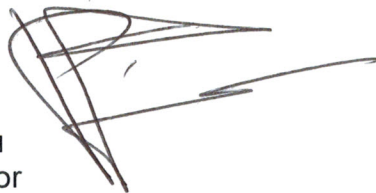


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**Rice A/S Social Accountability report
For the UN Global Compact
19th April 2013**

As managing director of Rice A/S I hereby confirm our continued support to the Global Compact. Our management manual is based on the principles of SA8000 and in addition to this we find the Global Compact a valuable tool in our social responsibility as well as environmental work

Odense, 19th April 2013



Philippe Gueniau
Managing Director
Rice A/S

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“People Care – We Care”

Company facts

Founded: 1998

Head quarter in Denmark: 32 employees
European sales offices: 12 employees
Sourcing office Thailand: 4 employees
Sourcing office India: 2 employees
Sourcing office China: 1 employee

Management tools

Back in 2001 Rice A/S decided to formalize the different initiatives within social accountability in a management tool. We decided to use the international standard SA8000 as the spirit of this standard is close to our core business values and there is an audit system connected to the tool. Finally the system is based on human as well as labor rights. In 2002 we obtained the certification as the first Scandinavian company.

The elements of the SA8000 standard are as follows:

1. Child Labor
2. Forced & Compulsory Labor
3. Health & Safety
4. Freedom of Association & Right to Collective Bargaining
5. Discrimination
6. Disciplinary Practices
7. Working Hours
8. Remuneration
9. Management Systems

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In 2006 we joined the Global Compact. As it will appear the principles of SA8000 and Global Compact are to some extent quite close. Therefore the participation in Global Compact was a natural next step.

Suppliers

The nature of our business is to develop 4 new collections every year. The consequence of this is that we are working with a substantial number of **permanent** suppliers. Additional to this we have **seasonal** suppliers or one-time suppliers.

In 2012 we terminated the cooperation with our partner in Asia since the last 12 years. In connection with this Rice has made a historical change in our setup in Asia. We have opened our own sourcing offices in Thailand and China. In India we have had our sourcing office since 2006. The sourcing offices are staffed with Rice employees. This enables us to be even closer connected to our suppliers.

The responsibility of our sourcing offices is the coordination with our supplier, sampling, handling of purchase orders, follow up on production, QC process, shipping and finally but not least the audit in connection with social compliance.

We started development of our own setup in Thailand and China from scratch in early 2012 and we are in the process of educating the staff in the audit handling. During 2013 the offices will be fully operational.

Audit process suppliers

When we start cooperation with new suppliers we take a commitment from their side in relation to the SA8000 standard. The managing director of the supplier must sign the commitment.

The topic of the commitment relates to **SA8000** as well as **environment protection**.

Once the first order is ready with the supplier we have our own staff visiting the supplier for making the QC of products and at the same time making first physical audit in the factory.

We have developed standard tools for our auditors to use during the audits. This makes it easier for the head quarter to streamline the results from the audits.

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When our auditor finds topics not living up to the SA8000 standard we issue a non-conformity report. During next visit we will then follow up to control that the non-conformity has been solved. We always look for improvements in our cooperation with the supplier and this is the spirit of the SA8000 standard.

Audit process in Denmark

In order always to keep ourselves up to standard we have made an agreement with Bureau Veritas Certification that they will audit us twice every year according to the SA8000 standard.

One annual audit is announced and another one is unannounced. The auditor will go through the following program:

- Opening meeting
- Walk around in the premises
- Personal interviews with the staff
- Checking documentation
- Closing meeting

As we have the main part of our suppliers in Asia our audit made with the supplier are of extreme importance. During the topic "Checking documentation" the auditor will check our audit reports from the factory visits. The reports will also contain our suggestion to improvements with our suppliers.

Working environment in Denmark

The working environment in our Danish headquarter is controlled by the APV – workplace assessment. This is updated at least every 3 years with input from the staff.

Lately we also used an external consultant to give input to the staff as how to improve the working position.

Another initiative taken is to offer fitness program to the staff during the working hours. We believe in investing in our staff by offering this initiative to avoid physical problems and fewer days off the job due to illness.

We also offer the staff free healthy lunch once a week and free fresh fruit every day.

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Finally we have a health and safety committee to take care of any possible issues that might be brought up by the staff in relation to OHS. The staff select among themselves a representative and likewise there is a management appointed representative in this group.

Communication

In 2012 we again participated in the UN Global Compact campaign "Verdens Bedste Nyheder" informing about the improvements in the fight against poverty.

Follow this link: http://www.tv2fyn.dk/article/252374?autoplay=1&video_id=34076

Anti corruption

Referring to earlier in this report we have now our own staff in most of the countries where we make our products. This enables us to be close to our suppliers on a more frequent basis. Therefore taking steps to avoid corruption has also become if not easy then slightly less difficult to control. During internal discussions we always try to put focus on this important topic. We have a no-tolerance policy within corruption.

Danish Refugees Counsel

Since back in 2006 we have had a running cooperation with Danish Refugees Counsel. Among other we have donated money to the following:

- Kitchen sets for refugees families in Darfur
- Soup kitchen in Mogadishu
- Water equipment
- Construction of a school in Myanmar – link <http://vimeo.com/50487366>

Presently we are working with DRC about a new project. Although it is many, many years since the Vietnam-ware was over there is still a lot of un-exploded mines in Vietnam. Every year this causes death and mutilation. The project is an education program how it is possible to live next to un-exploded mines and what to be aware of.

In our next reporting when the project is over we shall report on the outcome.