

RICE A/S Social Accountability Report 2011



WE SUPPORT

SA 8000
BUREAU VERITAS
Certification



 **rice**

people care - we care



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“People Care - We Care”

RICE was founded late 1998 - born only a few months after my son Max. The idea of starting RICE was “under construction” for a while - my French husband Philippe and I wanted changes to our lives - we had lived in Paris for almost 15 years together. We both had great jobs, but felt the need to slow down - have a life where we both travelled at the same time and enjoy a more quiet lifestyle.

My old dear school friend Hans was based in Thailand - and was already working with home ware. We decided to try selling some of the things he could get made, and then combine with some items from Madagascar - all this whilst having our base in Denmark.

We started out production in Thailand and Madagascar and have since then added India, China, Taiwan and Italy. We see our permanent suppliers as partners; just like our son has grown, we have also grown together with many of the suppliers that we have been working with since our very early days.

From our very early days we had an intuitive way of working with CSR - checking our production places, buying fans for the workers who were sitting in crazy heat weaving our plastic storage etc.

In 2001 we decided to formalize our CSR work and thus obtained the SA8000 certification in 2002. We do not want to produce in developing countries without en-suring that we as a minimum live up to local labor laws and legislation.

In 2006 we joined Global Compact. It is a logical and simple system and we believe, reachable vision, that we are happy to be apart of.

We sincerely believe the truth in the phrase **»No one can help everyone, but everyone can help someone«.**

We give our continued and full support to the UN Global Compact.



Søren Laursen
Managing Director
RICE A/S Odense,
8th March 2012



Charlotte Gueniau
Creative Director
RICE A/S Odense,
8th March 2012

Key Figures

Employees:

39 employees in RICE Denmark,
14 employees in sales offices around Europe,
2 employees in India and
about 70 employees in RICE Thailand.

Suppliers:

We have suppliers in Thailand, India, China, Madagascar, Taiwan and Italy. The amount of suppliers varies from collection to collection, but there can be up to 40 different suppliers connected to one collection.

Trainees:

RICE take on about 10 trainees annually.

Production Countries





RICE & CSR

RICE is all about fun, funkiness and functionality, but we do work with our hearts as well, and we know that we can make a difference by acting responsibly. Since RICE was founded in 1998 it has been important to us to be socially responsible, and have an ethical approach to doing business.

At Rice we have taken a three-pronged approach to CSR based on either Business Direct (SA8000 and UN Global Compact), Business Close (Business CSR projects) or Philanthropy.

Most of our products are made by workers in third world countries. Therefore we make sure, that all of our joyfully colourful things are produced with high

regards to human rights, healthy labour conditions and with no use of child labour.

RICE also do charity and take an active part in developmental projects around the world. We cooperate with different organisations on creating viable and socially responsible development in third world countries.

A special RICE way of giving support is the RICE-up products, where the surplus from certain products helps developmental projects in third world countries.



Scan this code to watch a video about RICE & CSR





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BUSINESS DIRECT

Our primary focus and responsibility area is the environmental and working conditions in our own backyard. We cannot face ourselves in the mirror if we know that there are people being treated miserably in our own line of production. As a result, we have a strong engagement in the working conditions at our suppliers. We have a dialogue and long-term cooperation to ensure that every RICE product is being produced under ethical and environmental sustainable conditions. RICE supports the Global Compact. We use the Global Compact and the UN 2015 goals as guidelines for our CSR-activities.

At RICE we also use a international recognized social accountable standard to guide the CSR development of our company and suppliers.

This is called The SA8000 standard for a safe and healthy workplace and good working conditions. In 2002 RICE got the SA8000 certification as the first company in Scandinavia – and obviously we are very proud of that. In 2011 RICE has been through a suc-

cessful recertification audit, which is valid for 3 years. The recertification process has included a thorough review of our management tools.

The SA8000 is both a checklist and a way of dealing with the developmental process of our suppliers. When we choose new suppliers, we make sure that they uphold the ethical standards of RICE. Where improvements are needed, we engage in a long lasting cooperation with the supplier and use the SA8000 standard as a tool in the developmental process.

SA8000 is an international standardized code of conduct for improving working conditions around the world. The certification is not just a nice badge of honour it is also RICE's promise to continuously work on building a socially responsible business.

The central points of SA8000 is:

- No child labour
- No forced labour
- Ensure safe and healthy working conditions
- Ensure freedom of association and the workers right to collective bargaining
- No discrimination of any kind
- No physical or mental punishment
- Proper working hours, and ensure one day off as minimum
- Wages must comply with the law, and meet the needs of workers and their families.

