Teatulia’s high standards for environmental stewardship and transparency act as a powerful force for influencing more responsible business practices within their industry and beyond. This study focuses on the company’s dry tea acquisition.

COMPANY OVERVIEW

Teatulia Organic Teas is a Denver-based Certified B Corp offering premium quality, sustainably sourced garden-to-cup teas. From minimizing waste to positively impacting the environment, Teatulia is restructuring the tea industry so it is thoughtful in practice and exquisite in quality.

Offering a diverse range of products, the company has proved themselves dynamic in a competitive environment. They have experienced rapid growth as their sales jumped 60% last year and are projected to triple this year.

KEY FACTS ABOUT TEATULIA

- **Founded**: 2000
- **Number of Employees**: 17
- **Products**: Bulk teas, tea sodas, iced teas and loose leaf tea
- **Sales Region**: Primarily USA; some in Canada, Mexico and Chile
- **Annual Tea Sales**: 300 tons
- **Tea Garden Location**: Northern Bangladesh
- **Number of Suppliers**: 50 from seed-to-sale including co-packers, packaging manufacturers, tea producers, contractors, etc.
I) BACKGROUND

Teatulia is the only USDA-certified organic tea garden in Bangladesh and one of the largest in the world spanning 3,000 acres. It began in 2000 with an intention of starting a business that would stimulate economic development and lead environmental restoration efforts throughout the region.

The tea garden now employs over 800 workers. The Teatulia Cooperative, known as the Kazi Shahid Foundation (KSF), supports over 2,000 people in the community through cattle lending programs, innovative education services and health initiatives.

“This didn’t start as just tea. This started as, ‘Hey, let’s plant this tea garden that would essentially be a vehicle for doing good in the world- for the land, the people, the environment, the whole bit.’”

-Tim Bradley, COO

In addition to the social and environmental improvement efforts happening overseas, Teatulia’s driving mission to act with integrity and transparency ensues with every decision made throughout the production process. The company proudly holds the titles Rainforest Alliance Certified, Fairtrade, USDA Organic and is a Certified B Corporation. With careful supplier screening processes, Teatulia ensures every aspect of their business acts as a force for good.

II) USING BUSINESS FOR GOOD

A) The Supply Chain: An Effective Way to Drive Impact

“The supply chain is the most convenient area to instill changes when it comes to making the world a better place. As long as you are willing to get a high-quality product and spend the money on it, everything else falls in to place.”

-Margaret Stashak, Director of Operations

Margaret Stashak, Teatulia’s Director of Operations, explains that targeting the supply chain has proven the most efficient and effective way to minimize waste while incorporating less harmful environmental practices into production.

Teatulia’s teas are minimally bagged in compostable materials or sold in carefully crafted eco-canisters with non-toxic, water-based ink printed labels.

B) A Rewarding Philosophy

1) A Process that Drives Innovation

Teatulia continuously explores new ways in which they can increase social responsibility within their production practices. This dedication adds a dimension of complexity to the management of the company and requires additional time and resources. Even so, the team is up for the challenge and constantly looks for innovative ways to improve.
“Everyone at the office is on the same page. We work together to continually progress the company’s priorities. It’s not uncommon for someone to raise an eyebrow and question why things are being done a certain way if they have an idea for how it could be better.”

-Margaret Stashak

2) Fulfilling Work

Over recent decades, business has become increasingly globalized and the mentality is commonly to “create more for less.” As a result, manufacturing facilities produce goods without consideration for the negative environmental impacts their production practices have.

From air pollution to toxic waste to water contamination, a vast number of companies worldwide have a long-standing history working within a take-make-dispose model of production. Teatulia’s team is proud to run a more mindful business. They tell the story about the transformational impact their tea garden has by reviving the land, utilizing environmentally-friendly packaging and reducing their waste production company-wide despite the added obstacles.

“When talking about compostable envelopes [for our tea bags] we can’t just order a year’s worth and have them sitting on the shelf since the products risk degradation. Issues like this requires us to have a very responsive supply chain.”

-Margaret Stashak

3) A Philosophy Driving Team Alignment

Teatulia works under a clear mission to run a responsible business through and through. This attracts employees who are inspired by similar values. Having a team that understands the company’s values and is invested in prioritizing best practices fosters a positive and collaborative company culture.

4) Bringing in Customer Values

Now, more than ever, there is a trend drawing consumers to purchase products from purpose-driven companies over their less conscious counterparts. Teatulia tends to attract and retain customers who place a high value on supporting responsible businesses. The company finds this directly influences customer loyalty as their soaring sales over the last couple of years demonstrate.

III) TEATULIA’S RECIPE FOR A THOUGHTFUL SUPPLY CHAIN

Teatulia is meticulous and transparent with every step in their supply chain. To ensure they are delivering a high-quality product, the company relies on a comprehensive screening process to make sure baseline qualifications are continuously met.

A) Using High Standard Criteria and Screening Processes

Teatulia grows a majority of their tea in their own gardens. Yet, because of the limitation on what can be grown in Northern Bangladesh, they must obtain some from other growers. Teatulia mandates that all of the teas utilized in their products are ethically produced, fully organic and sourced from non-GMO, carbon neutral and regenerative gardens.

