

Impact Report 2020



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Letter from Founders



Swapnil Jain

Tarun Mehta



The energy sector is one of the highest impact sectors globally and is changing rapidly in our lifetime. Everything from generation to storage to distribution is changing and for the most part these shifts are helping push our world towards a more sustainable future: cleaner energy, more efficient distribution and better storage leading to lower wastage. Swapnil and I have always been driven by the opportunity to contribute towards this and while the idea had been brewing in our heads since 2009, we took the plunge and started Ather in 2013.

In a sustainable world, all transportation has to be electric and the most powerful way to drive that transition is to build great products at scale. India is the largest two-wheeler market in the world. More than 70% of the vehicles on Indian roads are two-wheelers. At Ather, we are committed to pioneering the EV market, starting with the two-wheeler market in India. We built our first product, Ather 450, with a vision to give customers a competitive choice to ICE vehicles, one which checks both boxes of reliable performance and sustainability. We have adopted an integrated approach

to address other key areas that drive successful EV transition. We have been building an ecosystem around charging, a robust supply chain and servicing network, thus stitching up all parts of the customer experience from charging points to end-of-life sales. As we build this ecosystem and the world steps into a new era of capitalism, we have come to a realization that alongside our razor-sharp focus on the business metrics, we also need to measure and deepen the impact that we have on the ecosystem around us. Today, we publish our first Impact Report measuring the impact of our products, manufacturing and policies on the community and the ecosystem around us.

While this is just a small step, we believe this will turn out to be a significant leap in our approach and will better realise our vision in the years to come. At Ather, impact measurement and reporting won't be limited to a note that is published annually. We are committed to institutionalizing impact within our business and this exercise of impact assessment shall help us strengthen our culture of excellence.

Theory of Change

The Problem

- » Temperatures warming rapidly requires urgent response, IPCC report of 2018 says mankind will breach the 1.5C global warming red line by 2030.
- » Air Pollution - Record number of deaths & illness related to air quality in India. two-wheelers in transport being a major contributor.
- » Conscious customers are seeking viable alternatives to fossil fuel/ combustion led vehicles.

Inputs

- Intellectual capital - World class technology, R&D, 50+ patents filed.
- Human capital - 800 employees. Experienced, diverse, pedigree management.
- Financial capital, over USD 91 million raised.
- Production expertise, 1 manufacturing facility with a workforce of 165.
- Deep understanding of Indian consumer needs in the category.



Ather's Work

- Production of top of the class EV scooters. 3000 produced by March 2020.
- New financing mechanisms, leasing and subscriptions.
- Ather Space to educate consumers on EV categories and shape their experience.
- Developing ecosystems for charging, can be used for all EV two-wheelers.
- Building communities of EV customers & enthusiasts.
- Aatmanirbhar initiatives to localise supply chains. Only 1 out of 300+ components are imported.

Outputs & Outcomes

- Sold over 3000* vehicles.
- Presence in 2 cities.
- Charging ecosystem built with around 79 charging stations across 2 cities.
- 7.5 MT of CO2 emissions saved.
- INR 2 cr on fuel savings.
- Developed an active online community of 5000 Ather consumers.
- Industry leader in gender equality with highest number of women in manufacturing facility.
- High on customer satisfaction and engagement in the EV industry.