We do not want our lack of experience to harm the process, so where our knowledge ends, we involve external consultants. The French consultant company Acta Verba guides us on the SA8000 certifications.

An additional management tool is the UN Global Compact. We use the Global Compact and the UN 2015 goals as guidelines for our CSR-activities. It is a simple and logical system and we think it is an achievable vision, that we are proud of being a part of.





External consultants

As a small company we cannot be experts in all fields, and since we would hate to let our lack of experience become a restraining factor for our CSR activities - worst case scenario being, people in our production suffering, as a consequence of our inexperience - we ensure a high quality throughout our CSR work by sourcing external consultancy support. During the last year, we have bought valuable support from Acta Verba, and Four-D.

Acta verba

Acta Verba is a French organization and management consultant company that we work with around 3 times annually in improving our SA 8000 management system (documentation and tools).

Suppliers

Sometimes we support the supplier in his SA8000 certification process. Other times we fall in love with a local initiative and promise to place subsequent orders to support that local project. We always make sure that the working conditions live up to national laws and International Standards.

Every now and again we come across a supplier who has the right intentions, but hasn't as yet reached a satisfying standard. We then help them by contributing our knowledge and experience so that they can meet the accepted international standards for working conditions, and by placing orders at their factories.

RICE has one supplier in Italy producing pottery for our Italian tableware collection.

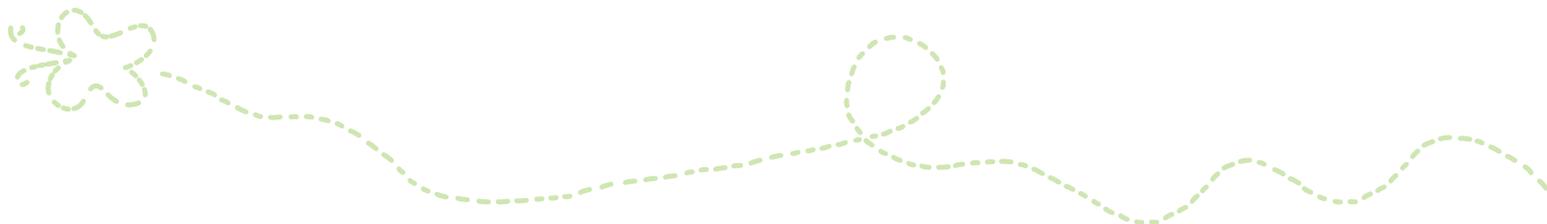
RICE has about 20 suppliers in China and 6 suppliers in Taiwan. Amongst other things, they produce ceramics, silicone, glass, stainless steel and candles. RICE has about fourteen suppliers in India, producing amongst other things bags, blankets and pillows. RICE has four suppliers in Madagascar. They produce a significant amount of our products with embroidery e.g. bags and storage made of raffia.

In Thailand they produce amongst other things the majority of our melamine products, weaved plastic storage and plastic kitchenware. One of these suppliers is RICE for Asian Design. Co. Ltd.

In 2010 RICE TH ratified the "Thai Labour Standard" certificate. This is a Standard that is very similar to SA8000. Besides ensuring that they live up to all rules relating to Thai labour laws, it also certifies that their work processes are described in our internal company manual. All staff are provided with a company manual clearly stating our company policy. It also describes the employee and employer rights. To ensure the proper implementation of the "Thai Labour Standard" they have employed their first full time HR (Human Resource) Manager in the beginning of 2010.

To make CSR a part of their company DNA they have established a program where they, together with their staff, renovate remote village schools. It is a simple program where the company sponsors building materials, and equipment such as tables, chairs and perhaps computers.

The employees donate their time, carrying out the actual renovation.



BUSINESS CLOSE

Corporate Social Responsibility is a part of the RICE DNA. It is important to us, that you can colour yourself happy with a clear conscience.

With RICE you can be sure to get:

- No child labour
- Fair wages
- Better working conditions

At RICE we choose suppliers who live up to our ethical standards and help them further improve their working conditions and work with Corporate Social Responsibility. The suppliers must comply with our code of conduct and we perform regular audits to ensure that they do.

Sometimes we run different projects with some of our suppliers, which is what we define as Business Close CSR projects. One of these projects are the Lakshya Project.

The Lakshya Project

One of the Business Close projects has been the Lakshya Project. For the last 4 years RICE has been involved with the Indian supplier, who runs a company

based on the wish to help street kids. The owner lives in a simple house with his wife, three daughters and about 10 boys aged between 6 and 16. Besides these, there is another 15 former street kids, who are now adults, working there. They mainly take care of the boys and the production. Only a few years back these boys, as well as the owner and his wife, lived on the streets around New Delhi's Central Station.

