



**UNSTOPPABLE**

SUSTAINABILITY REPORT 2018-19

## VISION

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

## VALUES

It's about our instincts.  
It's about the way we think.  
It's the way we interact with the world. It's our common culture.

It's a system of values that, like our six senses, defines who we are and how we work.

### Customer First

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

### 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.

### Business Ethics

We act with integrity.

### Care for Society

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

### One Family

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



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## CHAIRMAN'S MESSAGE

Dear Stakeholders,

I am pleased to present our 8<sup>th</sup> Sustainability Report, encapsulating our performance for FY2019. The Report highlights the roadmap of our Sustainability journey, based on the international standard ISO 26000, in the past year.



## Our key focus is prudent Natural Capital utilisation and replenishment, whereby we have made concerted efforts to monitor our carbon footprint.

I am pleased to share that the processes developed for two of our core issues, Environment and Community Involvement of ISO 26000, have been externally verified by the CSR Company, Austria.

There are two words that have been shaping the future of Sustainability – 'Integrated' and 'Interconnected'; integrating all factors that impact the organisation and interconnecting all stakeholders to form a dynamic value chain held together by the same purpose. This is reflected in the Integrated Report section (as a part of our Annual Report 2018-19), interconnecting all six capitals: Manufacture, Natural, Intellectual, Social and Relationship, Human and Financial.

The Company's manufacturing and delivery infrastructure is the pillar that supports us in meeting customer needs with the best quality products in the fastest time. The inclusion of our greenfield plant in Andhra Pradesh in India will augment our outreach further. We aspire to serve different market segments and bring customer delight with our 'Customer First' value, building on our Manufactured Capital stock.

The finite resources on Earth and the competing demands will force businesses to utilise innovative ways in production. Our key focus is prudent Natural Capital utilisation and replenishment, whereby we have made concerted efforts to monitor our carbon footprint. The Company got its first external verification of Scope 1, 2 and 3 Greenhouse Gas (GHG) footprint as a part of its climate change mitigation strategy.

Creation of superior products is fuelled by innovation and we focus on delivering cutting-edge products to our customers at competitive prices. Our dedicated R&D centres are a testimony of our commitment to bring value to our stakeholders, and the repository of knowledge developed in house – our Intellectual Capital - puts the organisation in good stead to cater to the future needs of the automotive sector.

Further, we look at a value chain approach to engage encompassing suppliers, dealers and customers up to the community and hold each of these as faculties for in-depth feedback for driving positive change. The Apollo Partnership Pact and the CSR Policy are only two such examples that manifest the above vision. The Social and Relationship Capital stock has given the organisation strong return in the long term in the form of customer trust, loyalty and brand recognition.

With a highly motivated and passionate workforce, the Human Capital of the Company resonates with its core values, enshrined in the Apollo Way. More specifically, the value of 'One Family' translates the vision of the organisation of reaching out to employees individually. The diverse and multi-cultural workforce makes the human capital stock much more rooted and aware – creating a truly global workforce in the process.

The Financial Capital is a strong enabler for all the other capitals to perform at optimum. The organisation has been making prudent investments to ensure profitability, thus ensuring that this enabling effect is available in the future to drive the Sustainability agenda further.

The organisation believes that all these six Capitals are intrinsic to the Sustainability journey and I would encourage you to read this Report to gain an insight.

Going forward, we strongly believe that growth has to be in sync with Sustainability for coexistence. As a growing organisation with global ambitions, the Company firmly believes in this tenet and is committed to make Sustainability a part of its culture.

Thank You,

*Onkar Kanwar*

**Onkar S Kanwar**  
Chairman

# ABOUT 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 Tyres enables individuals to achieve their own potential, when it comes to driving their own life as reflected in

its tagline 'go the distance'. Apollo Tyres' foray into the two-wheeler tyre segment makes the Company a full-range player.

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

## ACCOLADES

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

Name of the Award	<b>GCSRA Award 2019</b>	<b>CSR Health Impact Award 2018</b>	<b>NIPM CSR Award 2018</b>	<b>6<sup>th</sup> International Woodpecker Film Festival Award</b>
Category	Sustainable and Impactful CSR Award	Health CSR Project category	Exemplary CSR work in Kerala	Best Corporate Social Responsibility (CSR) Film for Mangrove Conservation Initiative
Awarded By	Gujarat CSR Authority Of India	India Health Summit Awards 2018	National Institute of Personnel Management (NIPM)	Woodpecker International Film Festival



## THE REPORT

The Report presents the Sustainability performance of Apollo Tyres, focussed on its key stakeholders. The Company has also developed its own Sustainability Management Framework (SMF), aligned to the global standard of ISO 26000 on social responsibility. It has also commenced on its roadmap to undertake external assurance on the framework according to ISO 26000. As a part of the roadmap, the procedures for core subjects of environment and community development have been externally assured by The CSR Company, Austria. The assurance statement forms a part of this Report.

The Company has also undertaken, for the first time, independent third-party verification of its carbon footprint for FY2019, comprising Scope 1, 2 and 3 emissions. This is as per international standards ISO 14064 and AA 1000 AS. The statement is included in the Environment chapter of the Report.

The Sustainability performance reporting draws elements from globally available and accepted guidelines such as the Global Reporting Initiative (GRI).

### Period of Reporting

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

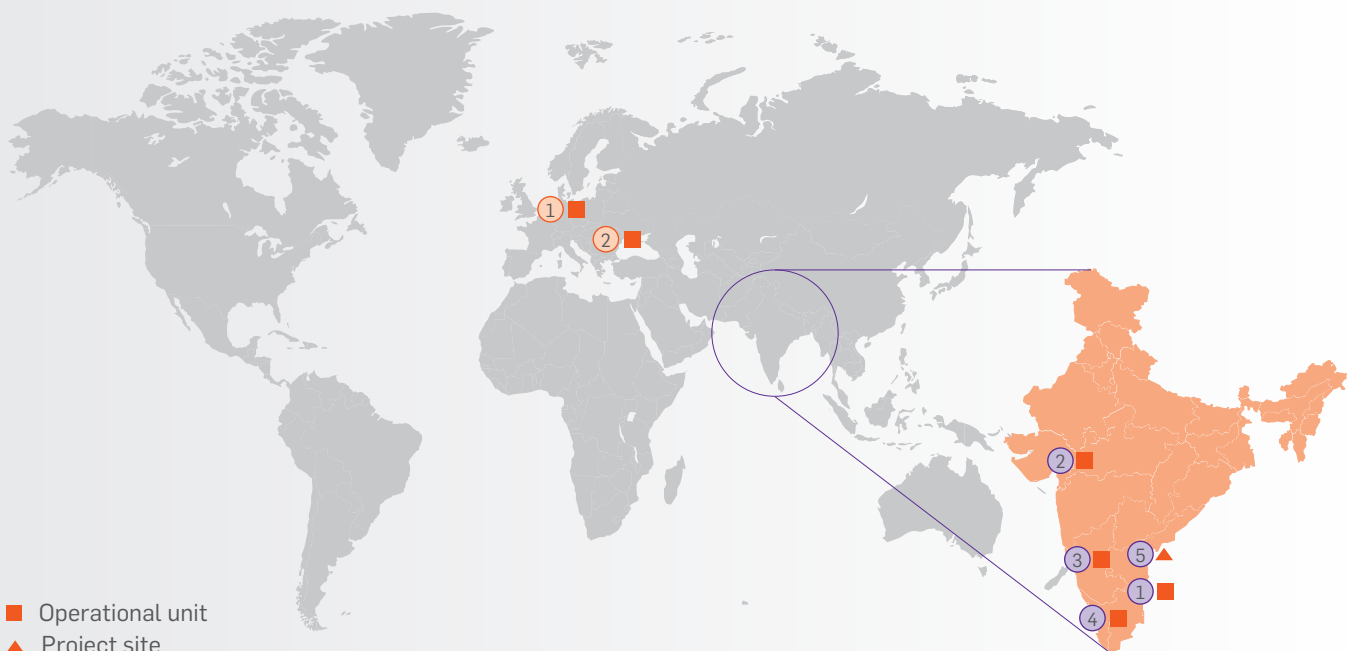
### Scope of the Report

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

The manufacturing locations are:

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

## MANUFACTURING LOCATIONS



### Europe Operations

- ① Enschede, the Netherlands
- ② Gyöngyöshalász, Hungary

### APMEA Operations

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

# MANAGEMENT APPROACH TO SUSTAINABILITY

The Company's sustainability strategy outlines its approach and effort towards syncing its growth agenda with environment conservation, social prosperity and economic well-being.

