



SUSTAINABILITY REPORT

FY 2021 - 22



Table of Contents

1. About the Report	3
2. Message from the Founders and the Director	4
3. Key Highlights	6
4. Approach to ESG and Sustainability	8
5. About the Company	11
a. Portfolio	14
b. Workforce	15
c. Investors	17
d. Joint Ventures	18
i. Shuchi Anant Virya	18
ii. EMITS	18
e. Subsidiaries	18
i. BESS	18
f. Clients	19
g. Governance Structure for ESG & Sustainability	19
h. Awards & recognition	21
6. Contribution towards UN Sustainable Development Goals	22
a. Background and Significance	22
b. SDG Contributions	23
c. SDG-linked Solutions	23
7. Environmental & Social Management System	26
a. Glimpses of E&S Performance	26
i. Development and Implementation of ESMS	26
ii. Policy Implementation on Ground	27
iii. The Team Responsible for ESG	29
b. Environmental & Social Commitment	29
i. Environmental and Social Impact Assessment and Limited Ecological Assessments	30
ii. Critical Habitat Assessment	31
iii. Non-compliance Notices Received through Regulatory Bodies	31
iv. Management of PV Module Waste, Hazardous Waste, E-Waste	32
v. Environmental Stewardship	32

8. Occupational Health & Safety Performance	34
a. Our Approach to Health and Safety	34
b. Overview of FY22	35
c. EHS Committee Meetings, Audits & Trainings	35
d. EHS improvements recorded by FPEL in FY 22	38
9. Community Development	39
a. Creating Shared Value	39
i. Power@1	39
ii. Solar Powered Financial Inclusion	40
iii. Positively Impacting Rural Lives	40
b. Community Projects	41
10. ESG Management across Supply Chain	42
11. Case Study	44
12. Looking into the Future: Guidance note	46
13. Annexure	47
Annexure 1 - List of National and Local Regulations	47
Annexure 2 - GRI Content Index	50
Annexure 3 - Abbreviations	51

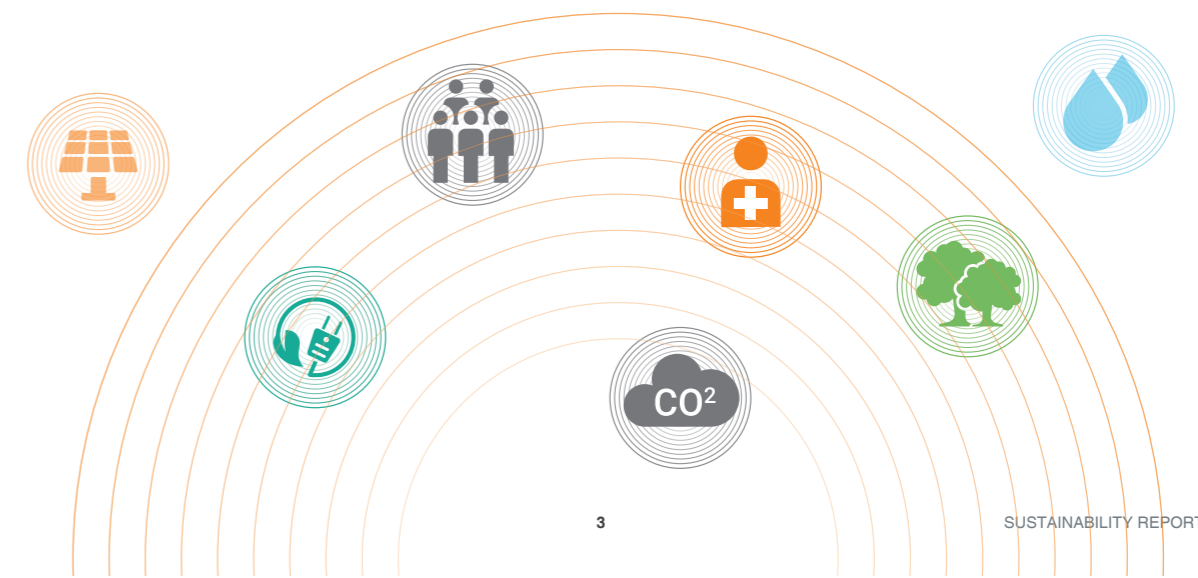
Fourth Partner Energy witnessed a milestone year in FY22 with a considerable increase in total capacity from 550+ MWp in FY21 to 950+ MWp in FY22. This resulted in an increase in renewable energy (RE) generation from operational assets from 137.2 GWh in FY21 to 264.4 GWh in FY22, an increase of 52%. To put these figures in perspective, the total emissions avoided by the clean energy generated were 1,98,851 tonnes of carbon dioxide equivalent (tCO₂e) in FY21 to 4,17,036 tCO₂e in FY22, an increase of 48%.

This report broadly focuses on the economic, environmental, and social impacts of the organisation as a result of its business activities and is an exercise that shall be tracked and monitored on an annual or bi-annual basis with the aim of continually improving the company's performance.

The second sustainability report of Fourth Partner Energy Private Limited (FPEL), like its predecessor, follows guidelines of the Global Reporting Initiative (GRI) as applicable in a GRI reference claim report, except for materiality analysis and stakeholder engagement, which will be carried out every alternate year. The reference claim report highlights the specific standards selected for the company from the GRI Sustainability Reporting Standards for 2020. The report covers the period from 1 April 2021 till 31 March 2022 which coincides with the company's financial reporting period.

The disclosures cover the operations directly controlled by the company which includes the corporate offices in India and project sites. In addition to India, impacts from operations in Vietnam, Indonesia, Bangladesh, and Sri Lanka have not been included but we intend to enlarge the scope and include them in the forthcoming reports. We also submit that only activities involving the employees of FPEL have been considered and those concerning employees of suppliers have not been accounted for. However, we hope to expand our scope and set data capture methodologies to include the activities of our suppliers in future reports.

We welcome feedback from our stakeholders in our disclosure and reporting process which can be sent to us at esg@fourthpartner.co.



Message from the Founders

"We are on a highway to climate hell with our foot on the accelerator. Our planet is fast approaching tipping points that will make climate chaos irreversible. We need urgent climate action. Every business, investor, city, state and region need to walk the talk on their net zero promises. We cannot afford slow movers, fake movers or any form of greenwashing."

This powerful statement by UN Secretary General, Antonia Guterres at the COP27 climate convention in Egypt, earlier this year is a wake-up call like never before. Countries across the globe are reeling under political, economic and climate-related pressures. In such a volatile scenario, the impact created by a firm like ours has never mattered more.

Very few businesses can claim that every project executed and every deal inked directly result in a greener planet – while we are extremely proud of our core business model at Fourth Partner Energy, we have never been a firm to think this is enough in our efforts towards climate action. Delivering clean energy alternatives and reducing the carbon footprint of our clients is merely a starting point; 'Energy for Good' is what drives us! At FPEL, we strive to keep ESG at the core of all operations – our recently constituted Board Level ESSG Committee reiterates this commitment. Our people are constantly finding newer ways to ensure sustainable sourcing, curb emissions across the entire value chain, minimize our use of resources, increase efficiencies and benefit the communities we engage with. This report captures FPEL's progress on all these fronts in FY22 and identifies areas of improvement for the coming year.

In an exceptionally challenging post-pandemic year, we are proud to have created over 2300 jobs with 60% local hires. We increased our women base from 14% to 17% and our committed to scaling this further as we continue to prioritise workplace equality, diversity and pay parity. Every employee and their family is covered by our company's medical insurance policy. We are extremely proud to be one of the few firms in India, where every single employee is like a shareholder by being part of the Employee Incentive Plan – this has resulted in increased ownership and accountability across levels in the organization.

This year FPEL developed and implemented a company-wide Environmental & Social Management System – which covers all health, safety, quality, waste management & governance measures across offices and project sites. We are pleased to report a zero-fatality year across both Indian and International locations. Through our Power@1 and other Community development programs, we have directly benefited over 3,500 people this year.

As India's leading renewable energy company catering to the corporate sector, FPEL is sitting on the threshold of a huge opportunity that comes with tremendous responsibility. With over 60% of the country's GHG emissions being traced back to the energy sector, switching to clean sources will soon become imperative. India is targeting achieving Net Zero by 2070 and has committed to reducing the emissions intensity of its GDP by 45% by 2030. FPEL will play a pivotal role in accelerating the decarbonization story of its corporate customers and is targeting an operating portfolio of 4GWp in the next 5 years.

Our FY22 Sustainability report gives you a glimpse at the progress we have made in impact creation and sustainable best practices this past year. It throws light on our ESG plans going ahead and our efforts towards the same. Today, we are proud that every facet of Fourth Partner Energy reflects our priority towards our planet. We hope you find this report informative and insightful.

Warm Regards,
Saif Dhorajiwala & Vivek Subramanian



**Vivek Subramanian
&
Saif Dhorajiwala**
Co-Founders,
Fourth Partner Energy

Message from the Director

Dear Reader,

As Chair of our recently established Board ESSG Committee, I am delighted to share with you our second *Sustainability Report for FY 2021-22*. Our report continues to grow and change along with our company and this year has been no different. The past year has been a very successful one, we've been able to expand our managed and operated portfolio and produce 264.4 GWh of renewable energy, avoiding 13,04,890 tons of CO₂ equivalent emissions into our atmosphere. While we look back at past achievements, it is a fact that the need to ensure a supply of reliable and sustainable modern energy has never been more important.

As I am writing this, the 27th Conference of the Parties to the UN Framework Convention on Climate Change, or COP27 as it is more commonly known, has recently been concluded, in a world facing record high temperatures and a virtually certain commitment to a global average temperature increase of 1.5°C. As if this weren't enough, we are still recovering from the COVID pandemic and coming to grips with the fragility and limits of globalization and the ever-increasing need for international cooperation.

COP27's "Thematic Days" included topics ranging from finance, youth, and water to gender, civil society, and biodiversity... a testament to the complexity and cross-cutting nature of climate change and the risks and impacts it creates for the environment and society. FPEL faces these challenges daily, as we develop renewable energy projects in India and across South and Southeast Asia and try to generate positive development impacts while minimizing the negative impacts and risks our projects could have on the environment and local communities.

FPEL's Board ESSG Committee has emerged as a useful tool to address these challenges by providing regular oversight, counsel, and follow-up at the highest corporate level, creating more visibility and accountability related to these issues. We have not always succeeded, but we will continue to strive to create a culture of learning, continuous improvement, and innovation so that we are better equipped to face these challenges and the new ones that will inevitably arise in the future.

We invite you to participate in this process by providing your observations, comments, and suggestions to this report and the work we do.

Sincerely,
Anders Blom, Chair
ESSG Committee



Anders Blom
Nominee Director, Norfund &
Chairperson, ESSG Committee

Key Highlights



Awarded a Silver Medal in FY22 by Ecovadis in recognition of achievements in sustainability



Total Portfolio Managed
950+ MWp



Beneficiaries of Power@1 and Community Development Activities
3,500



Clean and Green Energy Produced in the Reporting Period
264 GWh



Total Green Jobs Generated
2,309



Human Capital

Employee Turn Over Rate
18%

Diversity Across all Workforce
17%

Full Time Equivalent for ESG and Sustainability Performance
4



Average Savings on Tariff Rate for C&I Consumers
INR 3/kWh



Safe Man-hours
8,08,040
Man-hours

EHS Training Man-hours
6,498

TBT Man-hours
22,678

Fatality¹
0

Serious Environmental Accidents
0

Near Misses
5

First Aid Cases (FAC), Medical Treatment cases (MTC), Lost Time Injury (LTI)
0

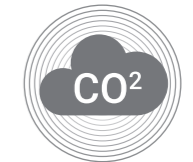


Total E&S Studies conducted (E&S Screening/ESIA/LEA)²
15

Total External Grievances (Community/Contractors/Visitor)
10

Total ESG Observations Recorded at Projects
503

Environmental Data derived through Empirical Formulas



Metric tons of CO2-eq emissions avoided equivalent to the emissions of the equivalent capacity of fossil fuel plants
13,21,267



Cubic Meters of Water usage averted by installing and operating PV Plants instead of the equivalent capacity of fossil fuel plants
30,60,000



Total Equivalent Trees Planted per year
5,99,33,036



EHS Audits
80

Inspections and Senior Management Walkdowns
17

¹ One fatality occurred while acquiring and before completion of the takeover of a project. In spite of this, we did not terminate the contract or take a pause in closing the transaction. We took ownership and additional initiative to care for the victim's family and extended compensation accordingly.

