

**CREATING
SHARED
PROSPERITY**



SUSTAINABILITY REPORT 2017-18

OUR VISION

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

OUR 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



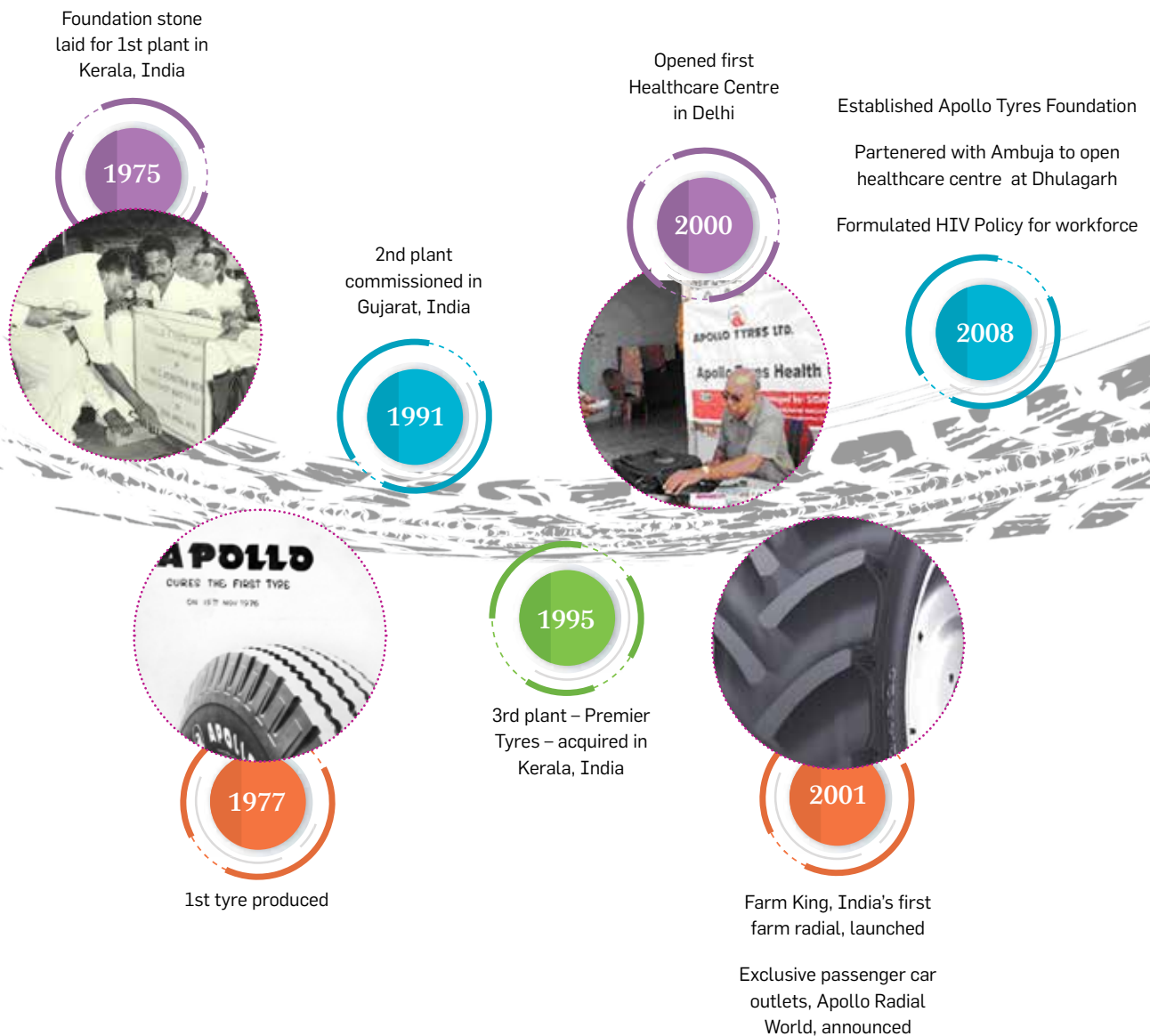
We celebrate our oneness through building trusting relations, respect for diversity and passion towards common goals.

CONSCIOUS GROWTH	6
SURGING FORWARD	8
THE VISIONARIES	10
WORKING TOGETHER	12
CUSTOMER-CENTRIC APPROACH	14
ONE FAMILY	22
STRENGTHENING PARTNERSHIPS	30
ENVIRONMENTAL FOOTPRINT	38
GROWING AND ENABLING	48
INNOVATING SOLUTIONS	56
THE WAY FORWARD	62

OUR PATH

Sustainability Journey

Apollo Tyres' growth as a responsible organisation is embodied in every aspect of its business – from the products it makes to fulfilling its commitment as a global citizen. This journey has been an opportunity to improve lives around the world!



Brand Apollo launched in Europe

Production commences at 4th plant in Chennai, India

Launched HabitAt Apollo, an umbrella environment initiative

Opened 1st ICTC centre in partnership with WBSACS at Dhulagarh

2010

Expanded CSR themes to include Bio diversity, end-of-life tyre playground and inclusion of Vision Care at HCCs

Initiated CSR in Hunagry on Community and Environment themes

2015



Apollo Tyres' Greenfield facility in Hungary, commences operations

Launched mobile Medical Express service for communities

2017



2013

Association with Manchester United announced

Apollo Tyres awarded with the Tyre Manufacturer of the Year by Tyre Technology International

Global R&D Centre opened in the Netherlands

Launched solid waste management project at Delhi Transport Hub

2016

Entry into two wheeler tyre segment

Fostered partnerships with Elton John AIDS Foundation on HIV AIDS awareness and Wildlife Trust of India on Mangrove conservation

Initiated watershed management programmes on drinking water availability and pond conservation

2009

Acquired Vredestein Banden B.V., a Netherlands-based tyre manufacturer, since renamed Apollo Vredestein B.V.

1st plant in Europe

Conscious Growth

MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

I am pleased to present our 7th Sustainability Report for the financial year 2017-18. The Report captures our Sustainability journey in the past year and underlines our commitment to transparency to our stakeholders and continuing efforts to be an environmentally conscious and socially responsible company.

At the beginning of the year, we reached an important milestone with the commissioning of our Hungary plant. With this, we have further expanded our manufacturing footprint internationally and will be able to serve our global customers better.

Our Sustainability Framework, based on the international standard ISO 26000, has continued to mature and get deep rooted into the processes. We have looked at integration of the requirements for two core subjects on Environment and Community Involvement as defined in the standard. I am pleased to share that this year's report has been aligned to reflect the integration of the standard requirements for these two core subjects. This gives an opportunity for adopting global best practices into our functioning.

In line with one of our core values, 'Customer First', we firmly believe that customers are central to the existence of our business. Their voice reflects the value of the brand and showcases the deep connect with the company. It is heartening to note that the Company was given the highest ranking in the small car segment in the recently announced JD Power's India Original Equipment Tire Customer Satisfaction Index Study. The study also ranked Apollo Tyres in the second position in the midsize cars or sedan segment, along with giving a 5 star Power Circle Ratings to the Company for both small and midsize cars.

Sustainability is truly realised when it is extended to the entire value chain. Apollo Tyres, in line with

“ Sustainability challenges are common and efforts will have to be collaborative, translating to collective progress. ”

its core philosophy of sustainable growth, strive to work continuously with its supply chain partners on environmental, economic and social aspects to enable sustainable natural rubber supply chain. Apollo Tyres' Partnership Pact, which is being used successfully since 2008, helps and supports its partners to integrate relevant policies and processes related to the environment, occupational health & safety, human rights and labour laws into their business and decision-making processes. This is further extending the adoption of responsible practices for growing natural rubber within the overall supply chain network.

During the Financial Year, we continued to invest in our Communities with a vision to better their lives through our presence. Our Health Programme introduced the mobile medical unit, Apollo Tyres Health Care Express, in two locations for health check-up of truck drivers and allied population. Within the Biodiversity Conservation theme, we continued working on Mangrove Conservation. As a part of the programme, the Company initiated a conservation dialogue drawing participation from businesses, Government, communities and academia, exploring inter-relationship between business and biodiversity. Apollo Tyres was the first company to provide training in Sheet Rubber grading and to empower women in an area that has traditionally been male dominated. The company has also established a Rubber Sheet Making Unit for the rubber tappers' wives in Kottayam, Kerala. The group of women running this unit have been trained by Apollo Tyres, in association with Rubber Board of India, on rubber tapping, sheet making, sheet smoking and general entrepreneurial skills. Over the previous two years, Apollo Tyres has reached out to nearly 600 women in Kottayam, who had very little or no income, and provided them with alternative sources of livelihood. In addition, our Women Empowerment programme was recognised by Gujarat

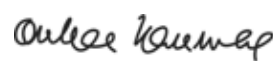
CSR Authority for its wide reach and outcomes of creating women entrepreneurs in the Waghodia Taluka, Vadodara, Gujarat.

Employees remain the cornerstone of a progressive organisation and their satisfaction is integral to organisational sustainability. Our 'One Family' value has been guiding us in an endeavour to create a motivated and happy workforce. Apollo Tyres bagged honours and was named as one of the top ten companies in the manufacturing sector in the Great Place to Work Survey in India . This is a testimony of our practices that keep the employee at the core.

We are not isolated from global sustainability challenges, one of them being Climate Change. As a global organisation, we are deeply aware of this and make efforts to foster mitigation and adaptation strategies. Taking our afforestation programme further, we planted one lakh trees in 2017-18 taking the total to 3.5 lakh trees with the aim to create carbon sinks that can have a positive impact on the climate.

In an interconnected world, Sustainability challenges are common and solutions shall have to collaborative translating into collective progress. We are working with our spectrum of stakeholders with the same vision to have shared goals for a shared prosperous future. We will continue to realign our processes and practices to integrate Sustainability and to be of value to all our stakeholders.

Thank You,



Onkar S Kanwar
Chairman



Surging Forward

THE ORGANISATION

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. Apollo 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. In addition to its global R&D Centres, Apollo Tyres has also set-up two satellite R&D Centres in Bengaluru and Frankfurt.

Accolades

Award	Category	Awarded By
ACEF Award	Best Stakeholder Management	Asian Customer Engagement Forum
Recognition Plaque - FICCI CSR Award	Women Empowerment	FICCI Aditya Birla CSR
Indywood CSR Excellence Award	Best CSR Campaign - Biodiversity and Climate Change	Indywood Film Carnival
Appreciation Certificate - Gujarat State CSR Award	Sustainable and Impactful CSR	Gujarat State CSR Authority



Top: ACEF Award for Best Stakeholder Management

Above: FICCI CSR Award for Women Empowerment awarded by FICCI Aditya Birla CSR

The Report

Apollo Tyres Ltd. (hereafter referred to as ‘Apollo’ / ‘Apollo Tyres’ / ‘the Company’/ ‘the Organisation’) has developed its own Sustainability Framework drawing elements from ISO26000, the international standard on Social Responsibility and National Voluntary Guidelines developed by the Government of India.

Period of Reporting

The period covered for the purpose of this report is April 1, 2017 to March 31, 2018.

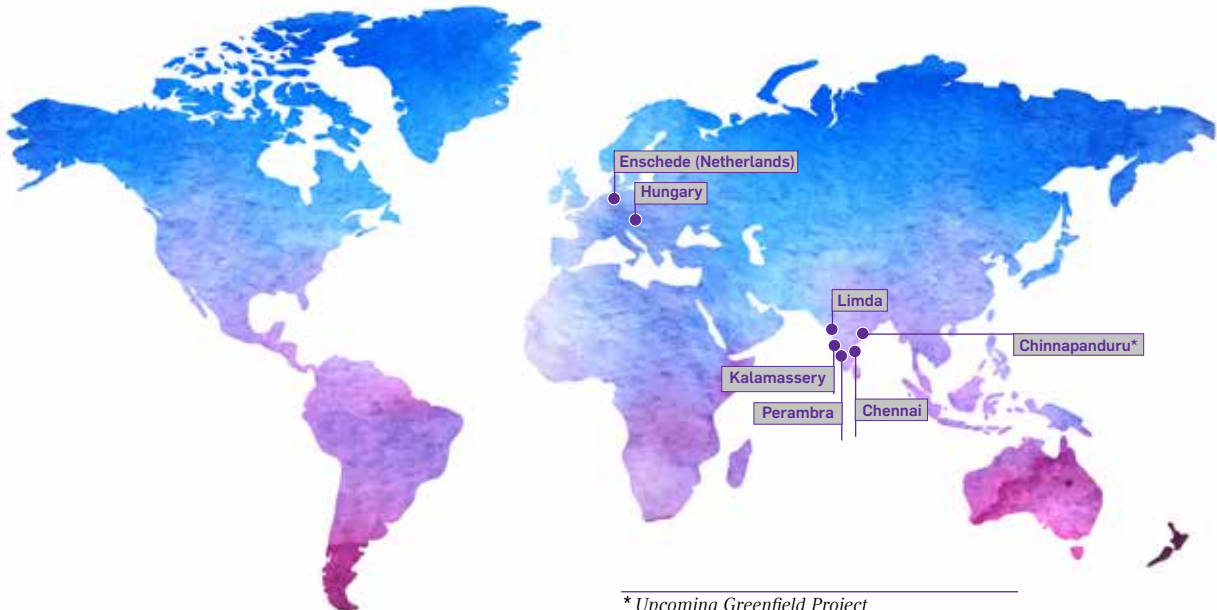
Scope of the Report

The Company has made all efforts to ensure transparency, accuracy and materiality. The information disclosed in this report relates to the Europe and Asia Pacific Middle East and Africa (APMEA) operations of Apollo Tyres. This report primarily covers manufacturing operations, with the exception of the ‘Care for Employees’ section, which also discusses non-manufacturing operations.

The manufacturing locations are:

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

Our manufacturing locations



* Upcoming Greenfield Project

The Visionaries

MANAGEMENT APPROACH



Sitting (left to right): Francesco Gori, Director; Martha Desmond, Chief Human Resources Officer; Onkar S Kanwar, Chairman and Managing Director; Robert Steinmetz, Director; Neeraj Kanwar, Vice Chairman and Managing Director

Standing (left to right): Daniele Lorenzetti, Chief Technology Officer; Pedro Matos, Chief Quality Officer; P K Mohamed, Chief Advisor, R&D; Markus J Korsten, Chief Manufacturing Officer; Satish Sharma, President, Asia Pacific, Middle East, Africa; K Prabhakar, Chief Projects; Gaurav Kumar, Chief Financial Officer; Mathias Heimann, President, Europe; Sunam Sarkar, President and Chief Business Officer

The Sustainability strategy of Apollo Tyres hinges on integrating sustainability into its business growth and strategy, through a well-rounded approach integrating financial growth and stability, environment protection, and social prosperity. Sustainability not only aligns with its business objectives, but Apollo Tyres' leadership ensures that the organisation works across its value chain, with all its stakeholders to monitor and ensure economic, environmental and social benefits.

The Company continues to aspire to be the industry leader through pursuing new emerging opportunities and continually embedding sustainability into its business model. This is further enhanced through

its well developed and implemented Sustainability Management Framework. It incorporates environmental and social considerations into day-to-day operations. While doing so, it ensures that the sustainability goals are aligned with the business, as it is imperative to create value for all stakeholders.

A major shift over the past years has been the integration of sustainability into all levels of the corporate strategy, business model as well as the value chain. There is a Sustainability Committee that has representation from the Board, which defines the essence of Sustainability in the organisation. The Sustainability Framework developed as per the

International Standard in Social Responsibility – ISO 26000 and the associated roadmap is further enabling the integration of Sustainability principles at the core of the organisation. The Company remains committed to create positive impact in the life of its diverse range of stakeholders – employees, suppliers, customers, dealers and the community it operates in.

In order 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 better growth trajectory in all the domains of 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 key business risks and opportunities. The Sustainability risks identified through such engagements have been immensely useful in formulating mitigation strategies for the same.

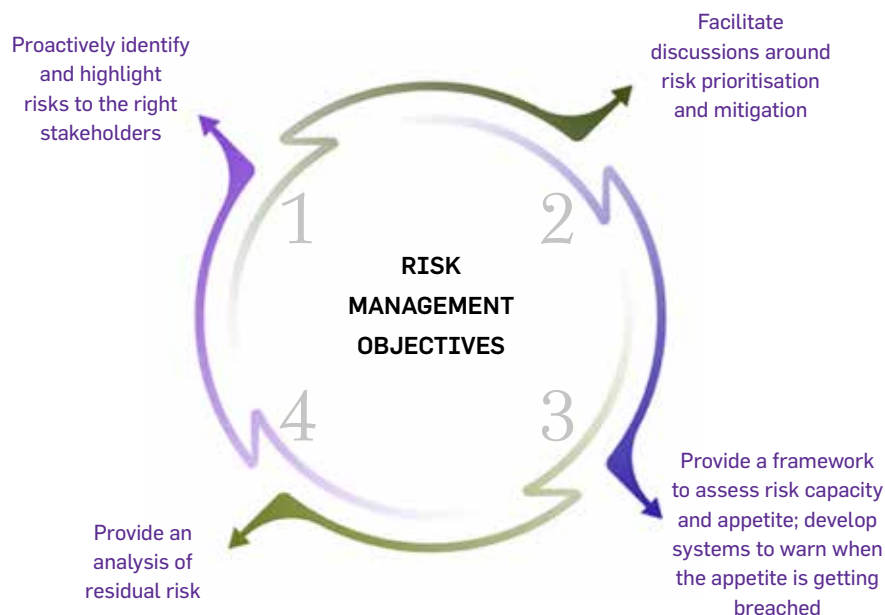


protect the interests of its stakeholders in order to achieve business objectives and create sustainable value and growth.