## MANAGEMENT BOARD



**Onkar S Kanwar**  
Chairman and  
Managing Director



**Neeraj Kanwar**  
Vice Chairman and  
Managing Director



**Daniele Lorenzetti**  
Chief Technology  
Officer



**Francesco Gori**  
Director



**Gaurav Kumar**  
Chief Financial Officer



**K Prabhakar**  
Chief, Projects



**Markus J Korsten**  
Chief Manufacturing  
Officer



**P K Mohamed**  
Chief Advisor, Research  
& Development



**Pedro Matos**  
Chief Quality Officer



**Robert Steinmetz**  
Director



**Satish Sharma**  
President, APMEA  
(Asia Pacific, Middle  
East & Africa)



**Sunam Sarkar**  
President and Chief  
Business Officer



**Benoit Rivallant**  
President, Europe



## RISK MANAGEMENT

Risk management incorporates the Company's environmental and social considerations in its day-to-day operations and also shows how the sustainability strategy has made its growth balanced and responsible.

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

The Company ensures that the sustainability goals are aligned with the business, as it is imperative to create value for all stakeholders. A major shift, over the past few years, has been the integration of sustainability principles into all

levels of corporate strategy, business model as well as the value chain. The framework and the associated roadmap are further embedding sustainability principles at the heart of the organisation.

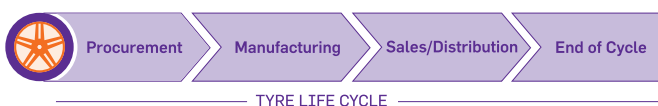
Moreover, to reach out to a wider range of stakeholders and communicate its sustainability performance, the Company started making disclosures based on international guidelines since 2010. The sustainability disclosures were instrumental in assessing actual performance, setting benchmarks and seeking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

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



# STAKEHOLDER ENGAGEMENT

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



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



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





# CENTRE OF EXCELLENCE

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

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

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



## KEY BENEFITS OF CoE

### Efficiency and effectiveness globally

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

### Enable core organisation to focus on critical success areas

CoE will cater to transactional activities centrally and free up critical skills and resources to enhance productivity.

### Cost efficiency and leveraging

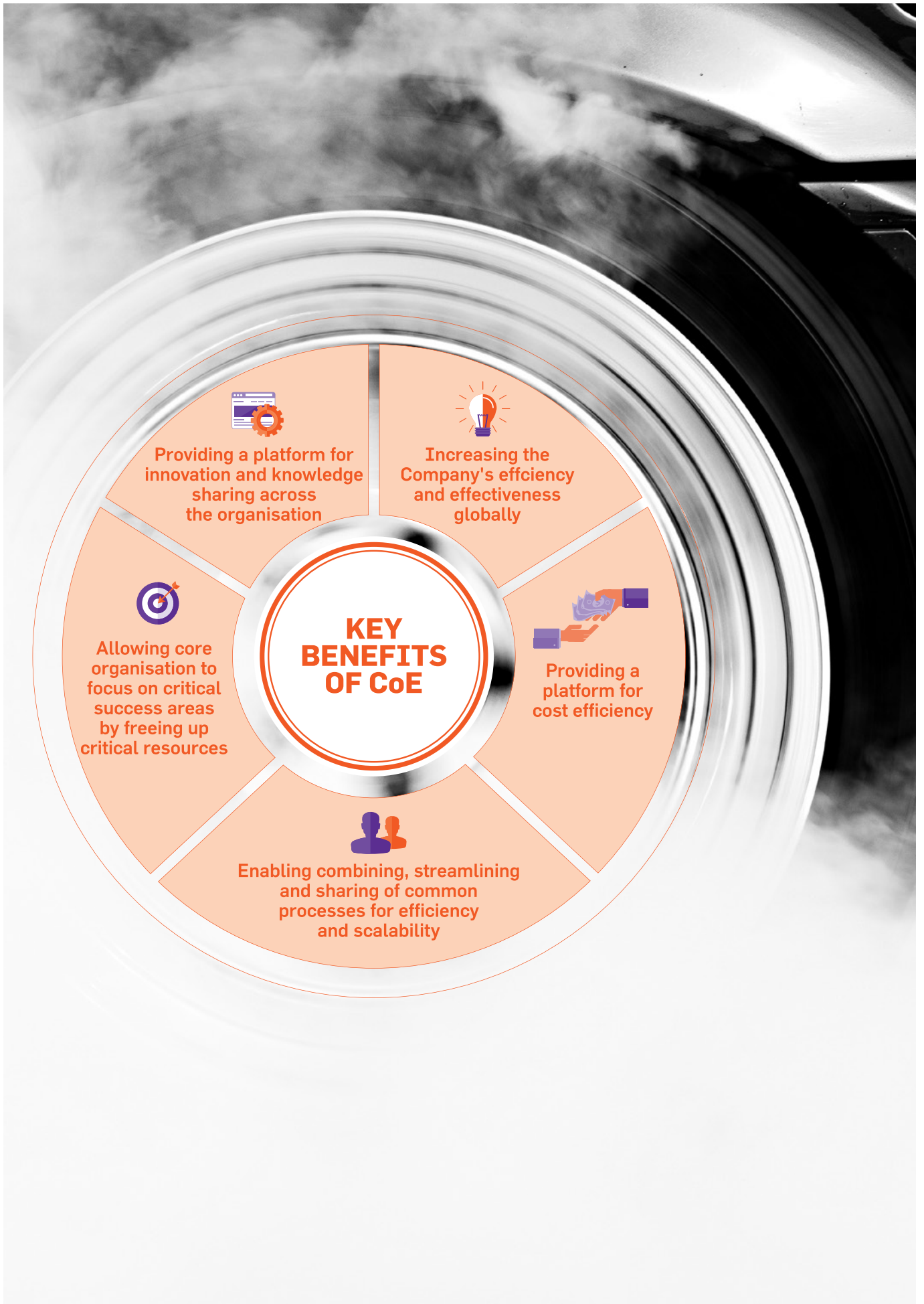
CoE will enable the Company to leverage our resources more efficiently, thereby maximising every investment in people and technology.

### Streamline and share common processes

CoE will provide shared resources, which enable activity streamlining and efficiency gains.

### Foster innovation and knowledge sharing across the organisation

CoE will share best practices, ideas and ways of working from one department, location and region to the other parts of the organisation, enabling a learning organisation and continuous improvement.



# CUSTOMERS: OUR BRAND AMBASSADORS

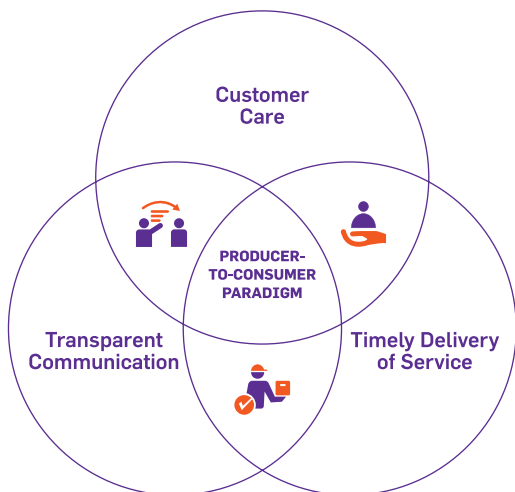
Customer centricity has always been critical to everything we do at Apollo Tyres. It is part of our value system as enshrined in the Apollo Way, a philosophy of life advocated by the Company for each and every employee.

Our 'Customer First' approach is encapsulated in the words: 'We believe that our customers and those whom they serve are central to everything we do'. It highlights the importance of the customer for each and every employee in the Company.

With the democratisation of information, customers are increasingly becoming well-informed and discerning. For a large number of products, two key factors continue to drive customer's preferences – quality and price. At Apollo Tyres, listening to customers to understand their requirements and identify efficient solutions has been one of the Company's greatest strengths that has enabled us to grow successfully.

## CUSTOMER RELATIONSHIP MANAGEMENT

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



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

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



AT APOLLO TYRES, LISTENING TO CUSTOMERS TO UNDERSTAND THEIR REQUIREMENTS AND IDENTIFY EFFICIENT SOLUTIONS HAS BEEN ONE OF THE COMPANY'S GREATEST STRENGTHS.

Our education drive on tyre care and maintenance, particularly on vehicle alignment gaps has lead to the establishment of CV alignment centres in the last 3-4 years.

The Company was successful in increasing its CV Zone footfall by 18% in the fiscal. It initiated the journey by offering the best alignment services to customers and saw a rise of 22% in the CV Zone Service Experience by the end of the fiscal.

Apollo Tyres continued its initiative to expand its CV Zone centres to cater to the need of truck wheel alignment and more than doubled its CV Zones to 44 at the end of the fiscal.



## CUSTOMER SERVICES

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

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

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

Additionally, the CS function adopted a 360-degree service approach to connect all customer service touchpoints, enriching the overall customer experience. The features of the approach are outlined below:

### Apollo Certified Fitter (ACF)

A fitter engagement and welfare initiative to educate customers to follow recommended fitment practices and inflation pressures for tyre longevity, and to use the right tools and safety measures. The Company increased its network of ACF to 300 in FY2019 a sharp increase from 120 in FY2018.

### 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 such as vehicle inspection, scrap tyre inspection, inflation and other routine work, which lead to an enhancement in operational efficiency by 15-20%.

