




2019

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1 Rice Core Values

RICE A/S has participated in the work of corporate social responsibility (CSR) for more than 20 years. This strong commitment in the ethical and social field has been a major element in differentiating the company since its beginning. Our system has been successfully SA8000 certified by Bureau Veritas from 2002-2018. From 1st of January 2019 *RICE Code of Conduct* replaced the SA8000 standard system.

On September 1st, 2018, the Board of Directors decided to implement other worldwide topics, amongst them our focus on product reusability and durability and the global climate debate. This new opportunity was impossible to do with the SA8000 system, as this system only allowed us to focus on social accountability. This decision led to our own Code of Conduct.

The tools to implement the content of our RICE Code of Conduct in our daily work are within our integrated management system. These consist of:

- **Sustainability policy** guided by G7's Ocean Plastics Charter, United Nations Sustainable Development Goals 12, 14 & 17 and our membership of the Ocean Plastic Forum¹.
- **Social Accountability policy** guided by the SA8000 standard, The CSR Compass and Global Compact², as well as national legislation and other international instruments.

We wish to pursue the economic development of RICE through our customers' satisfaction, with the greatest respect for persons and with a desire to protect the environment.

People Care, We care

4 core values

- **Product** –We develop products where reusability and durability are in focus and we avoid single use plastic products in our collections. Further our ambition is to lower the use of single use plastic in our product packaging. We ensure high level of product testing and product safety. We care about how our products are produced and under which circumstances.
- **Supplier** – We care about our suppliers and help them to improve their facilities by helping set up new internal standards according to social accountability and sustainability.
- **Employee** – we want our employees to feel safe and happy in their daily work and we want them to be proud of working at RICE A/S.
- **Society** – We dedicate part of our profit each year to certain selected charity/aid projects and we take a global responsibility in the global climate debate.

¹ <http://www.oceanplasticforum.dk/>

² <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1689>
<https://www.csrcompass.com/>, <https://www.unglobalcompact.org/>

At RICE, we strongly believe that it is possible to combine business with social accountability and global environmentally topics. We call this “doing business with a heart” which is our true belief and essential to our *RICE Code of Conduct*.

No one can help everyone, but everyone can help someone

2 Code of Conduct, Sustainability – General information

The following pages will describe the essential tools to be used in our management system and how RICE A/S is using these tools according to Sustainability in the work for a better World tomorrow.

RICE A/S has decided to use the Sustainable Development Goals (UN), the Oceans Plastics Charter (G7 summit 2018) and the membership of the Ocean Plastic Forum as the guideline for implementing measurable future goals according to Environment and sustainability.

2.1 UNITED NATIONS – SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015 for the year 2030, otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 Goals build on the successes of the [Millennium Development Goals](#), while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected – often the key to success on one will involve tackling issues more commonly associated with another.



RICE A/S has while working with the Sustainable Development Goals (SDG) selected the 3 goals; ***Responsible Consumption and Production, Life below water and Partnerships for the goals*** as the ones, RICE will use in its future work.

2.1.1 Goal 12 Responsible Consumption and Production

Sustainable consumption and production are about promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs and a better quality of life for all. Its implementation helps to achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty.

At the current time, material consumption of natural resources is increasing, particularly within Eastern Asia. Countries are also continuing to address challenges regarding air, water and soil pollution.

Since sustainable consumption and production aims at “doing more and better with less,” net welfare gains from economic activities can increase by reducing resource use, degradation and pollution along the whole life cycle, while increasing quality of life. There also needs to be significant focus on operating on supply chain, involving everyone from producer to final consumer. This includes educating consumers on sustainable consumption and lifestyles, providing them with adequate information through standards and labels and engaging in sustainable public procurement, among others³.



2.1.2 Goal 14 Life below Water

The World’s oceans – their temperature, chemistry, currents and life – drive global systems that make the Earth habitable for humankind. Our rainwater, drinking water, weather, climate, coastlines, much of our food, and even the oxygen in the air we breathe, are all ultimately provided and regulated by the sea. Throughout history, oceans and seas have been vital conduits for trade and transportation.

Careful management of this essential global resource is a key feature of a sustainable future. However, at the current time, there is a continuous deterioration of coastal waters owing to pollution and ocean acidification is having an adversarial effect on the functioning of ecosystems and biodiversity. This is also negatively impacting small scale fisheries.

