



CASE STUDY

CASE STUDY: SUSTAINABILITY INITIATIVES BY A GEMSTONE MANUFACTURING ORGANISATION: COMMUNITY ENGAGEMENT, DECENT WORK AND GENDER EMPOWERMENT

Promoting Responsible Value Chains
in India for an Effective Contribution
of the Private Sector to the SDGs
(PROGRESS Project)

Sector: Gem & Jewellery

Organization: Pink City Jewel House Pvt. Ltd.

The Centre for Responsible Business (CRB) and Aston India Centre for Applied Research (AICAR), Aston have teamed up to explore and investigate how private sector companies - as part of Global Value Chains (GVCs), production networks, and FDIs in India have/could better contribute towards the achievement of specific SDGs, particularly inclusive education and life-long learning (SDG4), employment and decent work for the youth (SDG 8), women's social and economic empowerment (SDG 5) and sustainable consumption and production (SDG 12). The generated evidence would be used to influence and support policy and practice (industry) level discussions and actions through multi-stakeholder processes in India, with various industry sectors that are part of GVCs, production networks, and foreign investments, but continue to be vulnerable. The project is being undertaken with support from the International Development Research Centre (IDRC), Canada.

This case study has been developed as an example from the gem and jewellery industry in India on the contribution of industry-led initiatives towards some of the SDGs (indicated above).

Pinkcity Jewelhouse is one of India's leading exports company, offering customers every choice in terms of materials like gold, silver, diamonds, coloured gemstones with multiple finishes.

Pink City Jewel House employs 1000 people across 3 factories. They transitioned from a cottage industry with 6 people to a formal enterprise, employing local villagers, migrant labour as well as encouraging women to be a part of the work force in a sector where women are lacking. The organisation believes in investing in people and treating them as assets and treating the community as stakeholders. The company has been focused on facilitating community engagement to bolster employment among the villages where its factories are set up.

TITLE OF THE CASE STUDY**NATURE OF ORGANISATION**

Sustainability Initiatives by a gemstone manufacturing organisation: Community engagement, Decent Work and Gender empowerment

Pink City Jewel House Pvt. Ltd.

SECTOR COVERED**WORK PACKAGES COVERED**

Gem & Jewellery

RELEVANT SDG AND RELATED TARGETS

SDG 8 : Decent Work and Economic Growth

SDG 8.2 : Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

SDG 8.4 : Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.

SDG 8.5 : By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

SDG 8.8 : Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

BACKGROUND

The gems and jewellery sector in India is a largely unorganised sector, with 98% of the industry being unorganised. In this context, Pink City Jewel House has opted to set up a formal business, provide training and capacity building to their staff while also focusing on social and environmental sustainability- covering basics such as salary, leaves, capacity building, decent work environment etc as well as environmental sustainability with their factories running on solar energy and the company actively exploring the principles of lean manufacturing. There is a move towards engaging with principles of circularity as well, seen in their initiative to use recycled silver and gold. This case study will highlight the steps taken by this private sector entity in trying to achieve SDG 8. It is to be noted that there are other SDGs impacted through their focus on environmental sustainability.

About the Organisation

Pink City Jewel House employs 1000 people across 3 factories. They transitioned from a cottage industry with 6 people to a formal enterprise, employing local villagers, migrant labour as well as encouraging women to be a part of the work force in a sector where women are lacking. The organisation believes in investing in people and treating them as assets and treating the community as stakeholders. The company has been focused on facilitating community engagement to bolster employment among the villages where its factories are set up.

