

# Global Compact Report 2013

(English)

# Pranda Group

## Message from the Chairman of Board

Over a decade ago, 2013 was considered the worst year for global financial volatility. During the first half of the year, the stock markets in most emerging countries rose substantially, due to the liquidity overflow in the economy. However, in the second half, these markets declined drastically, even more than the rise in the first half. As a result of the economic recovery in developed countries, including US, Europe and Japan, the fund flows had rapidly transferred from the emerging countries to the developed countries, like never happened before. The effects of this continuous fund flows included Baht depreciation, dropping in gold and silver price, as well as, shrinking in purchasing power due to assets impairment.

This strong fluctuation had affected the consumers' perception of real economy, leading to a temporarily slow consumption, as revealed in a drop in the market share of Thai gems and jewelry export from No.3 to No.4 or a decline from 5.7% to 4.4% or Baht 102,200 million.

Nonetheless, Pranda Jewelry PLC remained confident that its business structure, comprising World Class Mass Production Base, Global Distribution Base and Retail Base, which has been developed for more than 40 years, would help the Company through this challenge.

As a result of its success overtime, in terms of cumulative net profit and solid financial status, PRADA was able to payout dividend for the last 13 consecutive years. The average dividend yield over these 13 years was 9.86% per annum.

PRADA received The JNA Award 2013 under the category of "Sustainability Initiative of the year" for the two consecutive years. Besides, PRANDA was upgraded from "Very Good" to "Excellent" in Corporate Governance Scoring, showing its commitment to continuously develop towards being a leading company that would be recognized and well accepted by all parties.

The company had revised its vision to be in line with its future operational direction. The new vision is "To be the world's leading alliance for jewelry industry that enables our valued partners to achieve mutual growth and success." Our core strategy is to focus on the growth of our own brands and retain key customer bases to build business alliances as well as to increase production efficiency.

PRANDA expected that world economy would recover due to a promising growth in US and Europe economy, especially Europe economy which should turn from recession to growth for the first time after the financial crisis. Asian market should be able to sustain its growth from last year. As a result of the recovery of the global economy as mentioned above, together with the clear business direction and appropriate organization structure, PRANDA's performance should be able to turn around this year.

In addition, the company continues to commit to the UN Global Compact, regarding Human Rights, Labor Standard, Environmental Conservation and Anti-Corruption.

Lastly, the Board of Directors and Executives would like to express our appreciation to the shareholders, employees and all related parties for the trusts and supports to PRANDA's business all along. The Board of Directors and Executives agree to adopt the Royal Initiative of 'Philosophy of Sufficiency Economy' as a guideline in developing PRNADA's business. This philosophy consists of moderation, reasonableness, and risk management. In addition, we will continue to comply with the Good Corporate Governance Principal which main concerns are transparency, accountability, business ethics, as well as, social responsibility. We hope for your continuous support.

Mr. Prida Tiasuwan

Chairman

## - Vision -

“ We will be global partner in jewelry business and aim to promote growth and success for our invaluable stakeholders.”

### **Mission**

- Develop the Company's owned brand identity to become internationally acclaimed jewelry brand
- Establish production bases for jewelry of an international quality
- Retain competitive edge in distribution bases which span throughout the key regions of the world
- Maintain financial strength and appropriate risk management
- Build security to the Company's employees, trade partners and provide reasonable returns to the shareholders consistently
- To strictly comply with the Good Corporate Governance principles, and the UN Global Compact

### **Pranda Group**

Founded in 1973, PRANDA GROUP is Thailand's leading fine jewelry manufacturer and has been listed in the Stock Exchange of Thailand since 1990. Renowned worldwide for its fine quality jewelry craftsmanship and articulate quality commitment, Pranda Group has been awarded with multiple accolades globally throughout its 40 years operations. Currently, the group of companies carry on 3 business cores which include Production, Distribution and Retail.

## **The 5 Eras Of Pranda Group**

### **1st Decade (1973-1982)**

The Establishment of the Foundation PRANDA's group of companies' business started under the name "Pranda Design" in 1973 exporting uniquely designed jewelry to the United Kingdom, and soon after expanded to other countries in Europe. From early on, PRANDA has focused on being a quality company; stringent controls on production process and in-house production facility allow PRANDA to consistently deliver the high standard products. PRANDA make investment early on to be an innovative company, PRANDA set up product development center fully dedicated in creating original designs and pioneering differentiated products. Under this visionary leadership, PRANDA

was able to quickly established a reputation in the industry, renowned for being a high quality and original designs supplier.

## **2nd Decade (1983-1992)**

Building the Foundation for Mass production After strong establishment of PRANDA in the first decade, Pranda Group decided to expand its production bases in the second decade for affordable and quality jewelry products that meet economies of scale which bring about the appropriateness of the production cost and product quality. Pranda Group diversified its production risk by setting up seven production facilities in four countries including Thailand, Indonesia, Vietnam and China with production capacity of over 10 million pieces a year to cover a wide range of product prices. Consequently, Pranda Group has become one of Thailand's leading jewelry exporters with customer base spanning in key regions of the world from North America to Europe and Asia

## **3rd Decade (1993-2002)**

Integrating the value chain, establishing distribution business In this era, Pranda Group established its own distribution bases within key targeted countries, namely; Pranda North America, located in the United States of America to take care of trading partners and responsible for the North America markets, ; Pranda UK, located in the United Kingdom to take care of trading partners and responsible for the market in the United Kingdom; H. Gringoire, located in France to take care of trading partners and responsible for the market in France; Pranda & Kroll, located in Germany to manage the German and other members of European Union markets. Pranda Group also established its first retail operation to promote the flagship brand "Prima Gold". Focused first on Thailand market, the expertise gained has later allowed Pranda Group to further develop toward vertically forward integration strategy and become a leading jewelry retailer in the Southeast Asia region.

## **4th Decade (2003–present)**

Building up portfolio of product brands. To continue the vision to be the World Class Jewelry Brand Company, in the 4th Decade, PRANDA group of companies has continuously focused on marketing its own brands and licensed brands. Pranda and its affiliated companies have jointly developed a portfolio of brands with different identities and positioning to serve the demand of each segment of

customers. At present, the Company's well-known brands in each targeted market. Our major brand are distributed in Asia, Europe and US. Moreover, to serve the demand of customers in developed country which has significantly changes from physical retail shop to e-commerce. Pranda Group decided to operate jewelry retail through e-commerce by [www.gemondo.com](http://www.gemondo.com) which main target customer is in UK and EU zone. Pranda has confidence that the expertise of E-Commerce business will enhance the gem and jewelry retail business of the Group in the future.

