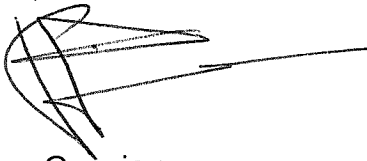


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**Rice A/S Social Accountability report
For the UN Global Compact
30th October 2009**

As managing director of Rice A/S I hereby confirm my 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, 30th October 2009



Philippe Guéniau
Managing Director
Rice A/S

Management tools of Rice A/S

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 values and there is an audit system as part of the tool. Finally the system is based on human as well as labour rights.

Ever since we have used this system and have twice a year been audited by Bureau Veritas Certification and once every 3 year we have been re-certified with a new total audit of all systems.

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

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As a new progressive step the board of Rice A/S has just decided to implement the environmental ISO14001 standard. The work will commence in November 2009 and we hope within the next 1 – 1 ½ year to obtain the certification.

Working conditions with the suppliers

SA8000 Certification covers the operational activities in Rice A/S. However as a major part of the standard there is a chapter concerning control of suppliers specifically in the 3rd world. Therefore the impact of our suppliers working according to the rules of the standard is major.

Via our audit system we have own staff as well as partners visiting the supplier to check the working conditions in the factories. As a new step we have tried to let a 3rd party doing audits with our suppliers in Madagascar. The main reason for using a 3rd party doing the audit was to get new input in the way we do the audits ourselves. Once in a while it is good to have new input as how to implement an audit.

We have suppliers in the following countries:

Thailand – India
China – Madagascar
Taiwan - Italy

Improvement of internal work stations and working environment

Internally we have in 2009 worked out a revised evaluation of our workstations in Rice A/S. In order to obtain the best result we worked with an external consultant. As a conclusion the consultant made a report highlighting the subjects we have to improve over the next 3 years.

In December 2008 we moved into our new warehouse facilities. The new facilities have improved the working conditions in our warehouse extremely and our staff now realizes the benefit of using all modern warehousing facilities such as:

- electrical driven units for picking goods
- full integration of use of barcodes
- sucking system to avoid heavy manual lifting
- ramps for unloading containers

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Partners / Consultants

As Rice is a SME we do not have knowledge and experience in all and every aspect of working with CSR. We set the policies and where necessary we buy consultancy support.

Acta Verba is a French SA8000 consultancy. We work with this company 2-3 times every year in improving our manual, templates etc. Also Acta Verba is involved in our DANIDA project and will help us obtaining our ISO14001 certification.

DFSME equal to Danish Federation of Small and Medium sized Enterprises. This organization helps us as consultant in our DANIDA project and is managing the SUSBIZ project (ref. later in the COP). In relation to both projects we have a very close cooperation.

Four-D is an Indian SA8000 consultancy. They help us in our DANIDA project implementing the manual, templates and policies with the supplier with whom we run this development project.

Progress made in our CSR projects

A simple definition of why we work in the developing countries is because of the low production price. Another aspect is that these countries have a cultural history for making handmade products which is perfect for our collection.

On the other hand it is close to our hearts giving our contribution to develop the countries. Therefore we participate in different social projects that we find sustainable.

DANIDA (Danish governmental development organization) project in India

Referring to our COP of 2008 we have now made further progress in the project. On the physical improvement we have completed the following aspects of the project:

- Air cooling system is fully implemented
- Lunch room is fully implemented
- Drinking water supply in all levels of the factory is fully implemented



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The final part of the physical development which is establishing of an ETP plant for waste water cleaning is now under construction. We aim to complete this part of the project by latest January 2010.

The other aspect of the project is CSR related and covering implementation in the work processes of the factory. The management of the factory has taken decision to go for a certification according to the SA8000 standard. We are working intensively with this process and aim to call for a certifying body by May 2010.

LAKSHYA street kids project

We are now half way in our 3-year project with the small street kids project LAKSHYA. The organization is made by former street kids as their pay-back to the good lives they have now. 16 adults is making bags of different kind in order to create some income to help the kids.

We donate money every month and now the project has a more formal structure than before. Due to our donation the manager of the project are now freer to develop the project. The adults working there get salary paid and the money is controlled in a formalized accounting system. Their platform simply is now stronger than before.

Rice is placing orders for bags with the organization and thanks to the development of their business they now earn money for saving and hopefully they will in the future have money to buy their own house. It is the intension of Rice even after the 3-year period with donations to continue working with this sustainable project.

SUSBIZ project

SUSBIZ India is a multi-stakeholder initiative for the promotion of sustainable business practices in Indian companies. The project facilitates cooperation between eight Danish small and medium-sized enterprises and their Indian suppliers on the implementation of social and environmental initiatives.

The project is managed by Danish Federation of Small and Medium sized Enterprises (DFSME).

Rice participates in the project with one of our New Delhi based suppliers. After a duration of 3 years the project is about to come to an end as the closing conference will be held in New Delhi, India on 19th November 2009.



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Rice will participate in this conference and we will give our angle as to what we and our partner have obtained from the project

DANISH REFUGEES COUNSEL project

During the last 2 years we have had cooperation with DRC. Our projects are based on one-to-one meaning that the profit from sale of one of our products goes straight to purchase of one set of aid to avoid uncertain cash transfer. In the first project DRC bought 1 kitchen set for refugees' families in Darfur for every product we sold. In the project from 2009 each product sold gave 20 cups of soap from street kitchen run by DRC for refugees' families in Mogadishu.

Both of these projects have been based on charity and aid. However a main issue for Rice A/S is that the projects we support is sustainable and therefore we have in cooperation with DRC thought of ways to find sustainable projects to support via this organization.

This we have found in our project for 2010. We will develop products and donate the profit to a new school in Liberia. We will report further on this project in our next COP.

RED CROSS DENMARK project

In 2009 Charlotte Gueniau, owner of Rice A/S, was appointed by RCD as a fundraiser in Club 10. Club 10 is a yearly project headed by RCD. The participants are creative and/or well-known persons in Denmark.

On 3rd October we had a big event in our own premises with a lot of activities to create profit to donate to RCD. The profit from the activities during the day amounted to € 35.000 and this money RCD will use to buy aid where ever it is needed in the world.



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COMMUNICATION on CSR and Global Compact

Rice has a communication policy on our CSR projects. Our aim is to spread the knowledge of the certifications and CSR as a whole.

We are often used as study-case in students' reports, press and TV. We are intensively networking in CSR networks within Denmark and abroad.

Rice is used in 2009 in a promotion leaflet about Global Compact. The purpose of this leaflet is to promote Global Compact mainly within SME's and learn how companies from different industries work with the principles of Global Compact.