



ORIGINAL RESEARCH PAPER

Management

CORPORATE SOCIAL RESPONSIBILITY (CSR) – A CASE STUDY OF ROSY BLUE DIAMOND COMPANY

KEY WORDS: corporate social responsibility, stakeholders, development.

CA Subhash Mathur

Director Institute of Management and Entrepreneurship Studies, Indore

Dr. Sakshi Motwani

Asst. Professor Institute of Management and Entrepreneurship Studies, Indore

ABSTRACT

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. The concept of Corporate Social Responsibility is deeply ingrained in Rosy Blue's culture. Rosy Blue's mission in the area of CSR is to be a socially responsible corporate entity with trust on environment protection, job satisfaction to its employees, community development, and high customer satisfaction. This paper moves around developing an understanding about the corporate social responsibility and understanding its concept and finding out its scope taking the case study of the ROSY BLUE Diamond Company who has exemplified the sense of responsibility towards the upliftment of common masses and protection of the environment and development of the nation.

Introduction

The totality of CSR can be best understood by three words: 'corporate,' 'social,' and 'responsibility.' In broad terms, CSR relates to responsibilities corporations have towards society within which they are based and operate, not denying the fact that the purview of CSR goes much beyond this. CSR is comprehended differently by different people.

Some perceive it to be a commitment of a company to manage its various roles in society, as producer, employer, customer and citizen in a responsible manner while for others it is synonymous to Corporate Responsibility (CR) or Corporate Citizenship or Social Action Programme (SAP). Of late, the term has also been started to link up with Triple Bottom Line Reporting (TBL) which essentially measures an enterprise's performance against economic, social and environmental indicators.

CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.

Rosy Blue was founded on principles of diversity, integrity and accountability. Company believes that economic growth can, and must, be achieved with social and environmental responsibility.

Rosy Blue is a member of the Responsible Jewellery Council, and participate in the UN Global Compact. In 2017 company has committed to the UN Sustainable Development Goals. By joining this sustainability leadership initiative, Rosy Blue commits to take sustainability leadership to the next level.

INTEGRATED CSR

"ROSY BLUE HAS ALWAYS TAKEN ITS RESPONSIBILITIES; OUR PRINCIPLES OF INTEGRITY, QUALITY AND TRANSPARENCY ARE STRONGLY WOVEN INTO THE FABRIC OF OUR BUSINESS"

– Valerie Michel – Manager Corporate Social Responsibility.

Since 2007, Company's dedicated local CSR experts have made a significant impact across all operations of the company. They are the ambassadors of sustainability programme.

Review of Literature

Torres Solis J.R. and Moroka K.(2011) reviewed the Innovative corporate social responsibility in Botswana (The Debswana mining company study case).It explores that Debswana is doing a lot in the area of HIV-AIDS control and alleviation. It also helps in area of employment creation and ethical programmes looks quite well articulated in its safety and health policies.

Lantos Geoffrey P. (2001) reviewed the development of the corporate social responsibility (CSR) concept and its four components: economic, legal, ethical and altruistic duties. Discusses different perspectives on the proper role of business in society, from profit making to community service provider. Suggests that much of the confusion and controversy over CSR stem from a failure to distinguish among ethical, altruistic and strategic forms of CSR.

Jones Brian (2009) explained corporate social responsibility (CSR) as a theoretical construct that has implications and consequences for corporate governance in particular, and more generally for the economy, business and society.

Srivastava A.K.(2012) explored CSR study of TATA Group. Through this paper researcher explained the foundation of prosperity of TATA Group depends on sound and straightforward business principles, considering the interests of the shareholder and the health and welfare of the employees.

OBJECTIVES

- To understand the importance of CSR
- To understand the concept and scope of corporate social responsibility of ROSY BLUE and insight their CSR practices.
- To know how ROSY BLUE, Diamond Company has fulfilled its responsibility towards society & to know the journey of ROSY BLUE, Diamond Company towards business excellence.

