FOURTH PARTNER ENERGY

Sustainability Report

FY 2020-21

Partnering for Sustainable Change

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1. ABOUT THIS REPORT

This is the first sustainability report of Fourth Partner Energy Private Limited (hereafter referred to as FPEL) and it follows guidelines of Global Reporting Initiative (GRI) as applicable for the GRI reference claim report. This material references consolidated set of GRI Sustainability Reporting Standards 2020, for each Standard used. It covers the period 1st April 2020 till 31st March 2021 which coincides with the company's financial reporting period.

The disclosures cover the operations directly controlled by the company which include company offices in India and project sites, but for latter, only those activities are covered which involve direct employees of FPEL. Besides India, the company has two overseas offices – one in Nugegoda, Sri Lanka staffed with 1 employee and one in Ho Chi Minh, Vietnam with 2 employees. Both these offices are not included in the scope of this report and will be included in future reports. At project sites, typically a small three-to-four-member team from FPEL conducts some activities and rest are managed and executed by personnel on site from suppliers of products and services. These activities conducted on project site by suppliers are not included in the scope for this report and will be included in future reports.

The report focuses on economic, environmental, and social impacts of the organization as a result of its business activities and is a foundational report that establishes the baseline. Subsequent reports will build on this foundational first report and will include updates on measures to mitigate any adverse impacts.

We welcome feedback from our stakeholders to continually make improvements in our disclosure and reporting process. For comments or suggestions, please write to esg@fourthpartner.co

2. LETTER FROM BOARD MEMBER

RICK NEEDHAM
Partner & Energy Sector Lead, The Rise Fund

Over the course of the last 18 months, governments, businesses, and consumers alike have focused much more attention on ESG efforts, and in particular on those related to mitigating the impacts of climate. The ratio of global emissions covered by some form of net zero commitment went from roughly a third in the beginning of 2020 to over two thirds by mid-2021 while at the same time over 1500 net-zero pledges were made by corporates who represent over $11 trillion in revenue. And these commitments were all made despite being in the depths of a worldwide pandemic. So with a business model squarely focused on delivering greenhouse gas mitigation in measurable and economics ways, Fourth Partner Energy is well positioned to continue to create value for their customers, positive environmental outcomes, and long term resiliency for the business.

At the Rise Fund, we've been encouraged with the continued growth and deepening engagement of Fourth Partner Energy on the ESG front. While their business is clearly linked to the broader themes of renewable energy and carbon mitigation, they also began to implement more structured approaches to incorporate ESG goals and efforts into their own operations, including forming a dedicated ESG department, setting an ESG vision, and initiating their first sustainability report aligned with GRI standards. They also recently established an Environmental and Social Management System in accordance with IFC Performance Standards and began the process of setting more formal longer-term goals.

From a social perspective, throughout the course of the pandemic the leadership team at Fourth Partner also demonstrated a noteworthy commitment to their employees and their community. They worked closely with their employee base to keep them all employed while also increasing insurance coverage and support. In their communities, Fourth Partner continued to support their Power@1 efforts to provide low-cost solar power to disadvantaged schools while also raising money from their own employees to procure and donate 50 oxygen concentrators to a Covid centre in Mumbai during the height of the pandemic.

Fourth Partner Energy is demonstrating how a business helping to solve a global challenge with a relentless focus on providing economic value and service to customers, delivered in a socially responsible way, can become the preeminent leader in their space. The Rise Fund is proud to partner with Fourth Partner Energy and remain fully supportive as they continue to grow and manage their business in environmentally and socially responsible ways.

3. LETTER FROM FOUNDERS

Saifuddin Dhorajiwala & Vivekanand Subramanian

Co-founders & Executive Directors

It gives us immense pleasure to share with you Fourth Partner Energy's (hereinafter referred to as 'FPEL') first sustainability report for FY 2021. FPEL is at a key inflexion in its journey as it has forayed into Open Access providing power to customers from an offsite source and as a firm we have decided to deep dive and go with greater detail with our ESG practices. The report is aligned with Global Reporting Initiative (GRI) standards. This report is very timely because of two reasons – firstly, it coincides with FPEL completing a decade of contributing to a greener future by providing affordable, clean and smart energy solutions. Secondly, it comes on the heels of the IPCC report which declared a 'code red' for humanity, we hope COP-26 will see the global community uniting to combat the threat of climate change and taking decisive action to limit global warming to 1.5° Celsius.

FPEL is focussed on the Fourth Partner i.e. all our stakeholders such as our customers, investors, employees, suppliers and local communities. We ensure that our actions have a positive impact across the ecosystem. As a Renewable Energy Platform, our focus remains on developing innovative energy solutions which can ensure our C&I (Commercial & Industrial) clients achieve their net-zero ambitions. We have a presence across on-site & off-site renewable energy, EV charging and battery storage to meet this vision.

This report provides an overview of the company, our ESG vision and the sustainability framework. The report also details FPEL's progress across various ESG themes such as energy, water management, community engagement, education, health and financial inclusion.

We hope that this report offers a glimpse into FPEL's operations from an ESG lens and acts as a benchmark for improving its performance. We would like to invite your feedback and suggestions on this maiden sustainability report.

Fourth Partner Energy will continue to work towards creating a positive impact across South and Southeast Asia and we urge all our Fourth Partners that the time to act on climate change is now!

"Twenty-five years ago, people could be excused for not knowing much, or doing much, about climate change. Today we have no excuse." Desmond Tutu

4. LETTER FROM THE HEAD OF RENEWABLE CAPITAL

JIGNASA VISARIA
Head - Renewable Capital

The conversation around energy is being shaped by the growing movement for sustainability. As FPEL strives to lead the reform process for sustainable power, we are also committed to safeguarding the environment for future generations and developing our business in a way that adds value to the local communities.

The impact of the COVID-19 pandemic last year on global economic and financial systems has led institutional investors to look for investments aligned with sustainability. I am happy to share that the intent and capability of FPEL to integrate ESG considerations in their business operations and decision making has helped us to secure several green funding like Project Financing and Mezzanine Financing lines.

Our on-site projects are financed by SBI (through World Bank) and Tata Cleantech (TCCL) which is the only Indian company to be nominated as a Green Bank. It is a joint venture between Tata Capital Limited and International Finance Corporation (Washington), World Bank Group. TCCL has funded our on-site projects through a credit line they have from Green Climate Fund (GCF) and off-site financing for our Open Access project. Bank Of America has also extended a project finance line managed by the Global Sustainable Finance Group based out of NY.

responsAbility, a sustainable investment house that specialises in impact Mezzanine Financing continues their association with FPEL since 2016, in addition to Symbiotics a leading market access platform for impact investing and CDC, UK's development Finance institution with a focus on Sustainable Development Goals. These funders believe in our processes such as following a comprehensive Environmental and Social Action Plan (ESAP) on our Open Access sites based on a detailed E&S Impact Assessment done while starting a new project. They equally appreciate the importance of sustainable water management in our operation like exploring robotic cleaning methods, etc. and adoption of methods to restore the water table.

With increasing awareness of environmental protection and focus on strict implementation of ESG practices, the relationship between financial and renewable energy sector has created an encouraging green ecosystem. As we present this Sustainability Report, we welcome ESG funds globally to participate in this distributed, well diversified, lower risk, commercially viable and scalable segment.

5. KEY HIGHLIGHTS FY 2020-21

4,95,607 tonnes

GHG Emissions averted from installed and operating solar PV plants

137.2 million units

of Renewable Power generated

1.14 billion litres

Water usage averted by installing and operating PV Plants instead of equivalent capacity of fossil fuel plants

14%

Women in FPEL workforce

Rs 3/kWh

Savings delivered to customers

4,098

Indirect Jobs created

53

Trainings (out of total 89) done on Health, Safety and Environment

6. ABOUT THE COMPANY

6.1 ALIGNMENT WITH PARIS AGREEMENT, INDIA'S INTENDED NATIONAL DETERMINED CONTRIBUTION AND UN SDG's

Climate change is one of the most pressing issues that the world is collectively facing at present. Strengthening the global response is pertinent to combat the threat of climate change.

The United Nations Framework Convention on Climate Change (UNFCCC) adopted in 1992 that entered into force on 21 March 1994, primarily aims to prevent anthropogenic interference in the earth's climate system and stabilize Greenhouse Gas (GHG) emissions. The Conference of Parties (COP) is the core decision making body of the UNFCCC. The Parties are the States that have ratified the Convention. Starting with the first COP meeting held in Berlin, Germany in March 1995 there have been 25 meetings so far. The 26th COP meeting is scheduled to be held in Glasgow, United Kingdom later this year from November 1-12, 2021.

The COP meetings have resulted in several important decisions and agreements. The Paris Agreement was adopted by 196 countries at COP 21 in Paris in 2015. This agreement is a legally binding international treaty on climate change that aims to limit global average temperature to well below 2 degrees Celsius, preferably to 1.5 degree Celsius, compared to pre-industrial levels. However, the implementation of this agreement requires comprehensive economic and social transformation. It works on a 5-year cycle of goals and actions carried out by countries.

Signatory countries are supposed to submit their plans for climate action – known as Nationally Determined Contributions or NDCs. The NDCs are the goals and actions that the countries communicate as their plan to undertake to reduce their GHG emissions to reach the goals of the Paris Agreement. India submitted its Intended National Determined Contribution (INDC) in 2016 and amongst others they include the following commitments:

- **Reduce the emissions intensity of GDP by 33%–35% by 2030 below 2005 levels.**
- **Achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030 with the help of the transfer of technology and low-cost international finance including from Green Climate Fund (GCF).**
- **Create an additional (cumulative) carbon sink of 2.5–3 billion tonnes of carbon dioxide (CO2) equivalent through additional forest and tree cover by 2030.**

India has a target of 175 GW of renewable energy capacity by 2022 and 450 GW by 2030 and a key initiative by the Indian government to deliver on this is the National Solar Mission, which is one of the nine missions under the National Action Plan for Climate Change (NAPCC). The National Solar Mission has a target of 100 GW solar energy capacity by 2022 split into 60 GW of large and medium scale solar projects and 40 GW through rooftop solar projects.

FPEL is directly contributing to this very important national initiative by rapidly scaling up its operating portfolio of both open access and roof top solar PV capacity. FPEL's core business also contributes towards achievement of **UN Sustainable Development Goal (UN SDG) number 7** which is to ensure access to affordable, reliable, sustainable and modern energy for all. Under this SDG, there are five specific targets and FPEL's business specifically contributes to three of them:

- By 2030, ensure universal access to affordable, reliable and modern energy services
- By 2030, increase substantially the share of renewable energy in the global energy mix
- By 2030, double the global rate of improvement in energy efficiency

Source: https://www4.unfccc.int/

Additionally, FPEL business operations also contribute to **UN SDG 7** (Ensure access to affordable, reliable, sustainable and modern energy for all), **UN SDG 9** (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and **UN SDG 13** (Take urgent action to combat climate change and its impacts).

6.2 MISSION

At Fourth Partner Energy, we deliver clean energy solutions to commercial and industrial businesses directed at improving their bottom-line and reducing their carbon footprint. We understand that the client's priority is to maximize savings and ensure that our renewable energy driven solutions are innovative, low-carbon and easy to adopt. We are committed to enabling Corporate India's energy transition goals.

6.3 VISION

Fourth Partner Energy's Vision is to be the leading renewable energy platform in South and Southeast Asia by enabling decarbonization of energy and maximizing value for all our Fourth Partners – our customers, service providers, financiers, and our team.

6.4 STRATEGY

The four pillars that anchor FPEL's Strategy are:

1. **Customer Centricity** through comprehensive solutions, i.e., onsite solar, offsite solar, solar-wind hybrid, storage solutions, clean transportation delivery to all customer premises across geographies.

2. **People and Processes** by building all round capabilities through process excellence and efficiencies led by motivated and passionate professionals.

3. **Health, Safety, Quality and Sustainability** by following industry best practices and ensuring it is part of the organisation's ethos.

4. **Lowest cost ESG Financing** by building a green financing ecosystem of like-minded impact investors, who are committed to enabling this fundamental shift towards renewable energy.

6.5 STRATEGIC GOALS

FPEL's main strategic goal is to scale up rapidly with a diversified geographic portfolio and own a 3 GW operating portfolio by CY 2025 thereby increasing the supply and access to affordable renewable energy in several geographies. This will create further economic value for our stakeholders including our direct and indirect workforce and contribute to creating incremental green jobs in addition to 4.1 million tons of GHG emissions averted.