Risk Management

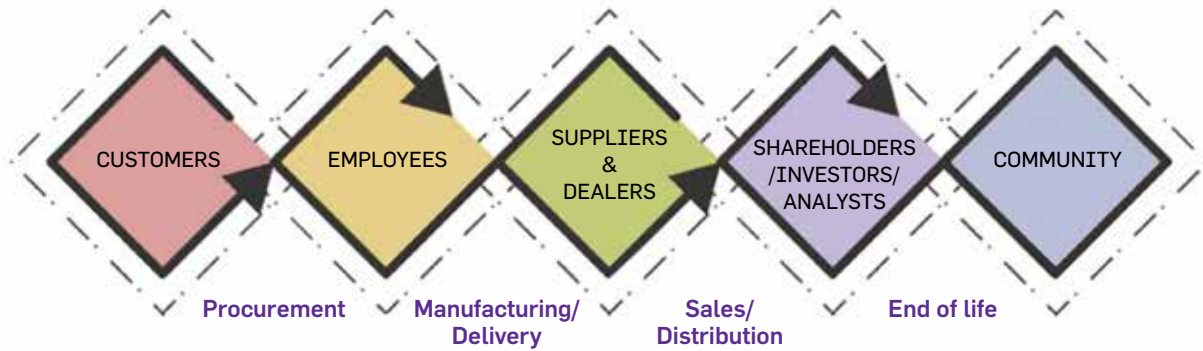
Apollo Tyres has in place a robust risk management framework that identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be handled effectively and mitigated to

The Company’s Risk Management processes focus on ensuring that these risks are identified promptly. A mitigation action plan is identified and monitored periodically to ensure that the risks are being addressed accordingly. The Risk Management Steering Committee, which is responsible for the identification and mitigation of risks, operates with the following objectives:



Working Together

STAKEHOLDER ENGAGEMENT



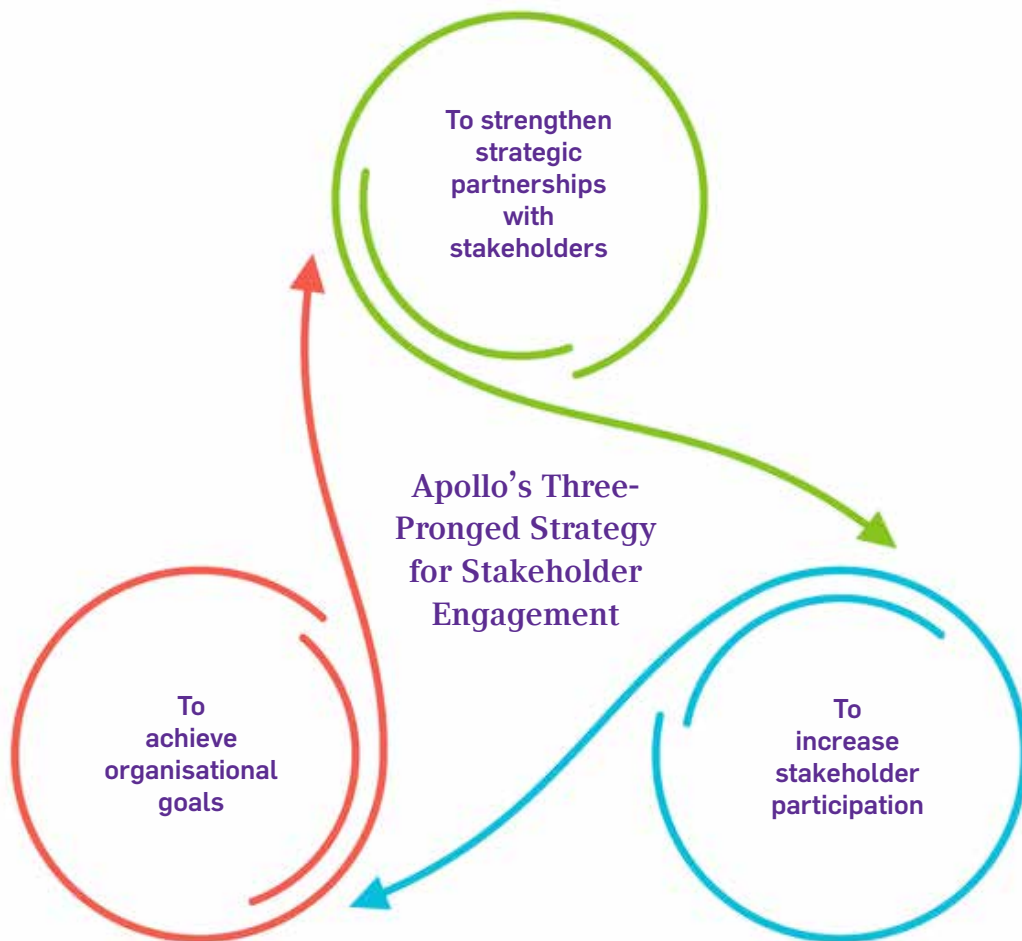
Apollo Tyres is committed to work closely with all its stakeholders in its quest towards inclusive growth. The company engages with a wide range of stakeholders around the globe. At the local/regional level, operations are encouraged to work with communities to identify & implement stakeholder engagement initiatives.

The Company believes that communication with various stakeholders is essential to understand their concerns and respond with appropriate mechanisms. This responsibility is fulfilled through various functional departments using diverse communication channels.

The Organisation has the following established objectives for conducting stakeholder engagement:

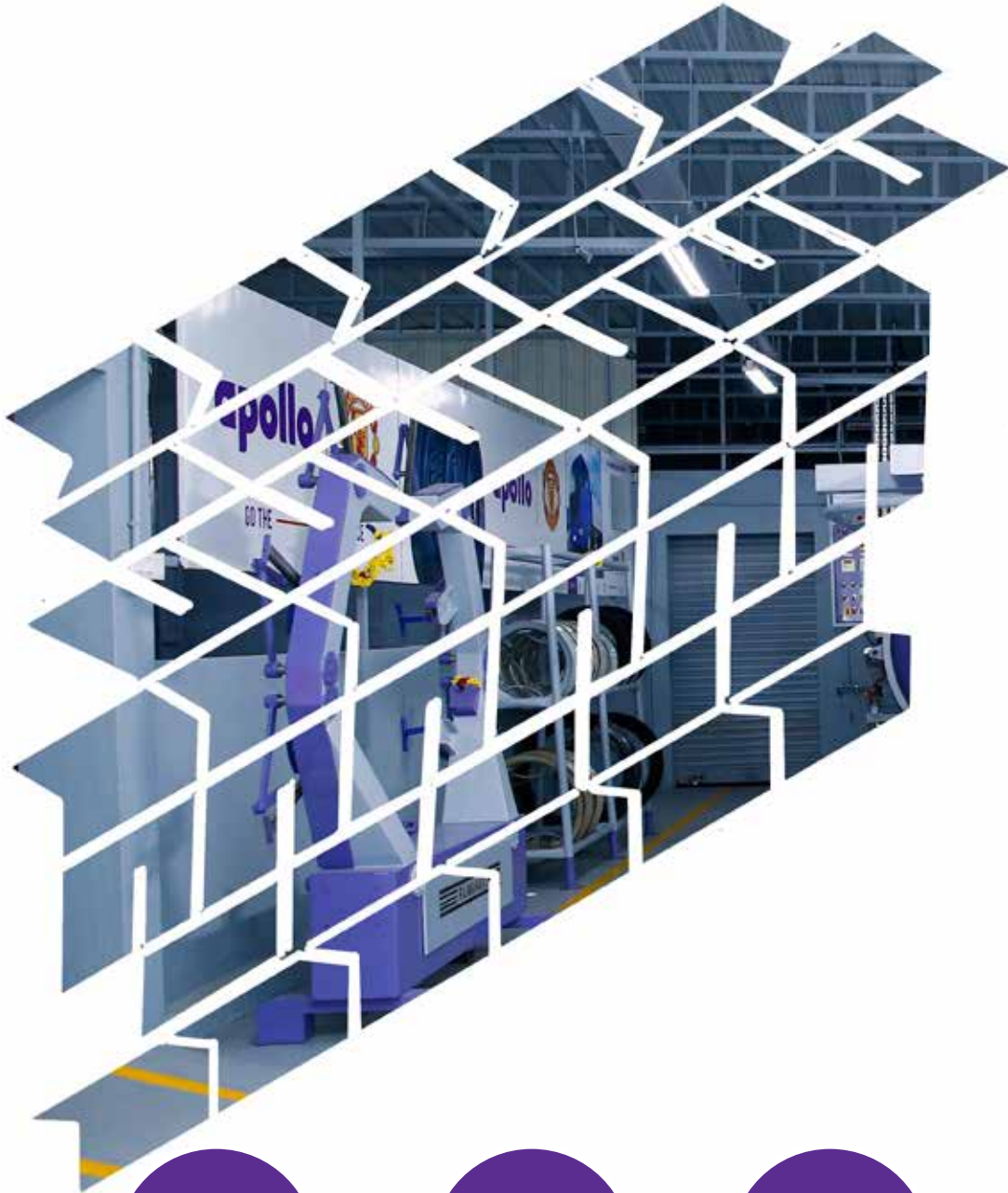
- * to create communication platforms for all stakeholder groups that will allow them to express their opinion;
- * to gain their feedback and to implement continual improvement measures;
- * to understand the latest global trends;
- * to identify business opportunities & risks affecting overall sustainability of the organisation;
- * to establish enduring relationships & create value for all.

During the reporting period, the company continued to gather diverse opinions through stakeholder forums, surveys, and on-site visits across its stakeholder spectrum including customers, employees, suppliers & dealers, shareholders/investors/analysts, and community. The information thus gathered is reflected in this sustainability report, with the purpose to showcase accountability and transparency.



Customer-centric Approach

CARING FOR CUSTOMERS



393

fleets from
where CPKM
values were
recorded

24

CV zone
centres

No.1

JD Power 2018
ranking in small car
segment

Apollo Tyres aspires to be the best Indian Tyre Company in customer service by 2020

Given that Customers define the purpose of a company, they become the primary stakeholders of a company and Apollo Tyres puts in its best resources to make world-class products for its customers. Enshrined in its values, 'Customer First' is a true manifestation supporting this belief. In addition to quality, safety of customers is also integral to the organisation. It ensures that all safety aspects are well integrated into each step of product manufacturing.

Core Values

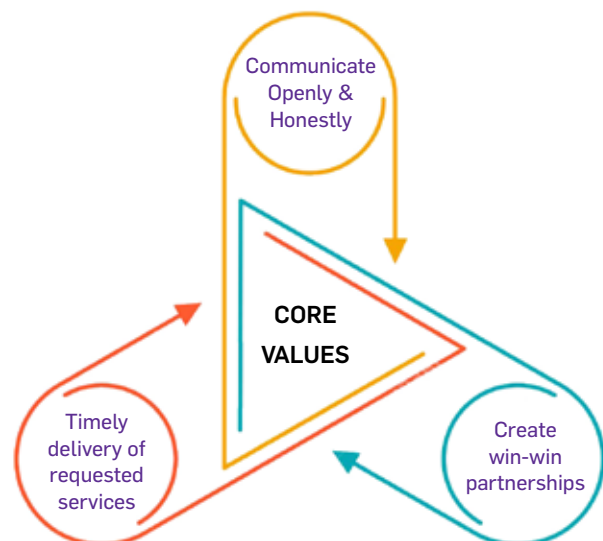
Apollo Tyres aspires to be the best Indian Tyre Company in customer service by 2020. In order to ensure a seamless experience for its customers, the Company not only addresses their demands for exceptional products and services, it regularly invests in their knowledge enhancement.

Apollo believes that the key to successful business is a base of loyal and satisfied customers. The company has adopted a holistic approach towards customer relationship management that goes beyond customer claim redressal, to elimination of scope for any complaint.

The CV Forza team provides technical assistance and training on care, maintenance, proper tyre usage and its life cycle enhancements, through regular engagement with fleet owners.

The 'Customer Champion Project' continued to augment customer engagement and create awareness. Three and a half months of extensive training for chosen customers included technical as well as leadership training.

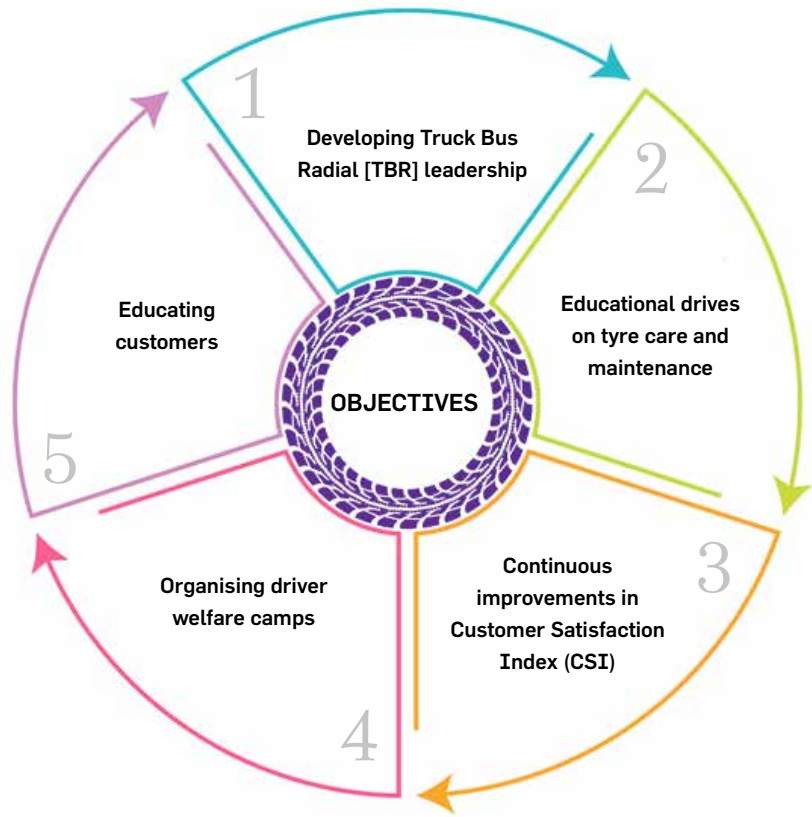
During the reporting period, there were no incidents of non-compliance with regards to product safety, labeling, marketing communications or data privacy from any of our operations.



Customer Service

The company continues to invest in its customer service department for APMEA operations. This department is equipped with specialised knowledge on products, technical expertise and commercial understanding to provide value-added services. It acts as a key support for other functions like sales and marketing and plant technology by sharing (voice of customers) feedback from the customers.

Apollo constantly works towards improving its products. Regional Inspection Centres (RICs) set up across India (APMEA operations) carried out checks on returned products. Insights gained were shared with the production (manufacturing) and Research & Development units for improving product quality and adding value by minimising waste.



The 360° service approach that connects with all the customer service touch points was further strengthened. Salient features of the approach are:

Apollo Direct (Contact Centre Management)

A dedicated customer care service center started 1 year ago 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 online with their query, feedback and grievances.

Apollo Tractor Owners Meet (ATOM) and OE Engagement

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.

656 ATOM and 324 OE activities were conducted in FY 2017-18.

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.

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)

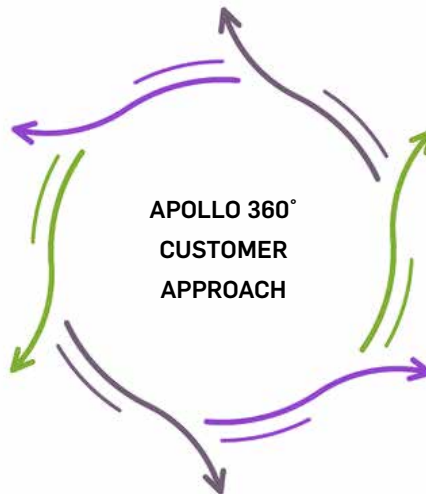
An initiative to motivate and equip dealers to support customers by repairing damaged tyres, instead of scrapping them.

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

Apollo Quick Service (AQS), Tubeless Service Point (TSP), Apollo Tyres Road Assistance (ATRA)

A programme to provide quick redressal to customers, like on road assistance incase of any emergency or break-down, complaint redressal, repair tubeless tyre puncture through recommended tools and procedure.

Sustained the touch point and initiated internal audits for better customer service experience. Added 40 AQS centres in FY 2017-18 and now it is over 220 nationally .



Customer Engagement

Providing high-quality customer experience is an important component in Apollo's customer engagement strategy. Therefore the company 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 the customer feedback and touch points like Fitter, Retreader, Casing Dealer, Drivers, etc. is a critical input as it helps the Company improve its performance. In order to meet the emerging customer requirements, Apollo Tyres' Customer Service team has initiated studies on capturing absolute customer and product pain. Under the study, the Company identified key markets for few products covering truck, passenger vehicle, agri sector and Light Commercial Vehicle categories with major preferred competition tyre brands.

The results show the customers' current satisfaction level, usage practices, product pain areas and new expectations on products and services.