As a small business without the financial capital to run international audits on each supplier they work with, Teatulia work with larger companies who have similar values and complete a certain level of vetting. Additionally, they rely heavily on credible standard certifications.
Teatulia uses international certifications and recognized labels such as Fairtrade, Rainforest Alliance and USDA Certified Organic to help with this process. The company also values some of the operationally-focused certifications and internationally recognized management programs like the Hazard Analysis Critical Control Points (HACCP). HACCP manages food safety and the related risks of raw materials through production handling, distribution and consumption.

Teatulia has created a scorecard with their own unique set of qualifications which they use to screen existing and potential suppliers. The score card focuses on specific aspects of businesses’ supply chain. The included categories span from environmental degradation prevention measures to workplace diversification efforts.

The meticulous screening process of suppliers and the conversations that follow are an act of improvement in itself. It encourages companies to take action. Many of the businesses will disqualify themselves once they see what Teatulia’s values are knowing they won’t meet their high standards. As a result, Teatulia is left with a tight circle of the few suppliers who are up for the challenge.

“One of our suppliers has a gigantic warehouse, and they are considering installing LEDs to decrease their energy usage. Just knowing of Teatulia’s environmental standards and priorities is often enough of a kick for our partners to take action.”
-Margaret Stashak

The last component of Teatulia’s process recipe is their relationship with customers and clients. The company needs to ensure their clients are aware of who they are, their values and why they are unique in the market. This creates a loyal and proud following, and it also keeps the Teatulia accountable as part of a broader movement.

“One component of our business is selling our items as an ingredient to companies. They may not know much about tea despite the fact it’s one of the main components of their product.

We tell these companies about the journey our teas undergo which helps them understand the benefits of utilizing organic goods. They learn about our garden and get committed to Teatulia’s mission. As a result, we have some of the most fiercely loyal customers in the business. They keep us honest and let us know when they feel we’re off track and aren’t in line with our mission.”
-Margaret Stashak

Relying on standards and certifications is important to have lasting impact as a business, but the human component of the relationship is also a crucial piece of the puzzle.
IV) DELICATE BALANCE BETWEEN PROFIT AND PURPOSE

While at its core the company operates as a social enterprise, they are still a business focused on generating profit. Working as a force for good does not always align with the most cost-effective answer. Though their decisions remain rooted in social and environmental stewardship, it is often difficult to prioritize both financial gain and mission alignment. Finding a balance between the two can be challenging.

A) Balancing Act

A difficult aspect of this tradeoff is the complications that come with using eco-friendly materials. Compostable tea bags, for instance, have significant drawbacks in production compared to their plastic counterparts. Shelf life is shorter, and they require extra care to run on standard machinery. Even so, this is a non-negotiable packaging aspect that Teatulia is willing to deal with to minimize waste.

“It’s a commitment for Teatulia. You have to go in and say ‘It’s going to be compostable despite the extra costs,’ and it ends up being about twice as expensive if not more.”
-Margaret Stashak

B) Educating Consumers

Teatulia has noticed that their efforts to create an environmentally-friendly product is sometimes misunderstood by customers as creating lower quality goods. Unlike standard tea bags that come with a string and tag attached, Teatulia’s products come without. This detail considerably reduces the amount of plastic and waste created; yet, some people see the lack of a string as an inconvenience. It is important the company continues to communicate the intention behind the designs of their products so consumers can understand the thought that went into it rather than mistake the design for a short cut.

Roughly, Teatulia Organic Teas estimates their minimal tea packaging saved 14,000 lbs of trash from the landfill last year.

V) THE COLLABORATIVE EFFORT

A) A Perpetual Journey of Self-Improvement

Teatulia continues to evolve as a responsible business, and they are constantly looking for ways to improve their practices. With each new partnership and re-certification process, the company learns about the areas in which they excel and where they can improve. Teatulia is currently tracking their carbon neutrality and hopes to release a statement within the next one to two years. With this as a tool they plan to
hold their partners to a higher standard while also teaching them how to reduce emissions. Teatulia sees their suppliers as a direct extension of their core and have every intention of growing alongside these companies.

B) Improving as a Community

As Teatulia works to set higher standards throughout their supply chain, some of the greatest benefits they experience are the extended relationships with companies working towards similar goals. All parties involved work both collaboratively and individually to increase their social responsibility. This network of like-minded businesses opens the door for opportunities and innovation unreachable by companies who work in silos alone.

“I would say the most important part of what we do comes from our participation, and it doesn’t matter what kind. It can be B Corp, Best for Colorado with The Alliance Center, 1% for the Planet or a dozen other groups. When you engage with other organizations, you learn a lot. And when you start talking about it with your customers and consumers, they will challenge you as well.”

-Tim Bradley

This case study was written in 2019 by Lauren Farkas, The Alliance Center Programs Intern, and edited/designed by Shay Hlavaty, Interim Communications Specialist.

Best for Colorado, a program of The Alliance Center, was created to inspire, equip and celebrate businesses that create higher quality jobs, build stronger communities and preserve a healthier environment through their business operations, products and/or services. Come and join a community of like-minded individuals at all stages of corporate social responsibility who are willing to share lessons learned and best practice information. Learn more at thealliancecenter.org/b4co