



# IN THE BUSINESS OF PROGRESS

SUSTAINABILITY REPORT FY2019-20

As one of the most trusted tyre businesses in India and globally, we persist in our aim to strengthen our market leadership to drive unprecedented growth for our stakeholders.

## VISION

To be a premier tyre company with a diversified and multinational presence

## VALUES

It's about our instincts. It's about the way we think. It's the way we interact with the world. It's our common culture. It's a system of values that, like our six senses, defines who we are and how we work.



### Customer First

We believe that our customers and those whom they serve are central to everything we do.



### Business Ethics

We act with integrity.



### Care for Society

We actively participate in our local communities to address health, safety, environment and community needs.



### Empowerment

We take ownership for our actions and responsibility for results.



### Communicate Openly

We are open and transparent in our communication across geographies and levels.



### One Family

We celebrate our oneness through building trusting relations, respect for diversity and passion towards common goals.



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## Apollo Tyres in brief

Apollo Tyres is one of the most trusted names in the manufacture and sale of tyres. The Company was founded in 1972 and is headquartered in Gurugram, Haryana (India).

## Catering to all tyre segments

### TRUCK AND BUS



### LIGHT TRUCK



### PASSENGER VEHICLES



### TWO-WHEELER



### OFF-HIGHWAY



## CHAIRMAN'S MESSAGE



**'The tenets of Sustainability are the cornerstone of business resilience.'**

**Dear Stakeholders,**

I hope all of you are safe with your families during these unprecedented times.

I am pleased to present our 9th Sustainability Report for the financial year 2019-20. The Report brings to you an update on the Company's Sustainability journey in the past year.

Across the world, individuals, companies, communities and governments are grappling with the chaos stirred by the COVID-19 pandemic, which has shaken entire economies and norms of doing business. In a COVID-19 disrupted world, the tenets of Sustainability are the cornerstone of business resilience and determine the buoyancy of enterprises against this challenge. This will also call for better foresight of risks in the extended value chain and forge collaborative solutions through the lens of finding opportunities. Businesses worldwide will be compelled to revisit the notions of Direct & Indirect impacts of value chain. The connectedness and interactions between the six capitals, the concept of integrated thinking, will be significant in the present situation. In the COVID-19 adjusted scenario, the interdependency and complementarity of these capitals would be much more evident to create lasting value for all stakeholders.

Our Sustainability Governance, based on the international standard ISO 26000, continued to mature during the year proving to be an enabler in embedding Sustainability principles into the organisational core. We undertook the adoption of two core subjects of the standard, Fair Operating Practices and Consumer Issues, and developed standard operating procedures for the two as an ongoing part of our Sustainability journey. These procedures were externally verified by the CSR Company, Austria.

The Company's **Manufactured Capital** stock, its plants and other related assets, provide the means to produce and deliver to customers on time, every time. We have strengthened the safety systems within our operations guided by stringent standard operating procedures to ensure continued productivity. The pandemic has accentuated the essence of reliable and healthy operations, which can continually meet the market needs. With our processes, we find ourselves in good stead to cater to these 'new ways of working'.

Prudent use of the available natural resources remains a top priority for the Company. This drives our strategy for conservation and build-up of **Natural Capital** stock. The COVID adjusted world with its focus on localisation of supply chain and production processes will provide opportunity for businesses to reduce carbon footprints. The Company has made significant investments in energy efficiency initiatives to ensure a low carbon growth trajectory. Our approach of optimal use and efficient reuse of natural capital is developed with an aim to meet the future challenges of operating with finite resources.

The future of the automotive sector lies in innovation. It not only helps to meet customer demand but also shapes customer preference by offering newer products. Our dedicated R&D centres, which represent the Company's **Intellectual Capital**, have produced many customer centric innovations till date. The role of innovation becomes further deep seated as many new changes in the '*way the world operates*' would be affected. This will call for matching innovation to fulfil the ambitions of the customers.

One of the key factors to survive the challenges posed by the pandemic lie in agile value chain alignment. Businesses will have to revisit the notion of taking value chain as an extension of the business. They will need it to be viewed as intrinsic. Your Company has traditionally considered suppliers & dealers as its partners and encourage them to imbibe its values. This is evidenced through the Apollo Partnership Pact, which promotes similar Health, Safety and Environment standards from our partners. We have established a profound connect with other stakeholders, including our communities, based on covenant of trust to foster an inclusive growth. Our **Social and Relationship Capital** thrives on the tenets of collaboration and strong principles of mutualism.

As I have always believed, our people represent us and our value system. With a truly global, diversified and motivated workforce, the **Human Capital** stock of the Company provides us motive force. COVID-19 is reshaping the formats of working, making digitisation a mainstay in comparison to physical presence. This has not hampered our working, in fact it has made us more connected! As we evolve in this scenario, we are putting in place enabling policies to create digital workplaces of tomorrow, well connected backed by efficient communication channels.

Corporates will have to make necessary adjustments in their **Financial Capital** to act as an enabler allowing other capitals to adjust to the new evolving paradigm. This is expected to create stress on the financial capital. The Company has been employing prudent investment and resource allocation strategies to help maintain the finance capital stock without compromising on the other capitals.

In the post COVID-19 world, businesses will have to lead and evolve strategies to co-create a cohesive world, built on common aspirations. We firmly believe that principles of Sustainability would be the differentiator in the New World. Apollo Tyres is deeply engaged and committed to embark on that journey. A phrase that succinctly continues to describe our endeavour, 'let's continue to Go the Distance'

Wishing you all the best

**Onkar S Kanwar**  
Chairman and Managing Director

## SPECIAL SECTION: CARE DURING COVID-19

The world is experiencing an unprecedented challenge with communities and economies everywhere affected by the growing COVID-19 pandemic.

The most impacted have been the migrant and daily wage workers whose lives have now come to a screeching halt due to the lockdown imposed across India. True to its core value of 'One Family', the company has continued to support its communities and stakeholders. The Company followed a 3 R approach – Relief, Reshape and Resilience.

Some of the initiatives undertaken across various states in India including Haryana, Delhi, Kerala, Gujarat, Tamil Nadu and Andhra Pradesh are captured below.

### RELIEF OPERATIONS

#### Awareness raising

A key initiative and perhaps the crucial element at a time like this is raising awareness. Apollo Tyres Foundation (ATF) started creating awareness through various ways including hoardings and pamphlets in multiple languages with clear Do's and Dont's. These were shared with stakeholders from the beginning of March. 'Train the trainer' model was adopted, whereby a few beneficiaries from the women empowerment programme, NAVYA, were selected and trained. They further cascaded the training in their own villages. Over a million people were outreached.



#### Feeding the hungry

During the lockdown, cooked food was provided for families around Gurgaon slums in Harayana, and for trucking community in the Transport Nagar as that was an imminent need. Further, beneficiaries from ongoing programmes, were also extremely supportive to rollout the donation drive in their own areas. This helped the ATF to reach out till the last mile.

ATF also provided 15-day ration support of essential supplies such as ration support and hygiene kits to communities. This was mainly for daily wage earners who have the provision to cook at home.

Essential support was provided to over 15,000 families.

#### PPE support for Employees and other stakeholders

Women from various tailoring units (livelihood programme) across locations stitched over 1 million reusable cloth masks for employees, community and other stakeholders. Around 100 underprivileged women were involved across locations for stitching the masks and earned over ₹ 1 million in a month's time.

In order to safeguard the health of front-line workers by reducing risk of exposure to a disease causing agents, 100 sets of Full Body PPE Kit were distributed to the District Collector, Kancheepuram, Tamil Nadu. These will be used by the government front line staff involved in Covid19 Control and Recovery. The kit consists of gloves, masks, gown.

In Kunhimangalam panchayath, Kerala, 5000 reusable face masks were provided to Panchayath president and this was further distributed to the community members.

### RESHAPE ONGOING PROJECTS

#### Continuing support to beneficiaries

The teams of the Company's CSR initiative on Healthcare continued their service by being in regular touch with patients, mainly the ones taking TB treatment. The teams made medicine available to patients with the support of District TB offices, and, at times, also arranged for supply of nutritious food as it is crucial for patients.

The company modified its ongoing women empowerment programme to link women beneficiaries in the state of Gujarat, with Government schemes for COVID. Further, in order to promote livelihood, masks are being sourced from the tailoring units set up as a part of the programme.

The women beneficiaries have received monetary support upto 30 million through government linkage. Out of which 10.2 million support was through direct cash transfer.



**Screening support for COVID-19**

The Healthcare programme has recently started screening for COVID-19 at Agartala, Tripura Transshipment Hub. This is aligned with the Government’s programme and the frontline staff of the programme play a crucial role in containing the pandemic.

**BUILD RESILIENCE**

The Healthcare Programme started virtual doctor consultations at a few of its Centres. This takes care of the social distancing norms, as it is contactless.

The training in all programmes is cascaded through virtual platforms through the use of technology, given smart phones penetration in India is huge.

All Programmes have developed *post-COVID SOPs* to function in seamless fashion including safety precautions.



## SUSTAINABILITY @ APOLLO TYRES

Apollo Tyres Ltd is an international tyre manufacturer and a leading tyre brand in India. The company has multiple manufacturing units in India, and a unit each in The Netherlands and Hungary. The company markets its products under its two global brands – Apollo and Vredestein, and its products are available in over 100 countries through a vast network of branded, exclusive and multiproduct outlets. As a brand philosophy, Apollo Tyres believes in giving its customers new choices that put them in control and helps them conquer the road ahead.

### MANAGEMENT TEAM



**Onkar S Kanwar**  
Chairman &  
Managing Director



**Neeraj Kanwar**  
Vice-Chairman &  
Managing Director



**Daniele Lorenzetti**  
Research & Technology



**K Prabhakar**  
Projects



**Gaurav Kumar**  
Finance & Legal



**Benoit Rivallant**  
European Operations



**Yoichi Sato**  
Quality, Health,  
Safety & Environment



**Satish Sharma**  
Asia Pacific, Middle East &  
Africa Operations



**Pedro Matos**  
Global Programme  
Management &  
European OE Business



**P. K. Mohamed**  
(Advisor) Technology



**Sunam Sarkar**  
CSR, Human Resources,  
IT, Procurement &  
Supply Chain



**Markus Korsten**  
Advanced Manufacturing &  
European Manufacturing  
Operations

Apollo Tyres enables individuals to achieve their own potential, when it comes to driving their own life as reflected in its tagline 'go the distance'. Apollo Tyres' foray into the two-wheeler tyre segment makes the company a full-range player.

Over the past four decades, Apollo Tyres has been at the forefront of launching breakthrough products, especially keeping in mind Indian roads and markets. The product innovation has been steered by its global R&D Centres in India and Netherlands.

## ORGANISATIONAL APPROACH TO SUSTAINABILITY

The Sustainability strategy of Apollo Tyres outlines the approach and effort towards syncing its growth agenda with environment conservation, social prosperity and economic well-being. The Organisation's Sustainability strategy has made its growth inclusive, balanced and responsible.

The Organisation endeavours to be the industry leader by pursuing new emerging opportunities and continually embedding sustainability into its business model. This is further manifested through its well-developed and implemented Sustainability Management Framework.

The Organisation ensures that sustainability goals are aligned with the business goals, as it is imperative to create value for all stakeholders. A major shift over the past years has been the integration of sustainability into all levels of the corporate strategy, business model as well as the value chain. The Sustainability Framework and the associated roadmap are further embedding the sustainability principles into the core 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 have been instrumental in assessing the actual performance, setting benchmarks and thriving for 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 the stakeholders over the years have been fruitful in enduring strong stakeholder relationships reflecting onto the key business risks and opportunities. Sustainability risks are identified through such engagements and strategies are formulated to mitigate these risks. This is conducted quarterly and the same are prioritised and reported to the Board.

## AWARDS AND ACHIEVEMENTS

During the year FY2019–20, the organisation was felicitated with the following prestigious awards:

| Name of the Award                    | Category                                      | Awarded by                                    |
|--------------------------------------|---|---|
| ICSI CSR Award 2019                  | Best Corporate in Large Category              | The Institute of Company Secretaries of India |
| Assocham Women Achiever's Award 2019 | Best Organisation supporting Women 360 degree | Assocham India                                |
| Assocham Women Achiever's Award 2019 | Best Initiative taken by Women                | Assocham India                                |

## THE REPORT

This report presents the Sustainability performance of the company focussed on its key stakeholders. Apollo Tyres has developed its own Sustainability Management Framework, aligned to the global standard of ISO 26000 on Social Responsibility. The company commenced its roadmap to undertake external assurance on the framework, ISO 26000, in FY19 for procedures for core subjects of Environment and Community Development. Taking that journey forward, the organisation has got two more procedures of the core subjects, Fair Operating Practices and Consumer Issues, externally assured by The CSR Company, Austria. The assurance statement forms a part of this report.

The Sustainability performance reporting draws elements from globally available and accepted guidelines like GRI.

## PERIOD OF REPORTING

The period covered for the purpose of this report is April 01, 2019 to March 31, 2020.

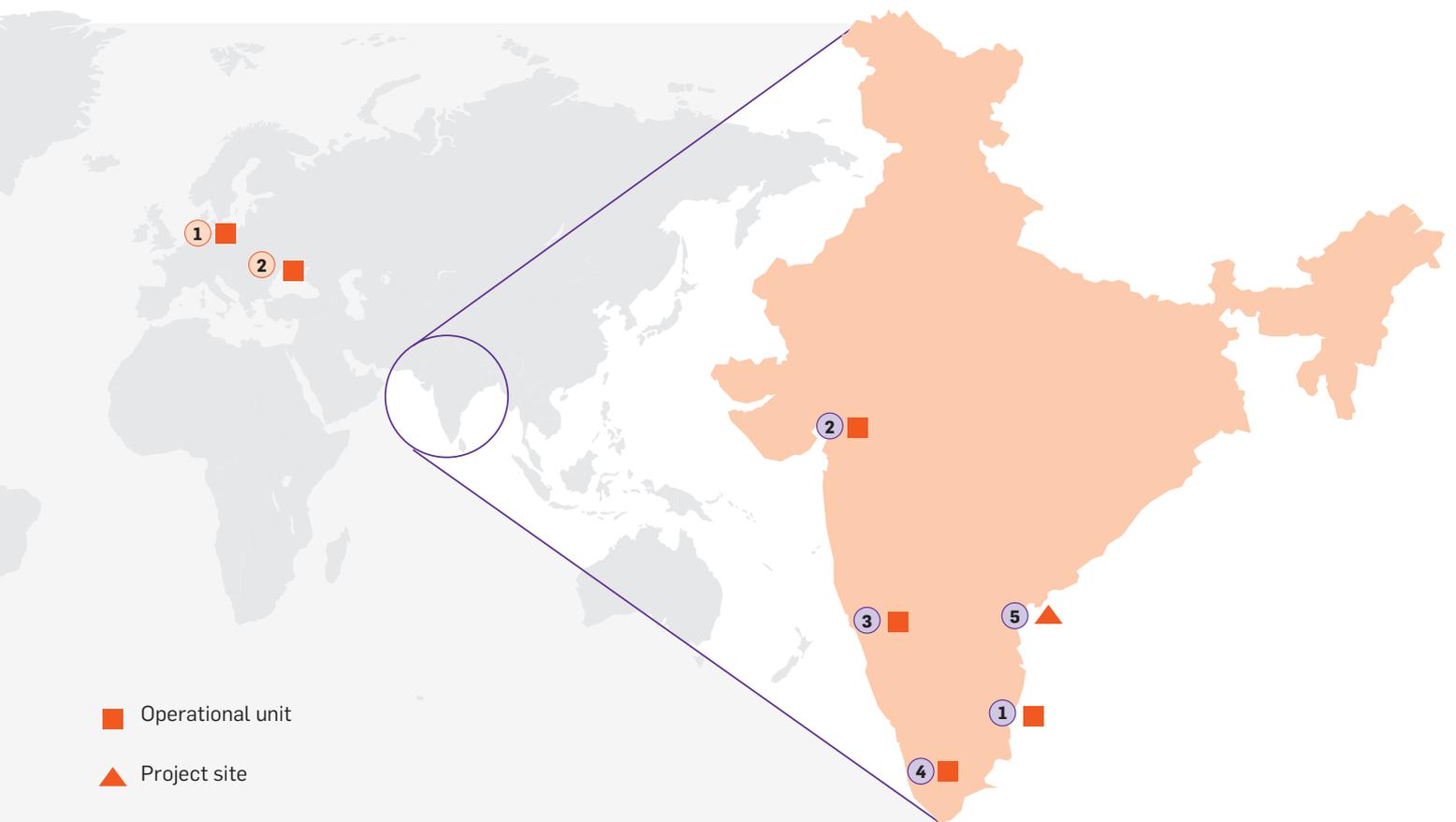
## SCOPE OF THE REPORT

The Company has made all efforts to ensure transparency, accuracy and materiality in this report. The information disclosed in this report relates to the two operations of the Company – Europe and Asia Pacific Middle East and Africa (APMEA). This report primarily covers manufacturing operations, with the exception of the 'The People Pillar' section, which also discusses non-manufacturing operations.