Load & 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, etc. In the past, similar studies were conducted on Quarterly basis keeping in mind dynamic market conditions.

To ensure rich analytical reports are available with plenty of data points on the existing customer usage practices on various loads, Load and Fitment studies were carried out at key 11 locations month after month with truck, LCVs, SCVs & ICVs as focus categories.

Customer Service team gathered data of approximately one Lakh tyre fitments from around 9000 trucks every month. Based on the collected data, different strategies are worked upon and fine-tuned for appropriate product use and wider market acceptance.

CPKM – Real value for Commercial Vehicle users

Truck customers today are extremely aware and tech savvy. Any investment on their asset must deliver the best return on investment. Their primary aim is long-term growth by tracking expenses and reducing operational costs. Apollo Tyres' CPKM (Cost per Kilometer) drive helps its customers achieve exactly that cost-benefit analysis.

The Company continued the CPKM drive. During the reporting period, CPKM values were recorded with 393 fleets. These values are realised by fleets towards total cost of ownership.

Commercial Vehicle Zone

Apollo Tyres, in response to a market need for tyre servicing of commercial vehicles, set up Customer Vehicle (CV) alignment centres in 2015. At these CV zones the Company offers the best alignment services to customers from wheel alignment, balancing, tyre changing, inflation top up, new tyre availability, and so on. In addition to these services, there is an awareness drive to educate drivers on tyre care and maintenance, particularly on Vehicle Alignment gaps.

Apollo is expanding its network of CV Zone centers to cater to the increasing need of truck wheel care. The organisation doubled its reach in a year from 8 CV Zone centres in FY 2015-16 to 16 CV Zone centres in FY 2016-17. There are 24 CV Zone centres in FY 2017-18, with a plan to expand to 100 CV Zone centres by 2018-19.





Customer Satisfaction

Regular feedback from customers helps Apollo gauge their satisfaction with the Company's products and services. Its dedicated customer service team regularly monitors responses, tracks performance, conducts studies and satisfaction surveys.

JD Power 2018 India Original Equipment Tyre Customer Satisfaction Index (TCSI) Study has ranked Apollo Tyres highest in the small car segment and 2nd in the midsize cars or sedan segment. The company also received 5 star Power Circle Ratings from JD Power for both, small and midsize cars. The ranking is a testimony of Apollo's efforts towards improvement in product quality across categories. Key findings of the JD Power TCSI Study:

Customer Safety

Apollo lays strong emphasis on Customer safety while designing its products. Safety is given top priority both, during manufacturing, and usage of its products. The Company strives to provide its customers with a product that is safe, reliable, efficient and at the same time has minimum impact on environment. An in-built thorough system of checks and flawless procedures ensures a culture of safe operations.

Apollo also endeavours to provide customised and innovative solutions in order to ensure that its customers have the best product experience. The Company adheres to all applicable norms and standards. In compliance with applicable rules & legislations, all product labels detail out sufficient information on product use and safety.

In its Europe operations, Apollo Tyres complies with the European Tyre Labeling (ETL) Regulation that mandates product labels to have all information related to carbon footprint, road safety and environmental pollution. The labels also include product content and composition, a mandatory requirement in the EU under legislations like REACH. Information such as speed rating, load index, tyre wear life indicator, ply rating and construction of tyre, are also essential disclosures.

Apollo Tyres complies with all specified ETL regulations. This not only helps improve safety of customers but by providing fuel efficient and low noise tyres, the Company also ensures environmental and economic efficiency.

Preference for OE tyre brand during replacement increased from 48% in 2017 to 54% in 2018

- * Customer's perception of brand image is strongly influenced by tyre quality
- * Replacement of tyres during the first 12-24 months of ownership is declining
- * Customer satisfaction with tyres is higher in the small car segment than others
- * Customers who are highly satisfied with their OE tyres are more likely to recommend their tyres to others

TCSI Study is based on 3620 responses from new-vehicles owners who purchased their vehicle between May 2015 and August 2016. The study was fielded between May and August 2017 and is now in its 18th year. It measures satisfaction among original equipment tire owners across three segments – small cars, midsize cars and utility vehicles. The study covers 12 to 24 months of ownership across four factors – appearance, durability, ride and traction/handling.

PV Commercial Fleet Engagement

Regular interaction and exchange between commercial fleet owners and ATL dealers has helped Apollo Tyres create customised solutions for its customers as well as influence behaviour practices.

During the reporting period, PVF team conducted 29 activities at PV Commercial Fleets in Jaipur, Ajmer, Indore, Delhi, Gurgaon, Patna and Nanded. The team also conducted 7 campaigns in Rajasthan, 2 campaigns in Maharashtra; 4 in Madhya Pradesh; 5 campaigns in Bihar & Jharkhand; 5 campaigns in Punjab and 2 campaigns in Delhi/NCR in which various influencers/ taxi fleet owners participated.

The campaign focused on customer engagement, product development and safety trainings. The campaigns were conducted with an objective to minimise operational tyre failures, help customers understand and change the mindset to realise radial benefits, reduce operational costs and strengthen the Apollo Brand. Product acceptance measurement was done on a quarterly basis.

Customer Value Management Institutionalisation

Apollo Tyres on an empowering Journey inside

The business landscape is undergoing a dynamic transformation due to increasing penetration of internet and communication technologies. All information, whether it is market trends, legislation, customers, suppliers, competitors, distributors or product development, is available in public domain. A plethora of information about a particular product, company or a component is easily available and accessible.

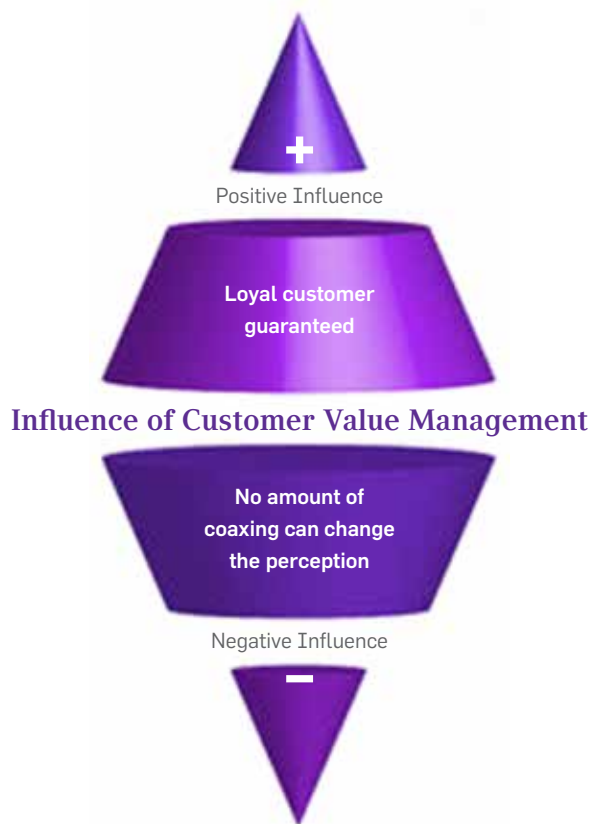
Specific information however, for instance competitor information, valuable to any company, may not be as easily available. While general information is extensive and just a click away, statistics and data of real use to decision-makers of an organisation, often require market intelligence specialists. Market intelligence is important information that governs large decisions in the organization and helps the company increase revenue, profit, and market share.

Systematic gathering, analysis and presenting of market intelligence is not new-found to the developed western world; in developing markets it is still very nascent. There are a few real methodological differences when it comes to obtaining market intelligence in different countries. Due to cultural and logistical differences, data collection in Asian markets often requires more face-to-face interaction than Western markets.

Market intelligence is difficult to gather and analyse in developing countries as the information is not well organised and systems are ill-established. However, with well-educated employees with multilingual capabilities are, more often than not, capable of obtaining information across regions, relevant to a company's markets. As companies expand their horizons, gathering and processing data from the company's external environment is increasingly playing a larger role in decision-making.



While business intelligence and acumen helped Apollo Tyres establish itself globally, strategic decision-making in terms of market opportunity and development, needed market intelligence. In recognition of this need, the Company, in 2012, set up its first ‘Customer Value Management’ project team. The primary objective was to set up points where the company’s product interfaces with customers such as end-users and dealers, points where a customer forms general and specific opinions and can share them with the Company’s representatives and dealers. The results are as follows:



Through ‘Customer Value Management’, Apollo Tyres is able to gather crucial information about their customers – their buying capacity, geographical location and experience with a particular brand that influence their buying decision. This data helps the Company maximise benefits for its customers. Factors such as product performance, experience on OE-fitment, availability of a dealer in vicinity of the customer, help in evaluating Apollo Tyres vis-à-vis competitors. The method of quantifying the VOCs and collection of data is scientifically designed to present a value v/s price ratio for Apollo and all competitor brands.

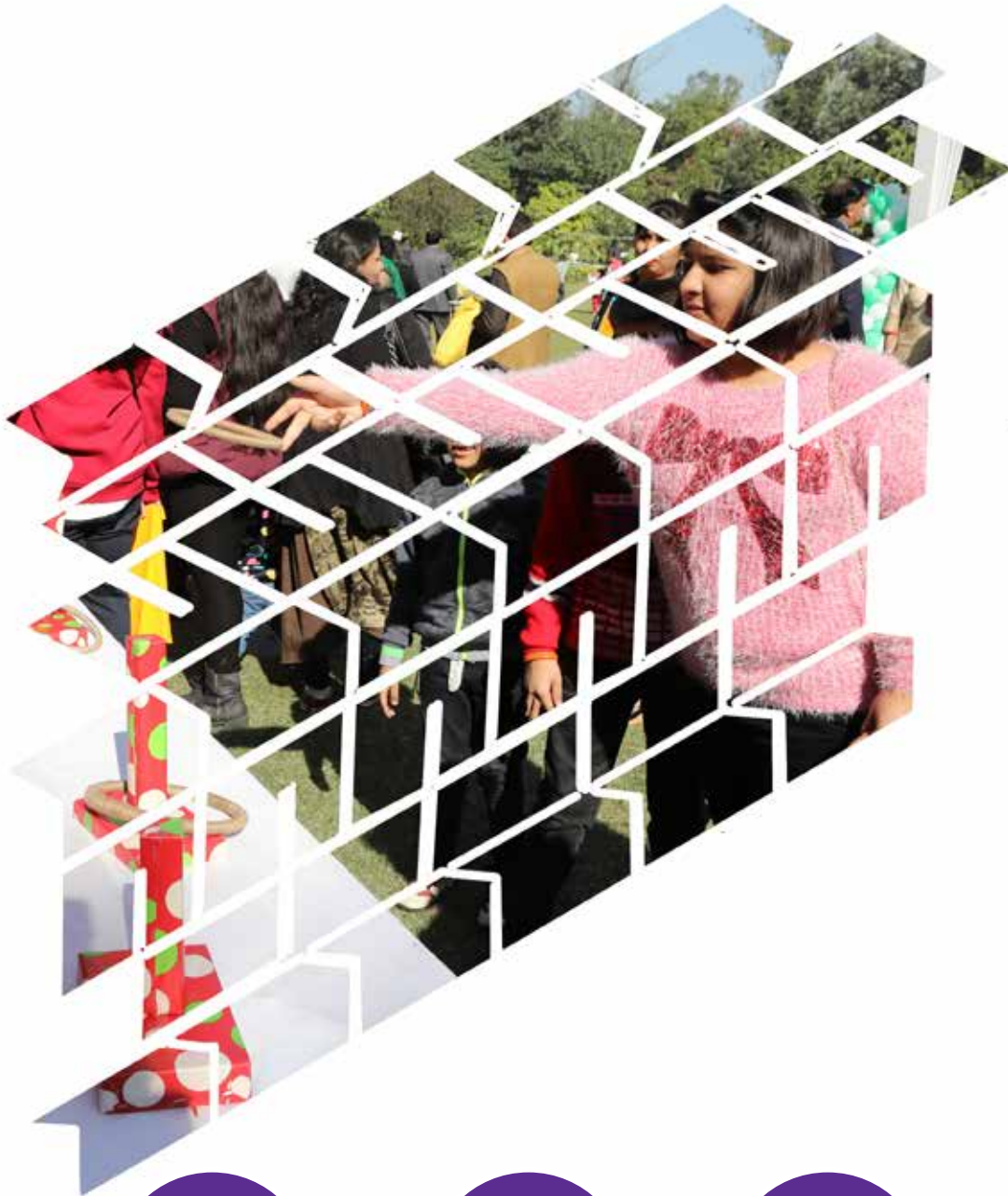


‘Customer value management’ helps the Company maximise benefits for its customers

The gaps identified through the study are taken into consideration. An action plan is drawn up and action taken on the significant and relevant ones, which led to improvement in value to price ratio for Customers from 0.72 to 1.16, and for Dealers from 0.64 to 1.04 [A3 segment]

One Family

CARING FOR EMPLOYEES



One of
top ten

companies in the
'Great Place to
Work' survey*

265

safety 'Kaizen'
activities
completed

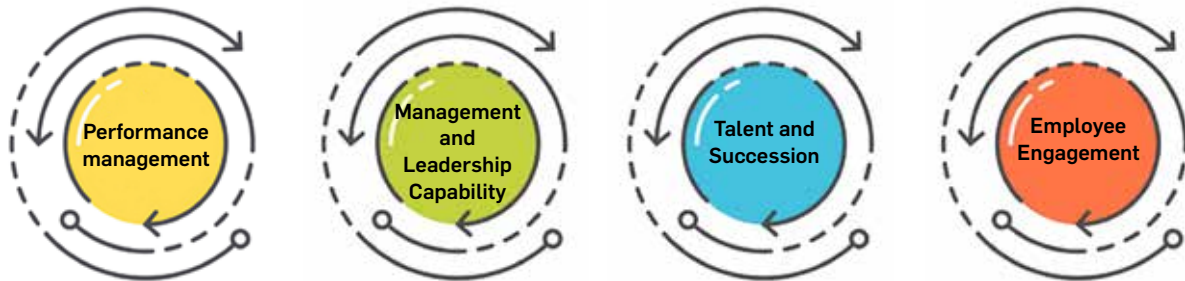
35%

reduction in
Lost Time Incident
cases

* In the manufacturing sector in India

In today's dynamic and competitive business landscape, people are a key differentiating factor enabling a company to achieve its business objectives. Apollo continues to invest in its Human Resources for the overall growth of employees along with organisational growth.

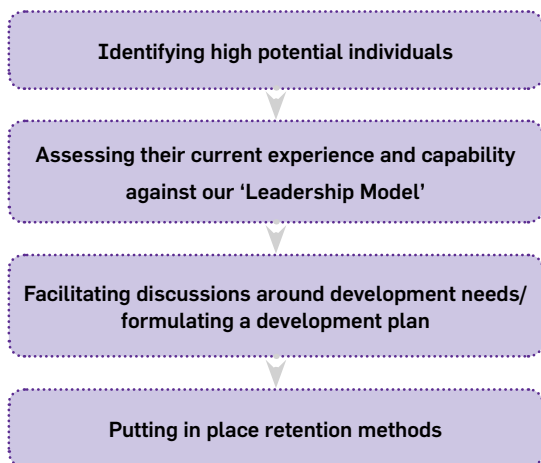
Apollo Tyres' four-pronged Human Resources strategy focuses on:



The Company strives to provide a work culture that creates avenues for growth. During the reporting year, Apollo Tyres was one of the top 10 companies in the manufacturing sector in India in the 'Great Place to Work' survey. Approximately 600 companies participated in the survey.

Apollo had implemented a new performance management system 'Horizon' in 2016-17. The process has completed its second annual cycle in the reporting period. It was well received by all the employees. The system helped employees improve their performance by means of identifying key objectives, providing clear feedback on their performance and identifying trainings and development opportunities needed to fulfill the demands of their current job as well as future roles.