India has made a formidable start, but its green finance story has just begun. To meet the ambitious target of 450 GW renewables by 2030, government supported financial institutions need to step forward and take the lead in scaling up long-term investment. There is a dire need to create a green ecosystem, innovative financing tools like green bonds, infrastructure-debt funds and mezzanine capital that will go a long way in propelling the renewable energy sector. India's renewable energy sector has drawn a certain level of interest from strategic international investors and DFIs in the recent months, but there is a need for this capital deployment to be scaled up further.

At Fourth Partner Energy, we understand the immense potential of renewable energy onsite and offsite being a gamechanger in the way India's C&I Sector consumes energy. We are taking the lead in closing the loop in converting green finance to renewable energy assets. An example of which is securing Bank of America's first line of credit towards commercial solar in India. Our project execution expertise pan-India gave comfort to Bank of America, with our investor TPG Capital's 'The Rise Fund' as catalysts to this deal.

OUR INVESTORS

TPG Growth's Rise Fund invests $70 mn in Fourth Partner Energy

2 min read . Updated: 16 Jun 2018, 09:52 PM IST

Bank of America lends over Rs 350 cr to Solar firm Fourth Partner Energy

Last Updated at December 16, 2019 19:22 IST

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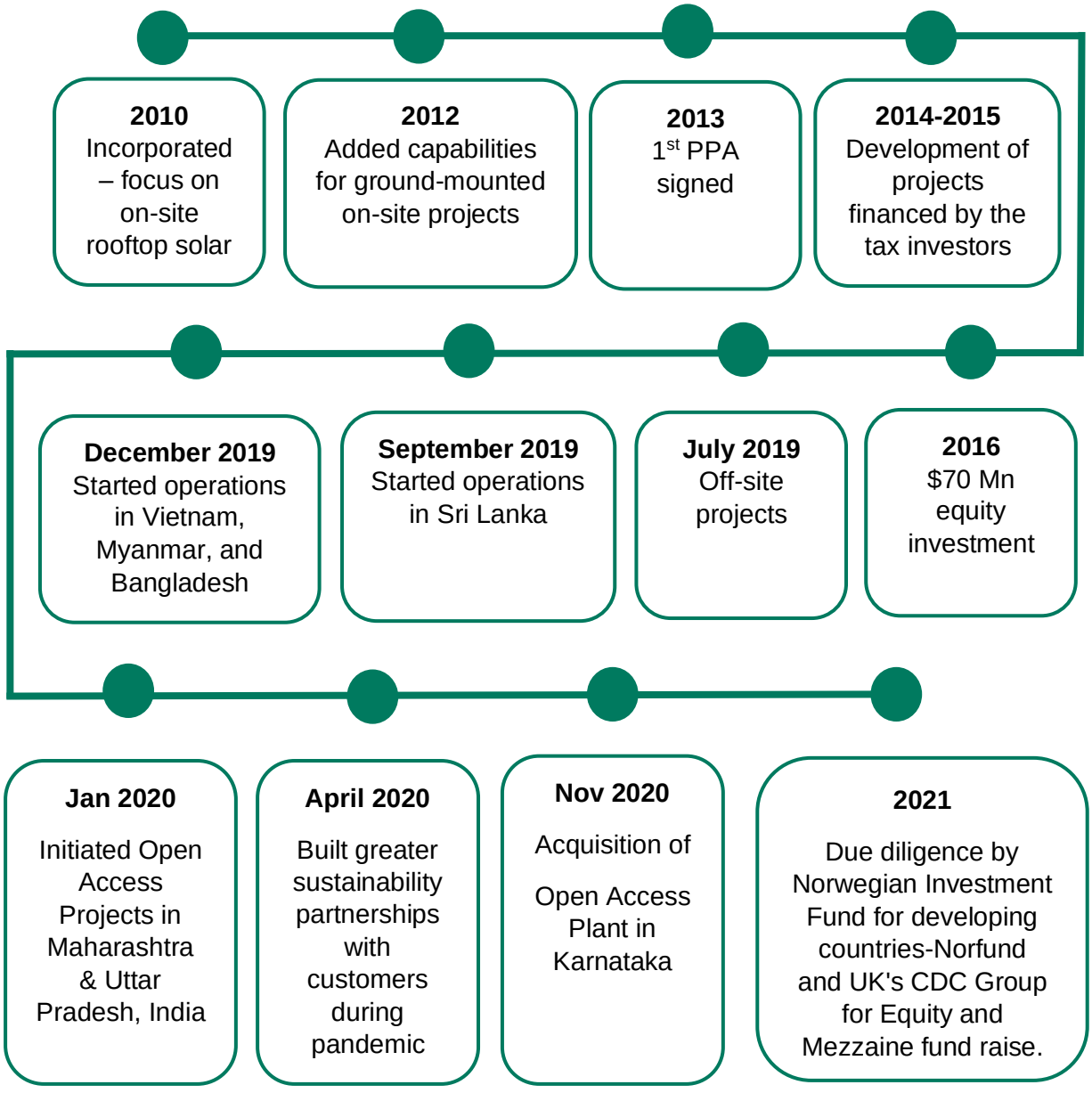
6.6 BUSINESS OVERVIEW

FPEL was founded in 2010 and is India's leading solar energy company. Headquartered in Hyderabad and is in the business of building and developing on-site and off-site solar plants.

FPEL was initially engaged in the business of executing distributed solar energy generation projects for third parties and later forayed into developing a portfolio of owning the assets and having long term Power Purchase Agreements (PPAs) with customers. Since inception, we have executed more than 2000 solar PV installation for more than 150 customers through on-site and open access project routes. We have an in-house Engineering, Procurement and Construction (EPC) team to cater to design, operations and management in distributed segment and have recently expanded into the open access project vertical.

IMPORTANT MILESTONES



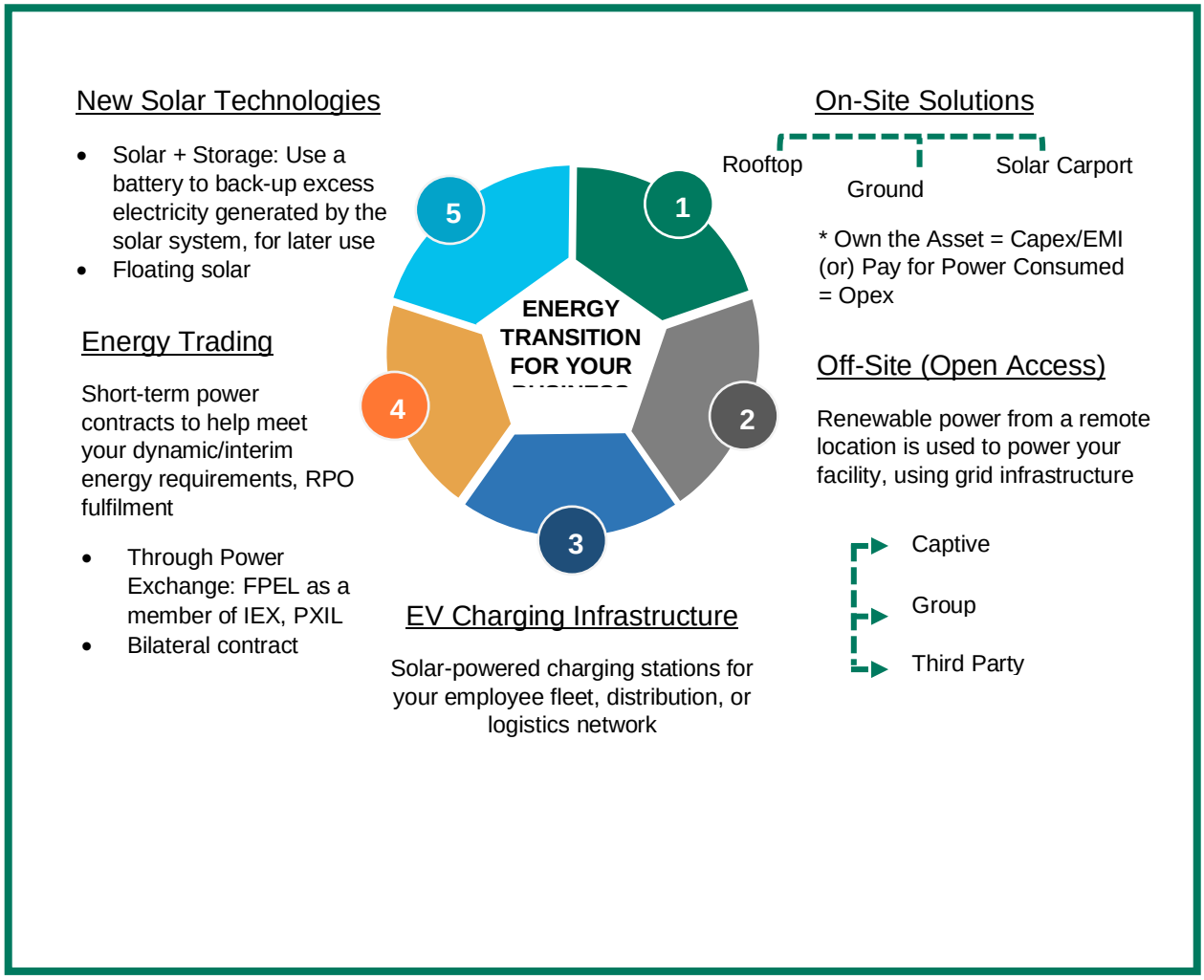
RENEWABLE SOLUTIONS PROVIDED BY FPEL

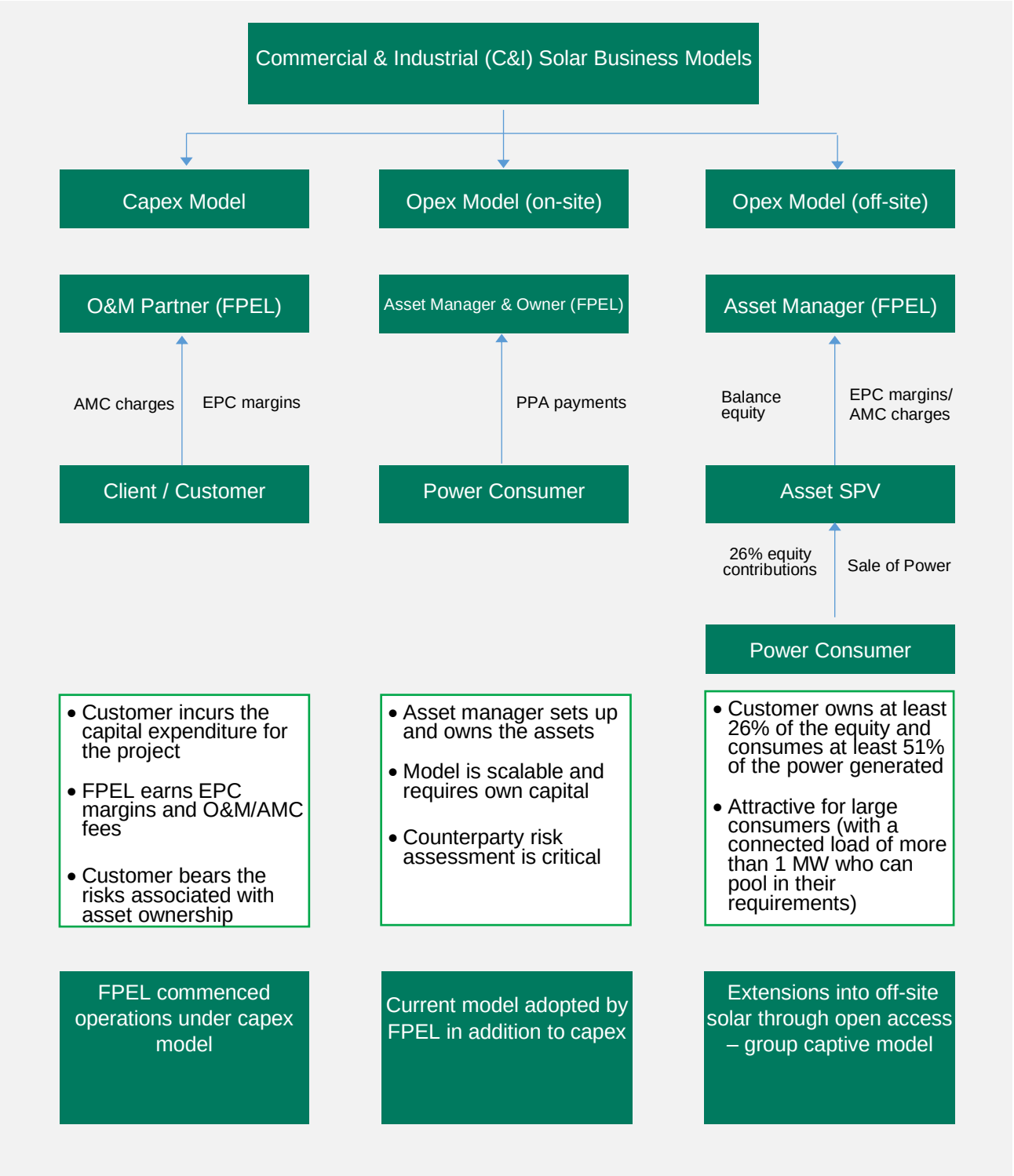
- **On-site solar** – Solar installation is designed in-line with the client's site specifications and energy consumption patterns. On-site solutions include roof top (convert idle space on roofs into electricity and revenue generating 'assets'), ground mounted (installed on the land inside or adjoining your business unit) and Solar Carport (solar panels are erected on raised structures to serve a dual purpose–generate electricity that can be used by business and offer shade or a 'roof' for the parked vehicle).