The manufacturing locations are:

- Europe Operations: Enschede in the Netherlands and Gyöngyöshalász in Hungary
- APMEA Operations: Chennai, Limda, Perambra and Kalamassery (Leased unit) in India

## MANUFACTURING LOCATIONS



### EUROPE OPERATIONS

- ① Enschede, the Netherlands
- ② Gyöngyöshalász, Hungary

### APMEA OPERATIONS

- ① Chennai, Tamil Nadu
- ② Limda, Gujarat
- ③ Perambra, Kerala
- ④ Kalamassery, Kerala (leased unit)
- ⑤ Chittoor, Andhra Pradesh



## CREATING AN INCLUSIVE ECOSYSTEM

Globally, stakeholder inclusiveness has become the cornerstone for corporations embedding sustainability in their operations. While the value chain concept has underlined the partnership approach across the stakeholder spectrum, it has also brought centre stage the need for inclusive and responsive stakeholder engagement for a robust and growing organisation.

Apollo Tyres is deeply aware of this concept and considers its stakeholders an inherent component of its business ecosystem. The Company being at the nucleus of this ecosystem takes it as

its cardinal responsibility to include its stakeholders' views in its operations.

The Company engages with a wide range of stakeholders around the globe. At the local/regional level, the operations are encouraged to work with stakeholder groups to identify concerns, if any, and implement engagement initiatives through appropriate mechanisms.

Various functional departments use diverse communication channels to fulfil this responsibility.

### ORGANISATION STAKEHOLDER PARADIGM



### KEY STAKEHOLDER GROUPS

| Stakeholder group        | Responding department                           |
|--------------------------|---|
| Customers                | Marketing, Customer Services, Sales             |
| Value chain              | Procurement, Sales, Supply chain                |
| Employees                | Human resources, Health, Safety and Environment |
| Community                | Corporate Social Responsibility                 |
| Environment              | Sustainability, Health, Safety and Environment  |
| Investors and regulators | Investor relations, Company secretarial         |

### KEY RESPONSIBILITIES OF FUNCTIONAL DEPARTMENTS



### APOLLO'S THREE-PRONGED STRATEGY FOR STAKEHOLDER ENGAGEMENT

To strengthen strategic partnerships with its stakeholders

To achieve the organisational goals



To increase stakeholder participation

# SUSTAINABILITY GOVERNANCE

Apollo Tyres has always believed that sustainability is not just a 'good to have' but a 'must have' attribute for any organisation aspiring to generate continual value for its stakeholders. With this value proposition, the Company has evolved a framework to deeply integrate sustainability principles into its core operations.

The Company has adopted ISO 26000:2010, an international standard on Social Responsibility, and has been on a journey to

develop its sustainability governance model in consonance with the guidelines of the standard.

The ISO 26000:2010 states seven areas, referred to as 'core subjects', which any organisation should consider in order to grow as a socially responsible entity. These are listed below.



The adopted procedures (for 4 out of 6 Core Subjects) are also independently assured by a third party. The assurance certificate forms a part of this report. Further, as part of its ongoing commitment to engagement and communication with its stakeholders, the Company has adapted its annual sustainability disclosures to reflect the ISO 26000 standard guidelines.

These can be viewed in the following sections of the report.

## FAIR OPERATING PRACTICES

Apollo Tyres operational practices and organisational behaviour are based on the values of honesty, equity and integrity. These business dealings involve the relationships between the organisation and its partners, suppliers, contractors, customers, competitors and associations wherein it holds membership. As a responsible organisation, Apollo Tyres identifies, adopts, and applies standards of ethical behaviour appropriate to its purpose and activities. This is to encourage and promote the observance of the standards of ethical behaviour.

Apollo Tyres has been able to sustain productive relationships with its key stakeholders because of its responsible business practices. The organisation is committed to its core values of Customer First, Business Ethics, Care for Society, Empowerment, Communicate Openly and One Family. These are key to the way it works and interacts with its various stakeholders.

The Code of Conduct sets out key policies that outline the standards and behaviours that help shape and strengthen the organisational culture.

With reference to the ISO 26000 guideline, there are five issues identified in the Fair Operating Practices core subject as stated below:



### FAIR OPERATING PRACTICES ISSUE 1

#### Anti-corruption

The Company has a zero-tolerance approach towards corruption and conducts its business in compliance with all applicable legal and regulatory requirements.

It has formulated a Code of Conduct for all its employees and implemented a vigil mechanism through the 'Whistle Blower' policy to deal with instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct. The functioning of the whistle blower mechanism is periodically reviewed by the Audit Committee of the Board. There are laid down procedures for reporting breaches of the Code of Conduct.

### FAIR OPERATING PRACTICES ISSUE 2

#### Responsible political involvement

Apollo Tyres ensures responsible behaviour while contributing towards the development of public policies that benefit the larger society. Being an apolitical company, it does not encourage political involvement of any kind.

### FAIR OPERATING PRACTICES ISSUE 3

#### Fair Competition

The Company sees its vendors as long-term business partners. It is committed to conducting business dealings in a fair and ethical manner that promotes open and fair competition in the best interests of the Company and its business partners.

The organisation has been proactive in ensuring compliance with all applicable laws, rules and regulations. It has developed a 'Competition Compliance Manual' to prevent engaging in anticompetitive behaviour. It also conducts employee awareness on legislations related to fair competition through regular e-mailers, newsletters, trainings, meetings, manuals, and more.

### FAIR OPERATING PRACTICES ISSUE 4

#### Promoting social responsibility in the value chain

The Company extends its organisational sustainability principles to its partners down the value chain in order to build a connected community based on common values. For the upstream raw material suppliers, it has formulated the 'Apollo

Partnership Pact' (APP) that takes into account ethical, social, environmental and health and safety considerations in operations. Partners are encouraged to abide by the provisions of the APP in order to become a preferred partner of Apollo Tyres.

The Company also conducts periodic audits and suggests improvement plans for improving performance.

### FAIR OPERATING PRACTICES ISSUE 5

#### Respect for property rights

Apollo Tyres respects the intellectual property rights of others. For matters pertaining to intellectual property rights [IPR], it undertakes thorough research and follows legal advisory before filing for its Intellectual Property Rights (IPR). It is committed to paying fair compensation, as per the rules of the land for property that it licenses or uses for its business purposes.

## CONSUMER ISSUES

Customer centricity has always been critical to Apollo Tyres. It is part of its value system as enshrined in the Apollo Way, a philosophy of life advocated for each employee. One of the values, 'Customer First' highlights the importance of the customer for each employee and the Company. Listening to customers to understand their requirements and identify efficient solutions has been one of the greatest strengths that has enabled sustained growth over the years.

In the tyre industry, beyond quality and a competitive price, quality of services also plays a key role in enhancing customer loyalty. In the evolving producer-to-consumer paradigm via the

partner network, customers remain a key stakeholder. Customer loyalty begins with the quality of the products and is 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 - Transparent Communication, Customer Care and Timely Delivery of Service.

With reference to the ISO 26000 guideline, there are five issues identified in the Consumer Issues core subject as stated here, which are relevant to the Company's operations.



### CONSUMER ISSUE 1:

#### FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION AND FAIR CONTRACTUAL PRACTICES

As a responsible corporate, Apollo Tyres uses advertising platforms consistent with its policies, and which do not mislead or confuse the consumers. It makes marketing and product information transparently available at dealer stores or digitally on online platforms. It provides complete, accurate and understandable information regarding product quality and performance.

Further, it also ensures fair contractual practices, which are consistent with applicable legal provisions.

### CONSUMER ISSUE 2:

#### PROTECTING CONSUMERS' HEALTH AND SAFETY

Apollo Tyres lays strong emphasis on customer safety while designing its products. Safety is given top priority both during the manufacturing and usage phase of our product. It strives to provide its customers with a product that is safe, reliable and efficient and at the same time has minimum impact on environment. These are ensured through a combination of rigorous systems, procedures and by building a culture for safe operations and adhering to all applicable norms and standards. Its products are labelled giving sufficient information to the customers regarding the product safety enabling them to make informed decisions in addition to ensuring compliance with applicable rules and legislations.

The Company conducts periodic investigations at each stage of the product lifecycle to ensure that the product is safe for use. It also educates dealers and consumers on the proper use of products.

### CONSUMER ISSUE 3: SUSTAINABLE CONSUMPTION

Apollo Tyres follows state-of-art and efficient manufacturing practices. The Passenger Car Radial (PCR) and Truck/Bus Radial (TBR) Tyres are designed to meet all the international norms and are duly certified to that effect. These tyres do not contain any conflict materials and all materials used for making these tyres are REACH compliant. Also, all the tyres are aligned to the requirements of End-of-Life Vehicle (ELV) norms.

During FY20, Apollo Tyres improved fuel efficiency of all TBR and PCR tyres and improved presence in new BS-VI vehicles and electric vehicles. During the year, the Company released new fuel efficiency series tyre called nRG series in TBR, which have ~25% lower rolling resistance than the standard product. This can reduce the fuel consumption of trucks by ~5-10% depending on vehicle configurations. Weight reduction has been a journey to reduce per tyre raw material consumption and also reduce the energy consumption in production process.



#### KEY INITIATIVES

Some of the improvements achieved in certain parameters in FY20 vis-à-vis FY19 are mentioned below.

- Steam consumed per kg of product (kg/kg): PCR – 3.1 % reduction
- Electricity consumed per kg of product (kWh/kg): PCR –3.2 % reduction
- Water consumed per kg of product (litre/kg): PCR - 0.5 % reduction
- Tyre weight of PCR tyres reduced by 5% progressively. Thus, consumption of hydrocarbon reduced corresponding to reduced carbon footprint per tyre.
- Silica based tyre production for PCR category increased by 200% in last years and reduced fossil fuel based reinforcing agent carbon black consumption.
- Recycled material usage expanded to many components beyond inner liner to reduce virgin material consumption by 7%.
- Nitrogen curing technology is developed to reduce the water consumption in both PCR and TBR products and it is being implemented in phase-wise manner in our new manufacturing facilities.

The rolling resistance of the PCR tyres were reduced through the year from 8 kg/T to 7 kg/T. This translates into reduction of rolling loss and reduced fuel consumption without compromise in any other performance parameters.

Re-treading of truck tyres is continuously being supported with more efficient techniques to provide extended life cycle of the tyre body material by 2-3 times, thus avoiding the need for frequent replacement.

Improvement of wear life for all PCR tyres beyond the 1 lakh km tyre ensures improved re-use of the non-consumable parts of the tyre for a longer period. Product failure rate reduced by 15%, thus enhancing the application life of tyres and improved full usage of tyres till the end of life.

Apart from nRG series fuel efficient series in TBR, we are reducing the RRC of all major SKUs by 10%, which can reduce the fuel consumption of vehicles.

**CONSUMER ISSUE 4:  
CONSUMER SERVICE, SUPPORT, AND  
COMPLAINT AND DISPUTE RESOLUTION**

Customer complaints are a source of 'free' market research, where analysis of complaint themes can be used to better align our products/services to customers' interests and services. The function provides an important link between multiple departments, including sales, marketing, manufacturing and R&D, with its robust feedback from customers.

The Company continues to invest in its customer service function – equipping it with specialised knowledge on products, technical expertise and commercial understanding to provide value added services to its customers.

Apollo Tyres constantly works towards improving its products. Regional Inspection Centres (RICs) set up across India carry out checks on returned products. The insights gained were shared with the manufacturing and R&D teams for improving quality of the products and minimising wastes.



**KEY STRATEGIES**

Developing TBR leadership

Educational drives on tyre care and maintenance (both urban and rural)

Continuous improvements in Customer Satisfaction Index (CSI)

Organising drive welfare camps

Extending service support to rural customers

**CUSTOMER ENGAGEMENT**

Apollo Tyres continuously engages with its customers through different forums to get inputs and suggestions in order to serve them better. Some of these have been mentioned below.

**Voice of market**

Understanding customer feedback and touchpoints like fitter, re-treader, casing dealer and drivers, among others, is a critical input as it helps improve the performance. Further to meet the emerging customer requirements, Apollo Tyre's Customer Service team has initiated studies to capture assess satisfaction level, usage practices, product pain areas and new expectations on products and services. The Company identified key markets for few products covering truck, passenger vehicle, agri and light commercial vehicle categories with major preferred competition tyre brands as part of the studies.

**Load and fitment studies**

Load and fitment studies provide a comparative insight against peers on product parameters like fitment share, brand of choice, current loading trends, usage practices by customers on various tyre brands, and others. In the past, similar studies were conducted on quarterly basis keeping in mind dynamic market conditions. Since the market is dynamic, the studies were conducted every month at 11 key locations with truck, Light Commercial Vehicle (LCV), Small Commercial Vehicle (SCV) and Intermediate Commercial Vehicle (ICV) categories as major focus.

The Customer Service team gathered data of 1 lakh tyre fitments from ~9,000 trucks every month. The collected data has provided inputs to work upon different strategies to increase the customer acceptance and usage of right products.

**CPKM**

The Company constantly endeavours to add value to the business of its customers. During the year, the Cost Per Kilo Metre (CPKM) initiative was started internally. The internal team was trained to spread education to end users on commercial value a tyre brings in their business.

**Commercial Vehicle (CV) Zone**

The results of an education drive on tyre care and maintenance, particularly on vehicle alignment gaps, clearly indicated that there is an emerging customer requirement for Commercial Vehicle (CV) alignment centres. In response, the Company is building a network of Apollo CV Zones across transport hubs and on highways to cater to commercial segment operators. During FY20, the Company was successful in increasing its CV Zone footfall by 22%. It initiated the journey by offering best alignment services to customers and saw a rise of 28% in CV Zone service experience for the year. It is expanding its CV Zone centres to cater the need of truck wheel alignment. It has expanded its reach from 44 CV Zone in FY19 to 64 in FY20.

**Customer engagement in rural markets**

Further increasing service landscape to rural areas, the Company initiated customer engagement programmes in villages across India. Engagement includes participation in local village festivals, helping farmers with Agronomist meets for their crop solutions, along with sharing the relevant product information and influencer meets to educate customers on tyre care and maintenance. It covered 187 villages in 12 states in India.

**Bad road buddies activities**

To further engage with its customers, Apollo Tyres has been engaging with car owners and bikers in India under Bad Road Buddies (BRB) by conducting various short distance driving events in various cities, along with a cause (plantation, plastic picking, plant watering, among others). The Company conducted 240 BRB across the country in major cities during FY20.

