

# **Challenge To Adapt the Framework of ESG In Manufacturing Plant- A Case on Epigamia's Manufacturing Plant in Mumbai**

Case Study Domain- Operations Management

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## **Abstract**

Environmental, Social, and Governance (ESG) principles integration into supply chain management has evolved as a vital strategy for sustainable and ethical business practices in today's linked and continuously changing global business scene. The significance of ESG factors in supply chain management is explored in this abstract, along with the major motivators, difficulties, advantages, and techniques that businesses may use to optimize their supply networks while upholding ESG standards. The terms "environmental, social, and corporate governance" (ESG) and "environment, social and governance" (ESG) refer to a group of factors taken into account when investing in businesses and advocate taking corporate governance, social, and environmental concerns into account.

Epigamia is a yogurt company based in India, known for its wide variety of yogurt products.

Epigamia offers different types of yogurt, such as Greek yogurt, traditional Indian yogurt, and flavored yogurt options to cater to various tastes and preferences.

Epigamia operates under the legal name of Drums Food International. It was founded in 2008 and is headquartered in Mumbai. It follows a B2B2C Model, i.e, a Business to Business to Consumer Model.

Epigamia's Co-Founders are RohanMirchandani, UdayThakker, Rahul Jain, and Ganesh Krishnamoorthy.

## **Objective Of the Study**

The core issue of this case is to learn about ESG framework implementation in manufacturing plant practice.

To ascertain how ESG practices affect sustainable development.

In order to achieve the Sustainable Development Goals (SDG) influence of the ESG.

## **Functional Area**

The main domain of the case is operation management. The topic Challenge to adapt the framework of ESG in Manufacturing Plant Concept of the subject operations management. This case discuss the problem faced by Epigamia Yogurt due to Manufacturing plant Issues.

**Keywords:** Epigamia, Yogurt, Manufacturing Plant, ESG, Comparative offers.

## **INTRODUCTION**

Environmental, Social, and Governance is the abbreviation for ESG. This framework is used to evaluate how well a business performs and impacts these three important areas. Environmental criteria take into account a company's effects on the environment, including resource use and emissions. A company's interactions with individuals and communities, including labor practices and diversity, are examined using social standards. Governance standards evaluate the organization's leadership, openness, and moral conduct. They might assess suppliers based on their ethical standards, labor policies, and environmental procedures. This ensures that the company's ESG objectives are met throughout the whole supply chain. A company's ESG performance may be adversely impacted, but managing supply chain risks connected to governance, human rights, and environmental concerns might help. ESG (Environmental, Social, and Governance) practices with the yogurt company Epigamia. It's possible that things have changed since then, though. A

company's performance in terms of its impact on the environment, its commitment to social responsibility, and its corporate governance is evaluated using a set of criteria known as ESG. I advise examining more recent sources for the most recent information if there have been any revisions or news regarding Epigamia's participation in ESG projects.

Epigamia, a yogurt company, has been associated with ESG (Environmental, Social, and Governance) considerations. Companies that focus on ESG factors aim to have a positive impact on the environment, society, and corporate governance. Epigamia might have been involved in initiatives related to sustainable sourcing, waste reduction, social responsibility, and ethical business practices to align with ESG principles

ESG and supply chain management are related in a number of ways. ESG factors are being more and more integrated into supply chain processes by businesses. They might assess suppliers based on their ethical standards, laborThe manufacturing, distribution, and delivery of goods and services include several processes that must be coordinated and optimized. This is what supply chain management entails. Organizations are beginning to understand the significance of ESG issues in determining their operations and long-term viability. Environmental is covered under ESG principles. The coordination and improvement of diverse production, delivery, and distribution processes are all included in supply chain management. Organizations are becoming more aware of how ESG factors influence their daily operations and long-term viability. Environmental issues, social responsibility, and governance strategies that meet moral, legal, and societal standards are all covered under ESG principles Supply chain management integration of ESG is being driven by a number of causes. Businesses are being influenced to integrate ESG considerations throughout their supply chains by increased consumer awareness, regulatory challenges, and investor demands for sustainable practices. ESG-focused supply chain management is essential in light of global issues like climate change, human rights abuses, and ethical considerations. This will emphasize the value of social responsibility in supply chain management, encourage environmental, social, and governance (ESG) investing, and highlight the most effective approaches for measuring and quantifying social impact. Coordination of diverse processes is a key component of supply chain management (SCM), which aims to ensure the smooth flow of goods and services. An increasing amount of attention has been placed in recent years on combining environmental, ESG considerations are incorporated into SCM procedures. This abstract examines the relationship between SCM and ESG, emphasizing the value of sustainability, moral labor standards, and ethical sourcing. The abstract also explores how businesses may use these practices to improve their reputation, lower risks, and contribute to a more sustainable and equitable global supply chain. It also covers the advantages and disadvantages of implementing ESG concepts into SCM it was difficult to convert because Epigamia CEO Rohan Mirchandani had invested heavily in the manufacturing company.