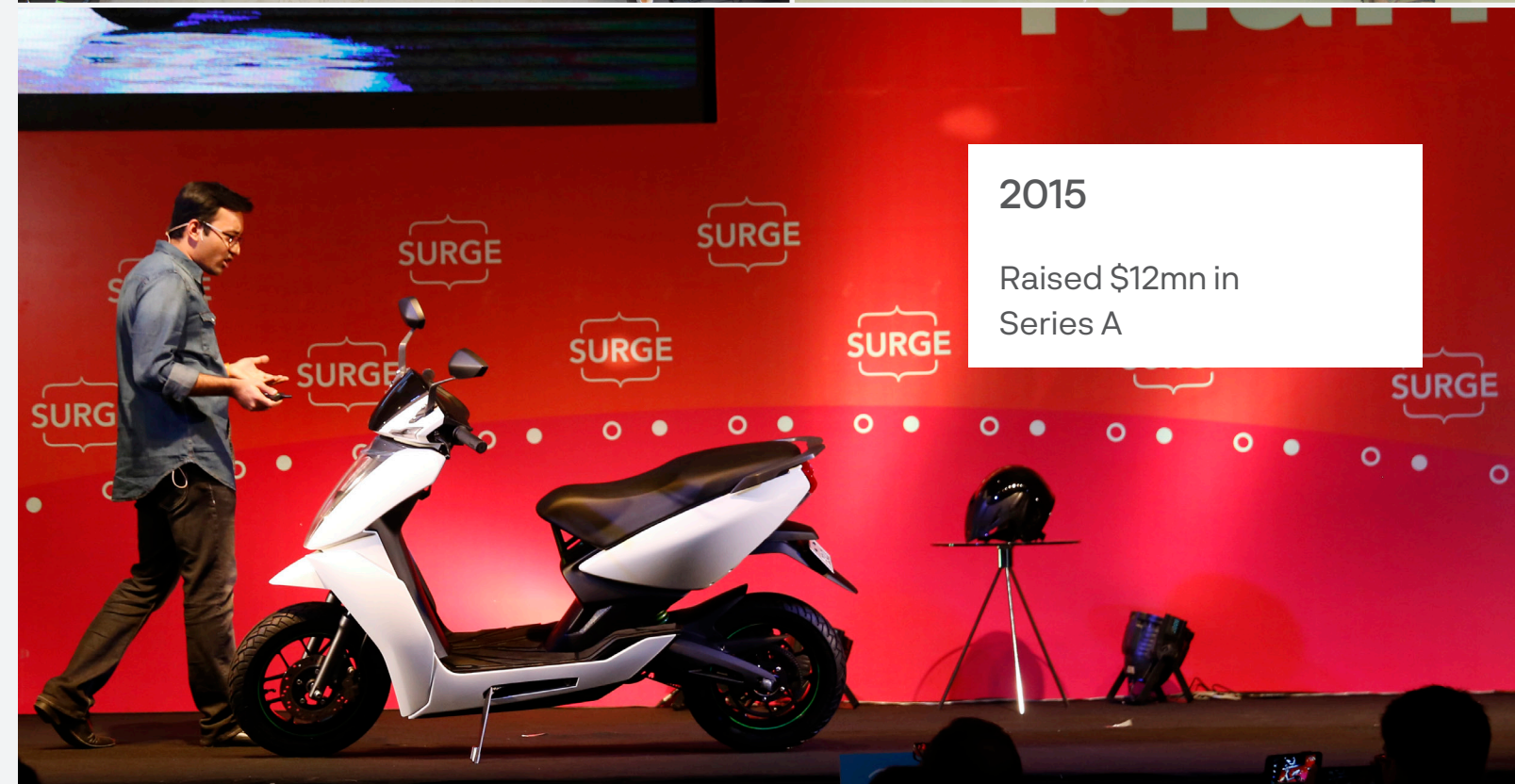
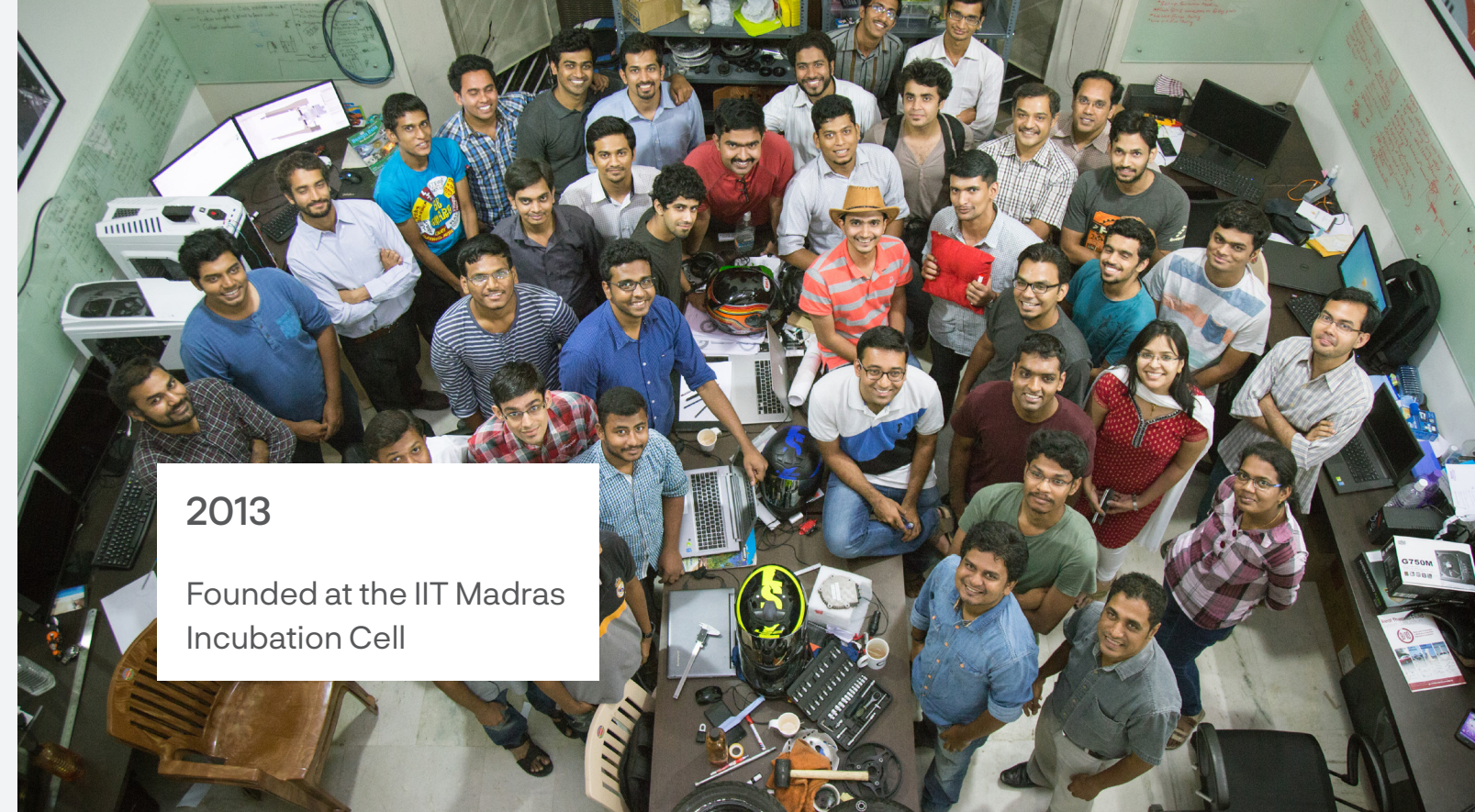


Ather's Impact

- Catalyzed e- mobility infrastructure for faster adoption in India as pioneering e2W manufacturers.
- Empowered citizens with conscious, green choices for mobility.
- Ensured mitigation of climate change by the offset of 7.5 MT of carbon leading to clean air and better health.
- Contribution towards electrification of India's transportation sector.
- Skilling India for electric vehicle and allied industries. Strong vendor ecosystem for component manufacturing.
- Support governments with building standards and policies for the successful adoption of EVs.