**CUSTOMER SATISFACTION**

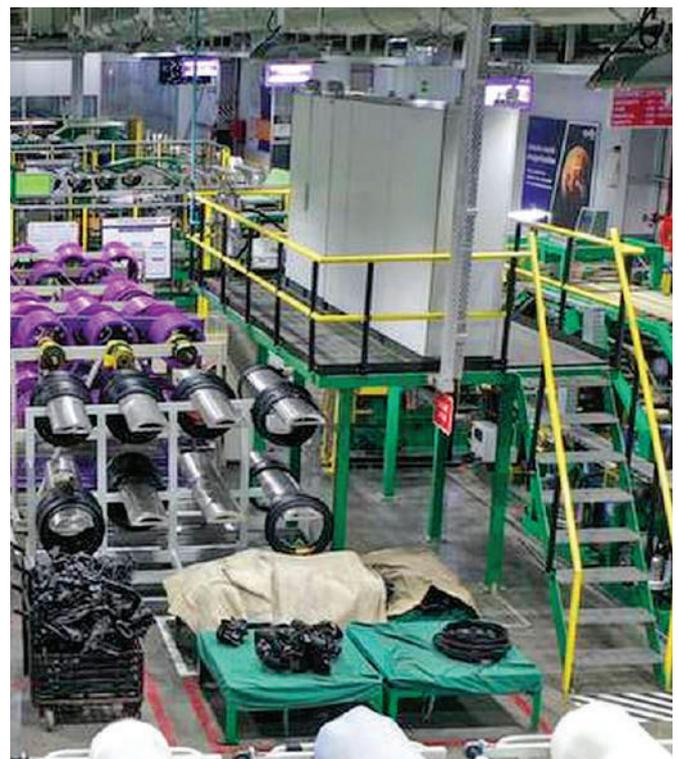
Apollo Tyres gauges consumer feedback on its products and services on a regular basis through its dedicated Customer Service team and Apollo Customer Contact Centre.



**ISSUE 5: EDUCATION AND AWARENESS**

The Company is conscious about building awareness amongst customers in order to inculcate responsible behaviour and usage practices. It promotes initiatives and projects which seek to augment customer engagement, create awareness and customer retention by ensuring that customers are happy, safe and knowledgeable about the products.

The 360° service approach that connects with all the customer service touchpoints was further strengthened during the year.



## Apollo 360° Customer Approach

### Apollo Certified Fitter (ACF)

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. Sustained the touch point and initiated internal audits for better customer service experience. The organization has increased its network of Apollo Certified Fitters from 300 in FY 18-19 to 390 in FY 19-20.

### Apollo Radial Service Assistance (ARSA)

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%."Sustained the touch point and initiated internal audits for better customer service experience".

### Apollo Radial Repair Centre (ARRC)

An initiative to motivate and equip dealers to support customers by repairing damaged tyres, instead of scrapping them."Sustained the touch point and initiated internal audits for better customer service experience".

### Apollo Quick Service (AQS), Tubeless Service Point (TSP)

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%."Sustained the touch point and initiated internal audits for better customer service experience".

### Apollo Tractor Owners Meet (ATOM)

A farmer engagement and welfare initiative to educate tractor owners in tyre care and repair. Dealers, franchisees, fitters and retreaders are invited to training sessions. Total 600 nos. activity were conducted in FY 2019-20

### Apollo Direct (Contact Centre Management)

A dedicated customer care service center for grievance redressal. It is open all seven days of a week and addresses queries and complaints in English and regional languages. Customers are encouraged to approach us with their query, feedback and grievances.

### CUSTOMISED SOLUTIONS TO PASSENGER VEHICLE (PV) COMMERCIAL FLEET OWNERS

The core purpose of this activity continues to engage PV commercial fleet owners and increase share of account by attaching taxi fleets with Apollo Tyres dealers. During the reporting period, the PV Forza team conducted 1,057 activities with PV commercial fleets across geographies in which various influencers/taxi fleet owners participated. The campaign was focused on customer engagement, product information and safety trainings. The campaigns were conducted with an objective to minimise operational tyre failures, help understand benefits of Amazer 4G Life, reduce operational costs, strengthen the Apollo brand, and thereby build the overall perpetual value. Entire engagement is planned through T-30 calendar.

#### ATOM (Apollo Tractor Owners Meet)

In its endeavour to improve the lives of the Farming community, the Company has created a unique customer outreach program – ATOM (Apollo Tractor Owner's Meet). It is a customer connect

activity, which aims to extend the latest know how and day-to-day tips with the farmers. The activity is designed to improve the Farmer's knowledge on a range of farm related topics like land preparation, crop protection, agri machinery maintenance etc. apart from tyre knowledge and is presented by experts from respective fields. As Apollo Tyres supports the farm mechanisation needs of the farmer, ATOM keeps special focus on educating customers on the maintenance of their tractors & other implements, repair and maintenance of the tyres and usage of right tyres as per the application needs. This is a Pan India programme implemented round the year. More than 300 such programmes were conducted in the reporting year reaching out to approximately twenty thousand farmers.

The Company also offers a complimentary Tyre Insurance i.e. "Tyre Suraksha Beema" which provides insurance to Tractor tyres against damages. Under this policy tyres are exchanged on pro-rata basis, unconditionally which helps cover the risk for the farmers.

## THE ENVIRONMENT

Apollo Tyres considers the environment as a key stakeholder and works towards ensuring environment conscious operations. This approach has been developed under the framework of ISO 14001 - Environment Management System. This figures prominently in the sustainability strategy of the organisation. It is constantly working to reduce the environmental impact of its products and make its manufacturing process environmentally benign.

Environment consciousness is not limited to 'within the fence' but is taken 'beyond the fence' into the communities in the form of CSR programmes. These initiatives aim to promote and raise awareness among communities on environment conservation.

With reference to the ISO 26000 guideline, there are four issues identified in the Environment core subject as stated below.



### 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 forms of pollution.



#### Emission Reduction

Manufacturing operations at Apollo Tyres use state-of-the-art technology to ensure cleaner operations.

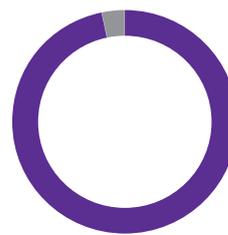


#### Waste Management

Waste generated from the operations include hazardous and non-hazardous types in solid and liquid forms.

The total solid waste generated in the reporting period was **21,398 metric tonnes.**

#### BREAK-UP OF SOLID WASTES BY TYPE GENERATED, FY20 (%)



96.78 ■ Non-hazardous  
3.22 ■ Hazardous

In the APMEA operations, 328 metric tonnes of hazardous and 15,127 metric tonnes of non-hazardous solid wastes were generated. The hazardous liquid waste generated was 116 kilo litres.

A total of 362 metric tonnes of hazardous and 5,581 metric tonnes of non-hazardous solid wastes were generated in the reporting period in Europe.



## ENVIRONMENTAL ISSUE 2:

### SUSTAINABLE RESOURCE USE

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

#### ENERGY PERFORMANCE

Apollo Tyres utilises a mix of renewable and non-renewable fuel types to meet its energy requirements.

In its India operations, the main source of direct energy continues to be coal, followed by furnace oil. It has also invested in renewable energy like solar and wind power as direct energy sources. In its European operations, direct energy is sourced from natural gas.

Indirect energy sources in the Indian operations comprised grid electricity, along with wind energy. In Europe, electricity is the main source of indirect energy.

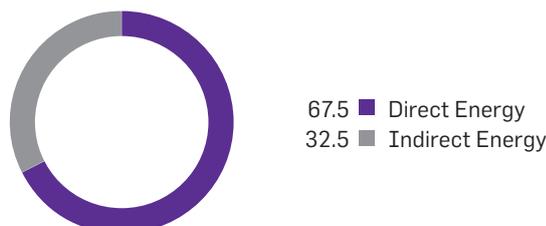
The total energy consumption (direct and indirect) for the reporting year was 5,382 TJ. The share of direct energy was 67.5% (3,633 TJ) and the balance was accounted by indirect energy (1,749 TJ).

The share of renewable energy in the total mix stood at 3.7%. During the reporting year, the Company's Limda and Chennai facilities' captive capacities for solar and wind energy added to the total renewable portfolio.

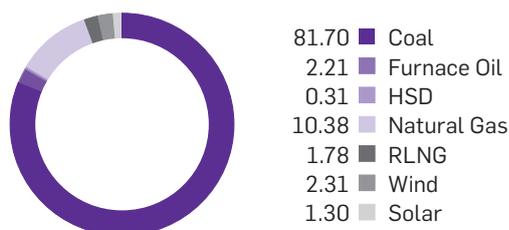
#### Energy Efficiency Initiatives

The Company has been continuously making efforts to achieve energy efficiency through improvements in its process design, conversion and retrofitting of equipment and use of energy efficient equipment. There were several initiatives that were undertaken during the reporting period which resulted in energy savings of 70,804 GJ.

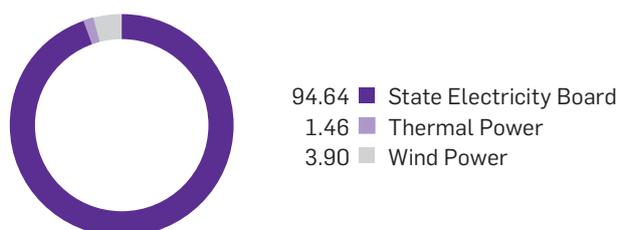
#### SHARE OF DIRECT AND INDIRECT ENERGY CONSUMED, FY20 (%)



#### BREAK-UP OF DIRECT ENERGY BY SOURCE, FY20 (%)



#### BREAK UP OF INDIRECT ENERGY BY SOURCE, FY20 (%)



#### ENERGY SAVED IN MANUFACTURING OPERATIONS FROM DIFFERENT LEVERS (IN GJ), FY20

| Plants                    | Process design | Conversion and retrofitting equipment | Use of energy efficient equipment | Total energy saved |
|---------------------------|----------------|---------------------------------------|-----------------------------------|--------------------|
| Limda                     | 5,531          | 1,067                                 | -                                 | 6,598              |
| Chennai                   | 46,175         | 12,444                                | 216                               | 58,835             |
| Kalamassery               | 383            | 198                                   | 284                               | 775                |
| Perambra                  | 2,137          | 1,165                                 | 153                               | 3,455              |
| Enschede                  | 820            | 0                                     | 320                               | 1,140              |
| <b>Total energy saved</b> | <b>55,047</b>  | <b>14,783</b>                         | <b>973</b>                        | <b>70,804</b>      |

## WATER SOURCING AND MANAGEMENT

The primary source of water at the operations is surface water, which accounted for 97% of total water consumption during FY20. Other sources included groundwater and municipal water.

### TOTAL ANNUAL WATER WITHDRAWAL (IN M<sup>3</sup>), FY20

|          |             |                |
|----------|-------------|----------------|
| Perambra | Kalamassery | Limda          |
| 5,51,545 | 2,16,278    | 6,53,980       |
| Chennai  | Enschede    | Gyöngyöshalász |
| 4,73,180 | 40,59,220   | 68,163         |

Total annual water withdrawal **60,22,366**

■ Annual water withdrawal ■ Plant

### Key Initiatives

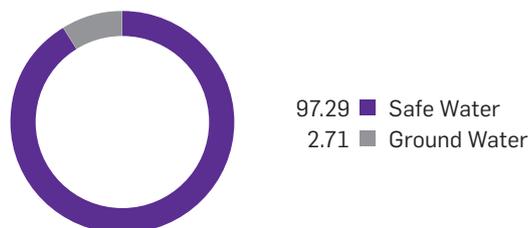
The APMEA operations carried out several initiatives to conserve water during the reporting year. These included:

- Excess hot water from the process is recovered and sent to Effluent Treatment Plant (ETP)
- Replacement of leaky/damaged hydraulic water lines in tyre curing area
- Curing trench water quality improvement for reuse in process water
- Ultrafiltration unit provision to treat ETP final water for reusing as plant soft water.

The total recycled or reused water was 7,31,569 m<sup>3</sup>, which was 12.15% of total annual water withdrawal.

In the APMEA operations, the total annual water withdrawn was 18,94,983 m<sup>3</sup>, of which 7,31,569 m<sup>3</sup> (38.61%) was recycled or reused.

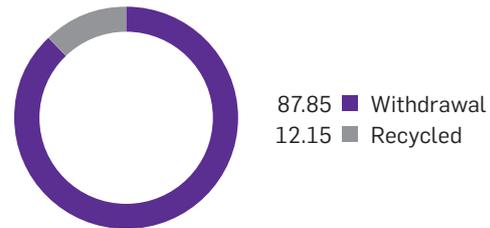
### SHARE OF WATER WITHDRAWAL BY SOURCE IN APMEA OPERATIONS, FY20 (%)



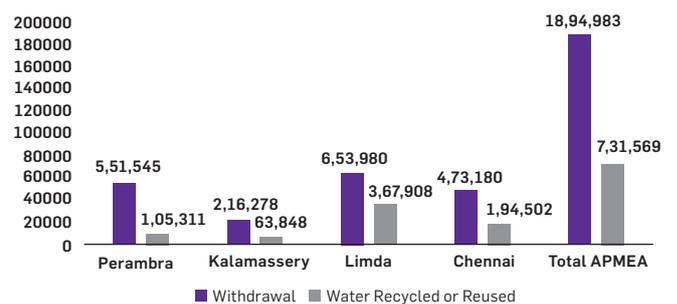
### SHARE OF WATER WITHDRAWAL BY SOURCE IN EUROPE OPERATIONS, FY20(%)



### BREAK-UP OF TOTAL WATER USAGE IN TERMS OF RECYCLED WATER AND FRESHWATER WITHDRAWAL, FY20 (%)



### WATER RECYCLE, APMEA OPERATIONS (IN M<sup>3</sup>), FY20



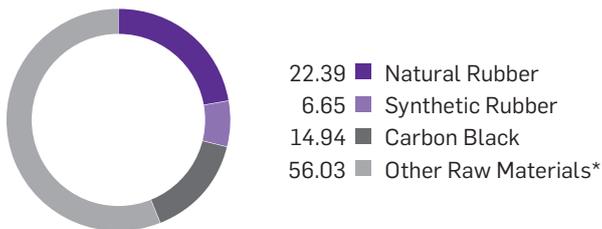


## RAW MATERIAL SOURCING AND MANAGEMENT

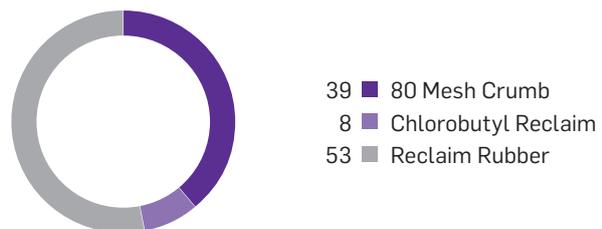
The three main constituents used for manufacturing tyres are natural rubber, synthetic rubber and carbon black. In the reporting period, these three components accounted for 45.4% of our total raw material consumption.

The total raw material consumed across all operations was **8,32,564** metric tonnes. The total recycled material was **6,341** metric tonnes. In the APMEA operations, the total raw materials consumed was **7,56,507** metric tonnes and the total recycled material was **5,758** metric tonnes. In Europe operations, the total raw materials consumed was **76,057** metric tonnes and the total recycled material was **583** metric tonnes.