Whether to carry on business with SKF as a third party seller.

How to address the governance problem that is impacting Palgar's villagers' quality of life.

The SKF plant's owner, Parag Shah, denied all of the charges, claiming that the factory possessed a sewage treatment facility to treat waste water. If the claims are accurate, Rohan Mirchandani also said he would leave SKF.

## LITERATURE REVIEW

Examining studies on how businesses incorporate sustainable practices into their supply networks is part of a literature study on supply chain management with an emphasis on environmental, social, and governance (ESG) factors.

frameworkThe effects of ESG elements on supply chain performance and resilience generallyethical labor practices, carbon footprint reduction, and sustainable sourcing are a few such topics.

## METHODOLOGY

Secondary data is the foundation of this research study on supply chain management with ESG. Academic institutions: Universities and research organizations frequently compile and disseminate data pertaining to their studies. Especially in specific fields of research, these databases can be useful sources of knowledge. Additionally, a lot of academic institutions keep digital repositories or data archives where researchers can access and use the gathered data.

Research publications: Conference proceedings and scholarly journals are excellent sources of secondary data. These papers, which can be utilized by others to expand upon or validate earlier research, are frequently used by researchers to convey their findings and data. Online databases and repositories: A wide variety of online databases and repositories are available

Access to a wide range of secondary data from diverse fields is made possible by the abundance of online databases and repositories.

### **CHALLENGES FACED BY EPIGAMIA YOGURT TO HIT THE ROAD**

The Maharashtra Pollution Control Board observed that the company does not have permission from the Central Ground Water Authority to use groundwater for commercial purposes. Its report remarked that the company violated “consent conditions” and was causing “serious pollution” in the area.

Sri Krishna farm (SKF), founded by its Director Parag Shah, produces cheese, yogurt and paneer at its plant which is spread over 20,000 square feet and also SKF provides yogurt to Epigamia.

The acidic water has contaminated the groundwater in the six to seven kilometre area around the plant.

After inspecting the plant, the MPCB had issued a show cause notice to the company (SKF) on June 18, 2019.

The MPCB also observed that the Epigamia Manufacturing plant does not have permission from the Central Ground Water Authority to use groundwater for commercial purposes. The report remarked that the company violated “consent conditions” and was causing “serious pollution” in the area.

As it facilitates the plants where the manufacturing takes place as it planned is in the beginning had chosen their manufacturing firm which polluted the water used by villagers in Palghar.

Before Setting the Manufacturing Plant meeting environmental standards and reducing the firm's carbon footprint may require significant investments and process changes.

### **THE ROAD AHEAD**

Epigamia Yogurt company, implemented ESG (Environmental, Social, and Governance) principles in their supply chain management.

However, company generally adopt ESG practices by evaluating their supply chains for environmental impact, social responsibility, and good governance.

This might involve sourcing sustainable materials, reducing carbon emissions, ensuring fair labor practices, and transparent reporting.

The modern way should be used so that they do research and bring rehabilitation model which gives proper Environment Protection using minimizing the negative impacts of human activities on ecosystems, biodiversity, and natural resources.

### **CONCLUSION**

In conclusion, firms aiming for long-term success must no longer consider it an option but rather a need to include ESG concepts into supply chain management. Businesses may reduce risks, improve their reputation, and benefit society by addressing environmental impact, social obligations, and governance procedures along the supply chain. Despite the disadvantages, the advantages surpass them by a wide margin. Organizations may build resilient, sustainable, and ESG-aligned supply networks with the help of strategic implementation and the adoption of technology-driven solutions. These supply chains will benefit all parties involved Environment Sustainability using ESG and conducting activities in a way that preserves the natural environment for current and future generations.

While promoting long-term balance and harmony between human needs and the health of the planet.

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