² E&S Screening = Environmental & Social Screening
ESIA = Environmental & Social Impact Assessment
LEA = Limited Ecological Assessment (to rule out critical habitat)

Approach to ESG and Sustainability

Our approach to ESG and sustainability is aligned to our core business philosophy. In a fast-changing global scenario we know that financial goals cannot be isolated from environmental, social and ethical goals. ESG needs to be deeply embedded in the strategy of a business to bring about holistic progress for a company and society as a whole and this is the approach that we have adopted at FPEL:

Vision

To develop our business in the most ethical, sustainable and compliant manner – with a minimal negative impact on the environment and communities we operate in. We are committed to accelerating clean energy transition in the corporate sector across India and Southeast Asia in a JUST and RESPONSIBLE manner. At the core of our operations is our intent to *prioritize the planet while focusing on profitability – for both FPEL and the client.*

Mission

While every project executed and deal inked by us results in a lower carbon footprint – we want to ensure that each of our processes delivers the maximum impact possible across the entire value chain, while maintaining the highest standards of ethics and accountability across our workforce and operations.

The values that guide us through this include:



Sustainability is etched into the very cornerstone of our company. It is one of the four pillars of corporate strategy at our firm that include Customer Centricity, prioritizing our People and Processes, Quality compliance alongside adherence to Health & Safety norms.

This year, as part of our ESG mission we have formulated a Sustainability Action Framework, outlining six action themes. The ESSG Committee will continue to measure the company's performance and progress under each of these broader themes while expanding the detailed scope of work within each.



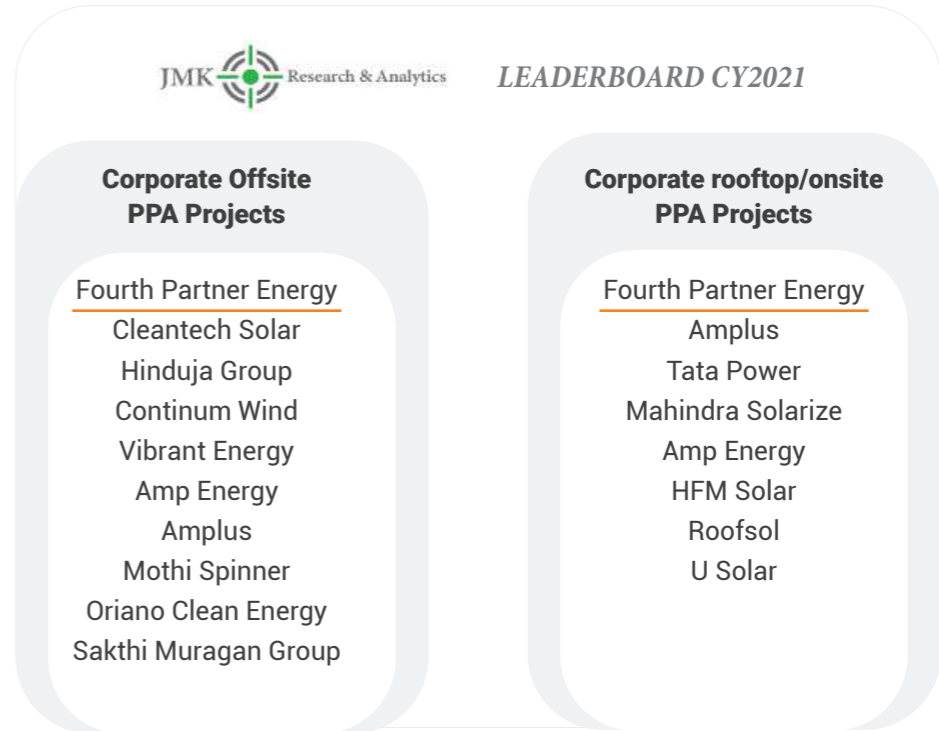
About the Company

Fourth Partner Energy is India's leading Renewable Energy Solutions Company, catering to Commercial & Industrial (C&I) businesses. We are committed to accelerating Decarbonisation across the corporate sector, not just in India but across South and Southeast Asia. We offer Energy-as-a-Service (EaaS) to help businesses offset almost 100% of their energy requirement through clean and green sources.

Framework Themes	Ongoing Action Plan
Mitigating Climate Risk	<ul style="list-style-type: none"> • Accelerating Decarbonisation across commercial and industrial sectors in our geographies of operations. • Encouraging businesses to not just think of short-term cost savings on energy, but long-term sustainability goals
Trusted Leadership & Governance	<ul style="list-style-type: none"> • Building a team that is passionate and driven by integrity • Encouraging decentralized decision-making which results in increased accountability • FPEL prioritises diversity, equal opportunity and gender equality. • Transparency in disclosures and reporting is of utmost importance • Fair value to landowners and compliance with industry best-practices
Resource Efficient Operations	<ul style="list-style-type: none"> • Delivering lowest cost of clean energy to our clients • Quality checks to ensure minimal defects and guaranteed customer satisfaction • Working towards 100% recovery or recycling or reuse of all types of packaging materials by FY25 • Monitoring consumption of energy, water and waste management across FPEL's offices and sites
Responsible Supply Chain	<ul style="list-style-type: none"> • Screening of suppliers based on ESG criteria and routine monitoring of their performance • Capacity building of suppliers aligning with FPEL's ESG goals • Increasing network of local suppliers
Green Workforce	<ul style="list-style-type: none"> • Prioritizing Human Rights • Occupational Health & Safety • Employee Welfare
Enabling & Supporting Local Community Development	<ul style="list-style-type: none"> • Identifying critical areas like Health, Education, Financial Inclusion and others to empower communities we operate in.

- ### Strategic ESG Goals
1. Decarbonizing the energy consumption
 2. 22% women workforce to be employed by FY 25
 3. Ensure 100% recovery or recycling or reuse of all types of packaging materials by FY 25
 4. 100% ESG screening of service suppliers by FY 25
 5. At least 50% of workers on project sites will be from the local region by FY 25
 6. At least one community development activity to be conducted per Open Access Project
 7. 100% coverage of ESG reporting for our International Businesses
 8. Zero fatality record across all project sites in India and SE Asia

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



Source: JMK 2021 Annual India Solar Report Card

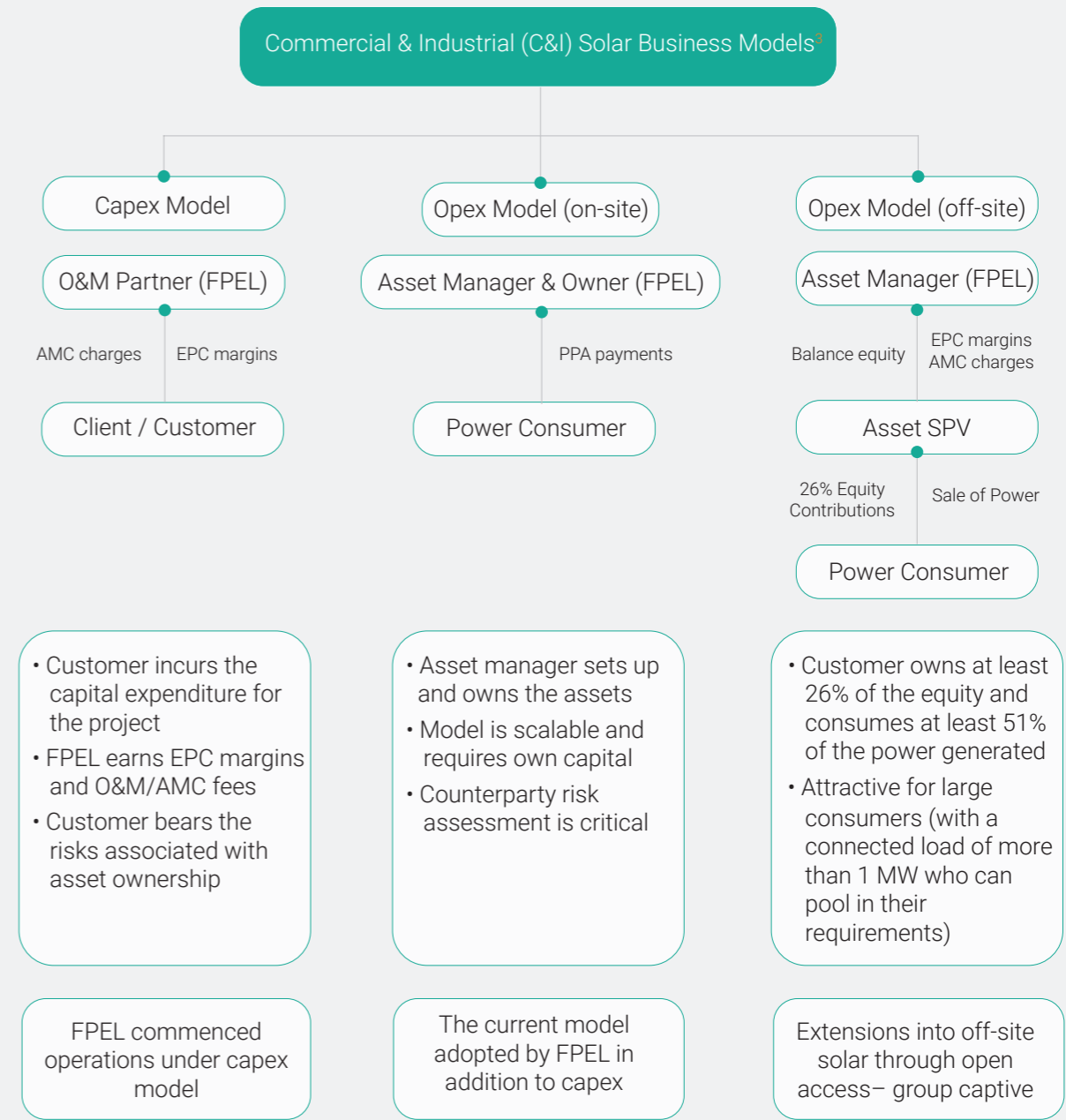


Image of Floating Solar Power Plant at Jamuria, West Bengal, India.

Founded in 2010 and headquartered in Hyderabad as a Solar products and EPC company, in just over a decade FPEL has emerged as a leading RE solutions provider owing to our in-house expertise across energy analysis, design, financing, procurement, construction, operation and maintenance of renewables infrastructure and allied services. We have leveraged technology and innovation to become the top destination for companies looking to embark on or accelerate their sustainability journey.

<p>RANKED #1 IN DISTRIBUTED SOLAR</p>		<p>77% CAGR since inception in 2010; Only C&I firm to have consistently ranked in the top 3 since 2017</p>
<p>MARKET LEADER IN OPEN ACCESS SOLAR</p>		<p>14 parks underway in 6 states with the most conducive regulatory frameworks</p>
<p>CUSTOMER CENTRICITY</p>		<p>Tailor-made solar solutions customised to meet the Client's specific energy requirement</p>
<p>END-TO-END OPERATIONAL EXPERTISE</p>		<p>In-house teams across Design, Finance, Engineering, Procurement, Construction and Service</p>
<p>MAXIMISED GENERATION GUARANTEE</p>		<p>Best-in-industry Operations & Maintenance to monitor lifetime generation</p>
<p>BEST-IN-CLASS TECHNOLOGY</p>		<p>We procure latest high-efficiency modules; IoT-based Remote Monitoring System tracks real-time plant performance</p>

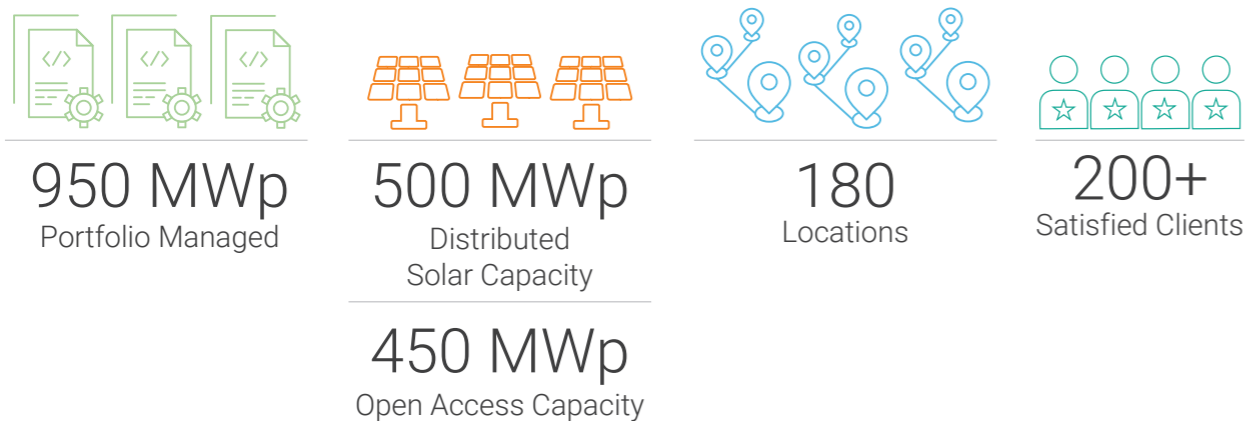
Business Models



³ As of FY23, the company has begun offering wind energy and solar-wind hybrid as clean energy solutions to the corporate client. Offsite wind and hybrid parks are being constructed in the States with the most market potential and conducive policy environment.