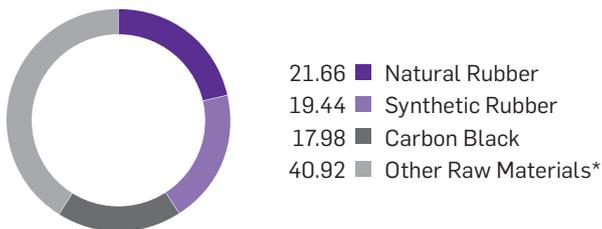
### SHARE OF RAW MATERIAL CONSUMED IN APMEA OPERATIONS, FY20 (%)



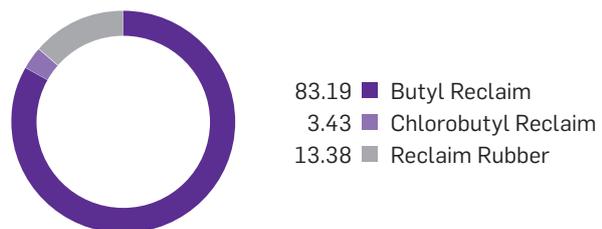
### BREAK UP OF RECYCLED RAW MATERIALS BY TYPE IN APMEA OPERATIONS, FY20 (%)



### SHARE OF RAW MATERIAL CONSUMED IN EUROPE OPERATIONS, FY20 (%)



### BREAK UP OF RECYCLED RAW MATERIALS BY TYPE IN EUROPE OPERATIONS, FY20 (%)



\*Other raw materials include associated process materials. In APMEA, it also includes steam used in Limda, Gujarat.

**ENVIRONMENTAL ISSUE 3:**

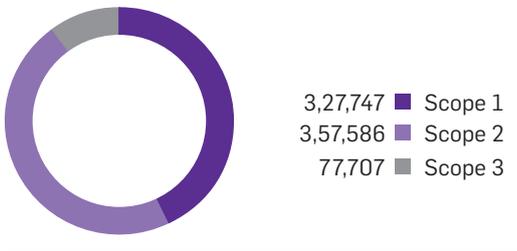
**CLIMATE CHANGE MITIGATION AND ADAPTATION**

As a responsible corporate citizen, Apollo Tyres has been measuring and monitoring its carbon footprint. To promote a climate conscious manufacturing set up, the Company has invested in renewable energy as well as various energy saving initiatives.

**GREEN HOUSE GAS (GHG) EMISSIONS**

At present, the operations mostly depend on non-renewable energy sources. However, it has invested in renewable energy to reduce the GHG footprint.

**CARBON EMISSION PROFILE (In tCO<sub>2</sub>eq) FY20**



**ENVIRONMENTAL ISSUE 4:**

**PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS**



During the reporting period, as part of the Company's environment programme HabitAt Apollo, several activities were carried out within the plants to enhance biodiversity.

At 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 species of flora and fauna. Apiculture, for collection of honey from rubber trees within the premises, was also continued at Perambra during the reporting period. The Company also has an organic farming project within the plant premises in Limda, Gujarat.

## COMMUNITY INITIATIVES ON ENVIRONMENT CONSERVATION

The Company promotes eco-conscious behaviour amongst 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 aligned to the respective Environment Issue as per ISO 26000 standard.

### ENVIRONMENTAL ISSUE 1: PREVENTION OF POLLUTION



Aligning with national agenda 'Swachh Bharat Abhiyan', the Company has started solid waste management and Sanitation programme (SPARSH) in 2013.

**SPARSH** stands for: **S** – Segregate waste; **P** – Practise composting; **A** – Awareness generation; **R** – Reduce, reuse & recycle; **S** – Safe sanitation; **H** – Hygiene for all.

The strategy of SPARSH remains focused on engaging with the Company's stakeholders to create awareness on the 3Rs, namely, reduce, reuse and recycle.

There are four projects under SPARSH: Clean My Transport Nagar (CMTN), Clean my Village (CMV), Sanitation Management and End-of-Life Tyre (ELT) play Spaces.

Apollo Tyres started the initiatives CMTN and CMV with the objective to improve the waste management and cleanliness of identified trans-shipment hubs and villages in India. CMTN caters to the needs of customers in transport hubs and CMV targets communities around its manufacturing locations. The key features of the initiative include door-to-door waste collection, cleaning of roads/lanes, segregation of waste, composting from wet waste and awareness generation. The ownership of the

community has steadily increased over the years. This is evident from the collection of contribution, money that is being used to support the project activities.

During the reporting year, 13,378 people were reached with door-to-door waste collection activities and 13,310 people were reached out from awareness activities. Out of a total of 1,713.3 metric tonnes waste collected, 8% was biodegradable. The collected waste is managed scientifically to produce value added products like compost and upcycled items like paper mache products, plastic derived tiles and incense sticks from floral waste.

Further to promote total sanitation programme, the Company has also constructed 122 toilets with bathing space for the underprivileged communities around the Chennai manufacturing location. ~488 people directly benefited from the newly constructed toilets.

Another important initiative under this category is construction of End-of-Life Tyre (ELT) spaces. In the reporting year, to promote recycling of waste the Company constructed 2 Play Spaces made from ELT at different locations. Total 116 waste tyres were used in construction of ELT play structures. Over 140 number of people utilised the ELT spaces.

**ENVIRONMENTAL ISSUE 2:**

**SUSTAINABLE RESOURCE USE**

Water crisis has been identified as a key area for intervention, due to it featuring in the top 5 global risks. Population explosion, urbanisation, industrial development and climate change impacts have increased the demand for water. Enhancement of water availability is identified as a key initiative under the environmental sustainability journey.

**Access to purified drinking water:** Apollo Tyres has set up an RO drinking water plant at Oragadam village, Chennai. Through this initiative beneficiaries have access to purified drinking water. Around 580 households and over 2,500 people are availing the drinking water facility. During the reporting year, 4,17,012 litres of water was dispensed through the RO plant.

**Eco restoration of ponds:** Apollo Tyres has mapped the condition of water bodies through research study in the communities around the manufacturing locations. Based on the findings, the Company has restored few ponds in Chennai, Limda and Perambra locations. The main objective of this initiative is to improve the condition of water bodies, restoring and enhancing the aqua biodiversity. Total 10 ponds have been restored through pond deepening, desilting, bunding and maintenance activity.



**ENVIRONMENTAL ISSUE 3:**

**CLIMATE CHANGE MITIGATION AND ADAPTATION**

The organisation has also contributed towards mitigation of climate change with the help of projects like usage of biogas units and afforestation, whereby it planted a total of 350,000 teak and red sandalwood trees in Tamil Nadu for emission reduction. As per estimation, over 17,500 tonnes of CO<sub>2</sub> have been sequestered from these trees.



  
**TIST**  
 The International Small Groups & Tree Planting Program  
**Congratulations!**  
**APOLLO TYRES LIMITED**  
 6<sup>th</sup> Floor, Cherupushpam Building, Shanmugham Road, Kochi, Kerala, - 682031

for planting trees through TIST Program, a Program which goes beyond mere 'Sustainability' by enabling the current generation of farmers to meet its need in a way that enhances the ability of future generation to meet their needs

**APOLLO TYRES LIMITED HAS PLANTED 350,000 TREES.**  
**TREES HAVE SEQUESTERED OVER 17,500 TONNES OF CO<sub>2</sub>**

*TIST empowers Small Groups of subsistence farmers in countries such as Tanzania, Kenya, Uganda, and India to reverse the devastating effects of deforestation, drought, and famine. Since 2003, TIST participants in Tamil Nadu (India) have been identifying local sustainable development goals that include tree planting and sustainable agriculture. TIST creates a communication and administrative structure that also address health (including HIV/AIDS), education and nutrition. TIST expects to provide long-term revenue for the Small Group participants through the sale of greenhouse gas credits (GRCs).*



  
 Ben Henneka  
 Founder – TIST India

March 31, 2020, Chennai 75  
 Date and Place

**Utilisation of biogas:** In Limda, Gujarat, Apollo Tyres is working on biogas utilisation as a mainstream cooking fuel in the villages. The women have already started realising the benefits as this has freed them from long walk to fetch wood and save time as well. That available time is invested in income generation or to spending with the family. Apart from providing an eco-friendly alternative source of energy, the programme offers additional benefits of organic manure from slurry, utilisation of cow dung (which is a solid waste) and savings accruing from fuel replacement from LPG to biogas.

## ENVIRONMENTAL ISSUE 4:

### PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

Biodiversity conservation is a global initiative for Apollo Tyres, wherein projects are undertaken in India, Hungary and the Netherlands. In India, mangrove conservation is a key initiative and implemented in Kannur district, Kerala. This initiative aims to conserve the mangrove with the focus on restoration of endangered mangrove species.

The actual site of the mangrove conservation project is in Kunhimangalam village in Kannur district, which is the largest mangrove village in Kerala. The organisation has partnered with Wildlife Trust of India (WTI) for the implementation of the project.

It engages with youth, local community, researchers, local bodies and policy enforcement personnel for awareness generation. As a part of the mangrove restoration activities,

over 5,000 mangroves saplings were planted in ~6 acres. The programme also developed draft mangrove conservation action plan for three panchayats of Kannur district and engaged with five local colleges for conducting research.

The programme organised an interstate Environment and Nature Quiz for college students from Kerala, Tamil Nadu and Andhra Pradesh. The objective was to create awareness on mangrove, environment and nature conservation. Photo exhibition and nature camp activities were also organised for sensitising community about mangrove conservation. During the reporting year, over 37,000 people were reached from various awareness activities.



**Initiatives in Europe:** In its endeavour to conserve and promote biodiversity in the vicinity of the factory in Enschede, Apollo Tyres is working on the Stadsbeek project. The objective of this project is to address issues related to rainwater and groundwater and improve the living environment. It involves digging of a 'Stadsbeek' or city creek, from Bruggertstraat to the Volkspark

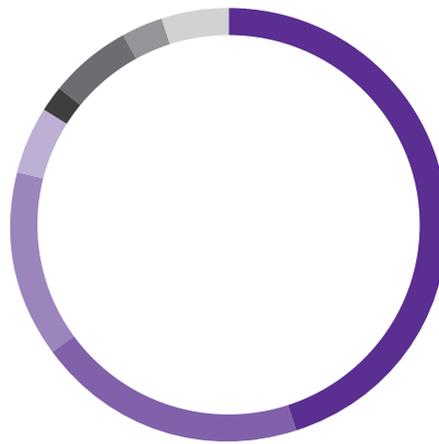
in the Netherlands. A monitoring and evaluation mechanism has been set up to keep track of the project. The latest assessment shows a positive increase in the insect population in the converted routes.

## COMMUNITY INVOLVEMENT AND DEVELOPMENT

Sustainability and social responsibility are inherent components of the Company's corporate strategy. The CSR activities are aimed at bringing a positive difference to the everyday life of its stakeholders – employees, customers, dealers, suppliers and communities. Environment is also considered a crucial stakeholder, hence 'Biodiversity' features as a global initiative with projects in India and Hungary.

Apollo Tyres constituted a CSR policy in 2014 in line with the Companies Act, 2013 and complies with the requirements of section 135 of the Act. The CSR initiatives are delivered through Apollo Tyres Foundation (ATF) registered in 2008. During FY20, the Company invested 2% of its net profit in CSR activities, amounting to ₹ 183.7 million. The percentage breakup of the CSR spent is presented in pie chart as per the core areas of the CSR strategy of the organisation.

CSR SPEND (%)



- 45 ■ Healthcare Programme for Trucking Community
- 20 ■ Solid Waste Management Sanitation
- 14 ■ Livelihood for Women
- 5 ■ Biodiversity
- 2 ■ Local Initiatives
- 6 ■ Philanthropy
- 3 ■ COVID-19 Relief Support
- 5 ■ Administrative Cost

All the CSR initiatives of the organisation are aligned with national goals and the UN Sustainable Development Goals. The Company has categorised its CSR initiatives into two themes – Environment and Social (which includes health and community development). Within the themes, there are four core areas of work.

### HEALTHCARE PROGRAMME FOR TRUCKING COMMUNITY

Preventive healthcare initiative for the truck driver community is the Company's pioneering programme. Under this initiative, the Company operates 32 healthcare centres in the transshipment hubs spanning 19 Indian states. The programme provides healthcare services such as prevention and awareness of HIV-AIDS, vision care, integration of tuberculosis and other non-communicable diseases such as diabetes, high blood pressure and general treatment facility. (This initiative is described in detail under Issue 6 later.)



### SOLID WASTE MANAGEMENT AND SANITATION

Aligning with national development agenda and contributing to the 'Swachh Bharat Abhiyan', the Company has been running various projects on solid waste management and safe sanitation with the objective of promoting a healthy and sustainable lifestyle amongst the local communities. 'Clean My Transport Nagar', 'Clean My Village', 'Sanitation Management' and 'End of Life Tyre Playgrounds' are four initiatives started under this theme.



<sup>7</sup>The information on Environment theme is covered in the Chapter on Environment

**LIVELIHOOD FOR UNDERPRIVILEGED WOMEN**

The Company has initiated a programme, Navya, to support the livelihood needs of underprivileged rural women by providing them income generation opportunities at their door step. (This initiative is described in detail under Issue 5 later)

**BIODIVERSITY CONSERVATION**

Biodiversity conservation is a global theme for Apollo Tyres, wherein it has undertaken conservation projects in Hungary and the Netherlands. In India, mangrove conservation is a key initiative and such a project is being implemented in Kannur, Kerala. As a measure of mitigating climate change, afforestation project is being implemented in Tamil Nadu, India within the theme.

In addition to the core themes, the Company has been conducting other local initiatives such as watershed management, renewable energy proliferation, road safety awareness, educational initiatives viz. computer literacy in schools and ITI-based skilling of youth and philanthropic endeavours. (These are described later under section 'other local initiatives'.)

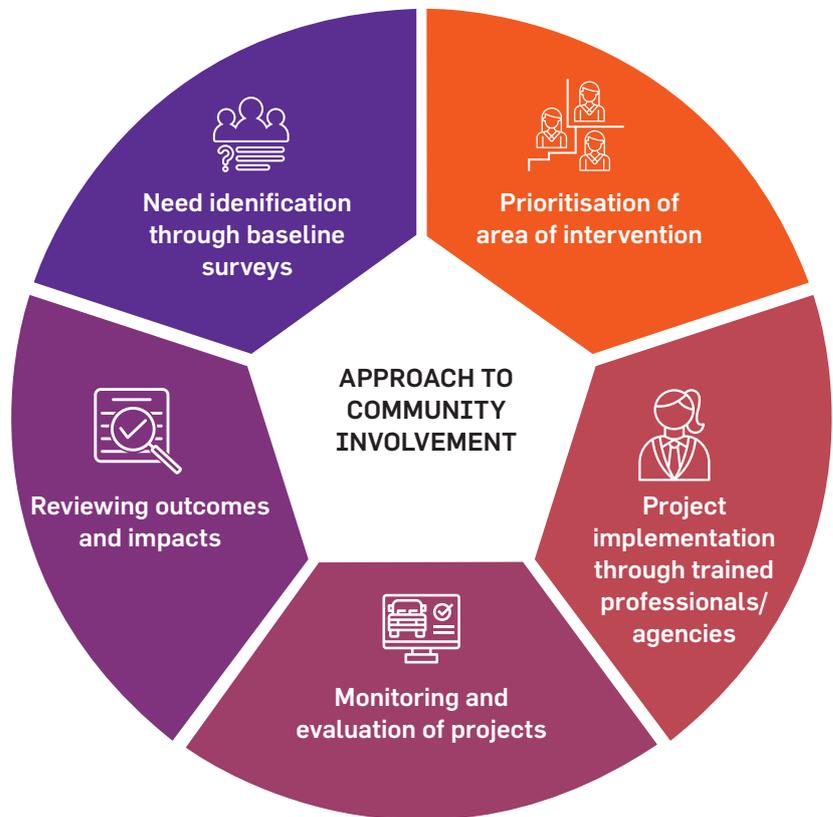


The Company has been implementing its sustainability framework as per the international standard on Social Responsibility, ISO 26000:2010. The section presented below follows the above structure.