- **Off-site open access** - Off-site Solar via the open access network uses grid infrastructure to transmit solar power generated at a different location to industries that have bulk energy requirements, but no idle roof or ground space for a solar plant within their premises. To take advantage of the different peak operating times for wind and solar systems throughout the day and year, we are also developing a hybrid model wherein Solar combined with Wind power will be transmitted to off site locations.

ONSITE SOLAR (Rooftop/ Ground-Mounted/Carport/ Floating Solar)		**OFFSITE SOLAR AND WIND VIA OPEN ACCESS** (Captive/Group Captive/Third Party)
Plant located at Client's facility		Solar/Wind Park located away from Client's facility
Savings of 30%-60% per unit electricity		Savings of 30%-60% per unit electricity
Ideal for facilities with specific RE requirement		Ideal for bulk consumers to meet cost savings/RPO/Energy transition goals
Space constraint can limit capacity of solar asset		No restriction on capacity of electricity supplied from solar park
Asset can be owned either by Client/FPEL		Asset can be owned wholly/partly by Client under CAPTIVE/GROUP CAPTIVE models
ZERO capital investment under OPEX model		ZERO capital investment under THIRD PARTY Model

In addition to the above, FPEL engages in electricity trading allowing customer to adopt to shorter term renewable supply, and has a Joint Venture called Suchi Anant Virya with Lithium Urban Technologies which provides Electric vehicle (EV) charging solutions.





PORTFOLIO

With a combined national and international portfolio of 550 + MW, as on 15 Mar 21, FPEL has a total of 423 plants under the following categories in different stages of development:

OPEX : 273 **CAPEX : 150**

This extensive portfolio has enabled FPEL to create an estimated 4,098 jobs in FY 21 comprising 2,673 jobs in engineering, procurement, and construction activities at project sites and 1,425 jobs in operation and maintenance activities such as, periodic cleaning of solar modules.

Open Access

Rooftop Solar

Carport Solar

Joint Venture (Suchi Anant Virya)

The joint venture comprises of two Industry Leaders offering the same value proposition – clean energy and reduced costs. This 50-50 joint venture between FPEL and Lithium Urban is setting up solar-powered EV charging hubs (branded as **Powerbank)** across the country. Several charging hubs have already been set up. These hubs are either on leased lands or across parking spaces such as in Bandra Kurla Complex, Mumbai. 13 fast chargers were set up in FY 21 and the aspiration is to have 6000 charging points set up by FY 25 under this partnership. The joint venture operations follow the polices of FPEL.

6.7 Work Force

As on 31 Mar 21, FPEL had a total workforce of 294 permanent employees, which comprised of 14% women workforce. In order to encourage geographical diversity, employees are hired from different regions of India. FPEL also has 7 international employees, 4 of which joined in FY 22. The employment data is maintained by the HR Head at FPEL.

All employees of FPEL, their spouses and their children are covered by the company's medical insurance policy. By the end of next year, we aim to include dependant parents too within the ambit of this insurance policy. At FPEL, we believe in truly sharing "ownership" as we expect employees to demonstrate accountability and leadership in every aspect of work. We are one of the few corporates in India who have implemented an **Employee Incentive Plan (EIP)** linked to company stocks that covers all employees, irrespective of their function.

FPEL is proud to report zero layoffs during the pandemic year and an increase in the existing medical insurance coverage (₹3 lakhs per employee + partner + child) by subscribing to additional coverage of ₹7.5 lakhs per unmarried employee and ₹15 lakhs per married employee to cater for Covid emergencies and related treatment. Mid-year increments were also given to mark the decennial year. There was a gross addition of 55 employees to our workforce in the pandemic year (FY 21), out which 6 were women.

Employee Distribution

55	6	93	140
North	East	West	South

Diwali Celebration

6.8 Clientele

With significant operations in Sri Lanka, Vietnam and Indonesia, we also have an operational presence in Bangladesh, Singapore and Thailand. Our client base encompasses many industry verticals like FMCG, Pharma, Cement, Automobiles & Auto Ancillary, Power, Steel, Textiles, Chemicals & Paints, IT, E-commerce, Retail as well as other sectors like Schools & Large Educational Institutes, Hospitals, Railways and Govt. Offices.

When developing new business, FPEL team follows an “exclusion list” policy to screen potential clients and avoids pursuing business with organizations who, for example, produce or market hazardous substances such as tobacco and weapons or use exploitative labour practises like employing children.

Key clients in FY21

We are proud to report 66% REPEAT CLIENTELE at FPEL.

6.9 Supply Chain

FPEL engages actively with 116 suppliers for **supply of products and services**. 20 of these suppliers were added in FY 21.

Category	No. of suppliers	No. of suppliers added in FY 21	No. of suppliers rejected in FY 21
PV Panels	*9*	*1*	*0*
Inverters	*9*	*0*	*0*
Module Mounting Structure	*21*	*5*	*1*
Transformers	*3*	*0*	*0*
HT Panels	*4*	*1*	*1*
LT Panels	*13*	*3*	*0*
Floating Solar	*3*	*2*	*1*
Cleaning Contractors	*27*	*1*	*1*
Installation & Commissioning Contractors	*27*	*7*	*2*
Total	*116*	*20*	*6*

Historically the focus on supplier engagement has been on technical capabilities, quality system, safety system and statutory compliances. Before onboarding, a supplier undergoes an evaluation which is done using a mix of data forms and physical audits/inspections (where needed) and concludes with a supplier rating wherein a score of 80% or more results in approval. There are three other slabs for scores below 80% which result in conditional approval, hold (pending reassessment) and rejection respectively. Post onboarding, engagement continues in several ways. The supplier engagement process is now evolving to include ESG considerations and a structured approach for this is under development.

6.91 Membership of Associations

FPEL is a member of two highly reputed and leading industry associations:

CII
Confederation of Indian Industries

DiSPA
Distributed Solar Power Association

We aspire to be India's leading Renewable Energy Solutions and Services Platform

OUR JOURNEY SO FAR

550+ MW

Solar Capacity
(includes operating plants and those under different stages of development)

77% CAGR

Growth Since Inception

24

States

(Pan-India Presence)

2000+

Solar Installations
(including solar PV Plants, Solar Pumps and Others)

3 Service Warehouses | **30+** Service Engineers

10 Years

Industry Experience

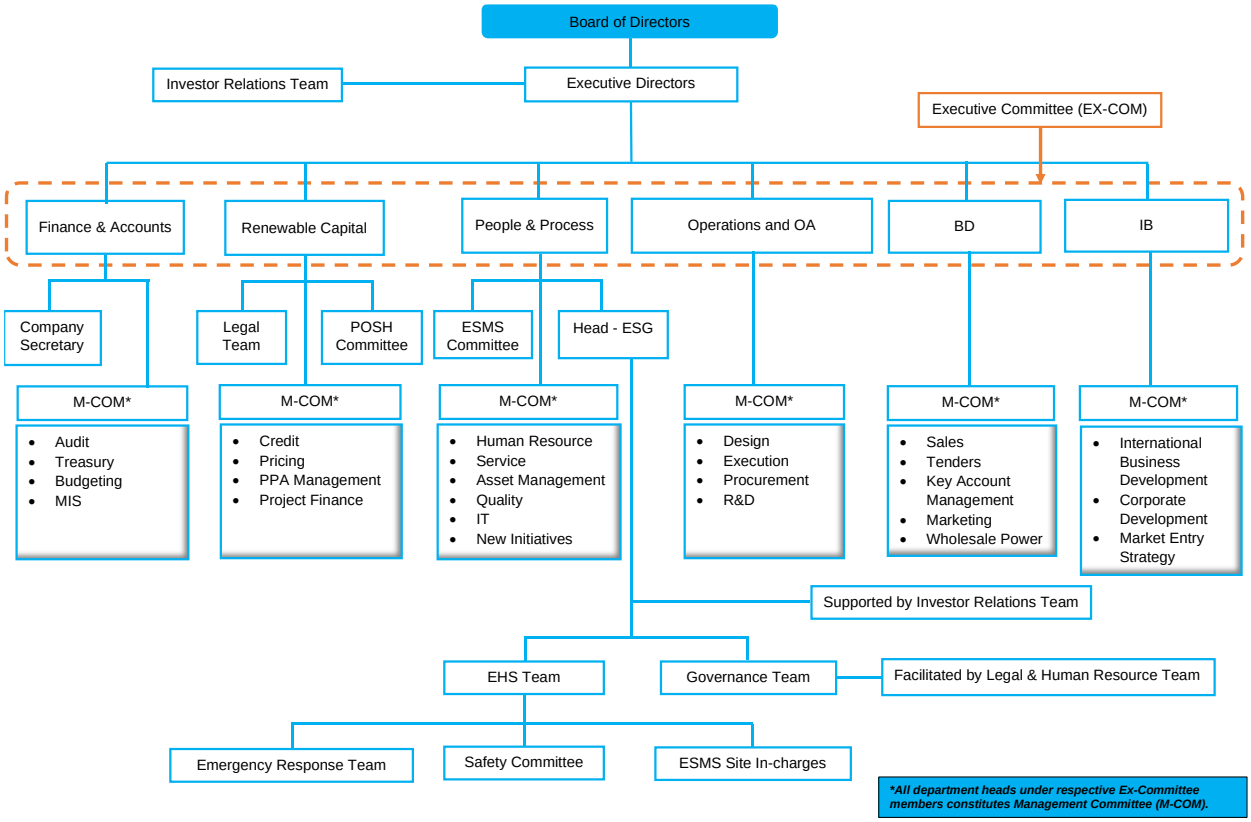
6.92 GOVERNANCE

The Executive Director (ED) under the oversight of the Board of Directors has the apex responsibility for governance at FPEL. Under the ED is the next level of governance structure called the Executive Committee (EX-COM), whose members manage functional domains at FPEL. Under the EX-COM is the next level of governance called the Management Committee (M-COM) the members of which manage different departments.

FPEL also has a dedicated ESG department, the head of which reports directly to the EX-COM member responsible for People and Processes. The Head ESG in turn manages two dedicated teams - the EHS team and the Governance team. ESG team is also supported by the IR team. The Governance team is facilitated by the Legal and Human Resource teams.

An Environmental and Social Management System (ESMS) Committee responsible for management and implementation of ESMS reports to the EX-COM People and Processes. The ESMS committee includes representatives from various departments including ESG, finance & accounts, renewable capital, operations, purchase, open access and business development.

The Board, EX-COM and M-COM together have 16% women members.



Annexure 2 lists the important national and local regulations complied by FPEL under Governance.

6.93 AWARDS AND RECOGNITIONS

2016	**Professional and Business Services SME Business Excellence Award**	*RBL – Dun and Bradstreet*
	Most Promising Clean Energy Investment Opportunity	*Asia Forum for Clean Energy Financing*
2017	**Best Renewable Energy SME Business Excellence Award**	*RBL – Dun and Bradstreet*
	Consumer Choice Award for Best O&M (Rooftop)	*Solar Quarter*
	Consumer Choice Award for Best RESCO (Rooftop)	*Solar Quarter*
2018	**Stars of the Industry Award**	*Best Green Organisation of the Year*
	Stars of the Industry Award	*Best Green Leaders of the Year*
	Best Monitoring Services	*Consumer Choice Awards, Solar Quarter*
	Excellence in Safety	*Sintex*
	SME Growth Leadership	*Company of the Year*
	Best Rooftop Solar Installation Organisation	*REI Expo*
2019	**Best Green Business Award**	*Asia's Renewable Energy Excellence Awards*
	Renewable Energy India Awards	*RE O&M Excellence – Solar Rooftop*
2020	**India Rooftop Solar Congress**	*Rooftop Project Developer of the Year - Commercial*
	EQ'S Maharashtra State Annual Solar Award	*Outstanding Achievement in Solar Sector*
	Telangana Brand Leadership Awards	*Emerging Brand*

7. STAKEHOLDER ENGAGEMENT AND MATERIALITY

7.1 STAKEHOLDER ENGAGEMENT

FPEL conducted a mapping exercise (using interviews) to identify its external and Internal Stakeholders which were classified in nine groups.

