

# RICE A/S

## Social Accountability Report 2010



 **rice**  
people care - we care

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# “People Care - We Care”

## Key Figures

### Employees:

34 employees in RICE Denmark,  
12 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.

We founded RICE in 1998 at the same time as we had our first child, Max, now 12 years old. We had lived together for 15 years in Paris and decided that it was time to move to Denmark and find a way to get a better work life balance.

Charlottes old school friend, Hans, lived in Thailand and it had been an idea for a long time to do a business project together. RICE was founded over a long lunch in Philippes father's summerhouse.

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 ensuring 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 every-one can help someone«.**

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

## Production Countries



### Have a RICE day...



Philippe Gueniau  
Managing Director  
RICE A/S  
Odense,  
30<sup>th</sup> December 2010

Charlotte Gueniau  
Director  
RICE A/S  
Odense,  
30<sup>th</sup> December 2010

# RICE & CSR



In RICE, although we have a big heart and a strong will to help, we realise that we can't help the entire World. Our mantra is No one can help everyone, but everyone can help someone. We use this to define our approach to CSR.

When working with CSR it's important to remember that it's an ongoing process. It's always possible to do more, or to improve. It's a learning process that requires awareness, an open mind and sometimes a helping hand - also from you.

To illustrate how RICE arranges its CSR activities, think of it as a huge and delicious cake where every layer achieves greater synergy when put together with the rest of the cake.

## **Candle lights**

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.

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.

## **Foundation of the cake**

To ensure a solid foundation for all our "CSR-candles", we work utilizing management tools which ensure a consistent approach to our responsibility. To ensure an operational guideline, we decided to become certified with the SA8000 standard. This confirms our commitment to business ethics and working conditions.



# RICE & CSR

--> We also want to step up our responsibility towards a sustainable environment, and therefore are now working toward being certified within the environmental standard ISO14001. This will help us guide our environmental responsibility according to International Standards. We hope to achieve this certification in 2011.

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.

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 said 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, Danish Federation of Small and Medium sized Enterprises, and Four-D. (See following pages).

## Gifts

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 Nargis cyclone.

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.

Last year we were delighted to find out that Charlotte (Gueniau) was appointed a member of the Club 10 within the Danish Red Cross. We held a fundraising event in which we raised over DKK 250.000 for them. (See the following pages). 🍀



# Partners & Consultants



## **DANIDA & SUSBIZ**

RICE participates in different social projects that we find sustainable, and for some years we have been part of two projects in India. One is managed by SUS-BIZ and the other is supported by DANIDA.

## **SUSBIZ**

At the end of 2009 and after three years, the SUS-BIZ project closed down. It was a project in which we participated with one of our New Delhi suppliers. The goal was implementation of social and environmental initiatives in the supplier's company. At the end of the project we took part in the final conference, sharing our view and experiences from the project. Overall our experience was that RICE, the Indian supplier and our fellow Danish and Indian collaborators learned a lot, achieving the vast majority of the goals.

## **DANIDA**

In November 2007 we initiated a project with financial support from Danida. Our aim was to engage in a long-term cooperation with an Indian supplier in order to find out how we could improve the working conditions there, and to introduce the concept of CSR to the Indian supplier and their suppliers. We could then use this knowledge in our cooperation with other Indian suppliers.

Specifically, the development of the working environment has resulted in an air cooling system, a lunchroom and clean drinking water supply. Finally an ETP waste water cleaning plant is under construction and will be completed by the end of 2010.

Another great improvement for the employees at the Indian supplier is that all workers now have a Provident Fund (PF), which is similar to a pension fund. This action has a major influence on how the workers see their future.

In our work introducing CSR concepts at the supplier, we have conducted education in both local and international social standards, developed documentation for achieving the Social Accountability Standard SA8000 certification, and developed a HIV/AIDS policy.

We are now pleased to say that the Indian supplier, on their own initiative, have chosen to become SA8000 certified. Not only does this mean that they will meet



*The pictures are from the project supported by Danida, at our Indian supplier.*

# Partners & Consultants



- — ➔ International Standards for ethical working conditions, but also their suppliers will too. Originally we had hoped that the supplier would pass the SA8000 audit in May 2010, but due to the comprehensive process required for the audit, this deadline has been pushed back to the end of 2010.

## **External consultants**

As RICE is a SME, we do not have knowledge in all aspects of working with CSR. We set the policies and, where our knowledge ends, we involve external consultancy support and knowhow. Some of the consultancies we most frequently use are Acta Verba, DF-SME and Four-D. All three are, amongst other things, advising us about our DANIDA project.

### **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) and helping us to obtain the ISO 14001 certification.

### **DFSME** (Haandvaerksraadet)

DFSME stands for Danish Federation of Small and Medium Sized Enterprises. They managed the SUS-

BIZ project. We have a very close cooperation with them regarding our DANIDA project.

### **Four-D**

Four-D is an Indian management consultancy, helping us introducing SA 8000 management system (documentation and tools) and the ISO 14001 standard as part of the DANIDA project.

