



CIMBRIA EAST AFRICA Ltd.
Communication on Progress

Year: 2011

Statement of Continued Support of the UN Global Compact

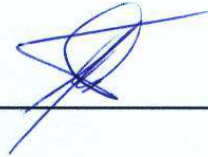
Entrepreneurial success starts with People. We wish to achieve Entrepreneurial success that is based upon ethical values and creates economic value. After all, our company's mission is to operate profitably living up to our responsibility to our stakeholders, namely the customer, members of community, and employees who place justified demand on our actions.

We meet these demands through successful interaction from segmented commitment, development, sales and service of Post Harvest Technology Equipment, innovative strength and Technology in Grain Handling Equipment.

We offer our customers products and services that make life for the community more bearable, longer and safer with lasting solution to combat food shortages.

We strive to live up to our responsibility to customers and employees, the environment and the community each and every day, by reconciling with sustainable actions.

Even after 30 years of our existence in East and Central Africa, the Cimbria Group family is still one of our most important assets which play a crucial role in shaping our corporate culture to express its commitment to the Ten Principles of United Nations Global Compact while continually developing our global structure and management systems by actually keeping a focus on respecting Human Rights, ensuring the core Labour standards of the ILO are adhered to promoting Environment conservation and fighting to minimize all forms of Corruption.



07.10.2011

Jørgen T. Nielsen, Managing Director

Company name: Cimbria East Africa Ltd

Sector: Agriculture – Post Harvest Grain Care Handling Equipment

Number of employees: 36

UN Global Compact signatory since: 2006/4/4

Contact person: Jørgen T. Nielsen / Losey M. Wamutitu

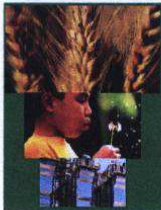
Address: Box 24580, 00502-Nairobi – Muiri Lane 10, Off Langata Rd.

Email: info@cimbria.co.ke / www.cimbria.com

Phone: +254 051 800 6354/5/7

CIMBRIA EAST AFRICA Ltd.

Range of Activities



- SEED - GRASS SEED - GRAIN -
VEGETABLE SEED - BEANS**
- Fine cleaning and polishing
 - Sorting by length and thickness
 - Sorting by colour and weight
 - Process operation and control



- VEGETABLE OIL EXTRACTION AND PROCESSING**
- Silo, preparation and fine cleaning
 - Process control, operation and laboratory control
 - Dehulling, flaking, conditioning and pressing
 - Refining

- PORT TERMINALS - SILO PLANTS - FLAT STORAGE
BUILDINGS - STEEL SILOS**
- Temperature measurement and registration
 - Chain conveyor, elevator and belt conveyor
 - Grain drying and silo
 - Process control operation and temperature control



- MALT HOUSE - BREWERY**
- Fine cleaning and grading
 - Sorting by size
 - Process operation and control
 - Malt drying and dosing

GrainCare

- COFFEE PLANTS**
- Drying, cleaning and storage
 - Coffee hulling, grading and sorting
 - Mixing, weighing and dosing equipment
 - Process control and operation



- FEED MILLS - PROCESS PLANTS**
- Raw material, silos for mixed food and dosing equipment
 - Hammer mills and pellet press machines
 - Dust extraction and filters
 - Process control, dosing and mixing

- RICE AND FLOUR MILLS**
- Drying, cleaning and storage
 - Hulling, whitening and polishing
 - Sorting by size and shape
 - Process control, operation and temperature control



Mulri Lane 10, Off Langata Road
P.O. Box 24680, 00802-Nairobi, Kenya
Phone: +254 081 800 83 54/6/7
Cell : + 254 722 37 43 29
Fax: + 254 020 8155 730
E-mail: info@cimbria.co.ke
Web: www.cimbria.com
Member of the Cimbria Group of Companies



Scope of this COP

This Communication on Progress (COP) will strategize on the mandate of the Cimbria Group's strategic platform for a common foundation locally and globally.