## Stepping to the 5th Decade

Aiming to be the Architecture of Craftsmanship For more than 40 years, the company has been engaging in the business to be renowned as leader of jewelry crafts for wide ranges of people by affordable and skilled specializations. With our extensive experience and expertise in offering refine artistic work in consistent quality for large quantity, and also our systematic management procedures that has been accepted by customers worldwide, these qualifications made us ready to step forward as The Architecture of Craftsmanship in the 5th decade. Because we work with "CARE" in creating high quality "MASS CRAFTSMANSHIP" by using our unique "PRANDA PROCESS", we are "THE ARCHITECTURE OF CRAFTSMANSHIP" who brings in devotion to every step of craftsmanship and this is our identity.

## Core Value



## Pranda commitment

Our success will never be accomplished without our supporters. PRANDA GROUP would like to extend our sincere appreciation to our stakeholders; customers, suppliers, communities and our precious craftsmen. We are committed to operate our business with responsibility and care to the society and environment, to be a part of Thailand future as a proud company for the people of Thailand.



## Pranda Process

We can produce high quality jewelry for world-class customers and our own brands - reflecting our systematic management. The unique Pranda Process has created values and transferred those added values from one department to another in order to maximize the value of our products and services.



The seven steps of the Pranda Process link production, distribution, and retail business units together. This starts from an understanding of market and customer requirements, production, distribution, and marketing. This completes the working loop and satisfies our customers' needs.

## 1. Market Intelligence

For more than four decades, we have had extensive studied on marketing including education and knowledge about various trends in the jewelry industry, and consumer behaviors. We believe that acquiring the right market information is the key to our success.

## 2. Customer Requirement

We are always ready to listen and understand the requirements from our customers as much as possible, including all the dreams and every desire of our customers. Aligning our customers dream with our own, we are able to comprehend and conceptualize the product which perfectly meets our customers' demands. As dreams are endless, we start at the very beginning after receiving our

customer's dreams and wishes. Then, attentively develop the products to create maximum satisfaction to the customer in order to make their dreams come true.

### **3. Product Development**

We take great care and attention in combining the creativity with modern technology that transforms a sketch of our customer dream through complete development procedures in order to ensure that our prototype sample can truly meet the customer's wish in every detail.

### **4. Mastering Prototypes**

Mastering Prototypes is significant as a starting point in the production process of Pranda before entering the mass production. Our experienced artists work delicately with 'Master Mold', and then manufacturing the master "Prototypes" We use modern technologies and our extensive experienced artists work with templates by putting their hands and hearts to get the desired flawless creations, as our clients dreamt of.

### **5. Sourcing Materials**

The raw material is considered a very important part. Therefore, we find the most excellent raw materials from nature to ensure quality for every piece of work. As well as continuous search for new materials and components to support our partner's dream and desire, we work closely with the suppliers to create excellence and beauty to pursue our requirement perfectly.

### **6. Mass Production**

Over the past 40 years, we are a leading manufacturer of fine jewelry at the craftsmanship-level that can be accessible to most of the people. To create mass quantity of creative crafts with consistent quality, we have pioneered this process which we term as "Mass Craftsmanship".

### **7. Marketing and Distribution**

As part of Pranda strategy to deliver integrated solution to our partners, we have established our own subsidiary in key strategic countries. Pranda group of companies and network worldwide provide service solution that is right for our partner – ensuring seamless integration in an efficient process of distributing the products to the market.

## Pranda Brand Avenue

To continue the vision through its more than 40 years of experience and expertise in jewellery manufacturing and distribution, together with its understanding of present jewellery market, PRANDA group has continuously focused on marketing its own brands and licensed brands. The Company and its affiliated companies have jointly developed a portfolio of brands with different identities and positioning to serve the demand of each segment of customers.



The everlasting essence of the absolute 24K gold jewelry - 99.9% purity in the endless pursuit of unique design and excellent craftsmanship



Superior diamond jewelry with a distinctive statement of luxury through unique and highly concentrated expression for modern working women



The Art of gold, handcrafted from the finest 24K gold - 99.9% purity of superior gold content, created by professional artisans to become an extraordinary artwork

**PRIMA ART**



Established in Paris since 1880 and has ever since been the landmark for the finest expressions of designed 18K gold jewelry with premium quality gemstones



Modern, innovative and sensible 18K gold jewelry with diamond and in distinctive design, highlighting class and taste for casual and today's lifestyle

*Julia*



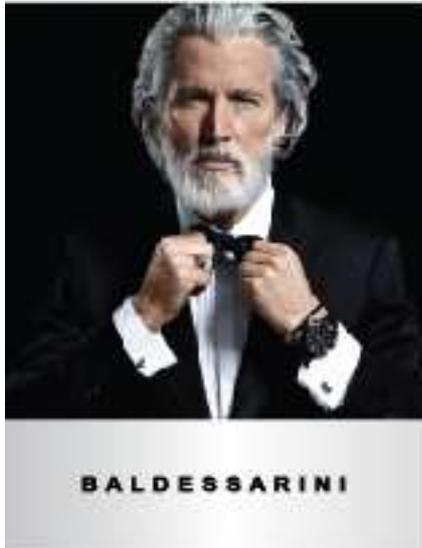
International jewelry brand for women who love to emphasize feminine touch and are glamorous conscious



Ariva the luxury of sterling silver, captures her style and expresses her attitude



Timeless collection of marcasite jewelry finely handcrafted for today's women, inspired by well-known design period from Victorian through Art Deco