### Apollo Radial Repair Centre (ARRC)

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

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

A programme to provide quick complaint redressal to customers for tubeless tyre puncture through recommended tools and procedure. The Company added 100 AQS centres during the financial year to take the number to 350 across the country.

### Apollo Tractor Owners Meet (ATOM)

A farmer engagement and welfare initiative to educate tractor owners in tyre care and repair. Over 349 dealers, franchisees, fitters and retreaders were invited to training sessions during the financial year.

### Apollo Direct (Contact Centre Management)

A 365-day dedicated customer care service centre for grievance redressal that addresses queries and complaints in English and regional languages.

# CUSTOMERS: OUR BRAND AMBASSADORS

## TBR Tyre Service Experts: Pilot Launch at Uttar Pradesh

The Company launched its high-quality Truck Bus Radial (TBR) products in 2010 supported by a 360-degree service approach to manage the entire tyre life cycle. A sustained focus on the approach helped the Company establish a leadership position in the TBR segment.

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

The Company provided multiple services, including customised recommendation of tyres and services to monitor tyre performance, improve tyre life, reduce operational cost and address complaints quickly.

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



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

## CUSTOMER ENGAGEMENT

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



### Voice of Market

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



### Load and Fitment Studies

Monthly load and fitment studies are conducted, which provide a comparative insight into product parameters such as fitment share, brand of choice, current loading trends and usage practices by customers on various tyre brands, among others. The studies were conducted at 11 key locations with Truck/Light Commercial Vehicle (LCV)/Small Commercial Vehicle (SCV) and Intermediate Commercial Vehicle (ICV)



### CPKM – Real Value for CV Users

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



### SAFETY FIRST- CV ZONE INITIATIVE

At Apollo, we embrace the safety first principle for customers / business partners and their extended teams.

Safety guidelines are emphasised at Apollo CV Zones where each technician wears all the necessary personal protection equipment (helmet / safety shoes / gloves / mask / safety jacket) during work on floor and inside the pit area to ensure personal safety. Additionally, safety training for fire extinguisher usage is being conducted.



### ENGAGING WITH PV COMMERCIAL FLEET OWNERS

The Company launched a campaign with Passenger Vehicle (PV) commercial fleet owners to increase its Share of Account (SOA). Through the initiative, the CS team conducted 1,057 activities for fleets owners across the country. The campaign focussed on improving customer engagement, enhancing product information and disseminating good safety practices. The campaign also highlighted the benefits of the tyre brand '4G Life' and further strengthened the connect with the Apollo brand.



The Company's Vredestein brand launched the brand-new all-season tyre, the Vredestein Quattrac Pro, that is specially designed for the Ultra-high Performance (UHP) segment and cars such as the Alfa Romeo Stelvio, Volvo XC90 and BMW 5 series.

# CUSTOMERS: OUR BRAND AMBASSADORS

## CUSTOMER SAFETY



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

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

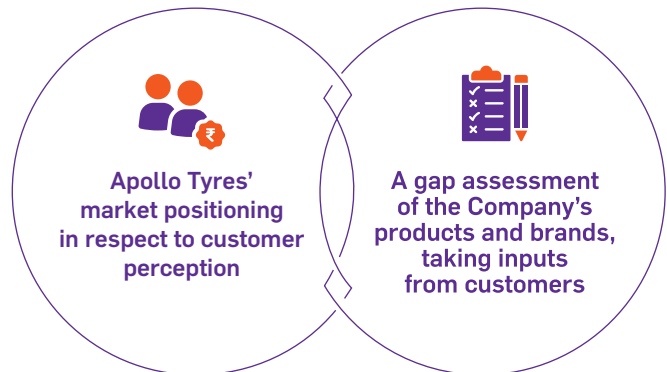
For decades, western markets have depended on market intelligence for introducing products or growing their businesses, but these trends have started emerging in developing economies in recent years. Besides, the methods

of conducting market intelligence vary from region to region. In Asian markets, for example, one-on-one interactions are more prominent and effective.

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

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

### Benefits of the Study

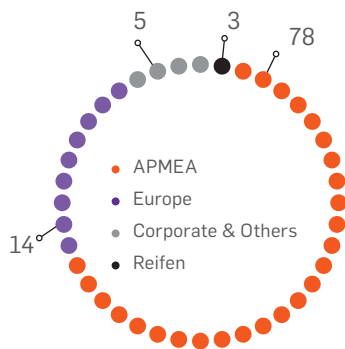


# EMPLOYEES: THE DRIVING FORCE

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

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

## Region-wise Employee Distribution

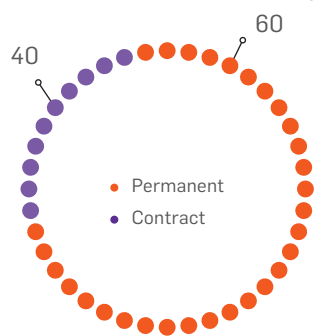


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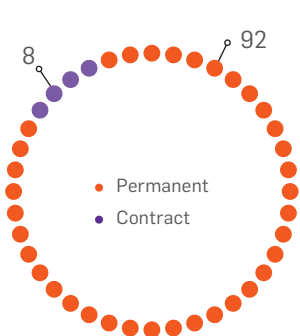
## RECRUITMENT

Apollo Tyres recruitment activities focus on both experienced and emerging talent. For example, through its 2018 Indian GET programme, 105 young engineers from some of the best tech-schools in India joined us as Apollo Tyres Graduate Engineer Trainees. This structured training programme, aims to contribute towards the organisational objectives of high productivity, automation, innovation and creativity through team work to become the No. 1 tyre company in India. This specially trained group will meticulously support manufacturing and allied systems to ensure that every single Apollo Tyre adds best-in-class value to the customers' business.

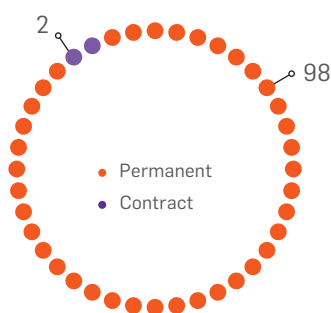
### APMEA



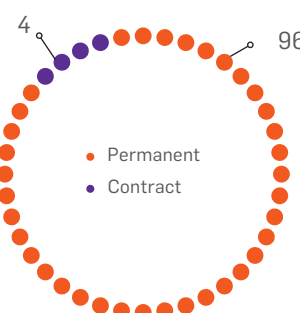
### Europe



### Corporate & Others



### Reifen



## MANAGING INDUSTRIAL RELATIONS

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

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

Total participants in successful ADMIRE programme

**270**

## EMPLOYEES: THE DRIVING FORCE

### TRAINING AND DEVELOPMENT

We recognise the importance of developing our people and in FY2019, we ran training programmes covering a broad range of technical and leadership disciplines.

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

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

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

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

### JOB ENRICHMENT AND ROTATION

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

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

Talent and succession planning activities at local and functional level provide structure to job rotation, identifying opportunities for individuals while minimising operational risk for the organisation.



### EMPLOYEE ENGAGEMENT

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

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

In both our European plants, we have held various social events for our employees, their friends and families, which see active participation.

### APOLLO FOR SPORTS

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

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

### REWARDS AND RECOGNITION

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

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

The company also applies for various external awards. In FY2019, Chennai Quality Circle won the Regional Level Competition for the Quality Control Cycle (QCC) project titled 'Loading time reduction in tyre building machine' and in other QCC forums such as Chapter Convention on Quality Concept (CCQC), and National Convention on Quality Concept (NCQC), Chennai. Various employee teams participated in these forums and won 16 prizes.

Employees covered by our online learning platform worldwide, covering core manufacturing and sales disciplines

**450**

## HEALTH & SAFETY

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



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

Besides, the leadership team visited work locations and conducted HSE Gemba to understand the depth of implementation and key issues. A total of 313 Safety Gemba walks were conducted to make the operation safer.

### FUNCTIONAL OWNERSHIP

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

Additionally, functional teams identified 1,591 near-misses and 28,530 Behaviour-Based Safety (BBS) observations during the financial year, which is significant and demonstrates a proactive behaviour to reduce risks.

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

### CAPABILITY BUILDING

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

### POSITIVE REINFORCEMENT

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

### AWARENESS AND COMMUNICATION

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

# PARTNERS: OUR VALUE CHAIN

Sustainable procurement practices are becoming increasingly integral to organisations globally.

By adopting and integrating corporate responsibility principles into procurement processes and decision-making, the organisation is able to meet the requirements of its stakeholders as well as positively impact the environment and society.

## RAW MATERIAL SUPPLIERS

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

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

## PURCHASE POLICY

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

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



## PURCHASING GUIDELINES

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

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

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

## SUSTAINABLE SUPPLY CHAIN POLICY

Apollo Tyres is conscious about environment protection and has been continually engaging its suppliers to reduce environmental impacts. To align its upstream supply chain with this objective, the Company has evolved a Sustainable Supply Chain policy. It articulates elaborate guidelines for conducting business in an environmentally sustainable manner through good governance, ethics and adherence to human rights.