	Group of Stakeholder	Description	Engagement Method & Frequency	Responsibility With
External	Customers	Off-takers of renewable power	Presentations, Meetings	Business development team and operations team
	Strategic Investors	Own stocks in the company/ part owners	Board meetings and monthly meetings with ESG team	Investor relations for board meeting and ESG team
	Green Funding Lines/Bankers	Lenders	Ad hoc meetings, monitoring of indicators and deliverables of fund lending	Head of Renewable Capital
	Suppliers*	Tier 1 suppliers of products and services	In person meetings and quality audits	Procurement and quality teams
	Local community at or near project sites*	Third party workforce on project site, nearby local residents	In person formal meetings before start of projects and ad hoc meetings during and post construction phase	Project Manager and Asset Manager
	Local Government and Authorities*	District/tehsil administration, Gram panchayat	As required	Open Access, Asset Management (OA), and Liaison teams
	National Government and Authorities	Relevant ministries and regulatory authorities	No direct engagement	Engagement through industry associations
Internal	Board and Senior Leadership	The views of those who oversee, strategize and set direction	Internal strategic meetings, Monthly EX-COM meeting, quarterly M-COM meeting,	Executive Director, Company Secretary, EX-COM members
	Other staff	The views of those who implement	Annual Townhall, Quarterly department meeting, Other ad-hoc meetings	M-COM members/ Department heads

7.2 IMPACT OF BUSINESS

Whilst developing and implementing a solar PV project there is possibility of adverse environment and social impact. Using a structured process-based approach we try and understand the likely impact in advance and implement mitigatory and compensatory measures where needed. After detailed studies, we conducted a mapping exercise to identify the likely environmental and social impacts of a typical solar power project. Whilst a comprehensive list has been created, it is important to note that a specific solar power project site may not experience all these impacts and also two different sites may experience a specific impact in different measure. This list of impacts is an integral part of our Environmental and Social Management System (ESMS) which has recently been redesigned with the help of a leading international consulting firm specialized in this field. The ESMS is now under active implementation.

S. No	Impact / Issue	Project Phase	Duration and Nature of impact/ issue
Solar PV Ground Mounted Projects			
1	Land acquisition and rehabilitation and resettlement issues in case the land is not purchased, and acquired through government	Pre-Mobilization and Construction	Long term, Permanent
2	Loss of land-based livelihood including agriculture/grazing and economic impact	Pre-Mobilization and Construction	Long term, Permanent
3	Displacement of settlements (at times including tribal population)	Pre-Mobilization and Construction	Long term, permanent
4	Loss of vegetation from site clearance (at times including protected areas)	Construction	Short term, Permanent
5	Interference with ecological corridors and faunal migration routes and well as human access routes	Construction	Long term, Permanent
6	Air pollution and noise pollution during site clearance and construction activities	Construction	Short Term, Temporary
7	Right of Way requirements for access road, transmission line, water supply etc. creating potential disruption of community access routes	Construction	Long term, Permanent
8	Issue of local labour employment, and their living and working conditions	Construction	Short term, Temporary
9	Influx of migrant population, labour camp and related facilities	Construction	Short term, Temporary
10	Work site facilities and HR and labour related compliances	Construction	Short term, Temporary
11	Traffic Movement and Pedestrian Safety	Construction	Short term, Temporary
12	Onsite Health and Safety management of workforce	Construction	Short term, Temporary

S. No	Impact / Issue	Project Phase	Duration and Nature of impact/ issue
13	Effect on cultural or sites of archaeological importance	Construction	Short term, temporary long term, permanent
14	Diversion of water from community resources such as ground water wells, neighbouring surface water bodies	Operation	Long term, Permanent
15	Stress on water availability in the area due to use of water for module cleaning	Operation	Long term, Permanent
16	Operation phase Health and Safety	Operation	Long term, Permanent
17	Wastewater and waste disposal	Operation	Long term, Permanent
18	Issue of local level employment opportunity	Operation	Long term, Permanent
19	Absence of Grievance redressal mechanism which can contribute to community resentment or agitation	Operation	Long term, Permanent
20	Waste management (recycling and disposal) including hazardous wastes	Decommissioning	Short term, temporary
Solar Roof Top Projects			
21	Availability and condition of roof for installation of solar modules	Pre-Construction	Long term, Permanent
22	Impact on visual landscape during construction phase	Construction	Short Term, Temporary
23	Noise pollution during installation of modules	Construction	Short Term, Temporary
24	Air pollution in case D.G sets are operated	Construction	Short Term, Temporary
25	Safe access to roof by project team and workers for installation during construction phase and for cleaning of modules during operation phase	Construction and Operation	Long Term, Permanent
26	Security concerns of buildings while accessing rooftop during installation of solar modules and other construction materials.	Construction	Short Term, Temporary
27	Availability of water for module cleaning	Operation	Long Term, Permanent
28	Fire Hazards and Electrocution	Operation	Long Term, Permanent
29	Waste management (recycling and disposal) including discarded or damaged solar panels and Occupational Health & Safety	Decommissioning	Short term, temporary

At project sites, our teams conduct themselves and the business operations in a manner that has minimal adverse impact on environment and society at large. We ensure that we engage early on with local stakeholders on environment and social aspects through scheduled meetings and informal dialogues at each project site and continue to do so throughout the life cycle of the plant. We deploy best project management and implementation practises with 100% compliance with local regulations.

7.3 Occupational Health and Safety

- We give utmost importance to hazard identification and consequent risk assessment of each activity during development and operation phase of solar power plant and activities involved across other business lines.
- Each identified risk is mitigated by brainstorming hierarchy of risk control and consequent significant and non-significant risks are promptly categorised based on their severity and likelihood of occurrence.
- We have 20 internal integrated management system (IMS) auditors. We encourage active reporting of unsafe acts, unsafe conditions, near-miss, incidents & accidents which helps to mitigate inherent risks and prevent recurrence. We also have a comprehensive incident and accident investigation system.
- In FY 20-21, there were a total of 3 incidents, 2 of which had injuries including 1 fatality. Our goal is to have zero injury. We have a specific focus on preventive health and safety training, some of which is illustrated below.

Induction training on Health and Safety conducted on site for the workers

15 minutes of Toolbox Talk training every day

1 hour induction program (for new workers)

30-60 minutes of other trainings conducted periodically. For example – Height work safety

Mock drills are conducted periodically. For example – Fire Drill

These trainings are imparted by FPEL HSE Supervisor to a workforce of appx 25 personnel at a distributed project and to appx 125 workers at an Open Access project. These sites have a mix of 60% Skilled-technical workers and 40% semi-technical workers.

OPEN ACCESS SITES

7.4 MATERIALITY

After conducting the stakeholder mapping exercise described in section 7.1, inputs were taken from three stakeholder groups – Investors, Green Funding Line Providers and Senior Leadership to identify topics that are material or important for the organization. Additional inputs were taken from following sustainability reporting frameworks:

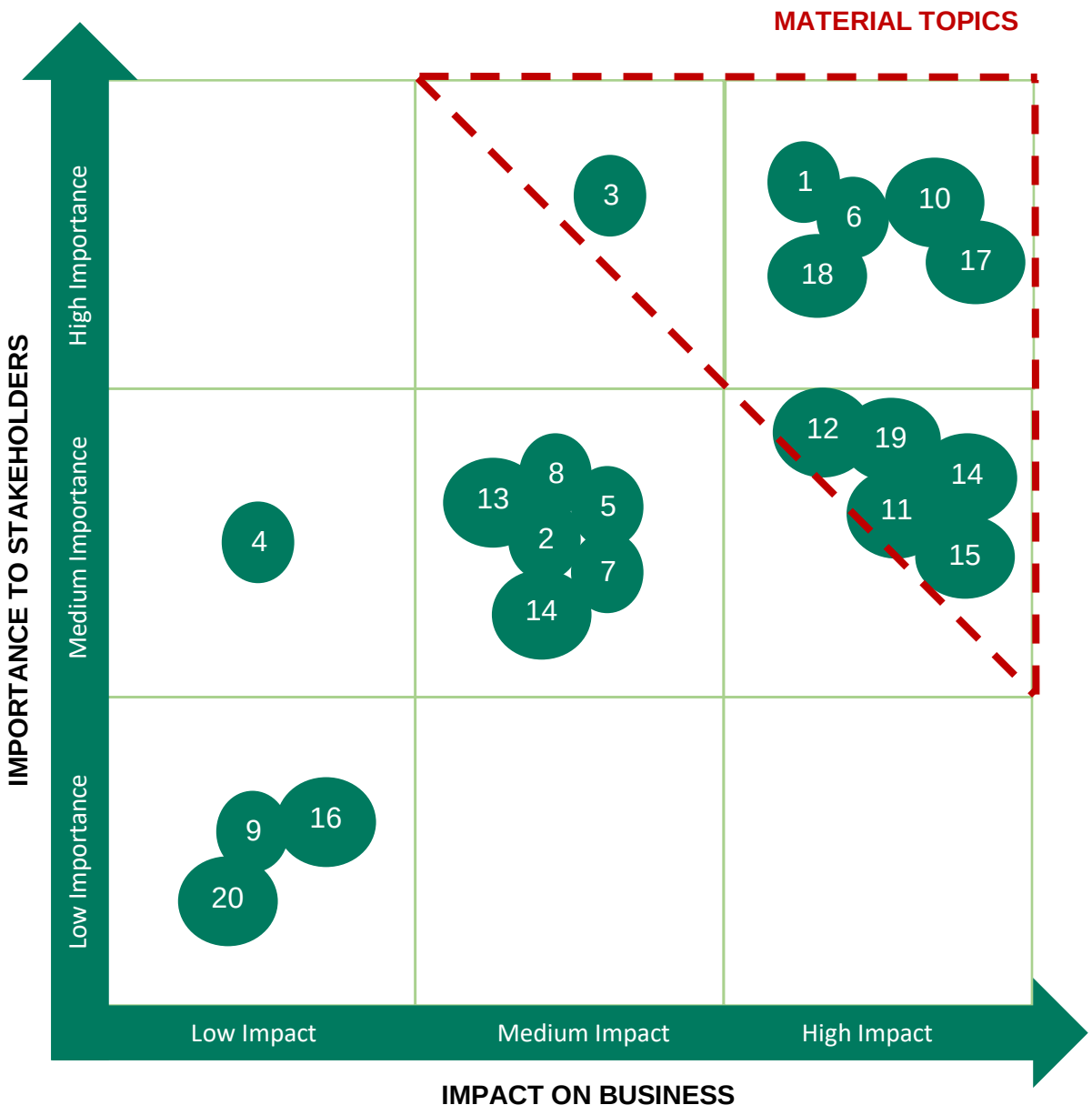
- Sustainability Accounting Standards Board (SASB) guidance for material topics for PV solar sector. SASB is part of the Value Reporting foundation.
- Global Reporting Initiative (GRI) guidance for Utilities sector.
- IFC Performance Standards on Environment and Social Sustainability

These inputs were synthesized to arrive at a list of 20 topics that were then ranked for importance to stakeholders (low, medium and high) and impact on business (low, medium and high). This ranked information is used to create the materiality map for FPEL.

