

The Global Compact

From humble origin in 1983 when Pranda Design Company Limited which foresaw promising future in gems and costume accessories in foreign market particularly in Europe and the United States was founded to operate export business, the company was renamed to Pranda Jewelry Company Limited in 1984 to accommodate the market's expansion both in production and creation of jewelry accessories to the world market. The company's development well comes together with upgrading quality and efficiency in production and expansion of distribution network to foreign countries through open management strategy and capital mobilization in the Stock Exchange of Thailand in 1990.



"Pranda Group"s accomplishment stems truly from prudent policy and vision which are solidly developed on the principles of responsibilities for balancing interests among all stakeholders which could be divided into seven groups comprising shareholders, employees, trade partners, competitors, related institutions, state agencies and community. We believe that balanced interests among all stakeholders will generate direct effect to our "customers" who will be made eventually accessible to high quality products and rapid services which can fulfil varying customers' needs.

Pranda and The Global Compact

The United Nations Global Compact is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. Under the Compact, companies are brought together with UN agencies, labour groups and civil society.



Pranda Jewelry Public Company Limited has also participated in the United Nations Global Compact, as the company realizes that the Global Compact's guideline benefits not only the overall society but also all stakeholders, related parties, as well as potential for the company's business growth on a balanced and sustainable basis, if business organization adopts the principles of the Global Compact as the guideline in running their business.



Prida Tiasuwan, the Board Chairman of Pranda Jewelry Public Company Limited, said at Asia Pacific Business Forum 2005 held by the United Nations UNESCAP on "Change, Challenges And Opportunities for Asia Pacific" as the company is a member the Global Compact and been chosen by the United Nations as the case study for enterprises which operate their business according to the Global Compact's principles that "Today, the business sector is desperately needed to weigh up its role in social accountabilities. Because of globalization, the ten principles of the Global Compact will be the best guidelines that enable the business to develop and grow in society in a sustainable way."

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The company is also committed to abiding by the Global Compact's principles particularly through focus on promoting values of human rights, labor standards, environmental impact and business ethics. As for the company's administration policy, the company operates business under the management philosophy which concentrates upon sincerity and honesty, shareholders' interests, efficiency and effectiveness, integrity, and social accountabilities as dictated by the governing laws and decent business principles.



The company has acknowledged an accountability for shareholders, stakeholders in the overall society, environments, safety, and prosperity of nearby communities and the country.

Moreover, the company is a member of **Social Venture Network (SVN)**, a nonprofit network which is formed by business leaders who share similar business paradigm committed to building a just and sustainable world through socially and environmentally sustainable business, a sense of social and environmental respect, the community and society's rights, and dissemination of this concept under belief that more social responsibility by the business sector will help ensure the greatest benefit of globalization to the people in the world.

Progress under the Global Compact

Policy to Practice

For Better Life.

"Pranda Group" believes in the man's potential and power as well as working process, thus taking the human resources as the most vital



component for the company's achievement under belief that "good products must come from good

artisans" especially in costume accessory industry which desperately needs craftsman who embraces not only high skills but also mental strength. The company has thus a clear policy on responsibility for employees by focusing on upgrading their living standards, quality of life, as well as safety standards in the workplace. Such treatments are then compliant with the Global Compact on human rights, and labor standards.

In terms of human rights, the company has arranged a wide range of benefits including medical treatments closely supervised by professionally-trained physicians and nurses, nursery centers for employee's siblings and free lunch, free corporate uniforms to employees, annual health checkup, provident fund, social security, and other facilities such as hostels, training center, library, fitness room, indoor and outdoor sports club, etc., to ensure that employees have adequate living standards to lead their lives and are able to take care of their families as well as are eligible to life security and income compensation in case of their unemployment, sickness, disability, and old age.

All employees will be treated with respect and honor and without physical and verbal offence. Female employees will also be treated equally with their male counterparts without pregnancy tests before being employed, while those who take maternity leave will not be fired, demoted or wage cut. They will also be made eligible to work at the same position with the same wages, and with the same fringe benefits.

Equality

On the labor standards, the company has pursued a clear policy and way of practices not to employ child labor, forced and compulsory labor or any forms of discrimination, with no such unfair requirements as advance money guarantee or complicated documentation process.