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

**COMMUNITY INVOLVEMENT AND DEVELOPMENT ISSUE 1: COMMUNITY INVOLVEMENT**

Community is an important stakeholder for the Company. The core strategy is to have well-developed, strengthened communities that can sustain themselves. The Company follows a well-defined approach in identifying the needs of the community through both formal and informal methods. Whilst informal methods provide some guidelines and a bird's-eye view, the formal methods provide the basis for the initiatives. This is mainly undertaken by the field staff of the Foundation, who are also from the local area. Before the introduction of the initiative, a thorough Participatory Rural Appraisal (PRA) exercise, with needs assessment of the community, is undertaken.





**COMMUNITY INVOLVEMENT AND DEVELOPMENT  
ISSUE 3:  
EMPLOYMENT CREATION AND SKILLS  
DEVELOPMENT**

The Company believes that skill development trainings help the youth and other groups such as rural women in securing better livelihood. Therefore, it has initiated various programmes to develop specialised skills amongst various groups of the community.

Under this issue, the Company provides soft skill training such as career counselling, employability skills, basic computer education to ITI and graduate students to give them access to better job opportunities at its Chennai and Kochi locations. This falls under the 'other local initiatives' category of CSR.

During the reporting year, 400 students were trained under this initiative and around 100 students got jobs. For rural women, skills training is cascaded through Programme Navya, highlighted in Issue 5.

**COMMUNITY INVOLVEMENT AND DEVELOPMENT  
ISSUE 5:  
WEALTH AND INCOME CREATION**

The Company is committed towards addressing Sustainable Development Goals — SDG 1: Poverty, SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth. It supports gender equality and also helps underprivileged communities to rise above the poverty line. To achieve this, it has initiated a livelihood generation programme for rural women.

The issue is a core area of intervention for the Company. Under the programme, **Navya**, it seeks to improve the lives of women by providing them income generation opportunities at their doorstep and sensitising them on gender rights to address the problems related to discrimination.

Key activities under this programme include Self-help Group (SHG) formation, livelihood training and income generation and linkages with government schemes to improve socio-economic status of the beneficiaries.

**SHG FORMATION AND STRENGTHENING**

SHG works as a platform for bringing women together. The Company's strategy is to engage with women groups by either strengthening the existing SHG or by creating a new group when needed. The main objective of this initiative is to inculcate the habit of savings among the women, and cascade key learnings such as training on financial literacy, bookkeeping, documentation and others. They are also trained to deal with social issues like domestic violence, gender rights, among others.

**LIVELIHOOD TRAININGS AND INCOME GENERATION**

Skill development training is provided to underprivileged women to create livelihood sources. The training includes farm- and non-farm-based activities. Non-farm training includes vocational skills such as apparel making, nursing, khakhra making, sanitary napkin making, rubber sheet making, apiculture, mushroom cultivation, aqua culture, jackfruit processing, among others.

Through farm-based trainings, women are trained in improved farming and scientific agricultural practices. Basic training related to seed selection, soil testing, organic compost making, organic farming practices, among others, are delivered.

Livestock care management training is also delivered. This range from providing artificial insemination services at the farmer's doorstep to organising infertility camps and vaccination camps. Training is also given on disease management, ration balancing, clean milk production, among others.

### Linkages with government and market

While programme Navya aims to provide livelihood opportunities to women, it also educates them about various government-run schemes. Beneficiaries are linked with various government schemes to have a multiplier effect.



In addition, the trained beneficiaries are further linked with the market and service sector for employment. As a result of this initiative, trained women have started their own businesses and are not only supporting their own families but also providing employment opportunities to other women of their villages.

The Company has partnered with the United Nations Children's Fund (UNICEF) Gujarat for providing maternal and childcare awareness to expecting and lactating mothers. UNICEF has trained the SHG women in awareness generation, and these women further pass on the information to other target women groups.

Another significant achievement has been the partnership with the National Bank for Agriculture and Rural Development (NABARD) for providing livelihood training and developing enterprise for rural women under Livelihood and Enterprise Development Programme (LEDP) in Baroda, India.

The Company believes in motivating the women beneficiaries further, and has continued its journey of 'Ek Naam...' campaign into its second edition to celebrate International Women's Day 2020. It partnered with the French Institute and felicitated eight change agents from across the country who have brought a positive difference to their community. These eight women worked for their own empowerment and livelihood generation. Further, they aligned with other women from their own or nearby villages and provided income opportunities to them or created the promise of such opportunities through the formation of SHGs.

This event was followed by a panel discussion on the theme 'Enabling Equality'. A month-long social media campaign was organised to showcase the journey of the eight change agents.

During the reporting period, 3,160 women were reached and 2,035 received income generation training in farming and non-farming activities. Out of the total trained population, 1,938 women engaged in income generation activity. Further, the programme linked over 4,400 women and their families with

various government schemes like Ujjawala Yojna, Deen Dayal Gramteen Kaushalya Yojana, Deen Dayal Awas Yojna, among others. Over 8,000 SHG women were linked with Jan Dhan Yojna, Widow Pension Scheme, Gareeb Kalyan Yojna under COVID-19 relief support.

In addition to the programme Navya, the Company has provided livelihood support to male farmers by providing technical knowledge in improved farming practices and livestock care and management. The farmers received training in fodder management, seed selection, organic farming, cattle rearing and others. Farmers were also linked with government agricultural schemes. During the reporting year, over 800 male farmers were positively impacted.

### COMMUNITY INVOLVEMENT AND DEVELOPMENT ISSUE 6: HEALTH

Apollo Tyres holds wellbeing of its stakeholder as a priority and links this with its vision of creating positive impact for them. The programme aims at increasing awareness on various health issues faced by truck drivers. This initiative is in line with UN SDG Goal 3, Good Health and Well-Being.

Due to the nature of their work, truck drivers have limited access to health services. The Company started its healthcare programme for them in the shipment hubs in 2001 to address their health needs and formed a comprehensive programme on healthcare focusing on prevention. The Company has 32 functional healthcare centres across 19 Indian states, which offer various services like prevention and awareness on HIV-AIDS, vision care, awareness of tuberculosis and detection of other non-communicable diseases such as diabetes and high blood pressure, and general treatment facility.

In extension to static healthcare centres, the Company also provides mobile alternatives through the Mobile Medical Unit (Apollo Tyres Healthcare Express) for providing healthcare facilities at the doorstep of the customers. A total of five mobile medical units are operational.



## SERVICES UNDER HEALTHCARE PROGRAMME

### HIV-AIDS AWARENESS AND PREVENTION

This is one of the biggest and most inclusive initiatives under the Company's CSR work. The truck drivers have a nomadic lifestyle, which makes them increasingly vulnerable to HIV-AIDS and Sexually Transmitted Infections (STIs). The Company recognises HIV-AIDS as a business and development issue.

The service provided under HIV Awareness and Prevention includes behaviour change communication (BCC), STI diagnosis and treatment, counselling, condom promotion, Integrated Counselling Testing Centre (ICTC) support and awareness through peer educators.

### VISION CARE

Eye diseases or vision problems are an occupational hazard for truck drivers, and these invariably become a road safety issue. To address this, the Company has initiated vision testing facilities in its healthcare centres and is also organising periodic eye care camps. The key feature of this initiative is the distribution of low-cost spectacles to people identified with refractive error issues. Cataract patients are linked with nearby hospitals for further treatment.

During FY20, the Company organised a week-long campaign to observe International Sight Day. This was done in the transshipment hubs in partnership with Essilor Vision Foundation. Under the campaign, vision testing camps were organised at all the healthcare centres and truck drivers who were identified with refractive error issues were given spectacles free of cost. A total of 17,828 people were screened, out of whom 10,266 people were identified with refractive error issues and 7,134 pairs of spectacles were distributed for free. A total of 362 people were identified with cataract problem and referred to the nearby government hospital.

### AWARENESS ON TUBERCULOSIS (TB)

TB is among the top 10 causes of death worldwide. In India, each year, ~2,20,000 deaths are reported due to TB. According to a global TB report of 2016, India has the highest burden of both TB and multi-drug resistance. The mobile population of truck drivers and helpers are at a higher risk of contracting the disease.

The Company started a focused TB intervention programme in technical partnership with The Union (US AIDS) for creating awareness related to TB. The healthcare centres provide services related to the disease, such as sputum testing and linking people found positive with the (DOTs) facility and conducting regular awareness sessions.

The programme has succeeded in establishing TB testing and Treatment Centre at Agra and Gwalior, respectively. It also extends support to the positive cases, long distance truck drivers by arranging TB medicine at their preferred location with the help of transport association and fleet owners. This facility helps in continuing the Directly Observed Treatment (DOT).

### OTHER NON-COMMUNICABLE DISEASES

Due to the long working hours and poor lifestyle, truck drivers are vulnerable to diabetes and hypertension. Both the diseases were identified as significant risks for truck drivers in the daily outpatient data. In order to address the problem, the Company added testing facilities for both the risks. Diabetes screening and blood pressure check-ups are conducted across all the healthcare centres.

### GENERAL HEALTHCARE AND TREATMENT

There are other generic treatment facilities provided at each healthcare centre such as fever, cough, cold, flu and other basic first aid care.

### ORAL HYGIENE

Poor hygiene is a big problem amongst the trucking community due to various factors, especially bad oral hygiene, which is directly linked to heart disease. Poor dental health increases risk of a bacterial infection in the blood stream, which can affect the heart valves. In order to address the problem, the organisation started an integrated health camp focusing on oral hygiene. The



main aim of this service is to generate awareness on oral health and screening for oral cancer. At Delhi, the programme has linked up with the Rajiv Gandhi Cancer Hospital for this initiative.

During the reporting year, a total of 5,08,837 people were impacted from these awareness activities and 1,74,635 received treatment facility. A 8.8% increase was recorded in FY20 for people availing treatment services vis-à-vis the previous year. Out of the total people treated in the reporting year, 51,207 people opted for HIV testing, 1,231 TB tests were conducted, 73,928 for vision screening and 59,334 for diabetes testing were done. There was an increase of 26% for vision screening from previous year



## OTHER LOCAL INITIATIVES

These are undertaken within 25-30 km radius of the manufacturing locations.

### ROAD SAFETY

Road safety awareness sessions were conducted across Apollo Tyres APMEA plants. The main objective of this initiative was to promote safe driving, make people aware about road violations and preparing them to undertake basic first aid if needed, as drivers are the first respondents.

The programme was conducted in partnership with Maruti Driving School and the local RTO (Regional transport office). The initiative is targeted mainly at truck drivers, car users and students. The awareness sessions covered topics such as defensive driving, major road violations and enforcement and session on First Aid. This project also saw employee participation in engaging with the drivers and sensitising them on the Apollo Safety Absolute (a safety manual).

200 people benefited through classroom awareness sessions.

### COMPUTER LITERACY

The computer literacy initiative aims to equip underprivileged students with skills, knowledge and capabilities the current IT infrastructure demands. The computer literacy project was rolled out in 2016 to provide basic computer education to government school students around the manufacturing unit in Chennai, India. The initiative has been implemented in neighbouring six villages of the plant. Under this initiative, a computer lab has been established in each school, along with teaching faculty for the students.

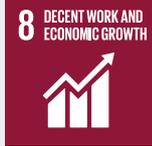
401 students benefited through this.

## PHILANTHROPIC INITIATIVES

The Company supports the 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 year, the Foundation supported the education of 30 underprivileged girls. Under this programme, around 1,800 poor received healthcare facilities and over 500 destitute people received food on a monthly basis.



**MAPPING OF COMPANY CSR INITIATIVES WITH SUSTAINABLE DEVELOPMENT GOALS**

| CSR Initiatives   | Sustainable Development Goal  |
|---|---|
| Healthcare for Trucking Community                                     |    |
| Solid waste management and sanitation                                 |          |
| Livelihood for underprivileged women                                  |       |
| Biodiversity conservation   |     |
| Local initiatives – Water restoration, computer literacy, road safety |    |



Apollo Tyres has been honoured as the Best Corporate in Large Category in the 4th CSR Excellence Award 2019 by the Institute of Company Secretaries of India (ICSI)

# THE PEOPLE PILLAR

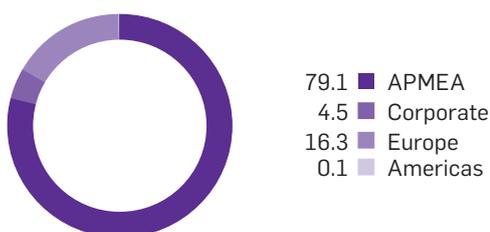
## WORKFORCE

Apollo Tyres envisions to 'To be a premier tyre company with a diversified and multinational presence' and continues to create best-in-class products, offer superior value to customers, work with partners, support and empower communities and stay focused on 'People First'.

With the spirit of 'People First', it offers a talent value proposition that allows it to challenge, enrich and fulfil the aspirations of its employees, so that they can maximise their true potential to 'go the distance'. Apollo Tyres' aspiration to be a truly global talent hub, sets the course for an ambitious and exciting journey with newer capabilities, categories and growth engines in the areas of talent and culture. As on March 31, 2020, the Apollo family has 17,933 permanent and contract employees worldwide.



## REGION-WISE EMPLOYEE DISTRIBUTION (%)



Apollo Tyres provides its workforce equal opportunities to perform and gain recognition, cultivating an environment of 'One Family'. With this philosophy, it regularly engages with its employees both for their wellbeing and involvement across various levels. During FY20, it set up 'People Councils' to conduct focused group discussions and get insights from its employees.

The feedback generated has been integrated in the Human Capital strategy and policy-making to make it more inclusive. The Company continues to invest in building a culture of high performance and high trust.



## GRADING ALIGNMENT

In 2009, the Company introduced a flat structure in the form of Team Member – Team Leader – Group Leader (TM-TL-GL), during the setting up of the greenfield Chennai plant, and later the Global R&D Centre, Asia. For a decade, the structure helped in creating a culture of empowerment, effective communication and faster decision-making. However, in recent years, based on consistent feedback from employees, the Company identified the need to provide for a structure that allows opportunities for growth in line with the market and other organisations. It has partnered with Korn Ferry (Hay) and carried out an extensive position evaluation exercise to ensure mapping the flat structure to the proposed India grading structure, scientifically. This exercise has been role based, built on the principles of consensus, comparability and care. It was successfully implemented on January 01, 2020.

## TALENT HIRING

The Company focuses on bringing in diverse talent to build a balanced workforce that can take forward its core values. It does not believe only in lateral hiring, but also building, nurturing and sourcing talent directly from the campuses, in order to groom them as future leaders.

### Focus on fresh talent

- The Company's Apollo Talent Track platform helps it to recruit talent from campuses and develop them as future leaders. 104 fresh Graduate Engineer Trainees were selected from various institutes in 2019, in India.
- The Apollo Finance Programme, a first-of-its-kind programme, aims to induct fresh finance talent (Chartered Accountants) with the long-term perspective of building future finance leaders.

## MANAGING INDUSTRIAL RELATIONS

The Company proactively engages and maintains healthy industrial relations, consistently working in collaboration with trade unions and other employee bodies to improve the work environment for its people and increase both productivity and cost-effectiveness of the operations globally.

Regular meetings were scheduled with employee representatives, trade union leaders, and management throughout the year to discuss welfare, productivity-related concerns, and address the grievances of workmen at the grassroots level.

At its Perambra plant in India, the challenge of high cost and low productivity was tackled strategically by shifting high-cost unionised contract labourers from engineering to production. An HR helpdesk was also put in place to handle employee queries and grievances for an enhanced employee experience.

In Europe, the Company decided to create specialisation at the Enschede factory in two phases while taking into account the potential impact on people. It is continuously engaging with its employees and the work council to minimise the impact on employee morale and keep the workforce motivated during the process.



skills required for any first line manager, on topics like communication skills, how to motivate, influence and manage team, etc. communication skills, the ability to motivate, influence and manage the team, and so on. It partnered with Hemsley Fraser to deliver the programme globally. The programme was run in 27 batches covering first line managers across five countries (India, Hungary, the Netherlands, UK and the US).