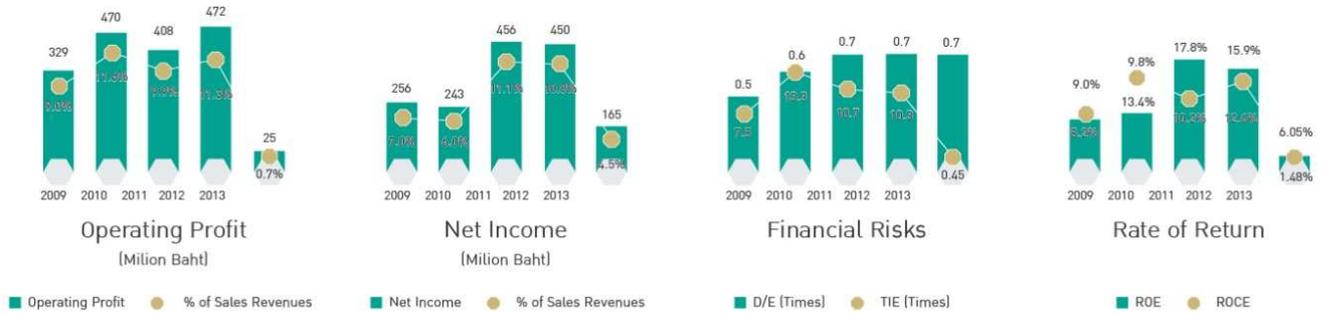
Exclusive high-end luxury menswear and men's accessories brand, for modern smart achievers who are full with passion for individuality and great attention to details (Licensed Brand)



International trend-oriented collection in 925 sterling silver for sophisticated women who prefer non-standard, extravagant jewellery, high-class design far from mainstream fashion

## GROUP STRUCTURE

Pranda Group 's core business are production, distribution and retail of fine jewellery products. The Company has become one of Thailand's leading jewellery exporters with customers base spanning in key regions of the world from North America to Europe and Asia.



### SHAREHOLDER PERSPECTIVE



### Policy and business overview

Pranda Group's core businesses are production, distribution and retailing of fine jewellery products. The Company distributes its products to customers in major continents, such as North America, Europe and Asia. Pranda Jewelry Public Company Limited currently is the leading fine jewellery exporter in Thailand.

**Declaration on LMR. 1/2011**  
**Policy on Corporate Social Responsibility**  
**Pranda Jewelry Plc**

Pranda Jewelry Plc has prescribed Corporate Social Responsibility as follows:

1. The company vows not to engage in or support any activities that employ child labor or workers below 15 years of age.
2. Not to engage in or support any types of forced labor
3. Provide working environments that ensure maximum occupational health and safety to employees
4. Give freedom to all employees to have social contact with or participate as membership in any associations and pay due respect to their rights in participating in any forms of talks or negotiation as stipulated by laws.
5. Not to engage in or support any forms of discrimination in employment, remuneration payment, training, promotion, layoff or retirement just because of differences on race, nationality, class, family background, religion, disability, gender or sexual deviation, membership of any labor unions or political parties.
6. To control and closely supervise to prevent any aggressive or forceful acts or behaviors, intimidation, insult, or sexual harassment, be it by action, speech or physical touch.
7. Not to engage in or support any penalties in the forms of bodily attack, physical and verbal intimation or any types of caustic remarks.
8. To comply with the labor-related laws on working time limits.
9. To pay wage and remuneration to employees in a rate of not fewer than legal requirements.
10. To provide safe and harmless working conditions and environments to pregnant workers without any policies to lay off, demote or cut benefits of female workers in case of pregnancy.

May 16, 2011



(Pramote Tiasuwan)

Managing Director-Manufacturing

## Corporate Social Responsibility

Pranda Jewelry Public Company Limited including its subsidiaries (Pranda Group) has a policy to operate business with full awareness on Corporate Social Responsibility : CSR and pay continuous attention to social responsibility activities and the surrounding environment. Pranda thrives to collaborate with all stakeholders i.e. shareholders, employee, locals whereby the company has operating sites, customers, vendors, and government agencies as well as the society and nation. In addition, Pranda cultivates mindset and corporate culture for the staff to be aware of social responsibility in which they live by setting up a policy on social and environmental responsibility coded in “Corporate Governance Manual” revised version 3/2013 for compliance and practice.



In accordance with such continued emphasis on social responsibility, Pranda Group received JNA Award 2013 in a category “Sustainability Initiative of the Year”. This award reflects how the Company has determined to develop the organization according to business sustainability principles based on ethics and integrity as a guideline. Pranda Group is the first Thai corporation to sign in and comply with the principles of UN Global Impact, effective in 2002 onward. The principle engage in the compliance of Human Rights, Labor Standards, Environmental Awareness, and Anti-Corruption of any kind whereby the Company has always been strictly following. In addition, the Company’s core value cultivates team building and team work among staff and

management to further develop the organization by paying particular attention to all stakeholders especially in the area of corporate social responsibility or CSR. The Company provided professionals for the handicapped and supported the youth to be in the bilateral vocational education program on jewelry skills including many other social activities as well as helped victims from natural disasters. The company had also invested in efficiency and productivity improvement

to enhance environment quality and many other aspects in the past years. The award ceremony was honorably held at the Grand Hyatt Hotel in Hing Kong.

The Company continues to maintain the compliance with UN Global principles by operating business based upon UN Global Compact standard that particularly requires environmental awareness, human rights, and anti-corruption. Having been a member of UN Global Compact is considered a significant milestone that reiterates business operation with responsibility across the world and reflects that running a business with particular concerns on the society and environment is utmost important for sustainable development of gems and jewelry industry. Pranda Group has been determined to comply with not only UN Global Compact principles but also emphasizes on human rights, employment standard, environmental impact and business integrity reflected through Company's policies under the philosophy of business reliability, shareholders' benefit, effectiveness and efficiency in business operation with ethics and dignity as well as compliance with corporate social responsibility based on laws and good corporate governance principles. The Company is also aware of commitment to stakeholders in a social context including environment and safety as well as development of the community and the nation.

## **1. Business Operation with Fairness**

- **Fair Competition**

The Company has a standard price setting on the manufacturing and distributing of good with reasonable price and without any harmful impact on the environment and the community. As a result, the Company has had no record on the abuse of environment. Gems and jewelry industry has no negative impact on the environment since the Company recycles residues from the manufacturing process to reproduce. In addition, the Company was selected as a clean, safe and pollution-free workplace as guaranteed by a Gold Level Certificate from the Department of Health, Bangkok on good and happy workplace.

In addition, the Company's procurement requires fair procedures by announcing auction process and requirements and shall be taken into consideration by appointed Committee as well as the rest of the Company's materials.

