization and the behavior of members is governed by an explicit Governance Charter.

Members of the board also undergo collective and individual performance assessments at least once annually. The board meets at least four times a year.

Our governance objectives are supported by our risk management framework. The Audit & Risk Committee reviews & assesses the risk management processes of Adrian Kenya & ensures adequacy of our overall environmental control.

Our risk management initiatives are led

by the Director of Risk Management. We apply a combination of risk assessments, audit, & fraud reviews to monitor & manage risk throughout Adrian Kenya. We benchmark ourselves against world-class EPC contractors in telecom & power sectors globally & independent assurance is given through both internal & external audit functions as a responsible corporate citizen.

Ethics and Integrity

Our ethics and values are the principles & standards that guide our behavior as employees & individuals. The management Ethics Committee provides strategic direction and oversight on our ethical awareness initiatives.

We use an independent ethics perception survey and preventative measures like our continuous ethics awareness and staff anti-corruption training programs to monitor and manage the ethical culture across all of our operations. We use our supplier Code of Conduct and the

Code of Ethics for Businesses in Kenya to manage the ethical culture of our business partners. We conduct regular ethics trainings & awareness sessions with staff every year.

Regulatory Compliance

We ensure that we remain compliant with statutory & regulatory requirements by assessing our processes against all applicable laws and regulations. We also engage with our regulators & government agencies pro-actively on all issues through a variety of channels (please see the Stakeholders section of this report for further information about these important relationships).

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