Partnering with Skillsoft, the Company launched Digirace, an employee e-learning platform for various functional and behavioural programmes. The programme clocked 2,218 learning hours, across 3,704 unique titles. In Hungary, an e-learning process was set up to hone the professional knowledge of shop floor workers. As an outcome, the competence level of all teams shows a healthy distribution. A tyre building facility was launched in cooperation with Miskolc University.

In India, the Company's successful ADMIRE programme, focused on sales capability development, was attended by frontline field sales employees. Another initiative, the Step-Up programme, is known for delivering high-quality product and process training to the frontline field teams. The specialised training programmes, such as Winning with Customers and Apollo ONE, designed to enhance managerial and functional skills, were attended by over 500 employees.

In India, several initiatives are conducted at the plant level to ensure multi-skilling as well as up-skill development. Limda and Perambra focused on Techknowledge, a knowledge transfer series for the technology department and manufacturing team members. Kalamassery has Process Resurgence and Mastery workshops to increase technical and engineering knowledge.

In Chennai, a skill development centre was established to impart skills to newcomers and for refresher trainings. The Company's plant in Andhra Pradesh has a radial tyre process orientation programme called Bridge Course, a two-month-long intervention to equip employees with knowledge of the radial tyre manufacturing process.



## CAPABILITY BUILDING

Talent development is one of the key functions of organisational human capital deployment. Capability building has been the focus area, which enables Apolloites to face challenges, learn, grow and 'go the distance'. The Company's focus on capability building is in constant focus of the Company, enables Apolloites to face challenges, learn, grow and achieve their potential. The programmes are designed and linked to specific business goals in order to make the workforce future ready. Apollo Tyres invests in a variety of programmes to hone technical, product, process, leadership, and soft skills of its people through classroom, on-the-job and online training.

During FY20, the Company launched a global programme for First Line Managers with an aim to develop people managerial skills. A two-day workshop was designed around the essential

## JOB ENRICHMENT AND ROTATION

The Company aims to provide a lot of learning opportunities to its inhouse talent in the form of job rotation and job enrichment. This approach allows employees to have opportunities to grow and the Company to leverage well-inducted candidates with a deep understanding of the business and culture. Over 150 employees opted for job rotation across various locations and functions.

The team at the Enschede plant has developed a programme that provides training to established operators, allowing them to rotate and work across multiple departments and equipment in order to develop a more flexible workforce.



## EMPLOYEE ENGAGEMENT

In India, the Company has been venturing into newer aspects of engagement in order to keep the employees engaged both 'on the job' and 'off the job' through activities such as competitions, employee forums and interest groups. The events celebrated across various locations include Wellness Marathon, Baisakhi Festival and Apollo Family Day.

In both the European plants of the Company, various social events were held for employees, their friends, and families. The Company celebrated Vredestein's 110 year anniversary and 10 years of its operation under Apollo Tyres in May 2019. A family day was organised which saw 4,000 visitors and officials.

A few engagement activities conducted at the plants include blood donation camps, summer camps for a family get-together, social meeting platforms for spouses, Monthly Connect sessions, Apollo Family Safety Day, International Women's Day celebrations, Just Married Platform for the newly weds, Fun@Work activities like kite flying, Photography Day, and more.

Apollo Tyres has adopted sports as a medium to inculcate team spirit and healthy competition amongst its employees. It organised various sports events throughout the year that saw enthusiastic participation from employees. To strengthen the cause for sports in India, a fitness and wellness programme was introduced in which regular Yoga sessions and coaching by professional trainers to motivate people on fitness and the benefit of running were organised.

During FY20, the Company sponsored the 'Apollo Tyres Millennium City Marathon' in Gurugram, which saw the participation of more than 6,000 people. 115 Apolloites also participated in the Airtel Delhi Half Marathon. In addition to this, employees across locations participated in various indoor and outdoor games like Table Tennis, Football, Volleyball and Cricket.

Apollo Tyres also organised marathons at its plant locations in Chennai, Chittoor and Limda that saw healthy participation by the employees. The winners from these events were sent to participate in the Apollo Tyres Millennium City Marathon, Gurugram. With a view to promote engagement with Nature, a plogging event was organised in Chennai. It saw participation from employees as well as student volunteers from Womens' Christian College, Guru Nanak College, ATHMA HR Association and villagers.

Employee participation in social service activities promotes engagement as well a connection with the values the Company abides by. With this intent, volunteerism is being encouraged for employees to experience and participate in such events. Other events included donation drives for the destitute and workshops to impart soft skill to Industrial Training International (ITI) students in order to make them employable.



## REWARDS AND RECOGNITION

At a global level, Apollo Tyres runs several recognition programmes aimed at rewarding employees.

The Chairman's Award 'Employee of the Year' is given to a senior level employee in recognition of outstanding contribution to the Company. Another coveted programme is Roll of Honour, given to individuals in middle management from across the organisation for consistent performance and significant contribution in their respective functions.



The Long Service Awards, Apollo Pillars were launched in January 2020, to recognise and reward the long-term contribution of the employees towards the growth and success of the Company. The key milestones in fellow Apolloites journey i.e. 5th year, 10th year, 15th year, 20th year, 25th year, 30th year and superannuating are felicitated.

As an employee recognition programme, 'I AM APOLLO', highlights the growth journey of employees in Apollo Tyres across various functions and locations. It showcases how they have grown over the years, overcoming various challenges and handling different roles across different locations. The programme captures their beliefs, values and experiences.

Each of these campaigns is shared internally as well as on the Company's LinkedIn page.

In addition to this, the Company also runs a lot of focused group reward and recognition programmes at plants. The Perambra plant introduced a spot rewards programme called 'Kudos', while the Kalamassery plant started operator rating in all the sections for rewarding the 'Best Operator'. The Limda plant has R&R programme called 'Sponteneo' for instant performance recognition on the shop floor with respect to production/productivity, quality, cost, delivery, safety, morale and environment.



## HEALTH & SAFETY

Health & Safety practices at Apollo Tyres are being integrated with business processes systematically. Structured efforts are introduced to make the ecosystem safe with the active participation of each and every employee, contractor and business partner. This year, the safety journey also expanded to non-manufacturing areas such as sales, service, commercial, marketing, supply chain, R&D and projects. The greenfield project at Andhra Pradesh achieved 10 million safe person-hours without a lost-time incident during the year.

Apollo Tyres continues to focus on following five strategic priorities to achieve the Safety Vision set for the organisation: Committed to the highest safety standards to ensure that every day we return safe and healthy to our families. There are significant improvements during the year in each focus area.

## VISIBLE LEADERSHIP

During the year, the Vice Chairman and Managing Director took a personal pledge to make the entire ecosystem safe. This energised the whole organisation and initiated renewed focus on safety at the functional level. He also made sure to review the safety at the highest level and also talked to employees on safety issues during his quarterly business address. KPIs are reviewed and monitored periodically by Presidents at the regional level. Gemba is practiced religiously by management teams to gauge the strengths and opportunities with respect to safety implementation. During FY20, the lost-time injury frequency rate (LTIFR) reduced by 42% from the previous year. 696 safety Gembas were conducted across all locations.

In the aftermath of the COVID-19 outbreak, the leadership team at Apollo Tyres made proactive and timely interventions to guide and advise actions across the organisation to mitigate the pandemic's impact on people and operations.



## FUNCTIONAL OWNERSHIP

Many intervention programmes are driven at the functional level to have a proactive approach to address Health & Safety risks. Leading and lagging key performance indicators are monitored at a functional level through periodic safety council meetings.

The manufacturing plants took a risk-based approach and established the controls on machine safety and introduced additional guards, interlocks and physical barriers to make the machines safer. There are structured efforts taken at each and every manufacturing plant to implement the safety programmes related to energy isolation, electrical safety, fire and life safety, material handling, and chemical safety. The Enschede plant implemented a machine safety programme and installed the latest machine guards and controls on old machines and removed old machines that were not meeting the safety specifications. The Chennai plant received the best supplier for environment promotion from OE customer. The Limda plant achieved 100% compliance scores based on fire safety and flood safety parameters defined by OE customer. All the manufacturing plants migrated to ISO:45001: 2018 from OHSAS:18001:2007. This transition is in line with the Apollo safety road map to enhance rigor on risk reduction through the active participation of the leadership team and workmen.

63,153 accident prevention opportunities were identified through near-miss reporting, unsafe acts, and unsafe conditions reporting. 50,666 behavior-based observations made on the shop floor to strengthen the safety culture at ground level.

Apollo Tyres has a strong supply chain network and during the year 100% warehouses were reviewed across the value chain and safety controls established. This also includes 110 warehouse

locations which are now electrical shock and electrical fireproof. These fire and life safety provisions are frequently checked through planned and unplanned mock drills and inspections across all plants, offices and warehouse locations.

The Company safely completed its first marathon event in India. It also embarked on the journey for IRF certification for its CV Zones. Branded retail outlets' safety specifications were developed and integrated with the business process to make the retail footprint safer.

Road risks continued to be a major risk and structured efforts are undertaken to make the employee commute and work-related travel safer. Employee buses were modified and a retractable seatbelt for every passenger was ensured. Buses are now equipped with CCTV cameras to ensure the seatbelt compliance. Various plants are at different maturity levels at the moment and the organisation is striving to make sure 100% compliance across all locations.

Seatbelts for hired cabs are followed rigorously and constantly monitored through post-trip feedback by the passenger and driver. Every vehicle has a mandatory audio announcement related to passenger's safety. Seatbelt compliance for logistic vehicles are monitored across all touchpoints. Overall seatbelt compliance for all type of logistic vehicles across the value chain is more than 90%; and efforts are on to make it 100%.

**CAPABILITY BUILDING**

Employee capability enhancement and transformations have been one of the key growth elements in the organisation. Various training and development programmes were organised at each level of the organisation. Risk-based training was one of the leading indicators introduced this year and all the manufacturing plants were able to achieve 1.19 person-days per employee per year, that is, 15,713 person-days.

Safety culture transformation workshops were conducted across all tiers of the organisation to help drive a safety-first mindset. Project teams took a unique model to set up a training park to ensure 100% training for construction and project workers. Risk-based training were identified for each role and linked this with site access control. Individuals without mandatory training programmes were not allowed to access the site. Deployment of trained and qualified workers was one of the contract conditions for all the contractors and subcontractors.

First aid courses were introduced for office employees. Selected employees were trained for basic first aid and cardiopulmonary resuscitation training. Remote field offices were trained to handle basic first aid at remote offices post ensuring 100% offices with first aid box.

**POSITIVE REINFORCEMENT**

Motivating and encouraging people to promote Safety culture in the organisation has been practiced in the organisation at all levels. People have been recognised and awarded periodically to drive Health & Safety. Reporting of leading and lagging indicators is encouraged at all levels, including plants and projects.

The Chairman Safety Award is one of the high-level awards organised in Apollo Tyres every year. Individual, team, and management contributions to promote Safety culture are recognised and awarded.



**AWARENESS AND COMMUNICATION**

Awareness and communication ensure that the key message is delivered to all the people in the organisation. Video, digital and print platforms were introduced in the year to reach people in an easy and timely manner.

A digital safety campaign was launched, known as Love Yourself, was launched to cover employees, contractors, and business partners across the value chain. A chatbot is used to reach out to maximum individuals. Campaign content was offered in seven different languages.

Safety messages were sent to all employees, contractors, and business partners twice a week, and post sharing the content, knowledge was checked to gauge the adoption of various safety topics. Employees were encouraged to implement the learning and share the photos. Individuals with maximum correct answers were rewarded.

An online login portal has been introduced to have daily Safety intervention with employees while login into Apollo Network. Employees have to reply to questions related to Health & Safety practices before login into the system.

Continuous awareness and communications were conducted across the organisation to make people aware of precautions and actions related to COVID-19. The content is in line with respective country and the WHO guidelines.

**Strategic Priorities also include:**

1. Migration to ISO:45001:2018 from OSHAS:18001:2007
2. Road safety campaign across all Apollo Tyres APMEA manufacturing locations
3. Love your self campaign
4. Proactive steps taken for COVID
5. Online portal introduced for daily Health & Safety intervention
6. VCMD & Chairman safety pledge

## PARTNERING WITH VALUE CHAIN

Value chain approach has become a significant factor in embedding sustainability principles across all stakeholders. Globally, organisations are adopting approaches to include upstream and downstream supply chain in their growth journey.

### RAW MATERIAL SUPPLIERS

#### SUSTAINABILITY IN PROCUREMENT PRACTICES

A commitment to sustainable procurement is of paramount importance with a continued focus on stakeholder value creation. By adopting and integrating social responsibility principles into its procurement processes and decision-making, an organization is able to meet the requirements of its stakeholders as well as promote sustainable development.

At Apollo Tyres, the focus on upstream supply chain extends to planning, sourcing and managing the procurement of raw materials, processing and their use in the manufacture of intermediates. It also entails the final supply of the products from the suppliers to the plants.

The Company has a centralised purchasing function based in Gurugram, India, along with other purchase offices in Cochin, India, Singapore and Enschede, the Netherlands. The suppliers are expected to ensure that their services and products delivered to Apollo Tyres comply with all 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.

#### SUSTAINABLE SUPPLY CHAIN POLICY

An organisation needs to consider the environmental, social and ethical aspects of business while conducting its procurement, and where possible it should give preference to products with minimum impact, to promote sustainable business practices. In order to align its upstream supply chain with this objective, Apollo Tyres has a Sustainable Supply Chain policy, which includes guidelines for conducting its business by reducing impact on environment by good governance and ethics and adhering to Human Rights.

The Company strives to continuously enhance customer satisfaction by providing cost-effective and quality materials on a timely basis, while working together with supply chain partners on environmental, economic and social aspects to enable sustainable business practices. In line with efforts towards sustainability, the Company has joined the Global Platform for Sustainable Natural Rubber promoted by the World Business Council on Sustainable Development to contribute to the improvement of socio-economic factors in natural rubber supply chain.



#### PURCHASING GUIDELINES

With a view to promote lower carbon footprints, reduced logistics costs and enhanced supply proximity to the manufacturing locations, the Company encourages sourcing from domestic suppliers, with all other factors being equal. In addition, dealing directly with manufacturers enables the Company to work closely with business partners addressing any quality or logistic issues.

On the other hand, where there are opportunities in areas of exploring new product technology and innovation, import suppliers are also developed as additional and alternate sources of supply and under technical partnership projects.

The Company ensures that the raw materials sourced are free from chemicals and substances which impact environment adversely (SVHC – Substances of Very High Concern) and comply with all international norms and standards.

Apollo Tyres encourages suppliers to develop their environmental systems in compliance with the requirements of ISO 14001 and to get their systems certified by an accredited third party.

It works together with the suppliers to promote the use of sustainable practices at its suppliers' manufacturing plants, offices and urges them to be eco-conscious.

### APOLLO PARTNERSHIP PACT

Suppliers are expected to comply with the Company's Apollo Partnership Pact (APP) and integrate environmental, occupational health and safety, human rights and labour policies into their business and decision-making processes.

Partners are recommended to gather information from the upstream supply chain regarding the source of the raw materials that are used in their manufacturing process. This helps to

improve the full traceability of the source of product. It is committed to work jointly with its partners to promote and encourage compliance. Till date, more than 60% of the upstream supplier base has signed the APP to ensure their compliance.

### GREEN PROCUREMENT

As a part of the green procurement initiative, all the purchase orders are auto generated through the ERP system and communicated to the entire global supplier base by paperless electronic medium only.

The Company also promotes and encourages suppliers to embrace environment-friendly and green materials in their production processes, including usage of recycled products. In this regard, it emphasises the usage of environment-friendly, re-usable, recyclable packing materials like returnable pallets, returnable metal boxes, returnable metallic spools for the supply of raw material to its global manufacturing plant locations. This helps in enhanced vertical space utilisation in storage warehouses. The packaging of raw material should also be 'wood-free'. In addition, a supplier needs to conform to the local regulations, as and where applicable in each country of supply.

