

# Apollo Tyres Limited & EarthynGreen, by Ecociate

## Business Context

Apollo Tyres Limited (ATL) is an Indian company dealing in manufacturing of tyres and other such materials. Under its corporate social responsibilities, ATL has formed a dedicated organization named Apollo Tyres Foundation (ATF). ATF works with a community-based organization of women farmers which has around 2000 members, most of whom used to employ unsustainable and synthetic fertilizers in agriculture. ATF created a dedicated program to move female farmer to organic farming. To date, 50 individuals have already made this transition and ATF's target is to bring more farmers under the net of sustainable agriculture through the means of natural and organic farming.

The initiatives promoted by ATF and supported by EarthynGreen are aimed at building the capacity of women farmers and bringing the sustainable changes in their farming practices to improve soil health, reduce use of synthetic fertilizers and pesticides along with ensuring better remuneration to their produces. The community-based institution of exclusive women farmers is formed keeping in mind the long-term sustainability of the entire initiative.

ATF has collaborated with EarthynGreen, a social enterprise which is working on creating a market support platform for safe and organic produces produced by the farmers of collective by building their capacities and help them in accessing the markets.

This assessment was carried out by Ecociate. Ecociate is a business consulting firm which is committed to work towards creating innovative and sustainable business solutions for Bottom of Pyramid communities in emerging markets and is based in India.

## Assessment

### WHY? What is the objective of the assessment?

The objective of the capitals assessment is to demonstrate and communicate the natural, social and human capital value of a program supporting women organic farmers.

There is an awareness of several dependencies such as on soil health and water and impacts on GHG emissions and gender rights, among others. These impacts and dependencies could create societal risks and opportunities for ATF.

The potential application of this assessment is to compare options, assess impacts on stakeholders and to communicate internally or externally. The assessment will help in communication to both internal and external stakeholders around the societal impact of the intervention and will help in taking the decisions for future strategy.

ATF plans to involve the CSR department and top management of ATF and ATL as stakeholders to support the assessment.

### WHAT? What is the scope of the assessment?

The assessment could benefit potential buyers of organic produce, including organic brands, e-commerce platforms and end consumers. Another aim is to provide local communities with easier access to organic foods.

The anticipated benefits of this assessment include helping the measurement of the real impact being brought by the project around the four capitals. Further, valuation of quantifiable impact areas may help the program in leveraging the carbon-based financing to scale up the initiative. The assessment may help in communicating the benefits to other farmers in the vicinity to adopt organic farming practices for larger benefits. This may also help the ATF management in taking an informed decision around the scale-up of this initiative.

ATF has set the following assessment objectives:

- To demonstrate the natural, social and human capital value of a program supporting women organic farmers, with the ambition of increasing the market visibility of their produce – to ensure a remunerative price for their produce.
- To build the capacity of farmers and their community institution and Farmer Producer Organization (FPOs) to take up the value addition and marketing activities to connect directly with consumers and retailers to fetch a better price of their member’s produces.
- To demonstrate the economic and environmental benefits of organic farming to farmers in the project area for further adoption.

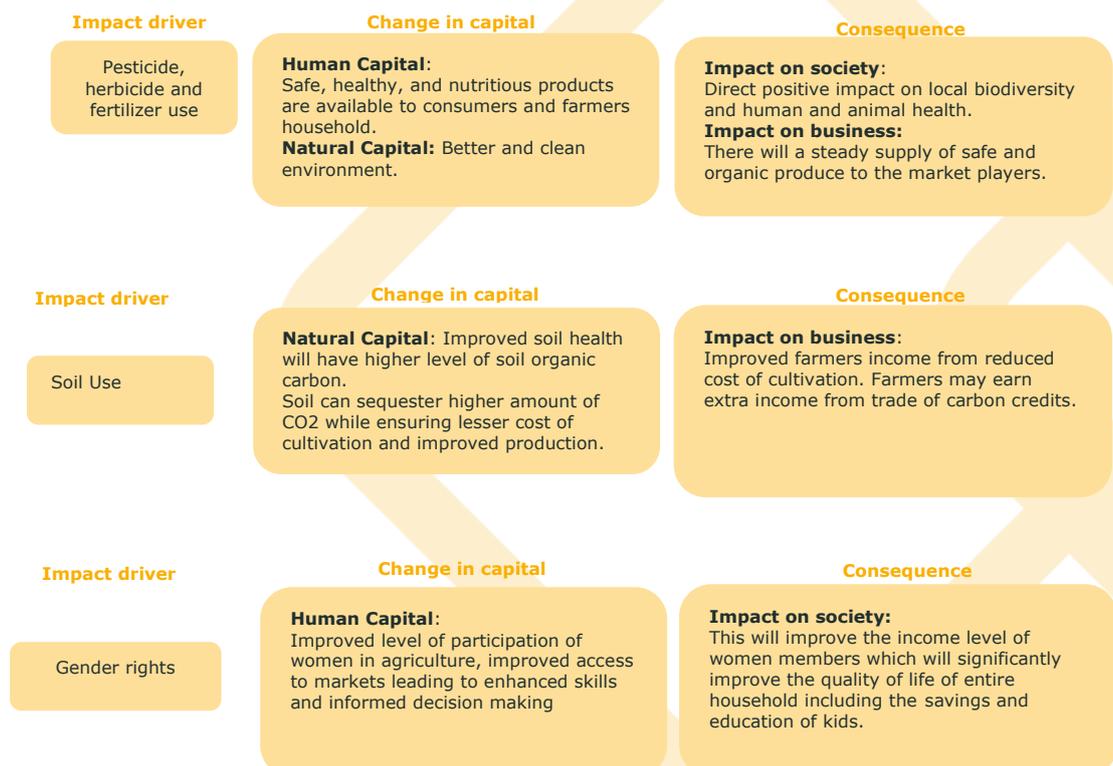
The assessment focuses on a project level and how the value-chain upstream affects the business and society. It compares a business-as-usual scenario using historical studies versus the new program for organic female farmers. The current assessment is focused on the 50 organic farmers spread across the 4 villages of the Vadodara district in Gujarat. The overall ATF interventions around agriculture, livestock, livelihoods and other social development projects reached out to more than 2000 women farmers spread across 50 villages of the district.