RESEARCH METHODOLOGY

Secondary data inclusive of quantitative and qualitative data as well collected from various sources including annual reports, research papers, newspapers, and websites is used for the purpose of study.

About Rosy Blue

Rosy Blue is one of the world's largest diamond manufacturers, due as much to its integrity as to the exceptional quality of the product. Company add shared value throughout the supply chain, enrich communities in which it work, and act as responsible stewards of society and environment.

The Rosy Blue Business Alliance is composed of:

Rosy Blue (India) Pvt. Ltd and its subsidiaries in India, the USA and Hong Kong, covering 22 entities, hereafter called Rosy Blue I (Rosy Blue India). Rosy Blue I has a total of 2372 employees of which 20% are women with 725, 79 million dollar turnover in 2016

Rosy Blue Investments Srl and its subsidiaries in 12 countries, covering 28 entities, hereafter called Rosy Blue NI (Rosy Blue Non-

India). Rosy Blue NI counts 1562 employees of which 48% are women with 1211, 54 million dollar turnover in 2016.

ACTIVITIES of ROSY BLUE

- ROUGH SOURCING AND TRADE
- DIAMOND MANUFACTURING
- POLISHED TRADING
- JEWELLERY MANUFACTURING & SALES
- RETAIL

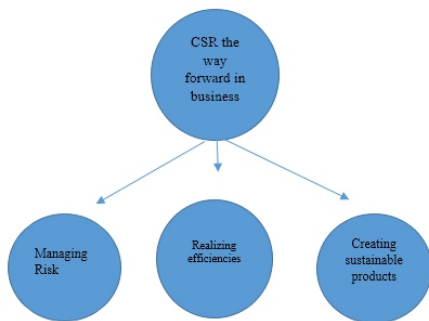
Core values of ROSY BLUE

- **Integrity:** It strives to uphold themselves to moral and ethical standards
- **Accountability:** It is keen to deliver the same promise of trust and craftsmanship to all their stakeholders around the world.
- **Diversity:** It embraces the diverse characteristics of all people who work with it and respect their dignity.

Concept and Importance of CSR

Corporate social responsibility (CSR) has become one of the standard business practices of our time. For companies committed to CSR it means kudos and an enhanced overall reputation – a powerful statement of what they stand for in an often cynical business world.

The establishment of a CSR strategy (sometimes referred to as a sustainability strategy) is a crucial component of a company's competitiveness and something that should be led by the firm itself. This means having policies and procedures in place which integrate social, environmental, ethical, human rights or consumer concerns into business operations and core strategy – all in close collaboration with stakeholders.



- >Legal >Reduce cost of material inputs, > Meet evolving client segment and
- >Operational energy and transportation business partners' requirements
- > Reputational > Increase labour productivity > Innovate for changing market
- > Protect company's brand > Product integrity

For companies, the overall aim is to achieve a positive impact on society as a whole while maximising the creation of shared value for the owners of the business, its employees, shareholders and stakeholders. Not so long ago, the European Commission defined CSR as "the responsibility of enterprises for their impacts on society", a succinct and distinct summation for sure.

A 2015 study by the Kenexa High Performance Institute in London (a division of Kenexa, a global provider of business solutions for human resources) found that organisations that had a genuine commitment to CSR substantially outperformed those that did not, with an average return on assets 19 times higher. Additionally, the study showed that CSR-orientated companies had a higher level of employee engagement and provided a markedly better standard of customer service.

And yet, despite the positivity and optimism that CSR brings to the corporate table, companies do not always accept their responsibilities in this area in good heart, with a fair number admitting to having adopted CSR mainly as a marketing gimmick.

