SUSTAINABILITY SNAPSHOT

This section provides an overview of the sustainability performance of Apollo Tyres, focussed on its key stakeholders.

The Company has developed its own Sustainability Management Framework (SMF), aligned to the global standard of ISO 26000 on social responsibility. It has also commenced on its roadmap to undertake external assurance on the framework according to ISO 26000. As a part of that roadmap, the procedures for core subjects of environment and community development have been externally assured.

The sustainability performance reporting draws elements from globally available and accepted guidelines like the Global Reporting Initiative.

PERIOD OF REPORTING

The period covered for the purpose of this report is April 1, 2018 to March 31, 2019.

SCOPE OF THE REPORT

The Company has made comprehensive efforts to ensure transparency, accuracy and materiality in this report. The information disclosed in this report relates to the Company’s operations across two geographies – Europe and Asia Pacific Middle East and Africa (APMEA). This report primarily encompasses manufacturing operations, with the exception of the ‘Care for Employees’ section, which also discusses non-manufacturing operations.
SUSTAINABILITY SNAPSHOT

MANUFACTURING LOCATIONS

Europe Operations
1. Enschede, Netherlands
2. Gyöngyőshalász, Hungary

APMEA Operations
1. Chennai
2. Limda
3. Perambra
4. Kalamassery (leased unit)
5. Andhra Pradesh
MANAGEMENT APPROACH TOWARDS SUSTAINABILITY

The Company’s sustainability strategy outlines its approach and effort towards syncing its growth agenda with environment conservation, social prosperity and economic wellbeing. It incorporates environmental and social considerations in its day-to-day operations and the sustainability strategy has made its growth balanced and responsible.

While the Company continues to be India’s market leader, it aspires to be the global industry leader by pursuing emerging opportunities and continually embedding sustainability into the business model. This is further enhanced through its well-developed and implemented SMF. The Company has identified key priorities as a part of its sustainability journey. It is aspiring to be carbon-neutral, water-positive, energy-efficient and eco-conscious producer, combating challenges around End of Life Tyres.

The Company ensures that the sustainability goals are aligned with the business, as it is imperative to create value for all stakeholders. A major shift, over the past few years, has been the integration of sustainability principles into all levels of corporate strategy, business model as well as the value chain. The framework and the associated roadmap are further embedding sustainability principles at the heart of the organisation.

Moreover, to reach out to a wider range of stakeholders and communicate its sustainability performance, the Company started making disclosures based on international guidelines since 2010. The sustainability disclosures were instrumental in assessing actual performance, setting benchmarks and seeking continual improvement towards a better growth trajectory in all domains of the triple-bottom line – social, environmental and financial.

Regular formal and informal interactions with stakeholders over the years have been fruitful in creating enduring stakeholder relationships. Such engagements reflect onto key business risks and opportunities. Sustainability risks are identified through such engagements and strategies are formulated to mitigate these risks.

STAKEHOLDER ENGAGEMENT

The Company engages with a wide range of stakeholders globally. At the local/regional level, the operations are encouraged to work with communities to identify and implement stakeholder engagement initiatives.

The Company believes in communicating with various stakeholders to understand their concerns and respond with appropriate mechanisms. Various functional departments use diverse communication channels to fulfil this responsibility.

APOLLO’S THREE-PRONGED STRATEGY FOR STAKEHOLDER ENGAGEMENT

To strengthen strategic partnerships with its stakeholders

To increase stakeholder participation

To achieve the organisational goals
SUSTAINABILITY SNAPSHOT: CENTRE OF EXCELLENCE

New Initiative towards Efficiency

A key challenge to any growing global organisation is often increasing resource requirements, limited leveraging of skills and scattered investments, this in turn can lead to reduced profits and compromised efficiencies. If this materialises, organisations are often unable to sustain, support and manage future growth & objectives.

In order to overcome this potential risk, it is important to build some form of organisation-wide shared services. In line with this we have embarked on the journey towards an Apollo Centre of Excellence (CoE). This Centre of Excellence will be a strong enabler for our wider business strategy by implementing a best-in-class services organisation which provides support & value added services to every business function.

The Centre of Excellence will allow the Company to leverage a shared talent pool to streamline activities, drive efficiency and enhance organisation-wide control.

VISION
TO BE THE BEST IN CLASS SERVICES ORGANISATION DRIVING EFFICIENCY, ENHANCING CONTROL AND ENABLING ROBUST PERFORMANCE MANAGEMENT THROUGH STANDARDISATION AND AUTOMATION LEVERAGING THE RIGHT TALENT, WITH CLEAR ROLES AND RESPONSIBILITIES.

MISSION
• COMPETENCE, CAPACITY, EFFICIENCY AND RESOURCE FLEXIBILITY
• AUTOMATION, ANALYTICS AND REPORTING AND SHARING OF BEST PRACTICES
• INCREASE STANDARDISATION AND VISIBILITY TO AVOID DUPLICATION AND REWORK
• EMBED CORPORATE DATA SECURITY, DATA OWNERSHIP, CONTROL AND MONITORING
• DRIVE COST EFFICIENCY
• STRATEGIC BUSINESS PARTNER WHICH FREES UP CAPACITY FOR BETTER DECISION MAKING
• DRIVE OPERATIONAL ACCOUNTABILITY WITH A STRICT CODE OF GOVERNANCE

KEY BENEFITS OF CoE

Efficiency and effectiveness globally
CoE will enable efficiency by consolidating and streamlining on a global scale.

Enable core organisation to focus on critical success areas
CoE will cater to transactional activities centrally and free up critical skills and resources to enhance our productivity.

Cost efficiency and leveraging
CoE will enable the company to leverage its resources more efficiently thereby maximising every investment in People and Technology.

Streamline and share common processes
CoE will provide shared resources which enables activity streamlining and efficiency gains.

Foster innovation and knowledge sharing across the organisation
CoE will share best practices, ideas, ways of working from one department, location and region to the other parts of the organisation, enabling a learning organisation and continuous improvement.
CoE KEY BENEFITS

- Providing a platform for innovation & knowledge sharing across the organisation
- Increasing company's efficiency and effectiveness globally
- Providing a platform for cost efficiency
- Enabling combining, streamlining and sharing of common processes for efficiency and scalability
- Allowing core organisation to focus on critical success areas by freeing up critical resources
CUSTOMER RELATIONSHIP MANAGEMENT

In the evolving producer-to-consumer paradigm, which is becoming network driven, customers remain a key stakeholder. Customer loyalty begins with the quality of the products and then impacted by the quality of services and the level of engagement. In line with the perspective, the Company has restructured its approach to customer relationship management around three broad themes:

- **Customer Care**
- **Transparent Communication**
- **Timely Delivery of Service**

During the year, the Company’s specialized CV Forza team continued to engage with the commercial vehicle (CV) fleet owners providing them with regular knowledge updates, technical assistance and trainings on care and maintenance of tyres to ensure their durability.

There were no incidents of non-compliance with regards to product safety, labelling, marketing communications or data privacy from any of our operations during the reporting period.
CUSTOMER SERVICES

In the tyre industry, beyond quality and a competitive price, quality of services also plays a key role in enhancing customer loyalty. The Company continued to focus on its Customer Services function. The department specialises in providing superior value-added services to customers.

The function plays an important link between multiple departments including sales, marketing, manufacturing and R&D with its robust feedback from the customers. The Company has launched multiple products and services, based on voice of customers.

The function is also supported by the Company’s Regional Inspection Centres. These centres conducted inspections and checks on the returned products and the feedback shared with functions like manufacturing and R&D. This, in turn, supports the Company’s objective of providing best-in-class products.