### GREEN PROCUREMENT

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

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

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

### REACH COMPLIANCE

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

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

### APOLLO PARTNERSHIP PACT

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

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



### TYRE LABELLING REQUIREMENTS

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

### Safety @ Workplace

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



## PARTNERS: OUR VALUE CHAIN

### SUPPLIER ENGAGEMENT

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

The following are the key initiatives under the supplier engagement framework:

#### New Supplier Selection

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

#### Joint Development Projects

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

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

### Supplier Audits

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

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

### Supplier Performance Evaluation

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

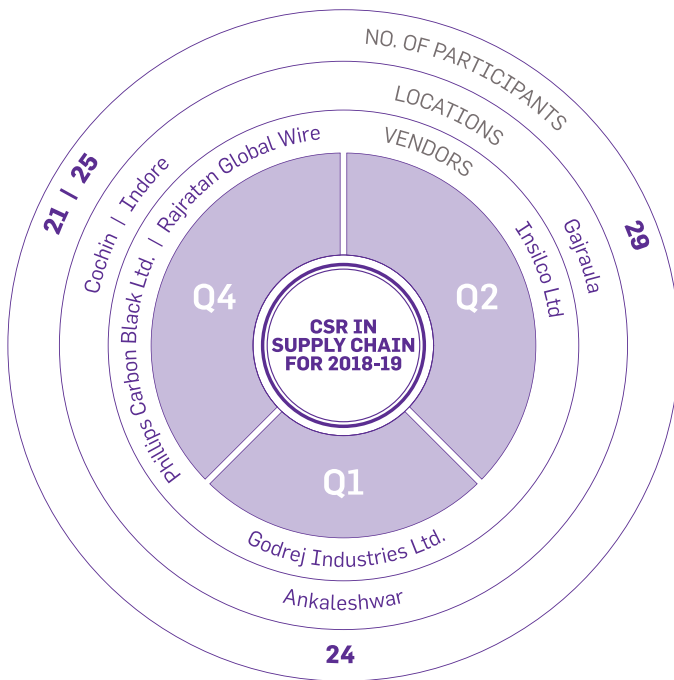




### Corporate Social Responsibility in Supply Chain

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

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



Total Participants

**99**

### Apollo Natural Rubber Advisory Council Meet

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

### Natural Rubber Business Partners Summit 2019

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



### Apollo Natural Rubber Dirt Free Centres

The Company is an industry frontrunner in contributing to the quality improvement of natural rubber in India by establishing 'Dirt Free Centres' where natural rubber sheets sourced from the farmers are graded using international practices, making it suitable for critical applications. Importantly, the centres are providing training and livelihood to women.

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

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



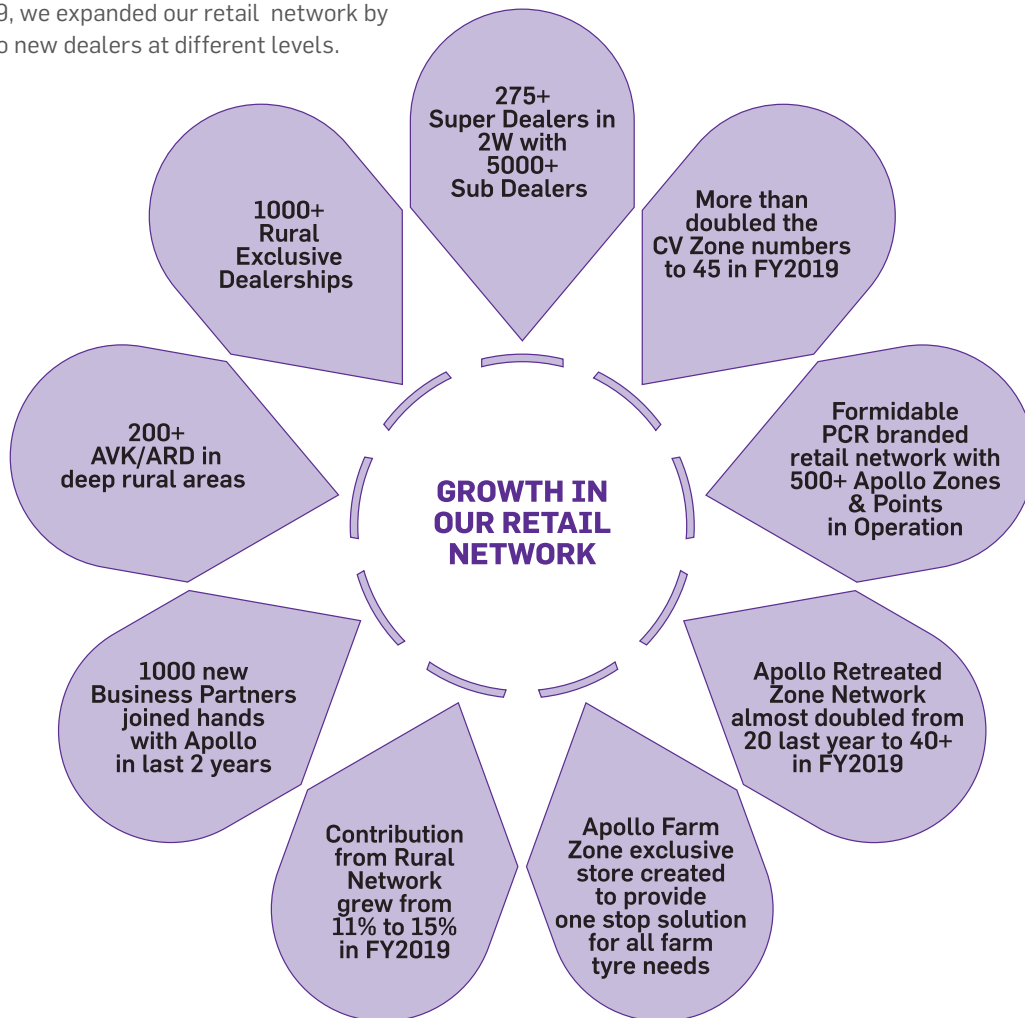
In the last two years, we have reached out to nearly 600 women in Kottayam, who had very little or no income, and provided them with alternate sources of livelihood. These women have been trained in jackfruit processing, mushroom cultivation, aqua culture, organic farming and apiculture. In addition,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

## DEALER DEVELOPMENT AND MANAGEMENT

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

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

During FY2019, we expanded our retail network by reaching out to new dealers at different levels.



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

Dealer development and growth are essential for the Company's global aspirations. In FY2019, 65% of our Business Partners have grown their non-truck sales by 25%. In addition, various activities such as Apollo Value Club, FB live sessions, competitions and others were organised regularly to keep dealers engaged and motivated.

Further, the Company has various mechanisms that promote ease of doing business for our dealers.

**Digital Channel Finance**

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

**Delivery Tracking System**

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

**Privileged Helpdesk**

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

**YourRange Selling Tracker**

To ensure that our Business Partners do not miss sales targets and maximise range selling incentives for them, we support our partners through customised software such as YourRange Selling Tracker.

**GST Helpdesk**

We have a GST Helpdesk to raise awareness among our dealers on new reforms on Goods and Services Tax (GST) system. The dedicated team conducts webinars and provides CN DN working support from one platform to enhance the understanding of the dealers on new amendments in GST.

**Digital Bidding Process**

To facilitate transparency in the distribution of promotional stock, the Company has introduced digital bidding process.



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

The Company also rolled out 'Tiger Job Card', focussed on providing digital solutions facilitating CV zones to increase revenue, vehicle footfall and improve customer experience.

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

To impart various skills to its dealers and technicians, Apollo Tyres conducts various training programmes. In FY2019, the Company trained 256 technicians under its Star Technician programme. Further, more than 1,000 dealers were trained through 498 sessions on various topics including tyre care, product awareness to rural dealers, etc.

## DEALER DEVELOPMENT AND MANAGEMENT

Category	Campaign	Number of Activities	Organised Campaign / Roadshows / Driver Trainings
CV	Truck Campaign- TBB & TBR	3010	832
	LCV Campaign	1336	Organised Campaign: 118 Road shows: 245 Stand Campaign: 973
	ICV Campaign	170	Organised Campaign – 48 Stand Campaign – 96 Road Shows – 26
PV	PCR Campaign	1701	Taxi Stand Campaign – 825 Counter Specific Campaign – 315 OEM Campaign - 506
	Three Wheeler Campaign	880	Fitter & Mechanic Engagements – 177 Campaign at OEMs – 52 Auto Stand Campaign – 651
	FARM Campaign	915	Campaign with OEMs – 307 Apollo Tractor Owner's Meet (ATOM) – 278 Road Show / Mandi / Haulage Campaign – 330
2 Wheelers	Two Wheeler Campaign	680	Fitter & Mechanic Engagements – 310 Elite Riders Meet – 32 Campaign at OEMs – 188 Other Activities – 150
	SCV Campaign	1375	Stand Campaign – 1092 Road Show – 283
	Pick-Up Campaign	383	Stand Campaign – 288
Total Energy Saved FY2019	12,113	7,021	3,666

To impart various skills to its dealers and technicians, Apollo Tyres conducts various training programmes. In FY2019, we trained 256 technicians under our Star Technician programme. Further, more than 1,000 dealers were trained through 498 sessions on various topics, including tyre care, product awareness to rural dealers and others.