And once they are contracted to work for the company, the company promises to offer them equality both in opportunity and employment practices without discrimination in race, nationality, religion or other

attributes.

The company has recognized the rights of employees, allowing them to set up the welfare committee whose members include representatives both from the company's employees and employer. The welfare



committee will meet from time to time to discuss and manage a wide range of

creative and useful activities as well as take care of the sanitary and safety system in the workplace and provide training on sanitary and safety system to employees.

In 2006, the company has continuously arranged activities in promoting quality of life and safety of employees. Among activities include *annual medical checkups and eye tests* for the company's executives, senior employees and workers who are exposed to hazardous chemicals at work by physicians and nurses from Sikarin Hospital; an approval to establish welfare committee in the company of which five members are from employees to represent their colleagues to jointly discuss and propose idea about labour welfare useful to the company.



The activities also include *training on basic fire prevention, fire fighting and fire drill* course at the company's premises, edutainment and other programmes to increase awareness about safety at the workplace to employees as well as additional information about the assessment of *Thai Lab our Standard (TLS.8001)* provided by representatives from the the Department of Lab our Protection and Welfare.



The company also allows delegations from the state agencies to inspect the real working areas which entirely emphasize upon high safety system that meets Thai safety standards.



The company has held *“Safety and Participative Energy Conservation Week”* to motivate awareness of concern and consciousness in safety, sanitation, and environment in the workplace.

On top of that, the company has organized activities that promote skill development of employees in different fields such as training on *“gems”* to the sales division, product development division and mini factory division, and arranged seminars exclusively for executives on *“Knowledge Organization Class 1-2” course*, with **Chaiwat Thirapan**, the system thinking expert as speaker . The course features management concept which is widely recognised by business organisations, providing systematic thinking about how to better understand the world's present complexity and business, and jointly build the sense of accountability.



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To Jointly Build the Sense of Accountabilities

The company has also promoted the sense of righteousness and social accountabilities by allowing employees to participate in social activities including *blood donations* to the Thai Red Cross Society as to celebrate the 60th Anniversary of His Majesty's Accession to the Throne; encouraging employees to contribute books in the *“60 compact libraries connecting us to 60 schools”* project initiated by the Thai Health Promotion Foundation and Chulalongkorn University Book Center to promote reading among school students as well as *participated in the Bowling competition* to raise funds to the projects initiated by His Majesty the King through Chaipatana Foundation.



Moreover, the company has participated in activities in the *National Children's Day* held in nearby communities of the factory by contributing gifts and presents to school children of Pongploysorn and Sri-iamanusorn Schools as part to underline relationship with adjacent units of the communities while promoting quality school children and fairness to customers.



In a bid to fully comply with the Global Compact on human rights, the company has always given importance not only to employees but also *“consumers”* by pursuing strictly the widely-accepted guidelines on the selling and advertising practice on the fair basis and the safety and quality standards of

the products and services through manufacturing products that meet health and safety standards as required by relevant laws and providing accurate information to customers as well as promising to stay away from any actions or practices that cheat or mislead consumers.

Member of Kimberly Process

The company has participated in the Kimberly Process, a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds and build up confidence and guarantee to worldwide consumers that diamonds they buy are not the conflicted ones such as those available from the violation of the human rights or illicit diamonds. This initiative is developed accounting to the resolution of the United Nations in 2003 after the diamond industry agreed to team up with the United Nations and over 45 member countries, and the private development organizations to prevent trade in conflict diamonds, as rough diamonds, in particular, are found being used by rebel movements to finance wars against legitimate governments in certain African countries in 1999.

The Kimberley Process Certification Scheme is an innovative, voluntary system that imposes extensive requirements on Participants to certify that shipments of rough diamonds are free from conflict diamonds. Kimberley Process Participants account for approximately 99.8% of the global production of rough diamonds.

Environmental Care

As the commitment in emphasizing on the quality of life of employees, balancing the working and family life of employees, the company in a bid to comply with the Global Compact on environment stays clearly focused on the environments both inside and outside the factory. Specific green area is designated as the recreational place for employees to make them feel relaxed and have better quality of life. Simultaneously, the company promotes the sense of environmental responsibilities by being committed to abiding by relevant laws, setting a target to reduce or dispose rubbish or waste as well lower water and energy usage by improving the factory's production and maintenance process.



