



COMMUNICATION ON PROGRESS YEAR 2013

STATEMENT OF CONTINUED SUPPORT OF THE UN GLOBAL COMPACT

At Cimbria East Africa Ltd., (CEA) we take this opportunity as step one to report on the Internal CSR management construed from Action Plan in just concluded two year Sustainable business development Program, and step two next year hope to report on our first “CSR Report”.

The internal CSR Management incorporating Human Resource draft policies in the process of being enacted. CEA Management recognizes that Human Resource is key to achieving the organization objectives and therefore emphasizes on the need to recruit, maintain and retain employees with the right skills, attitudes and competencies for effective service delivery. The policies will provide a framework for enhanced use of Human Resource as well as inform, guide and provide an objective way of managing our employees in line with the 10 principles of the Global Compact - Respect for Human Rights and Dignity, Protection of the Global Environment, Contribution to Communities and Societies, Compliance, and Communication as defined in the COP to our many stakeholders that include our shareholders, customers, agents, employees, and regional communities.

CEA considers this report to be one of its key communication tools. Through communication with all our stakeholders, we aim to continuously improve the content of this report **Cimbria being a world leader in grain processing technology** by providing our customers with a high level of safety, comfort and attentiveness to their project, ensuring qualified performance in every aspect and complete integration and coordination of functions and components.

Cimbria delivers efficient and controlled technology processes, equipment and plants for handling and storing crops while focusing on increasing quality and energy efficiency and improving cost effectiveness by design, develop, manufacture and install custom-built solutions whether these are single machines, complete processing lines or large turnkey projects with highly advanced automation and management information systems. We aim at mastering all disciplines and expertise within research and development, crop knowledge, engineering and manufacturing, as well as in professional project management, consulting service and construction together we can turn business into a truly transformative force in the post-2015 era.



16.12.2013
Jørgen T. Nielsen
Managing Director

CONTACT

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Sector : Agriculture – Grain Care Handling Equipment
Number Of employees : 41
UN GC signatory since : 2006/4/4
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'Range of Activities'



SEED - GRASS SEED - GRAIN - VEGETABLE SEED - BEANS

- *Fine cleaning & Polishing
- *Sorting by Length & Thickness
- *Sorting by colour & Weight
- *Process operation & Control



COLOUR SORTER - PIXEL optical sorter allow:

- *Separation of defective products recognizable by a chromatic difference control
- *Capacity up to 8t/h
- *High-level performance
- *Highly concentrated rejects
- *Great reliability
- *High Flexibility and
- *Easy to use
- *Low necessary High-level performance
- *Quick return on the investment

PORT TERMINALS - SILO PLANTS - FLAT STORAGE BUILDINGS - STEEL SILOS

- *Temperature measurement & registration
- *Chain conveyor, elevator & belt conveyor
- *Grain drying & Silo
- *Process control operation & temperature control



'GrainCare'

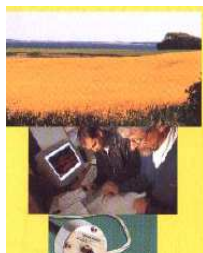


MALT HOUSE - BREWERY

- *Fine cleaning & grading
- *Sorting by size
- *Process operation & control
- *Malt drying & dosing

COFFEE PLANT

- *Drying, cleaning & storage
- *Coffee hulling, grading & sorting
- *Mixing, weighing & dosing equipment
- *Process control & operation
- *Sorting by colour and weight

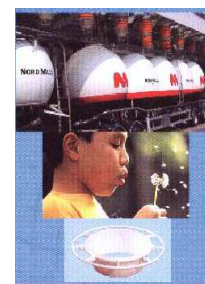


FEED MILLS - PROCESS PLANTS

- *Raw material, silos for mixed food & dosing equipment
- *Hammer mills & pellet press machines
- *Dust extraction & filters
- *Process control, dosing & mixing

RICE & FLOUR MILLS

- *Drying, cleaning & storage
- *Hulling, whitening & polishing
- *Process control, operation & temperature control