In some cases, firms may have been coerced into adopting CSR and did so with insufficient enthusiasm and vigour, leaving many of them to ponder what they could and should have done differently

CSR Journey of Rosy Blue, Diamond Company

Year	Details
2005	Rosy Blue (NI) cofounded the Responsible Jewellery Council Start De Beers Best Practice Principle program
2007	CSR strategy decision Global training seminar for local CSR officers
2008	Launch CSR information management system Start internal pre audit visits Participant of UN Global Compact
2009	First CSR report Pilot project in preparation for RJC certification process
2010	Rosy Blue Going Green strategy established
2011	Member of UN Global Compact LEAD Rosy Blue NI RJC certified until 2014
2013	- Rosy Blue I RJC certified until 2016
2014	Recertification RJC Rosy Blue NI till 2018
2015	Global CSR seminar Launch CSR extranet
2016	Commitment to contribute to the Sustainable Development Goals Recertification RJC Rosy Blue I till 2020

CSR Priorities-

1. Ethical Sourcing & provenance traceability
2. Product Quality & Authenticity
3. Responsible practices & respect for human rights
4. Commitment to the Global Compact
5. Social Performance
6. Environmental Impact

1. Ethical sourcing & provenance traceability

Increasingly, businesses in the jewellery supply chain are being questioned about the source and journey of the diamonds, gold and platinum group metals in the products they sell. For a company the size of Rosy Blue traceability challenges are substantial, as the rough is bought in various locations and is then routed through procurement and sorting offices, before ending on polishing wheels in different factories.

Using the most advanced distribution systems, allied with the utmost human vigilance, we monitor every diamond passing through our manufacturing and finishing process, assuring our customers and partners of the integrity of all our stones. Our processes are also independently verified through our membership of the Forever mark programme in several of our operations.

2. Product quality and authenticity

Buying a diamond or a piece of jewellery is all about trust. End consumers have generally limited technical knowledge of the products they are buying and rely on the advice and honesty of sellers throughout the value chain. It is our obligation to guarantee the authenticity of our diamonds and gold jewellery in all their physical characteristics. Product disclosure rests on the quality and veracity of the information that is disclosed to the consumer about the diamonds or gold he purchases.

3. Responsible practices & respect for human rights

All the steps to bring the finished product to the end consumer must be undertaken with transparent and respectable practices.

The fact that we are certified RJC member and SA8000 applicant enables us to claim that all practices throughout our own operations are conducted in an ethical and responsible way, without any human right abuse or conflict.

4. Commitment to the Global Compact

In June 2008 the Rosy Blue signed the UN Global Compact,

signifying our commitment to operate in a responsible and sustainable manner. It will promote the Global Compact's ten principles and report the progress toward implementing them.

The Global Compact is the world's largest voluntary corporate citizenship initiative, which is committed to aligning the operations and strategies of all types of organizations with the ten universally accepted principles of the UN, covering human rights, labour standards, environmental protection and anti-corruption etc.

In January 2011 UN Secretary-General Ban Ki-moon joined a group of chief executives in Davos during the World Economic Forum annual meeting to officially launch Global Compact LEAD. During the launch the Secretary General emphasized that when companies drive sustainability issues deeper into their operations and strategies, they have the ability to change the world.

By joining this exclusive leadership platform, a company commits to take sustainability leadership to the next level. Based on its strong commitment to the UN Global Compact, including its ongoing engagement with the Human Rights Working Group, Rosy Blue was invited, as one of the 56 companies worldwide, to join this new and exclusive leadership platform: Global Compact LEAD.

As a UN Global Compact member, the Rosy Blue Business Alliance is required to report its progress in relation to the UN Global Compact Principles on an annual basis. Being a LEAD member company demonstrate their sustainability governance and management processes through the 'Blueprint for Corporate Sustainability Leadership' which is also a part of the Communication on Progress.

5. Social Performance

Rosy Blue believes in the fundamental importance of human rights, and in treating all people fairly, openly and honestly. This not only includes their own employees, partners and customers, but people throughout the world. Through the health, education and community programmes, company is driving positive change in countries all over the globe.

• CARING FOR PEOPLE

Rosy Blue's international reputation for diamond manufacturing expertise and customer service depends entirely on their people. Their dedication, knowledge, skills and experience make the company what it is. Company believes in treating all our employees fairly and honestly, and in respecting human rights.

