

Study of Environmental Sustainability Disclosure Practices of Tyre Manufacturing Companies.

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Abstract: This study conducted on Indian tyre manufacturing companies to evaluate sustainability information disclosure of companies. The sample comprises of nine companies with profit before tax above fifty cr. Secondary data collected for this study from Official company website, Annual report, CSR report and sustainability report. Inductive content analysis used to study sustainability disclosure practices. Results show that there is a difference in online disclosure between Indian origin companies and companies' origin abroad. Companies' origin abroad has more disclosure of Sustainability on their official website, Indian companies prefer their annual report and CSR report to disclose information regards sustainability. Sustainability disclosure information in tyre industry includes CSR activities related to environment, Eco-friendly products and plant, and technological development on reducing pollution.

I. INTRODUCTION

Our world is depended on plan for tomorrow, so every action takes place is for development of living being, the necessary content is change. As we are humans we have an instinct to resist change but when a change which is not disturbing the existing conditions it will be acceptable. Sustainability is maintaining change in a balanced environment. Change is important but maintaining a change in a balanced environment is more important. Improving the standard of living with limited resources is one challenge to organization. In increasingly competitive environment organizations may be struggle to achieve its goal with limited resources, and the organizations are responsible for react to the impact made by them to environment.

Environmental sustainability disclosure is one of the important tools to Promote Corporate Social responsibility. Disclosure activities can be a measurement to future activities. Disclosing environmental sustainability activities will help the companies to show themselves as a responsible organization to environment.

The study on Indian tyre manufacturers and their concern towards environment is important because Indian ministry of environment categorized automobile industry in Red category and tyre and tube vulcanization as Orange category. This shows tyre manufacturers are having a major share in heavily polluting industries in India They have to do Intensive sustainable activities to cover up the impact made by them to the environment.

This statement made value to the importance of disclosure of Information related to environmental sustainability by the companies. So this study seeks that the responsibility of these organization toward environment is reaching the expectation level or not. This study focuses on Indian tyre manufacturer and disclosure of environment related information on their official online platforms and resources provided by them.

Literature

Review

Sustainable development was first defined by the World Commission on Environment and Development as "development that meets the needs of the present without compromising future generations' ability to meet their own needs" in 1987, and businesses should understand how corporate sustainability is built in a specific context and how the concept of sustainable development can be applied to it.

For most organizations, the current practice of disclosing environmental sustainability performance is to publish a sustainability report either in conjunction with or separately from the company's annual report, but sustainability reports are not often integrated with conventional economic reports, tend to focus on positive information, and focus on descriptive results.

Many researchers believe that social responsibility is related positively to the financial and social performance of an organization.

'Russo and Fouts' have identified CSR as a source of competitive advantage that a company can create a sustainable competitive advantage and therefore engaging in issues of corporate social responsibility could be a valuable consideration for the management of a company.

II. METHODOLOGY

For the study 9 market leaders of Indian tyre manufacturers were selected on the basis of their profit before tax. For more clarity of the study all the online platforms and resources provided by company (Official website, sustainability report and annual report) of these 8 companies were evaluated on several levels, first level was to check whether they have anything related to environment or sustainability on their first page of official website, and next level is evaluating mission, vision and values of the organization from the official website itself and checking that where the word related to environment or sustainability comes, and it's also for identifying their priority towards environment, and next level was to identify whether they have any green tyre or any other green product. Sample size Tyre manufactures in India are the targeted population and among them nine companies with highest profit after tax were selected as sample size.

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Data collection Data used for this study is secondary data. The sources are official website of the company, Annual report and CSR report. From the official website the products information provided in the first page and the mission vision objectives and values of the companies are analyzed. Data analysis Inductive Content analysis conducted on the basis of how the companies are disclosing

the information related to environment on their online platforms, also analyzing the priority towards environment. The Environment friendly and sustainability activities, Eco-friendly product, the importance towards environment in their Mission, vision and values are evaluated.