Additionally, the CS adopts a 360°-service approach to connect all customer service touchpoints, enriching the overall customer experience. The features of the approach are outlined in the table below:

<table>
<thead>
<tr>
<th>Apollo Certified Fitter (ACF)</th>
<th>Apollo Radial Service Assistance (ARSA)</th>
<th>Apollo Radial Repair Centre (ARRC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A fitter engagement and welfare initiative to educate customer to follow recommended fitment practices, inflation pressures for tyre longevity and using right tools and safety measures. The Company increased its network of ACF to 300 in FY2019 a sharp increase from 120 in FY2018.</td>
<td>An initiative to engage with customers to optimise operational efficiency in their fleet. A technically trained and qualified person is allocated to the fleet for standard checks like vehicle inspection, scrap tyre inspection, inflation and other routine work, which leads to an enhancement in operational efficiency by 15-20%.</td>
<td>An initiative to motivate and equip dealers to support customers by repairing damaged tyres, instead of scrapping them.</td>
</tr>
<tr>
<td>Apollo Quick Service (AQS), Tubeless Service Point (TSP)</td>
<td>Apollo Tractor Owners Meet (ATOM)</td>
<td>Apollo Direct (Contact Centre Management)</td>
</tr>
<tr>
<td>A programme to provide quick complaint redressal to customer for tubeless tyre puncture through recommended tools and procedure. The Company added 100 AQS centres during the fiscal to take the number to 350 across the country.</td>
<td>A farmer engagement and welfare initiative to educate tractor owners in tyre care and repair. Over 349 dealers, franchisees, fitters and retreaders are invited to training sessions during the fiscal.</td>
<td>A 365 days dedicated customer care service center for grievance redressal and addresses queries and complaints in English and regional languages.</td>
</tr>
</tbody>
</table>
SUSTAINABILITY SNAPSHOT: CUSTOMERS

TBR Tyre Service Experts: Pilot launch at Uttar Pradesh
The Company launched its high quality TBR products in 2010 supported with 360 degree service approach to manage the entire tyre life cycle. A sustained focus on the approach helped the Company to establish a leadership position in the TBR segment.

As radialisation of truck tyres in India continues to rise, the Company has been an advocate to help understand customers the importance and benefit of radialisation for truck owners. FY2019 saw the Company launch a unique initiative called ‘TBR Tyre Service Expert’ to help customers make the TBR journey smarter and fruitful for his commercial operation.

The Company provided multiple services including customized recommendation of tyres, monitor tyre performance, improve tyre life, reduce operational cost and quick complaint redressal.

The Company’s pilot project in Uttar Pradesh was a big success as the CS function was able to resolve customer queries.

CUSTOMER ENGAGEMENT
Providing a world-class customer experience is integral to our customer engagement strategy at Apollo Tyres. We continue to engage with our customers through multiple forums to receive inputs and suggestions in order to serve them better. Some of these are as follows:

Voice of Market
With a diverse customer base ranging from fitters to retreaders to casing dealer to drivers, feedback from these multiple stakeholders is imperative to understand their requirement and loop it back into the system for product and service improvements; and as inputs to key business decisions. The Company conducts regular studies to capture customer’s satisfaction levels, usage practices, product pain areas and new expectations on products and services.

Load & Fitment Studies
The Company conducts monthly Load and Fitment studies, which provide a comparative insight into product parameters such as fitment share, brand of choice, current loading trends, usage practices by customers on various tyre brands, among others. The studies were conducted at 11 key locations with Truck / LCV/ SCV and ICV category as a major focus area.

CPKM – Real value for Commercial Vehicle users
FY2019 saw the Company kick start the Cost Per Kilometre (CPKM) concept to spread awareness to its wide cross-section of customers on the value a tyre brings to their businesses. Beyond the CS function, the Company also trained about 106 Apollo Exclusive Dealers during the year.

CUSTOMER SAFETY IS DEEPLY EMBEDDED IN THE COMPANY’S PRODUCT DEVELOPMENT STRATEGY, STARTING FROM THE DESIGN PHASE. IT HAS PUT IN PLACE ROBUST PROCEDURES TO CONDUCT RIGOROUS QUALITY CHECKS AT EACH STAGE OF THE MANUFACTURING PROCESS TO CREATE PRODUCTS, WHICH ARE SAFE, EFFICIENT AND RELIABLE.
CUSTOMER SAFETY

Customer safety is deeply embedded in the Company’s product development strategy, starting from the design phase. It has put in place robust procedures to conduct rigorous quality checks at each stage of the manufacturing process to create products, which are safe, efficient and reliable. The Company’s products adhere to applicable safety standards and are labelled to provide customers with relevant information regarding product safety.

Globally businesses are undergoing dynamic transformations, largely influenced by changing consumer preferences, impact of globalization and increasing use of internet and communication technologies. While a large volume of information about a company, products or a component is easily available, critical data required to take effective decisions are not easily accessible. Acquiring such information requires dedicated investments into market intelligence.

For decades, western markets have depended on market intelligence for introducing products or growing their businesses, but these trends have started emerging in developing economies in recent years. Besides, the methods of conducting market intelligence vary from one region to region. In Asian markets for example, one-on-one interactions are more prominent and effective.

Responding to the changing dynamics of the business, we initiated our first market intelligence project- ‘Customer Value Management’ eight years ago. The project objectively targeted the interface points, where the Company’s product interacts with customers such as end-users and dealers and where customers form a perception about the Company’s tyres.

Through the exercise, we were able to gather crucial information about our customer’s preferences, buying capacity, geographic location and experience with a particular brand that influence their buying decisions. The results helped us in designing appropriate strategies to maximize benefits to our customers. The method of quantifying the Voice of Customers and collection of data is scientifically designed to present a value vs price ratio for Apollo and all competitor brands.

Benefits of the Study:
SUSTAINABILITY SNAPSHOT: WORKFORCE

Apollo Tyres is proud of its people and recognizes that they are a key differentiating factor in achieving business objectives. The company continues to invest in its human resource activities that support the overall growth and success of our employees.

The HR department continues its focus to provide a work culture that creates avenues for professional and personal growth. As of March 31, 2019, the Apollo family has 17,176 permanent and contract employees worldwide.

RECRUITMENT

Our recruitment activities focus on both experienced and emerging talent. For example, through our 2018 Indian GET programme, 105 young engineers from some of the best tech-schools in India joined us as Apollo Tyres Graduate Engineer Trainees. This structured training program, aims to contribute towards the organisational objectives of high productivity, automation, innovation and creativity through team work to become the number one tyre company in India. This specially trained group will meticulously support manufacturing and allied systems to ensure that every single Apollo Tyre adds best-in-class value to the customers’ business.

MANAGING INDUSTRIAL RELATIONS

Apollo Tyres is a proactive organisation and we continue to maintain healthy industrial relations across our global operations. The company has consistently worked in collaboration with Trade Unions and other employee bodies to improve the working environment for our people as well as productivity and cost effectiveness for the company.

As a proactive measure, a structured grievance redressal system has been successfully implemented in our India operations this year. In Europe we successfully renewed our Collective Labour Agreement (CLA) and concluded new pension arrangements through consultation with trade unions and our works council.

Total participants in successful ADMIRE programme

270

Employees covered by on-line learning platform worldwide, covering core manufacturing and sales disciplines

450
EMPLOYEE ENGAGEMENT
Apollo Tyres engages with its employees regularly by providing them innovative platforms to share their skills, knowledge and viewpoints. Exploring various opportunities for keeping the employees engaged has been a key priority.

In India we have been venturing into newer aspects of engagement initiatives in order to keep the employees engaged both “on the job” and “off the job”. Activities include competitions, employee forums and interest groups that have proved to be both popular and effective.

In both our European plants we have held various social events for our employees, their friends and families that continue to be well attend.

APOLLO FOR SPORTS
Apollo Tyres has adopted sports as a medium to inculcate team spirit and healthy competition amongst its employees. It organises various sports events throughout the year where employees are motivated to join.

In India we have introduced a running and wellness programme with the aim of participating in the Airtel Delhi Half Marathon as well as great success at state level corporate cricket tournaments.

REWARDS & RECOGNITION
Apollo Tyres has adopted various mechanisms to motivate and encourage its employees from ‘on-the-spot’ recognition with ZOOM coupons to social events that celebrate individual and team success stories.