As of March 2022, Fourth Partner Energy has an installed base of 950p MW that includes distributed and open access solar energy assets spanning across 180+ locations.

Through our full suite of integrated energy solutions, we can offer round-the-clock renewable energy to all our esteemed clients.

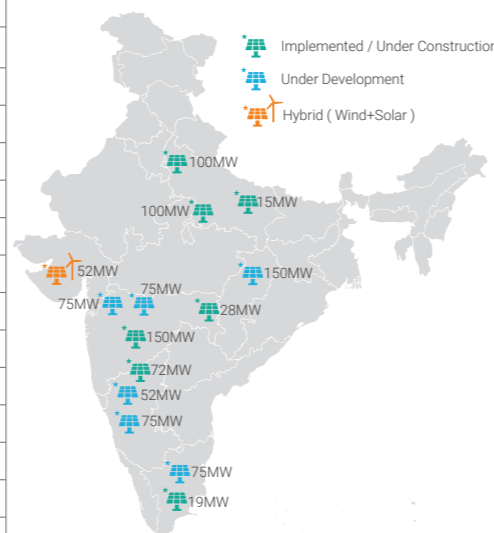


Fourth Partner Energy is operational in Vietnam, Indonesia, Bangladesh, and Sri Lanka along with a pan-India presence across 24 states. Our customised, integrated Renewable Energy solutions include Onsite and Offsite Solar & Wind, Battery Storage, Wind-Solar Hybrid, Energy Trading and EV Charging Infrastructure. Through our full suite of integrated energy solutions, we can offer Round-the-Clock Renewables to over 200 of our esteemed clients.

a. Portfolio

The company has a Open Access Portfolio of 450 MWp & 500 MWp distributed solar capacity. Our pipeline of Open Access wind and solar parks at various stages of execution include:

State	Capacity	Project Status
Uttar Pradesh	100 MW	Implemented
Uttar Pradesh	100 MW	Under Development
Uttar Pradesh	15 MW	Under Development
Maharashtra	150 MW	Under Construction
Maharashtra	75 MW	Under Development
Maharashtra	75 MW	Under Development
Maharashtra	28 MW	Implemented
Tamil Nadu	75 MW	Under Development
Tamil Nadu	19 MW	Implemented
Karnataka	75 MW	Under Development
Karnataka	72 MW	Under Construction
Karnataka	52 MW	Under Development
Chhattisgarh	150 MW	Under Development
Gujarat (Solar + Wind) Hybrid	52 MW	Under Development

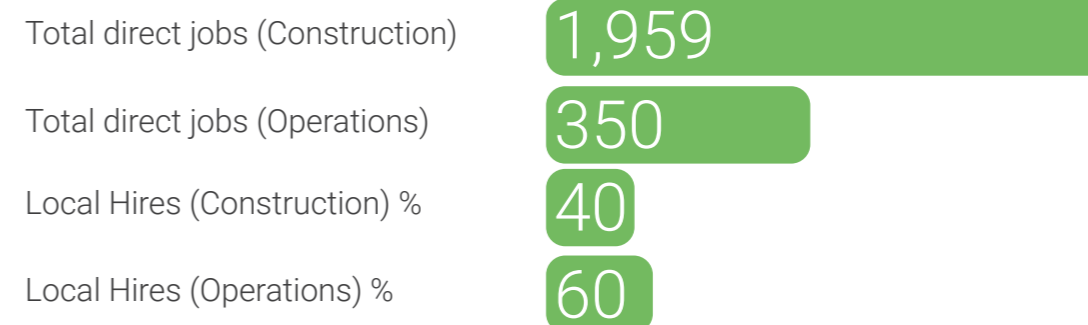


b. Workforce

FPEL created an estimated 2,309 green jobs for India in FY22, as seen in the graph below, comprising 1,959 jobs in engineering, procurement, and construction activities at project sites out of which 40% are local hires. FPEL also created 350 jobs in operation and maintenance activities such as periodic cleaning of solar modules, of which 60% are local hires.

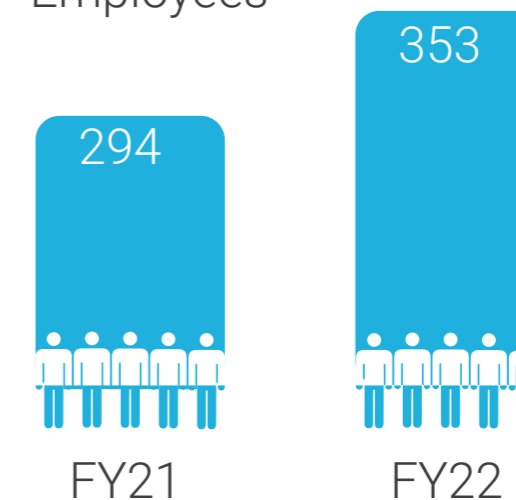


Green jobs created

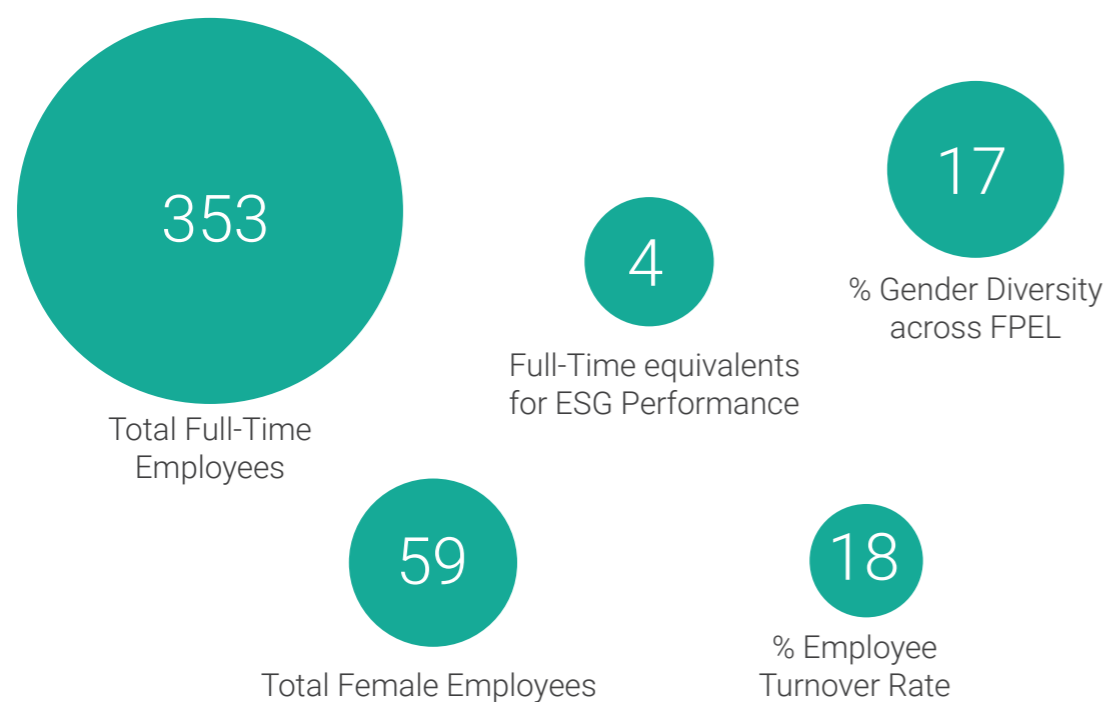


As seen in the graph below, the company's workforce increased from 294 in FY21 to 353 in FY22. Out of our total employee strength, FPEL has 59 female employees, which is an increase of 3%, from 14% last year to 17% in FY22. This showcases FPEL's spirit of equal opportunity, diversity and inclusion.

Employees



Social capital



All employees of FPEL, their spouses, and their children are covered by the company's medical insurance policy. This year FPEL introduced coverage to include dependent parents too. 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 companies in India that has implemented an Employee Incentive Plan (EIP) linked to the company's stocks. This incentive scheme includes all employees, irrespective of the functions they perform.



Image of Open Access Renewable Energy Park (Under Construction) at Katol, Maharashtra

c. Investors

As a leading renewable energy developer and on the strength of the decarbonisation efforts in the C&I segment, FPEL during FY 2022 was able to raise \$100 million from ESG-centric Norwegian Investment Fund for developing countries, Norfund, and an additional \$25 million from the existing investor TPG Rise Fund. The capital will be used to help us meet our goal of a 3 GW operating portfolio by 2025.

Apart from the above investments we also secured an investment of \$35 million in non-convertible debentures from the British International Investment (formerly known as CDC Group), UK's Development Finance Institution (DFI). These funds will be used to further advance our renewable solutions platform across India and South Asia.

Our knowledge, expertise, and excellent execution skills have also made us feature in one of our investors, Vitriti Capital's 2021-22 Sustainability Report. Details can be found here⁴ (pages 36-38)

FPEL has constituted a board level ESSG committee which includes representatives of our investors, to ensure that we deliver maximum returns to all stakeholders while ensuring minimal impact on the environment. For example, carrying our Environmental & Social (E&S) Impact Assessments, E&S Due Diligence of acquisition projects, monitoring of Environmental & Social Action Plan, tracking of leading & lagging OHS indicators, etc.

The committee meets every quarter to ensure FPEL is delivering on 'responsible' energy transition. It is our privilege to work with a network of financiers and lenders with similar goals on governance, ESG and sustainability metrics.

⁴https://d1rlpxonb8wf9b.cloudfront.net/esg/Vivriti+Sustainability+Report_6_july.pdf

d. Joint Ventures

i) Shuchi Anant Virya

Shuchi Anant Virya is FPEL's joint venture with Lithium Urban Technologies which is India's largest commercial EV fleet operator. This joint venture brings domain expertise in distributed energy and urban mobility to bring a greener solution to the urban mobility sector.

Shuchi provides Electric vehicle (EV) charging solutions to customers with the aim of supplying clean energy at reduced costs under its brand Powerbank. Since March 2020, Powerbank has established more than 250 charging points across 50 locations in 10 cities in India. These charging points are at prime and most accessible locations in the city and have the capacity to charge around 5000 vehicles. In addition, Shuchi provides a mobile app to the end users for their convenience and provides a web-based dashboard to the infrastructure managers for asset management.

ii) EMIITS

EMIITS is a joint venture with Indika Energy, Indonesia's leading integrated energy company. This partnership is a step towards expanding FPEL's footprints into key markets across Southeast Asia.

The focus of EMIITS is to offer cost-effective, customized, reliable clean energy solutions to Indonesia's businesses. EMIITS solution assists businesses to reduce their electricity bills as well as transitioning to cleaner energy. The solutions offered include rooftop solar, on-ground solar, battery energy storage system (BESS), floating solar, solar carport, and EV charging infrastructure. They also offer innovative financing models like operating lease (zero capital investment) and CAPEX (client owns the power plant), both with easy EMIs, to encourage clients to opt for on-site solar. Each solution that is provided is custom fit to the client's specifications.