Results

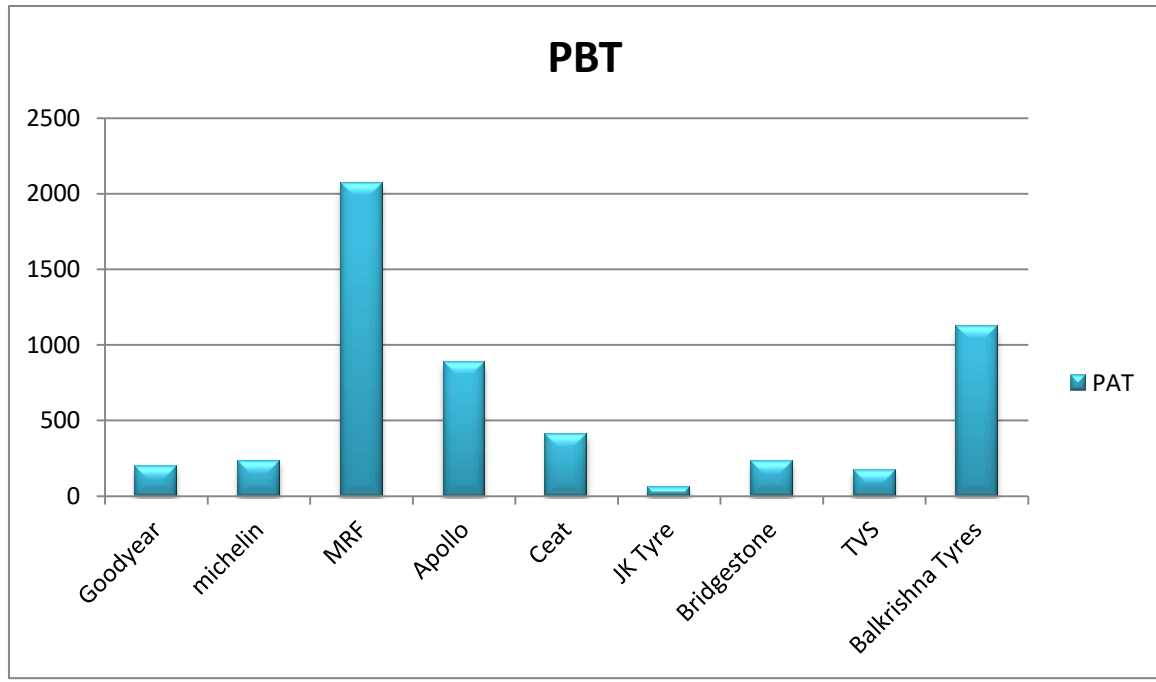


Table No: 1

Profit before tax

| PAT | |
|------------------|---------|
| Goodyear | 195.61 |
| Michelin | 235.4 |
| MRF | 2066.37 |
| Apollo | 887.3 |
| Ceat | 409.66 |
| JK Tyres | 63.85 |
| Bridgestone | 230 |
| TVS | 169.25 |
| Balkrishna Tyres | 1118.49 |

Table No: 2 Goodyear

| | |
|-------------------------------------|---|
| Corporate office | Akron USA |
| Home page | Sustainability is on the Website homepage |
| Mission | Not mentioned. |
| Vision | Not mentioned. |
| Values | Environmental health and safety policy. |
| Sustainability report | CSR is integral part of the company and its includes responsibilities towards environment |
| Annual report | CSR activities are mentioned. |
| Green product (Eco friendly) | Yes soon to be reality from rice husk. |

Interpretation

Good year is a US origin company and one of the leading tyre manufacturers in India. From the official website and reports the environment safety policies are visible and its one of their values. Goodyear is developing eco-friendly tyre from rice husk.

Apollo tyres.