At a global level, Apollo runs a number of coveted recognition schemes aimed at rewarding employees. The Employee of the Year award is given to a senior level employee in recognition of outstanding contribution to the company. In addition, our Roll of Honour award is given to a number of individuals below Head level from across the organisation in recognition of consistent performance and significant contribution in their respective function. Winners are invited to enjoy a short city break with other winners as a team event. This year 50 winning employees visited Dubai.

The company also applies for various external awards. In FY2019, Chennai Quality Circle won the Regional Level Competition for the QCC project titled ‘Loading time reduction in tyre building machine’ and in other QCC forum like CCQC and NCQC, Chennai teams participated and won 16 prizes at Chennai.

TRAINING AND DEVELOPMENT
We recognize the importance of developing our people and in FY2019 we ran training programmes covering a broad range of technical and leadership disciplines.

In India our successful ADMIRE programme was attended by 270 frontline field sales employees while our Step-Up programme continues to deliver high quality product and process training for new recruits into our frontline field teams.

We continue to invest in mandatory and safety training and in the ongoing education of our operators. Our Hungary plant has invested in a self-service platform for individual training that allows access to workstation specific videos, pictures and text to aid problem solving and technical development.

In 2018, we launched an on-line learning platform for over 450 employees worldwide covering core manufacturing and sales disciplines as well as core personal and management skills. We will extend this programme in the coming year adding content and expanding access.

Our leadership capability has been expanded through our flagship Technical Leadership Development Programme and through a number of executive coaching programmes aimed at senior leaders.

JOB ENRICHMENT AND ROTATION
As a growing organisation, the scope for career enhancement within the Company is expanding and evolving at a rapid pace. We always strive to further job enrichment and rotation opportunities to internal talent as a win-win arrangement where employees have opportunities to grow and the organisation can leverage well-inducted candidates with a deep understanding of our business and culture.

Our Enschede plant has developed a programme that provides training to established operators allowing them to work across multiple departments and equipment in order to develop a more flexible workforce.

Talent and succession planning activities at local and functional level provide structure to job rotation identifying opportunities for individuals whilst minimizing operational risk for the organisation.
SUSTAINABILITY SNAPSHOT: HEALTH & SAFETY

The Health and Safety transformation journey gained significant momentum in FY2019 to achieve the Company’s safety vision – ‘Committed to highest safety standard to make sure we return safe and healthy to our families’.

The initiative was led by the Management Board to inculcate a culture of safety in the organisation. As a part of the ongoing journey, HSE Council was established at the corporate level, headed by VCMD, Neeraj Kanwar, to review and monitor safety performance. Based on meticulous observation and analysis of critical risks, the organisation launched seven safety absolutes in the World Safety Day programme in 2018, which are applicable to all employees, contractors and partners.

FUNCTIONAL OWNERSHIP

The fiscal saw the functional leadership team deciding to renew focus on incident reporting and investigation process. The incident investigation is led by the respective function head and the learning is cascaded to the whole organisation. A total of 81 work related Lost Time incidents were reported during the year.

Additionally, functional teams identified 1591 near-misses and 28530 BBS observations during the fiscal year, which is significant and demonstrates a proactive behaviour to reduce risks.

The organisation successfully transitioned from ISO 14001:2004 to ISO 14001: 2015 to enhance the environment performance.

CAPABILITY BUILDING

Safety training programmes were conducted at various levels. Risk-based training programmes were offered to all employees and training effectiveness was monitored at the functional level. Over 12,000 employees /contractors were trained in Safety Absolutes course.

POSITIVE REINFORCEMENT

During the year, the first Chairman Safety awards for three categories were given. The categories include management, individual and team - who had brought a significant change in the work culture. Additionally, plant and function level reward and recognition programme was established at various levels to inspire and motivate employees to participate in the Health and Safety culture transformation.

AWARENESS AND COMMUNICATION

During the previous fiscal, safety messaging was integrated in all formal communication. Additionally, the messages were reinforced through frequent safety campaigns, messages and awareness drives. Safety is a critical facet to achieve organisational growth and sustainability, and its prominence has been stressed across all operations.

Besides, the leadership team visited work locations and conducted HSE Gemba to understand the depth of implementation and key issues. A total of 313 Safety Gemba walks were conducted to make the operation safer.
SUSTAINABILITY SNAPSHOT: PARTNERS (RAW MATERIAL SUPPLIERS)

Sustainable procurement practices are becoming increasingly integral to organisations globally. By adopting and integrating corporate responsibility principles into procurement processes and decision-making, the organisation is able to meet the requirements of its stakeholders as well as positively impact the environment and society.

While balancing the environmental, social and economic aspects, the focus on the upstream supply chain extends to sourcing of raw materials, their processing and the use in the manufacture of intermediate and final products from the supplier’s side.

With a centralised purchase function with footprints in India, Singapore and the Netherlands, the Company works efficiently with its suppliers across Asia, Africa, Europe and USA. The suppliers are constantly expected to ensure that their services and products delivered to the Company comply with all national and other applicable laws and regulations.

PURCHASE POLICY

Apollo Tyres considers its suppliers as long term business partners and is committed to conducting its business affairs in a fair and ethical manner that promotes open and fair competition in the best interests of Apollo Tyres and its business partners.

The Company strives to continuously enhance customer satisfaction by providing cost-effective and quality materials on a timely basis, while working with its supply chain partners on environmental, economic and social aspects to enable sustainable business practices.

PURCHASING GUIDELINES

To reap the twin benefits of reduced transportation costs and lower carbon footprint, domestic suppliers are preferred by the Company, considering other factors being equal. In addition, dealing directly with manufacturers enables the Company to understand and react to any quality and logistic issues promptly.

On the other hand, in the areas of new technology and innovation, suppliers outside India have been developed for additional material sources and technical partnerships.

The Company also encourages its suppliers to develop environmental management systems in line with international standards such as ISO14001. Apollo Tyres regularly engages with its supplier community to promote sustainable practices at their respective manufacturing plants, offices and urge them to adopt environmentally compliant policies.

SUSTAINABLE SUPPLY CHAIN POLICY

Apollo Tyres is conscious about environment protection and has been continually engaging its suppliers to reduce environmental impacts. The focus on the upstream supply chain extends to sourcing of raw materials, their processing, and their use in the manufacture of intermediate and final products. To align its upstream supply chain with this objective, the Company has evolved a Sustainable Supply Chain policy. It articulates elaborate guidelines for conducting business in an environmentally sustainable manner through good governance, ethics and adherence to human rights.
GREEN PROCUREMENT

The Company pursues the incorporation of green procurement standards into its procurement activities and encourages an enabling environment to foster sustainable development. As a part of promoting sustainability, the entire purchase order system has been automated and processed digitally. In addition, the Company promotes and encourages its suppliers to embrace eco-friendly practices in production processes, including the use of recycled materials.

The Company also emphasises on the use of environment-friendly, re-usable, recyclable packing material like returnable pallets, metal boxes, metallic spools for the supply of raw material to its multiple manufacturing plants and aims for ‘wood-free’ packaging.

The Company continues to promote the use of technology, like video conferencing, to balance the need to connect with employees and partners and creating a positive impact on the environment.

REACH COMPLIANCE

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a European Union regulation adopted to improve the protection of human health and the environment from the risks posed by chemicals. Import of tyres in EU has certain obligations under REACH and companies need to ensure that the tyres do not contain any of the listed SVHCs (substance of very high concern) beyond the specified limits. The Company’s suppliers are either registered for REACH or are executing the required activity as prescribed by REACH.

The Company is geared to meet all raw material related requirements with reference to the usage of PAH free materials for the supply of tyres to Europe and other markets.

APOLLO PARTNERSHIP PACT

Apollo Tyres, in line with its core philosophy of sustainable growth, strives to work continuously with its supply chain partners on environmental, economic and social aspects to enable sustainable raw material supply chain.