Since 2021, EMIITS has catered to a wide range of clients from across industries, such as April Group, HM Sampoerna Group, Wilmar, Interport, Kideco, etc.

e. Subsidiaries

i. BESS

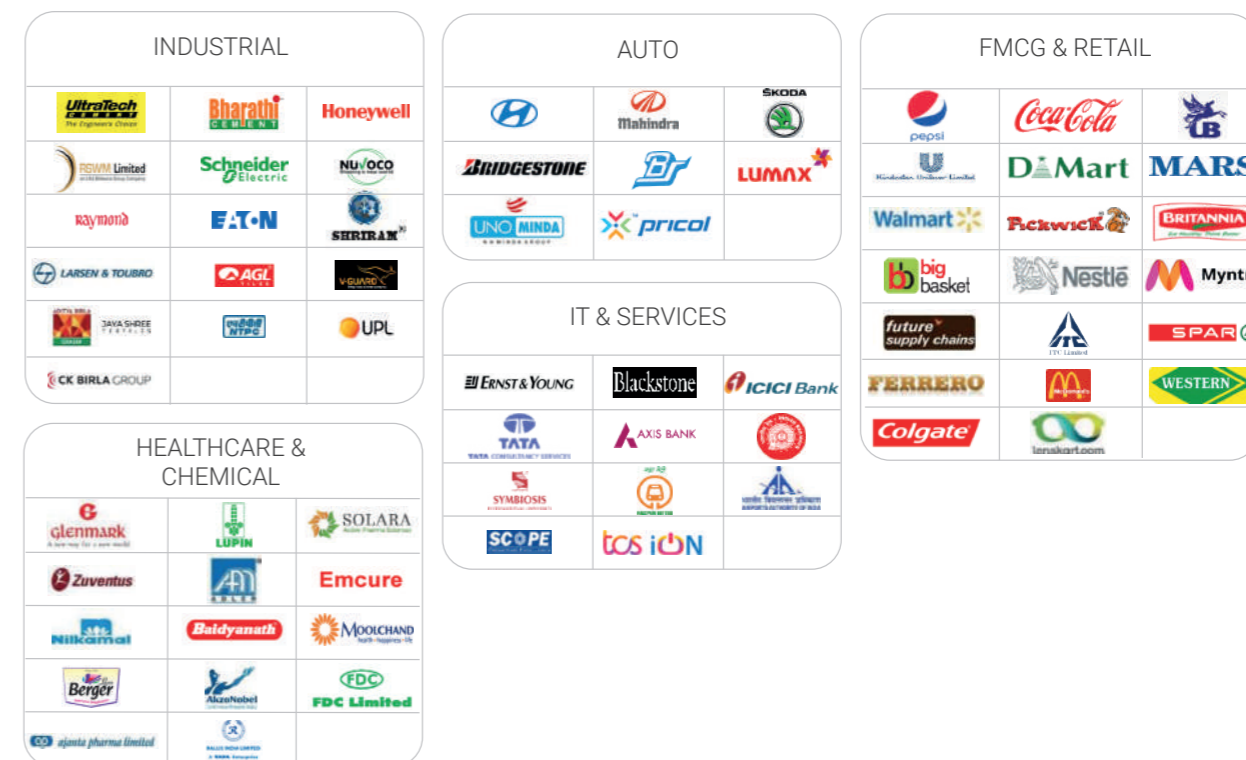
FPEL's BESS is a leader in Battery Energy Storage Systems (BESS) in India, since 2020. It was created out of the BESS division of Raychem RPG, a leader in energy storage in India. Our team members are experts in designing, deploying, and operating complete energy storage solutions keeping the most demanding industrial applications in mind.

While globally FPEL's BESS has its presence across nine sites, in India, it has a deployment of more than 5000 kW of AC Coupled Systems and more than 1600 kW of DC Coupled Systems across 20 sites.

Its key products are Integrated Bi-Directional Inverters and Energy Management Software. We have engineering expertise that builds storage containers by integrating inverters and software along with batteries across the scale. The Energy Software focuses on system integration, economic dispatch, and fleet aggregation.

f. Clients

FPEL's client base encompasses many industry sectors such as FMCG, Pharmaceuticals, Cement, Automobiles & Auto Ancillary, Power, Steel, Textiles, Chemicals & Paints, IT, E-commerce, Retail as well as Schools & Large Educational Institutes, Hospitals, Railways, and government offices. Keeping in line with our ESG policies, at the start of every new engagement, FPEL follows an "exclusion list" practice which screens potential clients and avoids pursuing business with organisations that manufacture weaponry, market hazardous chemicals or use exploitative labour practices while employing children.



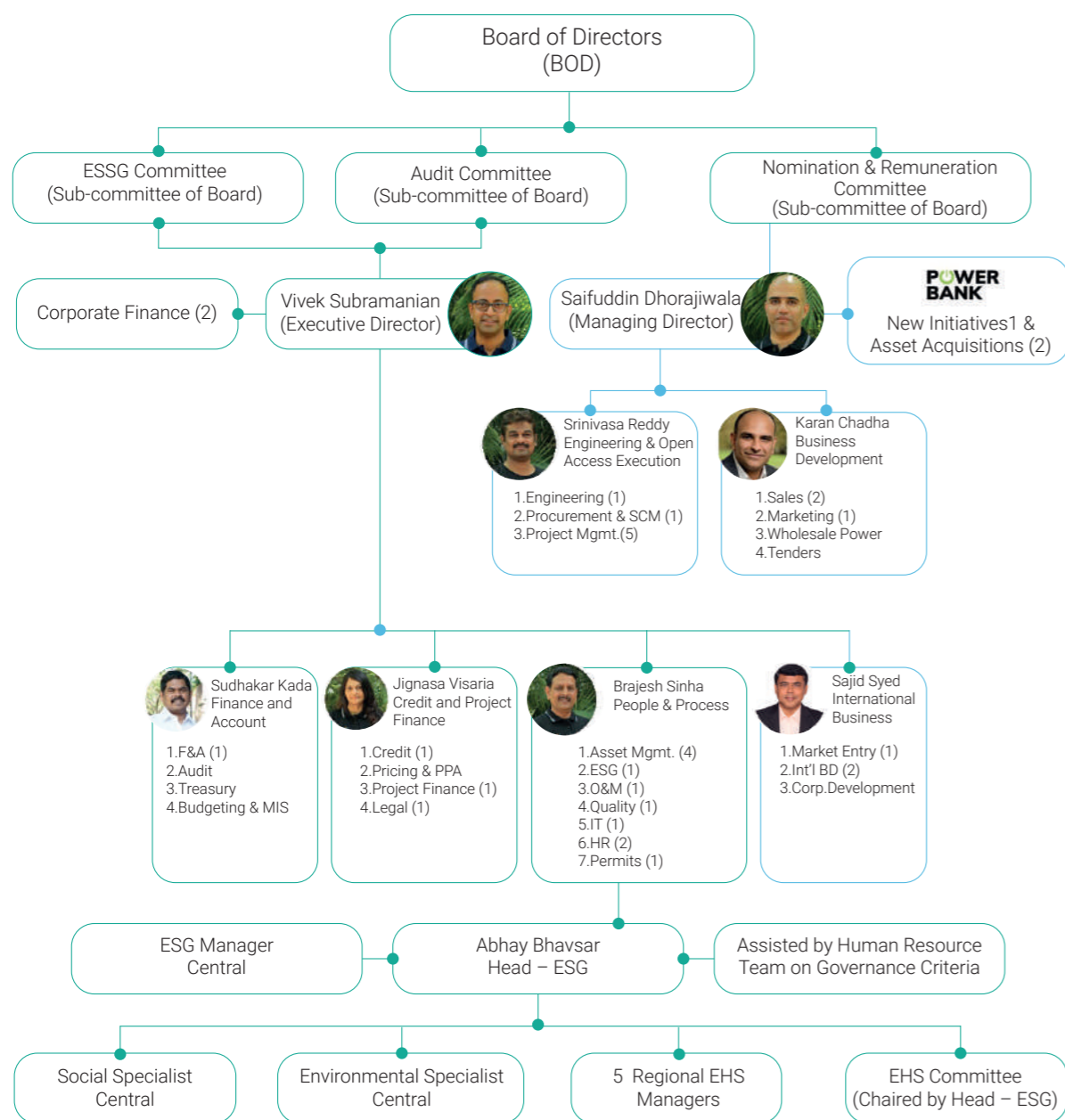
g. Governance Structure for ESG & Sustainability

A rigorous structure to manage the smooth governance of FPEL has been developed and is annually reviewed and improved upon. Executive Directors (ED) under the oversight of the Board of Directors have the apex responsibility for governance at FPEL. Under the ED, the next level of governance called the Executive Committee (EX-COM) consists of members who manage functional domains at FPEL. Furthermore, as seen in the chart below, under the EX-COM, the Management Committee (M-COM) oversees the running of the different departments of FPEL.

Under the EX-COM member for People and Processes, a dedicated ESG department oversees the Environmental Health and Safety (EHS) and the overall Legal and Human Resource framework of FPEL's governance. In addition, the People and Processes function oversees the management and implementation of work conducted under the Environmental and Social Management System (ESMS). This year also saw the formation of an ESSG (Environment, Social, Safety, and Governance) committee, a subcommittee of the board. The ESSG Committee comprises of 4 members viz., from Norfund & TPG, FPEL Executive Director & Independent Director. The committee meets once a quarter and is responsible for driving the Company's mission to be an operating power company and developer of energy projects that are 'best-in-class' from an ESSG perspective. The ESSG Committee can also invite observers, who are entitled to make recommendations (but not vote) on matters before the committee.

The Board, EX-COM, and M-COM together have 18% women members. A detailed organogram is given below.

SUSTAINABILITY GOVERNANCE STRUCTURE

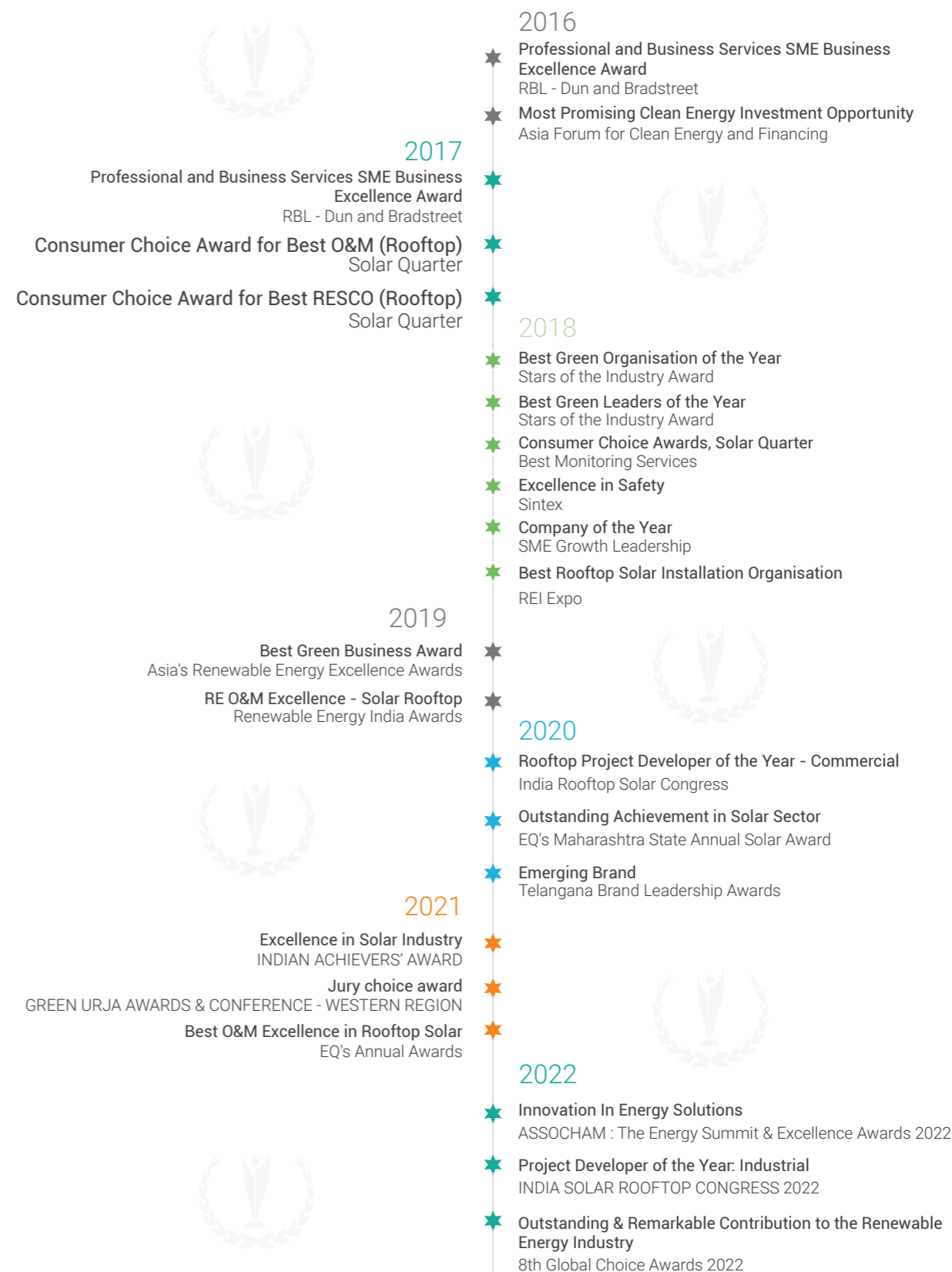


Executive Committee (Ex-COM) Is Supported by Management Committee (*) & 350+ Member Team – The "Fourth Partner" of the Organisation

Note¹ : New initiatives include Shuchi and BESS
 (x) refers to number of Management Committee (M-COMs) members within the respective team.
 Note² : All ESMS Site in charge & Site EHS Managers report to these 5 Regional EHS Managers on EHS&S Aspects

In addition to the governance areas mentioned above, Annexure 1 lists all the national and local regulations that FPEL complies with.

h. Awards & Recognition



Contribution Towards Sustainable Development Goals

a. Background and Significance

Climate change refers to long-term shifts in temperatures and weather patterns. These shifts may be natural, such as through variations in the solar cycle. But since the 1800s, human activities have been the main driver of climate change, primarily due to burning fossil fuels like coal, oil, and gas. Burning fossil fuels generates greenhouse gas emissions like a blanket wrapped around the Earth, trapping the sun's heat, and raising temperatures. Hence it is essential to source energy from non-emitting sources such as solar and wind.