- **Respect Property Rights of Others**

For the past 40 years in the industry, Pranda Group has paid attention to business operation in compliance with rules of law and business ethics. In this regard, the Company set up “**Responsibility Practice Guides for Management and Employees**” as a written manual on December 22, 2000 and informed Board of Directors and all employees for strict compliance with an objective to achieve business effectiveness and efficiency, productivity, transparency and responsibility on stakeholders as well as generate rationale returns to investors and build sustainable progress and growth. The Company regularly monitors such practice guidelines, at the same time, provides the **Book of Promise on confidentiality agreement not to disclose trade information and secrets** as follows:

- The Company shall not disclose or reveal information, shapes, patterns, formats or objects of any kind of your company to manufacture and release for any third party outside Pranda Group.
- The Company shall not conduct any transaction apart from customers order or without permission.
- If the Company discloses or releases information, shapes, patterns, formats or objects of any kind of your company to other parties outside Pranda Group by either the Company itself or a careless act of anyone or any third party, the Company agrees to be prosecuted by civil and criminal laws at once.

## 2. Opposition to Corruption

- **Anti-Corruption Policy and Declaration of Intent (in cooperation with other organizations)**



The Company takes part in the declaration of intent by continuously participating in the anti-corruption campaign with network alliance of Thai public sector. In addition, the Company has a policy and practice guideline on anti-corruption and requires that Board of Directors, management and employees acknowledge and comply with the subject matter. This aims to demonstrate business operation intent of Pranda Jewelry Public Company Limited including its subsidiaries and affiliates that Pranda Group operates business with transparency, good corporate governance and without corruption of any kind, whether it be explicit or implicit. Board of Directors, management, employees as well as third parties related to the Company must not conduct any act of corruption, whether it be offering, promising, soliciting, demanding, giving or accepting bribes.

- **Practice Guideline in the Company in Compliance with Policy**

The Company rejects any form of corruption covering all business transactions in every country including related business units. In order to comply with such policy, the Company has an independent internal audit unit reporting directly to Audit Committee that has concrete auditing plan covering all potentially risky units. This is to be in line with any change in laws, business, and to protect the Company's image and reputation whereby Board of Directors, management, and employees must abide by this policy accordingly.

### 3. Respect for Human Rights

#### - Adoption of Global Principles within Organization

Pranda Jewelry Public Company Limited is aware of business transparency, laws compliance and human rights. Such awareness is derived from the Company's vision and core values. The Company also conveys this intent through the participation in the signing of universal declaration on human rights with the UN Global Compact. In addition to the requirement of universal declaration, Board of Directors, management and employees are required to comply with the code of conduct on **laws compliance and international human rights principles** as follows:

- The Company operates business based on laws and regulations with which management and all employees must comply accordingly.
- The Company must strictly comply with international human rights principles and provides knowledge and understanding of such principles to all employees for common practice at work.
- The Company is against any business or act that breaches global principles of human rights.
- The Company supports all employees to exercise their fundamental rights as a citizen according to the institution and law.
- The Company shall keep all personal information of employees. Disclosure or transfer of employees' personal information to the public can be performed only when being approve by the employee. Violation of employees' personal information is considered disciplinary offense unless done in accordance with the Company's regulations or in accordance with the law.
- The Company provides employees with communication channels to make suggestion or complaints on frustration relating to work. Every suggestion and complaint will be seriously taken into account followed by solutions for mutual benefits and good- working environment.
- Employees of all levels of the Company are required to thoroughly understand laws relating to their duties and responsibilities and strictly comply with the laws. If employees do not understand, they are required to receive advice from legal department, and not to act according to their own misunderstanding without legal advice.
- Employees must not conduct any act that verbally breaches or discriminates others on racist, gender, religion, age, or physical and mental disabilities.

- Employees who are required to go on a business trip must study laws and regulations, norm, tradition and culture of destination country prior to traveling day to ensure that goods, samples, equipments, travelling documents, travelling purpose and business trip purpose are not illegal or against tradition and culture of the destination country.
- Policy and Practice Guideline



The Company is not only determined to comply with international principles but also attempts to support human rights value and employment standard. In addition, the Company has continuously drafted a policy and performed an act of not discriminating gender, nationality,

religion, and disabilities by opening for jobs and offering professions for all types of the handicapped. The Company wishes to make the handicapped proud of themselves and able to utilize their full capacity and live their lives with other people without being society and family's burden. At present, 30 selected handicapped are put in a suitable position in both the office and the plant, of which the number of normal workers as against the handicapped accounts for 60:1 which is higher than law requirement of 100:1. As of April 2012, the Ministry of Social Development and Human Security granted the Company the certificate of modeled organization promoting the creation of jobs for persons with disabilities.

#### 4. Equitable Treatment of Labor.

- Employment and Labor Relation



The Company respects human rights and continuously maintains the importance of labor policy for all employees because employees are valuable workforce to the organization. The Company set up welfare committee to take care of employees' benefit including the labor relation policy to support equitable rights and welfare for all employees. In this regards, the Company received the Excellent Labor

Relation and Welfare Award 2012 from the Department of Labor Protection and Welfare, the Ministry of Labor headquarters (Bangkok) and Nakhon Ratchasima factory.

- Occupational Health and Safety

The Company has a policy indicating the importance of safety, occupational health, and workplace environment and is aware of the value of employees. In addition, the Company set up a policy relating to environmental training for employees. As all employees of all professions and all levels are valuable to the Company, they will receive sufficient and continuous development regarding environmental conservation through teaching and training on



operation and

environmental management. Management of all levels in the Company are responsible for, as a role model, the development and preservation of training course on environmental management for employees by supporting sufficient resources so that all employees take part in implementing the policy. Management is also required to thoroughly communicate to all related parties on environmental training outcome. Activities to promote quality of life and safety of employees are regularly held including annual activities i.e. **annual physical and eyes checkup by physicians from a hospital**, training on **first aid** on a yearly basis to share knowledge and understanding on first aid process including general tips. This welfare helps to create employees awareness on the importance of their own health and wellness including their family and surrounding people. In addition, the Company set up a training course on **basic fire prevention and fire evacuation drills** in office buildings and plants. **Safety week at workplace** activity is also held to create awareness on the importance of safety, occupational health, and workplace condition. In addition, many other activities to promote working skill development for employees in several areas i.e. V-FAST Workshop promoting cross- functional teamwork and stipulating related employees to utilize their utmost capacity and proficiency.