### CSR - Sales Team Construct ELT Playground in Telangana State in India

Apollo Tyres has been working on various ways to responsibly handle the ELT which end up in the unorganised sector for disposal.

One of its kind is 'End of Life Tyre, Go The Distance' Play Ground, which was recently inaugurated at Mahbubnagar, Telangana. The playground setup at Government Primary School, Venkateshwara Colony, Mahbubnagar is a first for the CSR –Sales Team in partnership and was inaugurated by Rajesh Dahiya, Group Head, Sales. The school, in vicinity of our 'Apollo Vikas Kendra' dealership, has 175 children with 70% of orphan children who will be benefitted out of this playground.

The event was attended by District Superintendent of Police, District Educational Officer, Mandal Educational Officer, Head Master, community members and other dignitaries.

# THE ENVIRONMENT\*

At Apollo Tyres, we consider environment as a key stakeholder and work towards ensuring environmentally conscious operations. This approach has been developed under the framework of ISO 14001 - Environment Management System.

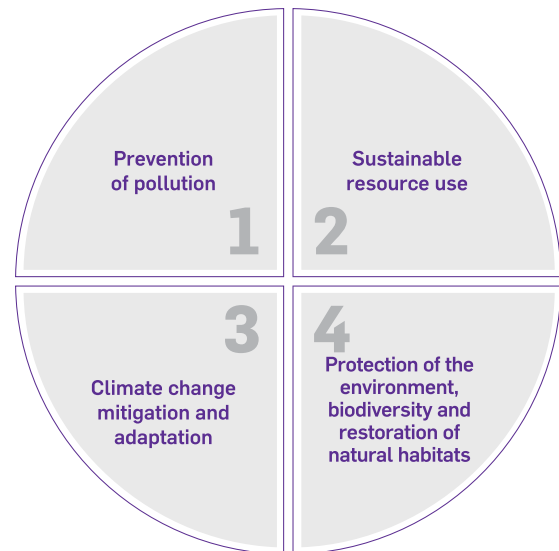
The Company enhanced its manufacturing footprint with the commencement of operations of its Hungary facility in FY2018. The Company's environment consciousness is not limited to 'within the fence', but is taken 'beyond the fence' into the communities in the form of Corporate Social Responsibility programmes. These initiatives aim to promote and raise awareness among communities on environment conservation.

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

Taking the sustainability journey forward, we integrated the provisions of the standards in the form of Standard Operating Procedures for the core subject of Environment last year.

The Company also streamlined the reporting parameters in line with the requirements of the core subject during the same period.

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



## ENVIRONMENTALLY CONSCIOUS OPERATIONS

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

## ENVIRONMENTAL ISSUE 1: PREVENTION OF POLLUTION

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

\* Structured as per ISO 26000:2010

## THE ENVIRONMENT



Total solid waste generated during the reporting period

**27,203** MT

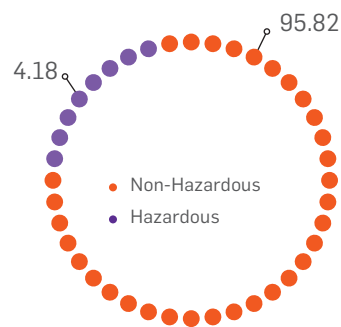
### Emission Reduction

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

### Waste Management

The Company's waste generated from operations include solid and liquid forms and hazardous and non-hazardous waste. The total solid waste generated during the reporting period was 27,203 Metric Tonne (MT).

### Break-up of solid waste by type generated in FY2019 (%)



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

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

## ENVIRONMENTAL ISSUE 2: SUSTAINABLE RESOURCE USE

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

### Energy Performance

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

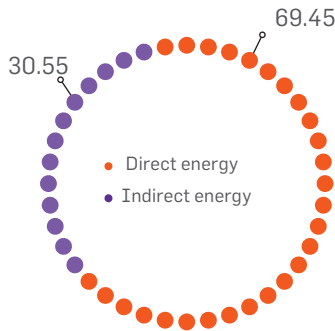
In its India operations, the main source of direct energy continues to be coal, followed by furnace oil. Solar and wind power are the other direct energy sources. In the Europe operations, direct energy is sourced from natural gas.

Indirect energy sources in the Company's Indian operations comprised grid electricity, wind and solar energy.

In the Netherlands, electricity is the primary source of indirect energy.



**Share of Direct and Indirect Energy Consumed in FY2019 (%)**



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

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

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

**Energy Efficiency Initiatives**



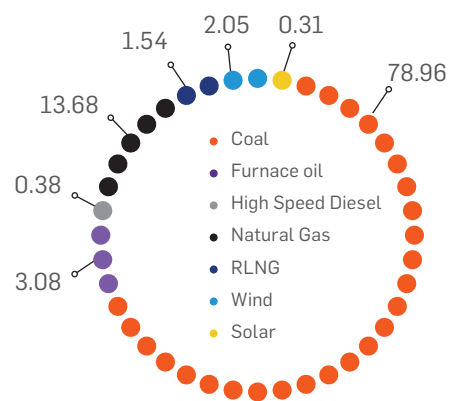
The Company continues to make efforts to achieve energy efficiency through improvements in process design, conversion and retrofitting of equipment and use of energy-efficient equipment. Several initiatives were undertaken during the reporting period, which resulted in energy savings of 22,800 GJ.

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

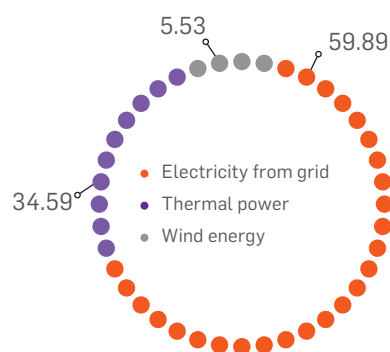
**Energy Saved in Manufacturing Operations from Different Levers in FY2019 (GJ)**

Plants	Particulars			Total Energy Saved
	Process Design	Conversion and Retrofitting Equipment	Use of Energy-Efficient Equipment	
Limda	2,996	-	3,350	6,346
Chennai	1,891	4,457	0	6,438
Kalamessery	699	130	119	948
Perambra	6,527	2,344	-	8,871
Netherlands	-	-	197	197
<b>Total Energy Saved FY2019</b>	<b>12,113</b>	<b>7,021</b>	<b>3,666</b>	<b>22,800</b>

**Break-up of Direct Energy by Source in FY2019 (%)**



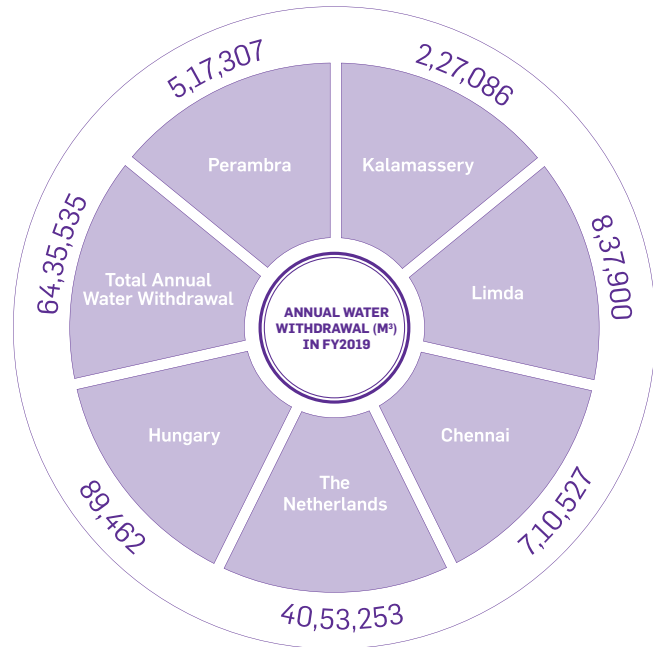
**Break-up of Indirect Energy by Source in FY2019 (%)**