With Apollo's ambitious growth plans and increasing competition in the market, it becomes important to retain and attract the best talent in the industry. A focused Talent Identification and Development Programme was put in place both at corporate and regional levels. The process is as follows:



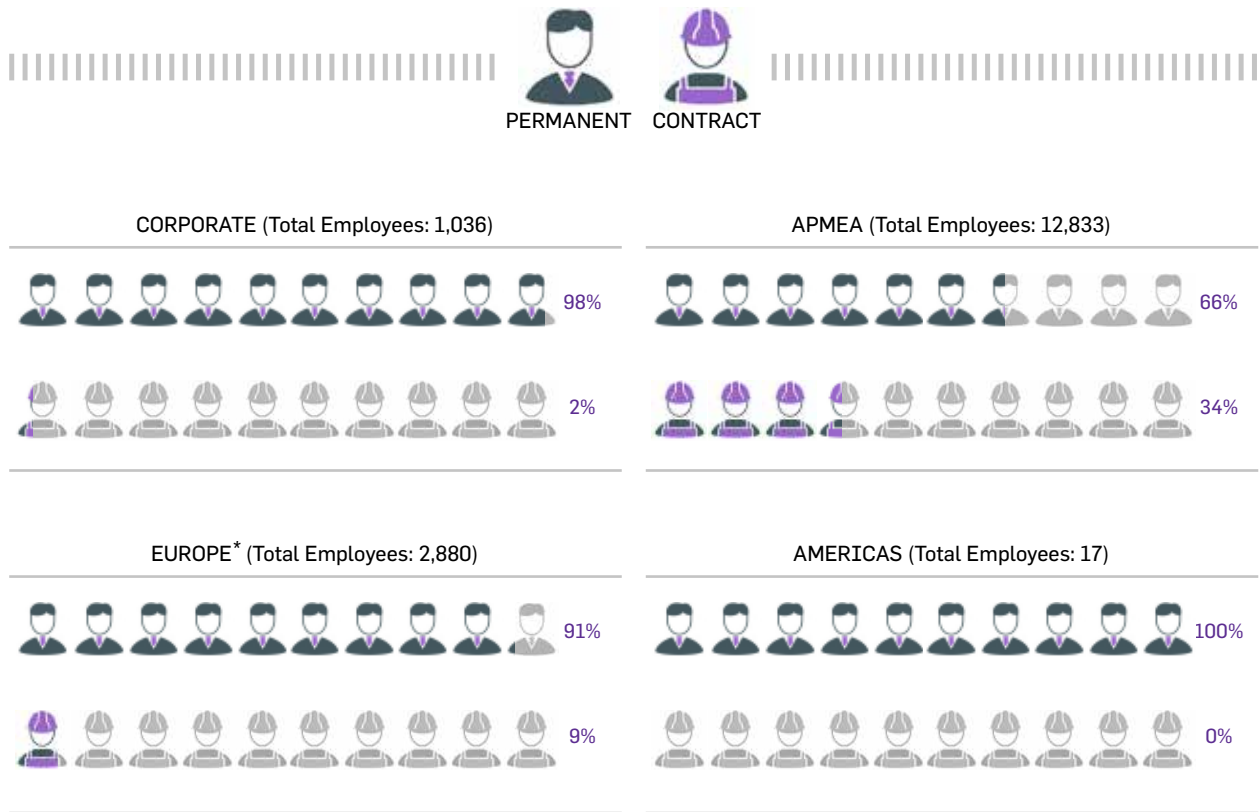
The company has identified a number of high potential employees as successors for key general management roles. This has been achieved through a robust assessment process and will lead to further global job rotation as part of focused development planning.

Apollo's Hungary unit commenced operations in FY 2017-18. With this new plant, there was an opportunity to put in place a re-defined organisation structure that gave employees clear roles and responsibilities as well as visibility of their career path. A job evaluation exercise was undertaken resulting in defined job levels and demarkated areas of accountability spanning resource planning, salary benchmarking and Learning & Development.



Employee Strength and Statistics

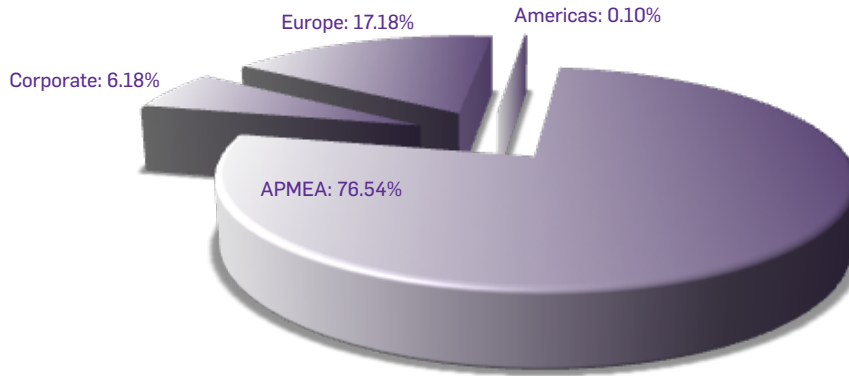
At the end of the March 2018, total employee strength of Apollo Tyres was 16,766. The total employee attrition for the organisation was 5.28%. Region-wise breakup of employees is as below:



* Includes Reifencom



REGION-WISE EMPLOYEE DISTRIBUTION



Employee engagement

Apollo Tyres’ employee engagement activities involve both, the employees and their families. During the reporting year, a number of activities were organised including family fun days, factory visits, etc., across our locations worldwide. A wide range of social gatherings from simple team dinners to competitive cricket tournaments demonstrated the Company’s commitment to its people and re-instated the ethos of ‘One Family’.

An employee engagement survey was conducted in Europe to obtain feedback from employees on various aspects including leadership, communication, working conditions and overall satisfaction level of employees. The results were shared with all employees and action plans have been put in place to address areas where improvement is required. A follow up survey will be undertaken at the end of 2018 to monitor progress.

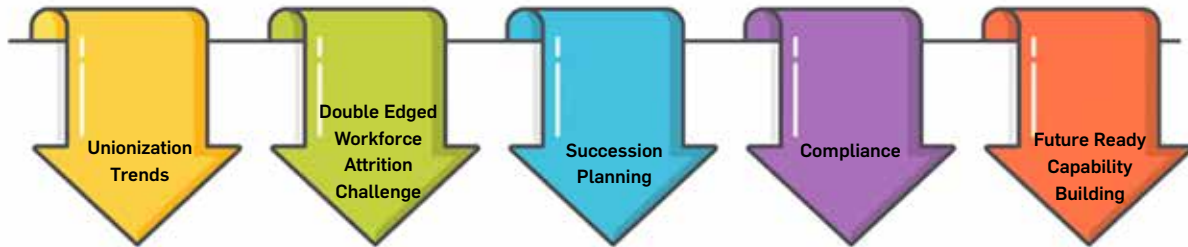
Industrial and employee relations

Regular and proactive interaction with trade unions and works councils continues to be an integral part of Apollo’s business-operating model. The Company has consistently worked collaboratively with unions and works councils across its global locations. This year Apollo successfully concluded a number of key agreements with unions both in India and Europe allowing the Company to develop and deploy its existing workforce for greater flexibility. This has been achieved through continuous and open communication between Apollo’s management and its workforce and reflects Apollo’s commitment towards creating a harmonious work environment.



Risks and Concerns

Apollo has been proactive in risk identification and assessment, parallelly taking measures to mitigate the same. The following HR related risks have been identified:



Increased labour activism across India may pose challenge for any manufacturing organisation and this is affecting unionised as well as non-unionised workforce

On one hand, highly skilled personnel are in high demand in the market and are prime targets for poaching by direct and indirect competitors; On the other, certain segments of the workforce attrition rates are lower than optimal and that puts a burden on the Wage Bill, which could become unsustainable in the long term.

Succession planning and development for Key Critical Positions is being undertaken to mitigate the risk of business disruption

Labour compliance, especially for outsourced / contractual manpower is critical to smooth business operations

The capabilities required for future business opportunities, need to be acquired and developed in order to gain a competitive advantage



Development of the Apollo family: Fostering Talent

Apollo is committed to holistic development of its employees. It organised various programmes aimed at improving soft skills and technical capabilities. Programmes are customised to the needs of a particular department or job. Apollo continues to encourage its employee exchange initiatives between various manufacturing facilities and offices with the objective to further enhance skills and knowledge within the organisation.

Essential 7

People Management capability is a vital skill required by all line managers and needs to be continually honed in order to ensure that the organisation is performing to its potential. To this end, a suite of management development programmes – ‘Essential 7’ – were launched to provide knowledge of core managerial skills including delegation, mentoring and coaching, performance management and recruitment skills. During the reporting year, over 400 managers attended one of the ‘Essential 7’ programmes.

Details of other programmes are as follows:

Training and Capacity Building programmes

Program Title	Brief Description	Target Audience	Key Metrics	Learning Partner
ADMIRE For Territory Incharges	Functional programme for field sales TIs for effective network management	Territory Incharges Field Sales	120 unique learners (entire TI Layer) 300 training man days	EY E-Cube Sales Solutions Field Sales Leaders
Sales Step Up Training	Product and Process Training	Field Frontline	1 batch with 20 unique learners 120 training man days	Internal Certified Experts
Key Account Management Training: OEM Sales Team	Essentials of KAM approach of sales for OEM frontline team	OEM frontline	20 unique learners 40 training man days	Work Better Training
B2B Sales Fleet and OHT Sales	Essentials of B2B selling for newly assembled fleet sales and OHT sales team	OHT sales Fleet sales	25 unique learners 75 training man days	Work Better Training
Essential 7 Programs - First Line Managers - Communication Skills	Specialized and bespoke training requirements that are met through attending external symposiums, conferences, workshops	As per requirement	22 Distinct programs 34 unique learners 51 training man days	Various
ADMIRE For Territory Incharges	Functional programme for field sales TIs for effective network management	Territory Incharges Field Sales	120 unique learners (entire TI Layer) 300 training man days	EY E-Cube Sales Solutions Field Sales Leaders
Sales Step Up Training	Product and process training	Field frontline	1 batch with 20 unique learners 120 training man days	Internal Experts
Back to Basics	Provide foundational knowledge of core tyre technology	R&D specialists	70 attendees over 3 sessions	Internal Experts
Tyre Manufacturing Quality Control	Essentials of tyre manufacturing process	Quality and Assurance specialists	35 participants in a 3-day programme	Directorate General of Quality Assurance, Ministry of Defence, India

Health & Safety

Apollo Tyres is committed to adherence to the highest standards of Health & Safety. It strives to provide its employees with a safe and healthy workplace. The Organisation continues to focus on deploying behaviour-based safety programmes and global safety standards across its locations. Apollo Tyres Limited, Perambra, has received Factories & Boilers Safety Award - 2017 from the Honourable Minister for Labour, Kerala for its continuous efforts in the field of safety.

The company has a streamlined process to continuously improve its safety performance. This is reviewed periodically and evaluated through defined parameters in the organisation. Apollo conducts various activities to ensure that its workplace is healthy and safe. Some of the key activities include Gemba Walks (review of the site conditions) by leadership team, identification of behaviour-based safety observations, etc. During the reporting year, 19961 behaviour-based observations were recorded and 271 Gemba walks were conducted to review the implementation of plans at ground level. The objective of these activities is to identify areas of opportunities for enhancement of safety standards.

During 2017-18, 19961 behaviour-based observations were recorded

21291 areas of opportunity recorded during 2017-18



During 2017-18, a total of 1074 near misses were recorded through collective effort of the employees. Action plans based on the same were developed and implemented.

Apollo Tyres has adopted 'Kaizen', a systematic approach aimed at implementing, small, incremental improvements that result in measurable, long-term impact. 265 safety Kaizen activities were completed in the reporting year.

There is significant improvement in Lost Time Incident (LTI) cases at Apollo plants. Due to focused efforts lost time incidents have reduced from 80 to 59 in 2017-18. Incident reporting from the non-manufacturing area however, is still low. This has been identified as a focus area during the coming year.

In FY18, the Company lost one of its employees in a tragic accident. Post the accident, the Company has retrained all employees involved in similar



Rewards and Recognition

Employees are motivated through structured reward and recognition programmes. They are recognised and rewarded at multiple platforms to encourage HSE initiatives across the entire value chain. One such award is 'Chairman Safety Award' introduced to recognise employees demonstrating exceptional safety performance. The evaluation criterion is based on safety improvement or behaviour change.

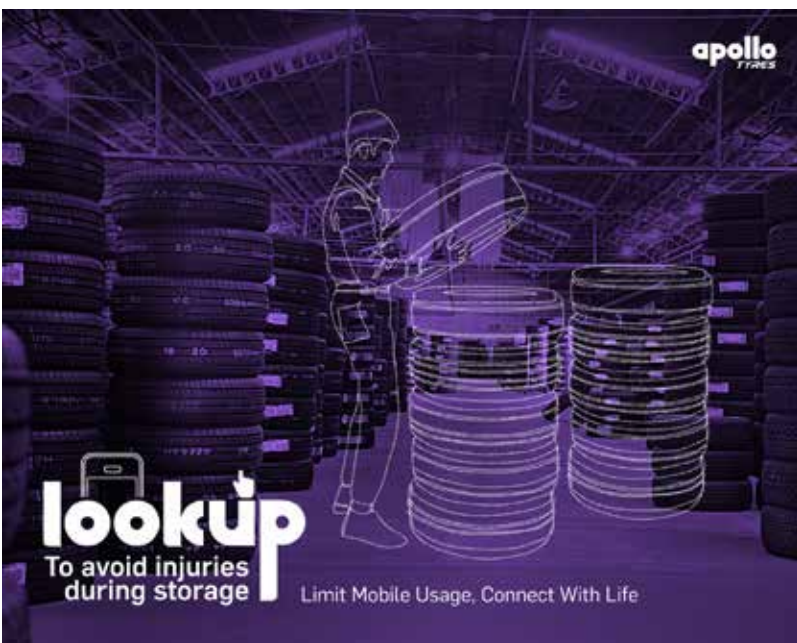
Capacity Enhancement

Education and training are important tools for raising awareness on workplace hazards and ensuring safe and productive workplaces. Apollo conducts various training programmes in this regard. Safety induction is a prerequisite to work with Apollo Tyres and 100 % employees are covered for basic safety induction. Risk-based on-the-job or class room training courses are also provided to build employee capability.

Apollo extends its safety vision to sales, customer services, suppliers, R&D, offices and warehouses across the globe. Workshops were conducted for regional distribution centre leads on warehouse and logistic safety aspects.

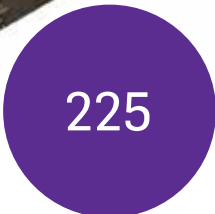
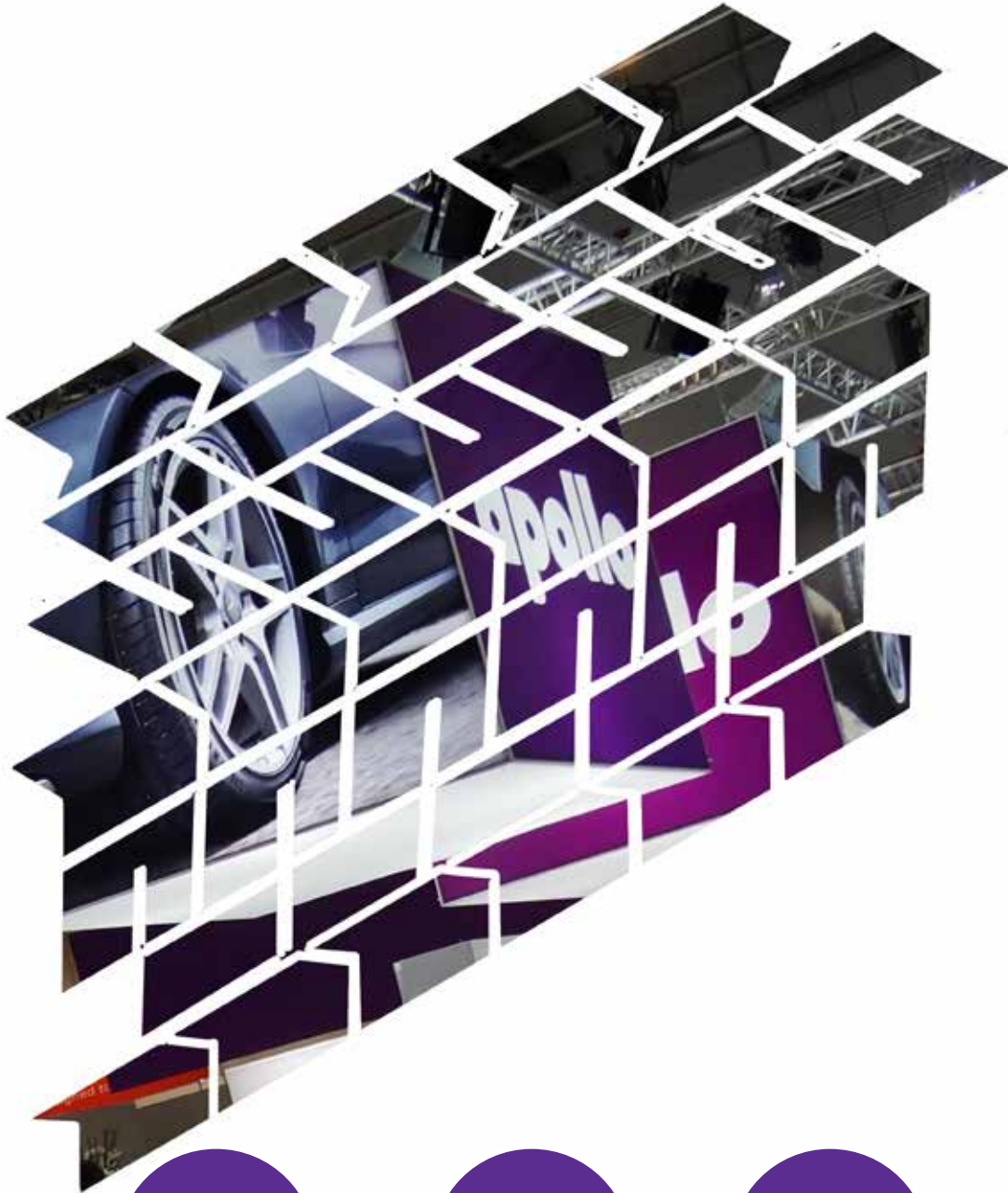
operations across the world and put in place additional engineering controls and protections to prevent such accidents from recurring.

The company has identified use of mobile phone as one of the major distractions while working inside manufacturing plants. As a result 2 out of 6 plants have restricted its use on the shop floor and remaining plants are making structured efforts to implement the same. To educate employees, a focused campaign, 'Look up' was rolled out. This campaign is not limited to work related distractions but also focuses on off-work issues.