#### - Diversity and Equality Opportunity

The Company is aware of workforce value and is confident that human resources are the most significant factor driving business operation, hence, it pays attention to taking care of employees for continued support and training. Shared Value Committee takes care of staff development and supports 9 programs in total namely 1) Pranda Group learning center 2) Bilateral Education Program and job promotion for the disabilities 3) Quality of life development project 4) Savings cooperatives 5) Creation of innovation project 6) Sharing and connecting benefits to society and community 7) Child development center 8) 7 tips toward energy saving 9) Debt- problem solving and legal advice.

In addition to the 9 projects above, the Company has provident fund and the issuance of warrants to purchase common stock of the Company and/ or its subsidiaries (ESOP program) and 300 rooms of welfare dormitory for employees, offer s appropriate remuneration and welfare package, provides an opportunity for career growth, encourages employees' engagement, set up annual physical checkup, and provides a free meal for employees of all levels. Such performance results in a significantly lower turnover rate. This year turnover rate among skilled labors is less than 2%. In addition, in compliance with Thai labor standard, it is in opposition with human rights violation, child labor abuse, and forced labor whereas supports safety workplace with occupational health standard, equitable treatment, and respect for equality.

In terms of job standard, the Company has a clear policy and practice guideline on employment of child labor, opposition to forced labor. Employees are not required to put money or documents at their first working day. The Company promotes equitable opportunity and fair treatment among employees, and accepts employees' rights by setting up welfare committee for a regular meeting, of which topics aim for effective communication and creative activities. In addition, the Company sets up hygiene system and safety workplace as well as provides safety and hygienic conditions at work for all employees.

#### 1. Involvement of the Company on Community and Society Development

##### - Market Role and Jobs Creation

It has been over 14 years that the Company has had “**Bilateral Education System**” project, in which selected students in scarce areas from welfare schools nationwide particularly adding an incremental value from the silver jewelry project from 5 schools of welfare (Maejan, Chiangrai province, Loei province, Nann province, Tak province, and Petchaboon province) that operates silver jewelry project on behalf of HRH Princess Maha Chakri Sirindhorn. The Bilateral Education System project supports students to further their education in vocational certificate level majoring in jewelry accessories in collaboration with Kanjanapisek College, Royal Goldsmith College, and College of Arts and Crafts Bangkok under the Department of Vocational Education, the Ministry of Education.

**Outcome of Bilateral Education System Project as follows:**

##### **Impoverished Youth:**

Received an opportunity for higher education free of charge, obtain knowledge, skill, and direct experience on jewelry profession, had vocational certificate that was officially recognized, and gained job and career security in the future.

##### **Department of Vocational Education:**

Developed into effective and efficient education management in collaboration with public sector to create personnel of choice in the public sector, more importantly, saved budget in many other areas.

##### **Business Entrepreneurs:**

Gained the standard of personnel creation and development from government sector in order to generate skilled labor, this would become the Company's major encouragement as well as overall industry in the future.

##### - Community Engagement

In addition, the Company helps and supports social activities in many other areas by emphasizing on staff involvement as well as volunteer in several activities including donation to organizations holding public activities. From past to present, the Company has continuously carried out various social activities as follows:

### Education and Profession

The Company has a policy to promote and support education as follows:

- **Bilateral Education Program**



This project has continuously been pursued since 2000 with 163 students in total and 13 batches, of which 859 students, 10 batches graduated. Bilateral Education Program has expanded widely to open an opportunity to general schools as well as children, relatives of employees. In addition, “Pee Fak Nong” project for bilateral students offers an opportunity for them to study jewelry field. In 2011 academic year, the Company signed memorandum of understanding (MOU) with Kanjanapisek College, Royal Goldsmith in the personnel development project on accessories and jewelry, supported 54 million baht for the period of 7 years, offered bachelor degree scholarships majoring in gems and jewelry design for bilateral students, employees’ children, and the schools under the royal patronage of His Majesty the King Bhumibol Adulyadej (Rajaprajanugroh) and HRH Princess Maha Chakri Sirindhorn (Welfare schools).

In addition, the Company promoted education for employees using the Company ‘s office as location opening transferred teaching system majoring in gems and jewelry on vocational certificate level, and majoring in management on advanced vocational certificate. There have been employees participating in this program for 3 batches, in total 95 employees, of which 85 already graduated.

- **Short Course on Gems and Jewelry for the Hearing Disabilities**

The Company in collaboration with Kanjanapisek College, Royal Goldsmith opened a class for hearing impaired students, in accordance with the royal initiative of HRH Princess Maha Chakri Sirindhorn, to learn about business operation so that they could have direct experience on the job. Selected students are able to take a tour at jewelry manufacturing process, at the same time, involved in preparing teaching materials as well as video presentation



and sign language for the class of hearing impaired students. The Company thrives to give an opportunity to the hearing disabilities for jobs creation or professions, hence, hopes to see them proud of themselves, utilize their utmost ability, and live their normal lives with other people without being a burden to their family or society. At present, a number of students completed the course, of which 6 students have



been recruited by the Company from such pilot project.

The Company also granted learning equipments on gems and jewelry i.e. tools, materials that are useful for the hearing disabilities to Nakornpathom School for the Deaf as well as gave education guideline on future profession and had recreation activities at a meeting room of Nakornpathom School for the Deaf. Today, the Company opens for a job position for 30 people of hearing disabilities. This figure accounts for 60:1, higher than the law which is 100: 1. As a result, this year the Company received an honorary award on “Listed Company that Promotes Jobs and Profession for the Disabilities” from the Ministry of Social Development and Human Security.

Sharing and Connecting Benefits to Society





- The Company takes part in supporting Children's Day activities i.e. Children's day activities at Bangna metropolitan police station, at

Watpongply Kindergarten, Pongpoyanusorn School, Wat Srieam Anusorn School, Wan Thong Community, Rung Sawang Community, Likit 4 Community. The Company not only supports activities for the youth and people in the community but also builds a good relationship between one another.

- The Company takes part in the development of Watpongply Kindergarten. This is a continued activity focusing on the surrounding community whereby volunteer employees help to remove furniture, clean up classrooms, renovate and build new classrooms, paint buildings, install ceiling fans, improve landscape, make merit, give candles and offerings as well as lunch meal to Buddhist monks.