The company has taken caution managing chemicals and hazardous substances discharged to environments and carefully carried on all steps in handling movement, adoption and disposal of those hazardous substances. The company has also given importance on monitoring process and wastewater and waste control as well as sanitation system to prevent hazards before being discharged to outside the factory. The waste treatment within the factory has been properly designed and constructed according to widely-accepted academic principles, with environmental control system such as wastewater treatment system, the dispersion of air pollutants implemented, and the natural resources appropriately employed by recycling process.

In 2006, apart from environmentally-friendly production process, the company has also organized important activities to validate the company's standpoint in environmental conservation such as participation in *"the pleasant factory"* project as celebrations of the 60th Anniversary of His Majesty's Accession to the Throne held by the Department of Industrial Works of the Industry Ministry with an aim to promote and support the factories to improve landscape of the factory to make it meet sanitary standard and friendly to the environment.

The company's executives have also participated in activities to exchange experiences and implant the sense of environmental responsibilities such as the *"Participative Energy Conservation Project,"* the initiative which the state authorities would act as



the mentor to the energy conservation teams of factories nationwide in order to promote the sense of participation within the organizations and ensure sustainable and substantiated energy saving.

Good Governance and Anti-Corruption

The company has stated clearly the Global Compact's last obligation on anti-corruption is not only the company's policy but also guideline in running business which dictates clearly that the company must not propose and promise to offer or call for any bribes or other forms of interests undeserved in exchange for improper businesses and interests especially arising from the action commissioned to the state authorities, clients and customers of the company's trade partners. Moreover, the company has encouraged employees to fully comply with such anti-corruption practices, while being committed to keep

away from illegitimate financial assistance to civil servants, political parties, or any political organizations. Any financial contribution would be disclosed in written reports and accuracy according to value creation principle to clients and shareholders through systematic system, unity, transparency, proper monitoring and supervision, and the principle of business ethics.

The company is also chosen as a role model of business organization in Thailand which pursues business on the **Sufficiency Economy philosophy** of His Majesty the King, the way of business practice based on the middle way. In June, 2006, the United Nations itself has realized the importance of the Sufficiency Economy principle that could address the present social problem which is based too much on consumerism. One component of the Sufficiency Economy principle which the company has thoroughly adopted is the righteousness in doing business based primarily on the principles of transparency, fairness to all stakeholders, sharing and non-exploitation.

In the Context of Sufficiency Economy

In 2006, the company has been chosen from the public sector as a good example of enterprises which apply the principle of Sufficiency Economy initiated by His Majesty the King in running their businesses.

The company has in addition participated in activities to promote awareness and knowledge in good governance and sufficiency economy, for instance, in partnership with the Science and Technology Ministry to jointly present interesting information and activities on the sufficiency economy at the National Science and Technology Fair held in 2006 at Bangkok International Trade and Exhibition Center (Bitec), Bangna.



The company is also widely recognized by several organizations in Thailand as the role model for the **Good Corporate Governance** as evidenced by the fact that the company's Board Chairman **Prida Tiasuwan** has been invited from time to time to transfer the guideline on the Good Corporate Governance such in the events as seminar on the *"Good Governance and Professionals in the New Era"* held by the Thai Appraisal Foundation on June 2006.



He has also invited to be interviewed on documentary program in honour of His Majesty the King entitled *"On His Majesty the King's Footsteps"* about the Sufficiency Economy broadcast on August 2006 on the Royal Thai Army Radio and Television Channel 5.

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In addition, he has also been invited as the guest speaker at the workshop on *"Social Accountabilities of Business Sector and the Role towards the Good Governance"* held on March, 2006 by the Human Rights and Development Foundation.

As the organization which adopts the Good Corporate Governance in running business, "Pranda Group" has been frequently visited by various organizations and units. For instance, the company has developed an exchange program with King Pradjadhipok's Institute to prepare academic documents about the *"Good Governance in the Private Sector."*

Commitments to Society

Not only being committed to stakeholders in the organization, Pranda Jewelry Public Company Limited has also realized that business's achievement must rely on benefit sharing to all groups of stakeholders including environments and the country that will help ensure sustainable growth to the enterprise. The company is also committed to continuing support to social activities both in the nearby factories and outside communities, be it the education support, relationship with adjacent communities, and public benefits.