In 2016, Rosy Blue recorded a total of 436 hours of training mainly on compliances, human rights, social performance and management practices. Every compliance officer has organized a local training session for the relevant employees in her entity. In 2016 company's factory staff was trained in energy efficiency.

Rosy Blue is committed to providing and maintaining a safe and healthy work environment for all employees, contractors and visitors. In 2016, 136 people were involved in preserving health and safety across company's sites.

• CARING FOR COMMUNITIES

Together with their stakeholders, company aims to be a force for positive change in the world. With the power of collective action and working partnerships, company can help address some of the world's most pressing social issues, and create a better tomorrow for communities worldwide. Rosy Blue's community empowerment programmes focus on three key areas:

- **Health:** Support programmes focusing on innovative solutions in healthcare quality, capacity and access.
- **Education:** Support programmes that foster educational opportunities for children worldwide. Improving children's lives is one of the most important ways to engage in securing a better future.

- **Community:** Company provides financial support and employee volunteers for community health and social programmes in the areas where company works.

• Community involvement: Rosy Blue Foundation

The Rosy Blue Foundation was established in 2010 as an organization aimed at improving and enhancing the community service commitment of the Rosy Blue Group. Rosy Blue was founded on principles of diversity, integrity and accountability. It is their belief that economic growth must be accompanied by an awareness of social and environmental responsibility. The foundation is a direct manifestation of this goal, and through it company seeks to expand the reach and extent of their philanthropic activities.

Rosy Blue perceive this foundation to be an instrument; a means for transforming private funds into public benefit. Currently, the field that company is focused on is that of education, although company has previously been involved with projects related to health care and sustainability as well. Andrew Carnegie, arguably the father of philanthropy, had defined the function of a foundation as engaging with philanthropy in order to "provide ladders upon which the aspiring can rise." Company believes that education is that field which has the greatest potential for a lasting impact, and a prerequisite for anyone hoping to rise.

In keeping with this vision, company is currently working on projects that seek to capacity-build in the specific niche of mentorship. Rosy Blue company is starting with a goal of pairing 300 children from disadvantaged backgrounds, who are at the highest risk of dropping out of school, with professionals company can give them individual attention and guidance. Rosy Blue is also piloting a mentorship project with especially vulnerable children, such as orphans, and the children of prostitutes.

At Rosy Blue it's about "more than diamonds" and this foundation is a way for company to demonstrate this belief. After all, with great privilege comes great responsibility.

• PROJECTS of Rosy Blue Foundation

The Rosy Blue Foundation has now become a registered NGO with United Ways Trust and the Standard Chartered Mumbai Marathon.

The Rosy Blue Foundation has been associated with a number of projects and associations. Most recently, company has been involved with SUPPORT, an NGO that looks to eradicate substance abuse in street children, and attempts to rehabilitate them. They have recently constructed a complex for street children outside Mumbai, in Saphale, in a project that Rosy Blue foundation has contributed towards.

Rosy Blue has also partnered with the Anarde Foundation in Palanpur, Gujarat in their attempts at bettering the condition of widowed women and helping them taking control of their lives again. In the same region, company has also been involved with RRM Trust's activities at Sanali Ashram, as well as the Palanpur Vidyamandir.

During the floods in Uttarakhand, Rosy Blue had its own fundraising event and sought to raise money that was eventually used in the 'Save Children' campaign.

Beyond this, as part of the larger Rosy Blue Alliance, Rosy Blue has been a part of the UN Global Compact Communication on Progress, and has promised to uphold "responsible leadership" in a move that was the first of its kind within the diamond industry. This initiative looks at sustainability, and Rosy Blue is actively aware of its importance while carrying out its business activities. Beyond this, Rosy Blue has been further associated with the UN in contributing towards its Millennium Development Goals, specifically universal education, promoting gender equality, and global partnership. Company has been deeply interested in the issue of Children's Rights, believing that children are a very

important group of stakeholders, and have constantly attempted to improve their condition world over.