SCOPE OF THIS COP



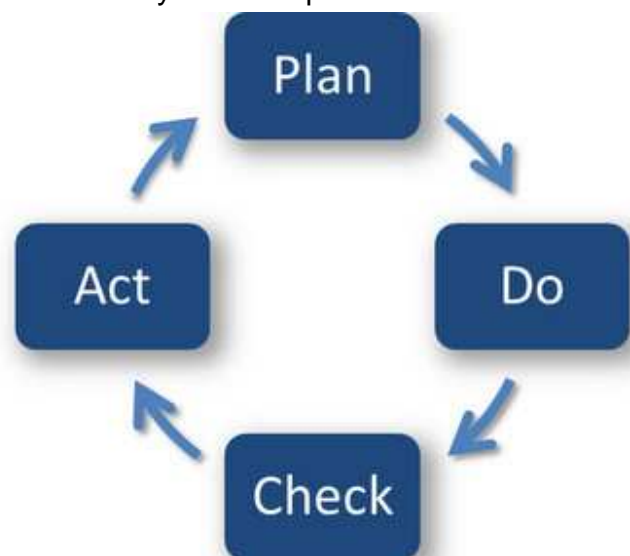
Cimbria East Africa Ltd., (CEA) Strategic thinking on COP is a process that defines the manner in which all we are communicating to think. Is it logical and creative, does it take practice as well as confidence resulting to tremendously valuable possess that we use every day? CEA in now able to -

Plan: Identified needs, established objectives and specified targets

Do: Implement initiatives appropriate for meeting the objectives and targets

Check: Measure and evaluate the process and results against the specified targets

Act: Analyse differences between results and targets. Identify where to apply changes to the process or initiatives in order secure continual improvements and continue the PDCA circle by establishing new objectives and targets in a new 'Plan' phase.



SUSBIZ Kenya time plan

Workshops:

- **International CSR Trends and CSR Management** (November the 8th - 10th, 2011)
- **Occupational health and safety** (January the 24th - 26th, 2012)
- **Joint Workshop in Denmark: Strategic CSR & Partnerships, and Business & Human Rights** (one day) (April the 23rd - 27th, 2012)
- **HR management and Labor Standards** (June the 12th - 14th, 2012)
- **Lean Management, productivity and CSR** (August the 28th - 30th, 2012)
- **Joint Workshop in Kenya: Action Plans progress and Strategic community development** (October the 29th - November 2nd, 2012)
- **Environment, Cleaner production and Energy Efficiency** (January the 29th - 31st, 2013)
- **CSR Communication & marketing and Finalization** (June 4: CEO workshop joined by CEOs and regular participants. June 5: Official finalization, 2013)

| HUMAN RIGHTS: HEALTH AND SAFETY | |
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| Health and safety systems | |
| Does the company ensure that its workers are provided safe, suitable and sanitary work facilities? | |
| The company has effective health and safety procedures in place, which comply with industry, national and international standards. | Cimbria has adequate facilities that address the needs of our employees. We have separate washrooms for men and women. The Company has also ensured that places of work are risk free and potential hazards are eliminated immediately. The Company works closely with the relevant bodies in charge of health and safety in the country such as the City Council to ensure that we comply with the law requirements. The company provides safe drinking water for the staff, the workplace is well maintained with adequate ventilation, lighting and we have team that is trained to adequately respond to emergencies |
| Responsibilities for health and safety tasks are clearly defined. | Cimbria has a the health and safety chairman who is in charge of ensuring that the work environment is safe for all our employees and other stakeholders. He is assisted by the project manager and the workshop supervisors. All our employees know who to report to in case they identify potential risks in the course of carrying out their duties. We also have a first aid and fire emergency teams and their contacts are clearly displayed on the company notice boards. |
| The company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order. | The Company has mechanisms in place that ensure that machinery and equipment's used in our workshop undergo inspection annually to ascertain that they are safe for use by our workers. During the inspections, any recommendation given by the inspectors from the government are followed up and rectified. We have our Project manager who ensures that this is done on time to minimize risk. |
| Workers and managers are trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction. | The management of Cimbria has ensured that all our employees are trained on basic fire safety and Basic first aid skills. We also have a marshals trained in fires. |
| The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders. | The workplace is well maintained. The management has ensured that our employees have a clean and safe environment and sanitary areas are provided both genders. |

