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**Rice A/S Social Accountability report  
For the UN Global Compact  
The 28th of October 2008**

As 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, 28<sup>th</sup> October 2008

Philippe Gueniau  
Director  
Rice A/S



**Description of practical actions taken to implement the Global Compact principles during the previous year:**

**EXTERNAL (suppliers)**

Rice was grounded in 1998 and has since the very beginning had CSR as a main value of the company policies. In 2001 we started considering how to formalize the CSR work. We had various options:

SA8000  
Fair Trade  
Own Code of Conduct



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As SA8000 very much was in line with our values we chose to go for a certification based on SA8000. We obtained the certificate in 2002 and have based our Management Manual on this international standard ever since. We have cooperation with Bureau Veritas Certification as certifying body. They visit us twice a year and every 3 year we are re-certified. The advantage of SA8000 is that it is documented and audited. This is where we find the weakness of Global compact. We would like to work for some kind of control of the parties joining the Global Compact. The management manual also includes the principles of ISO9001 and we are working on including the principles of ISO14001. However we are not heading for a certification on the last 2 standards.

The principles of SA8000 are very much in line with the principles of Global Compact and therefore it was natural for us to join Global Compact in 2006. We have been participants since November 1<sup>st</sup> 2006. In order to compare the principles please visit the website of SAI (the organization behind the standard)

We have suppliers in the following markets:

Thailand  
India  
China  
Madagascar  
Vietnam  
Taiwan  
Italy

As a SA8000 certified company Rice A/S is responsible for doing audits of our suppliers. We have built up a system for new as well as permanent suppliers where the suppliers commit themselves to work in the spirit of SA8000 (which again is close to Global Compact). The advantage of being a SME is that we do the audit with our own staff. This means that the same party buying with the supplier also visit them and can be sure they are conforming to the standard. The audit is carried out based on a fixed sheet which by the end of the audit needs to be signed by the auditor as well as the management of the supplier. During the visits we do quality as well as CSR control.

INTERNAL (own facilities)

The working environment of the staff is a major issue to us. We have recently grounded internal safety group with representative of the staff as well as the management. The main subject for the group is to consider the level of the working environment. In order

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to have an independent party we have established cooperation with an external consultant. This is a specialist in working environment and he will do interviews of the staff. Besides this all staff have filled out a questionnaire about his/her working place and doing so we feel that we are quite well covered.

The consultant will make a report and we will base our future work with health and safety on the report. The safety group will meet once every quarter. As a major step towards improving the working environment we are right now building a new warehouse. This will be completed by December 15<sup>th</sup> and will contain all modern equipment for warehouse work. We will report further on the implementation of the new warehouse in our next reporting.

### **CSR projects**

It is no secret that working with developing countries mainly is a question of production costs. However referring to the social value policy of Rice A/S we also wants to contribute to the further development of the societies where we produce. Therefore we have joined partnership with some social projects.

### **DANIDA project India**

With financial support from DANIDA (Danish states aid organization) we have grounded a project with one of our major Indian suppliers. The project has 2 main subjects:

1. Improving the working environment of the factory
2. Introduction to CSR work

This development of working environment contains:

- Air cooling system
- Lunch room
- Drinking water supply
- Establishment of ETP plant (waste water cleaning)

The development of CSR standards contains:

- Education in social standards locally and internationally
- Development of documentation heading for SA8000 certification
- Development of HIV/AIDS policy with the supplier



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The project was approved in November 2007 and we started the project in January 2008.  
It is a 3-year project and we will report on the development in next reporting.

### **LAKSHYA street kids project**

In cooperation with one of our Indian suppliers and a well-established street kids organization (SALAAM BAALAK) we have grounded a support group for a new street kids organization. This organization was grounded 4 years back. They have a clear aim to help children get away from living in the streets, give them education, a home where to live and finally when they are above 14 years to get some skills in sewing bags.

In short we can inform that there are 9 kids living in the project together with 16 adult supporting them. They get their income from donations, production as a sub-supplier to Rice's supplier and finally selling bags in the local market Dilli Haat.

Rice gives them a donation every month and together with the organization we have made a budget so it is transparent what our money are used for. We give to the 9 kids living in the project funds to cover, food, school fees, doctors visit, medicine and partly salary for helpers. It has been clear from the beginning that we support the project in a 3-year period. Rice's aim with the project is to help the organization to have a stronger platform that can adopt more kids. Our aim after the 3 years are that there can be a home for 20 kids.

### **DANISH REFUGEES COUNSEL project**

In cooperation with DRC we have made a partnership. We have developed a spoon that we sell to our wholesale customers. The project is about making as much profit as possible to give to refugees families.

In order to make the story very easy to tell we have made it as a one-to-one project. This means that the profit from one sold spoon is equal to the costs of one kitchen set containing pots, plates, cups and cutlery for one refugee's family.

We have agreed that the profit we obtained from the product should be donated to refugees' families in Darfur, Sudan and Somalia. The profit from the sale amounted to € 29.000.

All partners in the project worked on a non-profit basis. The supplier had covered his direct costs to raw material and salary for the staff, our forwarding company made the transport free of charge and we used our distribution network to sell the spoon on non-profit basis.

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## **OTHER projects**

In order to avoid urbanism we have made projects in Thailand and Madagascar. The aim of these projects is to help workers having jobs in the villages instead of being forced to move to the big cities to get a job.

In cooperation with our partners on these markets we have established small sewing units in the villages that can help the inhabitants to get an income and improve the way of living.

## **COMMUNICATION on CSR and Global Compact**

As a part of our communication strategy we have a policy at least 3 times every year to participate in conferences where we talk about our CSR initiatives as well as our support to the Global Compact.

Recently we have participated in a conference held by Danish Export Counsel (part of the Danish Ministry of Foreign Affairs) where Rice spoke in a workshop about our way of working with CSR.

Also we have participated in 3 conferences about Partnership Practise held by the Confederation Danish Industry and Danish Commerce and Companies Agency. The aim of these conferences was to highlight the frames of partnership between private companies and NGO's.

Besides this we also participate in Danish network in order to spread the knowledge about CSR. Recently Rice have been use as case story in a book written by professor Mette Morsing from Copenhagen Business School writing about companies work with CSR. Besides being case story we also have written in the book a small comment about the importance of enterprises commitment to work with CSR.