Strengthening Partnerships

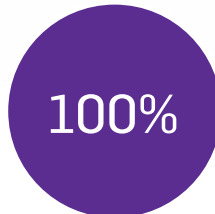
CARING FOR BUSINESS PARTNERS



number of active vendors



communication of Sustainable Supply Chain Policy to vendors



certification* of all vendors for ISO 9001, 14001 and OHSAS 18001

** All vendors have atleast one certification to the listed management systems; some have all three.*

82 suppliers participated in HIV AIDS & substance abuse awareness programmes in 2017-18

Supply Chain management is an integral part of sustainable business practices. The focus on the upstream supply chain extends to the sourcing of the raw materials, their processing, and their use in the manufacture of intermediate and final products.

Tyre is a global product and yet it is subject to varied regulations in the different markets. Apollo Tyres' business partners are expected to ensure that their operations and products comply with all applicable national and international laws and regulations.

Supplier Development and Management

Apollo Tyres has a centralised purchase function, based out of its Head Office for the procurement of raw materials for its manufacturing plants globally. In addition, the company has Purchase Offices at Kochi, Singapore and Enschede, Netherlands. The suppliers are spread across Asia, Africa, Europe and Americas.

Apollo Tyres deals directly with the manufacturers and prefers domestic suppliers because of benefits such as proximity to its plants, lower transit time, lower inventory and lower carbon footprint.

Import suppliers are developed as alternative source of materials, for cost benefit, and for technical partnerships, in areas where the domestic suppliers have capacity or technology limitation.

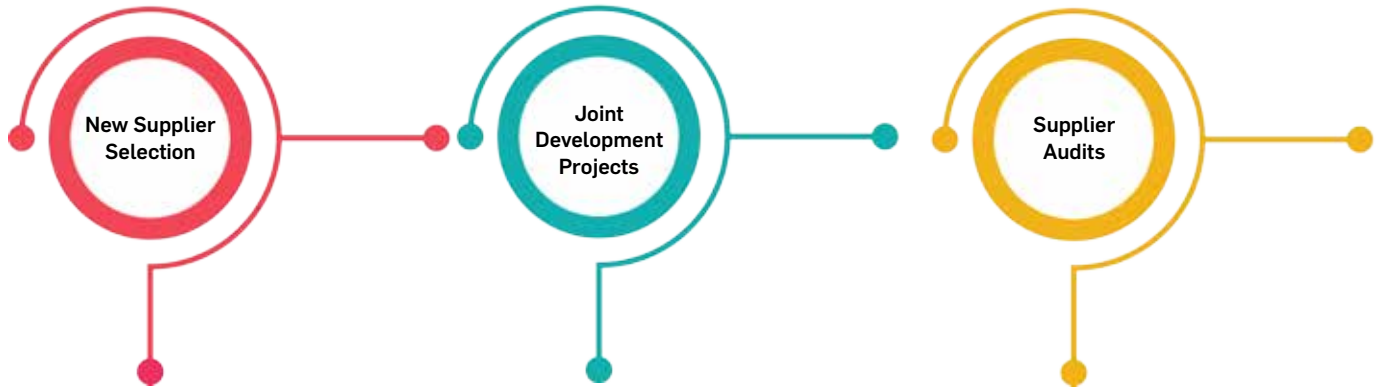
Purchase Policy

"Apollo Tyres considers its vendors 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."

"We shall strive to continuously enhance customer satisfaction by providing cost effective and quality materials on a timely basis, while working together with our supply chain partners on environmental, economic and social aspects to enable sustainable business practices."

Supplier Engagement

Apollo's engagement with suppliers takes place in various spheres like joint technical projects, Quality workshops with natural rubber producers and processors, Quality review meets, CSR workshops at suppliers manufacturing facilities, RFQs, Memorandum of Understanding (MoU) for purchasing volumes, etc. Most significant initiatives are as follows:



Supplier selection is the process by which Apollo identifies, evaluates, and approves its suppliers. It is a stage-wise evaluation and approval process involving commercial and technical evaluation of the supplier by a cross-functional team of Purchase, R&D, Plant Technology, and Manufacturing.

The Supplier selection process involves indepth evaluation and approval of supplier systems & capabilities in terms of Product quality, production capacity and financial stability.

Based on customer response, emerging market requirements and changes in regulatory norms, Apollo engages with its existing and potential suppliers to initiate joint development of new material and new tyres development.

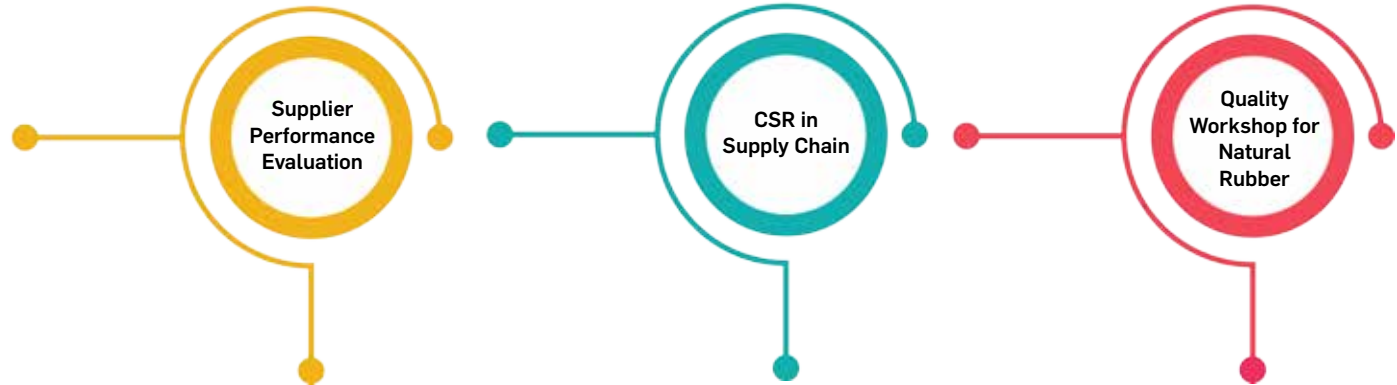
The organisation also seeks technical collaboration from its suppliers through active participation in various technical seminars and its Technical Leadership Development Programmes (TLDPs).

Supplier audits are conducted by Apollo's qualified team of trained auditors as a routine procedure during new supplier selection and are frequently conducted for existing suppliers as per pre-defined audit criteria.

Audits cover aspects such as quality management system, environmental standards, and occupational health and safety standards, as per Green Procurement Standards and Partner Code of Conduct.

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





Supplier performance evaluation is done on Quality, Delivery and Service, through rating criteria that aims to improve their performance at Apollo. The same is communicated to suppliers on periodic basis and action plans are drawn and followed up with the suppliers, as and where applicable.

Apollo runs awareness programmes on HIV/AIDS and Substance Abuse at the premises of its Raw Material suppliers. The participants cover management and workers. The programmes are conducted by Apollo's ILO-trained personnel from the Purchase department. The programmes cover basic knowledge, addresses the myths and stigmas, symptoms, treatment, and preventive measures.

In During 2017-18, four workshops were conducted at suppliers' premises with participation from 82 people.

For Natural Rubber Suppliers, Apollo Certified Sheet Rubber Programme (ACSRS) was organised to educate them on the required Sheet Grading, handling and storage practices.

A group of 12 suppliers were selected based on performance and business based criteria. The programme focused on quality aspects and emphasised on implementing good grading and sheet handling practices, and constant improvement through feedback and periodic interactions.



Sustainable Supply Chain

Apollo Tyres expects its Business Partners to be environmentally and socially responsible in their business practices. The Company encourages its suppliers to develop their environmental systems in compliance with the requirements of ISO14001 and to get their systems certified by an accredited third party. Apollo works together with its suppliers to promote the use of sustainable practices at their manufacturing plants and offices and expects them to promote such practices in their respective upstream supply chain.

Partner Code of Conduct (PCC)

Apollo Tyres ensures that its partners comply with the Company’s Partner Code of Conduct (PCC) and encourages them to integrate environmental, occupational health & safety, and human rights and labour policies into their business and decision-making processes. Partners ensure that their operations and the products supplied to Apollo Tyres comply with all national and other applicable laws and regulations.



All the purchase orders are electronically auto generated



Suppliers encouraged to use environment-friendly products



Insistence on reusable/recyclable packaging



Use of Information Technology for most processes

Green procurement

All the purchase orders are electronically auto generated through the ERP system and communicated to the global supplier base. In contrast to the earlier practice of sending hard copies of the purchase orders, this is a quicker, greener and a more efficient way of communicating with suppliers.

Apollo promotes and encourages its suppliers to develop and use environment-friendly products, including use of recycled products, in their manufacturing processes. The Company also insists on use of reusable/recyclable packaging such as returnable metal boxes, returnable pallets and returnable metallic spools, in the supply of their raw materials to its manufacturing plants globally. The packaging of the raw materials supplied must be ‘wood-free’. In addition, a supplier needs to conform to the local regulations of the country of supply.

The global nature of today’s businesses necessitates frequent and close interaction between cross functional

teams. Apollo encourages use of information technology including video conferencing, telephonic conferencing, smart phone-based email and other applications in order to minimise the environmental impact and make best use of technology to drive the business.

REACH Compliance: Apollo and its suppliers ensure that the final product and its raw materials conform to the REACH requirements, wherever applicable. Apollo’s suppliers are either registered for REACH or execute required activities as prescribed by REACH.

PAH Compliance: Apollo meets all raw material related requirements with reference to usage of PAH free materials for supply of tyres to Europe and other markets.

Tyre labelling: Labelling guidelines are continuously improved in line with the evolving needs of the market and expectations from Apollo’s OEM customers.



Safety @ Workplace

New manufacturing and information technologies can be enablers in creating safer workplaces. Apollo tries to ensure that its suppliers follow all applicable industrial practices and use technologies that foster safe working environment for their employees.

Apollo encourages its suppliers to continually build a safe work environment through periodic assessment of the prevailing safety practices and improvement of their work place conditions.

Dealer Development and Management

Dealers occupy a critical position in the supply chain of an organization. They play a pivotal role in helping the organisation build and maintain close relationships with customers and gain insights into how it can improve its products and services to better fill customers' needs.

Apollo Tyres maintains a strong, loyal and fruitful relationship with its dealers. It understands that one of the important factors that affect the growth of a business is the organisation's efficient distribution system, dealer management and the close customer relationships it fosters.

Apollo has an efficient dealer management System. It has laid down policies such as commercial policy and trade communication policy, which act as guiding tools for dealer management. The company segregates its dealers in different tiers depending on the volume of business.

Objectives of Dealer Management System





Policies such as commercial policy and trade communication policy act as guiding tools for dealer management

Apollo Tyres' approach towards dealer development is governed by its mission to be a market leader through a capable, motivated and empowered sales team. The dedicated sales team has been instrumental in executing the following tasks:

- * Sales Budget Achievement
- * Network Management - Expansion, Extraction and Upgradation
- * Demand Planning
- * Customer relationship Management and Employee Engagement
- * Motivation
- * Range Selling

Apollo tyres works in tandem with its dealers where both – the organisation and dealers – invest in building and maintaining a relationship built on trust, confidence, and shared interests.

The company has put in place a strong governance system in order to increase accountability and transparency when dealing with matters related to dealer management. It has formed a Management Advisory Committee comprising of key business partners. The function of the committee is to collect feedback through constructive market feedback system with an aim to improve organizational performance.

Apollo encourages and motivates its dealers through various appreciation programmes. The company's 'Value Edge Club Programme' offers various benefits to its business partners in the form of commodities such as electronic products, automobiles, vacations and other products.

The company engages with its dealers on various platforms at regular intervals. One such platform is Business Partner Service Centre which follows a streamlined process to resolve various issues/queries submitted by the dealers. This is a forum where dealers place queries which are recorded and then flagged to various departments for resolution within stipulated time. Unresolved complains/queries are taken up during periodic governance meetings.

Sales and commercial teams regularly visit dealers to collect feedback from different markets followed by necessary actions.

Apollo Tyres also engages with its 'Platinum dealers' – dealers with whom the company has large volumes of business – on a separate platform where senior management interacts with them for their valuable inputs.

To facilitate ease of doing business, Apollo's two Robust IT-enabled platforms – Business Partner Service Centre and Sampark – provide digitised solutions for all activities to its dealers and suppliers. These online platforms provide a single window to its business partners for all matters related to business transactions, queries, benefits and grievances.

The Company formulated a GST cell to help its dealers transition into the new taxation system

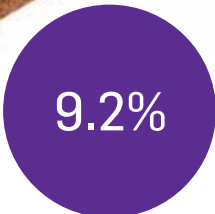
During the year, the company's small scale and large dealers were introduced to the new Goods and Services Tax (GST) system announced by the Government of India. For smooth transition into the new taxation system, Apollo Tyres formulated a GST cell. While most organisations took days, even weeks to transition into the new system, Apollo Tyres' first GST invoice was issued at 9.10 a.m. on 1st July 2018. In addition, a business partner help desk was also formed. The dealers were educated on the new tax system through various seminars and webinars.

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



Environmental Footprint

TREADING RESPONSIBLY



Water recycled/
reused out of Total
water withdrawn



Trees planted
till date under
afforestation project



Savings from
energy efficiency

Apollo Tyres considers Environment as a key stakeholder and ensures utmost care at all times. This approach has been developed under the framework of ISO 14001 - Environment Management System. The Company enhanced its manufacturing footprint with the commencement of operations of its Hungary facility in FY 17-18.

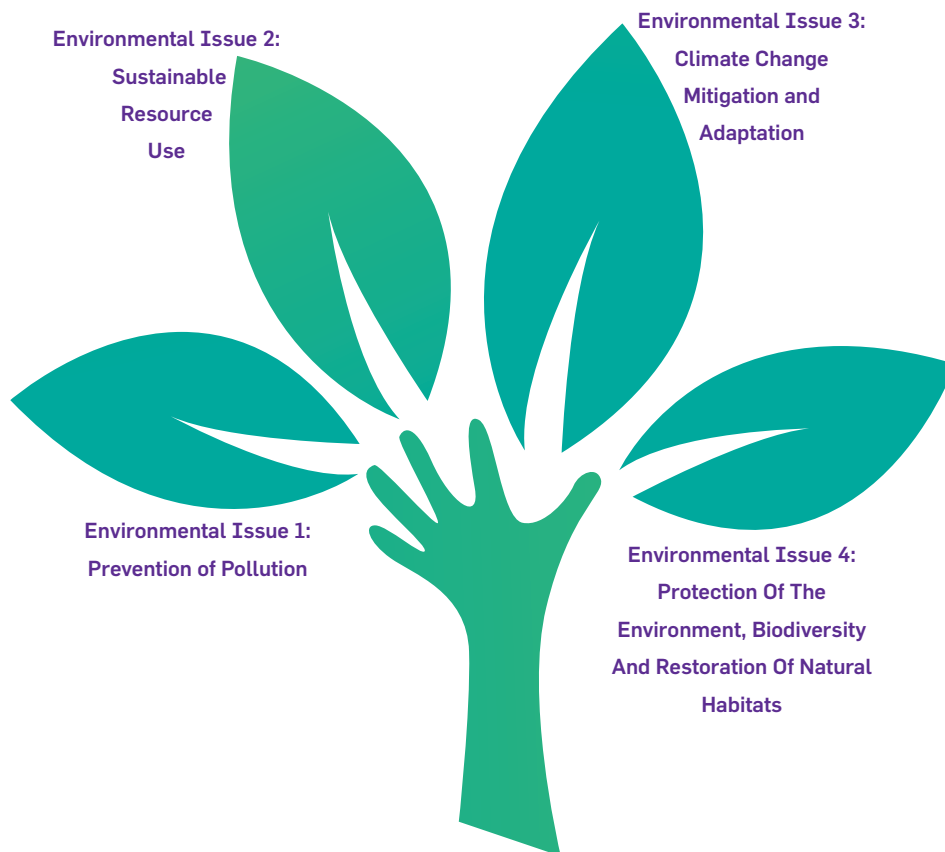
Environment consciousness is not limited to 'within the fence' but is taken 'beyond the fence' into the communities in the form of Corporate Social Responsibility programmes. These initiatives aim to promote and raise awareness among communities on environment conservation.

Environment management has been a priority area in Apollo tyres sustainability strategy. The company is

constantly working to reduce the environmental impact of its products.

The organisation has been implementing its Sustainability framework as per the international standards on Social Responsibility, ISO 26000:2010. We integrated the provisions of the standard in the form of SOP for the Core Subject of Environment. We have also streamlined the reporting parameters in line with the requirements of the Core Subject. The section presented below follows the above structure.

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



The standard defines each issue and states actions and expectations.

Environment Conscious Operations

Environmental Issue 1: Prevention of Pollution

Apollo Tyres works towards improving its environmental performance by minimising pollution including Emissions Reduction, Water Management, Waste Management, use and 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 ensuring clean operations. The concentration of air emissions across all the plants was within the prescribed limits throughout the reporting period.