The project aim has been to build up a tailoring production to support the street children and to give them a future, and continue to work with RICE. Specifically, we have focused on the development of the working environment, which has resulted in an air cooling system, a lunch room and clean drinking water supply. Furthermore, by the end of 2010 an ETP waste water cleaning plant has been constructed.

During 2008 - 2010 RICE supported the project with monthly donations to cover rent, medical bills, food and equipment such as sewing machines. This has helped build the production, and enable them to take in more street children. The monthly donations ended in February 2011, with the end of the project. The donations has helped the owner to create a solid





foundation for the future of the business. Furthermore, Lakshya now has several customers besides RICE.

Now Lakshya is a regular RICE supplier, making cool bags from newspaper and fabric, sewn together and laminated. The former street children, working at the factory, now has acquired skills which they can use in the future.

The aim is, for the supplier, to build a professional platform enabling them to cope with an even larger production, so that the street children can remain within the project as employees. This will increase capacity and provide resources to give even more street children a chance of a future. RICE will continue to place orders at this supplier in order to support this positive process, nourishing yet another seed of hope.

RICE has designed a bag which is sewn by young men at the supplier. The bag is made with strips of newspaper and textile which are sewn together and laminated. In order to ensure a stable income for the supplier, we have made a commitment to place orders continuously in the years to come.

The owner and his wife have dedicated their lives to rehabilitating street children, providing them with a home, schooling and a basic education in tailor-

ing and clothing. The fundamental funding of the company comes from their production of bags and clothing, thereby securing the company and the street children a sustainable economy. The youngest children attend local junior school, while the 14-16 year-olds divide their day between schooling, work and leisure. The 16 year-olds are engaged in full-time production. When they turn 19 they leave the company with a future often involving getting a job and starting a family.

Danida-supported project

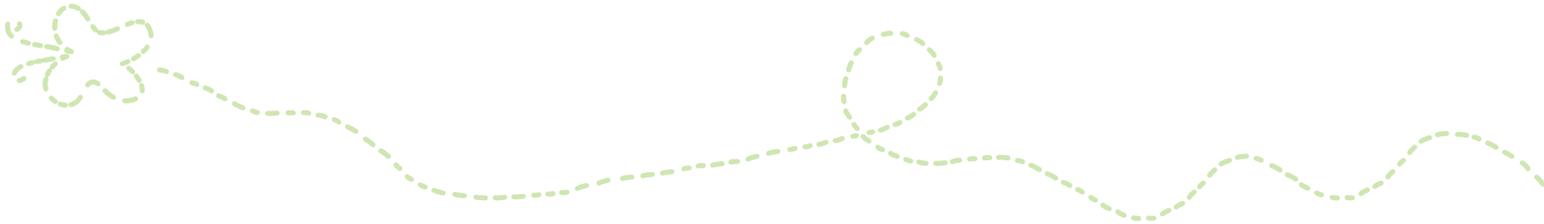
During the period from beginning of 2008 until first quarter of 2011, RICE has made a working environment developmental project with one of our major Indian suppliers. The project was financially supported by the government organization DANIDA. During the project period we have developed:

- *Cooling system*
- *Lunch room*
- *Drinking water supply on all levels of the factory*
- *ETP waste water cleaning system*

After completion of the project we did an inspirational trip to all our other Indian suppliers. During this trip we shared the knowledge from the project and showed a small movie from the project. Finally we did a factory audit, which ended up in a written report where the suppliers are able to see where to focus when improving of their working environment.

Scan this code to watch a video about our project in India





PHILANTHROPY

RICE takes an active part in developmental and emergency aid around the world. This is because we firmly believe that: “No one can help everyone, but everyone can help someone”.

A special RICE way of making a difference in the lives of some people is the RICE-up products. When you buy one of these products we donate financial support to development and aid projects in third world countries.

At RICE we support developmental projects that we truly believe in and projects that touches our hearts. Among these are the RICE School project in Burma/ Myanmar, and the Lakshya project in India.

We also donate money to charity projects, because we know that our donations will have a directly affect on the people we wish to help.

We choose to cooperate with highly qualified organisations that are experts in the field of development and emergency aid. And we are proud to support their efforts at making a difference.

The wish to do well and give back, has led us to some inspiring charity projects across the world.

We have committed ourselves to donate money to the rebuilding of a school in Myanmar, destroyed under 2008’s cyclone, Nargis.

In cooperation with the Danish Refugee Council we’ve had a couple of one-2-one projects in which water and washing kits are donated to displaced families in Africa, and soup to starving families in Mogadishu.