*As of Feb 2021, Ather has sold 6000+ vehicles, expanded across 10 cities with 125 charging stations.

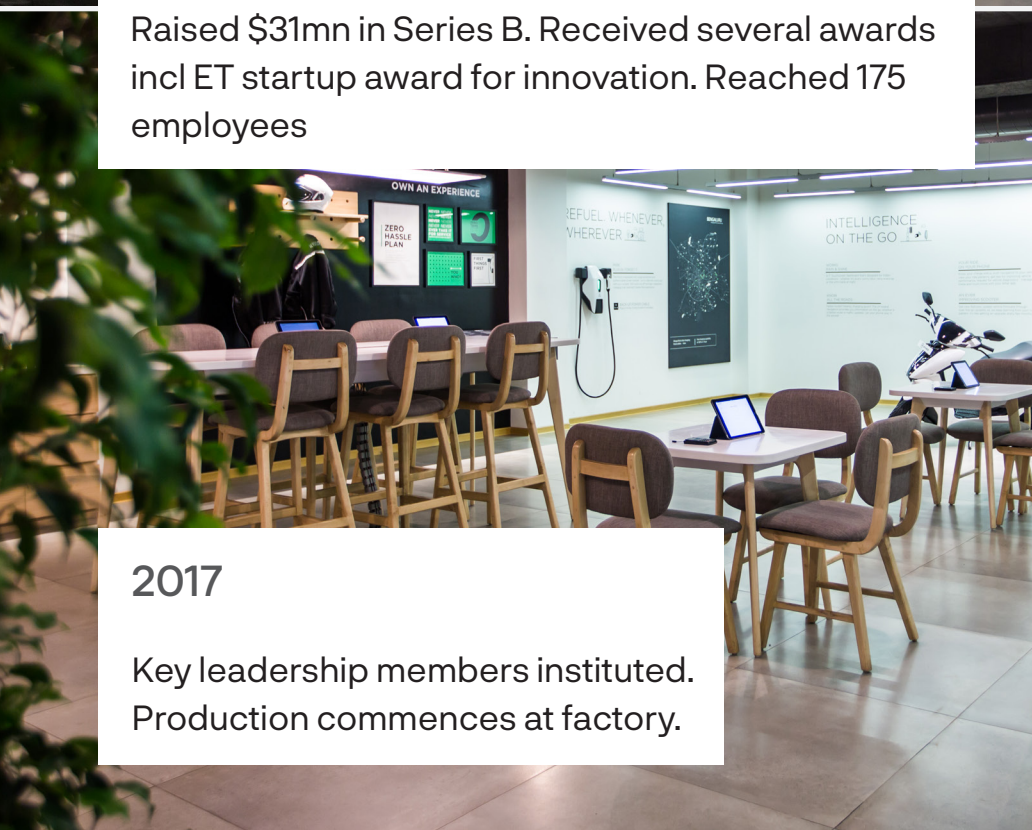
Ather – The Journey





2016

Raised \$31mn in Series B. Received several awards incl ET startup award for innovation. Reached 175 employees



2017

Key leadership members instituted. Production commences at factory.