S. No.	Identified Topics	Importance to Stakeholders	Impact to Business
1.	Regulatory and Legal Compliance	●	●
2.	Risk Management	◒	◒
3.	Governance and Leadership	●	◒
4.	Waste	◒	○
5.	Water	◒	◒
6.	GHG Emissions	●	●
7.	Resource Efficiency	◒	◒
8.	Non-renewable energy source (at project site)	◒	◒

S. No.	Identified Topics	Importance to Stakeholders	Impact to Business
9.	Product Design + Life Cycle Management		
10.	Tier 1 Suppliers/Supply Chain/Contractor Services		
11.	Land Acquisition		
12.	Long term Impact of Climate Change on Project Sites		
13.	Impact on Biodiversity (on project sites)		
14.	Community Relations		
15.	Local Government Relations		
16.	Employment Generation		
17.	Human Rights and Welfare		
18.	Employee Health and Safety		
19.	Environmental and social occurrences including major accidents or incidents associated with the business operations.		
20.	Gender Equality		

7.5 MATERIALITY MAP



7.6 Material Topics with Corresponding Sustainability Themes

Material Topics	Sustainability Themes Addressing These Material Topics
Regulatory and Legal Compliance	Trusted Leadership and Governance
Governance and Leadership	
Land Acquisition	
Long term Impact of Climate Change on Project Sites	Mitigating Climate Risk
GHG Emissions	Resource Efficient Operations
Tier 1 Suppliers/ Supply Chain/ Contractor Services	Responsible Supply Chain
Local Government Relations	Enabling and Supporting Local Community Development
Community Relations	
Human Rights & Welfare	Green Workforce
Employee Health & Safety	
Environmental and social occurrences including major accidents or incidents associated with the business operations.	

In general, for all material topics, the boundary for impact has been considered as limited to the corporate offices and the FPEL own team working on project sites. This boundary will be expanded in future. The management approach of FPEL to mitigate the impacts includes creating specific monitoring and action teams at both senior and operational levels, instituting relevant policies and systems (for example the environment and social management system), committing human and monetary resources for action and feedback mechanisms including scorecards as well as engagement with external stakeholders.

8. ESG VISION, SUSTAINABILITY FRAMEWORK AND GOALS

FPEL's corporate mission and vision guide us in our growth journey but we realize that our business decisions must be equally guided by ESG considerations and therefore we have articulated our ESG vision aligned with our corporate mission, vision and strategy.

8.1 ESG VISION

We will develop our business in an ethical way with minimal impact on the environment and the society at large. We will practice sustainability through care for environment, local communities, customers, shareholders, vendors, and our people. Fourth Partner Energy will therefore

1. Work toward aligning our sustainability practices and disclosures to UN Sustainable Development Goals, the IFC Performance standards and other recognized ESG standards.

2. Ensure that company's approach to occupational, health and safety standards are proactive and pre-emptive.

3. Perform ecological, environmental and social impact assessment of all off-site projects.

4. Be committed to nature conservation and strengthening biodiversity by ensuring compliance with regulatory green requirements of the state and take steps to mitigate any related risks.

5. Respect local cultures, customs, and values, while dealing with employees, communities, and other stakeholders.

6. Be committed to undertake sustainability initiatives for development of communities in the surrounding areas of our projects.

7 Follow human rights practices that are aligned to the principles of International Labour Organization

8 Create green jobs and a fair and decent work environment that is collaborative, enriching and fosters a culture of learning and growth and be recognized as one of the best places to work in our industry.

9 Work closely with our employees to align our compensation and benefits program to support health, well-being, and professional development of our employees.

10 Ensure that there are no unfair trade practices by adopting highest standards of professionalism, honesty, integrity, and ethical behaviour.

11 Ensure suppliers/contractors support competitive, domestic supply chains and adhere to the ESG vision of FPEL by following sustainable practices in their business.

12 Strive to be efficient in its operations by utilizing energy conservatively both in offices as well as project sites.

13 Ensure that best water management practices are implemented to monitor and minimize water consumption across its sites and offices in support of local ecosystem.

14 Manage generated waste in an environment friendly, responsible and techno commercially viable manner with a focus on the principles of Reduce, Reuse and Recycle.

15 Adopt global standards of designs that mitigates climate risks, includes mandatory safety features, and promotes eco-friendly technologies.

16 Ensure fair and just land acquisition processes and related compensations where applicable.

17 Maintain and train our workforce on our Environmental & Social Management System and related practices

8.2 OUR SUSTAINABILITY FRAMEWORK

Our core business offering delivers renewable energy solutions that directly contribute to UN **SDG 7 (Affordable and Clean Energy)** especially to the following three targets under this SDG –

1. Ensure universal access to affordable, reliable, and modern energy services
2. Increase substantially the share of renewable energy in the global energy mix
3. Double the global rate of improvement in energy efficiency.

It also resonates with UN SDG 9 (Industry, Innovation, and Infrastructure) and UN SDG 13 (Climate Action)

Sustainability is one of the four pillars of our corporate strategy and under our ESG vision, we have chosen to venture beyond the positive impact of our core business offering and created a Sustainability Action Framework which has six action themes. The boundaries of action under this framework will continue to expand in a measured approach - from our own operations to both upstream and downstream value chain.

Framework Themes	Description	Current Goals
Mitigating Climate Risk	Decarbonizing - This is at core of FPEL's business and operations	
Trusted Leadership and Governance	This includes following aspects amongst others 1. Compliance for project initiation 2. Fair value to landowners 3. Gender Equality 4. Transparent disclosure and reporting	22% women workforce to be employed by FY 25
Resource Efficient Operations	This includes following aspects amongst others 1. Annual energy consumption across FPEL's Operations 2. % Of renewable energy consumption across FPEL's operations 3. Volume of waste generated across FPEL's operations 4. The "End of Life" management of the PV panels	Ensure 100% recovery or recycling or reuse of all types of packaging materials by FY 25
Responsible Supply Chain	This includes following aspects amongst others 1. Screening of suppliers based on ESG criteria 2. Capacity building of suppliers aligning with the ESG goals of FPEL 3. Monitoring ESG performance of suppliers 4. Increasing % of Local Suppliers	100% ESG screening of service suppliers by FY 25.
Green Workforce	This includes following aspects amongst others 1. Human Rights 2. Occupational Health and Safety 3. Employee Welfare	At least 50% workers on project sites will be from local region by FY 25
Enabling and Supporting Local Community Development	Enabling communities in their development endeavors across many critical areas like health, education, financial inclusion and others	At least one community development activity to be conducted per Open Access Project

Besides the strategic ESG goals (aligned with overall business strategy) listed in the table above, additional goals are under development which will be applicable for FY 23.

8.3 MONITORING AND DISCLOSURES

Material Topics	Sustainability Themes Addressing These Material Topics	Relevant GRI Disclosures
Regulatory and Legal Compliance		
Governance and Leadership	Trusted Leadership and Governance	405-1
Land Acquisition (WB/IFC PS provision on economic compensation		
GHG Emissions	Mitigating Climate Risk	302-1
	Resource Efficient Operations	305-1 305-2 305-3
Tier 1 Suppliers/ Supply Chain/ Contractor Services	Responsible Supply Chain	308-1
Local Government Relations	Enabling and Supporting Local Community Development	413-1
Community Relations		
Human Rights & Welfare	Green Workforce	403-1 403-2 403-5 404-1 403-9
Employee Health & Safety		
Environmental and social occurrences including major accidents or incidents associated with the business operations.		

8.4 ESG PERFORMANCE MANAGEMENT

At FPEL, ESG performance is monitored in three ways: -

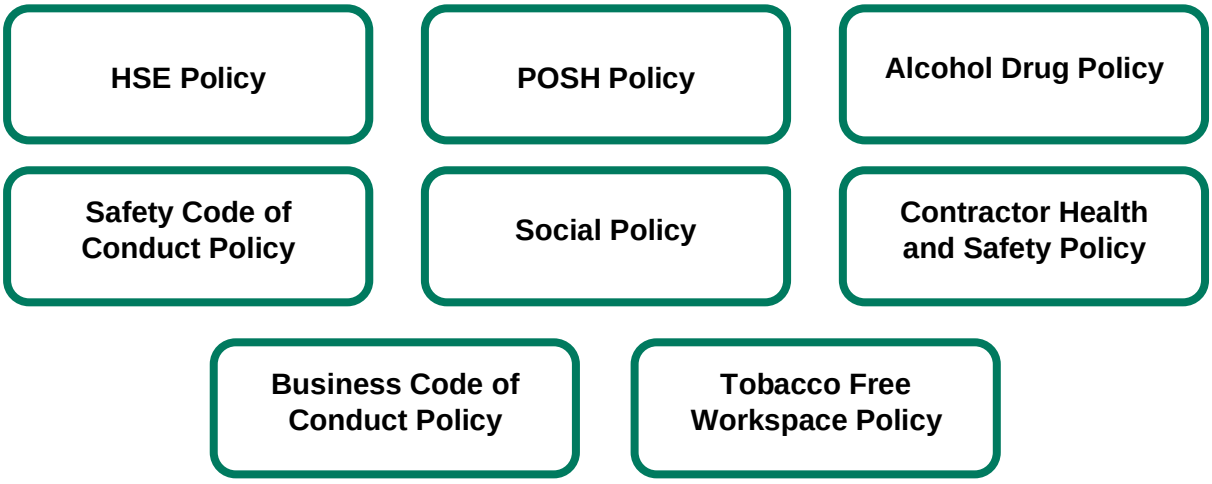
- At senior leadership level (board and EX-COM) where meetings have specific ESG agenda points for discussion and action.
- At operational level (department level and at project sites) where meetings (including those with external stake holders like suppliers) have specific ESG agenda points for discussion and action.
- Through multiple excel sheets on specific ESG metrics maintained across different departments, for example HR team maintains and monitors data on gender equality, project teams monitor data on water consumption at some project sites and HSE team maintains data on all leading and lagging safety parameters.

In addition, a dedicated ESG team was formed in 2021 which reports to an EX-COM member. An ESSG (Environment, Social, Safety and Governance) committee at board level is also under setup. Specific ESG goals (aligned with corporate strategy and up to the period FY 25) are being formulated and existing ESG metrics will be merged with these strategic ESG goals. Whilst each responsible team and department will monitor performance against their own specific ESG sub goals, the ESG team will monitor the overall performance centrally and share this with the senior leadership as well as the operational teams periodically to ensure performance is on track and any deviation is addressed promptly. An IT based performance management solution is also being explored.

9. IMPLEMENTATION

Our business decisions are increasingly being driven by ESG considerations and we believe this will enable us to grow in a sustainable manner. It will make the business resilient and create long term value. Being transparent about environmental and social impacts of our business and reporting on what we have done and what we plan to do to mitigate any adverse impact has very high importance for our business and its stakeholders.

We have created several relevant policies that guide and enable the implementation of sustainability practices in our business operations. These policies will keep evolving and we endeavour to align them with best global practices. Following is an illustrative list of the policies:



We have implemented several sustainability initiatives across all three dimensions of the ESG spectrum, some of which are listed below:

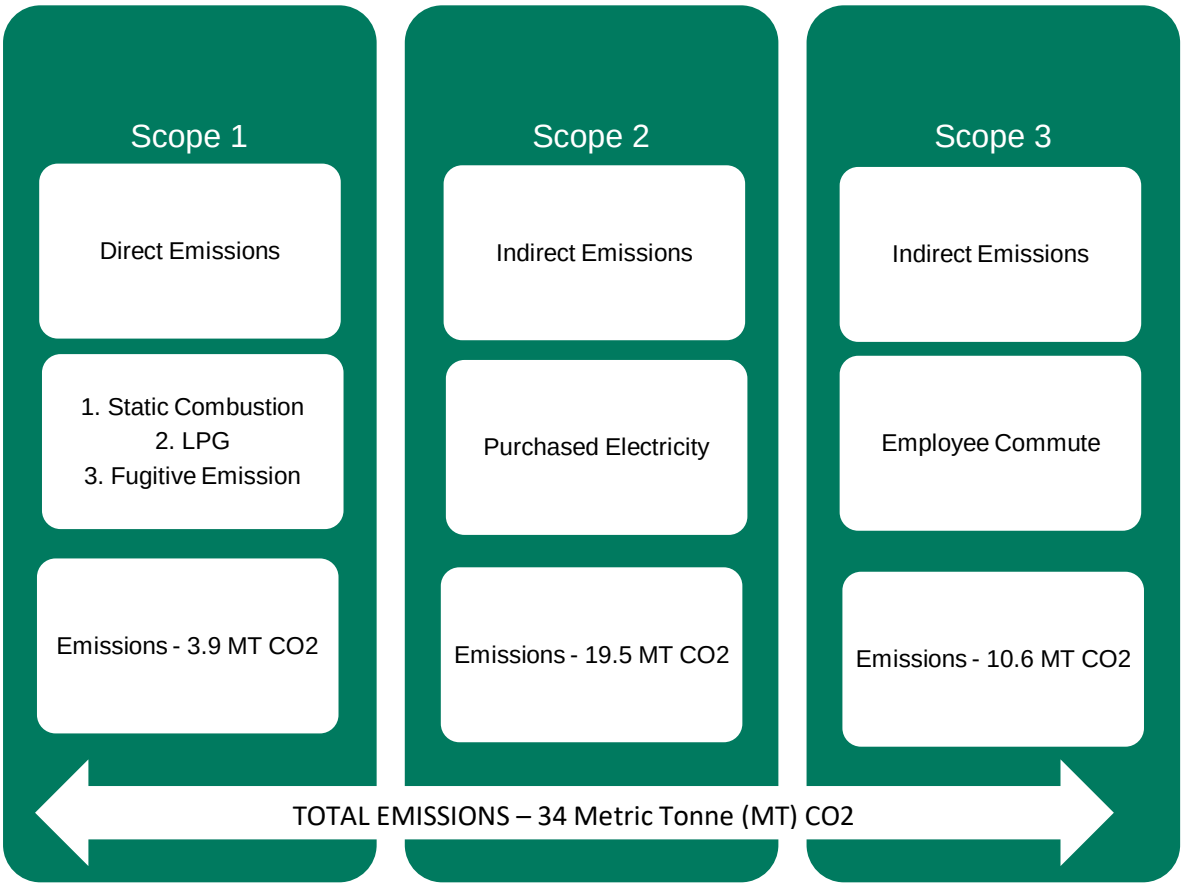
Environmental	Social	Governance
Reducing energy consumption, GHG emissions and water consumption in our own operations	Imparting relevant ESG Training to workforce at different levels. Supporting communities in and around our sites as well as positively impacting rural communities elsewhere	Ensuring ESG oversight at Board and Executive Committee level with transparent reporting and disclosure of our ESG performance