	Chennai		Perambra		Kalamassery		Limda	
Ambient Air Pollutant (mg/m ³)	Ambient (µg/m ³)	Stack (mg/m ³)	Ambient (µg/m ³)	Stack (mg/m ³)	Ambient (µg/m ³)	Stack (mg/m ³)	Ambient (µg/m ³)	Stack (mg/m ³)
NOx	13	25.2	15.9	-	15.9	36.7	12.5	20 (ppm)
SOx	23	28.5	14.0	359.5	15.4	147	7.6	13 (ppm)
Particulate matter (PM10)	58	37.7	76.6	85.4	67.4	75.23	74.1	109

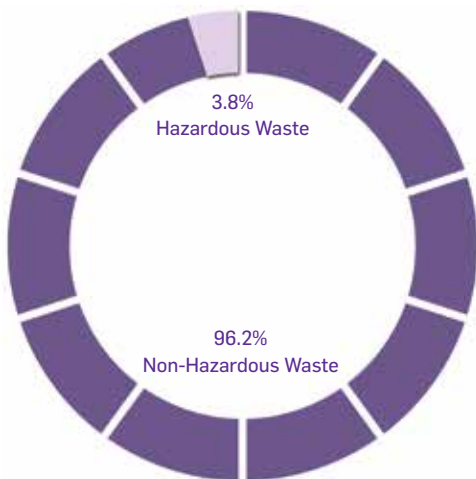
In Enschede, 5454 Kg of NOx was emitted during the reporting period.

Waste Management

Waste generated from our operations includes solid & liquid waste, both hazardous and non-hazardous.

The total solid waste generated in the reporting period was 24,834 metric tonne.

HAZARDOUS/NON-HAZARDOUS WASTE



In the APMEA operations, 649 metric tonne of hazardous and 18,371 metric tonne of non-hazardous solid waste was generated. Hazardous liquid waste generated was 12,902 kilolitres.

A total of 284 metric tonne of hazardous and 5,530 metric tonne of non-hazardous solid waste was generated in the reporting period in Europe region.

Environmental Issue 2: Sustainable Resource Use

Apollo Tyres promotes sustainable use of resources in its manufacturing processes by using energy, fuels, water and raw materials responsibly, and by combining or replacing non-renewable resources with sustainable, renewable resources.

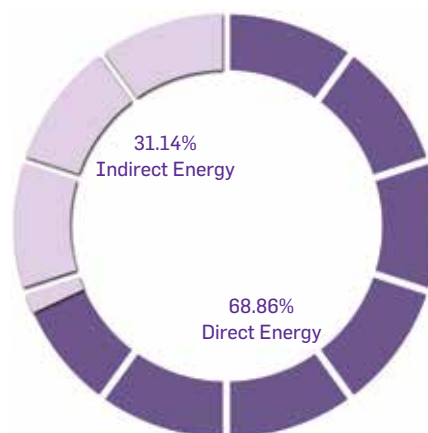
Energy Performance

Apollo Tyres employs direct and indirect energy sources in its operations with a mix of renewable and non-renewable fuel types.

In our India operations, the main source of direct energy was coal, followed by furnace oil. At Netherlands, direct energy is sourced from Natural gas.

Indirect energy sources in India operations comprise of electricity, wind and solar energy. At The Netherlands, electricity is the main source of indirect energy.

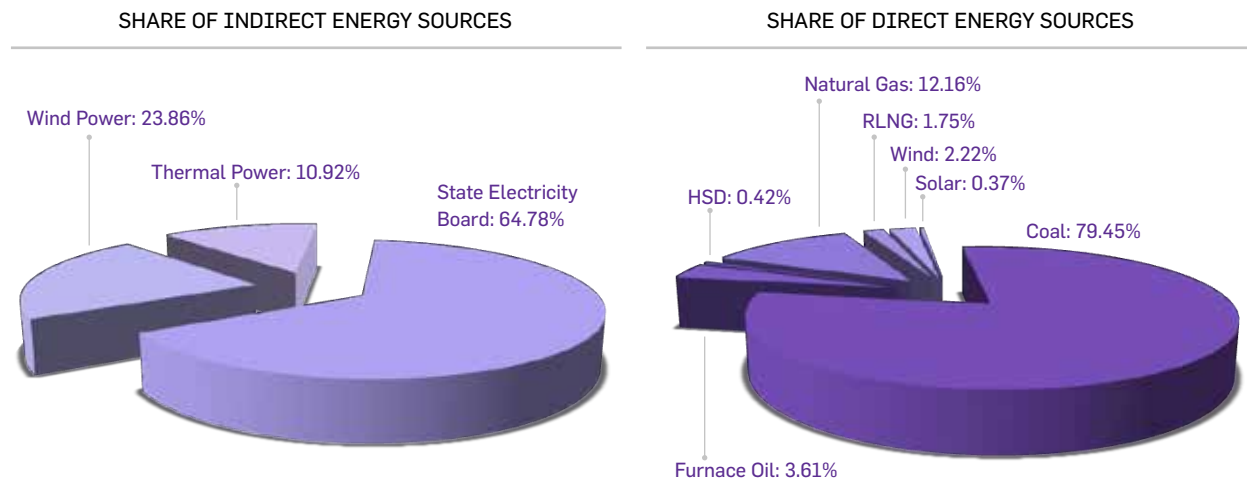
DIRECT AND INDIRECT ENERGY CONSUMED



The total energy consumption (both direct and indirect) for the reporting year was 5,093 TJ as compared to 4,007 TJ in FY 16-17. The share of direct energy was 68.9% (3,507 TJ) and that of indirect energy was 31.1% (1,586 TJ).

Non-renewable energy sources held the major share in the total energy consumption. Coal remained the leading source of direct energy at 2,786 TJ, accounting for 79.4% of direct energy consumption.

The share of renewable energy in the total mix stood at 6%. In the reporting year, our Limda and Chennai facilities contributed captive capacities for Solar energy into our renewable sources portfolio.



Energy Efficiency Initiatives

The organisation 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 36,715 GJ.

Major savings were realised from conversions and retrofitting of equipment. The table below lists the energy saved in APMEA Operations from different levels (in GJ), FY 17-18.

PLANTS	Process Design	Conversion and Retrofitting Equipment	Use of Energy Efficient Equipment	Total Energy Saved
Limda	2,601	212	191	3,004
Chennai	0	0	0	0
Kalamassery	437	346	-	783
Perambra	1,584	31,344	-	32,928
Total Energy Saved	4,622	31,902	191	36,715

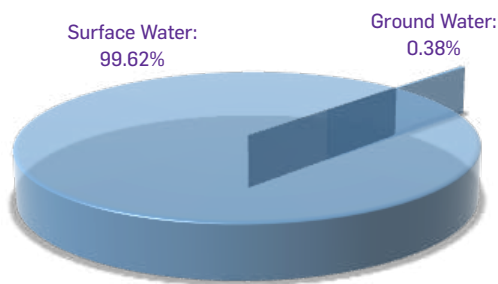
Water Sourcing and Management

The primary source of water at the operations is surface water, which accounted for 98% of total water consumption during 2017-18. Other sources include ground water and municipal water.

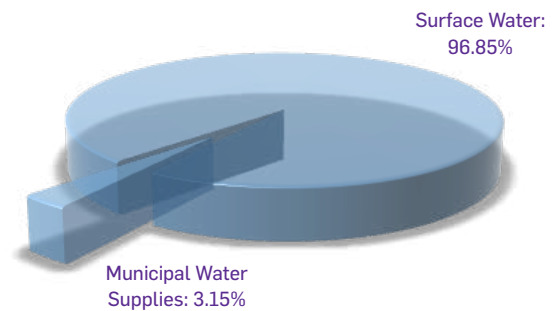
TOTAL ANNUAL WATER WITHDRAWAL (M³), FY 17-18

	Perambra	Kalamassery	Limda	Chennai	Netherlands	Hungary	Total
Annual water withdrawal	5,15,387	2,70,701	8,81,810	6,23,833	41,63,919	68,730	65,24,380

SOURCES OF WATER WITHDRAWAL - APMEA



SOURCES OF WATER WITHDRAWAL - EUROPE



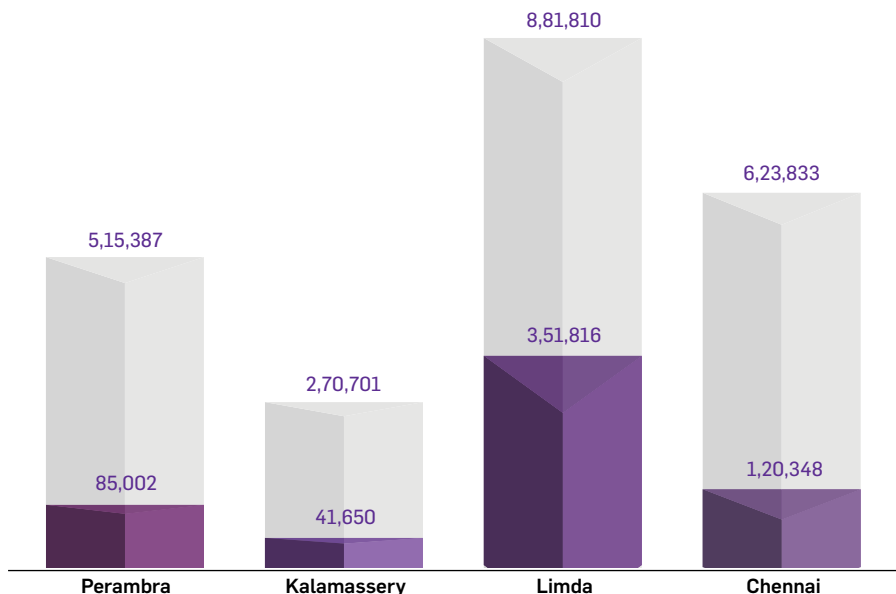
The APMEA operations carried out several initiatives to conserve water in the reporting year. Some of them are:

- * Improvement in ETP RO Recovery from 75% to 93%
- * Condensate polishing for steam condensate
- * Rerouting of Dome condensate from Curing back to Coal fired Boiler

9.2% (5,98,816 m³) of total annual water withdrawal was recycled/reused. This was higher than 8.62% reused during 2016-17.

In the APMEA operations, the total annual water withdrawal was 22,91,731 m³, of which 5,98,816 m³ (26%) was recycled or reused. Location-wise details are as follows:

VOLUME OF WATER WITHDRAWN AND RECYCLED/REUSED IN APMEA (M³)



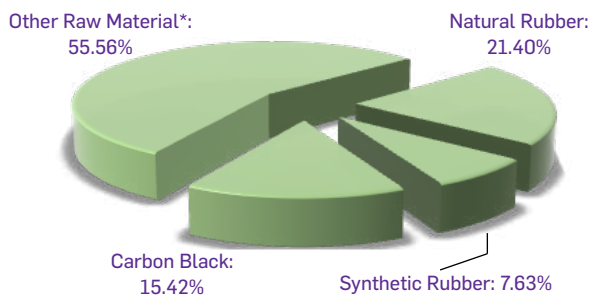
Raw Material Sourcing and Management

The three main constituents used for manufacturing tyres are natural rubber, synthetic rubber and carbon black. During the reporting period, these three comprised 45.5% of our total raw material consumption, marginally lower than 46.1% last year. Natural rubber continues to be the dominant source of rubber in the operations. The APMEA operations reported natural rubber use of 73.7% of the total rubber used. The share of natural rubber use in the Europe region was 48.1%.

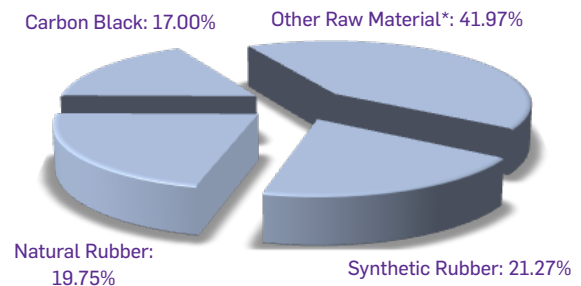
Total raw material consumed across all the operations: 8,48,471 metric tonne

Total recycled material: 6,234 metric tonne

RAW MATERIAL CONSUMED – APMEA



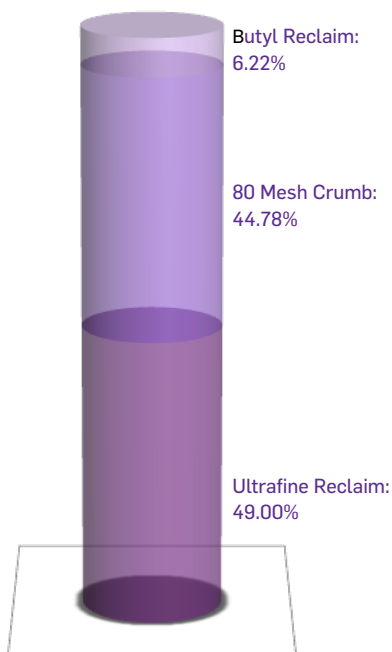
RAW MATERIAL CONSUMED – EUROPE



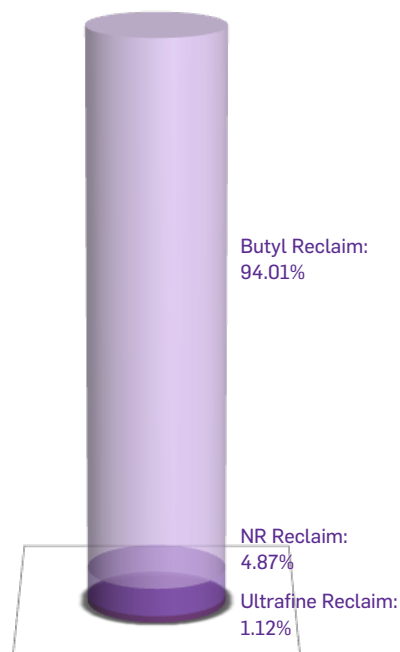
In the APMEA operations, the total raw material consumed was 7,78,306 metric tonne and the total recycled material was 5,433 metric tonne.

In Europe operations, the total raw material consumed was 70,165 metric tonne. The total recycled material was 801 metric tonne.

RECYCLE MATERIAL USAGE – APMEA



RECYCLE MATERIAL USAGE – EUROPE



* Other Raw Material includes associated process materials. In APMEA it also includes steam used in Limda.

Environmental Issue 3: Climate Change Mitigation and Adaptation

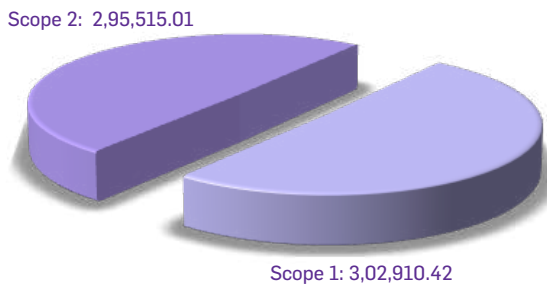
Apollo Tyres has been proactive in measuring and monitoring its Carbon Footprint. It has taken a number of initiatives to reduce carbon emissions including use of renewable sources of energy.

Green House Gas (GHG) Emissions

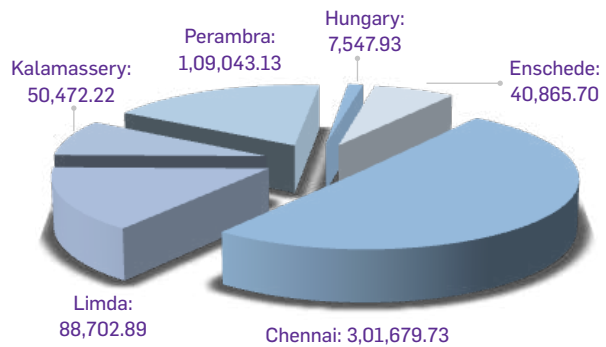
At present, the operations mostly depend on non-renewable energy sources. With addition of manufacturing facility at Hungary, the footprint has increased.

For this report Scope 1 and Scope 2 emissions have been considered as defined by the GHG Protocol. The Company has also initiated estimation of Scope 3 emissions from Business travel as a pilot in order to make the carbon footprint measurement comprehensive.

GHG EMISSIONS (tCO₂e) – SCOPE BREAKUP



GHG EMISSIONS (tCO₂e) – LOCATION BREAKUP



Environmental Issue 4: Protection Of The Environment, Biodiversity And Restoration Of Natural Habitats

Protection and enhancement of biodiversity is important from the perspective of the entire value chain. During the reporting period, as part of the environment programme ‘HabitAt Apollo’, several activities were carried out within the units to enhance biodiversity. While some of these activities were directly aimed at biodiversity conservation, others had indirect benefits.

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

At Kalamassery, these 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. Apollo Tyres also supports the Kalamassery municipality in maintaining this green cover in an eco-friendly manner. As a part of the initiative, Therikulam pond was restored, which was awarded best prize among the ponds in Ernakulam by the Ernakulam District Administration.

At Perambra, the initiatives included conservation and restoration of pond ecosystem by developing theme gardens and converting them into learning centres by placing information boards. Apiculture, for collection of honey from rubber trees within the premises was also continued at Perambra during the reporting period.

Community Initiatives on Environment Conservation

The Company promotes eco-conscious behaviour amongst its communities and works closely with them on environment conservation as a part of its CSR mandate. These efforts have been detailed below, in alignment with the respective Environment Issue as per ISO 26000 standard, following the same structure as above.

Environmental Issue 1: Prevention of Pollution

Waste management has the potential of turning environmental risks into solutions and leading the way towards sustainable development. Identifying it as an environmental issue to work upon, the organisation has initiated solid waste management and recycling projects.