The United Nations Framework Convention on Climate Change (UNFCCC) adopted in 1992 which entered into force on 21 March 1994, primarily aims to prevent anthropogenic interference in the earth's climate system and stabilise 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 26 meetings so far. The 27 COP meeting was held in Sharm El-Sheikh, Egypt from November 6-18, 2022.

The COP meetings have resulted in several important decisions and agreements such as the Paris Agreement which 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 in its updated Nationally Determined Contribution (NDC) in August of 2022 proposed the following:

- To reduce the emissions intensity of its GDP by 45 percent by 2030, from the 2005 level.
- To achieve 50% of its electric power installed capacity from non-fossil fuel-based energy resources by 2030.
- To create an additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover by 2030.

b. SDG Contributions

FPEL is directly contributing to India's NDCs, and its core business contributes toward the achievement of all the UN Sustainable Development Goals. However, highlighted here are the SDGs where we create maximum impact:

UN SDG 7 

(Ensure access to affordable, reliable, sustainable, and modern energy for all)

FPEL manages a renewable energy capacity of 950 MW, which generates 264 GWh.

UN SDG 8 

(Decent work and economic growth)

FPEL has generated 2309 green jobs.

UN SDG 9 

(Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation)

FPEL helped the commercial and industrial units to source their energy from a renewable source, thereby reducing emissions and improving their sustainability.

UN SDG 11 

(Sustainable cities and communities)

3500 people benefitted from FPEL's community development project called POWER@1.

UN SDG 13 

(Take urgent action to combat climate change and its impacts).

FPEL is accelerating India's energy transition goals with on-site, off-site, energy trading, EV infrastructure, and new solar technologies.

c. SDG-linked Solutions

FPEL offers customised solutions for businesses in India targeted towards reducing the cost of electricity, lowering carbon footprint, meeting renewable energy purchase obligations, procuring short-term power, or transitioning to electric vehicles. With our understanding of the energy market in India, we help our clients with long-term energy transition and sustainability goals.



“We are proud to emphasize the importance of JUST TRANSITION: prioritizing not just renewable energy, but responsible energy, along the entire value chain – this commitment to strong corporate governance and impact is in-line with our investors, Norfund & TPG’s the Rise Fund.”

– Vivek Subramanian
Co-Founder & Executive Director, FPEL

In line with the SDGs, FPEL plans to rapidly scale up its activities with a diversified geographic portfolio of 3 GW 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 avoided GHG emissions. The strategy to help us achieve the goal has four pillars that are:

1. Customer Centricity through comprehensive solutions, i.e., onsite solar, offsite solar, solar-wind hybrid, storage solutions, and clean transportation delivery to all customer premises across geographies.
2. Build capabilities on people and processes through process excellence and efficiencies led by motivated and passionate professionals
3. Create excellent frameworks on Health, Safety, Quality, and Sustainability by following industry best practices and ensuring it is part of the organisation's ethos.
4. Create a low-cost green financing system that is committed to a fundamental shift towards renewable energy.

Environmental & Social Management System

FPEL has a robust Environment & Social Management System (ESMS) that demonstrates our organisation's commitment towards its environmental and social risks and assesses ways to manage them responsibly and ethically. The ESMS is a set of policies, procedures, tools, and internal capacity to identify and manage an institution's exposure to the environmental and social risks of its clients/investors. This provides a systematic framework to identify and manage potential adverse environmental and social impacts.

a. Glimpses of E&S Performance

i. Development and Implementation of ESMS

FPEL has developed and put into practice a corporate-wide Environmental & Social Management System in the current reporting period. This Environmental and Social Management System (ESMS) establishes Fourth Partner's commitment to put in place a framework that guides the Company in managing the Environmental, Social, Health, and Safety (ESHS) risks arising from our activities as well as carrying out business, keeping sustainability in mind. This is in conformance with our broader corporate objective. This ESMS framework further translates into detailed policies and procedures. Our ESMS has been benchmarked against all the applicable national and international standards.

FPEL is committed to realising its business objectives and goals while remaining compliant with applicable local laws, and statutory and regulatory requirements. The current ESMS framework would be modulated by requirements arising out of changes in business models intended by FPEL or any national or international policy changes in the future.

The overall objective of ESMS is to guide FPEL business and its operations on various E&S aspects associated with day-to-day management during the operations as well as the closure of a project. The ESMS provides a framework around E&S risk evaluation, management, disclosure, and reporting. The ESMS covers the rooftop power installations as well as grid-connected open-access projects of FPEL. This ESMS will be duly revised in the coming year to include E&S risk assessments of Wind and BESS projects in addition to extending it to International regions such as Sri Lanka, Bangladesh and Vietnam.





FPEL's ESMS applies to all assets of Fourth Partner including its existing portfolio as well as the new assets to be added in the future. Our ESMS is applicable for the entire lifecycle of FPEL's Project. The coverage of certain aspects may have a mandate for the inclusion of contractors, subcontractors, vendors, etc. for management of EHS during construction, waste management, EHS-related training, etc. Contractor management guidelines developed as part of ESMS apply to contractors and subcontractors. Contractors associated with all the Projects of FPEL adhere to the guidelines provided for contractor management, ESMS commitments, and policy requirements.

Implementation of this system is driven by the Corporate ESSG committee supported by the corporate ESG Head.

ii. Policy Implementation on Ground

There is a possibility of adverse environmental and social impacts while developing and implementing a solar project. We endeavor to understand these adverse impacts in advance and implement mitigatory and compensatory measures when required. A mapping exercise was therefore conducted to identify the impacts of a typical power project using a structured process-based approach. These impacts are listed below. It is important to note that a specific project site may not experience all these impacts and two different sites may experience a specific impact in different measures.

Please find below the list of impacts that are an integral part of our Environmental and Social Management System (ESMS)

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

S.No	Impact/Issue	Project Phase	Duration and Nature of impact/issue
12	Onsite Health and Safety management of workforce	Construction	Short Term, Temporary
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, Temporary
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 Electrocutation	Operation	Long Term, Permanent
29	Waste management (recycling and disposal) including discarded or damaged solar panels and Occupational Health & Safety	Decommissioning	Short Term, Temporary

FPEL has a dedicated team driving and executing the ESMS and policy on the ground. The ESSG committee guides all the high-level policies while the ESMS Head, ESMS manager, and each Project Manager stationed at every site oversees the detailed planning, implementation, and course correction wherever necessary. Details of the roles and responsibilities of the committees and people driving this at FPEL are given below.

iii. The Team Responsible for ESG

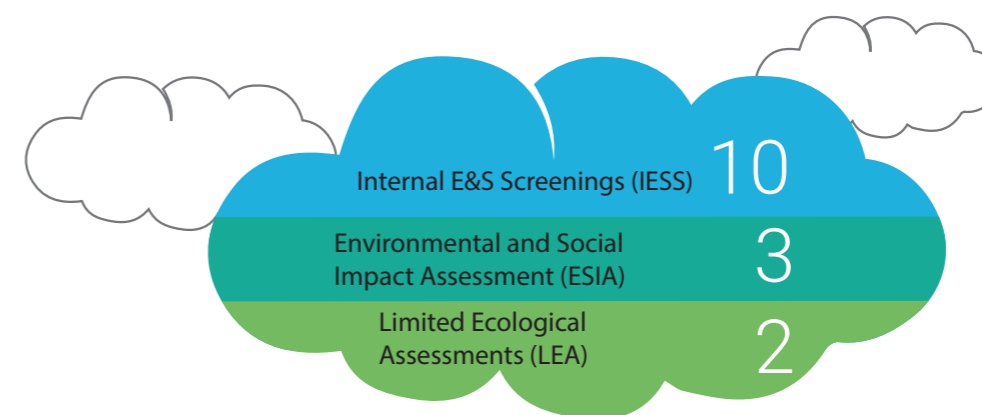
FPEL has a dedicated ESG department, the head of which reports directly to the EX-Com Member responsible for People and Processes. The Human Resources team along with the zonal ESG/EHS managers assist the Head of ESG. A detailed organogram has been provided in Chapter 5, under 'Governance Structure for ESG & Sustainability'.

b. Environmental & Social Commitment

FPEL takes responsibility for the environmental and social impacts of its activities. As we wish to create positive impacts on the environment and the social front, we are committed to conserving nature, strengthening biodiversity, protecting human rights, respecting local cultures, customs, and values, and creating green jobs. To align with our ESG vision and uphold our commitment to our financiers and lenders, we conduct an internal Environmental & Social screening of all our projects during the land conceptualization itself followed by the following assessments undertaken by a third party consisting of biodiversity and social experts.

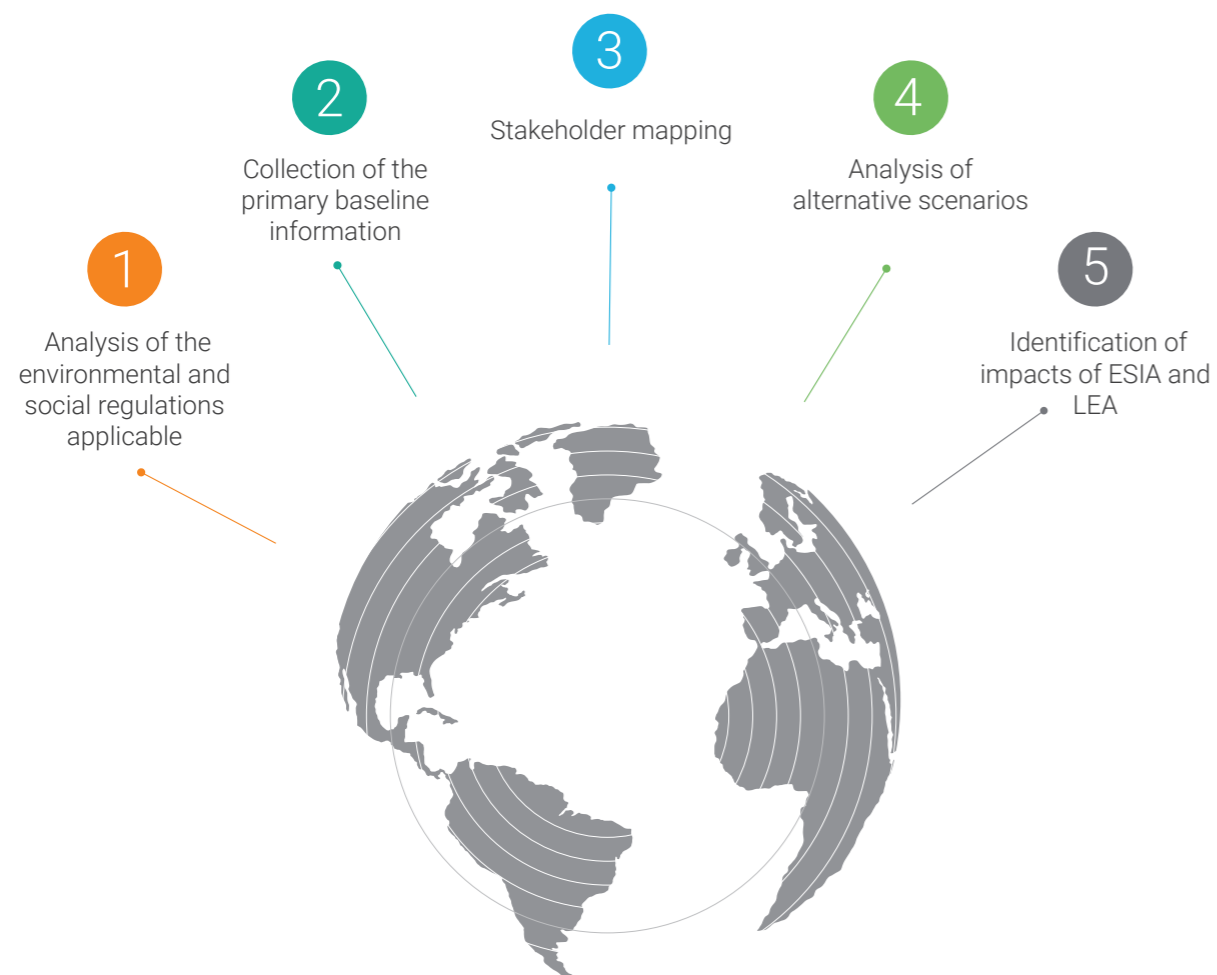
- Environmental and Social Impact Assessment (ESIA)
- Limited Ecological Assessments (LEA)
- Critical Habitat Assessments (CHA)

