

## Lecture 23

Hi, welcome to the session. So, if you remember in the previous session, we are discussing about few voluntary standards like ah FairTrade, Rainforest Alliance. So, will ah we will continue our discussion on few more voluntary standards, and then we will say what is the business case for adopting a Sustainability Standard.

So, the new or the other sustainability standard what is there is that Organic. It developed in 1970s, and it is based on IFOAM Basic Standard. And what it provides, or what it related to? It related to the framework for framework of minimum requirement including the omission of agrochemical or such as pesticides and chemical, synthetic fertilizer, use of animal feed is also strictly regulated, and use of GMOs that is genetically modified organism are also forbidden.

Organic is one of the earliest sustainability standard which developed in 1970s, and it is mostly on how to bring the organic attributes of the product by using by less using or not using pesticide, chemical and also the other restriction.

Then the other voluntary sustainability standard is sustainable tourism. It includes standard for sustainable hotels, sustainable tour operators, sustainable event and conference, and sustainable destination. So, you will find there are many ISO standards which is related to sustainable hotels specifically about sustainable events.

So, there is a specific ISO standard which is for the sustainable events and also the conferences, and also the sustainable hotels with. So, you will find that hotel certified with ISO 14001 which is the green hotel or the eco-friendly hotel or the sustainable hotel.

Then there is a United Nation Forum on Sustainability Standard known as UNFSS is a joint initiative of FAO, UNEP, ITC, UNCTAD, and also UNIDO on sustainable standard. So, this is a neutral and credible platform to maximize the potential of voluntary sustainability standard that is VSS, because this is used as a means to achieve the sustainable development goals.

So, there are many more voluntary standards voluntary sustainability standards. We have just selected few to understand what it is relevant for, and where it is related like rainforest alliance or your fairtrade or organic or let us say sustainable tourism.

Let us then see gets into that. So, we know that there are lot of standards available ISO and also the other voluntary standards. And the role of the standards in the sustainability journey is that provide a framework which will help in reducing the impact and achieve the sustainable development. So, there are many more standards that is linked to our sustainable development goals.

But the bigger question what comes for the corporate and from the for the organization is that if we adopt a standard what next, or what are we going to get it, because adopting a standard is not free there is a substantial amount of investment associated in adopting a standard or following a framework or following a system.

So, here we have just taken a case or case example of a case study of Tata Global Beverage which was published in BSI site that is in the BSI case study of Tata Global Beverage. And to explain or to understand that by adopting a standard how we leads to the business performance or what kind of benefit or what kind of profit the organization will get when they are adopting the standard.

So, this specific case study taken from BSI, it illustrates how certification to several management system standard has helped drive the business efficiency and cost saving at an

award winning factory. So, because of this adoption of this standard or certification of this different standards, how it is helped for increasing their business efficiency and also at the same time getting the benefit of the cost saving.

Now, coming to the Tata Global Beverage this is the profile of the organization. This is the second largest tea company in India. And it has a turnover of 1.4 billion USD dollar, dollar. And also this is 3000 employee worldwide. The headquarter is in the UK.

And it has a factory in Eaglescliffe Teesside, as well as plants in India, Russia and Czech-Republic, and joint venture in US and Poland. They have 250 million serving of its brand are consumed every day around the globe.

Now, when it comes to their sustainability standard or the other standards, they hold the multiple standard. So, one of the premium one is that or the important one is that ISO 9001 what they are holding since many years that is 9001 - Quality Management. Similarly, ISO 14001 - Environmental Management, ISO 50001 that is Energy Management specifically for energy management, then BS OHSAS 18001 for the Occupational Health and Safety.

Now, if you look at if you try to understand the viewpoint of the leaders of these companies, leaders and the managers, this is how they brings bring this is how they bring out that what how the standards are helping them or what kind of profit or what kind of benefit they are getting.

So, these are these are few of the statement what have been taken from their ah statement what have been taken from that interview, or from their statement that how they bring, or how they how they give the importance or how what how they use to express that what is the role of standards in achieving the business efficiency.

So, one is business tool to drive performance. So, this is a business tool the standards act as a business tool to drive performance. This is a framework to formalize business. Then ISO 14001 gave the organization a clear directional path and a structure helped to maintain the best practices, the audit process ensure the organization is on track with the standard, and to ensure the policy and procedures are robust.

So, if you look at in one way the way they are bringing out the role of standard in their different activity, in one way they are coming to the end goal that it is helping them to drive the performance, it is helping them to formalize the business.

But also what standard is giving them in their business process is that it is giving framework, it is giving path, it is giving a structure, it is helping to maintain the best practices and also the audit process associated with the standard ensuring that the organization is on track with the standard, and whatever the policies and procedure they have taken those are robust.

Now, when it comes to about the certification the views of their leader is that possibly for them certification is not to show just to make a show show of that yes they have a certification of ISO 14000 or ISO 50001, but they want to use a certification to give the impression to the stakeholder that this is how seriously they are using this standard, how seriously they are adopting the standard in improving their business efficiency, business process.

And also this is a proof what they are giving to the stakeholder that how standards are as per the compliance, and how the standard can be traced at the each point of the product life cycle. And they believe that certification as a route to the greater business efficiency.

So, one of the example over here is that, so ISO 14000 is a generic standard for environment. So, even if they have adopted a standard of ISO 14000 which is generic standard for environment addition to that they have also taken ISO 50001.

And ISO 50001 is specifically for the energy, energy management. It focuses on cost benefits of using utilities more efficiently, focuses exclusively on energy. It requires an ongoing sustained improvement in energy efficiency, and a reduction in the greenhouse gas emission.

So, even a 14001 or the series of family series of 14001 ISO talks about the environmental management, quantification of the greenhouse gas emission, also the impact because it is a part of your lifecycle. This lifecycle is also part of ISO 14001 family, still they have taken an exclusive 50001 to manage their energy specifically, so that it can increase the improvement in their energy efficiency and also reduce the greenhouse gas emission.

Now, what is the benefits they have got or in general what is the outcome or what is the what are the changes in the performance. So, there is a reduction in the companies by if you look at that is 750,000 pounds annual energy bill, then the reduced water consumption by 20 percent.

And when it comes to adopting ISO 50001, it provide the great understanding of energy consumption specifically the energy consumption 96 percent of the energy used as the factory was electricity that is what they got from this entire energy management standard. And since they have adopted a ISO 50001, it gives a detail analysis and also identified the potential cost saving across both the base and variable loads.

And few of the intervention what they did because of this ISO 50001 is that fitting, fitting intelligence software to compressor to help them work more efficiently. And because of this ISO 50001 through the detailed analysis they plan their intervention this is what the overall saving what they got.

And finally, the recognition what they got because of this standard is that they own the Judges Special Award at the Best Factory Award in 2014. And BSI who who helps in this giving these standards provide direction, they help they have praised the company success especially with certification of ISO 50001, because you will not find many organization apart from ISO 14001 series they have also taken ISO 50001, and also adopting that taking a certification for this.

So, in this ah session, what we have try to understand that if there are standards, we know that there are different standards available and also we know the benefit of the standards when you adopt this as a part of our environmental management system.

But the bigger question is that why should organization they should adopt this sustainability standard whether it is reaping any benefits because there is a investment associated with this standard. And through this case study we have seen that it even if it requires investment, at the end of the day it gives the recognition, it gives the financial benefit; and also it gives that the end of it, it gives the sustainability benefit.

Thank you.