# THE ENVIRONMENT

## Water Sourcing and Management

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



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

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

Total recycled or reused water

**8,10,164** M<sup>3</sup>

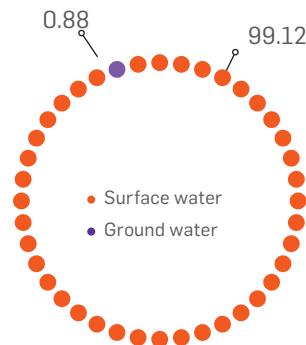
% of water recycled/reused in FY2019

**12.6**

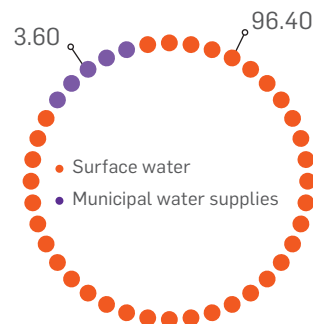
% of water recycled/reused in FY2018

**9.18**

## Share of Water Withdrawal by Source in APMEA and Europe Operations in FY2019 (%)

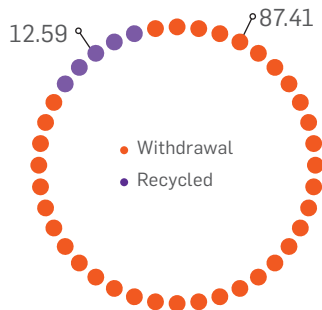


## Share of Water Withdrawal by Source in Europe in FY2019 (%)



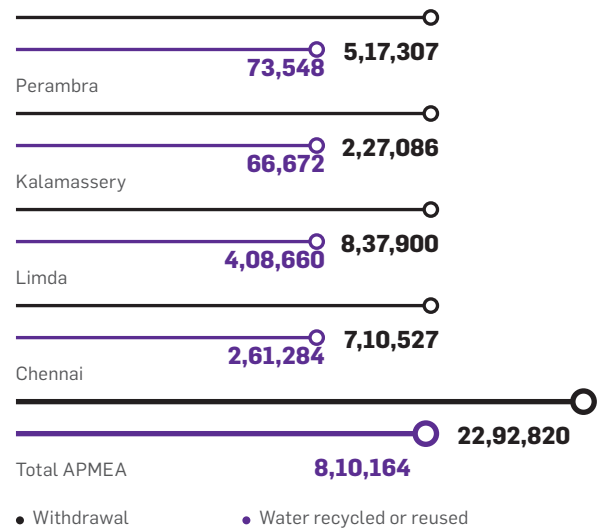


**Break-up of Total Water Usage in Terms of Recycled Water and Freshwater Withdrawal in FY2019 (%)**



In the APMEA operations, the total annual water withdrawal was 22,92,820 M<sup>3</sup>, of which 8,10,164 M<sup>3</sup> (35%) was recycled or reused.

**Water Recycled in APMEA Operations in FY2019 (M<sup>3</sup>)**



**Raw Material Sourcing and Management**

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

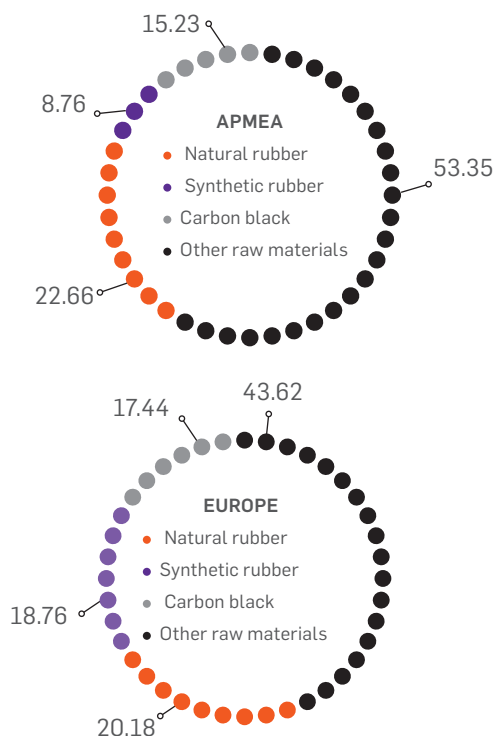
Total raw material consumed across operations: 9,67,609 MT

Total recycled material: 6,254 MT

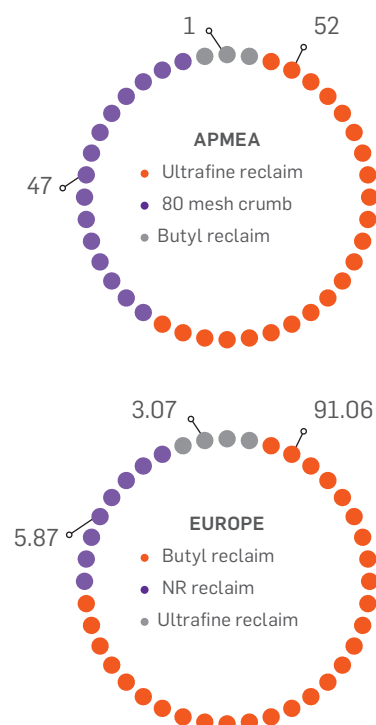
In the APMEA operations the total raw materials consumed was 8,86,773 MT and the total recycled material was 5,538 MT

In Europe operations, the total raw materials consumed was 80,836 MT. The total recycled material was 716 MT.

**Share of Raw Materials Consumed for the APMEA and Europe Operations in FY2019 (%)**



**Break-up of Recycled Raw Materials by Type for the APMEA and Europe Operations in FY2019 (%)**



Note: Other raw materials include associated process materials. In APMEA, it also includes the steam used in Limda.

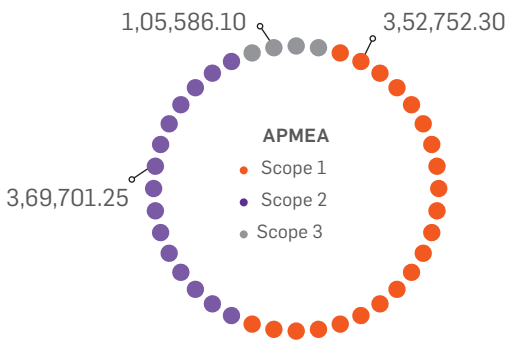
# THE ENVIRONMENT



## ENVIRONMENTAL ISSUE 3: CLIMATE CHANGE MITIGATION AND ADAPTATION

As a responsible corporate citizen, Apollo Tyres continues to measure and report its carbon footprint. It has also undertaken an independent third-party verification for its carbon footprint for FY2019. The verification has been done by TUV India according to ISO 14064 and AA1000 AS standards. To promote a climate-adaptive manufacturing set up, the Company has invested in renewal energy as well as various energy-saving initiatives.

### GHG Emissions (t CO<sub>2</sub> eq) - Scope Break-up in FY2019



### GHG Emissions

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

In FY2019, the Company made its GHG footprint estimations more comprehensive by including Scope 3 emissions from upstream supply chain, downstream logistics as well employee air travel. This is in addition to Scope 1 and Scope 2, reported as earlier.

## ENVIRONMENTAL ISSUE 4: PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

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

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

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

### Community Initiatives on Environment Conservation

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

## ENVIRONMENTAL ISSUE 1: PREVENTION OF POLLUTION

India generates over 60 million tonnes of waste, of which about 69% is collected. The appalling reality is that only 30% of the collected waste is treated and the rest is taken to landfill sites. The 'Swachh Bharat' initiative is the need of the hour, which aims to promote clean hygienic practices and the use of proper sanitation.



To support the cause, the Company launched its **SPARSH, Swachh Banao** initiative. This initiative aims to provide comprehensive solutions for better health and hygiene, which include proper waste management and promoting the use of toilets.

SPARSH stands for S – Segregate Waste, P – Practice Composting, A – Awareness Generation, R – Reduce-Reuse-Recycle, S – Safe Sanitation, H – Hygiene for All

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

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

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

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

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

## ENVIRONMENTAL ISSUE 2: SUSTAINABLE RESOURCE USE

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

### Access to purified Drinking Water

The Company has set up a purified drinking water RO plant at Oragadam village and that benefits over 506 households (2,024 people).

### Eco Restoration and Improvement of Water Bodies

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

### River Conservation Project

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

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



During the second year, the Company's community initiatives were introduced. These included awareness generation initiatives such as classes for various community groups, riverbank protection, tree plantation, cleaning drive, rainwater harvesting, promotion activities like recharging wells, among others. During the third reporting year, the activities were extended to the watershed area of the river and restored one rivulet of the river (Thalikathodu), a tributary of the river Chalakudypuzha.

# THE ENVIRONMENT

## ENVIRONMENTAL ISSUE 3: CLIMATE CHANGE MITIGATION AND ADAPTATION

Apollo Tyres is committed to combating the impacts of global climate change. It has initiated various projects towards the mitigation of climate change. The flagship programme under this initiative is the 'Afforestation Project'. This project helps control carbon emissions and generates livelihood for farmers in water-starved areas of the country. Under the afforestation project, the Company has planted a total of 3,50,000 trees in Tamil Nadu. According to estimates, around 10,100 tonnes of CO<sub>2</sub> have been sequestered from these trees.