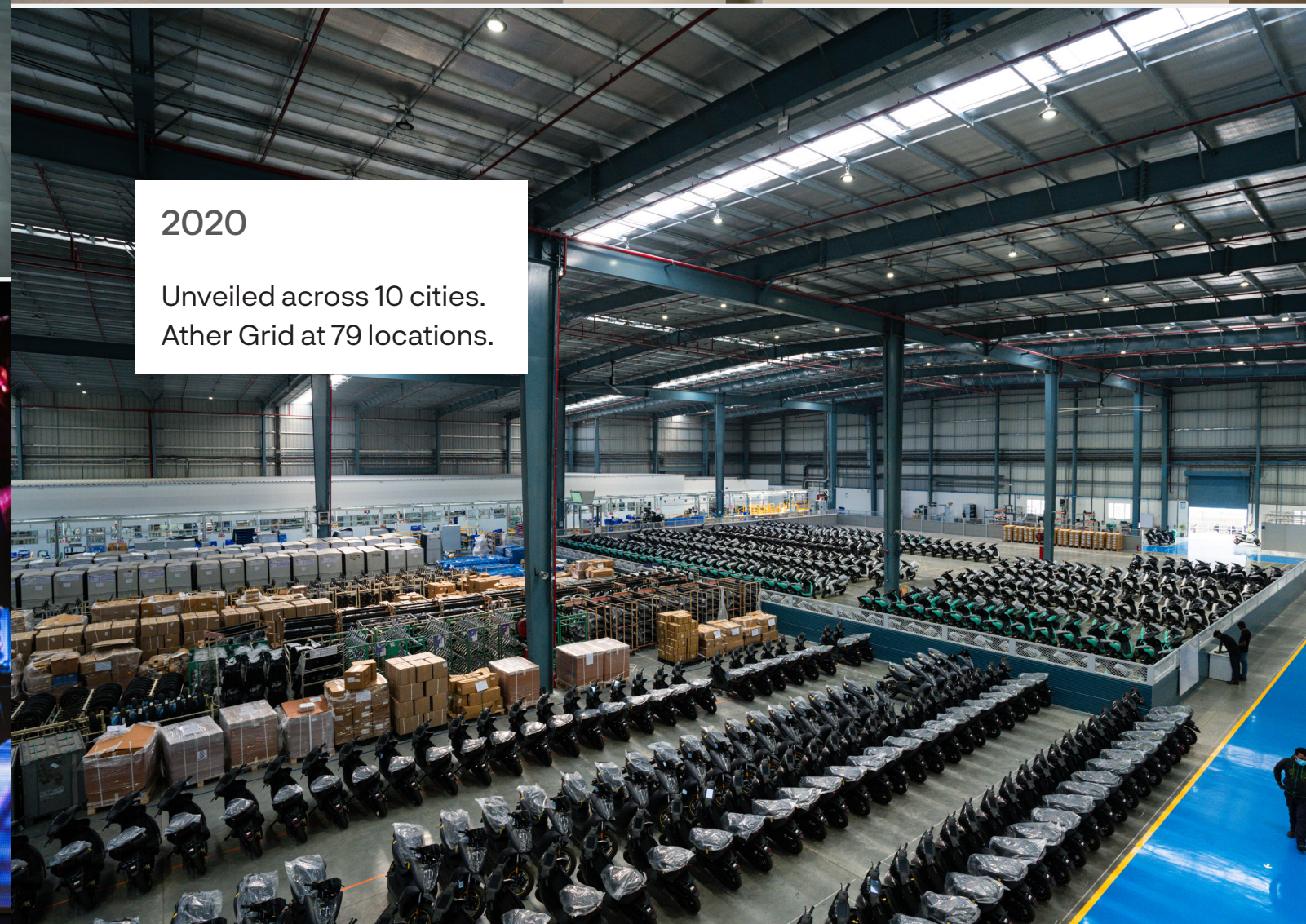
2018

Ather 340 and 450 variants launched in Bangalore. Ather Experience Centre up and running.



2019

Raised \$51mn in Series C. Ather launches in Chennai.



2020

Unveiled across 10 cities. Ather Grid at 79 locations.

Product Impact

113 trademarks

51 patent applications

4 awards for product innovation



In major Indian cities, two-wheelers are responsible for emitting more than **32% of air pollutants** according to a report by the Centre for Science and Environment (CSE). To induce consumers to switch to less polluting forms of mobility, there was a clear need for an electric vehicle (EV) which is not only sustainable but also superior in performance and reliability to vehicles with internal combustion engines (ICE). This is the challenge and mission Ather set for itself.

Designed for catalyzing green mobility



Ather sold 3000+ units in 2019-2020 moving 13,500 household members, predominantly in Bengaluru and Chennai, to adopt green mobility and prove that e-vehicles deliver high performance and an exhilarating experience while protecting the environment.

We found Ather has committed to offering customers the highest quality of performance without compromising on environmental sustainability, driving wider adoption. It has achieved a design that exceeds industry standards on performance. We wish to highlight three design features to highlight Ather's product impact leading to adoption of green mobility amongst two-wheelers.



Digital and Connected Navigation

Customer feedback showed that Ather's 7" touchscreen LCD dashboard, first in the industry with hands-free navigation, is a big hit, reflective of the digital era and helpful in increasing rider safety.



Unparalleled Performance

Ather's 6kW motor, 26 Nm torque enables a top speed of 80kmph and goes from 0-40 kmph in 3.3 seconds (faster than any 125cc ICE scooter). With an IDC (Indian Drive Cycle) approved range of 116 km range, Ather has set new records in two-wheeler electric mobility. Its performance attractiveness helps drive wider two-wheeler adoption.

Product Safety

During the year, Ather scooters had **zero accidents and fatalities**, ensuring superb impact performance on product safety.

Stability for smoother rides

During the design of the Ather 450, the battery pack was positioned below the floorboard to give it an extremely low centre of gravity, zero lateral offset and almost a 50:50 front-to-rear weight distribution. This design keeps the vehicle stable and improves its handling and agility. Ather's vehicles also provide dual disc brakes for a much **superior braking performance to ensure customer safety** when using a high-performance scooter like the 450.



Ather Grid - A Network of Fast Public Chargers

A key barrier to adoption of electric vehicles is range anxiety. To address this issue, Ather has put in place a strategy to build a network of charging grids, with charging stations setup within a radius of 4 km in every city of

launch. In the absence of a standard connector for light electric vehicles, Ather has developed one and also **released the intellectual property (IP) on the connector**, making it accessible to anyone looking to design and build EVs to further the mission of a sustainable energy ecosystem.



Safety at the core of battery design

A key barrier to mass adoption of electric vehicles has been the fear of battery explosion and malfunction. Ather has set up a special lab to test their batteries with a set of destructive tests at multiple intensities and temperatures. This enables them to **significantly reduce the risk of battery fires** even in the event of a crash. Their battery packs stand as **one of the safest in the electric two-wheeler sector**.

Crash detection to save lives

Ather will be introducing a crash detection feature that can detect crashes using sensors on the vehicle and inform emergency services and contacts of the vehicle's location for immediate help and response.

Long-lasting and Sustainable Build

Ather has a two-pronged approach to product sustainability: (1) designing high quality products that are efficient and last longer, thus reducing strain on resources and (2) reusing and recycling products towards the end of their life.