Apollo Tyres’ Partnership Pact (formally known as Partner Code of Conduct), used successfully since 2008, helps and supports its partners to integrate relevant policies and processes related to the environment, occupational health and safety, human rights and labour laws into their business and decision-making processes. Such a strategy further extends the use of environmentally responsible practices for growing natural rubber within the overall supply chain network.

TYRE LABELLING REQUIREMENTS

The Company continues to engage with its raw material suppliers to steadily improve the labelling parameters related to its tyre, in line with evolving market requirements and expectations from OEM customers.

Safety @ Workplace

The Company encourages suppliers to follow all relevant applicable industrial practices to ensure their safety and conducts periodic assessment of prevailing safety practices and development of their workplace conditions.
SUPPLIER ENGAGEMENT

The Company has multiple initiatives to continuously engage with the supplier community. To mention a few - vendor meets, joint technical projects, quality workshops with natural rubber producers and processors, quality review meets, CSR workshops at suppliers manufacturing facilities, among others.

The following are the supplier engagement framework and key initiatives:

New Supplier Selection
Supplier selection is the process by which the Company identifies, evaluates and approves the suppliers. It is a stage-wise evaluation and approval process, involving commercial and technical evaluation of the supplier through a cross-functional team of purchase, R&D, plant technology and manufacturing.

Joint Development Projects
Based on customer’s aspirations and concerns, the emerging market requirements and changes in regulatory requirements, Apollo Tyres engages with its supplier or potential new raw material suppliers to initiate the joint development work for new materials and tyres development.

The organisation also seeks technical collaboration from its suppliers through active participation in various technical seminars and its Technical Leadership Development Programmes (TLDPs).

Supplier Audits
The Company conducts audits of the supplier’s Quality Management System, first when a new supplier comes on board and then at defined frequency for existing suppliers. The scope of such audits encompasses various facets including product & process quality, quality management system, environmental standards, occupational health and safety standards, among others as defined by the Company’s Green Procurement Standards and Apollo Partnership Pact. The Company’s audit teams conduct supplier audits at regular intervals for comprehensive evaluation in accordance with the standard audit checklist.

The supplier improvement plans are drawn up post the audit, agreed and followed up with the suppliers until closure.

Supplier Performance Evaluation
Supplier performance evaluation is done on quality, delivery and service performance to ensure timely feedback to suppliers to improve their performance at Apollo Tyres. The evaluation outcome is communicated to suppliers periodically, following which action plans are drawn up and implemented.
Corporate Social Responsibility in Supply Chain

With a view to support the cause of good health of workers in its upstream supply chain, the Company conducts awareness programmes on HIV / AIDS prevention and the ill effects of substance abuse.

The programme is conducted by internal resources from the Purchase department, who have been trained by the International Labour Organisation (ILO). The programme’s objective is to educate workmen at the supplier premises as well as develop peer educators at the supplier end, who can carry this knowledge further in their respective organisations.

Along with laying down clear processes to safeguard the environment, Apollo Tyres was the first Company to provide training in sheet rubber grading and to empower women in an otherwise male dominated area.

Additionally, the Company has also established a rubber sheet making unit for the rubber tappers’ wives in Kerala. Apollo Tyres, in association with Rubber Board of India, have trained the group of women running this unit on rubber tapping, sheet making, sheet smoking and general entrepreneurial skills. The Company plans to replicate this model soon, which will empower more women, and at the same time, help with getting better quality rubber sheets.

Total Participants

99

Apollo Natural Rubber Advisory Council meet

The key natural rubber domestic suppliers, which formed the Apollo Natural Rubber Advisory Council, met in Kochi in January 2019, along with key members of Apollo Tyres’ R&D, Purchase and Vendor Quality teams. It was an exchange of information ranging from current market trends on demand, supply and increasing the readiness of domestic natural rubber suppliers to meet our volume and quality requirements.

Natural Rubber Business Partners Summit 2019

The Company invited its key natural rubber suppliers to join the Partners Summit at Kochi in January 2019. The event included a plant tour, presentations on natural rubber quality and discussions. This was followed with an award ceremony. The company created a selfie booth where the NR Business Partners took a selfie with the placard depicting their number of years of association with Apollo Tyres.

In the last two years, Apollo Tyres has reached out to nearly 600 women in Kottayam, who had very little or no income, and provided them with alternate sources of livelihood. These women have been trained in jackfruit processing, mushroom cultivation, aqua culture, organic farming and apiculture. In addition, the Company continues to provide healthcare facilities by conducting regular health camps and specialised cancer screening camps for around 500 families of rubber tappers.
SUSTAINABILITY SNAPSHOT: PARTNERS
(DEALER DEVELOPMENT AND MANAGEMENT)

The dealer community acts as an interface between an organisation and its customers, by strengthening linkages and understanding the customer’s expectations to better fulfil those needs.

Apollo Tyres maintains a strong, trustworthy relationship with its dealers. The Company has an efficient dealer management system. Policies such as commercial policy and trade communication policy laid down by it act as guiding tools for dealer management.

During the FY2019, Apollo Tyres has been able to expand its retail network by reaching out to new dealers at different levels.

To provide best consumer experience, a state of art display centre was opened in Chennai. The centre displays both passenger and commercial vehicle tyre range of the Company. During the year, the Company also introduced ‘Road Hazard Protection’ to boost premium and luxury segment sales in passenger car radial segment. A first of its kind program in the tyre Industry, it includes Optional Paid Protection to cover damages caused by poor road conditions.

Dealer development and growth are essential for the Company’s global aspirations. In FY2019, 65% of its Business Partners have grown their Non-Truck sales by 25%. In addition various activities such as Apollo Value Club, FB live sessions, competitions etc. are organized regularly to keep dealers engaged and motivated.
Further the Company has various mechanisms that promote ease of doing business for its dealers.

**Digital channel finance**
It is a unique digital paperless solution to address financing needs of the business partners with features such as enhanced credit limit and credit period. In addition, it also supports end-to-end digital transactions.

**Delivery tracking system**
A 100% transparent process, the system facilitates live stock tracking from billing to delivery thereby taking ease of doing business to another level. It also provides an auto update of pending dispatch.

**Privileged Helpdesk**
It assures personalised support for all the business transactions of its dealers through Privileged Helpdesk, a dedicated unit that provides priority services on daily business handling needs.

**YourRange Selling Tracker**
To ensure that their business partners do not miss sales targets and maximize range selling incentives for them, Apollo Tyres supports its partners through customized softwares such as YourRange Selling Tracker.

**GST Helpdesk**
Apollo Tyres has a GST Helpdesk to raise awareness among its dealers on new reforms on Goods and Services Tax (GST) system. The dedicated team conducts webinars and provides CN DN working Support from one platform to enhance the understanding of the dealers on new amendments in GST.

**Digital bidding process**
To facilitate transparency in the distribution of Promotional stock, the company has introduced Digital Bidding Process.

These enablers have helped cement the trust between Apollo Tyres and its business partners, resulting in better products and service turnaround time.

The company also rolled out ‘Tiger Job Card’, focused on providing digital solutions facilitating CV zones to increase revenue, vehicle footfall and improve customer experience.

The company further organised Diamond Boys conclave for various categories including CV, Farm, PV, 2 wheelers categories. Besides these, the Company conducted multiple field activities, campaigns and road shows during the year.

To impart various skills to its dealers and technicians, Apollo Tyres conducts various training programmes. In FY2019, the Company trained 256 technicians under its Star Technician programme. Further, more than 1,000 dealers were trained through 498 sessions on various topics including Tyre care, product awareness to rural dealers, etc.
At Apollo Tyres, we consider environment as a key stakeholder and work towards ensuring environmentally conscious operations. This approach has been developed under the framework of ISO 14001 - Environment Management System. The Company enhanced its manufacturing footprint with the commencement of operations of its Hungary facility in FY2018.

The Company’s environment consciousness is not limited to ‘within the fence’, but is taken ‘beyond the fence’ into the communities in the form of Corporate Social Responsibility programmes. These initiatives aim to promote and raise awareness among communities on environment conservation.