RICE school in Burma/Myanmar

In May 2008 Myanmar was hit by the cyclone Nargis. This natural catastrophe took the lives of more than 140.000 citizens, thousands more were injured, and 450.00 families lost their homes, personal belongings, tools and their livelihood. Since spring 2010 RICE, together with the Danish Refugee Council, is building a school in Sar Chet village in Myanmar. The village is located 30 KM from Labutta town. The total number of pupils at the school is 672; 338 boys and 334 girls.

"School is something one might take for granted here, but it is clearly not the case for the children in Myanmar, who lost their schools in the unfortunate disaster. I believe that education is essential for children to develop their personal and social skills, find opportunities in their lives and to learn about democracy and human rights. We will very much like to take this opportunity to make a difference in many lives of these children and one of the ways will be in building a school for them" commented Charlotte Hedeman Gueniau from RICE.

RICE believes that every child has the right to go to school. So we are going to make sure that the children in Sar Chett can.

School in Sar Chett

To finance this project, RICE designed a number of Lunch Boxes and Melamine products with school prints on - every time you buy one of these items

- we will donate 50% of the turnover to the project. This way, our customers helped us send a child to school.

The actual building was finished the last week of January 2011. Consisting of 3 classrooms and 4 latrines, the school is soon ready to house children from Sar Chett and 5 other, neighboring villages. So now the job of providing materials and running the school begins.

The school will not only provide schooling for 672 children, but will also function as a safe shelter for the villagers as well as a place to gather.

The school has been built to be natural catastrophe resistant, plus be multifunctional; acting as a shelter, a school, a town meeting place - a place for safety, development and learning.

The foundation of the building is strong enough to withstand natural disasters like a cyclone, and can withstand flooding, strong wind and other extreme weather conditions.

This project has also been supported by RICE employees who generously donated their company christmas presents for the school. This donation financed tables and chairs for the children in the school in Sar Chett.





RICE DENMARK

CSR is an ongoing process with the constant possibility of optimization and refinement. With this in mind, we review ourselves and try to see how we can increase responsibility in our internal operations.

Another way we try to become more responsible in our everyday life in RICE, is how we meet people and their needs in our neighbourhood. We frequently introduce trainees into our daily work, supporting pupils of every age in their education and knowledge of the labour market. Also, due to the relatively high unemployment rate in Denmark, we take on an increasing number of temporary job trainees. This doesn't only benefit the trainees, but RICE too; we often see that learning occurs both ways.

RICE's working facilities have long been under focus. In the office there are tables that are height adjustable, enabling you to change your work position from sitting to standing. You can also customize your chair for your needs, and the IT hardware is chosen to fit just you, your work and your ergonomic needs.

The warehouse employees have experienced a huge change since 2008 when we got a new warehouse facility. Since then, there has, amongst other things,

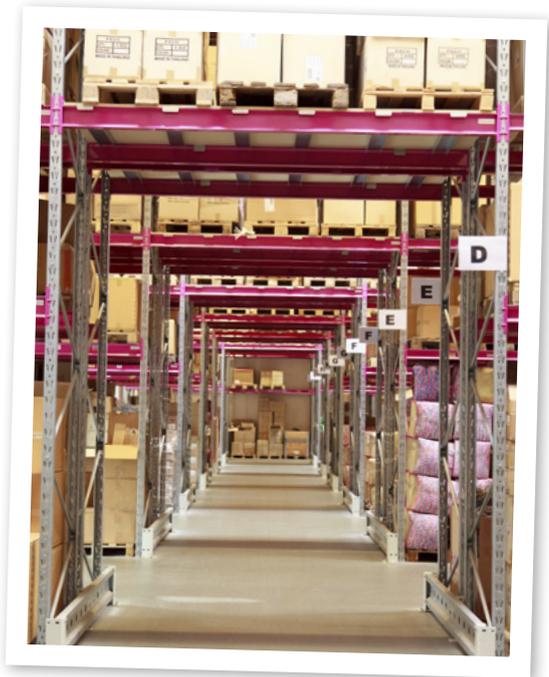
been less exposure to temperature changes, hard physical work such as heavy lifting has been minimized, and there is less walking from one building to another. This is all due to the new modern warehouse facility and new machines.

“Kom godt i Dok”

RICE is participating in a project called “Kom godt i Dok”, which is a cooperation between the businesses at Odense Harbor, unemployed candidates, Odense Job Center and Vikargruppen Odense (Temporary Agency).

The aim of the project is to help young, unemployed people under 30 to get a foothold in the labour market or, alternatively, to get into an education which will help them to qualify for a job in the future.

15 companies, all located on the harbour in Odense just like RICE, participate in the project, that hopes to help those of the city residents who have difficulties obtaining or maintaining a job.





Welkommen bij RICE kantoor
Vast verblijven hier!



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