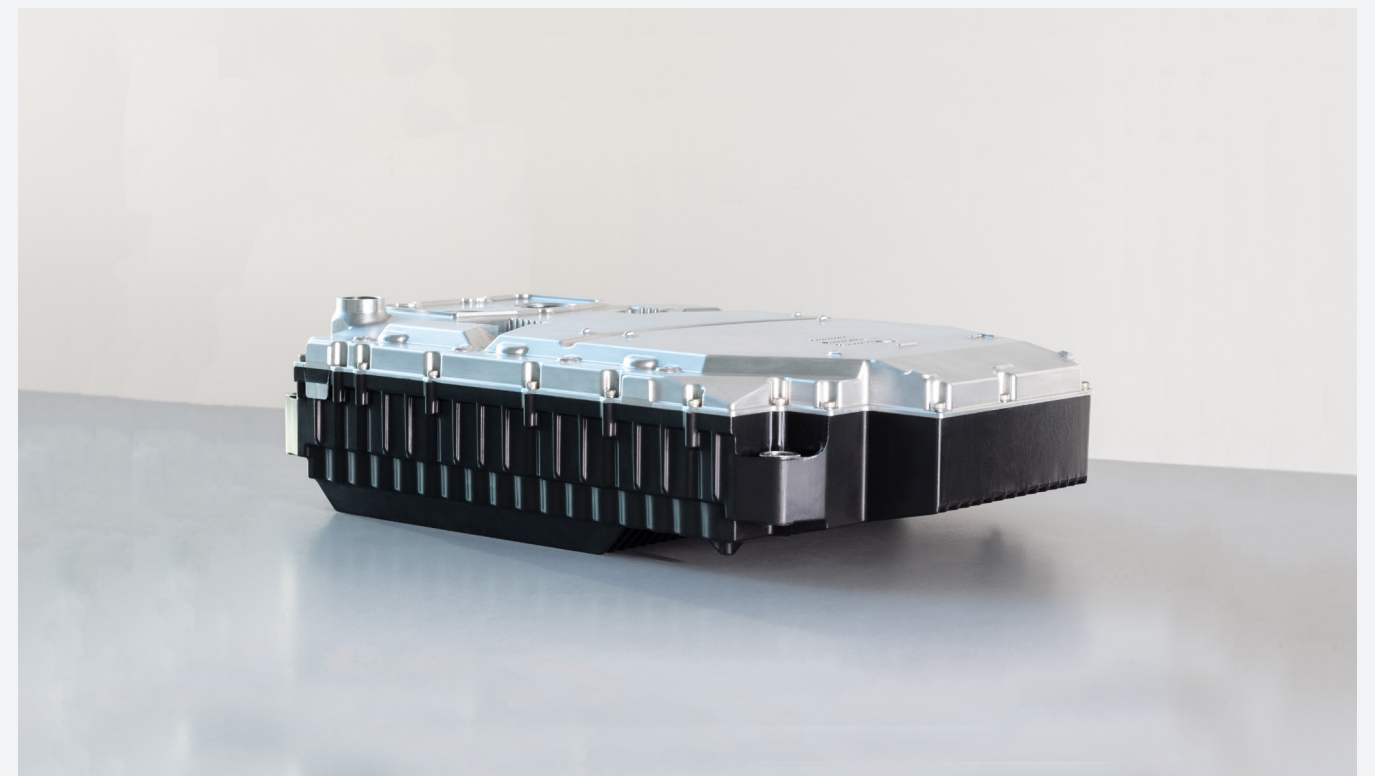


Increasing efficiency and reliability

Each Ather vehicle has more than **100 sensors**, tracked to consistently collect data on any vehicle's performance at a given point. This data is used to not only improve the efficiency of product iterations, but also to improve the efficiency and experience of the vehicles on the road using over-the-air updates.

Battery efficiency

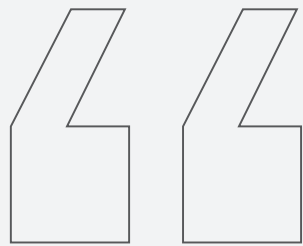
EV batteries made out of lithium ion cells are known to age with use and time. In order to generate data for improving the efficiency of the batteries, Ather has built an arsenal of more than 500 cell cyclers housed in chambers set at different temperatures and rigorously tested cells under a gamut of conditions. This has generated a data equivalent of about 20 million km (and counting) of cumulative rides under varied (and often extreme) weather conditions. They use this extensive data to build optimized algorithms that **increase the life and efficiency of the battery**. Ather's first-of-its-kind **buyback program**, where they provide customers with assured buyback of the product after three years, testifies to their confidence in the product.



Second life to Ather's batteries

Ather has a policy to replace the batteries on vehicles once they have hit 70% of their original capacity. While they are currently at an early stage of product lifecycle, they have been formulating and testing plans for battery reuse and recycling, to be put into action once they start receiving them back from their customers in a few years. A key plan

currently being tested is to set up an **energy storage solution**, which will give a second life to such batteries, and help reduce the dependency on diesel generators, thus reducing harmful emissions. To date, they have executed five pilots testing UPS solutions at homes and one pilot as a replacement for a diesel generator.



My sustainability badge of honour

Raghav Srinivasan, a Bangalore native has been a part of the Ather's community since March 2019. Having ridden more than 12,000 kilometers, he has been an enthusiastic member of the Ather community.

Why did I buy Ather?

I was keen to buy an electric two-wheeler but didn't want to compromise on performance. After studying the EV two-wheeler market - I decided to buy an Ather for the technology it offers and its unique design, which still remains unmatched. In addition, the active community of customers and the personalized support and service that the company offers were re-assuring and, in many ways, tempting to be a part of it.

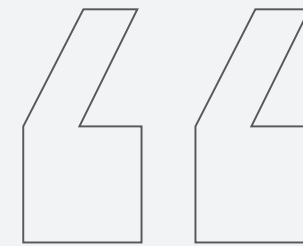
How has it impacted my life?