The Company continues to implement its sustainability management framework, according to the international standard on social responsibility, ISO 26000:2010.

Taking the sustainability journey forward, it integrated the provisions of the standards in the form of Standard Operating Procedures for the Core Subject of Environment last year.

The Company also streamlined the reporting parameters in line with the requirements of the Core Subject during the same period. The section presented below follows the above structure.

There are four environmental issues identified in the standard stated below:

1. Prevention of pollution
2. Sustainable resource use
3. Climate change mitigation and adaptation
4. Protection of the environment, biodiversity and restoration of natural habitats

ENVIRONMENTALLY CONSCIOUS OPERATIONS

Environment management is integral to the sustainability strategy of Apollo Tyres. The Company is relentlessly focusing on reducing the environmental impact of its products and making its manufacturing process environmentally benign.

ENVIRONMENTAL ISSUE 1: PREVENTION OF POLLUTION

Apollo Tyres strives towards improving its environmental performance by reducing pollution, including emissions reduction, water management, waste management, usage/disposal of toxic and hazardous chemicals and other identifiable pollution forms.
SUSTAINABILITY SNAPSHOT: ENVIRONMENT

**Emission reduction**
The manufacturing operations at Apollo Tyres use state-of-the-art technology to ensure clean operations. The concentration of air emissions across plants was within the prescribed limits throughout the reporting period.

**Waste management**
The Company’s waste generated from operations, include solid and liquid forms and hazardous and non-hazardous in nature. The total solid waste generated during the reporting period was 27,203 metric tonne.

**Break-up of solid waste by type generated(%), FY2019**

In the APMEA operations, 688 metric tonne of hazardous and 18,983 metric tonne of non-hazardous solid wastes were generated. The generated hazardous liquid waste was 21,236 kilo litres.

A total of 448 metric tonne of hazardous and 7,084 metric tonne of non-hazardous solid wastes were generated during the reporting period in the Europe region.

**ENVIRONMENTAL ISSUE 2: SUSTAINABLE RESOURCE USE**

The Company promotes sustainable use of resources such as energy, fuels, water and raw materials in its manufacturing process.

**Energy performance**
Apollo Tyres utilises both direct and indirect energy sources with a mix of renewable and non-renewable fuel types.

In its India operations, the main source of direct energy continues to be coal, followed by furnace oil. Solar and wind power are the other direct energy sources. In the Europe operations, direct energy is sourced from natural gas.

Indirect energy sources in the Company’s Indian operations comprised grid electricity, wind and solar energy.
In the Netherlands, electricity is the primary source of indirect energy.

**Share of direct and indirect energy consumed (%)**, **FY2019**

<table>
<thead>
<tr>
<th>Source</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Energy</td>
<td>69.45</td>
</tr>
<tr>
<td>Indirect Energy</td>
<td>30.55</td>
</tr>
</tbody>
</table>

The total energy consumption (both direct and indirect) for the reporting year was 5,939 TJ vis-à-vis 5,093 TJ in FY2018. The share of direct energy was 70.3% (4,174 TJ) and indirect energy (1,765 TJ) accounted for the balance (29.7%).

Non-renewable energy sources contributed to the major share in the total energy consumption. Coal remained the leading source of direct energy at 3,296 TJ, accounting for almost 79% of direct energy consumption.

In the reporting year, the Company's Limda and Chennai facilities contributed captive capacities for solar energy into the renewable sources portfolio.

**Energy efficiency initiatives**

The Company continues to make efforts to achieve energy efficiency through improvements in process design, conversion and retrofitting of equipment and use of energy efficient equipment. Several initiatives were undertaken during the reporting period, which resulted in energy savings of 22,800 GJ.

The table below lists the energy saved across operations during the reporting period.

**Energy saved in manufacturing operations from different levers (in GJ), FY2019**

<table>
<thead>
<tr>
<th>Plants</th>
<th>Process Design</th>
<th>Conversion and Retrofitting Equipment</th>
<th>Use of Energy Efficient Equipment</th>
<th>Total Energy Saved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limda</td>
<td>2,996</td>
<td>–</td>
<td>3,350</td>
<td>6,346</td>
</tr>
<tr>
<td>Chennai</td>
<td>1,891</td>
<td>4,457</td>
<td>0</td>
<td>6,438</td>
</tr>
<tr>
<td>Kalamessery</td>
<td>699</td>
<td>130</td>
<td>119</td>
<td>948</td>
</tr>
<tr>
<td>Perambra</td>
<td>6,527</td>
<td>2,344</td>
<td>–</td>
<td>8,871</td>
</tr>
<tr>
<td>Netherlands</td>
<td>–</td>
<td>–</td>
<td>197</td>
<td>197</td>
</tr>
<tr>
<td><strong>Total Energy</strong></td>
<td><strong>12,113</strong></td>
<td><strong>7,021</strong></td>
<td><strong>3,666</strong></td>
<td><strong>22,800</strong></td>
</tr>
</tbody>
</table>

**Break-up of direct energy by source (%), FY2019**

<table>
<thead>
<tr>
<th>Source</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>78.96</td>
</tr>
<tr>
<td>HSD</td>
<td>0.38</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>13.68</td>
</tr>
<tr>
<td>RLNG</td>
<td>1.54</td>
</tr>
<tr>
<td>Wind</td>
<td>0.31</td>
</tr>
<tr>
<td>Solar</td>
<td>1.54</td>
</tr>
</tbody>
</table>

**Break up of indirect energy by source (%), FY2019**

<table>
<thead>
<tr>
<th>Source</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity from Grid</td>
<td>34.59</td>
</tr>
<tr>
<td>Thermal Power</td>
<td>59.89</td>
</tr>
<tr>
<td>Wind</td>
<td>5.53</td>
</tr>
</tbody>
</table>
**SUSTAINABILITY SNAPSHOT: ENVIRONMENT**

**Water sourcing and management**

The primary water source during operations is surface water, which accounted for 97.4% of total water consumption during the fiscal. Other sources include ground water and municipal water.

![Graph showing water withdrawal by source]

The APMEA operations conducted several initiatives to conserve water in the reporting year. These included:

- Improvements in quality of curing trench water to reuse as process water
- Recycling water recovery up to 95% of fresh effluent through a three-stage reverse osmosis
- Provided cooling tower water to bead extruder TCU instead of fresh water

**Total recycled or reused water**

8,10,164 M³

% of water recycled/reused in the reporting year FY2019

12.6

% of water recycled/reused in the previous year FY2019

9.18
Raw material sourcing and management
The three primary constituents for manufacturing tyres are natural rubber, synthetic rubber and carbon black. In the reporting period, these three components amounted close to 47.4% of our total raw material consumption. The APMEA operations reported natural rubber use of 72% of the total rubber used. The share of natural rubber use in the Europe region stood at 52%.

Share of raw material consumed, APMEA and Europe operations(%) in FY2019

Total raw material consumed across operations: 9,67,609 metric tonne
Total recycled material: 6,254 metric tonne
In the APMEA operations the total raw materials consumed was 8,86,773 metric tonne and the total recycled material was 5,538 metric tonne.
In Europe operations, the total raw materials consumed was 80,836 metric tonne. The total recycled material was 716 metric tonne.

Break-up of recycled raw materials by Type, APMEA and Europe operations(%) in FY2019

*Other raw materials include associated process materials. In APMEA it also includes the steam used in Limda.
Environmental Issue 3: Climate change mitigation and adaptation
As a responsible corporate citizen, Apollo Tyres continues to measure and report its carbon footprint. It has also undertaken an independent third-party verification for its carbon footprint for FY2019. The verification has been done by TUV India according to ISO 14064 and AA1000 AS standards. To promote climate adaptive manufacturing set up, the Company has invested in renewal energy as well as various energy-saving initiatives.