Marine protected areas need to be effectively managed and well-resourced and regulations need to be put in place to reduce overfishing, marine pollution and ocean acidification⁴. At RICE A/S we consider single use plastic as a big contribution to the marine pollution. We consider reusable and recyclable plastic as a valuable part of our daily life and we believe that it is important to distinguish between these two areas.

³ <https://www.un.org/sustainabledevelopment/sustainable-consumption-production/>

⁴ <https://www.un.org/sustainabledevelopment/oceans/>



2.1.3 Goal 17 Partnerships

A successful sustainable development agenda requires partnerships between governments, the private sector and civil society. These inclusive partnerships built upon principles and values, a shared vision, and shared goals that place people and the planet at the center, are needed at the global, regional, national and local level.

Urgent action is needed to mobilize, redirect and unlock the transformative power of trillions of dollars of private resources to deliver on sustainable development objectives. Long-term investments, including foreign direct investment, are needed in critical sectors, especially in developing countries. These include sustainable energy, infrastructure and transport, as well as information and communications technologies. The public sector will need to set a clear direction. Review and monitoring frameworks, regulations and incentive structures that enable such investments must be retooled to attract investments and reinforce sustainable development. National oversight mechanisms such as supreme audit institutions and oversight functions by legislatures should be strengthened⁵.



2.2 G7

From September 19th to 21st, 2018 G7 Environment and energy ministers met in Charlevoix, Canada on the theme of working together on climate change, oceans and clean energy.

Plastics are one of the most revolutionary inventions of the past century and play an important role in our economy and daily lives. However, the current approach to producing, using, managing and disposing of plastics poses a significant threat to the environment, to livelihoods and potentially to human health. It also represents a significant loss of value, resources and energy.

We commit to move toward a more resource-efficient and sustainable approach to the management of plastics. We resolve to take a lifecycle approach to plastics stewardship on land and at sea, which aims to avoid unnecessary use of plastics and prevent waste, and to ensure that plastics are designed for recovery, reuse, recycling and end-of-life management to prevent waste through various policy measures.

⁵ <https://www.un.org/sustainabledevelopment/globalpartnerships/>

We endeavor to increase the efficient use of resources while strengthening waste diversion systems and infrastructure to collect and process plastic materials and recapture the value of plastics in the economy, thereby reducing greenhouse gas emissions and preventing waste and litter from being released into the environment.

We seek to stimulate innovation for sustainable solutions, technologies and alternatives across the lifecycle to enable consumers and businesses to change their behavior. We will work to mobilize and support collaborative government, industry, academia, citizen and youth-led initiatives. We also recognize the need for action in line with previous G7 commitments and the 2030 Agenda, which sets a global framework for sustainable development⁶.

The structure is built up in the following 5 steps:

1. Sustainable design, production and after-use markets
2. Collection, management and other systems and infrastructure
3. Sustainable lifestyles and education
4. Research, innovation and new technologies
5. Coastal and shoreline action

Under the summit an Ocean Plastics Charter was defined, and this charter represents the whole structure of the RICE Code of Conduct, Sustainability policy.

On the 10th of December 2018, the Chairman of the Board and CEO at RICE A/S both signed an official document where RICE endorsed the G7 Ocean Plastics Charter, supporting commitment to reducing plastics pollution and move toward a more resource-efficient and sustainable approach to the management of plastics.

2.3 OCEAN PLASTIC FORUM

In 2017 several Danish organizations, companies and research institutions joined a partnership labelled the Ocean Plastic Forum. Partners are at present time (January 2019) 5 industry associations, 6 companies, 3 universities and 2 NGO's operating within one legal frame.

The Ocean Plastic Forum is a partner and member organization working towards developing technologies and business models for collecting plastic from the ocean, rivers, sea shores, harbors and waters globally.

The aim is to improve the environment in the aquatic sphere and along the shores by recovering the plastic. The aim is also to cycle the recovered plastic as high as possible in the value chain with the largest possible plastic quantities recycled into new products, alternatively technologies that convert the plastic, so it can be recycled in the form of monomer recovery / new polymers.