| HUMAN RIGHTS: HEALTH AND SAFETY | |
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| Health and safety systems | |
| The company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating. | Cimbria has complied with this requirement; we have designated areas within the compound which are accessible to all employees with clean and safe water for drinking. Our kitchen where food is prepared is well maintained and the workers have certificates from the ministry of health certifying that they are fit. |
| Where relevant the company has put in place special health and safety precautions for pregnant women, employees with disabilities, night workers, young workers and other vulnerable groups. | The management has ensured that the working area of pregnant women where applicable is conducive where this is applicable. |
| Protective equipment and training | |
| Does the company ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely? | |
| The company has a procedure to ensure that all workers are provided, free of charge or deposits, with the protective equipment necessary to safely perform their job functions. | Cimbria provides protective equipment to all our employees who perform duties that require them to have protective equipment free of charge. An induction is done to new employees on the tasks they will perform by the safety chairman and the immediate supervisor. The company also provides training to staff on how to use the PPE'S effectively. |
| The company is committed to ensuring that workers use the protective equipment provided and understand why it is necessary to use the equipment. | The company is committed to ensuring that workers use PPE'S and this has been done through educating our employees on the importance of using PPE'S. We have conducted trainings related to these on correct use of PPE'S and Occupational Health |
| The company ensures that all workers have the necessary training to safely perform their job functions and keeps workers fully informed, in a language and form understandable to them, of the health and safety procedures. | The company has training programs that ensures all the workers are well trained by local experts who understand the organizations better based on their experience and knowledge regarding the various laws. |
| An accurate record is kept of who has been trained and for what tasks. | The Human Resource department is in charge of ensuring that all records are kept for the various trainings we have conducted. |
| On a regular basis and when assigned to new tasks, workers receive training in the safe use of equipment and processes. | Employees are trained on use of new equipment and on the use of PPE'S relevant to the kind of work they will handle whenever they are assigned new tasks before commencement of work |
| A company function or member of staff is responsible for keeping informed of scientific and technological developments regarding health and safety risks and protective equipment. | We shall appoint a member of staff to see if there are any developments in the scientific area and see how this would affect us. |

HUMAN RIGHTS: HEALTH AND SAFETY

Employee involvement

Does the company actively involve workers in health and safety work?

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| The company consults employees on health and safety issues either directly or through a freely elected safety representative(s) for relevant groups of employees. | The Company has a health and safety committee that is elected by employees and that has representatives from staff. |
| A health and safety committee has been established including employee safety representatives and representatives from management. | A health and safety committee has been established that includes representatives from the management. |
| Health and safety accidents are reported and investigated including involving the relevant worker(s), and actions are taken to prevent recurrences. | Accidents that occur within the organization are reported in the accident book and investigated in order to minimize and prevent related incidents. |
| Health and safety near-misses (accidents not resulting in injury) are reported and investigated to help improve safety. | The management will look at accidents that don't result in accidents and further investigate to see if there is something that can be done. |
| Health and safety accidents are monitored including hours lost as a result of injury or illness and e.g. compared to total hours worked (lost time injury frequency). | This needs further action and will be implemented |



Employee Health and Safety Trainings



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| HUMAN RIGHTS: HOURS, WAGES AND LEAVE | |
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| Working hours | |
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Does the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that workers are given reasonable breaks and rest periods?

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| Normal company working hours are limited to 48 per week by both company policy and practice, or fewer if provided by national law, collective agreement or industry standards. | Our Company policy is that employees work for 40 1/2 hours per week. |
| Overtime is infrequent, remunerated at premium rate, and does not exceed 12 hours in any one week, or 36 hours per month. | The management ensures that overtime is compensated at the recommended rate by the government and it does not exceed 12 hours in any given one week. |
| The company has a system to plan, record and monitor hours worked by each employee, and regularly evaluates whether the number of workers is sufficient to meet production targets without resorting to overtime. | The project manager assisted by the Technical service manager monitor hours worked by the employees and they authorize overtime to ensure that employees hours are regulated and overtime is done when necessary. |
| Where overtime per worker systematically exceeds 12 hours per week, the company increases its workforce to correspond to production targets, or puts in place measures to increase worker productivity and reduce overtime. | The technical team leaders are in charge of ensuring that where overtime exceeds the recommended rate, measures are taken to increase workforce in order to boost productivity. |
| The company ensures that workers have no less than a 30-minute break for every 4 hours of work (or more if provided by national law or industry standards) and that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks. | The employees at Cimbria EA are allowed to have breaks after the recommended 4 hours of work and they are also allowed to use toilet facilities whenever necessary. |