Table No:3

| | |
|-------------------------------------|--|
| Corporate office | Gurgaon, Haryana |
| Home page | Not mentioned in Home page |
| Mission | Not mentioned. |
| Vision | Not mentioned. |
| Values | Care for society and sustainability. |
| Sustainability report | Apollo's CSR page has detailed information's on sustainability and environment safety policy. |
| Annual report | CSR activities are mentioned. |
| Green product (Eco friendly) | RRI invent epoxied natural rubber , this will led them to make eco-friendly product., And they have eco-friendly paint. |

Interpretation

Apollo is an Indian origin company founded in 1972, they disclose information regarding environment and sustainability on their sustainability page but they doesn't gives much priority to care environment because there is no information regarding environment in Home page and mission, vision and values.

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MRF

Table No:4
Interpretation

| | |
|-------------------------------------|--|
| Corporate office | Haryana |
| Home page | Nothing related to environment. |
| Mission | Not mentioned |
| Vision | Not mentioned |
| Values | Not mentioned |
| Sustainability report | CSR activities are mentioned. |
| Annual report | Conservation of energy, solar power in plants. Plantation of tree near Medak (Telangana) unit. Installation of solar power street light in Village of Pali in Rajasthan. |
| Green product (Eco friendly) | MRF ZSLK Tyres, MRF paints. |

MRF is an Indian origin company founded in 1946. On the official website there is no much information regarding environment and sustainability. In the Annual report the CSR activities includes sustainability activities and project description. MRF has introduced the first eco-friendly tyre in Indian market. MRF ZSLK, and eco-friendly paint.

CEAT

Table No:5
Interpretation

| | |
|-------------------------------------|--|
| Corporate office | Mumbai |
| Home page | Nothing |
| Mission | Nothing |
| Vision | Demonstrating respect to environment. |
| Values | |
| Sustainability report | Environment safety activities in CSR report. |
| Annual report | Environment safety activities in CSR |
| Green product (Eco friendly) | Don't have any green product. |

CEAT is an Indian origin company founded in 1958, and as per the information evaluated from their official platforms there is only limited information regarding sustainability in CSR report. From this its clear that CEAT don't gives much priority to Environment and sustainability.

JK Tyres

Table No: 6 Interpretation

| | |
|-------------------------------------|---|
| Corporate office | New Delhi |
| Home page | CO2 Neutral certification, sustainability |
| Mission | 5 th mission is to be a green company |
| Vision | No |
| Values | No |
| Sustainability report | Yes |
| Annual report | NO |
| Green product (Eco friendly) | Don't have green product but they recycling the tyre. |

JK Tyres is an Indian origin company founded in 1974. On their official home page itself it's visible that the companies priority towards environment. They show the CO2 Neutral certification that shows they are participating and conducting sustainable activities. And also their fifth mission is to be a green company. They don't have green product but they are covering it with tyre recycling.

Michelin

Table No : 7
Interpretation

| | |
|-------------------------------------|---|
| Corporate office | France. |
| Home page | Home page itself shows sustainable mobility. |
| Mission | Eliminate co2 emission was one of Michelin's successful mission. |
| Vision | By 2048 they focusing on 80% of the raw materials are sustainable and 100 % tyres are recycled. |
| Values | Sustainable mobility is to greener safer, accessible and Environment protecting environmental protection is integral to their commitment. |
| | 4Rs strategy: reduce, reuse, renew. |
| Sustainability report | On their CSR responsibilities second importance is for environment. |
| Annual report | CSR activities related to environment. |
| Green product (Eco friendly) | Sustainable raw materials are used to make tyre, natural sustainable rubber is one of the main raw materiel. |

Michelin is France Origin Company, they shows sustainability is their strong backbone. On every page and article of their online platform includes the word and responsibility towards environment.