Cimbria East Africa Ltd (CEA) Vision is to continue with the creation of a sustainable coherence between efficient production, care for people and the environment, and the optimum utilization of nature's resources. The individual Cimbria companies shall be among the best in their respective business areas.

Scope of this COP for CEA communicates that CEA will continue supporting the 10 Principles of UNGC on all the 4 main areas of the principles as was earlier communicated in our previous COP.

The intention of this COP is to give our customers, employees and stakeholders as well as the public at large some insight into our company.

This COP is an important tool that we hope to continue using to make our corporate policy transparent.

Human Rights

UN Global Compact principles covered:

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Principle 2: Business should ensure that they are not complicit in human rights abuses

Commitment

Cimbria East Africa Ltd (CEA) shall think locally and be socially committed in the local society in which we are involved as is outlined in the Cimbria Group's strategic platform, Values and Attitudes.

A brief description of our Processes or Systems

Cimbria Group Company has systems that conform to our employees', customers' and stakeholders' expectations:-

- Earnings to ensure continuous development and growth by being cost minded and through sound business acumen in respect of human rights.
- Customer focus has been our focal point both internally and externally. We shall be attentive to the requirements that the market and clients ask of our organizations and our products.
- Innovation by being enterprising, flexible and always ready to renew ourselves both in human terms and professionally.
- Freedom of action shall give each other freedom with responsibility and let common sense and mutual trust prevails rather than rules and habitual thinking.
- Simplified our working routines as an organization as much as possible, so that only necessary and value added activities remain adhering to regulatory statues.


Activities implemented in the last year

- Customer enquiry form/s according to their needs, where Cimbria tailor to the individual customer.
- Field days for small and large scale farmers to educate on use and safety of our equipment.
- Staff training was conducted both locally and abroad on safety and environment.
- The Company paid premiums to the Group Medical Insurance Scheme so as to provide the Employee with medical and surgical cover under the terms and conditions laid down by the Company and the Health Insurance Service provider
- Personal Accident Cover to provide accident cover on the life of the Employee. All claims in this cover can only be made by the Company as trustee. The trustee will then (Normally) pass the proceeds to the person(s) nominated by the Employee in the case of death or to the Employee in the case of disablement.
- Individual staff pension scheme upon commencement of employment, the employee may join the Individual Staff Pension Scheme on application in writing. The scheme is contributory with the Employees' And Company's monthly contribution being remitted to the Pension scheme operated at the CFC Life Assurance Company Limited. One staff that changed job has benefitted for his 75% saving and the balance he will benefit on attaining the retirement age.
- An employee, on attaining 10 working years, enjoys 20days pay of his/her salary for every year worked and one employee has benefitted from this gratuity which is equal to 5 months' pay.
- Provision of safety gears to workshop and site staff including office staff clothing
- Health, Safety and environmental policy (H.S & E) in place and in force [herewith,

Human Rights
Current

attached.]

CIMBRIA EAST AFRICA Ltd.



Health, Safety and Environmental Policy.


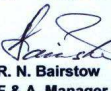
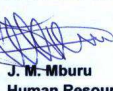
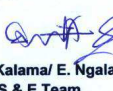
All activities are to be conducted in a way which takes foremost account of the health and safety of all employees and other persons, and is conducive to achieving and maintaining a safe environment.

Implementing this policy involves not only compliance with relevant legislation but promoting suitable measures for the protection of health, safety and the environment for all who may be affected directly or indirectly by our activities.
To this end Cimbria East Africa is committed to;

- Expect demonstrated involvement and commitment of Senior Management, together with personal responsibility of all our employees, in the full implementation of this policy.
- Apply the principle that all injuries and incidents should be prevented and actively promote high standards of safety consciousness, the importance of managing risk effectively and the discipline this principle demands.
- Seek to ensure that our operations, products and services do not damage health or cause negative environmental impact.
- Strive to meet and exceed the needs of our employees, neighbours and communities directly or indirectly affected by our activities through a continuous process of minimising risk and improving the working environment.
- Maintain contingency procedures to minimise harm from accidents that may nevertheless occur, work with relevant authorities and emergency services in their development and application.
- Provide required training, skills and support to improve performance and be able to monitor improved performance.
- Participate in and support environmental conservation and community development projects.
- Address future needs and anticipate developments in long-term planning.