9.1 ENERGY AND EMISSIONS

According to the Global Risk Report of 2021 (by The World Economic Forum), natural resource crises continue to be a top Global Risk. At FPEL we recognise it is important for us to become more resource efficient, especially with respect to energy consumption and emissions across our business operations. We continue to make efforts to reduce emissions and steadily strive to use renewable energy in our operations wherever possible.

9.1.1 GHG EMISSION PILOT PROJECT

In 2019, a pilot project was conducted at our office in HMT Nagar, Hyderabad to build a reference inventory of GHG emissions. This project was conducted before the pandemic started and business operations were running at full capacity without interruptions. Results of the same are tabulated below –

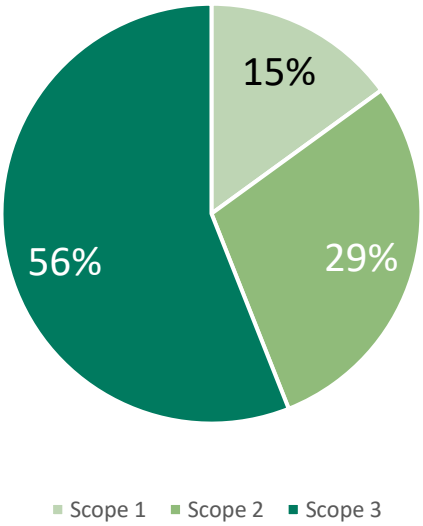


After, successfully running the pilot at the Hyderabad Office, GHG emissions were also calculated for four other office locations, the results of which are tabulated below. The pilot project helped us to understand the source of these emissions and plan mitigation measures to reduce the same. In future, for inventory calculations, we shall increase the boundary for Scope 3 to include more categories, for example business travel (by means other than air).

GHG Emissions CO2 Equivalent for FY 2020-21

	Hyderabad Office	Gurgaon Office	Pune Office	Jaipur Office	Bangalore Office	Total
Scope 1	4.06	0.40	3.36	0.84	0.51	9.17
Scope 2	4.20	2.34	6.75	4.21	0.60	18.10
Scope 3	1.22	2.95	1.10	0.00	0.09	34.76

Total GHG Emissions – 62.03 MT



9.1.2 RENEWABLE ENERGY IN BUSINESS OPERATIONS

We measure the total energy consumed across our offices in India and for FY 2020-21 this consumption was 33504 kWh. We have installed a roof top solar PV plant at our Hyderabad office, which has resulted in 26.45 % share of renewable energy in the total annual energy consumption. The share of renewable energy in previous year i.e. FY 20 was 15% of the actual consumption. The share this year is higher than for the previous FY because in the pandemic period some of the offices which do not have access to renewable energy were closed for relatively longer periods compared to the Hyderabad office which has access to renewable energy and was closed for relatively shorter period.

9.2 WATER MANAGEMENT

At FPEL we understand the importance of sustainable water management, especially in regions that are water scarce. We treat water in our operations as a valuable natural resource that needs to be conserved and well managed, hence, best management practices are implemented across plants to minimise specific water consumption.

To ensure a solar PV plant operates efficiently, it is important to ensure that the PV modules are kept clean. This activity of regular cleaning of the PV modules is very important and not cleaning it well frequently, leads to contaminants being deposited on the modules which degrades power generation. This degradation loss can be between 0.25-1% per day, depending on the location and can significantly affect the project commercials.

Ideally, 6 to 10 Litres of water is required per kW per cleaning cycle. Though, traditionally, water from storage tanks is used for module cleaning, at FPEL, by using Robotic Dry-Cleaning technology, we have reduced this water consumption to great extent. For eg at a textile plant in Rajasthan which has a capacity of 7.87 MW, 1,40,800 Litres of water was saved when traditional wet cleaning was replaced with Robotic Dry Cleaning.

Some of the site-specific case studies where Robotic Cleaning was used are illustrated further.

Robotic Cleaning at a plant in Rajasthan

Traditional Cleaning of PV Modules using Water

CASE STUDY 1

Robotic Module Cleaning at a Textile Plant in Rajasthan

We ran a comparative test between Wet Cleaning and Dry Cleaning at a 7.87 MW plant spread over 22 acres to check the efficiency through both and implement a cleaning system that is viable both environmentally and financially

.

22,865 Modules	Robotic Cleaning Test Groups – 60 Modules x 7 Groups

The Baseline Testing was done between October 1 to October 20. Robots – SOLABOT and ATMUS were used for dry cleaning in the following frequencies – Daily, Every 2nd Day, Every 3rd Day, Every 4th Day, Every 5th Day, Every 7th Day. In addition to this, wet cleaning was being done every 7th and 15th Day. When the results were observed the general improvement in % as compared to wet cleaning was between 0.7% (ATMUS) and 1% (SOLABOT). However, dry cleaning the modules everyday did not justify the financial cost despite the increase in the % improvement.

The most viable frequency was dry cleaning the modules every 3rd day where the ROI was justifiable with % increase of 0.7 through SOLABOT and an ROI of 0 0.6 through ATMUS.

Water Saved – 2.5 Liters/Module

ACTION PLAN

1. Continue testing with cleaning modules on every 3rd day on larger scale in the 2nd Phase
2. Monitor Performance and Cleaning cycle for one month
3. Deploy 2 SOLABOT and 1 ATMUS at the plant and start cleaning the entire plant
4. Based on 2nd Phase and Technical Reliability – add the required number of Robots
5. Plan for 3rd Phase Testing

CASE STUDY 2

BHARATI CEMENTS, ANDHRA PRADESH –
10 MW GROUND MOUNTED SOLAR PLANT (IMPLEMENTED IN FY 20)

On-Site Cleaning Challenges

- Excessive accumulation of fine cement dust on the surface of panels every few days
- Cement dust combined with morning dew would form sticky, concrete like film of coating on the Solar Modules between 2 cleaning cycles (7-10 days)
- Generation Loss occurred periodically as a result of dust accumulation

Robotic Dry Cleaning at Project Site

- Total Dry-Cleaning through Robotic Cleaning ensured all this concrete like film of coating was scrubbed of the module surface
- Partial Wet-Cleaning through Robotic Cleaning ensured all the sticky residual material was wiped off.

Result

- Less Soiling Loss at Bharathi Site
- The generation increased by up to 0.5% when compared to manual wet cleaning
- 75% reduction in water consumption by service personnel
- Reduction in man-hour of service personnel
- Reduced Cost to Client
- Increased Customer Satisfaction

Overall, the process of Robotic Cleaning of modules results in

- 75% less Water Utilisation
- Increase in frequency of cleaning as there is Less Water Utilisation
- Improved Plant Performance (better generation due to clean surface)
- Reduced Long Terms Costs and Reduction in Labour Costs

9.3 WASTE

The main types of waste generated at our project sites is construction debris, paper cartons and other packaging materials, adhesives, wires and cables. All solid waste is segregated, collected, and handed over to authorized waste collectors. Going forward we intend to implement more robust waste management mechanisms to collate all information on generation of different waste streams and action plans to reduce waste.

9.4 REMOTE MONITORING SYSTEM

FPEL believes in providing “maximized electricity generation” to the client and we leverage technology to ensure this. Technology and innovation have always been one of our key business drivers. We use SolarLink, a third-party IT system to monitor end-to-end performance of solar installations.

This Remote Monitoring System (RMS) solution enables remote access to monitor the power generation and real time performance of the solar plant at any given point of time. It also facilitates early detection and addressal of glitches.

The RMS communicates around the year to track the output of the solar power plants helping FPEL with Customer Centricity. **During FY 21, a total of 621 solar installations were monitored under RMS.**

The system delivers many benefits to the client such as –

- Minimizes the need to travel to the project site
- Data analytics is used to ensure maximum electricity generation
- The longevity and fuel efficiency of the client’s expensive DG is guaranteed
- DG components are protected from any damage owing to reverse flow of electricity

9.5 TRAINING

We believe it is important to capacitate and train all our employees on relevant ESG practises aligned with our business operations. This will lead to value creation and have a positive impact on our Business. We run well-planned trainings programmes right through the year. In FY 2020-21, a total of 53 Training Sessions were conducted on Health, Safety and Environment. Some of the important ones are highlighted below:

Trainings Conducted by EHS Department

- EHS Guidelines during Project Execution
- Theories Of Accident Causation
- First Aid Training
- Hazard Identification and Risk Assessment
- Electrical Safety
- Manual Material Handling
- Safety in HOT Work
- Emergency Evacuation
- Behaviour Based Safety

Trainings Conducted by Other Department

- Importance and use of PPE
- COVID Safety Guidelines
- Fire Fighting and Fire Evacuation
- Ground Mount Installation Standard
- Rooftop Installation Standard
- External Training of POSH
- Health and Nutrition
- Resilience to Resurgence

9.6 COMMUNITY ENGAGEMENT AT PROJECT SITE

At FPEL's Open Access Plant in Saharanpur, following activities were conducted involving local third-party workers at project site

1. Safety Week Competitions and Safety Marches
2. Camps for Health Check-Ups
3. Training on - Road Safety Week, First Aid & CPR, Snake Bite, Fire Fighting
4. Republic Day and Independence Day Celebration
5. Monthly Environment Parameters Monitoring

9.7 WIDER COMMUNITY ENGAGEMENT

At FPEL, we believe engaging and supporting the broader community beyond the project site areas is also very important. Leveraging our ability to provide affordable renewable power especially in rural areas, we want to enable communities in their development endeavours across many critical areas like health, education, financial inclusion and others.

9.7.1 RESPONSE TO COVID

The novel coronavirus became a global pandemic that led to lockdowns across the world. All the commercial and industrial activities came to a halt in April and May and the supply chain restrictions impacted capacity addition.