- The Company promotes "Art for All" camping activity to the disabilities. Pranda Jewelry Public Company Limited and its subsidiaries Prima Gold International Company Limited donated money to the Art for All camping activity for further activities in the future. This Art for All camping activity intends to share an opportunity with the disabilities to learn arts together with the other youth. This activity is held by Faculty of Fine and Applied Arts, Chulalongkorn Univeristy in collaboration with 5 other major organizations.

- The Company supports Green Market Network by setting up space for farmers, retail manufacturers and entrepreneur to sell goods and processed products, organic products, healthy food, hydroponic

products on the first Thursdays of the month. This project has been pursued since 2011 to up until the present time.



- The Company is involved in blood donation with Thai Red Cross. Pranda Jewelry Public Company Limited and its subsidiaries Crystalline Company Limited have had a campaign to encourage management and employees to donate blood to Thai Red Cross every three month since 1991 until the present time. So far, blood donation accounts for 6,000 units.



- **Site Visit:** The Company has allowed education institutions and other organizations to visit and learn of Company's business operation from past to present.



of Social Venture Network: SVN Thailand which are the combination of businessmen aiming to exchange business perspectives as well as strengthen business linkage among one another on business operation related to social and environmental responsibility. Such collaboration has a mission to promote and support business awareness that leads to respect in society and environment, in human rights and surrounding community as well as equitable treatment with all related parties.

## Brief History and Honorary Rewards of Pranda Group

### 2013

- The Company received honorary award called “**Sustainability Initiative of the Year**”, **JNA Award 2013** for the second time from the committee consisting of international knowledgeable persons as the Company has adhered to the organization development on a sustainable basis with good morals and ethics.
- The Company has additionally invested in Pranda & Krill GmbH & Co. KG in the amount of 9.6 million Euro or equivalent to about 409 million Baht, making the Company to have the registered and paid-up capital in the amount of 13 million Euro. This investment increases the shareholding percentage of the Company from 51 percent to 75 percent.
- The Company purchased 2,000,000 ordinary shares of P.T. Sumberkreasi Ciptalogam, having a par value of 1,000 Indonesian Rupee, representing 50 percent of the issued and paid-up capital of P.T. Sumberkreasi Ciptalogam at the book value amounting to 1.4 Singapore dollars or around 35 million Baht. The Company also divested its investment in P.T. Sumberkreasi Ciptalogam by selling 1,240,000 ordinary shares, representing 31 percent of the issued and paid-up capital of P.T. Sumberkreasi Ciptalogam to shareholders of P.T. Sumberkreasi Ciptalogam in the value of 0.7 million USD or around 22 million Baht, decreasing the shareholding percentage of the Company in such company from 50 percent to 19 percent.
- The Company approved to dissolve Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, a subsidiary, on 27 September 2013.

- Prima Gold International Co., Ltd. has the power to control the determination of financial and operating policy including the voting right and interest at 55 percent in PT Pranda Marketing Indonesia.
- The Company received a recognition of being “**Excellent**” in 2013 valuation in the Annual General Meeting (AGM) of the shareholders from the Office of the Securities and Exchange Commission (SEC), in cooperation with the Thai Listed Companies Association and the Thai Investors Association.
- The Company received “**Excellent**” recognition (five stars) of Corporate Governance Report of Thai Listed Companies 2013 from the Thai Institute of Directors (IOD).
- Nakorn Ratchasima plant of Pranda Jewelry Plc. received the Certificate of the Standard on Prevention and Solution to Drug Problems in an Establishment for the year 2013 and the White Plant Certificate pursuant to the Action plan to defeat the drug on a sustainable basis for the year 2013.
- The Company received the Excellent Labor Relation and Welfare Award 2013 from the Department of Labor Protection and Welfare, the Ministry of Labor.
- The Company received the certificate and the trophy for the Excellent Labor Relation and Welfare Award 2013 from the Director of Office of Labour Protection and Welfare Area 8.
- Korat plant of Pranda Jewelry Plc. received the trophy for the Excellent Academy and Establishment with Dual Vocational Training (5 stars) from Mr. Jaturon Chaisaeng, Minister of Education.
- Prima Gold International Co., Ltd. received Consumer Protection Guarantee on Thai Consumer Rights Day 2013 under the category of producer of gold jewelry with 96.5% purity and distributor of gold jewelry with the product label in compliance with the law from Mr. Warathep Rattanakorn, Minister Attached to the Prime Minister's Office.

## 2012

- The Company has invested in establishing a new subsidiary in China, “Pranda Trading (Shenzhen) Limited”, a registered capital is USD 2 million or about Baht 61 million for retail jewelry business in China.

- Pranda UK Limited, the Company's subsidiary has invested in PDU (UK) Co., Ltd, which operates retail jewelry business through E-Commerce. It is 100% owned by Pranda UK Limited.
- The Company has received "Manufacturer of The Year" award from Jewelry News Asia (JNA). The JNA Awards is an industry-wide event that honours and recognises excellence and achievement in the jewelry and gemstone trade in Asia.
- The Company received the Excellent Labor Relation and Welfare Award 2012 from the Department of Labor Protection and Welfare, the Ministry of Labor for headquarters (Bangkok) and Nakhon Ratchasima branch.
- The Company received a recognition of being "Excellent" from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an Annual General Meeting (AGM) checklist to assess the AGM held in 2012.
- The Company received "very good" recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2012 from the Thai Institute of Directors (IOD).
- The Company received an honor certificate from Thai Red Cross Society, for being a cooperative organization to provide blood donors to National Blood Centre more than 14 years.
- The Company received an honor certificate, for being a good model to support educational work of the Ministry of Education on an anniversary of 120 years of Ministry of Education Day.
- The Company received "Tara Award" from Sathien Dhamma Sathan, for the organization which making merit and goodness for society.

## 2011

- The Company received a recognition of being "Excellent and being a good example" from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an Annual General Meeting (AGM) checklist to assess the AGM held in 2011.
- The Company received "very good" recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2011 from the Thai Institute of Directors (IOD).
- The Company received an honor trophy of the business sector which provided career support to the disabled from the Office of Welfare Promotion, Protection and Empowerment of Vulnerable Groups, the National Office for Empowerment for Persons with Disability, in cooperation with the Council of Persons with Disabilities of Thailand Association. Today, PRANDA has supported all persons with all kinds of disabilities, totaling 31 persons, accounting for 60 to 1 which is higher than the regulated law of 100 to 1.
- The Company had signed an (MOU) of "The gems and jewelry personnel development project" with the Golden Jubilee Royal Goldsmith College, King Mongkut's University of Technology North Bangkok to support project operation with the fund of Baht 54 million for 7 years from 2011 – 2017 in order to provide an opportunity for poor students to pursue the Bachelor of Fine Art program in Royal Goldsmith, majoring in gems and jewelry design.

