



Tata Power instilling confidence in enterprise by implementing ISO 31000 Risk Management.

“Enterprise Risk Management has enabled us to move beyond simple compliance to creating a culture that leads employees to act as stewards of corporate value. Achieving ISO 31000 has embedded risk management into Tata Power’s DNA”

Anil Sardana - Chief Executive Officer and Managing Director, Tata Power

“ISO 31000 Statement of Compliance built our confidence that we are among the first in India to achieve an international level process”.

P G Date - Chief Risk Officer, Tata Power

Client Background

The Tata Power Company Limited (Tata Power) is a public limited listed company engaged in the business of Generation, Transmission, Distribution and Trading of power. It is India’s largest private sector integrated power company with a generation capacity of over 10,500 MW and over 2 million customers in Mumbai and Delhi. The company completed 100 years of operations in February 2015. Tata Power has many projects and subsidiaries including overseas.

Why ISO 31000?

A formal Risk Management process was first introduced in Tata Power in 2004, much before the requirements of Listing Agreement laid down by Securities and Exchange Board of India (SEBI). Over the years, Tata Power implemented several risk Management tools, however, the industry over the past decades has become exceedingly Volatile Uncertain Complex and Ambiguous (VUCA). Drivers such as Technology disruption, greater regulatory and statutory controls, increased stakeholder requirements, disastrous events that have the

potential to disrupt business, have further necessitated us to strengthen our risk management process, Hence a need was felt to align the existing process to an international standard. Considering the maturity of our existing process ISO 31000:2009, provided necessary guidance on a structured approach to Risk Management without having to carry out a major revamp. In addition, the concept of defining Risk as both a negative event as well as a positive opportunity, was in line with the existing organisation approach.



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Implementation

The main objective of implementing a Risk Management System is to articulate an effective Risk Management Policy and process for The Tata Power Company Limited and its Group companies to ensure sustained operations thereby protecting shareholder value, improving governance processes, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the life cycle of the business activities.

Client Benefits

Tata Power is the first company within the Tata Group and also the first power company in India to receive the **“Statement of Compliance”** to ISO 31000:2009. Implementing this standard across the organisation has led to the following benefits:

- Greater awareness and participation among employees in the Risk Management process. Risk based reviews are now being conducted, which has facilitated implementation of Risk Indicators as a part of Balanced Score card.

- Facilitated faster implementation and adoption of ISO 22301:2012 for Societal Security and Business Continuity Management Systems.
- Tata Business Excellence Group has rated the process at a maturity level of between 3 to 4 on a scale of 5.
- Has provided assurance to the management on the effectiveness of Risk Management process.

Why BSI?

BSI played a major role in the following areas:

- BSI assisted in finalising the best standard for Risk Management by providing key inputs on various available standards and guiding us in decision making. BSI has also been associated with ISO in writing the ISO 31000 standard, which was a great benefit to us while deciding the right process.
- Training the teams on both, ISO 31000:2009 “Implementation Program” and “Internal Auditor” courses. As on date, we have over 40 employees trained each on “Implementation” and “Internal Audit” training courses.

BSI has also facilitated joint audits of ISO 31000:2009 and ISO 22301:2012 wherein the auditors have knowledge of both standards. This linkage of the two standards has helped in reducing audit cycle time and bring about improvement of the overall Risk Management and Business Continuity Management process.

Risk Management as per ISO 31000 has been identified as a benchmark process in Tata Group for uniform implementation of principles and practices among subsidiaries and JVs.

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help your business make
excellence a habit.

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