⁶<https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/international-commitments/ocean-plastics-charter.html>

The partnership is to gather different plastic litter contractors and partners in the solving of small as well as large turnkey projects. The consortium creates a greater synergy by utilizing the different disciplines of the members as well as making the schedule smooth by considering the various peaks of the production and services of the member companies. Partners have contacts in amongst other Indonesia and India within local companies and port & waste authorities.

Project references by the partners include the collection and recycling of plastic waste found along the beaches of the North Sea, studies of plastic waste problems in Indonesia, collection of plastic waste in Indian rivers, as well as full-scale demo projects in the North Sea.

Members of the Ocean Plastic Forum decide on a case-by-case basis to get involved as subcontractors – and will be headed by a main contractor⁷.

Objectives

The Ocean Plastic Forum (OPF) objective is to support the industry in meeting market requirements, attract customers in corporation and create a supporting secretariat on knowledge, research, development and information on plastic in the oceans from a circular economy perspective

3 Code of Conduct, Social Accountability – General information

The following pages will describe the essential tools to be used in our management system and how RICE A/S is using these tools according to Social Accountability in the work for a better World tomorrow.

To protect people inside RICE as a company and its suppliers according to our core values, we intend to improve continuously:

- The working conditions, health and safety within RICE DK
- The control of the suppliers' ethical and social code of conducts

RICE Code of Conduct is following the guidelines of the SA8000 standard, The CSR Compass and Global Compact as well as national legislation and other international instruments.



⁷ <http://www.oceanplasticforum.dk/about/>

3.1 SA8000

The SA8000 standard is an internationally recognized guide for keeping a socially responsible workplace. The standard promotes good ethical- and social behavior with a high focus on, among other things, no discrimination, no use of physical and mental punishment and wages complying with the law. The SA8000 standard is an important tool to use as a guide in the process of auditing our suppliers and productions.

From 2002-2018, RICE was SA8000-certified but from January 2019, the *RICE Code of Conduct* has become our commitment and communicative tool in the dialogue with our supply chain partners. This dialogue involves improving systems to manage impacts on human rights including labor-rights, the environment and anti-corruption in the production of RICE products⁸.

The main chapters of the SA 8000 are:

- Child labour
- Forced labour
- Health and safety
- Freedom of Association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Sub-contracting

3.2 GLOBAL COMPACT

Global Compact is a UN initiative promoting good business behavior by defining 10 principles within the areas of Human Rights, Labor, Environment and Anti-corruption.

The objective of Global Compact is to include businesses in sustainable development all over the World by mainstreaming good business behavior and creating networks of cooperation on achieving the development goals of the UN.

Global Compact defines 10 principles that need to be upheld in order to be categorized an ethical business. These 10 principles are all covering the 4 main areas of human rights, labor, environment and anti-corruption. By joining Global Compact, RICE commits, among other things, to using the 10 principles as a management tool, to take part in development projects and to produce an annual status report on the work we do on improving working conditions and development in developing countries.

⁸ <http://www.sa-intl.org/>

It is a simple and logical system and our RICE Code of Conduct as well as our CSR-strategy are based on these principles. We believe it is an achievable vision which we are proud of being a part of⁹.

The 10 principles of the UN Global Compact:

1. To support and respect human rights
2. To make sure the company is not complicit in human rights abuses
3. To uphold the freedom of association and recognize collective bargaining
4. No forced labor
5. No child labor
6. No discrimination
7. A precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies
10. No acceptance of corruption

3.3 CSR COMPASS

Aside from the guidelines of Global Compact and SA8000, RICE makes use of the CSR Compass. The CSR Compass is an internationally recognized tool created with the purpose of helping companies exercise due diligence in relation to CSR and responsible supply chain management. The CSR Compass provides useful advice to companies in connection with the supply chain and how to go about production in developing countries.

At RICE, we make use of the CSR Compass to guide us through the CSR laws- and regulations in order to make sure that we practice a responsible supply chain from beginning to end. Such practice involves auditing of our suppliers on a regular basis and a thorough check-up on our production. We use the CSR Compass in this process as a guide on how to manage a responsible CSR-strategy with suppliers in developing countries whereas international principles and legislation on human rights might not be fully respected. As such, the CSR Compass helps us on how to go about the auditing of suppliers and on how to uphold the principles of both the SA8000 and Global Compact in any production of RICE products¹⁰.