'The journey towards sustainability began many years ago stemming from the belief that integrity is about doing the right thing when nobody's watching. And integrity is central to our business'

Activities and Milestones

Social Sustainability

1. Listening to customers and stakeholders - the push towards adopting more sustainable practices initially came from the consumers and slowly became incorporated into the company's overall functioning especially after joining the Responsible jewellery Council
2. Open to listening to their employees - about 5 years back when their labourers and employees came to work early in the morning, they recognised that meals were proving to be a pain point for them. To address this, the employees were provided with free lunch and snacks which in turn increased employee productivity and made it easier for them to attract more employees and labourers.
3. Training, capacity building and team building - team building exercises are conducted in order to boost morale of employees, thereby increasing their productivity. Encourage employees to become leaders through training. There have been attempts to implement a LEAN programme which faced some resistance within the factories.
4. Trained approximately 150-200 female employees - providing them with the option of choosing a 5 hour shift rather than an 8 hour shift in order to encourage work-life balance and explore flexible working hours for them. They are also training women to become managers, and planning a fully female run factory.

- Promoting a safe work environment during Covid - the company had all its employees and labourers vaccinated at the factories resulting in very few cases of Covid at the factories.

'Most of our employees are migrant workers who come without their families. So we decided to give them free lunches and snacks during the day so that they don't have to worry about food. We did it to genuinely help them but have seen that it has become much easier for us to find employees ever since we have implemented this'

Environmental Sustainability

- Solar energy at all the factories - the company has opted for the more stringent US Green Building Council to comply with international standards. This prompted a change and encouraged other members of RJC to improve on their standards. They have received support from their buyers.
- Recycled silver and gold - Pink City Jewel House was the first company to start a recycled silver and gold programme 3 years back. The customers have responded well to putting sustainability first and incorporating the principles of circularity.

'When we started, our buyers mandated standard audits. However, we influenced them to opt for a higher level of standard which is the RJC mandated norms and we sensitised a lot of our buyers about RJC. This has resonated well with their end customers. The brands who put sustainability first can see the impact in their business'

Challenges

- One of the challenges faced by the company is that employees receive training but then leave to join other factories that may pay a higher wage. Hence, retention of skilled and trained staff is a challenge.
- Secondly, there is a need to reduce waste and streamline processes. In order to do this, the company decided to implement the LEAN programme. This was met with resistance within the factories and its implementation is an ongoing process.
- Another area of support is the provision of economical technical services to implement sustainability measures. While the company understands what needs to be done, it is constrained by lack of requisite support to implement the solutions.
- How can they expand further and encourage other factories to follow the same sustainability guidelines in this sector?

Role of Ecosystem

The various stakeholders within the ecosystem have contributed to the success of Pink City Jewels. The consumers who demanded a shift towards sustainability encouraged the company to join RJC. In addition to this, working with other members of the RJC, they have led the way towards encouraging others in this sector in India to join the Council and adopt sustainable practices.

However, in order to expand further and make an even bigger impact, there is a need for a supportive ecosystem for companies such as this that wish to expand their sustainable practices. Secondly, there is also a need for policies that incentivise SMEs working towards SDGs. Lastly, technical support in order to implement sustainability solutions is much needed.

Impact

Through its initiatives, Pink City Jewel House has initiated change by way of incorporating principles of sustainability and circularity in the gems and jewellery sector. In addition to this, in meeting the standards of the US Green Building Council, they have encouraged other members of the Responsible Jewellery Council to follow in adopting these standards as well. Hence, this is an example of change driven by consumers and by suppliers.

Business and Community Engagement

The company's practices such as encouraging flexible working for female employees, capacity building and training as well providing basic facilities to all their employees such as free lunch has enabled it to attract more people while also partnering with local communities and retaining their staff. This has been proven to work in the sector through practices by other companies as well who opt to provide their employees with accommodation, seeing an increase in their productivity levels and retention of staff.

CONCLUSION

A company that began work in the unorganised sector with 6 people has grown to employ 1000 employees and consists of 3 factories. Throughout its growth, there has been an emphasis on expanding with the support of the community, training employees from the community while also incorporating principles of sustainability. This has been evident in their initiative to use recycled gold and silver as well as using solar energy for their factories. The company hopes to soon open a women only factory, training their existing female staff and equipping them with the requisite skills to become managers. The company has clearly identified sustainability as a way of business that not only allows them to differentiate their organisation but also provide resilience in times of increasing uncertainty.

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