Environmental & Social Commitment



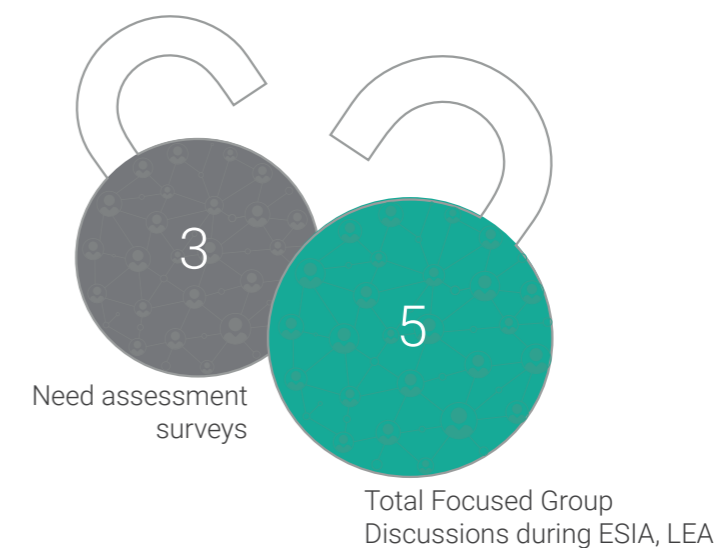
i. Environmental and Social Impact Assessment and Limited Ecological Assessments

A detailed ESIA is conducted to identify the nature and potential Environment & Social (E&S) impacts which contains the following steps:



Based on the assessment, we understand what the project is expected to have and accordingly prepare an effective E&S Management Plan. FPEL is committed to proactively addressing the needs & expectations of all its stakeholders to ensure smooth functioning of its projects. In FY 22, we engaged several Project Affected People, Local Villagers, and Regulatory Officials during ESIA & LEA Open Access Projects through Focused Group Discussions (FGD). Each FGD contains nearly 5 to 8 consultations with various groups of stakeholders. Need assessment surveys were also carried out at a couple of our Open Access Projects to identify the possible interventions, consequent to which the community development activities were initiated in the reporting period. We have site-specific stakeholder engagement plans which is a “live” document and will continue to evolve and be updated continuously as the project progresses.

Community Engagement at Open Access Projects



ii. Critical Habitat Assessment

Critical Habitat identification is required to manage risks and avoid, mitigate, and offset impacts on areas with high biodiversity value including

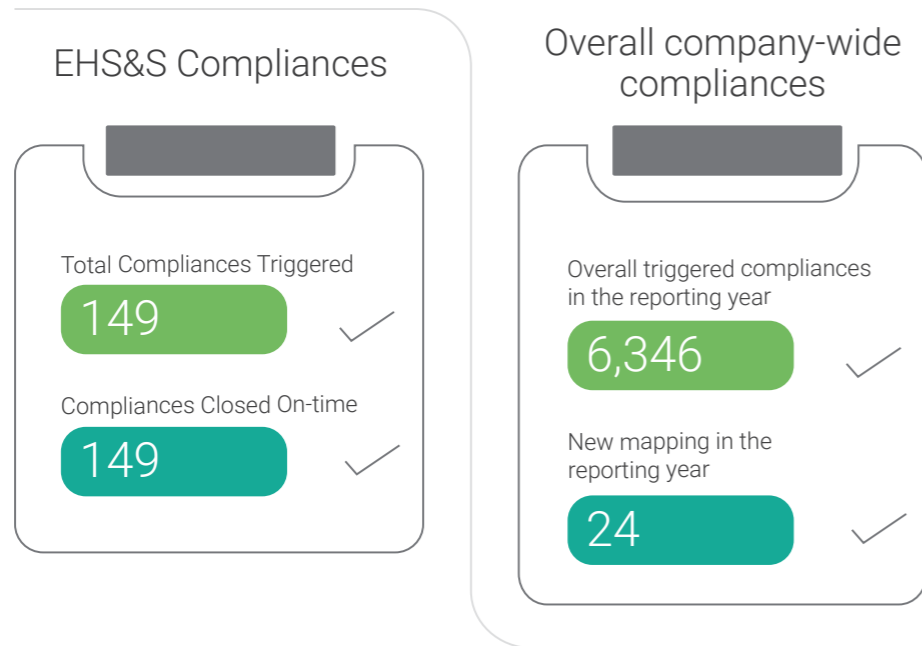
1. Habitat of significant importance to Critically Endangered (CR) and/or Endangered (EN) species
2. Habitat of significant importance to endemic and/or restricted-range species
3. Habitat supporting significant global concentrations of migratory species and/or congregation species
4. Highly threatened and/or unique ecosystems
5. Areas associated with key evolutionary processes

In the reporting period, we have carried out multiple consultations including with a bustard specialist from the Bombay Natural History Society to understand the likelihood of a project site containing Critical Habitat concerning endangered species. In case the project is likely to endanger any Critical Habitat, we carry out a Critical Habitat Assessment with the consequent implementation of a Biodiversity Action Plan.

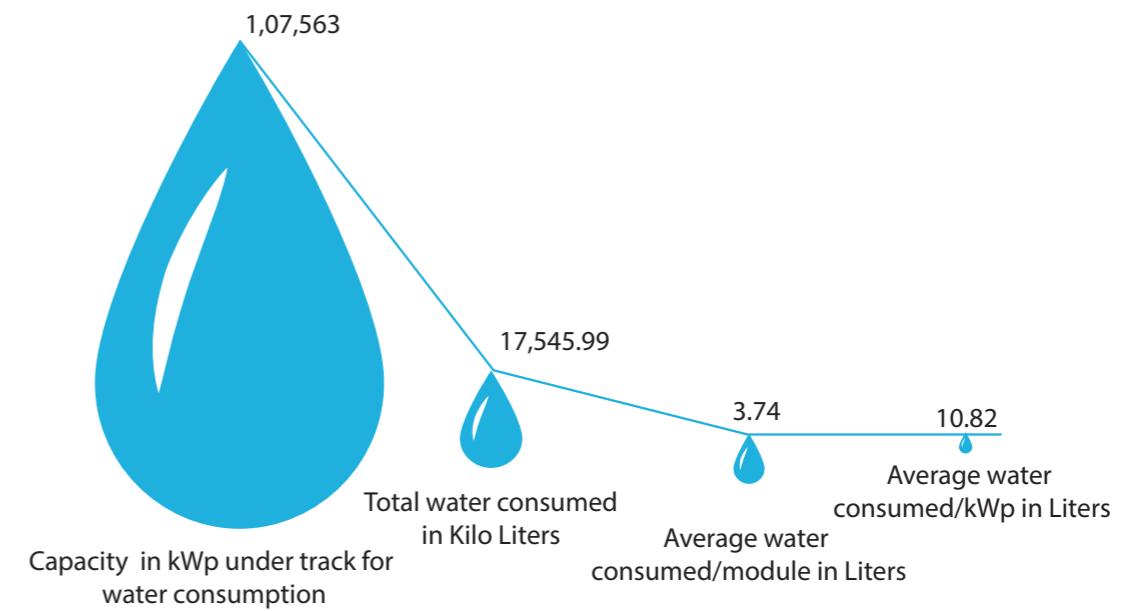
iii. Non-compliance Notices Received through Regulatory Bodies

FPEL has a comprehensive compliance mapping tool called KOMRISK, to map applicable regulations at the Head Office and in all the other branches. It triggers compliances on defined intervals and sends notifications to respective owners for timely closure. The tool has generated 149 triggers on EHS&S compliances. All the triggers have been addressed and closed promptly. This tool is also used by various departments to map all compliances under various Law Categories.

Compliances



Water Management PV module Cleaning



iv. Management of PV Module Waste, Hazardous Waste, E-Waste

At FPEL, we understand that solar cells are not just about green and clean energy but also about resource and material management. This calls for a holistic approach to handling solar PV cells. The waste from end-of-life solar panels presents opportunities to recover valuable materials for the recyclers. Recycling helps in diverting solar panels from landfills in addition to capturing the value of the raw materials. FPEL is careful to not let end-of-life solar panels end up in landfills. In FY22, we disposed of 45.6 MT of PV modules and other hazardous waste through recyclers authorised by the Pollution Control Board. A thorough process of vetting their credentials and method of waste disposal was carried out by our ESG Team. In addition, post the recycling process, we reviewed the Form VI submitted by them, which certified their method of disposal in-line with CPCB norms.

As India rapidly increases consumption of renewables, FPEL is paving the way for other developers to prioritise waste management and a circular economy within the segment.

v. Environmental Stewardship

We started a water conservation program in FY 22, in which we installed water check meters at 147 solar plants to track water consumption during PV module cleaning. This covers PV modules with a capacity of 1,07,563 kWp. In FY 2022, on an average 3.59 Litres of water was used to clean 1 module. Keeping this as a benchmark, we aim to reduce water consumption by 10% year on year. Along similar lines, we have started similar initiatives at our corporate offices, where we aim to reduce water consumption by 15% per person. From this year onwards, we have additionally started monitoring water consumption per kWp of energy generated.

“If you can't measure it, you can't manage it”, is a saying. We at FPEL have started measuring the GHG emissions to understand where the most emissions are coming from. In comparison to the year 2020-21, FPEL has reduced the scope 1 emissions from 9.17 tCO₂e in 2020-21 to 8.6 tCO₂e in 2021-22. The scope 2 emissions per installed capacity decreased from 7.8 tCO₂e in 2020-21 to 2.2 tCO₂e in 2021-22.



Occupational Health & Safety Performance

a. Our Approach to Health and Safety

In line with the ESG vision of FPEL, we ensure that the company’s approach to occupational, health and safety standards is proactive and pre-emptive. Health and safety will always be our top priority with an aim to be a leader in safety excellence in the renewable energy business. Integration of best health and safety practices is therefore an essential component of effective corporate governance and ensuring that our multiple solar power, wind-solar hybrid, and open-access solar power projects are completed to the highest possible Occupational Health and Safety standards.

We have a robust Environmental, Health, and Safety Management System supported by an ISO certified Integrated Management System that helps to provide a healthy and safe working environment for all direct and indirect employees and ensures that any actions that may cause harm to the health and environment are mitigated proactively. We ensure that contractors and subcontractors comply with FPEL’s health and safety plan, procedures, and good industrial practices at the worksite through various EHS management frameworks based on national & international standards. This approach provides a structured process that allows us to mitigate potential work-related injuries/accidents across all the business verticals and the direct and indirect costs associated with accidents, while meeting all regulatory requirements and standards.

We give utmost importance to hazard identification and its consequent risk assessment of each activity, right from the development through the operation phase of the solar power plant, including activities involved across other business lines. This exercise is periodically reviewed by the Environmental, Social, Safety, and Governance (ESSG) committee.

A robust Integrated Management System (IMS) has also been developed by integrating the company’s critical management processes and operating in compliance with standards for quality, occupational health and safety, environmental management, information security, and more. We have been certified for the Integrated Management System under the standards as below:

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environmental Management System
- ISO 45001:2018 - Occupational Health and Safety Management System (OH&SMS)



These certifications were awarded in FY22, which proves to be a landmark step towards our commitment to improved quality standards. These are to be adhered to through a detailed IMS policy that we drafted, which was further elaborated into 11 department manuals according to IMS standards and more than 450 documents for all department activities. These are reviewed by 20 internal IMS auditors who encourage active reporting including non-compliance, non-conformance, observation for improvement, unsafe acts, unsafe conditions, near-miss, incidents & accidents. External audits are conducted for all under-construction projects, operational assets, and various departments to ensure effective implementation of the IMS. Each incident and accident are actively investigated to prevent a recurrence.

b. Overview of FY 22

In FY 22, with the help of our robust EHS policies and practices and the dedication of our team we achieved 100% safety of the total manhours totaling 8,08,040 safe manhours. Our operations did not see any fatalities or accidents⁵ which is a significant improvement from FY21 as seen in the graph below.