Education Support

Bilateral Education



The company has initiated bilateral vocational education system through collaboration with the *Kanchanapisek Technical College and College of Fine Arts, Bangkok*, and the Non-Formal Education

Department to adopt students to study in the level of Vocational Certificate (PorWorChor), Subject Group: Gems and Jewelry as part to help underprivileged children in the remote areas to have better opportunities in further study in higher educations and in occupational skill development so that it will later help enable them to get good and secure jobs and not to become social burden in the future. Those students have been chosen from Suksasongkhro and Rajaprachanugroh Schools as well as schools nationwide particularly to study in the extension of the silverware project in five Suksasongkhro Schools in Chiang Rai, Loei, Nan, Tak and Phetchabun which are operated under the silverware project of HRH Princess Maha Chakri Sirindhorn.

The project offers comprehensive vocational course, with the company's employees performing as the teacher on general subjects, and the company's experts as teachers for occupational subjects throughout 3-year curriculum. Those students would be also offered a contract to work with the company for three years once they finish the curriculum. Apart from occupational education programme, the company has also offered financial support and allowance to students in the program including other welfare such as free three meals, hostel, health insurance, student uniform, office attire and educational equipment.

The project has been operated for six consecutive years, with total students of 374 in six classes. Some 123 students in three classes have completed the course.

To Create Extra Jobs and Income to Summer School and University Students

The company has initiated the *"Job and Income Creation for Summer School and University Students"* project to support school and university students to have an opportunity to learn from real experiences and promote righteous value in optimizing their leisure time. The project not only helps those students to increase their knowledge and skills but also enables them to earn extra earnings which could help lessen financial burden of their families.



In 2006, over 20 school and university students from the provincial areas have participated for a period of two months in the project.

To Support Costume Accessory Design Project.

Pranda Jewelry Public Company Limited is one of the members who support the production of costume accessories under the **"7th Silverware Design Contest"** held by the Office of Product Development for Export, the Department of Export Promotion, the Gem and Jewelry Institute of Thailand, Jewel Fest Club, Thai Silver Exporter Club and Signity (Thailand) as part to encourage and promote young Thai designers to be recognized in the jewelry industry and motivate further design development.



Other Activities to Support Education

The company has promoted the **"Art for All"** camp held by the Faculty of Arts of Chulalongkorn University in which the company's experts have participated to demonstrate activities and transferred skills on design and gem cutting to Bangkok Patana School's students at the Arts Week; contributed educational equipment as present to school students at Phongploysanusorn and Sri-iamanusorn School; donated education equipment and other objects to needy schools such as Ban Klonto School, Dan Makhamtia District, Kanchanaburi province.



The company; in addition, has sent its experienced executives and employees as speakers in different occasions to transfer knowledge and experiences and at the same time allowed various educational institutes and agencies to observe the company's business.

To Promote Relationship with Community

The company has participated in several projects and been selected as the workplace which is **"clean, sanitary, pollutant-free, and**



lively" from the Health Office, Bangkok Metropolitan Administration. As a part of the relations program, the company has also partnered with Bangna Police Station to organize the soccer match; collaborated with Bangna Police Station to co-sponsor the charity anti-drug walk rally; and cooperated with Bangna District Office to develop environmental Pilot Street.

Activities for the Public

The company has realized the importance of the family institute, hence participating in several activities such as *a grant of gold marriage certificate* to 10 couples who have registered their marriage at the Valentine's Day held by the Thai Gem & Jewelry Traders Association, Jewel Fest Club, together with Bangrak District, Bangkok, and the Tourism Authority of Thailand. The company has also teamed up with the Gem and Jewelry Institute of Thailand to set up Bangkok Gem Museum, contributing the display booth at the museum including gems and accessories, sample of precious metals, equipments and apparatus used for making costume accessories for exhibition at the museum, as well as providing financial assistance the victims of natural disasters and at time when the country is in crisis such as contributions and donations to the *"National Reconciliation Fund"* to help remedy and rehabilitate people who are affected from the unrest in restive deep south, as well as the flood victims.