### REACH COMPLIANCE

Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a European Union (EU) regulation, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. The compliance requires companies to demonstrate safe use and communicate related risk management measures to the users. If the risks cannot be managed, authorities can restrict the use of substances in different ways.

In the long run, the most hazardous substances should be substituted with less harmful ones. Tyres meet the definition of an article, according to Regulation on REACH. Therefore the import of tyres in the EU needs to meet certain obligations under REACH to ensure that the tyres do not contain any of the listed Substance of Very High Concern (SVHC) beyond the specified limits. The Company and its suppliers ensure that the final product and its raw materials conform to the REACH requirements, as applicable. The suppliers are either registered for REACH or executing the required activity as prescribed by REACH.

### PAH COMPLIANCE

Polycyclic Aromatic Hydrocarbons (PAHs) are classified as carcinogens and can be found in rubber articles. Also, these can be present as impurities in raw materials used in production of such articles like extender oils, carbon black, waxes, recycled rubber and other materials of petroleum origin.

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

### TYRE LABELLING REQUIREMENTS

The Company is engaged with its raw material suppliers for continual improvement of the labelling parameters related to its tyres, in line with the continuously evolving needs of the market and expectations from its OEM customers.

### SAFETY @ SUPPLIERS' WORKPLACE

Apollo Tyres encourages suppliers to follow all applicable industrial practices to ensure safe operations. The initiatives aims at minimising risks of downtime because of accidents, providing a robust system to maintain and continually improve health and safety, possible cost savings from public liability insurance premiums, demonstrating commitment to meet legal obligations and improving reputation of the suppliers and increasing opportunities for them to expand their business.

The Company encourages its supplier to look at new manufacturing and information technologies as an enabler to make the workplace safer. It also conducts periodic assessment of the prevailing safety practices and development of suppliers' workplace conditions.



## SUPPLIER ENGAGEMENT

The Company engages with its suppliers consistently through multiple platforms, including vendor meets, joint technical projects, quality workshops with natural rubber producers and processors, quality review meets, CSR workshops at suppliers manufacturing facilities, Request for Quotation (RFQ) meetings, business performance review meetings, Memorandum of Understanding (MoU) for purchasing volumes, among others.

The following lists out the Company's supplier engagement framework and key initiatives.

### New supplier selection

The Company has a robust selection process to identify, evaluate and approve a supplier. It is a stage-wise evaluation and approval process involving commercial and technical evaluation of the supplier through a cross-function team of Purchase, R&D, Plant Technology and Manufacturing.

The supplier selection process involves in-depth evaluation and approval of supplier systems and capabilities in terms of product quality, production capacity and financial stability.

### Joint development projects

Based on the voice of the customer, the emerging market requirements and changes in regulatory requirements, the Company engages with its supplier or potential new raw material suppliers to initiate joint development work for new materials and new tyre development.

The Company also seeks technical collaboration from its suppliers through active participation in various technical seminars and its Technical Leadership Development programmes.

### Supplier audits

Supplier audits and assessment of the supplier quality management system are conducted at the time of selection of new suppliers and are also conducted periodically according to defined audit criteria.

The scope of supplier audits covers various elements like quality management system, environmental standards, occupational health and safety standards and others as per the Green Procurement Standards and APP. Audit teams visit the suppliers at regular intervals for compliance check as per the standard audit checklist.

Based on the audit, supplier improvement plans are drawn up, which are agreed and followed up with the suppliers until closure.

### Supplier performance evaluation

Supplier performance evaluation is done on quality, delivery and service performance aspects through rating criteria, which aim at timely feedback to suppliers to improve their performance at Apollo Tyres. The same is communicated to suppliers on periodic basis and action plans are drawn and followed up with the suppliers.



**CSR IN SUPPLY CHAIN**

The Company runs a CSR programme at the premises of its raw material suppliers to support good health. It covers awareness programmes such as HIV/AIDS prevention and the ill effects of substance abuse. The spectrum of participants covers operators, supervisors, engineers and people from the management at the plant.

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

**APOLLO NATURAL RUBBER 'DIRT FREE' CENTRES**

Apollo Tyres has taken the lead in contributing to the quality improvement of natural rubber in India. It has set up 'Dirt Free' centres where natural rubber sheets are sourced from the farmers and graded using international practices. Further, the centres have employed women and are trained in natural rubber grading. In this way, the domestic natural rubber is made suitable for critical applications and helps the Company in import substitution.

**DEALERS**

The organisation endeavours to enhance the business processes to offer them the best in class service to its business partners. Apollo Tyres has formed a Management Advisory Committee of Business partners with a view to gather constructive market feedback for improvement.

Furthering the journey towards enhancing service level for business partners, the organisation has Introduced two Robust IT enabled Platform i.e Business Partner Service Centre and Sampark – A digital Platform to do all business transactions.

**Business Partner Service Centre**

A single window solution for all business transactions, queries, benefits & grievances. This Centre is fully equipped with ERP Automation & CTI Integration along with trained manpower with regional language ability. Business Partner can access their transactions on real-time basis, place orders, make payments, etc.

**Sampark**

A 24\*7 digital platform for dealers, this is available through Portal and mobile application to do all business transactions such as orders, online payments, delivery tracking, warranty, claims management, reports & accounts.

**CSR WORKSHOPS IN UPSTREAM SUPPLY CHAIN IN FY20**

| Period       | Vendor                        | Location | Participants |
|--------------|-------------------------------|----------|--------------|
| Q4FY20       | Rajsha Chemicals              | Baroda   | 19           |
| Q2FY20       | Gujarat Reclaim Products Ltd. | Panoli   | 23           |
| Q1FY20       | Acmechem Ltd.                 | Panoli   | 15           |
| <b>Total</b> |                               |          | <b>57</b>    |



**DEALER VALUE PROPOSITION**



These enablers have not only helped to improve the turnaround time for services and products for the dealer but also enhanced trust by making the business more transparent.

### Apollo Vikas Kendra

Apollo Vikas Kendra (AVK) is an exclusive channel strategy for Apollo Tyres to market its products and create a long-term relationship with key stakeholders in the rural hinterlands across the country.

It is an entrepreneurship model wherein the organisation helps fresh & budding entrepreneurs to establish business. Each AVK is assigned an exclusive geography of around 4-5 blocks/ taluka comprising of 100-150 villages. 2-3 Rural Entrepreneurs (RE), local residents working as Mobile Marketing/ Sales personnel generating demand in the assigned geography are attached to each AVK.

The initiative brings two-pronged benefits with catering to underrepresented rural market as well as provide local employment opportunities in the villages and support them in creating and sustaining livelihood.

### Apollo Value Club [AVC]

Apollo Tyres has been successfully running a loyalty programme for its dealer community. The core objective of the programme, currently in its 5th edition, has been to build a stronger bond through one of its core value of 'One Family' with the dealer network and their families.

In the reporting year, Apollo Tyres organised AVC Stars - Talent Ki Khoj – a talent hunt competition for dealer network and their families. The AVC Stars platform presented an opportunity to them to showcase their talents. The organisation benefited to have better connect with the dealer community through this initiative. More than 1200 entries were received under this initiative. In previous years, the organisation has organised similar events like WoW Chef Ki Khoj and Jab Fit Tab Hit & Business Superhit.



### Apollo Tyres Rural Community Engagement (RCEP)

The Apollo Tyres Rural Community Engagement Programme (RCEP) aims to develop a strong sporting culture in rural areas by motivating players in the sport of choice through provision of equipment, development of playing spaces, etc. and supporting rural communities in enhancing the sports eco-system in these villages.

### Salient Features of the programme -

- Visiting the Key Villages and understanding the scope and feasibility of RCEP
- Engaging the influential people of the Key Village by updating the RCEP concept and the help to be provided by Apollo Tyres to the Village Sports Person
- Getting the entire sporting community engaged and understanding their requirements and desires
- Roping in local sports association so that they can keep an eye on the future stars emerging from the community with Apollo Tyres assistance
- Getting the Local Business Partner of Apollo Tyres involved through the sales team, inviting them during the distribution of kits/sports goods to sports community along with other guests
- Ensuring sports facilities and this activity continued for maximum time in the year
- The Local Business Partner of Apollo Tyres are to be given opportunity to engage the village for multiple business promotion activities

### Key Expected Outcomes

- Engagement of local business partners in order to reach deeper into community
- Building brand preference through sports
- Increased brand visibility in rural markets by building an emotional connect with the players
- Enhanced footfall in local dealerships
- Creation of Apollo legacy initiatives either through infrastructure or training

## INNOVATION FOR TOMORROW

In the sustainable mobility space, innovation has been a major component catering to differing demands of the future as well as shaping consumer behaviour for better utilisation of current technologies. Apollo Tyres invests significantly into R&D with an aim to cater to these needs. The R&D work focuses on driving sustainable consumption, improving safety for customers as well as the use of material with an approach to minimise the environmental footprint.

### USE OF RECYCLED MATERIAL

Rising numbers of End-of-Life tyres (ELT) that are generated each year globally is a major challenge. To address this, the R&D works to effectively utilise materials recovered from ELT such as crumb and reclaimed rubber in the products as a partial replacement of virgin fossil fuel-based rubbers. Crumb rubber is recycled rubber produced from used tyres, thereby reducing the impact of waste tyres on the environment. Evaluation phase in several categories is in progress with an approximate cost saving of ₹1.7 millions in FY20. As an objective of using recycled/reprocessed material in tyres, the Company had initiated specific projects targeting tread, inner liner and ply insulating compounds. This has resulted in ~5% use of recycle material of the total weight of compound used in tyres. As a continuation of this, enhanced use of recycled material was planned in tread compound, which forms a major chunk of product weight by percentage.

Additionally, the Company has achieved a reduction of 10% in non-recyclable waste material in terms of product weight. This has been done without compromising on critical performance parameters like durability and structural integrity.



### REDUCTION IN ROLLING RESISTANCE

As a strategy to drive sustainable consumption and possible reduction in GHG impact due to improved fuel use efficiency, the Company strives to reduce the Rolling Resistance (RR) in tyres. Compounds are designed for lowering RR by deploying new generation material such as functionalised fifth generation solution Styrene-Butadiene Rubber (SBR), surface modified silica, advanced coupling agents and dispersing agents. The utilisation of new low-gauge, ultra-high tensile steel wires and super tensile fabric reduces the overall weight of the tyre and thus the rolling resistance. Customised raw materials like surface modified carbon blacks, are developed for better tyre performance and life. The Company aims to increase the tyre life by employing high mileage compounds for the benefit of the customers.

### CLIMATE ADAPTION THROUGH ENERGY CONSERVATION

Various measures are adopted in the manufacturing process to make it energy efficient. The energy thus saved has a direct correlation with the decrease in GHG emissions.

#### KEY IMPROVEMENTS

- Master mixing stage reduction directly improves the efficiency of mixers. Savings are realised from cycle time reduction by 15% over conventional mixing.
- By increasing the line speed, productivity is increased by 10%.
- In the tyre assembly stage, usage of pre-assembled tyre components increased productivity by 6.5%.
- In the tyre curing area, weighted average cure cycle is reduced by 1%, thereby saving energy.

## REDUCTION IN MICROPLASTICS

Microplastics, fragments of plastic that are less than 5 mm in length, as per some global definitions, is said to be a source of pollution. The wear and tear from tyres constitute a significant global source of microplastics in the environment. With the objective of reducing generation of microplastics, Apollo Tyres has developed new high mileage tyre with the latest radial technology of zero-degree steel belt in the commuter segment for the replacement of current bias segment. The initial controlled evaluation shows a mileage improvement of ~89% compared with conventional technology tyres. The tyres additionally also exhibit very good anti-skid properties at different road and riding conditions.

## IMPROVED SAFETY

Apollo Tyres has developed sport touring tyres for the high-power motorcycle segment. Being a high-speed application, key emphasis was given for both dry and wet grip with very good stability on braking, especially on track and motorway. It has been tested at different proving grounds both in India and Europe and performance of these tyres were at par or better than leading available products. The basic technology used for achieving superior wet handling and wet braking performance is silica filler-based technology and many design tuning tools could be used for perfecting and optimising the performance. This endeavour was noted and highly appreciated by leading motorcycle magazines in Europe and USA.

## TYRE HEALTH MONITORING SYSTEMS

Tyre durability plays an important role in human and vehicle safety. Tyre health monitoring system are sets of sensors which extract tyre data in dynamic conditions send to cloud based data storage through a repeater unit and a data relay unit and a web portal is made available to access the condition of the tyres and report it back to the driver automatically.

Comparing the trend of data received from tyre sensors for the normal & damaged tyre behaviours can act as early warning system to avoid the loss of property and life. One such system is the Tyre Pressure Monitoring System (TPMS). The purpose of the TPMS in the vehicle is to warn the driver about the under-inflation in one or more tyres. The TPMS system can detect leakage of pressure and give real-time temperature inside the tyre, which possibly would avoid creating unsafe driving conditions. The TPMS system brings significant benefits in terms of fuel efficiency, extended tyre life, improved safety and environmentally beneficial. The TPMS contains different electronic components, which makes it capable in providing real-time information on tyres to the user. This data is analysed, interpreted and the results are transmitted directly to the dashboard for the driver. It is also displayed in Android App and iOS App and even in web portal. Each sensor has a unique serial number, which allows the system to distinguish between itself and systems on other vehicles, but also among pressure readings for each individual tyre.



## COMPLIANCE WITH GLOBAL REGULATIONS

Apollo Tyres is geared up to meet all existing and future tyre labelling requirements, as and where applicable. For instance, AIS 142 is a regulation on Star Rating for tyres, which will give consumers more information on fuel efficiency and safety allowing them to obtain accurate, relevant and comparable information on those aspects when purchasing tyres. This will help improve the effectiveness of the tyre labelling scheme so as to ensure efficient and safer vehicles and to maximise the contribution to the decarbonisation of the transport sector.

In support to OEM customers for complying with the law on conflict minerals, the Company has enabled the supply chain system for traceability of origin of these minerals supplied to downstream supplier, up to the smelter levels and mines and the same is periodically updated and reported to the OEMs. Further compliance to other chemical restrictions like Substances of Concern (SOCs), Persistent Organic Pollutants (POPs) and Perfluorooctanoic Acid (PFOA) are strictly adhered to.

## INDUSTRY ACADEMIA COLLABORATION

Apollo Tyres believes that learning is a continuous process and always encourages employees to acquire knowledge in different ways. It is a great honour that Apollo Tyres Global R&D centre – Asia has been recognised as the 'Centre for Research' by Anna University, Chennai, ranked 8<sup>th</sup> by the National Institute Ranking Framework of India. Apollo Tyres has also sponsored doctoral students at various Indian Institutes of Technology (IITs), Birla Institute of Technology and Science (BITS), and others. Further, Apollo R&D also interacts with Tokyo University for sponsored projects. Continuous stream of University graduate and post graduate students are also encouraged to conduct their internships at R&D.

## THE WAY FORWARD

In its journey ahead, Apollo Tyres is further investing in aligning its practices with ISO 26000 to build business resilience on principles of Sustainability.



As a forward-looking organisation, there is a significant emphasis on creating platforms where sustainability agenda holds a pivotal place and an integral part of Corporate Governance. This is reflective in its future course of actions that encompasses core theme such as climate adaptation with an outlook to **reduce carbon emissions** and promote green supply chains. Further, the Company continues its endeavors to **build societal value** through direct positive impact, for business partners and stakeholders by adding prosperity into their lives. These efforts are in the direction to make Apollo Tyres future ready.

We believe in setting benchmarks through our exemplary work in the sector and are on a trajectory curve to champion the cause of Sustainability.