### Use of Biogas

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



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

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

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

### Initiatives in Europe

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



## ENVIRONMENTAL ISSUE 4: PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

### Mangrove conservation

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



# COMMUNITY INVOLVEMENT AND DEVELOPMENT\*

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

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

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



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

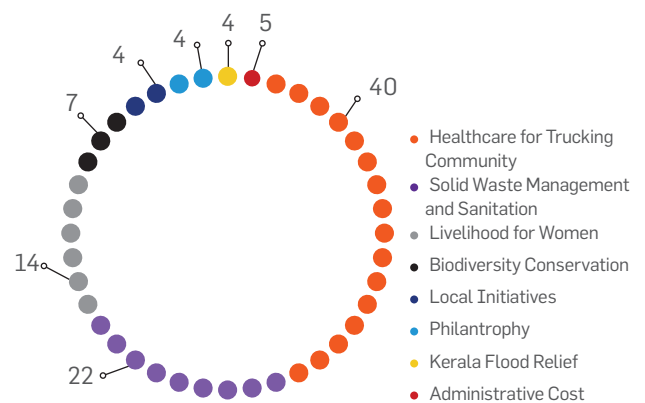
## HEALTHCARE PROGRAMME FOR THE TRUCKING COMMUNITY

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

## SOLID WASTE MANAGEMENT AND SANITATION

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

## Break-up of the CSR Spend (%)



## LIVELIHOOD FOR UNDERPRIVILEGED WOMEN

The Company is committed to creating opportunities for underprivileged women by providing skill-building and income-generation training in farm and non-farm based activities. This is described in detail under (Refer to page number 36).

## BIODIVERSITY CONSERVATION

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

In addition to the core themes, the Company also conducts local initiatives in a 25-30 km radius of the manufacturing locations which include watershed management, renewable energy proliferation, road safety awareness, educational initiatives, viz. computer literacy in schools and ITI-based skilling of young people, and philanthropic endeavours. In FY2019, the Company also supported the disaster relief work in Kerala.

\* Structured as per ISO 26000:2010

# COMMUNITY INVOLVEMENT AND DEVELOPMENT

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

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

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

## Community Involvement and Development Issue 1: Community Involvement

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



## Community Involvement and Development Issue 3: Employment Creation and Skills Development

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

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

## Community Involvement and Development Issue 5: Wealth and Income Creation



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

Under this programme, Self Help Groups (SHGs) are formed or the Company supports the strengthening of existing SHGs to empower women and address the issues related to women both in livelihood and social sectors. The programme follows the SHG guidelines, objective and functioning, namely savings, credit, thrifts, meetings, livelihood and income generation activities and social mobilisation.

Women are trained in agriculture and non-agriculture activities such as rubber sheet making, mushroom cultivation, apiculture (honey production), khakhra making, tailoring, organic farming, livestock care and management and others for income generation.

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

As an outcome, the beneficiaries started their own business and they are now extending livelihood opportunities to other women, leading to woman empowerment on a large scale. The programme also provided credit linkage with banks/financial institutions for setting up of the business. The programme has established linkages and is leveraging government schemes.

Under the livelihood initiative, the organisation achieved two significant milestones.

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

The second achievement was the registration of first women organic farming co-operative society at Vadodara. A total of

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

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

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

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



# COMMUNITY INVOLVEMENT AND DEVELOPMENT

## Community Involvement and Development Issue 6: Health



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

The programme addresses perils linked to their continuous and long travel, coupled with lack of access to healthcare facilities. To provide healthcare services at their vicinity, the Company has established 31 healthcare centres in the transshipment hubs spanning 19 Indian states. The programme provides healthcare services such as prevention of HIV/AIDS, vision care, integration of tuberculosis and other non-communicable diseases such as diabetes, high blood pressure and general treatment facility.

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

### Services under the Healthcare Programme

#### HIV/AIDS Awareness and Prevention Programme



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

#### Vision Care

- Due to long distance travel and poor working conditions truck drivers are vulnerable to vision-related diseases. Apollo Tyres has initiated the vision testing programme in its healthcare centres, where vision testing facility is established; and also periodic eye care camps are organised.
- The major feature of this initiative is that spectacles are distributed at a low cost to people identified with refractive error issues. Cataract patients are linked with nearby hospitals for further treatment. During the financial year, the Company organised a week-long campaign in transshipment hubs in partnership with Essilor Vision Foundation to commemorate the International Sight Day.
- Under this campaign, vision testing camps were organised at all healthcare centres and truck drivers who were identified with refractive error issues received free spectacles. A total of 13,290 people were screened, of which 10,215 were truck drivers. A total of 6,064 truck drivers were detected with refractive errors and 5,413 pair of spectacles were distributed.

#### Awareness on Tuberculosis (TB)

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

#### Other Non-communicable Diseases

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



### General Healthcare and Treatment

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

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

### Other Programmes

#### Road safety



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

#### Computer Literacy

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

#### Philanthropic Initiatives

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

### Kerala Disaster Relief

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

Around 750 families received home cleaning and first-aid kits, 1,250 families received food kits. Total 16 free health camps were conducted and around 1,233 people benefitted. Through waste collection and cleaning drive, around 200 families were supported and 200 MT of waste was collected.



# INNOVATION: CATERING TOMORROW'S NEEDS

Apollo Tyres is driven by the vision to develop path-breaking technology and products that exceed customer expectations.

With its two global Research & Development centres in India and Europe, the Company focusses on minimising the environmental impact of its activities, development of environment-friendly materials and innovative ways to reduce the environmental damage caused by the accumulation of ELTs.

The Company strives to develop new materials complying with the latest amendments in REACH and PAH-free materials list. The use of renewable raw materials or recycled materials results in more sustainable products, leading to reduced consumption of natural resources, thereby reducing the dependency on the fossil fuel based materials. Some innovations by Apollo Tyres are enumerated below:

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

Further, in line with the Government of India's plan to promote sustainable mobility through Electric Vehicles (EVs), the Company has developed a complete range of tyres exclusively for commercial electric buses, which not only provide superior mileage but also have low rolling resistance and noise.

Apollo Tyres works towards harmonising the economic growth with environmental sustainability. In this regard, as an initiative to reduce plastic material usage, the Company eliminated application of polythene from gum in apex and sidewall. Cure time reduction by approximately 1.5 minutes created additional production around 12 MT/day, resulting in huge savings in energy and reduction in CO<sub>2</sub> emissions

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

Underground Mining (UGM) tyres with new innovative carcass construction resulting in through cut resistance is expected to strengthen the Company's presence in the UGM segment. This new product will help the customers replace the expensive radial tyres in UGM. Further, addition of traction pattern in the earth-mover segment will help in solving the



slippage problems in muddy applications.

## COMPLYING WITH REGULATIONS

Apollo Tyres is committed to meeting to meet all the current and future tyre labelling requirements as and when applicable. In compliance with REACH, the Company ensures that all its raw material supplies are tested on SVHC and PAHs and these reports are refreshed on an annual basis for a revised list of SVHC. New vendors are approved based on the compliance to this regulation. Further, all tyres being exported to EU are tested and certified by certifying agencies to ensure REACH compliance.

## COMPLIANCE WITH CONFLICT MINERAL RULE

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

## SUPPORT TO GADSL OBJECTIVES

Global Automotive Declarable Substance List (GADSL) covers declaration of certain information about substances relevant to parts and materials supplied by supply chain to automobile manufacturers. GADSL is a summary list of all substances likely to be in vehicles and that are restricted in some parts of the world. The information is applicable to the use of these parts or materials in the production of a vehicle up to its usage and relevant to the vehicle's reuse or waste disposal, which in turn is applicable to tyres as well. In accordance with ELV objectives, the Company 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.

## COMPLIANCE TO ROHS

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

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

## CAPACITY BUILDING

To keep the Company's employees in sync with the latest developments, various training programmes were conducted. These programmes facilitated in improving the skills and knowledge of our employees. Some of the key programmes are as follows:

**Knowledge Now:** It is a knowledge sharing platform that was launched with an objective of mutual learning where employees were encouraged to share their experiences in R&D through structured presentations. In FY2019, 11 such sessions were conducted.

**Meet the Maestro:** The objective of the programme is to learn from the successful journeys of the visionaries and as far as possible, incorporate them into our lives. Under this programme, eminent personalities/celebrities who had done commendable work are invited for motivational talks with the employees. In FY2019, 2 such sessions were conducted.

**Sound Therapy, 'Stress Relaxation Program for Employee's Well-being':** The objective behind sound therapy is to engage our workforce with a meaningful Corporate Wellness programme and to nurture a healthy atmosphere in our office. It is an opportunity to revamp the employees' energy and to rejuvenate them with the help of sound. It is a kind of energy

therapy that belongs to the field of vibrational medicine. Tibetan Singing Bowls were used for the sessions. During the reporting period, 2 such sessions were conducted.

## EMPLOYEE ENGAGEMENT

As part of penetrating the Apollo passion and Apollo One Family Concept, various engagement initiatives were rolled out in R&D Asia. Some of the unique programmes are:

- R&D Sevens Soccer Super League- SSSL\_2019
- Cricket Mania 2018
- Christmas and New Year celebrations
- Diwali celebrations

**Family day celebrations:** To gather the entire Apollo Family under one roof, family day is celebrated every year with a plethora of entertainment programmes.

