

Vice Chairman's Message

Dear Shareholders,

Apollo Tyres has been built on the philosophy of enhancing its shareholders value by ensuring consistent profitable and sustained growth, since its inception. This has seen the Company taking decisions that might be against the grain of conventional wisdom but thanks to such bold decisions we have never deviated from our path of profitable growth. As you leaf through the pages ahead, you will witness a small glimpse of similar efforts taken during the year in our endeavour to enhance shareholders value.

FY22 was a year marked with frantic activity at Apollo Tyres. We began the fiscal with the launch of our new Vision, Purpose and Values. We identified our growth pillars – Digitalisation, Technology and Innovation, People, Brand and Sustainability – and worked around the year to further strengthen these areas by building capacity and capabilities.

Digitalisation

The year saw us making considerable progress in building the strong foundation for accelerated digitalisation. Our focus has been to leverage the extensive data emanating from our production sites to identify and address opportunities to drive productivity increase, waste reduction and improvements in product and process quality. We made serious strides in this journey with the setting up of the data lake and Internet of Things (IoT) capability. During the year, we received the coveted TiSax certification for our European business, which confirms that our information security management system complies with Industry defined security levels. We also set up a Digital Innovation hub in London, partnering with the reputed Glasgow University and working with it on several PhD programs to solve complex problems around productivity maximisation and elimination of waste.

Technology and Innovation

I have time and again mentioned about the importance of technology as a key differentiator in the tyre industry. We continue to make sizeable investments in our two global R&D Centres in India and the Netherlands. It is a testimony to the cutting-edge research and innovation that our products find pole positions in testings across Europe and the United States. The fiscal was special as we won the National Intellectual Property Award for the year 2020 in the category of 'Top Indian Company/ Organisation for Designs & Commercialisation', organised by the Indian Intellectual Property Office and Confederation of Indian Industry. Our Chairman Onkar Kanwar received the prestigious award from the Hon'ble Minister for Commerce and Industry, Govt of India, Shri Piyush Goyal. It is a testimony to our focus on technology and innovation that we have filed 75 design registrations cumulatively for India and abroad, between the period 2017 – 2019, with the IP office in India for design portfolio.

Brand

We continued to invest in our two brands – Apollo and Vredestein, across our key markets including India, Europe and North America. We leveraged our associations with Manchester

United, the cricketing legend – Sachin Tendulkar and others to build brand salience. During the fiscal, we brought in the bringing much-awarded Vredestein brand to India. We did a grand launch of Vredestein’s passenger and two-wheeler tyres in Mumbai, India and followed by a track day event with key stakeholders including auto journalists to help them experience the brand. As expected, the reviews were extremely positively, a testimony to the best-in-class, premium products that we have developed.

People

With a value of ‘One Family’, our people are at the core of everything we do. Through the pandemic we have protected people interests even as we have balanced cost saving and people welfare measures. Further, with a clear objective to promote internal talent, we continued building a robust talent pipeline with our Apollo Laureate programme for building leadership. During the year, we launched multiple initiatives around micro learning and offering best-in-class function specific content.

Sustainability

While we have been at the ahead of the curve in this area, we have articulated sustainability as part of our vision and the growth pillars now. We continue to work on process efficiencies and related areas, and you will get a glimpse in our ESG section of the report. However, I would like to call out two initiatives in our journey to be carbon neutral. We invested in CSE Deccan Solar, a subsidiary of Cleantech Solar, to ensure a guaranteed supply of 40 million units of electricity per annum for our Chennai plant. This will increase the share of renewable energy to more than 30% for this facility. Importantly, we have started using EVs as a last-mile delivery option. This is important as we need to look at reducing our Scope 3 emissions – emissions across our value chain, which represent 65-90 per cent of all emissions at many companies. We are possibly the only company in the automotive industry in India to initiate projects under Scope 3... highlighting our commitment to this pillar.

In the pages that follow, I hope you get a sense of how we have worked to deliver robust growth by upping the brand, continuing our intense focus on R&D and launching best-in-class products, winning new customers and much more. We continue live our vision of ‘Driving Progress, Together’ and I look forward to update you on a periodic basis.

With best regards,

A handwritten signature in black ink that reads "Neeraj Kanwar". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Neeraj Kanwar

VICE CHAIRMAN & MANAGING DIRECTOR