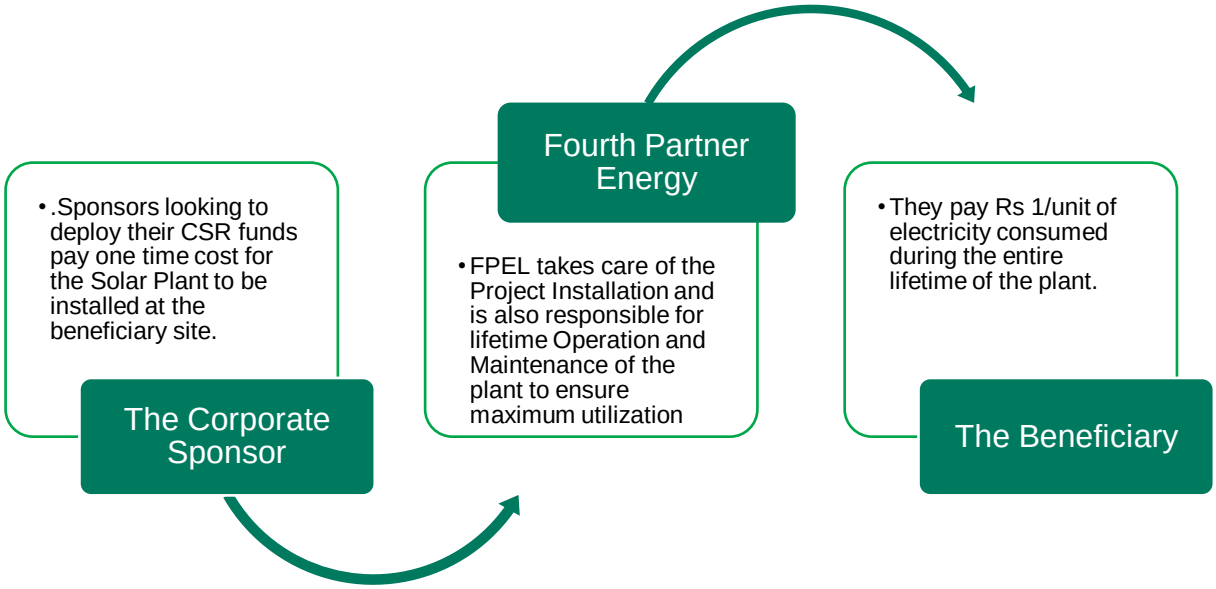
In these difficult times, FPEL drove its commitment to give back to the community in times of need specially those without affordability or access to support systems. A Covid-19 fund was created wherein every FPEL employee contributed one day's remuneration creating a corpus of ₹20 Lakhs.

FPEL's COVID 19 Fund was directed to the treatment and care for Covid Positive Patients with no access to primary healthcare. FPEL also procured 50 oxygenators for deployment at make-shift treatment centres for the under privileged, set up by the Mumbai Municipality.

9.7.2 POWER @1

Large electricity bills end up draining the limited resources of low-income organisations like Government Schools, Public Health Centres and Non-Profit Organisations. FPEL has created a unique Program called Power@1 to help such institutions by providing them solar electricity at just ₹1 per unit.

Under this model, FPEL works with 3 Key Stakeholders



During FY 19 and FY 20: 26 Education Centres and 174 Health Centres were benefitted under Power@1. We are expanding this initiative and hope to touch more lives and create beneficiaries.

Plants with a combined capacity of 127 KW were installed in FY21 under Power@1. The Projects were implemented at –

Project Name	Capacity (kW)	Funder
Parivar Ashram, Kolkata, West Bengal	114	New India Insurance Co.
GGPS Nallagutta, Telangana	2	NA
MLNC, Andhra Pradesh	9.1	Oiko Credit
GHPS Kadusonapalli, Karnataka	2	Crowd Funded

9.7.3 POSITIVELY IMPACTING RURAL LIVES

Under our “Partner for Sustainable Change” Initiative we have positively impacted 60,600 families through our Solar Products till FY 20. These regions were devoid of electricity and off-grid. We take pride in announcing that these products have impacted lives of people in these areas for the better by bringing electricity to them. Solar pumps and irrigation systems have helped the farmers improve their yield and cash crops thereby enhancing their livelihood in arid regions of interior India. Solar lanterns, streetlights and water heaters have helped improve safety and sanitation of families in the remote villages.

FPEL envisages to keep contributing to the rural lives for making them self-sustaining. We understand it is crucial to go beyond delivering clean energy to just customers and serve areas that get us consent to operate. We appreciate their support in helping us achieving our goals.

Solar Lanterns

7,656 Units Sold

22,968 Lives Impacted

Solar Street Lights

1,823 Units Sold

54,690 Lives Impacted

Solar Pumps

1,000 Units Sold

3,000 Lives Impacted

Solar Home – Lighting System

453 Units Sold

1,359 Lives Impacted

Solar Luminaries

6,160 Units Sold

42,200 Lives Impacted

Solar Water Heater

15,000 Units Sold

45,000 Lives Impacted

Solar Electronics

1,148 Units Sold

52,500 Lives Impacted

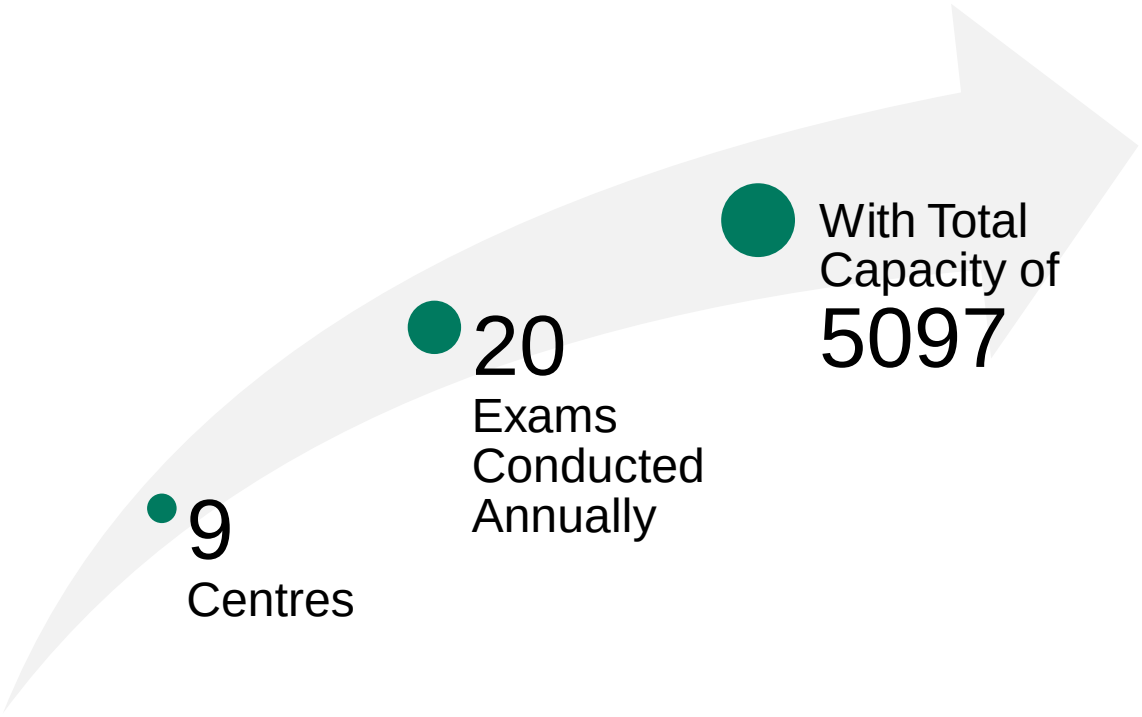
9.7.4 FINANCIAL INCLUSION

FPEL has partnered with some of the country's leading banks to enable financial inclusion. This initiative resulted in commissioning of 350 solar installations for Axis Bank and ICICI Bank across remote regions in rural India. These branches run exclusively on FPEL's solar system and FPEL continues to support the operation and maintenance.

9.7.5 EDUCATION AND HEALTH

Health and Education are two very crucial sectors for overall development of the country. FPEL has done specific interventions to provide clean energy to some institutions in these sectors (especially the education sector).

TCS iON IDZ conducts exams at their centres on computers running on clean energy. 9 such centres were supported by FPEL with clean energy in FY 20. During this period, more than 1 lakh students appeared for their exams at these centres



10. ACCELERATING AND EXPANDING THE ESG AGENDA AND IMPLEMENTATION

Since inception, FPEL's business has focussed on enabling and growing access to affordable clean energy. Whilst this delivered significant positive impact in terms of large amount of GHG emissions averted, FPEL has also consciously sought to reduce and eliminate any negative environmental and social side effects and impacts of its business operations. In this context, financial year 2020-21 has been an important milestone in FPEL's timeline as in this period, we developed a new, long term, holistic and structured approach to sustainability in our business.

We conducted a stakeholder mapping and materiality analysis which we plan to do afresh every year. Such subsequent activities will have increased breadth and depth of engagement to capture more inputs. We also measured our GHG emissions (scope1 and scope 2) as well as one aspect under scope 3 (employee commute).

The boundary or scope of all above and related activities conducted in FY 2020-21 was confined to the FPEL offices in India as well as the FPEL employed teams deployed on project sites. In subsequent years the boundary and scope will be expanded in steps (both upstream and downstream) to include more elements of the value chain where FPEL has some impact – both direct and indirect.

We rolled out ESG vision and sustainability framework in this landmark year. The latter will continue to evolve in future. For example, one of the six themes under this framework is "Resource Efficient Operations". In future we plan to embed life cycle thinking in our operations including developing end of life management solutions. This theme of the framework will then pivot to "Circular Operations". In next four years we will do some research studies and implement some pilot programs on circular business operations. Initially these pilots may be narrow in their scope, but they will be gradually scaled up.

Having established the sustainability framework, we have started the process to create milestone-based goals and implementation plans for next four years leading up to FY 2024-25. Additionally, we now have our first sustainability report by following established Global Reporting Initiative (GRI) guidelines for disclosures and reporting taking the "Reference Claim" reporting option. This report includes disclosures on 5 topic standards as mentioned at Annexure 3 GRI Content Index. It will be our endeavour in subsequent reports, to improve on this by moving to the "Core" reporting option.

11. TESTIMONIALS FROM STAKEHOLDERS

Daniel Schriber, Head of Investments (Symbiotics)

Symbiotics is proud to work closely with Fourth Partner Energy in delivering clean energy to C&I clients. This is aligned not only with the United Nations SDGs, but also our mission to foster sustainable development and wider adoption of green energy solutions in a key growth market for us.

Mitheel Mody, Head Origination & Relationship (Tata Cleantech Capital Limited)

Tata Cleantech Capital Ltd. (TCCL), through its partnership with Green Climate Fund (GCF) has funded rooftop projects of Fourth Partner Energy Ltd. We are very pleased with our association with Fourth Partner and find them to be adhering to standards, where they;

- Perform ecological, environmental, and social impact assessment of off-site projects.
- Remain committed to nature conservation and strengthening biodiversity by ensuring compliance with regulatory green requirements of the state and take steps to mitigate any related risks.
- Are instrumental in creating green jobs.

We look forward to our continuing engagement, and wish Fourth Partner, scales new heights in future as well in this journey of creating green energy ecosystem.

Karan Chadha, Head – Business Development (Fourth Partner Energy)

At our organization, our employees, customers and the larger community where we work are our “Fourth Partners”. It is our responsibility to ensure our Fourth Partners benefit from our work. Directly, our work improves the community sustainability through measurable lower carbon emissions and cleaner energy for society. Contributing to reducing climate risk is what gives us a lot of pride and meaning in our work.

Ajay Kumar V R- Manager (Sales)
Sungrow Power (Inverter Supplier)

Sungrow is working in Renewable sector since last 24 years, aiming for “Clean Power for All” and recently announced that it has joined RE100 affirming its commitment to source 100% Renewable Electricity by 2028 for all its operations. Thus, we are really glad to be associated with Fourth Partner Energy Private Limited which is constantly working in Renewable sector and along with that also actively involved in significant environmental and social welfare activities. Sustainable business model integrated with environmental safety commitment being 4PEL’s modus operandi is appreciated globally and it really needs to be simulated all over the world.