Till date, I have ridden 12000 Km of fossil-free rides – and that feels like a badge of honor in a city notorious



for its traffic and deteriorating air quality. In addition, the cost savings in fuel also gave me the confidence to move more into renewable sources of power. I decided to switch to a Solar PV system to power my house and I look forward to my next four-wheeler being a responsible choice of an EV as well.

From Raghav, "My Ather has given me an opportunity to lead a sustainable lifestyle without compromising on speed and design. Ather has disrupted an entire segment of two-wheelers and this is with just one product."



My vehicle, my values.

Sandhya Ramesh, based in Bengaluru, bought an Ather 450 in March 2019. Here is a glimpse of the value it has added to her experience.

Why did I buy Ather?

I am an environmentalist at heart and had been looking to switch to electric vehicles for some time. While we still get our electricity from fossil fuels, supporting good EVs is the first step in the long-term process of stepping away from fossil fuels and pushing for more electric vehicles in the country

How has it impacted my life?

It's been a great experience due to the personal satisfaction of not using fossil fuels like petrol, despite knowing where the electricity comes from. The vehicle also rides the smoothest of all two-wheelers in the market today, and the overall performance including speed makes it a great ride. The digital display with GPS has been immensely helpful to



me personally and the ability that I can have my friends and family track my ride, offers that additional mental peace of safety. Other than renewing my Ather One subscription, there has been no other expenses, which is a huge bonus. It's been nice to see others try out my scooter and then end up purchasing an Ather!

From Sandhya, "It feels good to be participating in a larger movement that will help reduce damage to the environment while also using a vehicle that is arguably much better than other petrol based two-wheelers. I think every two-wheeler owner in India's major cities should consider switching."

People Impact

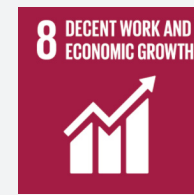
As Ather puts it, their approach to building culture takes inspiration from a weaver creating the exquisite Kanchipuram silk sari- strand by strand, with care and deliberation. This is exemplified both in how their organisational values were created as well as how their product has been built, ground-up, all in India. In order to encourage an open, collaborative, and multicultural workplace, the team at Ather engages in culture conversations and hosts many internal forums for meaningful interactions with their stakeholders.

809 Number of employees

14% of Female Employees

27% of women line supervisors

30 % of women employed in the manufacturing facility



Diversity and Inclusion At Ather, a diverse and inclusive workplace is being built with the premise that “People are equal, but not the same”. Their definition of diversity and inclusion has been broadened to include diversity of thought, experience, gender, leadership, language, and culture.



In 2020, the team set up a ‘**Community Building Calendar**’, a series of events addressing talks and activities across several topics including gender, age, LGBTQIA, multi-regional dialogues and open houses with external stakeholders. Reflecting the company’s commitment to diversity and inclusion, they also have an internal affinity group that meets once every month. In addition, their new facility at Hosur includes gender neutral toilets.



Breaking gender stereotypes - Hiring women in a factory setting.

Ather's first workforce batch for the manufacturing facility had a special focus on including women, and

they trained over 50 women in that batch alone. A few of the women from that batch have now taken influential positions within the facility across many working groups.



Training and Skill Development

Each employee at Ather receives an average of 20 hours of training a year. They have also spent over 3,000 hours on training graduate trainees and more than 1,117 hours on training

factory associates. Ather has been very active in engaging with the nation's leading institutes in management, engineering and design to support the next generation of graduates, via several forums and events.



Formula Bharat

An engineering design competition for university students across the nation, Formula Bharat was developed to provide students with hands-on practical experience. The students compete to build a new vehicle from

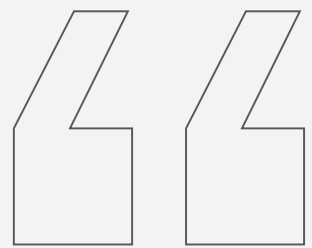
scratch, across both combustion and electric vehicle categories. As a partner, Ather has provided infrastructure and mentoring from their engineers and has also introduced a competition to focus on software and intelligence in automobiles.



Honing Customer Experience

Creating a **memorable and collaborative relationship** with customers is a goal that Ather exemplifies. With an average rating of 4.3 across several consumer

platforms, Ather continues to develop a strong connection with their customers and develop several channels through which the customers may access updates and address concerns.



My breaking the mould

I am Nasreen. I have been with Ather for more than three years. I started my journey as an associate and now I am a Production Supervisor in the manufacturing facility.

As a girl in a conservative, Muslim family, education to establish a career isn't expected of a woman. I was the rebel in the family and my father was always supportive of me to study, be independent and become a professional one day. I chose to complete a Diploma in Engineering (electrical and electronics) and was the first one in my family to get a professional degree.

I joined Ather after having heard about the company from a friend. I've been a part of the assembly unit and received training on all the parts of the vehicle. I know exactly how every Ather is made. On one evening while I was on a neighborhood walk with my uncle, I was able to hear an Ather nearby. I pointed at



the bike and told everyone, "I've made this bike, this is what I do at work" and everyone was in disbelief. I had to give them the details of the parts and the assembly process for them to believe me, and believe that a girl can do this.

How has the experience impacted my life?

There is much similarity between Ather's journey and my life, we are both here to challenge norms and break stereotypes. The organization is challenging the way we travel and I am challenging what a woman like me can aim for. Ather has made me bold and helped me become, in many ways, a problem solver with my family and friends.

Customer Community

Building a strong, active customer community has been at the core of Ather's mission. Over the years, they have witnessed a strong growing community of over 3,000 Ather bike owners across 2 cities. Below is an overview of the activities they undertake to stay close to their customers.