### **Suppliers**

As partners we should mention all our suppliers, but because of the extent of such a presentation we have limited ourselves to only one presentation pr. country (see following pages). In these presentations we try to tell a bit about what goals these suppliers have achieved, and also a bit about some of the tasks they are working on relating to CSR and their cooperation with RICE.

RICE has one supplier in Italy producing pottery for our Italian tableware collection. Being part of Europe, our supplier is already living up to high standards. Audits are a normal procedure, and the accepted standard doesn't vary significantly from CSR. As all our Italian suppliers live up to the SA8000 standard, we will not refer to them again in this report. 🌸

# RICE in China & Taiwan



RICE divides countries up in relation to suppliers and production. Taiwan and China are therefore treated as one category.

RICE has about 20 suppliers in China and 6 suppliers in Taiwan. Amongst other things, they produce ceramics, silicone, glass, stainless steel and candles. In the following we describe one of our Chinese suppliers work with CSR.

Over the last 20 years China has experienced huge development. Part of this development is its increase in worldwide exports. Our supplier owns a factory like many others, run on the philosophy 'Production is paramount'. 20 years ago rising exports resulted in a boom in new factories. This increased competition, which then had a knock-on effect regarding employees. It was common that a working day started early morning and ended at 11pm. This had significant repercussions on employees and their health, and in time it also created certain social problems.

Consequently the government set up the National and Local Labour Offices who gave lectures and trained in management and responsible business. Creating joint venture companies was also a source of learning; that successful business involves more than just production.

Our Chinese supplier was one of the companies that absorbed this new way of thinking. The owner got to know about the international ISO9001 certification and became so committed that he made his employees study the ISO9001 regulations. The end result was that they were awarded the certificate.

Two years ago RICE contacted the owner about the possibility of them achieving the SA8000 certification, a thought that apparently had already crossed his mind. He was so impressed about the content of the SA8000 standard that he decided to work towards certification. Even though responsibility has been on the supplier's agenda for a long time now, achieving the SA8000 certification is a long and hard process. One of the things that they are focusing on at the moment is securing working conditions for all the employees, and finding a way to give them representation. 🌻

# RICE in Madagascar

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 the following we describe one of our permanent suppliers in Madagascar and their work with CSR.

The company started in 1999 and has today 75 employees. The supplier has delivered delightful and colourful baskets to us for the last 5 years. They do most of the production except for the crochet and knitting activities.

The owner shares our passion for sowing small seeds of hope in people's lives and helping wherever she can. She knows that no one can help everyone, but she is also aware of that everyone can help someone; and helping someone is certainly what she does. Her production facilities are all well organized, and she has long-term cooperation with Handicap International who help her support the disabled employees and disabled family members.

Like many of us she specifically has a soft spot for children, and helps them in any way she can, to get a better life. She supports the parents among her staff by buying school books for their children, helping their

education. Education is a basic ingredient in being able to create a sustainable future, but happiness and joyful experiences also contributes to a child's life. This reflects for example in the owners work with organizing a trip to the ocean for the entire factory. Despite the fact that they are living on an island, many of the employees have never seen the ocean.

One of the projects we are most proud of is the supplier's annual Christmas party. Here she throws a huge party for her staff and their families. 500 people attend this annual celebration, and there's lots of dancing, and presents for everyone. It is a cheerful event that the children look forward to each year.

We at RICE are proud of the fact that our commitment to a long-term relationship with the supplier makes it possible for the owner to sustain a solid and continuous income, and thereby help the needy. The population in Madagascar has experienced lots of ups and downs through time, making it important to maintain a long term commitment to uphold a sustainable living.

One of the areas that the supplier is currently working on is optimization of how to control their suppliers approach to ethical and social relations. 🌸

*The picture is from the suppliers yearly Christmas party.*



# RICE in Thailand

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.

RICE For Asian Design Co. Ltd. (RICE TH) was established in 1997 in North Thailand in the town of Chiang Mai, with Charlotte and Philippe Guneiau, owners of RICE A/S, as shareholders. Since the founding of RICE A/S in 1998, RICE TH has supplied us products through their in-house production of fashion accessories and homewares, and through sourcing from sub-contractors.

Starting with 5 people, the company today has grown so that it now employs around 80 people. RICE TH has always taken the commitment to CSR seriously. In the early days they introduced grants to children of employees to support their schooling. Employees also got an additional weeks holiday per year, and maternity leave was extended by an additional month. Though the official working week is 48 hours over 6 working days, they have cut this to 5 days with a total of 45 hours per week. This is to ensure that it's possible for workers coming from villages outside Chiang Mai to go home during weekends.

As the company grew, the company signed up for social security with staff receiving social benefits such as access to medical care. The company also joined a government sponsored Provident Fund where 5% of the employee's salary is deducted as a contribution, and the company pays an additional 5% into the fund. Thus a total 10% of salary is saved. After 5 years, 100% of the accrued capital is available to the employee.

In 2010 the company introduced accident insurance for production workers. In case of a disabling accident, an insurance sum will be paid out. We are currently working on extending this kind of insurance to all the company's employees.