"Health & Safety are No Accident"

THINK – PROACTIVE RESPONSIBILITY

 Jørgen T. Neilsen Managing Director	 R. N. Bairstow F & A. Manager	 J. M. Mburu Human Resource	 A. Kalama/ E. Ngala H, S & E Team
--	--	---	--

Measurement of outcomes and value added for our company

- Good relationship with our employees, customers, stakeholders and all we are doing business with.
- The Management has requested pensionable employees to increase their monthly pension contribution to minimum K.Shs. 1,000, where the company will equally increase its monthly pension contribution from K.Shs.600 to 1,000.
- Accidents reduced to the minimal with only 3 minor cases reported to date.
- We have complied with regulatory bodies' requirements hence no expenditure on legal suits.
- Good public image for our company.

Human Rights Future	Activities planned for next year <ul style="list-style-type: none">• Will continue holding field days• Ongoing H,S \$ E policy to reduce accident to zero.• Staff training to continue• Staff medical and personal accident covers ongoing.• Increase staff sanitary facility.
--------------------------------	---

Labour Rights

UN Global Compact principles covered:

- Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Business should support the elimination of all forms of forced and compulsory labour
- Principle 5: Business should support the effective abolition of child labour
- Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Labour Rights Current

Commitment:

Cimbria East Africa Ltd (CEA) sees access to communication as a basic Labour Right. Labour rights play a central role in our values, professionalism, respect and perseverance that guide us in business by striving to adhere to legislation and Labour laws put in place both in principle, compliance and also recognize that this provides a “healthy” working environment for maximum return possible on Labour input for our employees, customers and all related groups including families.

A brief description of our Processes or Systems:

CEA has a key role to play in the support of Labour Rights. CEA approach is about finding practical ways of enabling Labour Rights within our sphere of influence, while at the same time ensuring we are not violating rights through any of our business operations.

- Policy against employment of minors where new employed must have attained age 18 by proof of National Identity card, be a members of NHIF, NSSF and PIN No.
- Non-discrimination policy at workplace. Although a mainly male oriented business due to nature of our business of site installation, improvement include female in the company to balance gender ration by employing 1 female Technical Assistant, 1 Account Assistant, 1 Store Assistant, 1 Office assistant, 1 Cateress with 2 helpers. Before the female ration to men was 1:29

Activities implemented in the last year:

- We have put in place compensation on exigency on a 40½ working hours and extra hours pay of 1.5 over normal hours including Saturdays and double rate on Sundays and public holidays.
- Job descriptions have been put in place to guide and match each employee’s titles on oriented results.
- Negotiations between management and staff on salary increment were held.
- Improved means of transport to all staff travelling to East and Centre Africa region
- Working hours based on 40½ hours per week from Mondays to Thursday 8.00 a.m. to 1.00 p.m. and 1.30 p.m. to 4.45p.m; Friday 8.00 a.m. to 1.00p.m and 1.30 p.m. to 4.00 p.m. Depending on the exigency of work either in the office or in the field, or where the company deems best fitting, Employee will be requested to work outside the above hours. In such case, suitable compensation is granted or overtime paid at reasonable rates.
- Employee shall be entitled to 24 working days leave per annum which shall be deemed to accrue at the rate of 2 days per month for any period less than one year
- Overnight, lunch out provided to site staff and resident’s staff enjoy free lunch where we have a dinette in the office for all resident staff and visitors.