Incident report

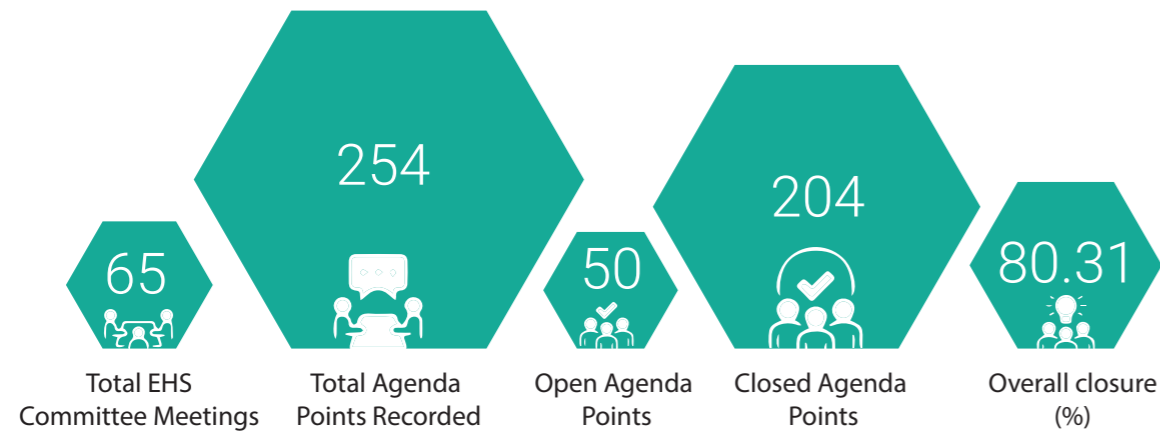


c. EHS Committee Meetings, Audits & Trainings

One of the leading factors that helped us achieve safe manhours and zero accident goal is our proactive approach to incident management led by our comprehensive Environment, Health, and Safety (EHS) practices which include an EHS committee that reviews and oversees overall EHS performance of under-construction projects, under operational plants and branch offices and implementation of practicable and innovative solutions. In FY21, FPEL conducted 20 audits and inspections while FY22 saw an increase to 97 audits and inspections. The graph below illustrates the rigorous and methodical approach to addressing EHS matters.

⁵One fatality occurred while acquiring and before completion of the takeover of a project. In spite of this, we did not terminate the contract or take a pause in closing the transaction. We took ownership and additional initiative to care for the victim’s family and extended compensation accordingly.

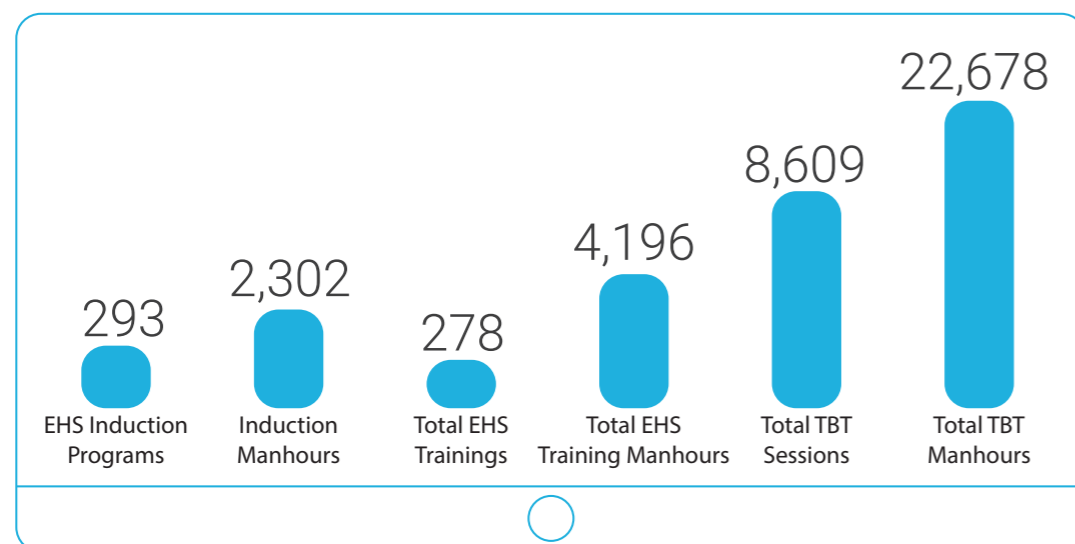
EHS Committee Meetings



In addition, important emphasis is placed on the capacity building/skill development sessions wherein regular EHS training is imparted to all stakeholders viz., contract workers, supervisors, FPEL employees, security personnel, etc., based on a Training Needs Assessment (TNA). A wide range of training needs are assessed covering heavy lifting operations, working at heights, tool/manual handling, electrical safety, firefighting, excavation/drilling work, and emergency or first aid response to name a few. Furthermore, all employees including contract workers undergo training prior to their engagement in construction work as part of the EHS induction programme. FPEL conducted 293 EHS induction sessions in FY22. An informal Toolbox Talk (TBT) is conducted to explain the day's activities prior to its commencement and the necessary safety precautions associated with them. Compared to FY21 where there were a total of 53 EHS training sessions in FY22 FPEL conducted a total of 278 training sessions.

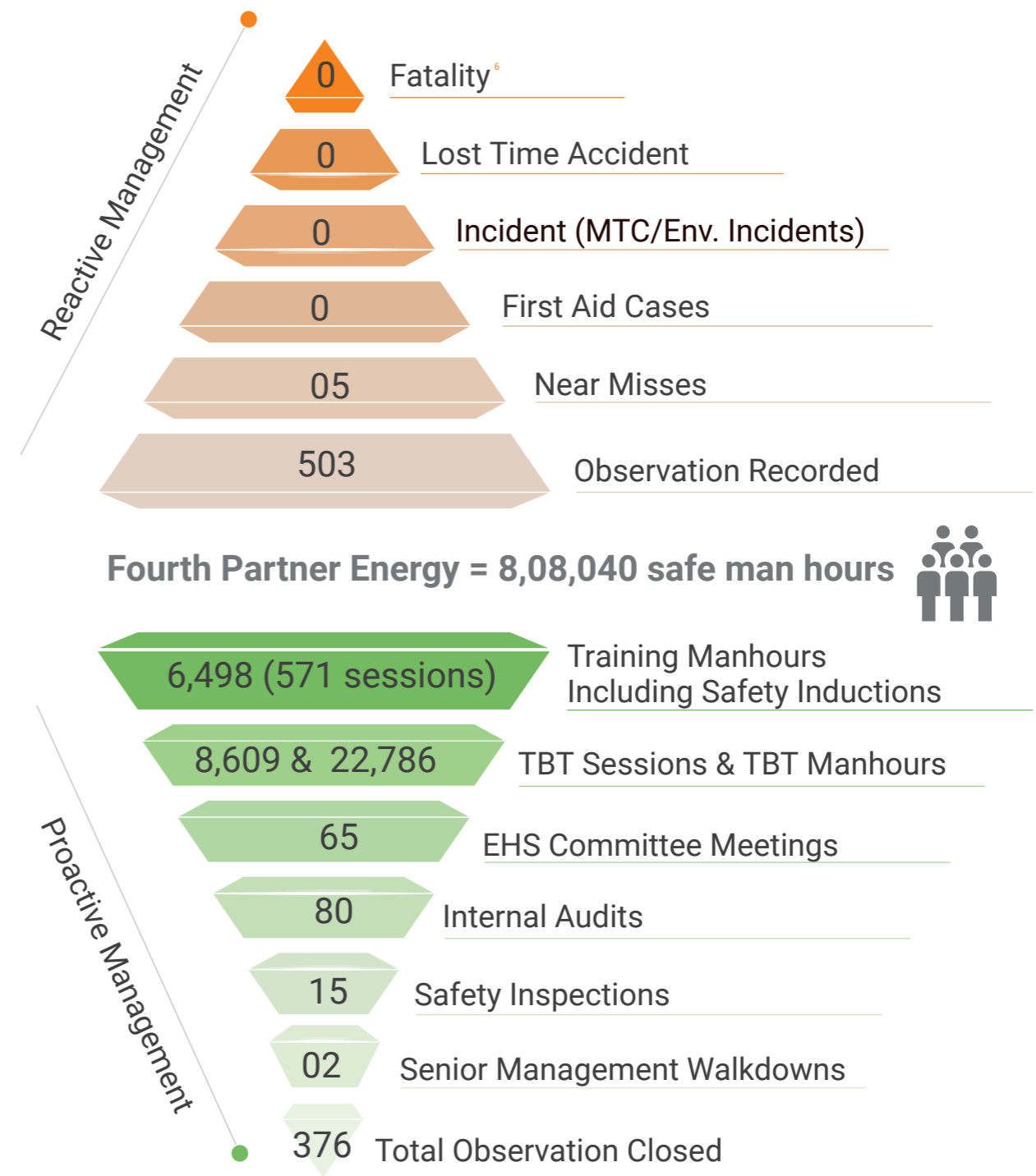
The graph below illustrates the total number of trainings conducted during the construction and operating phase. This has helped us in achieving zero accidents in occupational health & safety aspects across all the assets.

EHS Training Statistics FY 22



A summary of the leading and lagging EHS indicators for FY22 have been captured in the pyramid chart below.

HEALTH AND SAFETY PERFORMANCE - FY 22

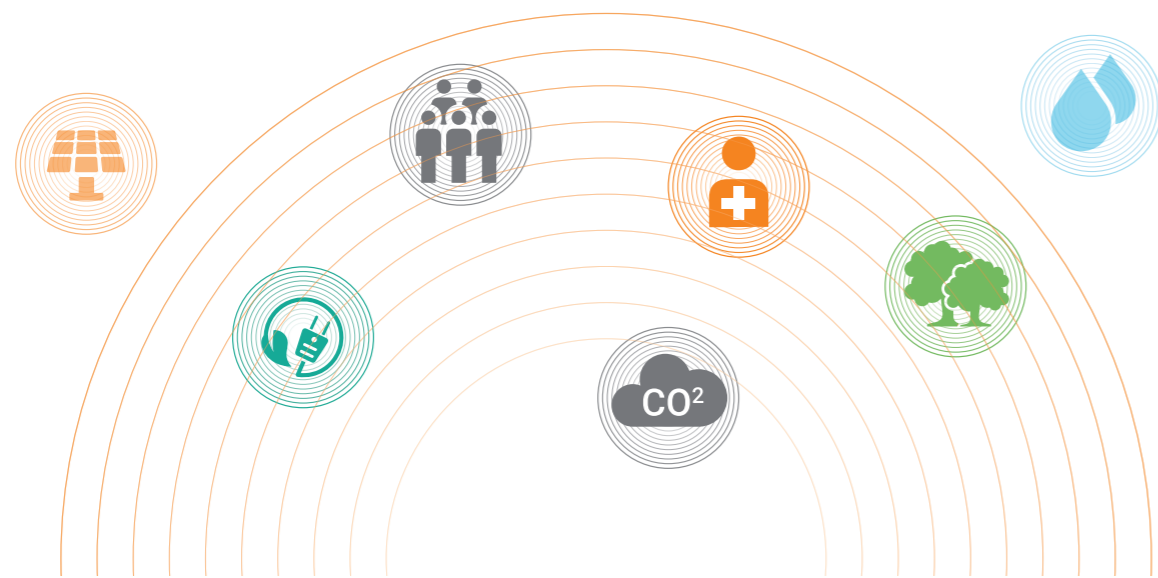


⁶ One fatality occurred while acquiring and before completion of the takeover of a project. In spite of this, we did not terminate the contract or take a pause in closing the transaction. We took ownership and additional initiative to care for the victim's family and extended compensation accordingly.

d. EHS improvements initiated by FPEL in FY 22

This year we took several initiatives to strengthen our environmental, health, safety and social systems. Some of the key improvements/initiatives are listed below:

1. Developed an ESMS (Environmental & Social Management System) in-line with IFC PS 1.
2. Developed Anti-Bribery & Corruption Policy, Whistleblower Policy, Land Acquisition Policy and Social Policy.
3. Started tracking all suppliers (products & services) on ESG Criteria with consequent signing of Supplier Code of Conduct.
4. Initiated a monthly MIS review to track the ESG compliance score of each individual project.
5. Developed a system for recording NC (non-compliance), NCR (Non-conformity), OFI (Observation for Improvement), UA (Unsafe Act), and UC (unsafe condition).
6. Proactively ensured skylight protection on our rooftop plants.
7. Initiated tracking of resource consumption at offices & operating assets.
8. Started disposing of solar waste through authorized recyclers.
9. Developed guidelines for Design Development of Rooftop & OA Projects, Work at Height Guidelines, EHS Plan, Failure Mode and Effect Analysis Study for Fire Risk in Solar Power Plant.



We firmly believe that a company's success and social progress are not independent of each other. This idea forms the basis of every thought and action at FPEL whether it is financial, environmental, social, or ethical in nature. Our approach of extensive stakeholder engagements, audits, and impact assessments before any business or financial decision is an evidence of this. Based on this philosophy, we have two ways through which we intend to positively impact communities. The first one is through 'creating shared value' and the second is through 'community projects' in the vicinity of our operations.

a. Creating Shared Value

Through some of our flagship projects, we endeavour to create shared value by leveraging available resources and providing services at a subsidised rate to populations that would benefit from them. This is our way of using our expertise to create a positive impact in underserved communities. Currently, there are three projects under the ambit of 'Creating Shared Value':

i. Power@1

Power@1 is a unique, multi-stakeholder project focusing on providing solar electricity to government schools, public health centres and Non-Profit Organisations at a nominal cost of ₹1 per unit. This greatly benefits these organisations who are already operating with limited resources.