Solid Waste Management & Sanitation

Apollo Tyres under its programme ‘SPARSH, Swachh Banao’, has implemented various initiatives at the community level. The objective of the initiative is to promote Waste Conscious Societies in a resource constrained Habitat and Hygienic Lifestyle by Crusading against Open Defecation. 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 engagement with its stakeholders to create awareness on the 3 Rs – Reduce, Reuse and Recycle.



The Company commenced its waste management programme in 2013. Two programmes were initiated that catered to a specific stakeholder group. Clean My Transport Nagar (CMTN) was focused on stakeholders in transshipment hub whereas Clean My Village (CMV) targeted communities around the Company’s manufacturing locations.

During the reporting period, total waste collected from CMTN & CMV was 2084.5 Metric Ton (MT) out of which 198.1 MT was biodegradable and 1886.4 MT was non biodegradable waste. In addition, 10,805 people were touched through door-to-door waste collection service. Awareness was generated among 22,488 community members on waste management.

Apollo Tyres has also constructed play grounds using end-of-life tyres (ELT) in Chennai. 130 end of life tyres were used to construct various play structures.

Aligning its priorities with the national priorities, Apollo also supported Swachh Bharat Mission on providing safe and hygienic sanitation for stakeholders around its manufacturing locations. The company constructed toilet and bath space for the villagers around manufacturing unit in Chennai and Chennapanduru Panchayat, Chittoor district, Andhra Pradesh (upcoming green field facility) location. The organisation constructed 324 individual household toilets in Chennai and Andhra Pradesh.



Environmental Issue 2: Sustainable Resource Use

Water crisis is one of the top 5 global risks and has been identified by Apollo Tyres as another key area to intervene in. Enhancement of water availability is a key initiative under the Company’s environmental sustainability journey.

Watershed Management

Implementing good watershed management practices can go a long way in dealing with the increasing water crisis. Apollo Tyres has initiated various watershed management projects in dealing with water crisis and quality issues around its manufacturing locations.

Access to purified drinking water: The project aims to provide drinking water to the community in Orgadam village near Apollo’s manufacturing facility in Chennai. 300 households (around 1200 beneficiaries) receive water directly from the plant.

Eco restoration and improvement of water bodies: Pond restoration projects are undertaken at Chennai, Limda and Perambra locations. Projects are designed for improving water bodies, restoring and enhancing the aqua-biodiversity. The activity includes water quality assessment, cleaning, deepening and bunding of the ponds. It also involves development of surroundings around the pond area. Five total ponds were constructed

in the reporting year. Around 5000 people at both the locations are directly benefitting from the ponds.

River conservation project: The project mainly focuses on the assessment and conservation of Riparian vegetation and associated Biodiversity of Chalakudy River in Kerala. The first phase activity concentrated mainly in the 10km stretch of Chalakudy River from Arangalikedavu to Koodapuzha check dam. The project involves school students and local community through awareness generation activities. Students get an opportunity to understand the local Biodiversity through hands-on experience. During the reporting period 200 students were involved in this initiative.

Environmental Issue 3: Climate Change Mitigation and Adaptation

Apollo Tyres considers the issue of Global Climate Change as a priority area. The Organisation has initiated various projects towards mitigation of climate change.

To address climate change, the ‘Afforestation Project’ has been initiated. This project not only helps control carbon emissions, but also generates livelihood for farmers in water-starved areas of the country. Under afforestation project, the organisation has planted a total of 3,50,000 trees in Tamil Nadu for emission reduction. Of these, 1,00,000 trees were planted in the reporting year. As per the estimations, around 5500 tonnes of CO2 has been sequestered from these trees. Total area converted under social foresting is over 800 acres with 306 farmers.

Use of Bio-Gas

The use of Renewable energy proliferation is a key to address the issue of climate change, and this project supports the cause. The organisation is promoting the use of Biogas in its communities around the Limda plant in Gujarat. In the reporting year 140 biogas units were installed.



Environmental Issue 4: Protection Of The Environment, Biodiversity And Restoration Of Natural Habitats

Mangrove Conservation

Mangrove conservation is a very important project started under this theme in the year 2016-17. The organisation has partnered with Wild Life Trust of India (WTI) for project implementation. The actual site of the mangrove conservation project is located in Kunhimangalam village in Kannur district, which is the largest mangrove village in Kerala. As a part of the project, a nodal centre has been set up for mangrove-based nature education, research and restoration at project site. A mangrove nursery and community-based

initiatives to enhance public awareness and reduce threats to mangroves are other aspects of the project. The project is modeled on multi stakeholder engagement approach through involvement of local students, youth, communities, government bodies, non-governmental organisations and other stakeholders. Around 10,000 people were out-reached through various awareness programmes on mangrove conservation.

In the reporting year, Mangrove National Conclave was organised in partnership with Wildlife Trust of India, International Union for Conservation of Nature (IUCN) in December 2017. It saw participation from approx. 200 corporate and government institutions and other professionals.

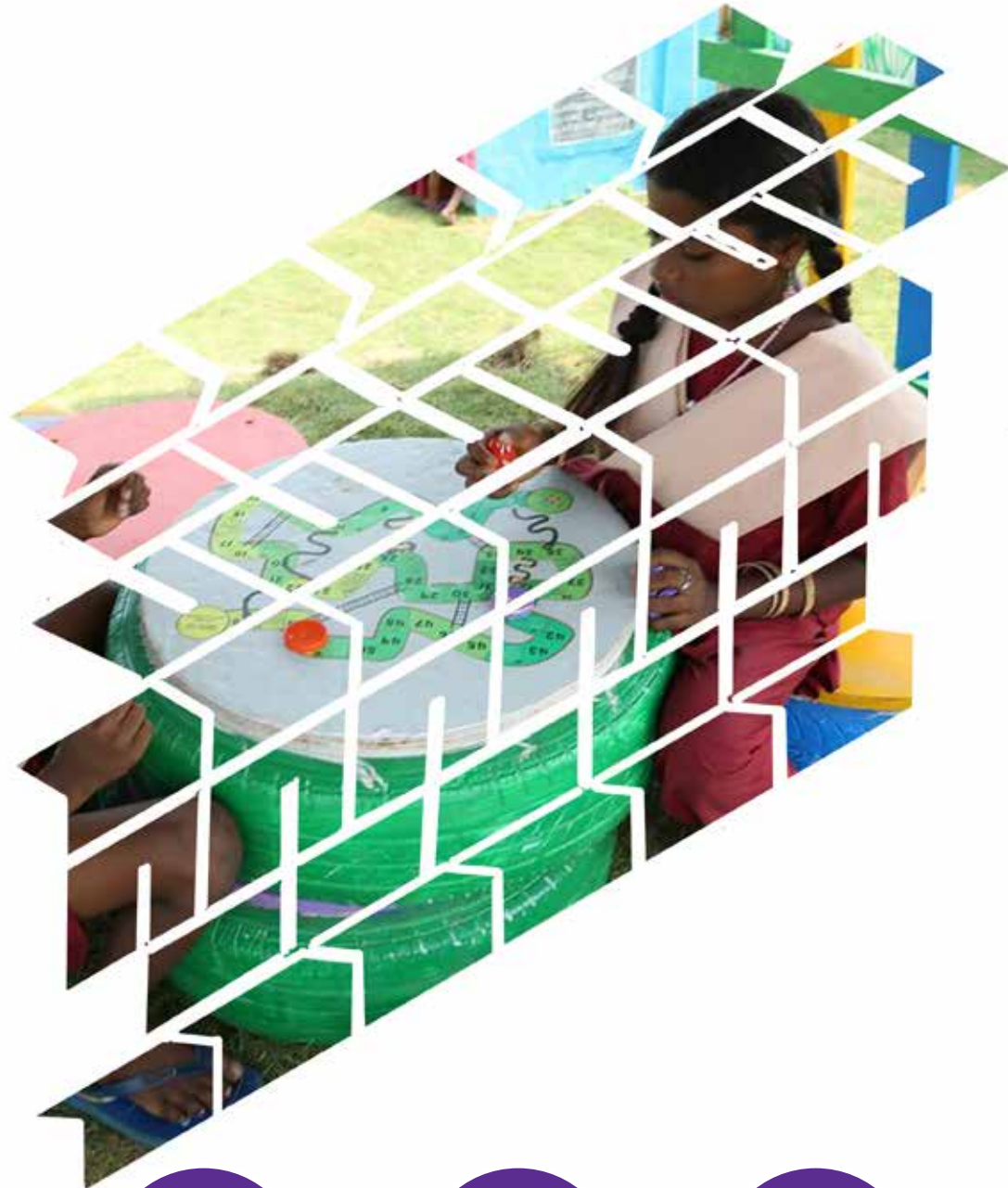
Initiatives in Europe

In its endeavour to conserve and promote biodiversity in the vicinity of the factory in Enschede, Apollo 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. The project will be implemented in several phases. A monitoring and evaluation mechanism has been set up to keep track of the project.



Growing and Enabling

CARING FOR SOCIETY



5,29,717

people benefitted
from health
awareness activities

618

women trained
in income
generation

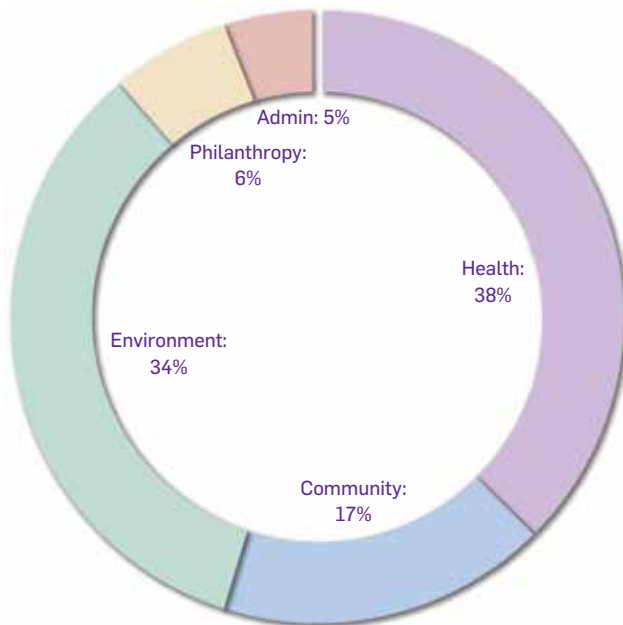
700

Peer Educators
mobilised across
regions

As a socially responsible organisation, Apollo Tyres works to foster inclusive growth. Well being of its communities around manufacturing operations and its stakeholders in general is integral to the Company's growth trajectory.

Apollo 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 programmes are implemented by the Apollo Tyres Foundation.

During 2017-18, the Company invested 2% of its net profit in CSR activities amounting to Rs 21.57 Crore. The percentage break up of the CSR spent is as follows:



The CSR programmes and activities are aligned to national and international development goals, in particular related to Health, Livelihood & Environment.

The CSR initiatives of the organisation are carried out across two themes – **Environment*** and **Social** (which has health and community development). Within the themes there are 4 core areas of work:

Health Programme for truck drivers:

Health is an important element of life in society and is a recognized human right. Threats to public health can have severe impacts on communities and can hamper their development. Apollo respects the right to health

and contributes to the promotion of health, and to the prevention of health threats and diseases with specific focus on the disadvantaged and vulnerable sections of the society. It works specifically with the truck drivers.

Solid Waste Management and Sanitation:

Aligning its priorities with the national priorities, Apollo has been working on various projects in promoting health and sanitation at community level thereby contributing towards 'Swachh Bharat Abhiyan'. The objective is to promote a healthy and sustainable lifestyle among the local communities.



Community Development – Livelihood for women and farmers

Apollo believes in growth that is inclusive. The company works with the disadvantaged and marginalised sections of the society with special focus on women. It works to develop skills as a means to provide them with sustainable livelihood opportunities.

Environment Conservation – Biodiversity & Climate Change

Apollo Tyres is committed to work towards conservation and preservation of natural resources. Conservation of Biodiversity is a global initiative for Apollo Tyres and focusing on it through various programmes including afforestation, Mangrove conservation etc., the organisation ensures overall Environment Sustainability.

* Information on Environment theme is covered in the chapter on Environment

In addition to the above, there are a few Local Initiatives around our Manufacturing locations. These are Watershed Management and Renewable Energy Proliferation, Road Safety Awareness, etc.

The organisation has been implementing its Sustainability framework as per the international standard on Social Responsibility, ISO 26000:2010. Taking our Sustainability journey forward, we integrated the provisions of the standard in the form of SOP for the Core Subject of Community Involvement

and Development. Further, we have streamlined the reporting parameters in line with the requirements of the Core Subject. The section presented below follows the above structure.

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

The standard defines each issue and states actions and expectations.

Community Involvement and Development Issue 1:
Community involvement

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

Community Involvement and Development Issue 5:
Wealth and income creation

Community Involvement and Development Issue 6:
Health

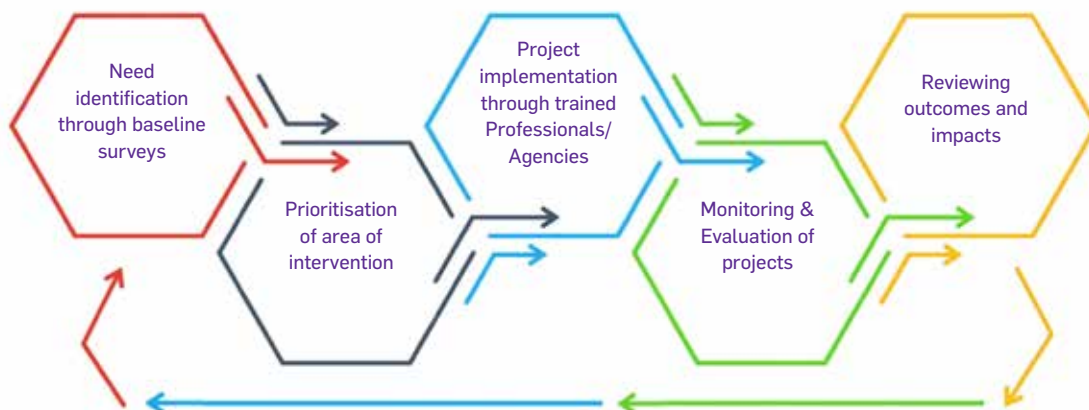
The Local Initiatives have been described under Other Programmes in the section below.

Community Involvement and Development Issue: Community involvement

At Apollo, community involvement is aimed at preventing and solving problems and fostering partnerships with local organisations and stakeholders. It believes in direct engagement with its communities to be able to understand their needs. The projects are designed in consultation with the community to ensure that they cater to specific needs thereby instilling a sense of ownership among community members. At the project design stage, Apollo consults representative community groups, local administration and other community-

based organisations in determining priorities for social investment and community development activities with a special focus on disadvantaged, vulnerable and marginalised groups such as women. Apollo follows high standards of ethics while executing its community development initiatives.

The community development strategy encompasses the following key steps:



Community Involvement and Development Issue: Employment creation and skills development

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

Apollo also provides career counselling, employability skills to ITI and graduate students for better job opportunities at Chennai and Kochi locations. During the reporting year, 1138 students were trained.

Computer Literacy

In 2016, Apollo initiated the 'Computer Literacy' project in order to give students an opportunity to expand their horizons to learn skills they would not acquire in a traditional classroom. It was observed that the Government schools in Chennai lack basic infrastructure facilities related to computer education. This initiative was implemented in 5 schools in 2016 – Mathur, Sennakuppam, Vallakottai & Eraiyur villages. The schools were provided with a lab facility and a tutor to train the students. Considering the outcomes, Apollo received a number of requests for support from neighbouring schools. As a result, the same project was extended to Serappanancheri Middle School, Chennai.

In the reporting year 420 students benefitted from the programme. The objective of the project is to equip students with the necessary computer skills thereby enhancing their knowledge and imparting them with basic skills that is a minimum requirement for a job today.

1138 students were trained



420 students benefitted from the Computer Literacy project

Community Involvement and Development Issue: Wealth and income creation

Apollo contributes to wealth and income creation through entrepreneurship programmes, development of local suppliers, as well as through wider efforts to strengthen economic resources and social relations that facilitate economic and social welfare or generate community benefits.

Entrepreneurship programmes and co-operatives targeting women are particularly important as it is widely recognised that the empowerment of women contributes greatly to the wellbeing of society. Apollo has supported women entrepreneurship through its project 'Navya'. It is also working with farmers, imparting them technical knowledge to increase the produce thereby increasing their wealth.

In addition, it gives preference to local suppliers of products and services and contributes to local supplier development where possible.

Project “Navya”

To elevate the status of women in society and to make them self sufficient, Apollo Tyres has initiated a project ‘Navya’ with an objective to create livelihood opportunities at their door step and develop entrepreneurship capabilities of underprivileged women residing in the villages around its manufacturing locations. The organisation has both agriculture and non agriculture-based initiatives.

Under the Project, women are trained on various skills such as financial literacy, book keeping, documentation, leadership, etc. For agriculture, there are other trainings such as seed selection, preparation of land, soil testing,



compost making, kitchen gardening practices etc. In addition, vocational training on topics including apparel making, jewellery designing, nursing, beautician, housekeeping, khakhra making, sanitary napkin making, sheet making, mushroom cultivation, apiculture, are also provided. These women are either from the existing Self Help Groups or in some cases a new group is formed. Subsequently, the trained beneficiaries are linked with the market and service sector for employment.