6. Environmental Impact:

Environmental sustainability is a critical issue for any business. Rosy Blue constantly strives to strike a balance between its economic, social and environmental responsibilities, while making a positive and lasting contribution to the environment and communities in which it operates. Company recognize the challenge of climate change, and are committed to minimizing the environmental footprint of their business. This makes business, as well as environmental, sense as it helps reduce operating costs and adds 'green value' to the products.

The **Carbon Trust** is a world-leading organization helping businesses, governments and the public sector to accelerate the move to a sustainable, low **carbon** economy to reduce **carbon** emissions.

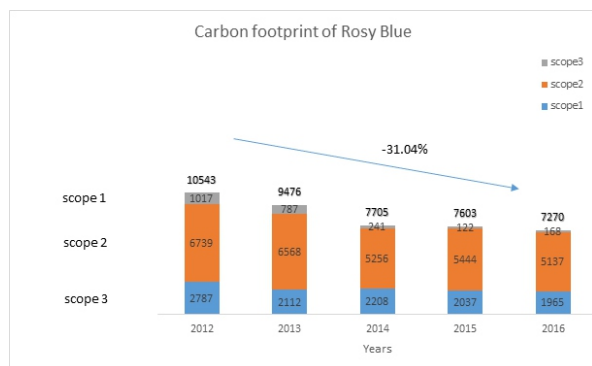
With the help of software of carbon trust, Rosy Blue calculates their organizational carbon footprint in line with Greenhouse Gas Protocol guidance. The boundary of the footprint includes:

- Onsite fuels and owned transport (Scope 1)
- Electricity consumption (Scope 2)
- Business travel and upstream impacts of electricity consumption and fuel usage (Scope 3).

Since 2015 Rosy Blue's footprint has decreased its energy consumption by 4% and since 2012 Rosy Blue's organizational carbon footprint has decreased by 31 %.

This drop in emissions is due to:

- Improvements in air travel, with more flights being taken in economy class
- Exclusion of one site from the scope
- Slight decrease in the electricity consumption at certain sites
- 2% reduction in business and first class air travel.



Going Green

Rosy Blue has developed a powerful strategy called 'Rosy Blue Going Green', which is built around energy management and cutting their carbon footprint. . By reducing company's carbon emissions, and moving to carbon neutrality, company will help ensure a safer, more secure future for itself and the world. Rosy Blue is committed to investigating all sources of their carbon emissions, and tackling them one by one.

Conclusion

Compliance is a minimum responsibility for every company. Social responsibility ensure that business is conducted beyond economic profit and towards generating real social value in the communities in which it operates. Corporate social responsibility is a culture and unwritten contract with the community. This invisible culture can shape brighter futures for nations.

The Rosy Blue Group celebrates the acceptance by the United Nations Global Compact Initiative of its eighth Corporate Social Responsibility (CSR) report.

Many of the activities of Rosy Blue in their surrounding communities are done quietly, without much publicity, but the report provides a glimpse into this area as well. There is a project in Palanpur (in Gujarat) where the company provides clothes, especially school uniforms, to some 125,000 schoolchildren. These kids feel encouraged to attend and stay in school so that they can receive the education needed to become self-reliant. Hospitals, medical care, and direct relief work during catastrophes, are only a few of the many manifestations which have become to many the very reason to associate themselves with the company. Company have the privilege to be able to attract employees of the finest and highest quality, who wish to be part of Rosy Blue team.

"The adoption of a variety of high standards and corporate policies is one thing. Ensuring full compliance is far more complex and requires extensive auditing of all business activities throughout the year. Rosy Blue's CSR report accounts not only for the great achievements, but also honestly notes areas where some infringements were still found, and where improvements need to be made. It is that level of transparency. It is only partly about what company have achieved. It is mostly about company's commitment to continuously improve, to raise the bar and set higher benchmarks. That is the real challenge."

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