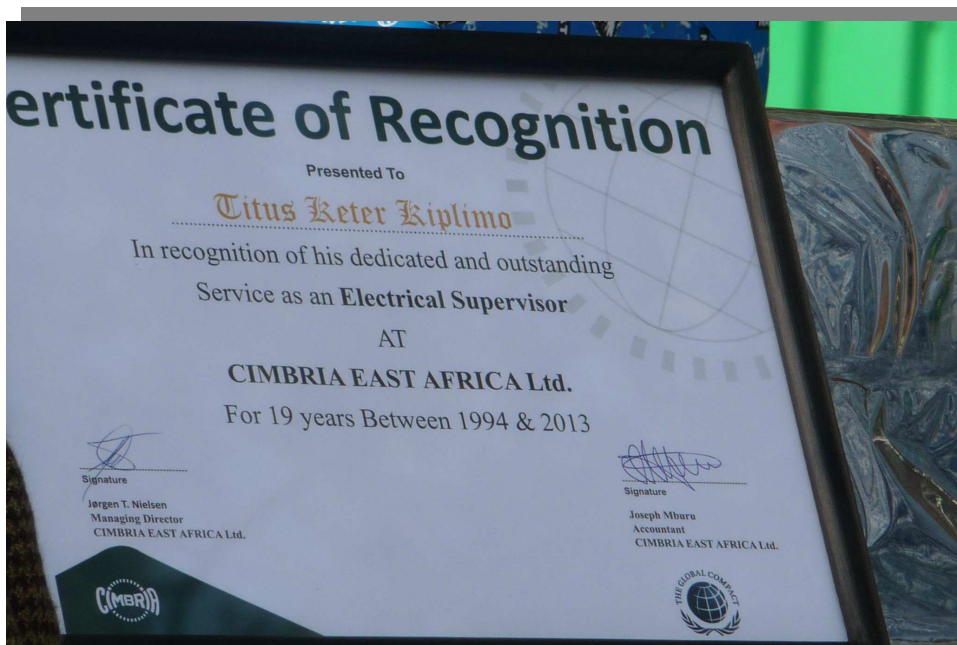


| HUMAN RIGHTS: HOURS, WAGES AND LEAVE | |
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| Wages | |
| Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents? | |
| It is company policy to provide workers with a living wage sufficient to meet basic food, clothing and housing needs and provide some discretionary income for themselves and their dependents. | The Company provides a living wage that is sufficient to meet basic needs for our employees and their dependents. We also ensure that the workers hired through third parties also meet the minimum required wages in the country of operation. |
| The company is aware of whether the legal minimum wage in the country of operation meets the requirement for a living wage. | When coming up with the salary scales for our employees, the management ensures that it meets the minimum requirements in the country. |
| Part-time workers receive wages and benefits that are proportionate to those of full-time workers, and receive overtime compensation at a minimum of 1.25 times their hourly salary. | The company has very minimal needs for part time workers but whenever there is need, it is ensured that the minimum requirements are met. |
| The company pays wages at regular intervals and does not take deductions from wages for disciplinary measures or other deductions not authorized by national law. | The company has complied with the requirement to pay wages at regular intervals and deductions are not made from wages for disciplinary measures from employees. |
| Bonus and piece-rate payment systems are monitored to ensure that the total salary paid meets living wage requirements without resort to overtime. | The company does not pay according to the piece rate system however, bonus and total salary is monitored to ensure that we meet the required stated by the law. |