Community Rides

Organizing rides within the city has helped them in spending time with their customers while they use the product to gain further insights, as well as, allows them to spread awareness.



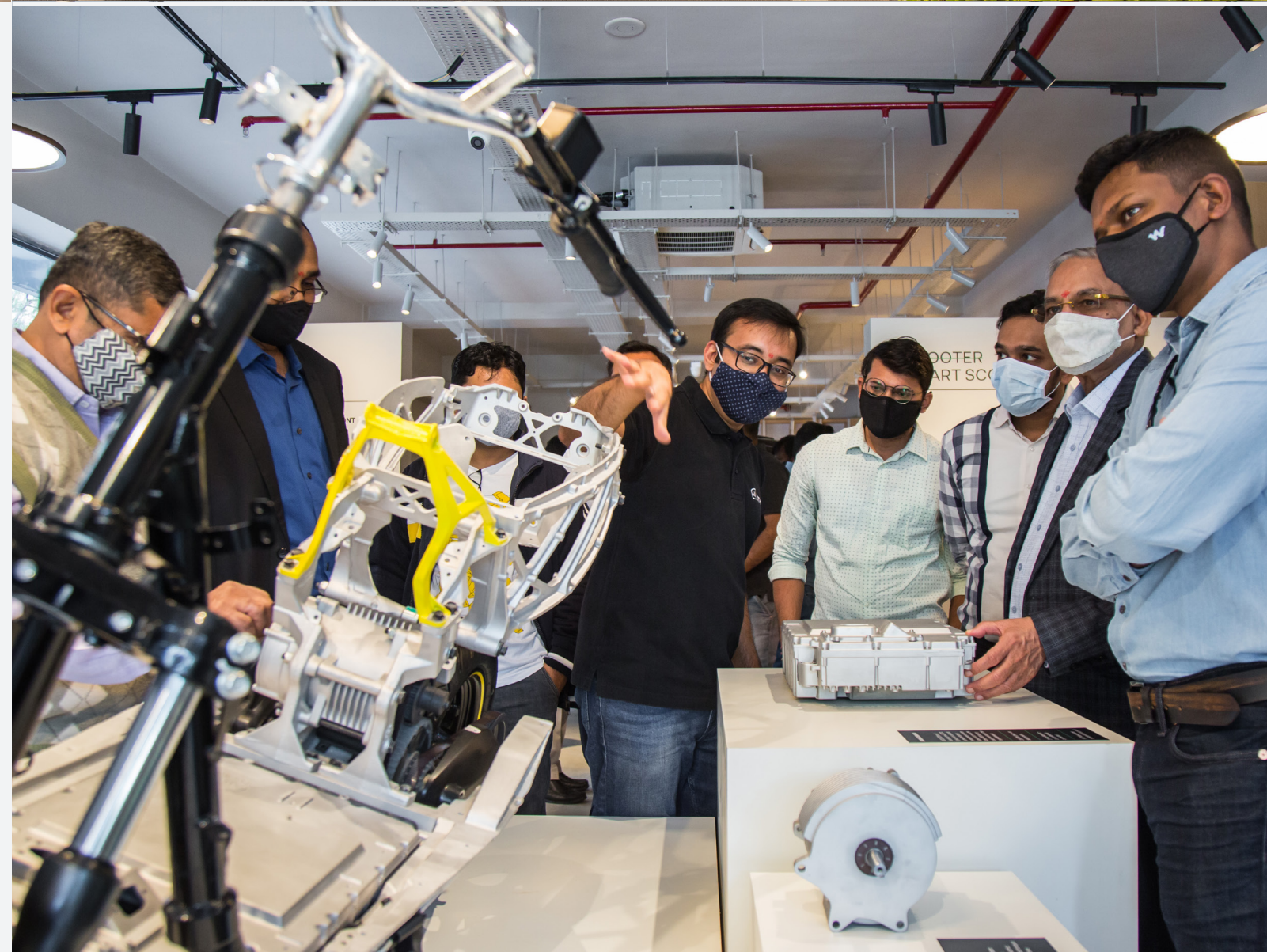


Open House

An open house is an offline forum where the company interacts with its customers on new updates and new products at Ather. This forum also serves as an opportunity where the team gets to hear from the customers on their experience with current products and features, take suggestions on new features and updates they would like.

Online Community

Ather has developed an online community where their customers interact with the company and each other to stay connected, exchange experiences and resolve problems in the inner circle. This forum has also served as a catalyst in educating new customers and attracting potential customers to a vibrant, supportive community.





The Ather Energy Factory, Hosur

Planet Impact

3000+ Ather vehicles sold

10 million kilometers ridden

7.5 metric tons of CO2 emissions saved



At Ather, sustainability has been a core driving force in all their endeavours and operations. Their products have a direct impact on the environment as the more kilometers ridden on an electric vehicle, the more CO2 emissions saved and the less fossil fuel consumed. Their new manufacturing facility in Hosur, set to launch in 2021, has been designed to minimise their footprint and is equipped to reach climate neutrality in the future.

Sustainable and Responsible Production

The new manufacturing facility at Hosur, Tamil Nadu, is being built with state-of-the-art design and sustainable features:

- » Built as a PEB (Pre-Engineering Building) structure, it not only reduces material usage but also **reduces logistics and construction cost**, leading to relative saving of CO2.
- » Sustainable ridge design to provide better natural air flow through the roof and use of High Velocity Low Speed (HVLS) Fans for the assembly line **will help eliminate the use of air conditioning systems**.
- » Use of natural light via skylight panels (5 % of surface area of roofing) help reduce artificial light requirements in day-time and use of high efficiency LED lights will help with **energy efficiency**.
- » In-house sewage treatment plant of 38.5 KLD capacity, helps to recycle an average 28 KL/day. The recycled water shall be utilised for watering the garden belt and toilet flushes. A system to loop the wastewater from vehicle washing through a sand bed filter system will help to ensure **no water wastage within the facility**.
- » Plan to utilise 80% of their energy consumption from **renewable sources** by installing solar panels, expected by FY2022.