- The Company received the CREATIVE AWARD 2011 from the contest of “The Extreme colors of Ploi” which was organized by the Department of Export Promotion, the Ministry of Commerce and the Thai Gem and Jewelry Traders Association.
- PRIMA GOLD received the PM’s Creative Award’s Function Creations as it produced products from creativity and variety of components which include culture and innovation to increase product value and services, leading to economic growth development with sustainability.
- The Company’s Nakorn Raschasrima plant received the Excellent Labor Relation and Welfare Award 2011. It was the second time that the Company received such an honorable award.
- Saving cooperative of the employees of PRANDA received recognition of “A” in terms of administration standard following 7 standard indices from Cooperative Promotion Department.

## 2010

- The Company received a recognition of being “Excellent” from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an AGM checklist to assess the AGM held in 2010.
- The Company received “very good” recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2010 from the Thai Institute of Directors.
- The Company received the logo of The Buy with Confidence project from the Gem and Jewelry Business Development Committee of Thailand, the Ministry of Commerce which emphasized the standard and confidence of Thailand’s gems and jewelry business toward local and foreign buyers.

## 2009

- The Company received a shield of honor at International Day of Persons with Disabilities for the private ventures which support occupational opportunities for the disabled from Prime Minister Abhisit Vejjajiva who has also presided over the event.
- Scoring “Excellent” rating for AGM Assessment Program for two years in a row in 2008 and 2009. The assessment program has been held by the office of Securities and Exchange Commission (SEC), Thai Investors Association, and Thai Listed Companies Association. The AGM is one of many components reflecting listed companies’ awareness of good corporate governance implementation.
- Scoring “Very Good” (four stars) rating in the Corporate Governance Report of Thai Listed Companies 2009 prepared by the Thai Institute of Directors Association (IOD), which evaluates the good corporate governance practices of the listed companies.
- Having been nominated among one of the four listed companies in the Stock Exchange of Thailand with market capitalization of not over 10,000 million baht (Group 2) in contest for Corporate Social Responsibility Awards 2009.

- Pranda & Kroll GmbH & Co. KG the Company's subsidiary has entered into a license agreement with Baldessarini GmbH, the leader in men's jewelry and accessories from Germany under Baldessarini brand.

## 2008

- Received a trophy from Deputy Prime Minister Sanan Kachornprasart on occasion that the Company has been acclaimed by the Department of Labor Protection and Welfare as the establishment which complies with the government's policy in promoting labor welfare by establishing standardized child care centre at the enterprise on continuous basis. The trophy given aims to set a good example to other corporations.
- Received certificates and a shield of honor at "68 years of Thai vocational education going forward to the future" event from Deputy Education Minister Narisara Chawaltanpipat on occasion that the Company has been chosen as the establishment which offers good cooperation with authorities from the Office of Vocational Education Commission in preparing educational and occupational training.
- The annual general meeting of shareholders had approved the issuance of Employee Stock Option Plan (ESOP) in amount of 14,251,410 units which would be contributed for free to Directors and employees of the Company and/or subsidiaries. The warrants carry five year terms from the issue date with the exercise ratio equivalent to 1 warrant to 1 common share. The exercise price is three baht per share.
- The Company has set up the savings co-operatives for employees in Pranda group as a way to provide various financial services and promote savings among employees.
- Crystalline Co., Ltd. has obtained the copyright of V&A jewelry brand from England-based Victoria & Albert Museum (V&A), the world's largest museum of decorative arts, design and jewelry products.
- The Company has raised investment in Guangzhou Pangda Zhubao Shoushi Yixian Gongsi for USD1.5 million, increasing the China subsidiary registered capital to USD2.35 million, representing 100% ownership.

## 2007

- The Company was awarded the first runner-up award from participating in the work performance competition under the Philosophy of Sufficiency Economy for large-scale enterprises which run their business according to the Sufficiency Economy Philosophy which has been organized by the Office of the Royal Development Projects Board under the Prime Minister's Office.
- The Company won Thai Labor Standard award (TLS 8001-2003), Completion Level from the Department of Labor Protection and Welfare, the Ministry of Labor.
- The Company increased its investment in Primagold International Company Limited by 100 million baht, raising Primagold International registered and paid-up capital to 200 million baht. Pranda Jewelry Public Company Limited controls 100% in Primagold International.

- The Company raised the investment in Pranda & Kroll GmbH & Co. KG Limited by Euro2.4 million or about Baht 116 million , raising Pranda & Kroll GmbH & Co. KG's registered and paid-up capital to Euro 5.34 million . Pranda Jewelry Public Company Limited holds 51% in the venture.
- Pranda & Kroll GmbH & Co. KG has taken over KSV Brand GmbH, which operates the distribution of jewelry products under Christ, Cai, Merii, and Michael Schumacher brands.
- The Company has formed a joint venture with Gunjan Jewels Pvt. Ltd., to set up Pranda Jewelry Pvt. Ltd. in India to distribute the gold and silver jewelry under its own brand in India. Pranda Jewelry Public Company Ltd. holds 51% of the shares.
- Primagold International Company Limited, the distributor of pure gold jewelry products under PRIMA GOLD brand won the Hot 2007 Award at the 38th Bangkok Gems & Jewelry Fair.

## 2006

- The Company has been acclaimed by the Stock Exchange of Thailand as the company with the best operating results in 2005 under the title ``Congratulate PRANDA as a Nominee for Best Performance-Consumer Products"
- Primagold International Company Limited, the distributor of pure gold jewelry products under PRIMA GOLD brand won the Hot 2007 Award at the 38th Bangkok Gems & Jewelry Fair.
- Primagold International launched Siam Pannarai designer Collections and received The Hot Design Award at the 37th Bangkok Gems & Jewelry Fair.
- Pranda & Kroll GmbH & Co. KG launched a new brand ``Cai", at the Inhorgenta Fair, Munich, Germany.
- Pranda Jewelry Plc. has been selected as one of the four Thai Companies meeting the Sufficiency Economy standards in running business in compliance with the Sufficiency Economy Philosophy of His Majesty the King held by the Office of the National Economic and Social Development Board.
- PRANDA SCL (Indonesia) expanded capacity in response to increased overseas demand from 450 workers to 700 workers.