ANNEXURE 1 – LIST OF ENTITIES INCLUDED IN FPEL'S CONSOLIDATED FINANCIAL STATEMENT FY 20-21

1. VSV Renewables Private Limited
2. Suchi Anant Virya Private Limited
3. Daishi Patona Private Limited
4. Lalganj Power Private Limited
5. Fourth Partner Energy Lanka Private Limited
6. FP Solar Private Limited
7. VSV Solar Private Limited
8. VSV Onsite Private Limited
9. VSV Offsite Private Limited
10. Belenus Solar Private Limited
11. FOGO Energy Ventures Private Limited
12. Huoban Private Limited
13. FPEL MH1 Private Limited
14. FPEL MAHA 2 Private Limited
15. FPEL WRPL MH Private Limited
16. FP Uttar Solar Private Limited
17. FP West Solar Private Limited
18. FP Sun Solar Private Limited
19. Newen Systems Private Limited
20. Fourth Partner Energy Vietnam Limited Liability Company

ANNEXURE 2 – LIST OF NATIONAL AND LOCAL REGULATIONS COMPLIED BY FPEL OPERATIONS

1. Companies act, 2013
2. Secretarial standard (SS -1) on meetings of the board of directors prescribed by ICSI
3. Secretarial standard (SS -2) on general meetings prescribed by ICSI
4. Ss-4 - secretarial standard on report of the board of directors
5. Maharashtra fire prevention and life safety measures act, 2006 Maharashtra fire prevention and life safety measures rules, 2008
6. Haryana fire services act, 2009
7. Andhra Pradesh fire service act, 1999 (Telangana adaptation order), 2015 Andhra Pradesh fire & emergency operations and levy of fee rules, 2006 (Telangana adaptation order), 2015
8. Income-tax act, 1961 income-tax rules, 1962
9. Foreign exchange management act, 1999 foreign exchange management (export and import of currency) regulations, 2015
10. Integrated goods and services tax act, 2017 central goods and services tax act, 2017 integrated goods and services tax rules, 2017 central goods and services tax rules, 2017
11. Payment of gratuity act 1972 payment of gratuity central rules, 1972
12. Employment exchanges (compulsory notification of vacancies) act, 1959 employment exchanges (compulsory notification of vacancies) rules, 1960
13. Employees provident funds and miscellaneous provisions act, 1952 employees' provident fund scheme, 1952 employees' pension scheme, 1995 employees deposit-linked insurance scheme, 1976
14. Equal remuneration act, 1976 equal remuneration rules, 1976
15. Employee state insurance act, 1948 employees state insurance (central) rules, 1950 employees state insurance (general) regulations, 1950
16. Payment of bonus act, 1965 payment of bonus rules, 1975
17. Representation of the people act, 1951
18. Industrial disputes act, 1947 industrial disputes (Bombay) rules, 1958
19. Industrial disputes act, 1947 Andhra Pradesh industrial disputes rules, 1958 (Telangana adaptation) order, 2016
20. Minimum wages act, 1948 Andhra Pradesh minimum wages rules, 1960 (Telangana adoption) order, 2015
21. Employee's compensation act, 1923 Andhra Pradesh workmen's compensation rules, 1953 (extends to the state of Telangana)
22. Payment of wages act, 1936 Andhra Pradesh payment of wages rules, 1937 (Telangana adoption) order, 2015
23. Maternity benefit act, 1961 Andhra Pradesh maternity rules, 1966 (extends to Telangana)
24. Maharashtra shops and establishments (regulation of employment and conditions of service) act, 2017 Maharashtra shops and establishments (regulation of employment and conditions of service) rules, 2018
25. Sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013 sexual harassment of women at workplace (prevention, prohibition and redressal) rules, 2013
26. Rights of persons with disabilities act, 2016 rights of persons with disabilities rules, 2017
27. Transgender persons (protection of rights) act, 2019 transgender persons (protection of rights) rules, 2020 transgender persons (protection of rights) rules, 2020 transgender persons (protection of rights) rules, 2020 transgender persons (protection of rights) rules, 2020

28. Human immunodeficiency virus and acquired immune deficiency syndrome (prevention and control) act, 2017 human immunodeficiency virus and acquired immune deficiency syndrome (prevention and control) rules, 2018
29. Maharashtra state tax on professions, trades, callings and employments act, 1975 Maharashtra state tax on professions, trades, callings and employments rules, 1975
30. Punjab shops and commercial establishments act, 1958 (as applicable to Haryana) Punjab shops and commercial establishments rules, 1958 (as applicable to Haryana)
31. Andhra Pradesh factories and establishments (national, festival and other holidays) act, (Telangana adaptation) order 2014 Andhra Pradesh factories and establishments (national, festival and other holidays) rules, 1974 (extends to Telangana)
32. Simplification procedure for furnishing of return and integrated register by an establishment under various labour laws (g.o.ms.no. 23) - state of Telangana Andhra Pradesh shops and establishment act, 1988 (Telangana adaptation) order, 2014 Andhra Pradesh shops and establishments rules, 1990 (Telangana adaptation) order, 2016
33. Andhra Pradesh shops and establishment act, 1988 (Telangana adaptation) order, 2014 Andhra Pradesh shops and establishments rules, 1990 (Telangana adaptation) order, 2016
34. Andhra Pradesh tax on professions, trades, callings and employments rules, 1987 (Telangana adaptation) order, 2015 Andhra Pradesh tax on professions, trades, callings and employments act, 1987 (Telangana adaptation order), 2015
35. Prevention of insults to national honour act, 1971
36. Micro, small and medium enterprises development act, 2006
37. Selection installation and maintenance of first aid fire extinguishers code of practice
38. Prevention of money laundering act, 2002
39. Prevention of corruption act, 1988
40. Haryana municipal corporation act, 1994
41. Greater Hyderabad municipal corporation act, 1955
42. Maharashtra municipal corporations act (act no lix of 1949)
43. Andhra Pradesh electricity duty rules, 1939 (Telangana adaptation of laws order, 2016) Telangana electricity duty act, 1939
44. National Green Tribunal Act, 2010
45. The Environment (Protection) Act; 1986 and Environment (Protection) Rules 1986 and amendments
46. EIA Notification 2006 - Environmental Clearance and Public Consultation
47. Electricity Act, 2003
48. The Air (Prevention and Control of Pollution) Act, 1981
49. The Water (Prevention and Control of Pollution), Act, 1974 including Rules, 1975 (as amended up to 1988)
50. Noise Pollution (Regulation and Control) Rules, 2000 and the Noise Pollution (Regulation and Control) (Amendment) Rules, 2010
51. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 as amended till date
52. Construction and Demolition Waste Management Rules, 2016
53. Solid Waste Management Rules 2016
54. Batteries (Management and Handling) Rules, 2001 and further amendments
55. E-waste (Management) Rules, 2016
56. Indian Forest Act, 1927 and as amended
57. Forest Conservation Act, 1980 and as amended
58. Land Acquisition Act 1894 (Amended in 1984) and The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
59. The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006 & rules 2007
60. The Provision of the Panchayats (Extension to the Scheduled Areas) Act, 1996
61. The Indian Telegraph Act, 1885

62. The Indian Factories Act, 1948 and State Rules
63. The Bonded Labour (Abolition) Act 1976
64. Minimum Wages Act, 1948
65. Workmen's Compensation Act, 1923
66. The Contract Labour (Regulation & Abolition) Act, 1970 and Rules
67. The Child Labour (Prohibition and Regulation) Amendment Bill, 2012
68. ESI Act, 1948 (Employees State Insurance Act, 1948)
69. Building and Other Construction Workers Act 1996
70. Wildlife Protection Act, 1972 and amended
71. The Biological Diversity Act, 2002
72. Ground water extraction permission will be required if the project plans to abstract groundwater for fulfilling water demand.

ANNEXURE 3 – GRI CONTENT INDEX

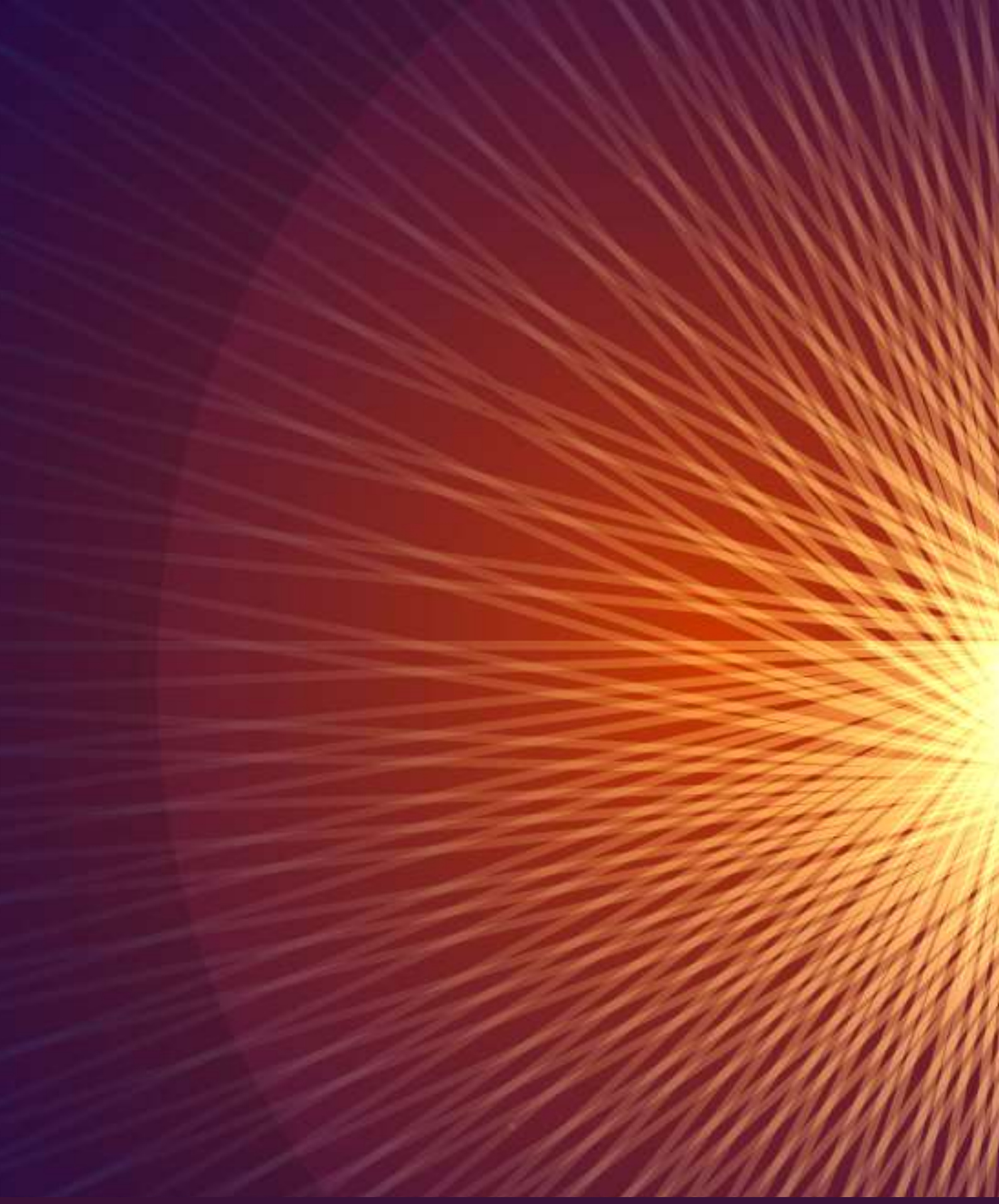
This material references [Consolidated Set of GRI Sustainability Reporting Standards 2020], for each Standard used;

GRI STANDARD (Disclosure)	DESCRIPTION	PAGE NUMBER	COMMENT
GENERAL DISCLOSURES			
102 – 1	Name of the organization	4	Fourth Partner Energy Pvt. Ltd.
102 – 2	Activities, Brands, Products, and Services	13-18	
102 – 3	Location of Headquarters	13	Hyderabad, India
102 – 4	Location of Operations	21	
102 – 5	Ownership and Legal Form		Private Limited Company
102 – 6	Markets Served	21	
102 – 7	Scale of the Organisation	15	
102 – 8	Information on employees and other workers	19-20	
102 – 9	Supply Chain	22	
102 – 12	External Activities	10	SDG 7, 9, 13
102 – 13	Membership of Associations	23	CII, DiSPA
102 – 14	Statement from Senior Decision Maker	5-7	
102 – 16	Values, Principle, Standards and norms of behaviour	9-11, 42	
102 – 18	Governance Structure	24	
102 – 40	List of Stakeholder Groups	26	
102 – 42	Identifying to Stakeholder Engagement	26	
102 – 43	Approach to Stakeholder Engagement	26	
102 – 45	Entities included in the Consolidated Financial Statements	60-62	Annexure 1
102 – 46	Defining Report Content and Topic Boundaries	4	
102 – 47	List of Material Topics	32-34	In general, for all material topics, the boundary for the impact has been considered as limited to the corporate offices and the FPEL own team working on the project sites. The impacts of these material issues are directly linked to the impacts through its business relationships.
102 – 50	Reporting Period		FY 21 (April – March)

GRI STANDARD (Disclosure)	DESCRIPTION	PAGE NUMBER	COMMENT
102 – 52	Reporting Cycle		Annual
102 – 53	Contact Point for Questions regarding the report		esg@fourthpartner.co

TOPIC SPECIFIC DISCLOSURES			
302 – 1	Energy Consumption within the Organization	43-44	
305 – 1	Direct (Scope 1) GHG emission	43-44	
305 – 2	Other indirect (Scope 2) GHG emission	43-44	
305 – 3	Other indirect (Scope 3) GHG emission	43-44	
405 – 1	Diversity of governance bodies and employees	19, 24	19 – employees 24 – governance bodies

FPEL logo created with Diya's during Diwali celebration



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