

## **ATHER ENERGY LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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# ATHER

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# ATHER

## 1. **Introduction**

- 1.1. At Ather, we believe that being socially responsible is the way of going beyond business as usual, making CSR a way of life in our business operations and our people operations. We choose to be community conscious, socially responsible and responsive to the needs around us as we stay committed to our true north.
- 1.2. The Company believes that the adoption of environmentally and socially responsible practices will not only contribute to the company becoming stronger and more successful but also serve as an enabler to create greater long-term value for its stakeholders, namely investors, customers, team members, suppliers & contractors, and host communities.
- 1.3. The Company aligns with sustainable development goals by curbing emissions through its line of electric scooters. Its high-performance smart electric scooters are an amalgamation of indigenous clean design and engineering using predominantly domestically sourced components. The Company aims to be a catalyst in expediting the mission of transitioning to a greener future for all, simultaneously pledging to uphold responsible business practices that consistently enhance operational performance to mitigate any negative environmental and social consequences stemming from its activities.

## 2. **Thinking as a Species**

While we've taken steps towards becoming a socially responsible organization, thinking as a species is a way of life for us. In the past, we've rallied together through various gifting and volunteer drives reaching out to pressing needs around us. Our team members are encouraged to venture out and serve the community, and to make this process easier, they're entitled to CSR leaves to clock in their volunteering hours.

As we grow in the energy space, we believe in the principle of "leave no one behind", thereby enabling communities and economies to thrive by empowering them, driving positive change by challenging social and economic barriers that hold them back, and contributing to stronger, more inclusive communities around us.

## 3. **Legal Framework**

The Company will remain committed to operate its business and to benchmark its future expansion to the following requirements/frameworks:

- 3.1 Section 135 of the Companies Act 2013 and the rules made thereunder
- 3.2 International Finance Corporation's E&S Performance Standards<sup>1</sup>, 2012;
- 3.3 NIIF's Environment & Social Management Policy & Principles, 2018.

## 4. **Definitions**

- 4.1 'Act' means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- 4.2 "Board of Directors" or "Board" means the Board of Directors of Ather Energy Limited, as constituted from time to time as per the relevant laws and rules and regulations.
- 4.3 "Company" means Ather Energy Limited.
- 4.4 "Committee" means Corporate Social Responsibility Committee of the Company as defined under the Act.

- 4.5 **“Policy”** means the Corporate Social Responsibility Policy of the Company approved by the Board.

5. **Scope**

The policy is applicable to the Company’s corporate facilities, all manufacturing facilities, Product Validation Labs, zonal offices, and upcoming facilities that would be owned/operated by the Company in the future.

The CSR policy will cover all projects and initiatives undertaken in the communities around the various areas of operation of the Company. All initiatives will be in line with the requirements of the provisions of Section 135 and CSR Rules framed under the Companies Act, 2013.

6. **Vision/Policy Statement**

- 6.1 This policy statement explains the principles and directives by which the Company as a responsible corporate citizen defines, develops and demonstrates its commitments to corporate social responsibility with the objective of creating shared values in the company’s operational locations for the benefit of common good.
- 6.2 Our CSR vision is to be a responsible corporate citizen with commitment towards ethical business principles and ensure quality of life for all stakeholders impacted by our business. Our CSR Vision rests on the key principle of “doing well by doing good”. We choose to adopt a 3-pronged approach as follows to abide by this principle:
- People - Engaging our internal and external stakeholders in creating shared value through social and environment benefits.
  - Pincode - Giving focus to our areas of operations across the country and connecting with the community around us through different initiatives
  - Partnerships - Leveraging the power of partnerships with likeminded partners to scale impact in common sectors of interest.
- 6.3 To achieve this, the Company commits itself and its operations to the following:
- Ensure compliance with the requirements of national and local regulatory requirements related to corporate social responsibility applicable to its operations and products.
  - Support equitable quality education at school and technical levels with an aim to build employable capacities of young minds and enable them to take hold of the right employment with relevant skills.
  - Capacitate and enable communities to use natural resources efficiently and mitigate the impact of climate change.
  - Undertake rural development projects.
  - Improve access to and quality of basic necessities like healthcare, drinking water, sanitation and the like for the underprivileged.
  - Be responsive to communities in need in the event of natural disasters.
  - Empowerment of disadvantaged sections of the society.
  - Any other programme that falls under our CSR purpose in alignment with those listed in schedule VII of the Companies Act, 2013 as may be amended from time to time and is aimed at the empowerment of disadvantaged sections of the society.

All facilities owned and operated by the Company will pledge to implement the policy and carry out operations and activities guided by the policy.

## 7. Policy Implementation

The Board of Directors with support from the CSR committee (if applicable) assumes overall accountability for implementation of and adherence to the CSR Policy. The following are the ways in which it will be carried out:

- 7.1 **Implementing partners:** CSR projects will be undertaken either directly by the Company or through development partners in line with the provisions and definitions of the Companies Act. All engagements with third parties/development partners will be governed by contractual agreements defining clear roles, responsibilities, deliverables, completion timelines, budget outlays and reporting tools.
- 7.2 **Project Monitoring:** Projects/activities will be monitored periodically. This will include regular discussions with development partners, regular site visits to the communities and periodic progress reports with financial expenditure statements.
- 7.3 **Partnerships:** The Company will also explore partnerships with other corporates and corporate associations with similar CSR objectives for driving positive change towards a more equitable society. Efforts will be taken to ensure scale of impact through such partnerships and increasing reach to the most vulnerable, where most needed, and with a priority on geographies of importance to the Company.
- 7.4 **Integration with Environment & Social Management System:** The Company's commitment in the CSR Policy will be in alignment with the commitments of Company's Environmental & Social Management System (ESMS) which will cover all business operations of the Company.