The sustainable agriculture project is being implemented since 5 years. The impact will be assessed around the changes, the project has created over the timeframe. During the initial years focus has been on awareness, training, and demonstration to shift farmers' practices towards organic farming. During the last 2-3 years focus shifted towards institutional capacity building and developing market-linked systems along with scaling up the sustainable agriculture initiatives.

A materiality assessment using the criteria of risks and opportunities visible to ATF (operational, reputational, and marketing, and societal) showed 3 key impact drivers and dependencies related to the objective:

1. Pesticide, herbicide and fertilizer use
2. Soil use
3. Gender empowerment

To inform the Measure and Value Stage the following pathways are drawn.



## HOW? What is measured and valued?

The organic farming and market linkage project is focused around promoting organic and regenerative agriculture practices among the women farmers in the project area. The activities conducted so far, have informed the focus on the three impact drivers to value.

As part of the valuation stage, Ecociate measured and valued these three impact drivers according to each step of the Guidelines. In the table below, a synopsis of this valuation is provided.

Step 5		Step 6	Step 7	
Material impact driver or dependency	Indicator	Change in capitals resulting from the impact driver/dependency	Consequences of impact drivers or dependencies on business or society/Type of valuation/Chosen valuation technique	Value
1. Herbicide and pesticide use	Number of sprays	Natural and human capital - Change in soil health and instances of water pollution - Change in quality of crops in taste and nutrition. - Reduced cost of cultivation to farmers - Change in health of project farmers and consumers	<b>Impact on society:</b> Access to safe and chemical free foods to farmers and consumers. Reduced cost of cultivation to farmers	<b>Value to society:</b> - - Significant reduction (up to 30%) in the cost of cultivation for farmers.  (An estimated reduction of INR 3200 per Acre per year (INR 160000 for 50 farmers )
			<b>Impact on business:</b> Business can ensure the availability of chemical free foods for its consumers./ Qualitative valuation/Reduced cost of cultivation and Turnover of organic produces	<b>Value to business:</b> - Steady supply chain for safe and organic produces helping the businesses in meeting consumer demand.  (A total transaction of INR 245000 was done during the previous year for organic produces)
2. Soil health	Improved soil health	Improvement in soil organic carbon levels	<b>Impact on society:-</b> Healthy soil can sequester the higher amount of CO <sub>2</sub> which is a major factor in climate change /Amount of CO <sub>2</sub> equivalent sequestered	Value not calculated as of yet
3. Gender rights	Gender empowerment	Role of women in decision making  Better income to women farmers	<b>Impact on society:</b> Women farmers have gained the knowledge and	<b>Value to society:</b> Overall 50 women farmers received 20-30% premium on their produces

			skills, thus are better equipped for decision making/ Qualitative and monetary/ Incremental prices received by women farmers	from organic buyers.  (Estimated benefits received during the previous year was INR 85000)
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### WHAT NEXT? What are the results of the assessment?

The program has a significant impact on both society and environment. The project has helped women farmers in reducing their cost of cultivation while improving the soil health and contributing to other environmental benefits. The families have access to safe, healthy and nutritious foods. The project has significantly reduced the application of synthetic pesticides and fertilizers, which may have led to reduction of GHG emissions. However, the volume of reduction in emissions still needs to be calculated, while also ensuring fair and equitable share to women farmers. The capitals assessment framework was found to be an important tool in that direction. This has been the first attempt towards documenting the impact, measuring and valuations could be the next step.

Key assumptions and a sensitivity analysis have not been conducted so far. We are planning to use the statistical tools and models to measure the valuation of key intervention and impacts. Once it is done, the findings will be presented to the management and will be used for circulating among the external stakeholders.

The strength of the assessment was that it brought clarity on the indicators, impact drivers and the dependencies. The weakness is the lack of clarity on the valuation measures and mechanism. The learnings and conclusion will be shared with both internal and external stakeholders. This may also be presented in appropriate conferences and workshops to the larger audience

The results from the assessment are encouraging for the mentioned impact driver. These will be integrated into training modules for farmers to encourage them to value the benefits of organic farming, especially around the reduced cost of cultivation and benefits to human health. These results are good to further expand the base of organic farming in the project area. These will also be used for applying to projects and grants to secure funding for upscaling the project.

The result from the soil health impact driver will be used to access the carbon credit market to benefit the community institutions from the any funds, if received. The results are also useful to gain access to the newer markets and getting the remunerative prices to women farmers.

The results are encouraging at this front, we are planning to share the results with external stakeholders to get the new projects for strengthening of community institutions and further supporting women.

The results from the assessment will also be shared with the projects and programs working in other geographies to encourage women farmers towards safe and organic farming.