**Drum Beat- Townhall meeting:** It is a forum where employees are given equal opportunity to share their views on various aspects (organisation related/business related). It also provides an interactive platform to share important information with employees, highlights of the last quarter, update on future projects, HR initiatives and Q&A(feedback sessions). This initiative has enhanced the open communication culture of R&D. We have conducted two townhall meetings in FY2019.

**Decluttering initiative:** Outputs from innovation/creative facilities are being severely impacted by digital devices and communication platforms, which distract employees from being able to find time and space to do their core innovation work. To reverse the lower productivity trend created by a cluttered digital environment, R&D took deliberate action to restore the full attention of employees to innovation. The Company is relentlessly working towards creating a 'generative environment' in R&D.



# THE WAY FORWARD

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

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



# ANNEXURES

## ISO 26000:2010 Assurance Certificate



### Assurance Certificate

This is to Assure that the documents

1. Guidance on Environment Management
2. Guidance on Community Involvement and Development

Developed by

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

Presented on 20-21 May 2019 has been assessed and found aligned with the actions and expectations of ISO 26000 :2010 Guidance on Social Responsibility.

Serial Number: 1009/05/19  
Strovolos Avenue 47/4th floor  
2018 Strovolos/Nicosia  
Cyprus

23<sup>rd</sup> May 2019




A handwritten signature in black ink, appearing to read "Martin Neureiter".

Martin Neureiter, CEO  
The CSR Company International

# ANNEXURES

## Carbon Footprint Assurance Statement

**Carbon Service**



### Independent Assurance Statement

#### Introduction and Engagement

Apollo Tyres Limited (hereafter 'Apollo Tyres' or 'the Company') commissioned TUV India Private Limited (TUVI) to conduct the independent assurance of Apollo Tyres GHG (Green House Gas) emissions, which includes "Type 2 moderate level assurance" of Apollo Tyres direct and energy indirect and other indirect greenhouse gas emission (Scope 1,2 and 3) for the applied reporting period. This assurance engagement has been conducted against the TNCC 20 Standard, ISO 14064-1 and AA1000AS (2008) (Type 2, moderate level) for verification of Apollo Tyres GHG emissions. The verification was conducted in June 2019. The Apollo Tyres GHG emission information covers period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

#### Scope, Boundary and Limitations of Assurance

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

- Verification of the application of the spread sheet content, and principles as mentioned in the TNCC 20, ISO 14064-1 standard and AA1000AS (2008), with a Type 2, moderate level of assurance
- Verification of quality of information presented in the spread sheet over the reporting period
- Verification of quality of information presented in the Report over the reporting period (1 April 2018 to 31 March 2019)

The company applies the operational control approach, Operational Boundary- All the direct and indirect activities within the Organization Boundary. This includes: Fossil Fuel (Coal and Diesel, Furnace Oil, Natural gas, RLNG), Electricity (respective national grid), Raw Materials Transport/Inbound - Road, Raw Materials Transport/Inbound - Ship, Downstream Transport and Distribution/Finished Goods Transport, Business Travel (Air).

Scope 1 and 2 boundary comprises Apollo Tyres Corporate Office – Gurgaon and Manufacturing facilities located at,

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

Scope 3 boundary comprises Apollo Tyres Corporate Office – Gurgaon, Manufacturing facilities and establishments located in India operations only"

#### Verification Methodology

The spread sheet has been evaluated against the following criteria:

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

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

- TUVI verified the GHG emissions reported in the spreadsheets and assessed the robustness of the data management system, information flow, and controls;
- TUVI examined and reviewed the documents, data and other information made available by Apollo Tyres for scope 1,2 and 3 GHG emissions;

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- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the spreadsheet for the reporting period.

The scope of verification comprised of the assessment of reported data, excel worksheets, monitoring tool (formatted worksheets) and processes along with exhaustive interviews with members of management, staff (responsible for data collection and processing) at visited site office. Data and documents have been provided via the dedicated worksheets were verified and found consistent with the Apollo Tyres GHG calculation. Below table shows the sources of GHG emissions with Emission Factor reference.

**Scope – 1**

Fuel	Unit	Source	Emission Factor (t CO <sub>2</sub> /unit)
Diesel	TJ	<a href="http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf">http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf</a>	74.353
Coal	TJ		95.297
Furnace Oil	TJ		77.653
Natural Gas	TJ		56.353
RLNG	TJ		56.353

**Scope – 2**

Country	Unit	Source	Value in t CO <sub>2</sub> /unit (Average Value)
India	MWh	CEA Database	0.821
The Netherlands	MWh	IEA Database	0.490
Hungary	MWh	IEA Database	0.275

**Scope- 3**

Fuel	Unit	Source	Value in kg CO <sub>2</sub> /Unit (Average Value)
Ship Travel	ton.km	WRI, Emission factor from a cross-sector tool (Apr 2014), GHG protocol, <a href="http://www.ghgprotocol.org/calculation-tools/all-tools">http://www.ghgprotocol.org/calculation-tools/all-tools</a>	0.0125
Road Travel	ton.km		1.706
Air Travel	passenger.km		0.1715

**Conclusions**

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

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

Scope	GHG Emissions	Unit
Scope 1	352752.30	t CO <sub>2</sub> eq
Scope 2	369701.25	t CO <sub>2</sub> eq
Scope 3	105586.13	t CO <sub>2</sub> eq

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

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

# ANNEXURES

## Carbon Footprint Assurance Statement

emission sources within the chosen scope (Scope 1, 2 and 3 emissions).

**Materiality:** The principle of materiality has been considered by including all relevant GHG emission sources. Canteen energy consumption data, Ozone Depletion Substances/Refrigerants data excluded during GHG emissions calculation as per ISO 14064-3: 2006 (A.2.3.8 Materiality).

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

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

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

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

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

For and on behalf of TUV India Private Limited



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



Date: 04/07/2019  
Place: Mumbai, India  
Project Reference No: 8115795297\_2  
[www.tuv-nord.com/in](http://www.tuv-nord.com/in)



## FSSC 22000 Certificate



# CERTIFICATE

## Food Safety System Certification 22000 (Version 4.1)

Certification scheme for food safety management systems consisting of the following elements:  
ISO 22000:2005, ISO/TS 22002-1:2009 and Additional FSSC 22000 requirements (version 4.1).

In accordance with TÜV NORD CERT procedures, it is hereby certified that

**APOLLO TYRES FOUNDATION**  
Madhurima Apiculture, Unit - Chamampathal,  
PO Vazhoor, Kottayam - 686 517, Kerala,  
India

applies a management system in line with the above standard for the following scope

**Receiving of Raw Honey, Purifying, Filtration, Heat Treatment  
of Honey and Packing in Glass Bottle**

Product-category

**K - Production of (bio) chemicals**

Certificate Registration No. **44 295 19392333**  
Audit Report No. **2.5-9126/2019**

Valid until **29.06.2021**

Certification Body  
at TÜV NORD CERT GmbH

Issue **04.04.2019**  
Place : **Mumbai**

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures & shall be valid subject to regular Surveillance Audits.

Validity of this certificate can be verified in the FSSC 22000 database of certified organizations available on [www.fssc22000.com](http://www.fssc22000.com)

TÜV NORD CERT GmbH Langemarkstrasse 20 45141 Essen

[www.tuev-nord-cert.com](http://www.tuev-nord-cert.com)

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India

[www.tuv-nord.com/in](http://www.tuv-nord.com/in)



# 10 YEARS of Making an Impact



Over the last decade, our CSR framework has steadily enhanced its scope and outreach. The four pillars of our CSR are: Healthcare Programme for Trucking Community, Solid Waste Management and Sanitation, Livelihood Programme for Underprivileged Women and Biodiversity Conservation Local Initiatives. At the local level, we support a few initiatives around our manufacturing locations such as Watershed Management and Renewable Energy Proliferation projects under Environment, Road Safety Awareness, and Computer Literacy.

To make our endeavours relevant in the contemporary perspective, we've aligned it's agenda and activities with the Nation's overall commitment to 'equitable and inclusive growth.' We have forged partnerships across a spectrum of institutions from public and private sectors, leading multilateral agencies and non-governmental organisations to positively impact urban as well as rural communities across India. As we celebrate ten years of Apollo Tyres Foundation, we prepare ourselves for a future envisioned to better our outreach and touch the lives of our communities in a transformational manner.

**apollo**  
Tyres Foundation

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

**Rinika Grover**

Head, Sustainability and Corporate Social Responsibility, Apollo Tyres Ltd

**Vishwa Bandhu Bhattacharya**

Divisional Head, Sustainability and Corporate Social Responsibility, Apollo Tyres Ltd

**Corporate Office**

Apollo Tyres Ltd.

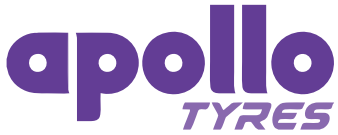
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