## 8. Governance

All our CSR initiatives will be governed at various levels within the organization in line with the requirements of Section 135 and CSR rules of the Companies Act 2013.

### 8.1 Governance by Board

CSR being a Board-driven process as per the Companies Act, the Board will be responsible for:

- Approving the CSR policy
- Ensuring that the CSR policy and reports on its implementation are published on the Company website.
- Ensuring that the activities included in the policy are undertaken by the Company.
- Ensuring CSR spends are in alignment to the CSR policy.
- Reporting on any non-expenditure of CSR spends as per section 135 of the Companies Act.
- Reporting on any other deeds or acts or things that may be required under the law from time to time.

### 8.2 Governance by CSR Committee

The CSR Committee shall

- Formulate and recommend the CSR policy to the Board.
- Recommend the amount of expenditure to be incurred on CSR activities
- Monitor the CSR policy of the company from time to time; and
- Formulate and recommend to the Board, an annual action plan for implementing CSR Activities.

Where the amount to be spent by a Company does not exceed fifty lakh rupees, the

requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such shall, in such cases, be discharged by the Board of Directors of such Company.

### 8.3 Working Group for Implementation

A cross functional working group will be formed amongst team members to play a supportive role to the Board/ CSR Committee in the execution of programs/activities taken under the CSR policy. The working group will be responsible for overseeing the following:

- Provide strategic input towards the CSR strategy of the organization.
- Review grassroots need in the community and present the same to the Board/CSR committee (as may be applicable) for approval.
- Ensure alignment of proposed projects with the CSR policy and its objectives.
- Periodic monitoring of projects and spends along with timely reporting to the board/committee (as may be applicable) on their progress.

## 9. True North/Guiding Principles for Selection of Projects

9.1 **Shared values:** All CSR initiatives will be selected in a manner that celebrates shared values between business and the community around. As we create long term value for our business, we also create value for society. Focused efforts will be taken to keep in view social, economic and environment wellbeing with lasting impact through our programs/projects as defined and implemented as per the policy.

9.2 **Benefiting community:** The spirit behind any CSR activity is to benefit the public at large and activities undertaken will be non-discriminatory to any class of beneficiaries. An equitable relationship will be maintained with all government agencies as we plan and execute our CSR programmes/activities.

9.3 **Measurable impact:** All projects undertaken will have a holistic approach and will ensure lasting impact that is evidence based supported by measurable indicators.

## 10. Programmatic Focus Areas

Our focus areas will be based on the 'do no harm principle' where we replace and rejuvenate resources that we draw from communities around us. As we strive to create shared values around us, sectors wherein we find synergy between community and business include:

10.1 **Education:** Education is a key driver of growth and balances the socio-economic fabric of any economy. The Company's CSR programmes will aim to improve quality education from school to university with equal access for all. Our educational interventions will also focus on relevant community-based requirements, especially in the area of road safety.

10.2 **Employability & Skill Development:** Youth have a tremendous potential to contribute to the economy's growth and development and require the necessary technical and vocational skills to compete in a dynamic labour market. With rapid industrial and technological advancements, imparting relevant skills will go a long way in enabling youth, especially women, to take hold of employment opportunities. The Company will also seek to promote the entrepreneurial spirit in communities, especially among women, to bridge economic gaps and support individuals from vulnerable groups with required entrepreneurial skills.

10.3 **Environment:** Responsibility towards the environment is extremely crucial as it helps preserve the planet and ensure a sustainable future. Our programmes will aim at supporting communities to use natural resources efficiently and proactively mitigate the impacts of climate change.

- 10.4 **Rural Community Development:** The Company will support communities around its areas of operations and promote access to various community needs such as water, sanitation and basic healthcare. With rapid urbanisation and the need for safety during commute, the Company will also promote road safety behavior change as part of its rural/community development initiative.
- 10.5 **Disaster Response:** The Company will be a responsive organisation and at its discretion make its resources available to support natural disaster relief efforts as required across the country from time to time. Being responsive would include supporting ad-hoc relief as well as long- term rehabilitative interventions.

Any other activities as mentioned under Schedule VII of the Companies Act, 2013.

## 11. **CSR Spending**

The Board shall ensure that in every financial year, at least 2% of average net profits from the immediately 3 preceding financial years is spent on CSR initiatives undertaken by the Company.

For achieving the CSR objectives:

- The Company may, in every financial year, spend such amounts on its CSR activities as the board may authorize from time to time.
- The Company shall undertake CSR spending in accordance with the CSR Regulations, as amended from time to time.

## 12. **Reporting**

The Board's Report on the Company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in the CSR Regulations, as applicable to the Company.

The above information shall also be displayed on the Company's website.

## 13. **Revision of Policy**

To ensure its effectiveness, adequacy, and alignment to the changing scenarios of environmental and social governance, the CSR Policy will be reviewed and updated at least once in three years or updated as required, responding to changes in CSR regulations that have direct implication on the Company's operations, investor requirements, larger commitment at national level, etc. All revisions to the CSR Policy and programs undertaken therein will be approved by the Board of Directors prior to its implementation.

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