Green House Gas (GHG) emissions
At present, the Company’s operations mostly depend on non-renewable energy sources. With the addition of manufacturing facility at Hungary, the footprint has increased.
In FY2019, the Company made its GHG footprint estimations more comprehensive by including Scope 3 emissions from upstream supply chain, downstream logistics as well employee air travel. This is, in addition to the Scope 1 and Scope 2, reported as earlier.

Environmental Issue 4: Protection of the environment, biodiversity and restoration of natural habitats
Protection and enhancement of biodiversity is important from the perspective of the entire value chain. During the reporting period, as part of the Company’s environment programme HabitAt Apollo, several initiatives were conducted within the plants to enhance biodiversity. While some of these activities were directly aimed at biodiversity conservation, others had indirect benefits.

Formal risk and impact assessment studies to measure the impact on biodiversity in the manufacturing locations were conducted by third-party agencies. As an outcome of this study, biodiversity conservation projects were initiated at the Company’s Cochin plants.

At the Kalamassery plant, the activities included maintaining the existing theme gardens such as butterfly garden, snake repellent plant belt and fruit garden to enhance the biodiversity and increase the species of flora and fauna. Apiculture, for collection of honey within the premises, was also continued at Perambra during the reporting period. Additionally, the Company initiated an organic farming project within the plant premises in Limda, Gujarat.

Community initiatives on environment conservation
The Company promotes eco-conscious behaviour among its communities and works closely with them on subjects of environmental conservation as a part of its CSR mandate. These efforts have been detailed below and are aligned to the respective environment issue according to the ISO 26000 standard.

Environmental Issue 1: Prevention of pollution
India generates over 60 MN tonnes of waste, of which about 69% is collected. The appalling reality is that only 30% of the collected waste is treated and the rest is taken to land fill sites. The ‘Swachh Bharat’ initiative is the need of the hour, which aims to promote clean hygienic practices and the use of proper sanitation.
To support the cause, the Company launched its **SPARSH, Swachh Banao** initiative. This initiative aims to provide comprehensive solutions for better health and hygiene, which include proper waste management and promoting the use of toilets.


Clean My Transport Nagar (CMTN), Clean My Village (CMV), Sanitation Management and End- of-life Tyres (ELT) projects are initiated under the SPARSH umbrella.

The primary features of CMTN and CMV projects comprise door-to-door waste collection, daily cleaning of lanes, segregation of waste, compost creation from wet waste, awareness generation and others.

During the reporting year, the programme reached out to 18,000+ people to spread awareness and 24,000+ people were connected for door-to-door waste collection. A total of 2,606 metric tonne (MT) was collected from CMV and CMTN projects. Of the collected waste, 298 MT was bio-degradable, and 2,308 MT was non-biodegradable waste.

In line with safe sanitation for all, the Company constructed 150 toilet-cum-bathing space in Chennai. Around 600 people continue to directly benefit from the newly constructed toilets.

ELT projects promote the recycle of waste tyres by constructing playgrounds. Apollo Tyres has been strategically evaluating various ways on how to increase the product lifecycle through the expansion of re-treading footprint, which reinforces the Re-use concept. In addition, the Company is also exploring various ways of using the ELT in innovative and yet useful ways such as play structures. A total of two new ELT play structures were made using 696 waste tyres.

**Environmental Issue 2: Sustainable resource use**

Water crisis has been identified as a key intervention area, as it features in the top 5 global risks. The adverse impacts of population explosion, urbanisation, industrial development and climate change have increased the water demand. The enhancement of water availability is identified as a key initiative under the environmental sustainability journey.

**Access to purified drinking water**

The Company has set up a purified drinking water RO plant at Oragadam village and benefitting over 506 households (2024 people).

**Eco restoration and improvement of water bodies**

The projects are designed for improving water bodies with focus on restoring and enhancing aqua biodiversity. Under this initiative, the Company undertook pond restoration projects at Chennai, Limda and Perambra locations.

**River conservation project**

As a novel community initiative, the Company launched a participatory conservation project for Chalakudy river in Kerala, which was implemented in three phases, spanning a three-year period (2016 to 2019).

During the first year, students and teachers from eight schools were involved in activities such as biodiversity survey, exploring river and riparian biodiversity with related traditional knowledge. The cleaning drive removed plastic debris from the riverbed and banks, planting of bamboo shoots and releasing fingerlings of native fish species.

During the second year, the Company’s community initiatives were introduced. These included awareness generation initiatives such as classes for various community groups, riverbank protection, tree plantation, cleaning drive, rainwater harvesting, promotion activities like recharging wells, among others. During the third year of the reporting fiscal, the activities were extended to the watershed area of the river and restored one rivulet of the river (Thalikathodu), a tributary of the Chalakudypuzha.
Environmental Issue 3: Climate change mitigation and adaptation
Apollo Tyres is committed to combating the impacts of global climate change. It has initiated various projects towards the mitigation of climate change. The flagship programme under this initiative is the ‘Afforestation Project’. This project helps control carbon emissions and generates livelihood for farmers in water-starved areas of the country. Under the afforestation project, the Company has planted a total of 3,50,000 trees in Tamil Nadu. According to estimates, around 10,100 tonnes of CO2 have been sequestered from these trees.

Use of Biogas
The use of renewable energy proliferation is critical to address the issue of climate change, and this project supports the cause. The Company is promoting the use of biogas in its communities around the Limda plant in Gujarat. In the reporting year, 39 biogas units were installed.

Environmental Issue 4: Protection of the environment, biodiversity and restoration of natural habitats

Mangrove conservation
The Company partnered with the Wild Life Trust of India (WTI) for the implementation of its mangrove conservation project. The actual site of the mangrove conservation project is Kunhimangalam village in Kannur district, Kerala’s largest mangrove village.

The project has established a hub located in the natural ecosystem for mangrove-based education, serving as an open-air laboratory for research and promoting restoration through community and government participation.

Other aspects of the project include a mangrove nursery and community-based initiatives to enhance public awareness and reduce threats to mangroves. The Company reached out to 26,000+ people through its various awareness initiatives.

The organisation in partnership with WTI organised an Environment and Nature quiz for college students to create awareness in mangrove, environment and nature conservation. In the reporting year, around five acres were planted with mangrove saplings at four locations. Over 6,000 mangrove saplings were raised in the mangrove conservation nursery.

Initiatives in Europe
To conserve and promote biodiversity in the vicinity of the factory in Enschede, Apollo Tyres is working on the Stadsbeek project. The project’s objective is to address issues related to rainwater and groundwater and improve the surrounding environment. It involves digging of a ‘stadsbeek’ or city creek, from Bruggertstraat to the Volkspark. The project will be implemented in several phases. A monitoring and evaluation mechanism has been set up to keep track of the project.
SUSTAINABILITY SNAPSHOT: COMMUNITY INVOLVEMENT AND DEVELOPMENT

The Company’s CSR initiatives aim to bring about a positive impact on everyday lives of stakeholders – employees, customers, dealers, suppliers and communities, who are based around our manufacturing locations.

The programmes are developed in partnership with the community to ensure that they cater to specific requirements and to inculcate a sense of ownership among community members.

Apollo Tyres constituted its CSR policy in 2014 in line with the Companies Act, 2013 and complies with the requirements of Section 135 of the Act. The CSR programmes are implemented by the Apollo Tyres Foundation. During FY2019, the Company invested 2% of its net profit in CSR initiatives, amounting to ₹21.4 crore.

The organisation’s CSR initiatives are linked with the National and International Development objectives. The Company has categorised its CSR initiatives in two themes - Environment and Social (which has health and community development). Within the two broad themes, the Company works in four core areas.

**HEALTHCARE PROGRAMME FOR THE TRUCKING COMMUNITY**

This continues to be the Company’s flagship programme and caters to its key customers - truck drivers. The preventive healthcare programme is implemented at 31 healthcare centres, based in various transhipment hubs of India. The programme is described in detail below under Issue 6.