TVS

Table No: 8

Interpretation

| | |
|-------------------------------------|--|
| Corporate office | 1978, Chennai. |
| Home page | Not mentioned about sustainability. |
| Mission | Not mentioned about sustainability |
| Vision | Not mentioned about sustainability |
| Values | Not mentioned about sustainability |
| Sustainability report | NA |
| Annual report | Conservation of energy, Ensuring environmental sustainability. |
| Green product (Eco friendly) | Don't have green product. |

TVS is an Indian origin company founded on 1978. The official website is only provides product details and company details. On online platform there is nothing related to sustainability, only in annual report they mentioned about environment and sustainability. This shows they are not cared about environment or sustainability.

Bridgestone

Table No: 9

Interpretation

| | |
|-------------------------------------|---|
| Corporate office | Tokyo, Japan |
| Home page | In home page itself there is details regarding Environmental sustainability, and they shows Green product. And first page has CSR page. |
| Mission | To help ensure a healthy environment for current and future generations. |
| Vision | Not mentioned about sustainability |
| Values | Vision is to be friendly with nature and give the importance to natural resources and to reduce Co2 emission. |
| Sustainability report | CSR activities. |
| Annual report | CSR activities. |
| Green product (Eco friendly) | Bridge stone escopia |

Bridgestone is really concerned about environment and sustainability, Bridgestone has environmental mission and values. Bridge stone has Eco friendly tyre called Bridgestone escopia.

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BalkrishnaTyres

Table No: 10

| Corporate office | Mumbai (1987) |
|------------------------------|---|
| Home page | No environmental sustainability disclosure, page of CSR on homepage. |
| Mission | Strictly follows the rules to save environment on manufacturing plants. |
| Vision | Strictly follows the rules to save environment on manufacturing plants. |
| Values | Gives importance to all stakeholders and priority towards environment is 3rd on their mission and vision. |
| Sustainability report | CSR activities. |
| Annual report | CSR activities. |
| Green product (Eco friendly) | No green products, but provides long lasting sustainable tyre. |

Interpretation

Balkrishnatyre is an Indian origin organization founded in 1987. Balkrishnatyres have environmental sustainability disclosure on their official website and also on their annual report.

Findings

- Currently 2 companies have Eco-friendly tyre MRF and Bridgestone.
- Most of the companies are trying to cover develop new eco-friendly tyre.
- Most of the companies focus on recycling the used tyre.
- Only few Indian companies are not having eco-friendly tyre.
- TVS and MRF are Indian companies don't have any kind of environmental related information on their official platforms.
- Companies from other countries are sharing more environment related information on their official website when compared to Indian origin companies.
- Bridgestone Japan company has environmental mission.
- Companies like Apollo, Michelin and Bridgestone focuses on technology to reduce CO2 emission and Environment safety.

III. CONCLUSION

Tyre manufacturing industry is one of the most polluting industries according to environment ministry of India. They have to do Intensive sustainable activities to cover up the impact made by them to the environment. This statement made value to the importance of disclosure of sustainable activities by the companies. all those companies having CSR activities related to environment and sustainability. The main way they used to disclose this information is their CSR report and sustainability report. When comparing Indian

origin companies with foreign companies, foreign companies have more detailed disclosure of sustainability on their online platforms.2 of the Indian origin companies don't have any details regarding sustainability on their official website. But when coming to their CSR report and sustainability report they have mentioned their Sustainability activities. The companies' act 2013 of environment is one of the reasons behind this. The act is to ensure company with at least 5 cr. of annual net profit should spend at least two percentage of net profit on CSR activities. In tyre manufacturing industries sustainable activities are includes eco-friendly products, recycling their product, reducing carbon emission on their plants and research on operation to reduce pollution. There is a current trend that two of these companies have introduced eco-friendly tyre to market one is MRF Indian company and Bridgestone almost all other foreign companies competing to introduce Eco-friendly tyre , Michelin one foreign company currently introducing innovative technology to make tyre using rice husk. These activities show there is a trend in tyre manufacturing industry in eco-friendly tyre market. When comparing the Indian companies with foreign companies, foreign companies having more detailed disclosure of sustainability activities on their official platform.

Limitations of the Study

Data collection for this study is only through the official online platforms of tyre manufacturing companies.

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