

EN 16001 Energy Management System

BSI Case Study **LG Electronics India Ltd, India**



How a market leader in consumer goods doubled its energy savings targets with EN 16001

Customer needs

- To continuously reduce environmental impacts while still growing the business
- To maintain a competitive edge and market leader position
- To continuously reduce the cost of energy
- To establish a leadership position as an environmentally friendly manufacturer

Customer benefits

- Initial implementation changed year one energy reduction target from 10% to 22%, in spite of 32% increase in production
- New process improvements are embedded
- Certification has galvanised stakeholder engagement
- The brand's reputation is enhanced nationally and internationally

“With BSI we have found a new horizon for energy management. We thought what we did before was good, but BSI opened our eyes to the fact that we are just at the beginning.”

Raju Kalra
Assistant General Manager
EESH Team
LG Electronics India Ltd



Customer background

LG Electronics India Ltd (LGEI) is the market leader in India in consumer electronics, and a wholly owned subsidiary of LG Electronics, South Korea. A leading technology innovator, it manufactures colour televisions, washing machines, air conditioners, microwave ovens, energy efficient refrigerators, GSM phones and PC monitors for customers in India and neighbouring countries. With around 5,000 staff, its turnover in 2009 was £2,187m.

Why certification

As the major electronics manufacturer in India, LGEI wants to take a lead on environmental issues commensurate with its market status. It also wants to increase turnover to maintain market leadership, while minimising its contribution to global warming. Additionally the cost of energy in India is rising steeply (approaching 70% in 2009) and LGEI needs to remain competitive.

Against this backdrop, LGEI was conscious that its existing energy management activity lacked focus and cohesion. Says Raju Kalra of LGEI's EESH team, "When we heard about certification to the BS EN 16001 standard we were very keen to adopt it because we knew it would take us to

"We found that BSI is the only company that can guide us properly, who can support us if we are stuck, who can show us the way ahead."

Raju Kalra

*Assistant General Manager
EESH Team
LG Electronics India Ltd*

greater heights in terms of energy management and energy conservation, and that's what has happened." LGEI approached a range of certification bodies in India and selected BSI because it felt BSI's approach would provide the support necessary to implement the energy management system (EnMS) efficiently and maximise its impact.

Training

LGEI undertook introductory training with BSI experts in order to understand how it would approach the implementation of the EnMS. The training was conspicuously valuable. At the end of the process Mr Kalra notes: "Check-sheets, work instructions and training: these are the three areas which are helping us get the results."

Implementation

All LGEI's products are voluntarily manufactured to meet the requirements of the electrical appliances star-rating system. In addition its existing energy management measures include energy sensors across the plant to track consumption, the installation of a heat recovery unit to heat water, replacement of electric heaters with propane heaters, the installation of energy efficient lights and chillers, measures to make compressed air systems more energy efficient and the use of solar power to heat water. LGEI had also implemented process improvements, for instance it no longer allows compressed air to be used to clean machines as this has a big energy toll.

These initiatives, however, were scattered, and data was hard to obtain and utilise. In a four month period the implementation of the EnMS established simplified and standardised procedures. These include

comprehensive measurement of each and every energy aspect, and benchmarking of expected consumption. An energy efficient procurement policy is now in place, responsibilities for energy management are defined and each department has a reduction target. Process improvements have been implemented as has a well-defined maintenance plan.

Benefits of working with BSI

Implementation has already reduced LGEI's energy costs and CO₂ emissions. Despite increasing production by 32% in the year ahead, LGEI has stretched its energy consumption reduction target from 10% to 22% as a result of seeing the impact of certification.

LGEI's vendors and suppliers are also now asking for assistance with their own energy management and LGEI is visiting their sites to help. Similarly internal awareness has risen across the LGEI workforce both at work and at home – so much so that previous site 'energy patrols' to switch off equipment not in use are no longer required.

LGEI feels its reputation as a leader in energy conservation has been enhanced both nationally and internationally and that expected energy regulation will not have a negative impact on it. It is also able to communicate confidently in the marketplace to create more consumer awareness about energy efficient products. Finally, LGEI now has a clear vision of the continuous energy management improvements it can institute for the next 10 years working with BSI.

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