⁹ <https://www.unglobalcompact.org/>

¹⁰ <https://www.csrcompass.com/>

4 RICE Commitments – United Nations SDG 12,14 & 17

4.1 SUSTAINABLE COMMITMENTS

The following describes how RICE has decided to work with the G7 structure in a measurable and understandable yet down to the earth way. It is an important factor that all employees in the RICE organization have knowledge of the content of G7 and know how to work with this in their daily work to succeed with the sustainability topics.

4.1.1 Sustainable materials

The product development department at RICE wants to focus on the development of sustainable alternative materials in all future collections. This could for instance be biodegradable products made of paper, pulp and/or wood.



4.1.2 Ban of single use plastic products

During 2019 RICE A/S will phase out all single use plastic products from their collections and sales. This means a future ban of counter plastic bags, plastic party sticks and single use cutlery etc.



4.1.3 Reusability and durability

RICE melamine of high quality is a material very suitable for reusing. At the same time the material is very durable and can last for many years. Functionality is one of the keywords in RICE products – we believe that this philosophy is going very well together with the term's reusability and durability.

RICE will continue its effort to design products that are both reusable and durable.



4.1.4 Recycling possibilities

Melamine can as all other small combustible products get burned on an incinerator and the outcome goes to electricity and heat. Melamine is combustible in the same way as Ceramics and Porcelain. In this way the material is optimally utilized in relation to its limitations.



4.1.5 Waste reduction

Waste Reduction Packaging – Product level

The Product Development Team at RICE A/S works to reduce packaging used on product level – at the same time the team investigates which material is used for the product packaging and which material can be used in a sustainable way of thinking. The intention is to use packaging which can be recycled, such a paper and cardboard.

Waste Reductions Packaging – Carton level

In the same way as packaging on product level, the Product Development Team considers how many cartons should be used on carton level. If certain numbers of inner cartons can be saved it will reduce the volume of cardboards used and further save freight volume.



4.1.6 Supplier commitment - Sustainability & Waste Sorting Supplier level

RICE A/S works with sustainability in the same way and with the same mindset, as RICE A/S has worked with social accountability since 1998.

This means that RICE A/S sets up requirements to their suppliers according to handling of litter, residual raw materials and leftover from production.

It is important that the supplier states how they work, handle and sort waste from the entire production process. It is further important to state how many % can be recycled and how it is recycled? And what is the outcome of the recycling procedure?

RICE A/S imports their products from mostly Asian countries and third World countries such as China, India, Vietnam, Thailand and Madagascar. The quality of waste focus and sorting systems in these countries differ a lot which makes it difficult to set up a common standard level of sorting and recyclable requirements.

RICE A/S wants to increase the cooperation with the Danish Ministry for Foreign Affairs and the local Danish Embassies in these countries, to set up a local standard and local requirements for waste sorting.

The work with this is in constant movement, meaning that the requirements from our suppliers' sustainability commitment will be improved and changed over time, the more knowledge we gain, the higher requirement can be set over time.



4.1.7 Waste Sorting

Rice A/S wants to improve the level of waste sorting at the Head Quarter and Worldwide in their retail shops.

Head Quarter

- All cardboards and paper from administration and warehouse are sorted and put in a paper compactor. This compactor is emptied by the local and globally known environmental and waste distributor Marius Pedersen A/S¹¹.
- All combustible waste will be collected and emptied periodically by the company Marius Pedersen A/S.
- All plastic used in the administration and at the warehouse are sorted individually and picked up by Marius Pedersen A/S.
- All glass is collected and separated from the combustible waste.
- All metal drinking cans and plastic bottles are collected periodically and recycled.
- All metal parts and batteries can be collected in battery stations, placed close to both warehouse and administration.
- All electronic parts and computers are collected and separated from the combustible waste.

RICE A/S has several meetings every year with the environmental consultant from Marius Pedersen A/S. This is to constantly improve the waste sorting procedures and to be updated with new regulations and knowledge in this area.

RICETERIAS globally owned by RICE

- All combustible waste will be collected and emptied periodically. In RICETERIA Odense, this is done periodically by Marius Pedersen A/S.
- All glass and cardboard are collected and separated from the combustible waste in a separate container. In RICETERIA Odense, this is done periodically by Marius Pedersen A/S.