Efforts to Reduce Organizational Footprint

At Ather, the company's values suggest that consistently minimizing environmental footprint is not only good for the planet but also good for the enterprise. The company's policies and processes for waste management has ensured that the waste across all centres is segregated in separate bins and processed by government authorized vendors for proper disposal.



Each experience centre is built with a sustainable design for efficient air-conditioning and lighting. In addition, the team also continues to decrease their environmental footprint through initiatives like:

- » Prohibition of hand tissues that led to a saving of 120 Kgs per month/1.44 tonnes per year, **3.6 MT of CO2 emission saved**
- » Replacing virgin paper with recycled papers for printing helped reduce the virgin A4 paper requirement by **54 Kgs per month**
- » No plastic water bottles and cutleries across the organization has led to a reduction of 5750 plastic bottles, **17.5 MT of CO2 emissions saved**

Additional Initiatives Spotlight

Bounce Bike-sharing program

Ather signed a strategic partnership with Bounce, where users who have bought the Ather 450 through the Bounce App will also be able to list it on Bounce's peer-to-peer platform for renting it out.

Building a robust Ather Charging Ecosystem

With more than 79 charging stations installed across 2 cities and plans to expand to over 30 cities in India by 2022, Ather is building a charging ecosystem for all electric two-wheelers, ready to bring in the future of mobility. Their charging points are accessible to all electric vehicles via the Ather Grid App.

New financing mechanisms

Electric two-wheelers being relatively new in the market, it is important to offer different ways to finance them to increase both interest and affordability. While a few state governments have been offering subsidies, Ather, has also devised a few **new ways of financing to support their customer base -**

- » Lease: In partnership with Autovert, the Ather 450 was the first two-wheeler in India to be available on lease. With a lease duration of 13-36 months, the lease programme includes an Ather service subscription
- » Loans: Ather 450 became the first two-wheeler product in India available on a five year EMI.
- » Buyback: Ather offers a buyback program with a guaranteed price after 3 years
- » Subscriptions: This mechanism reduces the upfront cost to the customers and allows them to pay a monthly subscription for the battery, including battery replacement as well. This helps make the product affordable to a new EV customer while addressing their concerns on battery upkeep as well.

Policy Impact

Sustainable Development Goals: Ather's Footprint

Ather has set high standards for itself across all fiduciary and statutory obligations. The company has strict policies and monitoring mechanisms set including Code of Business Conduct, Non-discrimination policy and Prevention of Sexual Harassment (POSH). They have exemplified transparent and responsible communication with their employees and also ensured compliance with the Indian Labor Law. From a broader sustainable development lens, below are their achievements.



Health & Well-Being

- » Strong focus on employee wellness programs and insurance.
- » Reduction of emissions due to the usage of EVs leads to better air quality and hence overall health benefits.



Work & Economic Growth

- » Benefits provided to all employees
- » Salary levels higher than local/minimum wage



Gender Equality

- » 11% of women employees (permanent)
- » 19% of women employees (contract)
- » 20% of women customers and users on the community



Industry, Innovation & Infrastructure

- » Research, Innovation and Production in the electric vehicles, two-wheeler sector



Responsible Consumption & Production

- » Reduce waste in operations
- » Circular practices in production
- » Sustainable water management
- » Providing customers with responsible choices for mobility



Sustainable Cities & Communities

- » Setting up a sustainable charging ecosystem across several cities
- » Focus on educating customers on road safety, thus contributing to reduction in road accidents.



Climate Action

- » Commitment to develop products that reduce emissions and drive global climate action

Methodology

Aspire uses its proprietary 4P framework to assess an organization's impact across Product, Planet, People and Policy. These are further broken down into 15 categories and 31 sub-categories, with more than 250+ metrics being collected and analysed. We award the companies a specific rating on impact, based on the outcomes of the impact assessment.

- » Review materiality and context of the company based on their sector and stage
- » Collect data to feed into Aspire's proprietary 4P impact assessment framework
- » Sample testing to evidence data and information provided
- » Discussion with senior leadership to understand risks and opportunities from an impact perspective
- » Development of a 6-level impact assessment report to be shared with the company for internal use – outlining their current score at a KPI level and also providing a list of recommendations to enhance their impact
- » Development of an impact report which the company may use to share with external audience.

Our Ratings

Our four-point rating system (Green Leaf, Silver Leaf, Gold Leaf and Platinum Leaf) provides all stakeholders with an objective, third-party assessment of the company's impact. It also provides an empirical and aspirational improvement roadmap for companies to prioritize their efforts and address key areas of Impact to improve their Ratings in subsequent years.



Green >1.0



Silver >1.5



Gold >2.5



Platinum >3.5

Scope and Limitations

Our assessment has been based on the data provided by the company. The reporting data and information collected was for the period April 1, 2019 to March 31, 2020. The scope excluded verification of the data and information provided, involving an independent auditor. Data and information in the report outside of the reporting period was not subject to verification.

Data

The management of Ather Energy has the sole responsibility for the collection, reporting and integrity of the data shared with us during the assessment of the report. In performing the assessment work, our responsibility is to the Management, however this statement represents our independent opinion and is intended to inform the outcome of our analysis to the stakeholders of Ather.

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