| HUMAN RIGHTS: | |
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| Leave | |
| Does the company ensure that workers are paid holiday leave, sick leave, and parental leave in accordance with international minimum standards? | |
| Workers are granted at least three weeks of paid holiday leave per year or more if required by national law or collective agreements. Part-time and short-term workers are provided with paid holiday leave proportionate to the number of hours worked, at a rate equal to that of permanent full time employees. | Cimbria gives 24 paid leave days per year to our employees and for those on part time the same standards apply. |
| Workers are entitled to paid sick leave in accordance with the applicable national law. If sick leave is not provided for in national law, the company consults with union or worker representatives to establish alternative means of protection in case of illness or injury. | It is our company policy that our workers are entitled to paid sick leave of a month whenever this is necessary. |
| The company ensures that sick leave is not deducted from workers' vacation time. | The company does not deduct sick leave from the leave days a worker is entitled to. |
| Female workers are entitled to no less than fourteen weeks of paid maternity leave per child. | Female workers in the company are entitled to paid maternity leave of 90 days to enable the employee to recuperate and take care of their young ones. |
| The company grants compassionate or parental leave to workers who have recently adopted a child or children, or have taken on the responsibility to care for foster children or other dependent children. | We have no had this case before. Further action may be needed to ensure that if it occurs then the company will be prepared to ta handle it. |

| Employment status | |
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| Does the company ensure that all workers have an official employment status? | |
| The company ensures that all employees receive employment contracts prior to starting work for the company, and that contracts are understood by each employee. | The company is working on a policy on workplace harassment and is committed to prevent it from occurring. Any issues that arise are dealt with on time before they become major. |
| Contracts detail each employee's rights and obligations of employment, including clear job description, bonus and salary systems, and reasonable notice periods. | The contracts include clear job descriptions, and reasonable notice periods as well as clear salary systems. |
| Reference to company handbooks or other relevant documents on employment terms are integrated into the contract. | An employee handbook is being prepared and it will be integrated into the contract as well. |
| The company ensures that contractors provide workers operating within company premises with an official employment status in line with company standards. | The company has taken steps to ensure that all contractors working within the company's premises have contract and operate within the required guidelines given by the company. |
| Worker privacy | |
| Does the company respect the privacy of its workers whenever it gathers private information or monitors the workplace? | |
| The company has a procedure stating which kinds of workplace monitoring are allowed; what kind of personal worker information is retained; where it is stored; who has access; and why the information is necessary. | The Company informs the employees on workplace monitoring systems that are in place and explains why such information is necessary. This is to ensure that employee's rights are respected. |
| Workers are made aware of all workplace monitoring, including cameras and Internet or e-mail monitoring, and the specific purpose of the monitoring. | Whenever the company needs to implement or add any monitoring devices, the employees are made aware of this and the reason why the changes will be made |
| The company obtains the worker's prior written consent before gaining information from an individual with whom the worker has a privileged relationship, including a former employer, doctor or lawyer. | The Company Management has always ensured that consent is obtained from employees whenever we need privileged information from persons with whom the employee has privileged information. |
| Workers have access to all personal data collected about them, including data concerning disciplinary decisions and data obtained through monitoring, but excluding confidential management specific information related to performance evaluations, salary negotiations, promotions, rotation and similar employment decisions. | The HR department ensures that employees access all personal data collected about them whenever this is necessary any data that needs to be kept private is kept confidential. |

| HUMAN RIGHTS: FAIR TREATMENT | |
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| Non-harassment | |
| Does the company protect workers from workplace harassment including physical, verbal, sexual or psychological harassment, abuse, or threats? | |
| The company has a commitment to prevent workplace harassment. | The company is working a policy on workplace harassment and is committed to prevent it from occurring. Any issues that arise are dealt with on time before they become major. |
| The company actively informs workers of their obligations to refrain from violent, threatening or abusive conduct. | This has been ongoing the Human resource department has been educating employees on the need to avoid any form of harassment in the workplace. |
| Managers receive training on how to identify and deal with instances of harassment in the workplace. | The training on how to deal with workplace instances of harassment will be included in our training schedule for next year. |
| The company investigates all complaints of workplace harassment and takes appropriate preventative and disciplinary action including reporting of criminal actions to the appropriate authorities. | Incidences of workplace harassment are minimal as we have a small workforce but whenever this happens, all cases are investigated and if need be reported to the appropriate authorities. |



Certificate of Retirement: on Fair Treatment on retirement to two of our staff This year.