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. 🌱



The pictures are from the health check and fire safety training at RICE TH.

# RICE in India

RICE has about fourteen suppliers in India, producing amongst other things bags, blankets and pillows. In the following we describe one of our Indian suppliers and their work with CSR.

For the last two 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 adults former street kids 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 owner and his wife have dedicated their lives to rehabilitating street children, providing them with a home, schooling and a basic education in tailoring 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.

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 company has now run for seven years, and during the last 3 years we have supported this fabulous project with monthly donations. The donations are contributing to rent, medical bills, food, sewing machines and other equipment.

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. 🌱

*The picture shows the Indian project manager, his family and the street kids he supports.*



# RICE Denmark



*The pictures are from Rice in 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. In November 2009, due to the wish to become an even more responsible company, we started implementing the environmental ISO 14001 standard. With help from Acta Verba consultancy we are now on our way to obtain the certification, which we hope to achieve in 2011. We are at the moment reviewing the whole company to get an overview of our use and disposal of paper, electricity, water etc. It's a comprehensive project, but we know that the effort will be worth it, and very satisfying when we in the end can call ourselves ISO14001 certified.

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's less walking from one building to another. This is all due to the new modern warehouse facility and new machines.

Not long ago we had an external consultant review the possibility of further optimization of the ergonomic part of the workflow. Satisfyingly, due to the existing high standard, he concluded that there was very little to do. That was great news, but we will continue to look out for new ways to improve and refine working conditions. 🌸



# Charity

CSR in RICE is synonymous with a combination of charity, donations and a responsible production. The following are RICE charity projects. To date we have contributed with more than DKR 450.000 to projects of the Danish Refugee Council and our support continues.



## RICE School in 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.

"No one can help everyone, but everyone can help someone". This quotation underlines RICE's business philosophy, and its heartfelt wish to help vulnerable populations. RICE has therefore launched a new series of colourful cups, plates and lunchboxes that will bring joy to kids from both Denmark and Myanmar. The sales profit from this range goes to building a new school in Myanmar, a school with more than one function. The school is 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.

Direct donations can be made at [www.drc.dk/riceschool](http://www.drc.dk/riceschool). Your help is only a click away.



## Cups Full of Hope

Cups Full of Hope is a cooperation between RICE and the Danish Refugee Council, based on the desire to help displaced families in Africa, fleeing from areas of conflict.

RICE has produced a gift idea consisting of a series of four specially designed cups called 'Cups full of hope'. When you buy the cups, you automatically contribute a 20l. jerrycan for water plus a wash kit to a refugee family in Africa.



"Access to clean water and good hygiene saves lives – this is the main reason why, the turnover from Cups Full of Hope goes to a water and washing set. The refugees who we help often live in appalling conditions. They have lost everything, and therefore they need basics so that they can survive." Charlotte Guéniau, director and co-founder of RICE.

This is the second year RICE is launching a gift idea that helps refugees in the World's hotspots. Last year, RICE specially designed a soup spoon under the name 'Spoon Full of Hope'. The entire turnover went to refugees in Somalia and Darfur in the Sudan. In all, the project helped 7200 families.

Our dream is to sell 10.000 sets of 'Cups Full of Hope' and thereby make a difference for people in need.



# Charity

## — — → Experimental Outlet - Supporting a Good Cause

In 2009 Charlotte was a member of the Danish Red Cross Club 10. The Club 10 is a group of creative and famous Danes that are committed, in the current year, to raise money and attention to relief work.

On the basis of her creativity, network and business, Charlotte created an experimental RICE outlet.

An outlet with the company's own products, plus other products collected from colleagues in the interior and homeware branch. The RICE outlet also involved exotic food stalls, football matches, concerts, a book café, a wellness section and a big play area in which the kids could romp. Last but not least, RICE held a luxury bingo game featuring a celebrity number caller.

This exciting arrangement was visited by more than 4000 guests and raised DKR 285.000; money that went exclusively to a good cause.

Today Charlotte is a member of the Club 100, which is Danish Red Cross' network of former Club 10 ambassadors and others who have supported the Red Cross during recent years. Many ambassadors from the Club 100 are still active, and they occasionally arrange or participate in new Red Cross arrangements.

Although RICE hasn't currently got any new arrangements planned with the Red Cross, due to Charlotte's passion about supporting a good cause, the future and cooperation with Danish Red Cross looks bright. 🌸





**Want to watch a video about RICE and our CSR work?**



Simply scan this QR code from your mobile phone, and just follow the link...

For questions or inquiries about RICE, our social responsibilities and/or our products, please do not hesitate to contact us at:

**RICE Denmark**

Havnegade 100 E

DK-5000 Odense C

Tel: +45 63 11 35 35

Fax: +45 63 11 35 36

E-mail: [rice@rice.dk](mailto:rice@rice.dk)

Homepage: [www.rice.dk](http://www.rice.dk)

Contact person: Claus Skov,  
Purchase and Logistic Manager



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