	<p>Measurement of outcomes and value added for our company</p> <ul style="list-style-type: none"> • Human resource and management department have showed a lot of improvement in hiring systems and negotiations with staff salaries and overtime compensation which have improved staff morale. • Employees have gained more confidence at work place. • Stakeholders and customer have given a compliment on a lot of improvement in our simple way of doing business. • Hiring of most competent staff hence high employee productivity.
<p>Labour Rights Future</p>	<p>Activities planned for next year</p> <ul style="list-style-type: none"> • Biometric system or clock in system is in the mind of the management for proper staff check on working hours. • Staff evaluation and appraisal to be put in place for staff promotions. • Transparency in job intakes ongoing. • Conclude negotiations on salary increment and implement agreements.

Environment

UN Global Compact principles covered:

- Principle 7: Business should support a precautionary approach to environmental challenges
- Principle 8: Business should undertake initiatives to promote greater environmental responsibility
- Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment

Cimbria East Africa Ltd. (CEA) is determined to increase awareness amongst employees, customers and stakeholders with a view to increasing capacity to minimize any negative environmental impacts within our process.

A brief description of our Processes or Systems

- CEA imports and sell agricultural machinery conforming to European Union / European Community and Kenya Bureau of standards that does not exhaust waste e.g. fumes and dust, avoiding environmental degradation.
- In undertaking installation work on dryers, Silo plants and machinery, CEA is committed to ensure that equipment used for construction e.g. tool, drilling and grading machinery are efficient in use of electric power, helping in power conservation / hydro.
- Grain Handling system embraces equipment e.g. Cimbria cyclofan, a combination of a fan and a highly efficient mechanical dust separator specially developed to process moist air from grain dryer.
- CEA company vehicles use environmentally friendly fuel such as unleaded petrol and low sulphur diesel.

Activities implemented in the last year

- "Grain Care" improved technology for better environment where development department have been working on one specific challenge to combine improved dust separating efficiency with reduce energy consumption. After a long and at times difficult struggle this objectives has been achieved.
- Steel and off cuts used to fabricate machinery at our workshop were sold for re-use in ore smelting to iron smiths and recycling.
- Individual desk computers and laptops with improved network in the office have reduced un-necessary printing. E-mails, skype, short messages which are actively embraced in the office have greatly contributed to saving on stationary.
- CEA have adopted use of power saving bulbs and turning off power in unoccupied offices.
- Additional dust bins have been introduced on new stations to collect waste paper which is used as fuel to heat water for workshop staff bathing.

Measurement of outcomes and value added for our company

- Availability of fire equipment to enhance safety.
- Contract with Fire Company to carry out periodical maintenance on fired equipment gadgets.
- Type of detergents used in kitchen are environmental friendly
- Rodents and termites – pest controlled by Nairobi City Council (NCC)
- Customers Guaranteed environmental advances on the effective dust separation.

Environment
Current

Activities planned for next year

- Considering building an internal capacity for conducting self audits.
- Considering working hand in hand with relevant organisation e.g. Green belt movement, forest action network in their programmes.
- Just starting a 2 year programme with “SUSBIZ Kenya” partnerships for sustainable business development which is a multi-stakeholder initiative for promotion of sustainable business practices in Kenyan companies organised, designed and run by Danish Federation of SME’s, Danish Commerce & Companies Agency and Federation of Kenya Employers. This programme’s specific objective will through CSR training assist Cimbria East Africa Ltd to assess its needs and diagnose problems and potential areas for CSR improvements. The program will also develop a baseline against which our improvements can be measured in order to ensure visible improvements.

Anti-corruption

UN Global Compact principles covered:

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

Anti-corruption
Current

Commitment

Cimbria East Africa Ltd (CEA) practices zero tolerance to corruption policy

There are rules and guidelines that govern day to day activities in our organization to facilitate an efficient structure which is our aim to develop uniform policies and management tools with regard to financial systems, IT and sales.