**SOLID WASTE MANAGEMENT AND SANITATION**

Based on the Environment theme, this initiative is in line with the Company’s efforts towards contributing to the government’s clarion call - ‘Swachh Bharat Abhiyan’. It has been running various projects on solid waste management and safe sanitation to promote a healthy and sustainable lifestyle among local communities. Clean My Transport Nagar, Clean My Village, Sanitation Management and ELT playgrounds are four initiatives initiated under this theme.

**LIVELIHOOD FOR UNDERPRIVILEGED WOMEN**

The Company is committed to creating opportunities for underprivileged women by providing skill-building and income-generation training in farm and non-farm based activities. This is described in detail under Issue 5 below.

**BIODIVERSITY CONSERVATION**

Based on the Environment theme, Biodiversity Conservation is a global initiative for Apollo Tyres, wherein projects are undertaken in India, Hungary and the Netherlands. In India, the Company has taken up the Mangrove Conservation project in Kerala. To further contribute towards climate change mitigation, an afforestation project is being implemented in Tamil Nadu.

In addition to the core themes, the Company also conducts local initiatives in a 25-30 km radius of the manufacturing locations and include Watershed Management, Renewable Energy Proliferation, Road Safety Awareness, Educational initiatives viz. computer literacy in schools and ITI-based skilling of young people and philanthropic endeavours. In FY2019, the Company also supported the disaster relief work in Kerala.

The break-up of the CSR spend(%)
SUSTAINABILITY SNAPSHOT: COMMUNITY INVOLVEMENT AND DEVELOPMENT

The Company continues to implement its sustainability framework according to the international standard on Social Responsibility, ISO 26000:2010. Taking our Sustainability journey forward, we integrated the provisions of the standard in the form of SOP for the Core Subject of Community Involvement and Development last year. We also streamlined the reporting parameters in line with the requirements of the Core Subject in the same period. The section presented below follows the above structure.

Of the seven issues stated in the core subject, the following four have been aligned to our themes of work.

- **Community Involvement and Development Issue 1: Community involvement**
- **Community Involvement and Development Issue 3: Employment creation and skills development**
- **Community Involvement and Development Issue 5: Wealth and income creation**
- **Community Involvement and Development Issue 6: Health**

**Community Involvement and Development Issue 1: Community involvement**

The Company engages directly with its communities for mapping their requirements and expectations. The initiatives are designed by involving the local community to ensure that they are aligned to their expectations. At Apollo Tyres, community involvement is aimed at preventing or solving problems and fostering partnerships with local organisations and stakeholders. At the project designing stage, the organisation consults with local leaders, government bodies, community-based organisations, underprivileged community, specially the women groups, through various formal and informal methods.

**Community Involvement and Development Issue 3: Employment creation and skills development**

Apollo Tyres considers skill development, accompanied by employment opportunities as a powerful tool to empower individuals, reduce poverty and promote economic and social development. Therefore, the Company has initiated various programmes to develop specialised skills among various community groups.

Under this issue, it provides career counselling, employability skills to ITI and graduate students for better job opportunities at Chennai and Kochi location. This is part of the local initiatives bucket of CSR. During the reporting year, 719 students were trained under this initiative.

**Community Involvement and Development Issue 5: Wealth and income creation**

Apollo Tyres contributes positively to wealth and income generation through entrepreneurship programmes, as well as capacity building through wider efforts. The objective is to strengthen economic resources and social relationships that facilitate economic and social welfare or generate community benefits. The issue is a core area of intervention under its Livelihood for underprivileged women – Programme Navya initiative.

Under this programme, Self Help Groups (SHGs) are formed or the Company supports the strengthening of existing SHGs to empower women and address the issues related to women both in livelihood and social sectors. The programme follows the SHG guidelines, objective and functioning, namely savings, credit, thrifts, meetings livelihood and income generation activities and social mobilisation.
Women are trained in agriculture and non-agriculture activities such as rubber sheet making, mushroom cultivation, apiculture (honey production), khakhra making, tailoring, organic farming, livestock care and management and others for income generation.

During the fiscal, various capacity-building sessions were adopted to build the core strengths of beneficiaries. The trained beneficiaries were further linked with the market and service sector for employment.

As an outcome, the beneficiaries started their own business and they are now extending livelihood opportunities to other women, leading to large-scale women empowerment. The programme has established linkages and leveraging government schemes.

Under livelihood initiative the organisation achieved two significant milestones.

The organisation has achieved Food Safety Certification (FSSC 22000) Ver. 4.1 for a honey production unit in Kottayam. FSCC standard is internationally recognised under food safety and ATF is one of the very few entities and presumably the first CSR Foundation to have achieved this feat.

The second achievement has been the registration of first women organic farming co-operative society at Baroda. A total of 332 active members are part of the co-operative. This is the first of its kind initiative in Gujarat for organic produce. Around 50 women have received certificates for production and marketing of organic items. In the reporting year, a total of 615 women received training in organic farming.

In addition, a month-long campaign, Ek Naam, was organised to felicitate eight women achievers, who were the change agents selected on the criteria of their intervention in the community by way of providing further livelihood opportunities to more women or by bringing social change in their community. These change agents received award from the Collector and Mayor of Vadodara city. A symposium (Ek Naam) was organised to celebrate International Women’s Day with all change agents.

In addition, during the fiscal, a total of 2,012 women were outreached and 1,158 received income generation training in farming and non-farming activities. Of the total trained population, 1,030 women are currently engaged in income generation.

In addition to programme Navya, the Company also provides livelihood support to male farmers by providing technical skills and knowledge in improved farming practise and livestock care and management. During the reporting year, the farmers received training in various composting methods, fodder management, organic farming, cattle rearing and others. Around 733 farmers benefitted during the year.

In addition, a preventative healthcare programme for the trucking community was established in 2000. The Company acknowledges the need to address the health issues experienced by its key customers, truck drivers. Hence, a preventative healthcare programme for the trucking community was established in 2000.

The programme addresses perils linked to their continuous and long travel, coupled with lack of access to healthcare facilities. To provide healthcare services at their vicinity, the Company has established 31 healthcare centres in the transshipment hubs spanning 18 Indian states. The programme provides healthcare services such as prevention of HIV-AIDS, vision care, integration of tuberculosis and other non-communicable diseases such as diabetes, high blood pressure and general treatment facility.

To expand the outreach, mobile medical units (Apollo Tyres Health Care Express) have also been introduced in two locations to improve access to cost-effective and quality healthcare. The Company also organised health camps (Sakushal Saarthi) for employees of its fleet owners.
SUSTAINABILITY SNAPSHOT: COMMUNITY INVOLVEMENT AND DEVELOPMENT

Services under healthcare programme

HIV-AIDS awareness and prevention programme

The Company’s healthcare centres are equipped with qualified doctors, paramedic staff, counsellors and outreach workers for awareness generation. The service provided under HIV awareness and prevention includes behaviour change communication, sexually transmitted infection diagnosis and treatment, counselling, condom promotion, integrated counselling testing centre support and awareness through peer educators (volunteers).

Vision Care

• Due to long distance travel and poor working conditions truck drivers are vulnerable to vision related diseases. Apollo Tyres has initiated the vision testing programme in its healthcare centres, where vision testing facility is established; and also periodic eye care camps are organised.

• The major feature of this initiative is that spectacles are distributed at low-cost rate to people identified with refractive error issues. Cataract patients are linked with nearby hospitals for further treatment. During the fiscal, the Company organised a week-long campaign in transhipment hubs in partnership with Essilor Vision Foundation to commemorate the International Sight Day.

• Under this campaign, vision testing camps were organised at all healthcare centres and truck drivers who were identified with refractive error issues received free spectacles. A total of 13,290 people were screened, of which 10,215 were truck drivers. A total of 6,064 truck driver were detected with refractive errors and 5,413 pair of spectacles were distributed.