Rubber Sheet Making Unit in Kottayam

To provide a source of livelihood to rubber tappers’ wives, Apollo inaugurated a Rubber Sheet Making Unit at Vellavoor Panchayat in Kottayam, Kerala. This unit will be run by a group of women, who have been trained by Apollo Tyres, in association with Rubber Board of India, on rubber tapping, sheet making, sheet smoking and general entrepreneurial skills. They have also been linked to the rubber dealers to directly market their produce from this unit. Apollo Tyres initiated this project with the objective of empowering the women and increasing their family income, in addition to getting better quality rubber sheets as raw material for the business.

The women running this sheet making unit, were earning an irregular income between Rs 1000 and 2000 per month; through this unit they are now expected to earn Rs 8000-10,000 per month on an average. Apollo Tyres plans to replicate this model in other panchayats of Kottayam.

Women at the rubber sheet-making unit earn 8000-10,000 pm on an average

Outreach

As an outcome, some of the women who were a part of the project have started their own business where they are not only supporting their own families but also providing employment opportunities to other women of their villages. In the reporting year a total of 947 women benefitted from livelihood opportunities out of which 618 women were trained in income generation.

The project also supports the farming community through capacity building activities like livestock care and scientific agricultural practices. Total 1393 women and 1473 male farmers benefitted under sustainable agriculture initiative through trainings and awareness activities.

1393 women and
1473 male farmers
benefitted through
Apollo's sustainable
agriculture initiatives

Community Involvement and Development Issue: Health

Apollo Tyres has initiated preventive health care programme for its key stakeholder – truck drivers – as by virtue of their profession, they are vulnerable to various health hazards.

The programme provides health care services such as awareness and prevention of HIV-AIDS, Vision Care, awareness on Tuberculosis, detection of other non-communicable diseases such as Diabetes and High Blood Pressure and General Treatment facility.

This programme is one of the biggest initiatives under the company's CSR work, and is aligned with Sustainable Development Goal 3 (Good Health and well-being). The programme has established 27 Health Care Centres in large transshipment hubs across the country. The Health Care Centres (HCC) are staffed with well qualified doctors, paramedics, counsellors and outreach workers.

The service provided under HIV Awareness and Prevention includes Behaviour Change Communication (BCC), Sexually Transmitted Infection (STI) Diagnosis and Treatment, Counselling, Condom Promotion, Integrated Counselling Testing Centre (ICTC) support and awareness through peer educators.



Under Vision Care, spectacles are distributed at low cost to people indentified with refractive error issues and patients who have been diagnosed with cataract are linked with nearby hospitals for further treatment.

Tuberculosis prevention offers services like sputum testing, regular awareness sessions and linkage of beneficiaries who test positive, with Directly Observed Treatment Short Term Course (DOTs) facility.

In addition to these services, there are various other generic treatments provided for seasonal cough, flu, stomach dysentery, and other basic First Aid features.

Apollo considers 'Peer Educators (PEs)' as the most important feature to make health care effective. Peer educators including dhaba owners, mechanics, who are the touch points when it comes to reaching out to target audience (Truck Drivers) plays a critical role. So far the programme has mobilised 700 active PEs across locations.

Mobile Medical Unit

To make Health care more accessible to patients, Apollo also launched mobile medical unit (Apollo Tyres Health Care Express) for the health check of truck drivers and allied population at two locations in Delhi and Nammakkal, Tamil Nadu.

In the reporting year, 5,29,717 people benefitted from awareness activities, out of which 1, 18,913 people received treatment facility – a 40% increase in the people treated over the previous reporting year. Out of the total treated in the reporting year 2017-18, 39914 people opted for HIV testing, 52,793 for vision screening and 15,021 for diabetes testing.

40% increase in people treated over the previous year



Other Programmes

Road Safety

The road safety programme at Perambra location focuses on two aspects – installation of road safety signboards for road users at 15 km stretch of Chalakudy-Thrissur highway and engaging with school students for awareness generation and sensitisation. The main aim of this initiative is to sensitise the road users and school students regarding road safety and traffic rules. This will help in reducing road accidents. In the reporting year, 35 signboards were installed and 1314 students engaged with, out of which 689 students were reached out to through awareness activities.

Philanthropic Initiatives

Apart from its CSR activities, Apollo has carried out various philanthropic initiatives in India for the deprived and destitute communities. These activities aim at providing support for the education of underprivileged girls and donations to hospitals for health care needs in rural areas, and distribution of food items.



Innovating Solutions

RESEARCH AND DEVELOPMENT



INR 1294
Mn

R&D allocated Capex
during 2017-18

12

Knowledge
Now sessions
conducted

1

Patent* for special
grade Epoxide Natural
Rubber (ENR)

* Along with Rubber Research Institute of India

Apollo Tyres' Research & Development focuses on research in the field of advanced and alternative environment-friendly tyre materials.

Environmental sustainability efforts are among its primary responsibility in the journey towards business excellence. Driven by the vision to develop path-breaking technology and products that exceeds customer expectations, it is focused on customer-centric product development.

Tyre manufacturing is an energy intensive and material intensive industry. A small reduction in the energy consumed per process per tyre has a big impact on the overall energy utilised during the manufacturing of a tyre. Apollo Tyres has been successful in developing an energy efficient process with optimum utilisation of materials selection and controls that lead to energy efficiency.

Apollo has been consciously working to increase the use of recycled and renewable substances that partially reduce the use of fossil fuel-based materials.

One of the most important requirements from customers is the durability and low rolling resistance of tyres. Durability helps reduce environmental damage due to accumulation

of end of life tyres, replacement cost; and, low rolling resistance reduces fuel consumption and energy usage.

The Company constantly strives to reduce the rolling resistance of the tyre by reducing its weight and optimising the compounding ingredients with performance materials, using multi-objective optimisation techniques. New generation steel wire cords with high tensile and low diameter wires and fabrics of different configuration were used to reduce the weight of the tyre with enhanced performance properties.

The R&D team is currently engaged in numerous new research projects – in-house as well as in collaboration with external partners like national research institutes, universities and raw material suppliers. Some of the projects include: Development of polymer for Airless Non Pneumatic tyres component, Silane treated Kaolin clays which are focused on lowering the hysteresis or Rolling losses of the tread compounds.

A number of projects involving RFID technologies are currently under implementation. Supply Chain Management (SCM) is one area where the RFID technologies play a major role in going 'digital'. Another



fascinating use is embedding an RFID tag permanently into a tyre which enables a ‘digital tyre with a unique identifier’ – an anti-theft mechanism for the tyre.

Among tyre manufacturers, Apollo leads the industry in terms of Research & Development. Its focus on fundamental research in the field of advanced and alternative materials in tyres is pioneering. Details of a few projects are given below.

Tyre Pressure Management Systems

The Centre in Bengaluru has undertaken and completed many projects in the key areas of technology that have a direct bearing on business growth for the company. The material research group has successfully completed several projects like puncture-free two wheeler tyres using novel sealant technology that helps retain air pressure. This increases the fuel efficiency of the two wheeler and the safety of the riders.

Apollo Tyres’ Advanced Engineering Centre in Bengaluru is in the advanced stage of developing a Tyre Pressure monitoring System (TPMS) which will help maintain right air pressure in the tyres which in turn will help reduce emissions.

Three types of sensors considered for development are: valve top, rim type and tyre mounted. The development of valve top (at a lower cost) and rim mount is nearing completion. Tyre mount is under development and will measure additional parameters of tyre other than pressure and temperature, which will help monitor tyre health, usage and performance.

The TPMS sensors will monitor tyre pressure and temperature. The sensor will provide dynamic alert to the

New projects like puncture-free two wheeler tyres and tyre sensors to monitor tyre health, successfully implemented

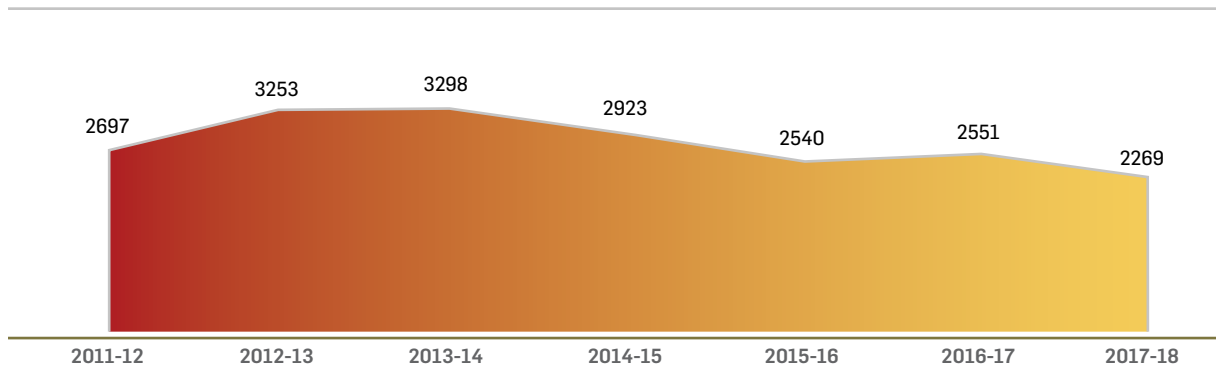
vehicle driver when the tyre pressure or temperature is not within the desired levels. The sensor will monitor the tyre more frequently when in motion than when stationary. The dynamic monitoring of the tyre and the subsequent alerts will help to reduce road accidents due to tyre failure. The optimally inflated tyres will also give better braking distance and improve the stability of the vehicle in addition to improved fuel efficiency and reduction in pollution.

Recycling and Reuse

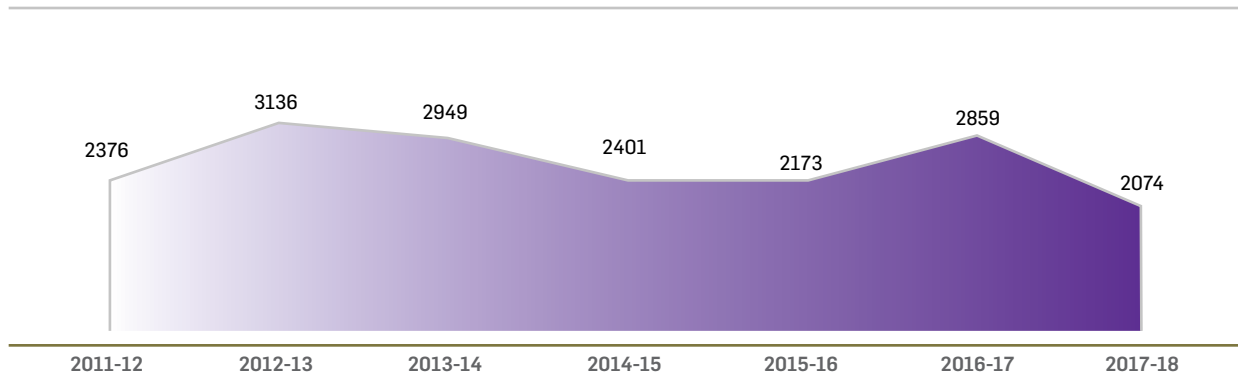
Apollo is dedicated to reuse end of life materials that would otherwise be burned or deposited to landfills.

A sustainable way to reuse the worn out tyres is by retreading the tread. In general, a truck tyre can be retreaded up to three times for on-highway use. In retreading research centre, Apollo develops the effective process, compound and methodology in an energy efficient and environment-friendly way to increase the service life of tyres.

REUSE OF TYRE RECYCLED MATERIAL – POWDERED TYRE CRUMB (IN MT)



REUSE OF TYRE RECYCLED MATERIAL – RECLAIMED (IN MT)



Compliance with REACH and PAH regulations

Apollo is committed to meet all the current and future tyre labelling requirements as and where applicable. REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations puts the responsibility on industry to provide safety information for substances and to properly manage the risks arising from their use.

In order to comply with the regulation, we ensure REACH compliance of our downstream raw material supplies by scrutinising test reports on Substance of Very High Concern (SVHC) and PAH (Entry 50 of Annex XVII to REACH) compliance during the regular supplies and ensure test reports are updated annually on the basis of the latest revisions of substances. New vendors are approved based on the compliance to this regulation. Periodically, samples of the tyres exported to EU are tested for compliance and certified.

Compliance with Conflict mineral rule

To ensure compliance with the rule, Apollo tyres has enabled its supply chain system for traceability of origin of these minerals to our downstream suppliers, right upto the smelter levels and mines. These updated declarations are annually submitted to our OEMs.

Support to GADSL Objectives

Global Automotive Stakeholder Group (GASG), consisting of automobile manufacturers, tier (1/2/3) suppliers and material suppliers, meets on a regular basis with an objective to discuss the Global Automotive Declarable Substance List (GADSL). The GADSL covers information on substances relevant to parts and materials supplied to automobile manufacturers. The information is applicable to the use of these parts or materials in the production of a vehicle up to its usage and relevant to the vehicle’s re-use or waste disposal. Apollo supports its OEMs by providing International Material Data System (IMDS) declarations which contains information on the materials and substances in the tyres supplied to them.

The Organisation is keenly observing the changes happening in the automobile industry, notably electrification of automobiles. In order to be future-ready, Apollo has started its efforts towards developing suitable products to support electric mobility.



People Development

Apollo believes that a strong R&D team is pivotal to its strategy of developing technologically advanced products thereby ensuring a steadily growing market share.

To ensure continual learning and development, Apollo continuously invests in building capacities, honing skills and giving its people an exposure to global technological developments.

Capability Building

As part of building the capability of the R&D team, various Learning and Development initiatives were rolled out. Some of the major initiatives are as follows:

Knowledge Now

An initiative to share the knowledge of employees in R&D, 'Knowledge Now' is conducted once a month where employees make a structured presentation about their own learning to others. During the reporting period 12 Knowledge Now sessions were conducted.

Meet the Maestro

The primary objective of this programme is to invite eminent personalities to share their experiences and success stories to motivate and inspire employees. During the reporting period, three such sessions were conducted.



Back to Basics

As part of equipping and strengthening the functional knowledge of its new joinees, the organisation conducted an integrated orientation programme 'Back to Basics', focusing on the basics of tyre technology. The following topics were covered during the sessions:

- * Basics of tyre manufacturing
- * Compounding
- * New product development
- * Tyre engineering
- * Tyre design

Annual Training and Development Calendar

Apollo follows a planned approach for training of its employees. A training calendar is prepared based on the training need identification process that takes place along with the Performance Management System. During the reporting period, trainings were conducted on various topics including

- * FMEA, APQP, PPAP, Statistical Tools, GD&T
- * Effective presentation skills for specialists facilitated by CHRO
- * Time management
- * Financial planning
- * High impact interpersonal skills

The average training rate achieved was three mandays per employee per year

Workshop on Apollo Values

Apollo Tyres organised 'I am an Apolloite', a two-day workshop on Apollo values. The primary objective of the training was to introduce 60 new joinees (joined in the last 2 years) to Apollo's culture which is driven by its 6 core values. The programme was conducted through a unique approach wherein internal experts were interviewed to share their experience in the

organization. The interviews were conducted by the trainer in the presence of all the new joinees.

Participants were given certificates at the end of the session.

Six Day workshop for DGQA officers

A 6- day workshop was organised on ‘Tyre Manufacturing and Quality Control’ for the Directorate General of Quality Assurance, Ministry of Defence, Government of India (DGQA) team. The programme covered the essential fundamentals of tyre manufacturing process right from mixing to tyre curing. 35 officers from various DGQA offices attended the programme.

Technology Leadership Development Programme

The last and final module of Process Technology and Manufacturing under the TLDP was organised at Mahabalipuram, Chennai. This was a 5-day residential programme focusing on the fundamentals of process technology and manufacturing related improvements. The programme was attended by 21 participants from India and Europe. The faculties for the programme were suppliers, external and internal experts.

Employee Engagement

Various activities were rolled out in R&D Asia, as part of the ‘Apollo One Family’ Concept,. Some of the programmes including celebration of festivals, well done cards, formation of Zing club, launch of employee handbook for R&D incorporating key features of HR Policies and procedures, and a book review on Chairman’s autobiography ‘The Man behind



the Wheel’ written by Tim Bouquet, achieved an overwhelming response.

The first family day of R&D Asia was celebrated by over 300 employees on 25th February 2018 at Mahabalipuram. With an objective to make employees and their families aware of the research that the company is undertaking, 25 families visited Apollo’s R&D facility under ‘R&D Parivaar’ programme.

The Boss Day Out

Apollo organised department-wise family get together – ‘The Boss Day-out’, an employee get-together, with the following objective:

- ✧ To create an informal opportunity for the manager to spend time with his team
- ✧ To foster One Management Team concept
- ✧ To provide an opportunity to build personal touch and relationship
- ✧ To enhance team synergy
- ✧ To celebrate success and achievements together



The Way Forward

NEXT STEPS...

Sustainability is at the core of functioning at Apollo Tyres and continues to guide the organisation towards adopting best practices and enhancing stakeholder value. Our Sustainability Management Framework helps us in this endeavour. The Framework shall lead to standardisation of approach and uniformity in practices. We also aim to calibrate our efforts towards alignment with global guidelines and standards to become a truly sustainable organisation. We have been investing resources to achieve this goal and fulfil our aspiration of matching the global best in our quest to be a process-driven and socially responsible Corporation.





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

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