## 2005

- Received a shield of honor as outstanding establishment on labor welfare from the Department of Labor Protection and Welfare, the Ministry of Labor.
- Raised its investment in Crystalline Co., Ltd. Bangkok by Baht 50 million to Baht 100 million. The company holds 96% stake in Crystalline Co., Ltd.
- Primagold International Co., Ltd. signed a joint venture deal with Tomei Gold & Jewelry Holding to distribute PRIMA GOLD products in Malaysia.
- Primagold International Co., Ltd. operates 48 retail outlets in Thailand and 35 outlets in international markets. In total the company operates 83 distribution outlets.

- The Company signed a joint venture agreement with Gregor Kroll of Kroll GmbH in a ratio of 51:49 to set up Pranda & Kroll GmbH & Co. KG in Germany to distribute gold and silver jewelry products in Germany and Europe.

## 2004

- Received special Export Honorary Recognition award from the Department of Export Promotion, Commerce Ministry as the Thai exporter with the most robust growth for 10 consecutive years and as the Thai company which was used to win Best Exporter award before.
- Received standard certificate for 96.5% gold jewelry under "Century Gold" brand from the Office of the Customer Protection Board.
- Primagold International Co., Ltd. launched gold jewelry with 96.5% purity under "Century Gold" brand with the first retail outlet opened at the Mall Department Store, Bangkhae and expanded to seven branches within the same year.

## 2003

- Received a shield of honor from the Department of Labor Protection and Welfare, the Ministry of Labor as the private establishment which implements activities which support and benefit female workers.
- Established a new production base in China under Pranda Guangzhou
- Increased investment in Primagold International Co., Ltd. By Baht 50 million raising the registered capital to Baht 100 million in which the company holds 100% stake.

## 2002

- Received a certificate of approval and emblem from the Office of Consumer Protection Board as the establishment which "protects the consumers' rights on labels, advertisements, and contracts."
- Chosen as the workplace which is "clean, safe, pollution-free and dynamic" and received testimonial from the Health Department of Bangkok Metropolitan Administration.
- Selected to become a member of Bangna canalside community under "We love canal" project from Bangna district office. The Company also received certificate for attending the training program on food sanitation for restaurant operators after the Bangkok Metropolitan Administration has issued regulations on "place where meals are sole and place where foodstuff is stored 2007"
- The company offered 200,000,000 units of the five-year warrants (2 May, 2002 to 2007) to existing shareholders.

## 2001

- The Company's employees received bronze medal on jewelry designer from 36th World Skills Completion held at Seoul, South Korea.
- The Company received "white factory" (anti-drug entrepreneur project) certificate from Department of Labor Protection and Welfare, the Ministry of Labor
- The Company's showroom received ISO 9001:2000 quality management standard certification for jewelry distribution and services from BM TRADA Certification, a leading multi-sector certification body accredited by UKAS (United Kingdom Accreditation Service). The Company's Nakhon Ratchasima branch also received ISO 9001:2000 quality management standard certification for jewelry production in part of factory from an independent certification body BVQI.

## 2000

- The Company received the Gold Card exporter award from the Customs Department, Ministry of Finance which offers fast track benefits on imported raw materials. The award represents the company's credibility and financial stability.
- The Company's employees won the gold and silver medal on jewelry designer from the 18th national skills competition held by Department Of Skill Development under Ministry of Labour and Social Welfare.
- Crystalline Co., Ltd., received Prime Minister's Export Award for the Best Own Design Exporter held by the Export Promotion Department.
- The Company was awarded "clean place to dine" as the establishment which meets sanitary standards for food outlets (physical facet) held by food sanitation division, environmental sanitation division under Bangkok Metropolitan Administration.
- The Company was awarded the Gold Card exporter from the Customs Department, Ministry of Finance with "track" benefits on imported raw materials.

## 1999

- The Company and two subsidiaries, Prima Gold Co., Ltd. and Crystalline Co., Ltd., have been endorsed by the Export Promotion Department, Ministry of Commerce, to use Thailand's Brand, as standard product manufacturer and exporter.
- Received certificate from the Ministry of Labour and Social Welfare as the export establishment which complies with female and child labor protection standards using proactive approach
- The Company's employees won bronze medal from 35<sup>th</sup> World Skills Competition held at Montreal in Canada on jewelry designer.

## 1998

- Received the Best Marketing of New Gold Product and Best Gold Visual Merchandising awards from World Gold Council

## 1996

- Prima Gold Co., Ltd., the Company's subsidiary, received Prime Minister's Export Award for the Best Own Design Exporter from the Thai government and won the contest for ``Golden Design Award" at Vicenza Oro Fair held by World Gold Council, while ``Prima Gold" designs from Indonesia won two awards the Best International Award of Indonesia and ``The Best Outstanding International Award" from five countries in the Far East Asia.
- Expanded the international market for Prima Gold International Co., Ltd. and co-invested in LG Pranda (now operated under the name of KZ Pranda) to import and distribute silver and gold products.

## 1995

- Received Prime Minister's Export Award or P.M. Award which is presented every year by the Thai government to exporters who have outstanding performance as Best Exporter
- Established foreign production bases through Pranda Vietnam Co., Ltd. and P.T. Pranda SCL Indonesia
- Set up Pranda Singapore Pte. Limited to invest in Malaysia and Indonesia
- Invested in establishing Pranda Lodging Co., Ltd., to provide accommodation services to the employees

## 1994

- Established a new production base in Nakhon Ratchasima (Korat) and established a new international distribution base in the United Kingdom under Pranda UK Limited.

## 1993

- Established product and brand development center under PRIMA GOLD and launched domestic distribution

## 1992

- Expanded business by establishing its own distribution bases in overseas markets under Pranda North America, Inc., Crystalline North America, Inc. and H. Gringoire s.a.r.l.

## 1990

- Pranda registered and traded on the Stock Exchange of Thailand (SET) under trading symbol Pranda

- Invested in setting up production base under Crystalline Co., Ltd.

**1984**

- Expanded business by establishing production base and changed company name to "Pranda Jewelry"

**1973**

- Commenced export trading operations under Pranda Design