In these unprecedented times, where the world is grappling with the outbreak of the pandemic, the Company continues its efforts to mainstream its focus on Environment, Social and Governance (ESG) indicators. **The decade of 2020 would set a harbinger of change, embarking on a journey of climate action, and setting a precedence for industry peers.**

# ANNEXURE 1

## CARBON FOOTPRINT ASSURANCE STATEMENT

Carbon Service



### Independent Assurance Statement

#### Introduction and Engagement

Apollo Tyres Limited (hereafter 'Apollo Tyres' or 'the Company') commissioned TUV India Private Limited (TUVI) to conduct the independent assurance of Apollo Tyres GHG (Green House Gas) emissions, which includes "limited level assurance" of Apollo Tyres direct and energy indirect and other indirect GHG (Scope 1,2 and 3) for the applied reporting period. The verification (remote audit) was conducted in August 2020. The Apollo Tyres GHG emission information covers period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

#### Scope, Boundary and Limitations of Assurance

The scope of GHG assurance includes the verification of Corporate Carbon Footprint (CFP) covers scope 1, 2 and 3 GHG emissions. In particular, the assurance engagement included the following:

- Verification of the application of the spread sheet content, and principles as mentioned in the TNCC 20, ISO 14064-1 standard and AA1000AS (2008),
- Verification of quality of information presented in the spread sheet over the reporting period

The company applies the operational control approach, which includes all the direct and indirect activities within the organization boundary. This includes: fossil fuel (coal, diesel, furnace oil, natural gas, RLNG), electricity (respective national grid), raw materials transport/inbound - road, Ship, downstream transport and distribution/finished goods transport, business travel (Air).

Scope 1 and Scope 2 boundary comprises Apollo Tyres corporate office located at Gurgaon and manufacturing facilities located at,

- India: Chennai, Limda, Kalamassery, Perambra
- Europe: Gyöngyöshalász (Hungary), Enschede (The Netherlands)

Scope 3 boundary comprises upstream transportation (road, ship), downstream transportation (road) and business (domestic and international) air travel only.

#### Verification Methodology

The spread sheet has been evaluated against the following criteria:

- Adherence to the principles as prescribed in the AA1000AS (2008);
- Application of the principles and requirements of the ISO 14064-1, GHG Protocol and TNCC 20

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts of the source of GHG emissions under scope 1 and 2 with limited level of GHG emissions. TUVI has verified the robustness of the underlying data management system, information flow and controls. In doing so:

- TUVI examined and reviewed the documents, data and other information made available by Apollo Tyres for scope 1,2 and 3 GHG emissions;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the spreadsheet for the reporting period.

The scope of verification comprised of the assessment of reported data, excel worksheets, monitoring tool (formatted worksheets) and processes along with exhaustive interviews with members of management, staff (responsible for data collection and processing) via remote audit.

# ANNEXURE 1

## CARBON FOOTPRINT ASSURANCE STATEMENT

Data and documents have been provided via the dedicated worksheets were verified and found consistent with the Apollo Tyres GHG calculation. Below table shows the sources of GHG emissions with Emission Factor reference.

### Scope – 1

| Fuel        | Emission Factor (t CO <sub>2</sub> /GJ) | Source  |
|-------------|---|---|
| Diesel      | 0.0741                                  |   |
| Coal        | 0.0983                                  | <a href="http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf">http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf</a> |
| Furnace Oil | 0.0774                                  |   |
| Natural Gas | 0.0642                                  |   |
| RLNG        | 0.0642                                  |   |

### Scope – 2

| Country         | Value in t CO <sub>2</sub> /MWH | Source            |
|-----------------|---------------------------------|-------------------|
| India           | 0.820                           | CEA Database 2018 |
| The Netherlands | 0.392                           | IEA Database 2018 |
| Hungary         | 0.821                           | IEA Database 2018 |

### Scope- 3

| Fuel                     | Value in kg CO <sub>2</sub> /Unit (Average Value) | Source  |
|--------------------------|---|---|
| Ship Travel              | 0.033   | <a href="https://ghgprotocol.org/calculation-tools#cross_sector_tools_id">https://ghgprotocol.org/calculation-tools#cross_sector_tools_id</a> |
| Air Travel within India  | 0.121   |   |
| Air Travel outside India | 0.171   |   |

### Conclusions

In our opinion, based on the scope of this assurance engagement, the disclosures on GHG emissions are reported in the spreadsheets adequately. During the verification we have performed, nothing has come to the attention that causes us to believe that the information subject to the assurance engagement is not prepared, w.r.t. GHG emissions (scope 1, 2, and 3), in accordance with the ISO 14064-1, GHG Protocol, TNCC 20 and AA1000AS, with regards to the reporting criteria.

**GHG Emissions:** Apollo Tyres has reported the following GHG emissions for the reporting period

| Scope   | GHG Emissions | Unit                 |
|---------|---------------|----------------------|
| Scope 1 | 3,27,747      | t CO <sub>2</sub> eq |
| Scope 2 | 3,57,586      | t CO <sub>2</sub> eq |
| Scope 3 | 77,707        | t CO <sub>2</sub> eq |

TUVI did not perform any assurance of procedures on the prospective information, such as targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. This assurance statement has been prepared in accordance with the terms of our engagement. In the context of GHG reporting, the following has been observed:

**Inclusivity:** The spread sheet describes the chosen approach for GHG emission accounting in a structured and transparent manner in line with the ISO 14064-1, GHG Protocol and TNCC 20. In accordance with the requirements of its key stakeholders. Apollo Tyres has identified its significant emission sources within the chosen scope (Scope 1, 2 and 3 emissions).

**Materiality:** The principle of materiality has been considered by including all relevant GHG emission sources. Canteen energy consumption data, Ozone Depletion Substances/Refrigerants data excluded during GHG emissions calculation as per ISO 14064-1

**Responsiveness:** Responsiveness is integrated into the stakeholder engagement process demonstrated by the fact that annual carbon footprint results are available to all concerned stakeholders.

**Exclusion:** Emissions from LPG consumed in canteen, GHG emissions associated with refrigerant leakage excluded from scope 1 emission, considering its limited applicability. Scope 1 GHG emissions are very high as compared to the exclusions and hence exclusion is accepted as GHG emissions are less than 1 %. In years to come Apollo Tyres will decide on broadening the scope of emission (Scope1, 2 and 3) sources based on stakeholder expectations, feasibility and reduction possibilities. Nevertheless, it is recommended that Apollo Tyres should include the GHG emissions due to canteen fuel and refrigerant for future GHG calculations.

# ANNEXURE 1

## CARBON FOOTPRINT ASSURANCE STATEMENT

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of Apollo Tyres. The Management of the Apollo Tyres is responsible for the information provided in the spreadsheet as well as the process of collecting; analyzing and reporting the information as presented in the worksheet, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes GHG emissions (scope 1, 2 and 3) disclosed by Apollo Tyres in the spreadsheet. This assurance engagement is based on the assumption that the data and the information provided to TUVI by Apollo Tyres are complete and true.

### **TUV's Competence and Independence**

TUVI is an independent, neutral, third-party providing carbon services, with qualified environmental and GHG verifier. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with Apollo Tyres on any engagement that could compromise the independence or impartiality of our findings, conclusions. TUVI was not involved in the preparation of any statements or data included in the spread sheet, with the exception of this Assurance Statement. TUVI maintains complete impartiality toward any people interviewed during the assurance engagement. The sole responsibility for the preparation and content of the spread sheet lies with Apollo Tyres. TUVI did not interact with Apollo Tyres or its stakeholders in any prior engagements which could impair the impartiality of the results and recommendations made in this statement.

### **For and on behalf of TUV India Private Limited**



Manojkumar Borekar  
Project Manager and Reviewer  
Head – Energy and Carbon Services  
TUV India Private Limited



Date: 13/08/2020  
Place: Mumbai, India  
Project Reference No: 8118352578  
[www.tuv-nord.com/in](http://www.tuv-nord.com/in)

## ANNEXURE 2

### ISO 26000:2010 ASSURANCE CERTIFICATE



# Assurance Certificate

The CSR Company International provides Limited Assurance that the process documentation of two core subjects:

- **Fair Operating Practices**
- **Consumer Issues**

Developed by

**Apollo Tyres Ltd.**  
**7, Institutional Area, Sector 32**  
**Gurgaon 122001, India**

Presented on 5<sup>th</sup> & 6<sup>th</sup> March 2020 are aligned with the actions and expectations of ISO 26000 :Guidance on Social Responsibility.

Date of Issue: 21<sup>st</sup> March 2020

Serial Number: 1010/03/20  
 Strovolos Avenue 47/4th floor  
 2018 Strovolos/Nicosia  
 Cyprus





Martin Neureiter, CEO  
 The CSR Company International

# ANNEXURE 3

## GRI G4 STANDARD REFERENCE CHART

### GRI 102: General Disclosures

| GRI G4 Standard Disclosure Key | Details   | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|---|---|
| <b>Organisational Profile</b>  |   |   |
| Disclosure 102-1               | Name of the organization                              | Apollo Tyres Limited  |
| Disclosure 102-2               | Activities, brands, products, and services            | Contents Page   |
| Disclosure 102-3               | Location of headquarters                              | Contents Page   |
| Disclosure 102-4               | Location of operations                                | Sustainability @ Apollo Tyres; pg 8                         |
| Disclosure 102-5               | Ownership and legal form                              | Contents Page   |
| Disclosure 102-6               | Markets served  | Sustainability @ Apollo Tyres; pg 6                         |
| Disclosure 102-7               | Scale of the organization                             | Sustainability @ Apollo Tyres; pg 8                         |
| Disclosure 102-8               | Information on employees and other workers            | The People Pillar; pg 32                                    |
| Disclosure 102-9               | Supply chain  | Partnering with Value Chain; pg. 38                         |
| Disclosure 102-11              | Precautionary Principle or approach                   | The Environment; pg 17                                      |
| Disclosure 102-12              | External initiatives                                  | Sustainability Governance, pg 10                            |
| Disclosure 102-13              | Membership of associations                            | Business Responsibility Report, Annual Report, pg 119       |
| <b>Strategy</b>                |   |   |
| Disclosure 102-14              | Statement from senior decision-maker                  | Chairman's Message, pg. 2-3                                 |
| <b>Ethics and integrity</b>    |   |   |
| Disclosure 102-16              | Values, principles, standards, and norms of behaviour | Fair Operating Procedures, pg 11                            |
| Disclosure 102-18              | Governance structure                                  | Sustainability @ Apollo Tyres; pg 6                         |
| <b>Stakeholder engagement</b>  |   |   |
| Disclosure 102-40              | List of stakeholder groups                            | Creating an Inclusive Ecosystem; pg 9                       |
| Disclosure 102-41              | Collective bargaining agreements                      | The People Pillar; pg 32                                    |
| Disclosure 102-42              | Identifying and selecting stakeholders                | Creating an Inclusive Ecosystem; pg 9                       |
| Disclosure 102-43              | Approach to stakeholder engagement                    | Creating an Inclusive Ecosystem; pg 9                       |
| <b>Reporting Practice</b>      |   |   |
| Disclosure 102-46              | Defining report content and topic Boundaries          | Sustainability @ Apollo Tyres; pg 7                         |
| Disclosure 102-48              | Restatements of information                           | None  |
| Disclosure 102-49              | Changes in reporting                                  | None  |
| Disclosure 102-50              | Reporting period                                      | Sustainability @ Apollo Tyres; pg 7                         |
| Disclosure 102-51              | Date of most recent report                            | Sustainability @ Apollo Tyres; pg 7                         |
| Disclosure 102-52              | Reporting cycle                                       | Sustainability @ Apollo Tyres; pg 7                         |
| Disclosure 102-53              | Contact point for questions regarding the report      | Report Back inside cover                                    |
| Disclosure 102-56              | External assurance                                    | Sustainability Governance, pg 10 and Annexure 2             |

### Topic Specific Standards: Economic

#### GRI 203: Indirect Economic Impacts

| GRI G4 Standard Disclosure Key | Details                               | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|---------------------------------------|---|
| Disclosure 203-2               | Significant indirect economic impacts | Community Involvement & Development; pg. 25                 |

### GRI 205: Anti-corruption

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 205-2               | Communication and training about anti-corruption policies and procedures | Fair Operating Practices; pg. 11                            |

### Topic Specific Standards: Environment

#### GRI 301: Materials

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 301-1               | Materials used by weight or volume               | The Environment; pg. 20                                     |
| Disclosure 301-2               | Recycled input materials used                    | The Environment; pg. 20                                     |
| Disclosure 301-3               | Reclaimed products and their packaging materials | The Environment; pg. 20                                     |

### GRI 302: Energy

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 302-1               | Energy consumption within the organization                 | The Environment; pg. 18                                     |
| Disclosure 302-4               | Reduction of energy consumption                            | The Environment; pg. 18                                     |
| Disclosure 302-5               | Reductions in energy requirements of products and services | Consumer Issues; pg. 13                                     |

### GRI 303: Water

| GRI G4 Standard Disclosure Key | Details                    | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|----------------------------|---|
| Disclosure 303-1               | Water withdrawal by source | The Environment; pg. 21                                     |
| Disclosure 303-3               | Water recycled and reused  | The Environment; pg. 21                                     |

### GRI 304: Biodiversity

| GRI G4 Standard Disclosure Key | Details                        | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--------------------------------|---|
| Disclosure 304-3               | Habitats protected or restored | The Environment; pg. 22,24                                  |

### GRI 305: Emissions

| GRI G4 Standard Disclosure Key | Details                                 | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|---|---|
| Disclosure 305-1               | Direct (Scope 1) GHG emissions          | The Environment; pg. 21                                     |
| Disclosure 305-2               | Energy indirect (Scope 2) GHG emissions | The Environment; pg. 21                                     |
| Disclosure 305-5               | Reduction of GHG emissions              | The Environment; pg. 23                                     |

### GRI 306: Waste

| GRI G4 Standard Disclosure Key | Details         | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|-----------------|---|
| Disclosure 306-3               | Waste generated | The Environment; pg. 17                                     |

### Topic Specific Standards: Social

#### GRI 403: Occupational Health and Safety

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 403-8               | Workers covered by an occupational health and safety management system | People Pillar; pg. 37                                       |
| Disclosure 403-9               | Work-related injuries  | People Pillar; pg. 35                                       |

#### GRI 404: Training and Education

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 404-1               | Average hours of training per year per employee                                      | People Pillar; pg. 33                                       |
| Disclosure 404-2               | Programs for upgrading employee skills and transition assistance programs            | People Pillar; pg. 33-34                                    |
| Disclosure 404-3               | Percentage of employees receiving regular performance and career development reviews | People Pillar; pg. 32                                       |

#### GRI 413: Local Communities

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 413-1               | Operations with local community engagement, impact assessments, and development programs | Community Involvement & Development; pg. 25                 |

#### GRI 414: Supplier Social Assessment

| GRI G4 Standard Disclosure Key | Details  | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|--|---|
| Disclosure 414-1               | New suppliers that were screened using social criteria | Partnering the Value Chain; pg. 39                          |

#### GRI 415: Public Policy

| GRI G4 Standard Disclosure Key | Details                 | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|-------------------------|---|
| Disclosure 415-1               | Political contributions | Fair Operating Practices; pg. 11                            |

#### GRI 416: Customer Health and Safety

| GRI G4 Standard Disclosure Key | Details   | Apollo Tyres Sustainability Report Section & Page Reference |
|--------------------------------|---|---|
| Disclosure 416-1               | Assessment of the health and safety impacts of product and service categories | Consumer Issues; pg. 12                                     |

# FACE SHIELDS AGAINST CORONA MANGROVE SHIELDS AGAINST CYCLONES



illustrated by Rohan Dahotre

## KANNUR KANDAL PROJECT

This poster was released by Hon'ble Minister of Environment, Government of Kerala, Advocate K.Raju to commemorate the International Mangrove Day that falls on 26th July.

For any comments/suggestions or clarifications with respect to the report please contact:

**Rinika Grover**

Head, Sustainability and Corporate Social Responsibility,  
Apollo Tyres Ltd

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