Awareness on Tuberculosis (TB)

The risk of progressing from latent to active TB is estimated to be between 12 and 20 times greater in people with HIV infection than those without. Truck drivers are more vulnerable to this disease. Under this initiative, services like sputum testing, linking beneficiaries who are found positive with (DOTs) facility and conducting regular awareness sessions to prevent TB are offered. In FY2019, Apollo Tyres partnered with The Union (US AIDS) for technical partnership in creating awareness related to TB. The Union provided technical training related to TB to Apollo Tyres Foundation (ATF) staff. The Union, as a technical partner facilitates the coordination between ATF and the Central TB Division/ state TB cell for hassle-free implementation of the project.

Other non-communicable diseases

Due to the nomadic lifestyle of truck drivers, there is an increase in lifestyle related diseases such as diabetes and hypertension. Diabetes and high-blood pressure were identified as two significant risks that challenge truck drivers. To address the problem, the Company added testing facility for both risks and diabetes screening and blood pressure check-ups are conducted during the fiscal.

General healthcare and treatment

Other generic treatment facilities are also provided at each healthcare centre such as fever, cough, cold, flu and other basic First Aid features.

In the reporting year, a total of 4,91,382 people were outreached from awareness activities and 1,60,574 received treatment facility, a 34.8% increase in FY2019. Of the total number of people treated in the reporting year, 44,741 opted for HIV testing, 58,128 for vision screening and 43,823 for diabetes testing. A total of 966 TB tests were conducted during the year.
Other Programmes

Road safety

Under this initiative, the Company observed road safety week and conducted awareness programmes with school students, truck drivers and commuters, along the 15 km stretch from Perambra plant up to Chalakudy. As a part of the initiative, road safety awareness signboards were installed.

Computer literacy

The Company’s computer literacy project was rolled out in 2016 to provide basic computer education and skills and enable access to the necessary contemporary educational tools and resources to government school students around its manufacturing unit in Orgadam, Chennai. Currently, the project is running at Mathur, Sennakupam, Vallakottai, Eraiyur and Serapanancheri villages, along with laboratory facility and a tutor to train the students. In the reporting year, 475 students were outreached.

Philanthropic initiatives

The organisation also supports underprivileged and deprived communities by undertaking philanthropic initiatives through the Taru Foundation. The initiatives range from providing education support to underprivileged girls to providing healthcare facilities for rural people and distributing food items to eradicate hunger and poverty. During the fiscal, the education of 33 underprivileged girls was supported, around 4,383 poor people received healthcare facility and around 525 destitute people received food on a monthly basis.

Kerala Disaster Relief

The Company provided relief support to Kerala flood victims. Flood relief support was provided in three areas: conducting health camps, organising cleaning drives, distributing food and first aid kits in Chalakudy, Aluva, Kodakara, Kalamassery and Airapuram, Kerala.

Around 750 families received home cleaning and First Aid kits, 1,250 families received food kits. Total 16 free health camps were conducted and around 1,233 people were benefitted. Through waste collection and cleaning drive around 200 families were supported and 200 metric tons (MT) of waste was collected.
SUSTAINABILITY SNAPSHOT: RESEARCH & DEVELOPMENT

Apollo Tyres is driven by the vision to develop path breaking technology and products that exceed customer expectations. With its two global Research & Development centres in India and Europe, the Company focuses on minimizing the environmental impact of its activities, development of environment friendly materials and innovative ways to reduce the environmental damage caused by the accumulation of end of life tyres.

The Company strives to develop new materials complying with the latest amendments in Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Polycyclic-aromatic hydrocarbons (PAH) free materials list. Use of renewable raw materials or recycled materials results in more sustainable products, leading to reduced consumption of natural resources, thereby, reducing the dependency on the fossil fuel based materials. Some of the innovations done by Apollo Tyres are enumerated below.

A new series of fuel efficient tyres known as EnduRace nRG has been developed, reducing the fuel consumption by up to 10%. The series comprises of 10.00R20 EnduRace RA nRG, 10.00R20 EnduRaceRAT nRG, 295/90R20 EnduRace RA nRG.

Further in line with Government of India’s plan to promote sustainable mobility through Electric vehicles, Apollo Tyres has developed a complete range of tyres exclusively for Commercial Electric Buses which not only provide superior mileage but also have low rolling resistance and noise.

Apollo works towards harmonising the economic growth with environmental sustainability. In this regard, as an initiative to reduce plastic material usage, the company eliminated application of polythene from gum in apex and sidewall. Cure time reduction by approximately 1.5 minutes created additional production around 12MT / day resulting in huge savings in energy and reduction in CO2 emissions.

Apollo Tyres are widely used in the tractors by farmers for agricultural purposes. Tractors in India are put to different terrains supporting soft soil, hard soil and to various purposes including haulage. Understanding these needs of the farmers, Apollo took up the challenging task of developing radial tyres for agricultural vehicles. These tyres can perform equally well on both soft as well as hard soils and for haulage, improving the overall productivity. These tyres also provide an added advantage of puncture resistance, reduced fuel consumption, proper soil compaction, better product life and superior ride comfort.

Underground mining (UGM) tyres with new innovative carcass construction resulting in through cut resistance is expected to strengthen our presence in the UGM segment.

This new product will help the customers to replace the expensive radial Tyres in UGM. Further, addition of traction pattern in earth-mover segment will help in solving the slippage problems in muddy applications.

COMPLYING WITH REGULATIONS

We are committed to meet all the current and future tyre labelling requirements as and when applicable. In compliance to REACH, we ensure that all our raw material supplies are tested on Substance of Very High Concern (SVHC) and PAHs and these reports are refreshed on annual basis for revised list of SVHC. New vendors are approved based on the compliance to this regulation. Further, all the tyres being exported to EU are tested and certified by certifying agencies to ensure REACH compliance.

COMPLIANCE WITH CONFLICT MINERAL RULE

Conflict minerals can be extracted at many different locations around the world including the Democratic Republic of Congo (DRC). SEC rules define conflict minerals as 3TG metals (tantalum, tin, tungsten & gold), wherever extracted. In the SEC rule, ‘DRC conflict-free’ is defined as minerals that were extracted and did not directly or indirectly benefit armed groups in the covered countries. To ensure compliance with this rule, we enabled our supply chain system for traceability of origin of these minerals supplied to our downstream supplier up to the smelter levels and mines. These updated declarations are submitted to our OEMs annually.
SUPPORT TO GADSL OBJECTIVES

Global Automotive Declarable Substance List (GADSL) covers declaration of certain information about substances relevant to parts and materials supplied by supply chain to automobile manufacturers. GADSL is a summary list of all substances likely to be in vehicles and which are restricted in some parts of the world. The information is applicable to the use of these parts or materials in the production of a vehicle up to its usage and relevant to the vehicle’s re-use or waste disposal, which in turn applicable to tyres as well. In accordance with ELV objectives, the Company supports its OEMs by providing IMDS (International Material Data System) declarations which contains information on the materials and substances in the tyres supplied to them.

COMPLIANCE TO ROHS

Apollo complies with the Restriction of Hazardous Substances (RoHS) regulation and usage of hazardous substances such as lead, mercury, cadmium and hexavalent chromium in tyres is completely banned.

In addition to the above, the Company ensures none of the Persistent Organic Pollutants (POPs) are used for tyre manufacturing. Some specific effects of POPs can include cancer, allergies and hypersensitivity, damage to the central and peripheral nervous systems, reproductive disorders and disruption of the immune system. These are also considered to be endocrine disrupters which can damage the reproductive and immune systems of exposed individuals as well as their offspring. In addition, they can also have developmental and carcinogenic effects.

THE NEXT CHAPTER

The Company’s journey ahead is about mapping all ongoing initiatives and aligning those with international standards and best practices across the sector. Its Sustainability roadmap 2020 provides directional inputs into driving the agenda across the company including independent assessment of its efforts. As we envisage our roadmap for 2025, we aim to explore collaborations with partners across the value chain on initiatives with a shared vision.

The Company shall strive to exercise its goodwill and influence its stakeholders to build a community connected by common purpose giving rise to Sustainability embedded operations. It plans to take up a stewardship role as it charts a journey to build a long lasting Institution.