A brief description of our Processes or Systems

- It has been made known to all in the Cimbria Group through the employment contract that it is unaccepted.
- The Employee shall not be permitted without the Company Management prior written consent, to engage or be concerned or interested in any other business of any kind whatsoever (except as a share holding in a limited liability Company)
- Every member of management must declare, annually, whether or not he is a proprietor, partner or a director of any Company and this declaration must also cover any interest of the Employee's wife and other close relatives. Employee will also declare if he has any interest in any material contract with the Company. It is emphasized that Employee shall not be interested in any business whatsoever (except as shareholder in a limited liability Company) without prior written approval of the Company management.
- On every quotation sent to the customer, there is Terms and Conditions of sale.
- Account documents like pro-forma invoices, credit notes and invoices will clearly state its terms- cash upon receipt of invoice, interest at 2% per month will be charged on all overdue accounts. Pin No., VAT No. Goods remain the property of CEA until paid in full, should this invoice raise any questions liaise with CEA with 21 days from date of invoice, please make all payments to our designated bank accounts.
- The company honors all legal dues to the government and other public bodies.

Activities implemented in the last year

- Guided by salary and wages policy, all employees were well compensated in terms of wages, remunerations and allowances.
- Identified 2 employees to attend UNGC Network Kenya Anti-corruption workshops.
- Introduction and further training in an Enterprise Resource Planning Software (ERP) covering accounting, inventory, sales marketing and purchasing. This also has a project management module with intergraded accounts and inventory.
- Actively participated in the drafted of the code of ethics for businesses in Kenya.

Measurement of outcomes and value added for our company

- Tendering and dealing with our suppliers is done in a transparent manner to fight all forms of corruption which has brought a lot of confidence from the people we are doing business together both small and big.
- Enterprise Resource Planning Software (ERP) to integrate CEA operations from projects management to financial reporting enhancing transparency, accuracy and timely reporting.
- ERP will improve on stock management for CEA.
- ERP has room for expansion, as it is flexible and customizable giving CEA a long time partner in way it will want to do clean and healthy business.

Anti-corruption Future	Activities planned for next year <ul style="list-style-type: none">• Enterprise Resource Planning Software (ERP) on going• Looking forward to Anti-corruption workshops to enlighten more on how we can implement standards into the core structure of the company to develop suitable systems and procedures like Anti- corruption risk assessment and corporate governance.• Adopt the Code of Ethics for business in Kenya once it's unveiled.
-----------------------------------	--

How do you intend to make this COP available to your stakeholders?

- Cimbria East Africa Ltd (CEA) will make this COP available to our stakeholders, customer and employees together with the public at large by posting it at the United Nations Global Compact website.
- Post it at Cimbria Group website.
- Publishing for issue
- Placement at company guest points.

Donations, awards

Donations:

We supported the community in various activities among them are:

- Contributing towards the just completed Aberdare forest fence which is now a long term solution to human and wildlife conflict as well as to protect the forest from human destruction
- Participating and sponsorship of the Rhino Charge for its two new projects mainly fencing of Mt. Kenya as well as Mau Eburru.
- Contributions towards the 'Kenyans for Kenya' initiative aimed at providing food, water and medicine to a hunger-stricken section of the Kenyan population.
- In Support towards orphaned children home by employees sparing their time and money in sharing birthday cakes, biscuits, sweets, clothes, toys, cooking oil and flour.

Awards:

- Awarded a GOLD Certificate of Participation by Eastern African Grain Council 9th Agribusiness Fair.
- Appreciation Certificate for exhibitor at the 7th African Fine coffee Conference & Exhibition for promoting "Grain Care"
- USAID/Kenya Maize Development Programme (KMDP) / ACIDI-VOCA Certificate of Appreciation & Recognition for support to renewing business confidence in the North Rift Valley region towards good secure, market secure and "Farmer access to market" Business fair.