| Security arrangements | |
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| Does the company take steps to ensure that company security arrangements are in accordance with international principles for law enforcement and the use of force? | |
| The company regularly conducts security risk assessments, and ensures that company security arrangements, including the deployment of private guards or public security personnel, are proportionate to the security risk. | As the Company grows the management ensures that the security provided is adequate compared to the security risk. |
| Company security risk assessments include the risk of human rights abuses by private and public security personnel. | The Company ensures that private security personnel do not engage in activities that may be subject to Human rights abuses and if there is a risk it is dealt with early enough before it gets out of hand. |
| The company selects private security firms based on information about professional ability, level of staff training, quality of equipment, past involvement in human rights abuses, links with political factions or organizations and other relevant criteria. | Before Cimbria selects a company to offer Security services, thorough background checks are done to ensure that the company has a clean record. |
| Contracts with private security firms include requirements related to international human rights standards for law enforcement and use of force; require the investigation and discipline of any unlawful or abusive conduct by security guards; and allow for termination of the contract in case of such conduct. | The Companies contracts with the Security firms requires them to comply with International Human Rights standards |
| There is a manual defining the duties of security personnel, and all security personnel receive training on rules of conduct based on international human rights standards for law enforcement and the use of force. | The Management will develop a manual defining the duties of security personnel and training needed on rules of conduct and the use of force. |
| The company has a procedure for recording security-related incidents, including a mechanism for handling complaints from staff or local communities related to the conduct of security personnel, and forwards credible allegations of human rights abuses to the relevant authorities. | All security agents are required to record all security related incidences and the staff and local communities are allowed to air their complaints to the management in case they fell that their rights have been violated. |

Community engagement

Does the company engage with local communities on the actual or potential human rights impacts of its operations?

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| <p>The company has a commitment to engage openly with communities in and around its area of operations, prior to, during and after commencing activities that may negatively impact their access to resources (e.g. water, food, land) or livelihoods (e.g. fishing or hunting grounds).</p> | <p>The Company ensures that open discussions have been held with the local communities prior to starting of projects. Where we are not responsible we ensure that the third parties secure the agreements with the local communities.</p> |
| <p>The company communicates and consults with local communities prior to, during and after commencing activities to prevent, reduce and mitigate impacts.</p> | <p>The management always ensures that before we engage in any activities that may affect the local community that we consult and agree on the way forward.</p> |
| <p>The company takes steps to remedy the legitimate concerns of local communities regarding any negative impacts of the company's operations on the access to resources or livelihoods.</p> | <p>The Company ensures that all its operations address the concerns of the local community and any negative impacts are addressed in a timely manner. This applies even to third parties that work with us.</p> |



Cimbria Staff Visit to orphans children home



Donations

Does the company engage with local communities on the actual or potential human rights impacts of its operations?

- On 1st June 2013 Together with some of our stakeholders, CEA participated in donating to the 2013 Rhino charge event in aid of conservation of the Water Towers of Kenya
- In support towards orphaned children home by CEA and employees getting aside their busy schedule to share their birthday cakes with the children respectively

Community Awards

- Appreciation as Exhibitors award by East African Fine Coffees Association held in Ethiopia February 2013
- Certificate of Participation from EvertOn Environmental Safety & Health solutions Limited for Occupational Safety & Health 24th May 2012
- Certificate in International CSR Management from the Subbiz Kenya in partnership with The Danish Business Authority, The Danish Federation of Small & Medium sized Enterprises (Danida) and the Kenya \Federation of Kenya Employers from September 2011-June2013.
- Category GOLD Certificate of Participation by East Africa Grain Council Agribusiness Expo held on 20th and 21st July 2013.
- Appreciation and recognition from Africa Grain Trade Summit 1st – 3rd October 2013

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, customers and employees together with the public at large by:-

- Posting same to the UNGC website
- Cimbria Group website- www.cimbria.com
- Word of mouth to our customers, Clients and stakeholders during the trade fairs and field days
- On continued communication during this year's Christmas giveaways, a note that we support and adhere to the 10 Principles of the United Nations Global Compact will be sent to all stakeholders and friends of CEA.
- Use of WE Support UN Global Compact in our give away items like calendars, advertising materials.