¹¹ www.mariuspedersen.dk



4.1.8 Freight - CO2 Emission – Savings

The Supply Chain Department at RICE A/S works in close cooperation with the warehouse manager to optimize the packaging way and in order to reduce the volume of the imported goods and hereby save Co2 Emission.

From 2019 the Supply Chain dept & the RICE warehouse are running volume projects which can be measured in the total CO2 emission/year. As an example; the 2 pictures visualize how 100 pcs of beach bags can be packed. The pallet on the left hand side is how 100pcs of beach bags were shipped in the past and the pallet on the right hand side shows how 100pcs of beach bags are shipped today.



4.1.9 Partnerships

RICE A/S contributes in many ways to the outcome of the G7 summit in Charlevoix, Canada and will continue its daily work with the RICE sustainability program. RICE A/S continues to follow further outcome and discussions in G7 future summits.

Ocean Plastic Forum

RICE A/S became a member of Ocean Plastic Forum by December 2018. The reason for this membership is caused by many reasons but the overall reason is that RICE A/S, as a company and with its philosophy and ethos, wants to take a global responsibility in the Worldwide climate debate.

One of the topics in the Worldwide climate debate is the plastic waste in oceans. RICE A/S highly appreciates the properties that plastic has and acknowledges the daily use of plastic in private households and businesses.

However, RICE A/S finds it problematic that garbage waste, generally different types of plastic, is floating around in the oceans and rivers globally.

With our membership of the Ocean Plastic Forum, RICE has a possibility to ***directly participate in the action plans of collecting garbage from the oceans and rivers.*** Further,

RICE A/S learns where in the World the problems with garbage waste are critical and thereby ***influences its suppliers to better behavior/culture change, implementing of waste sorting systems and recycling processes.***



4.2 SOCIAL COMMITMENTS

The following points describe how RICE is working with the 9 principles as a guideline of SA8000.

4.2.1 Child labour

RICE does not use child labour and does not authorize their suppliers to do so.

In accordance with the Danish Regulations, RICE Denmark makes sure during interviews that future employees are not children. Child labour at RICE Denmark is impossible because age proof is required each time.

Even though the suppliers are informed that RICE does not allow child labour, the RICE auditors will check up on this subject every time they perform their audits.

4.2.2 Forced labour

RICE does not in any way use or support forced labour.

4.2.3 Health and safety

RICE provides a safe and healthy working environment, including system and training designed to help prevent accident and injuries. A personal trainer is weekly exercising with employees during work hours.

RICE is performing mock drills on a yearly basis and has implemented an evaluation guideline for everyone.

RICE is aware of the need for regular job rotation at the warehouse meaning that everyone in the stock team will not perform the same tasks every day.

4.2.4 Freedom of Association and right to collective bargaining

RICE respects the right of workers to freedom of association and collective bargaining; RICE recognizes the union of the employee's choice.

Regarding the manpower at RICE, each employee has the freedom to have conversations with the Management at any time.

During weekly meetings, the Managing Director regularly reminds the employees of their possibility to contact Bureau Veritas Certifications in case of claims.

4.2.5 Discrimination

All employment decisions are made solely based on education, training and demonstrated skills or abilities. The characteristics of an individual such as race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition shall not be the basis of such employment decision.

4.2.6 Disciplinary practices

RICE does not engage or support the use of corporal punishment, mental or physical coercion and verbal abuse.

4.2.7 Working hours

RICE complies with applicable laws on working hours, breaks and public holidays.

4.2.8 Remuneration

All salaries are based on a fixed part and sometimes an added variable part. No reduction in fixed salary may be made. Salaries are at least equal to the standards fixed by current legislation.

Moreover, employees unanimously agreed to subscribe to additional social security coverage (retirement and medical insurance) financed partially by RICE.

4.2.9 Sub-contracting

RICE has a procedure to select and evaluate the suppliers from the ethical and social point of view. Each supplier formalizes his commitment and is regularly audited.

4.2.10 External communication

RICE A/S sees the connection with Global Compact as a strong partnership.

Every year, RICE A/S will publish a COP (Communication of Progress) including the previous years' improvements and support Global compact Nordic with an economical contribution, which is our commitment to the Global Compact.



Date

Philippe Gueniau, CEO RICE A/S