The uniqueness of this project lies in the coming together of three stakeholders to address a social problem:



During CY 20 and CY 21: 8 projects (3 In CY 20 & 5 in CY 21) were installed under Power@1 which constitutes a capacity of 247.4 kWp with an estimated number of beneficiaries of around 3500. We are expanding this initiative and hope to touch more lives and create more beneficiaries.

ii. Solar Powered Financial Inclusion

FPEL has partnered with India's leading private sector banks like ICICI and Axis Bank to provide solar power across their ATMs in the remotest parts of the country, where access to reliable electricity is restricted. FPEL has commissioned solar installations across 350 ATMs and continues to oversee their operations and maintenance. This initiative has helped enable financial inclusion in many rural areas.

iii. Positively Impacting Rural Lives

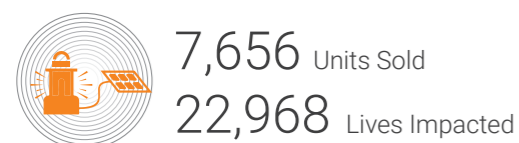
There are regions in India that are still off-grid and devoid of electricity. We have been attempting to bridge this gap by providing solar energy to these under-served communities through our various products. Our streetlights, solar lanterns, and water heaters have also improved the safety and sanitation of people living in remote villages. In addition, we have also aided in the livelihood generation of farmers in arid regions through our solar pumps and irrigation systems. At FPEL, we would like to continue to contribute to rural lives and help them access basic human needs. We understand it is crucial to go beyond delivering clean energy to customers and extend our services to communities that help us produce this clean energy.

b. Community Projects

While carrying on regular training and camps on health and safety are an integral part of our processes at our offices and project sites, we also believe in going above and beyond and having a positive impact on the larger communities around our project sites.

The nature of these community projects depends on the imminent needs of the identified communities. Hence a detailed need assessment survey is conducted with the community to identify the scope of such projects. The thematic areas of these projects can range from aiding access to quality education, health care, sanitation, and drinking water or providing training on agricultural practices for the farmers. In the current reporting period, we initiated a community development project in Katol, Maharashtra which would benefit around 230 community members. In the coming years, we also intend on extending our support to communities around our plants in Karnataka, Uttar Pradesh, and Tamil Nadu.

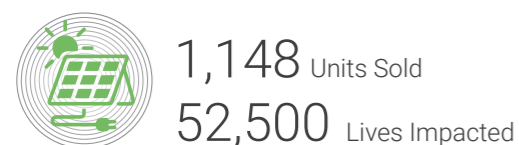
Solar Lantern



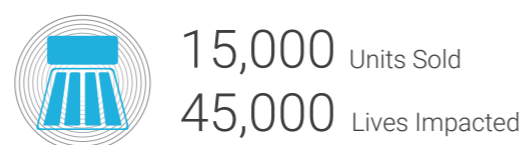
Solar Home-Lighting System



Solar Electronics



Solar Water Heater



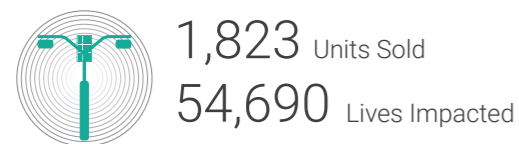
Solar Luminaries



Solar Pumps



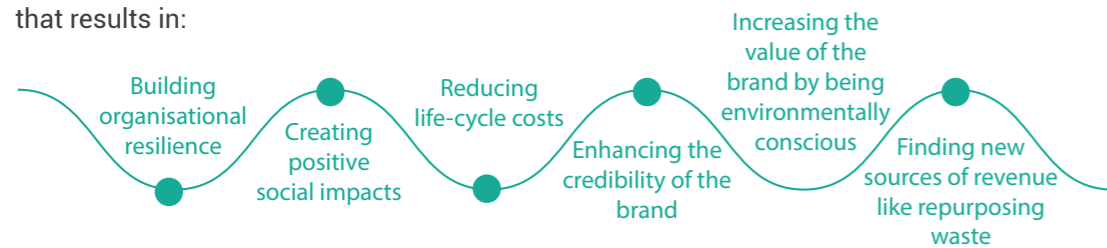
Solar Street Lights



ESG Management across Supply Chain

The concept of sustainability is based on three pillars, namely: economic, environmental, and social, and, an effective sustainable procurement supports sustainable development. Sustainable procurement is a process that incorporates sustainability considerations throughout the procurement process in order to achieve optimal value for money in delivering development objectives. FPEL's procurement, therefore, focuses on purchasing decisions not only from the perspective of an environmental impact, but also includes social and economic impacts. Sustainable procurement is therefore both good for the environment and for the business.

A study by McKinsey & Company states that around two-thirds of the average company's environmental, social, and governance footprint lies with suppliers.⁷ It is known that procurement leaders who have the capacity to take bold approaches and decisions will be the people driving the sustainability agenda in their organisations and sectors. FPEL aspires to be a procurement leader and follow a sustainable procurement strategy that results in:



At FPEL we adopt our larger ESG charter across our supply chain. We have developed a very comprehensive system to assess and evaluate our suppliers of products and services against ESG criteria through a detailed ESG questionnaire that covers the supplier's commitment to environmental, health, and safety management systems, waste management, resource use, greenhouse gas accounting, social responsibility, and business ethics.

The evaluation process follows the following steps:



⁷ Celine Cheral-Bonnemaison, G. E. (2021, September 21). Retrieved from McKinsey & Co: <https://www.mckinsey.com/capabilities/operations/our-insights/buying-into-a-more-sustainable-value-chain>

The above mentioned criteria were used to onboard the suppliers in the following categories in the current reporting period .

S.No	Category	No. of Suppliers	Added in FY 22
1	PV Panels	11	2
2	Inverters	9	0
3	Module Mounting Structure	26	5
4	Transformers	6	3
5	HT Panels	4	3
6	LT Panels	13	5
7	Floating Solar	3	0
8	O&M Cleaning Contractors	53	28
9	Installation & Commissioning Contractors	25	6

Includes 6 International Suppliers in Category 1 (Panels) and 2 International Suppliers in Category 2 (Inverters)



Case Study

FPEL's subsidiary of Battery Energy Storage System is a leader in BESS in India. Globally, it has its products installed across nine sites with a deployment of 11 MW of DC- coupled systems and 4.5 MW/10 MWh of BESS Systems. In India, FPEL BESS has a deployment of more than 5,000 kW of AC Coupled Systems and more than 1,600 kW of DC Coupled Systems across 20 sites. FPEL BESS Systems in the past two years has provided diverse solutions to customers from varied industries.

A high-tech manufacturing process line needed its energy costs to be optimized between multiple power sources. This was done by integrating all four power sources: Grid, PV, Diesel Generator, and BESS. The FPEL's algorithm sensed the grid and managed power sources by switching between Grid and Off-grid modes. The controller interacted with PV to ensure solar generation in off-grid mode based on load conditions and battery State of Charge. Controller also interacted with the Diesel Generator controller to switch on/off Diesel Generator based on the grid, battery, PV, and load conditions.

In another solution, FPEL's BESS reduced the operational disruption and Diesel Generator usage by a global e-commerce client by including a microgrid controller integrated with solar along with smart charging capabilities to ensure the least charging costs. The BESS gave back-up power during a grid outage which resulted in the overall reduction of Diesel Generator usage. This project will result in the reduction of 600 MT of carbon emission in a span of 12 years which is equivalent to planting 29,000 mature trees in 12 years.

This subsidiary of FPEL has also provided a Standalone Solarized EV Charging Station to a customer along with a system design and engineering, DC-DC converter, bi-directional inverter, and an energy management system which helps the customer with an efficient DC coupled design and 100% clean energy.

Another customer requested a power factor improvement and a reduction in maximum demand. We provided them with a Power Factor Manager (PFM) also known as Static Compensator (STATCOM) -An IGBT-based PWM controlled within a built transformer for power quality. This resulted in the improvement of the power factor as well as a better life for the equipment. The maximum demand for power was also reduced by 245kVA. A leading global hospitality player needed an improvement in customer service and a reduction in carbon footprint. Our solution provided them with a system design and engineering along with a supply of complete

BESS. This led to flicker-free transfer of critical loads like the elevator, lobby, and dining areas. Smart charging was enabled in the battery system to optimize the least-cost charging and discharge power during grid outages. Algorithms were enabled to smartly discharge batteries based on various parameters to also help reduce overall energy costs. This solution resulted in a 40% reduction in cost over Diesel Generator Units and also made the customer a green leader in the community.

We also provided a microgrid solution to an industrial customer in a remote island with an unreliable grid connection. This solution provided a reliable power backup source to the customer and helped them in their energy saving endeavor by replacing costlier Diesel Generator units. This solution leads to a savings of 3, 00, 000 barrels of oil equivalent and a reduction of 1,70,000 MT of CO2 in carbon emissions in 25 years, FPEL's BESS Subsidiary prides itself in designing client-centric solutions that facilitate their sustainability journey and eventually reduce costs too. This doesn't only aid in helping customers reach their climate action goals but also collectively helps in reaching the global climate action goals. We are very happy to be an integral part of this journey.

S.No	Customer	Industry	Product	Benefits to the Customer	Impact
1	Client 1	Manufacturing	BESS	Adding a battery storage automated grid and off-grid mode transition without impacting the load The battery management system helps in managing the peak and Off-peak with better control.	The project is now a showcase for clean, on-site energy generation and efficient consumption.
2	Client 2	Renewable Energy	Standalone Solarized Ev charging station	Efficient DC coupled Design Reliable Standalone Solarised EV Charging Station Future-ready grid-connection established for net metering	Generating 100% clean energy for the consumer
3	Client 3	Green Hydrogen	Standalone solar	Economical DC conversion system for utilizing green power for the production of hydrogen.	Reliable Power Supply
4	Client 4	Renewable Energy	Hybrid DC coupled Solar+BESS	DC coupled system retrofit ted with existing solar plant for analysing the use of DC coupled system.	Capacity firming and energy time shifting.
5	Client 5	Manufacturing	Power Factor Manager (PFM)) -An IGBT based PWM controlled within-built transformer for power quality	Power Factor improved to~0.985. Power Factor incentive as well as better life of the equipment Maximum Demand reduced by 245 kVA resulting in savings	Real-time reactive power compensation
6	Client 6	Micro-grid Solutions	Storage and Backup	Reliable backup power that replaces costly diesel generators	Reduction of CO2 emissions



Looking into the Future: Guidance note

At Fourth Partner, it has always been about ensuring impact and accelerating energy transition in a fair, equitable and inclusive manner. We believe that a business can be inherently 'good' for the planet, while being profitable at the same time. At FPEL we are very clear about the positive impact and value that robust ESG practices bring to the company and our fourth partners. We chose investors like Norfund, TPG's RISE Fund and BII because of similar values prioritising ESG, health, safety and a just transition to clean energy. We aim to be a single platform for clean energy and low carbon needs of Indian businesses and are committed to continue on this journey with focus on ESG excellence.

The Sustainability report for FY21 prepared using the "GRI Reference Claim" was a good introduction to sustainability reporting and transparent disclosure. By FY 25, we aim for a "Comprehensive GRI report" following an advanced reporting approach.

During the reporting period of FY 22, we undertook several initiatives in the area of Environment and Social at large. We started to record water consumption, waste generation and energy consumption in all our offices. To ensure optimal use of water during the operational phase of solar farms, we took initiative to install "water flow metres" in all our facilities. This initiative has helped us benchmark water practices and consistently set goals for optimal use of water in the future. We started screening our suppliers on ESG criteria before onboarding them. During the process of certification and implementing the Integrated Management System, which includes ISO 45001, ISO 14001 & ISO 9001, we developed a comprehensive Environmental and Social Management System (ESMS) aligned with IFC Performance Standards. This ESMS includes a variety of frameworks such as E&S Screening, Land Review & Social Risk Assessment, Contractor Management, Security Management, Water Management, Waste Management, Community Health & Safety Management, Occupational Health & Safety Management, Worker Accommodation, Biodiversity Management, Stakeholder Engagement, etc., including a variety of procedures such as Chance Find Procedure, Identification of Hazards & Risk associated with a variety of operations, Emergency Reporting and Grievance Redressal.

We know there is still a lot of work to be done, and the entire Fourth Partner team is committed to achieving this goal as directed by our inspiring founders. Whilst our goal is to expand and diversify our renewable energy portfolio in terms of scale, capacity, and types; while doing so, going forward we aim to capture and reduce our carbon footprint (both Scope 1 and Scope 2), and optimise water consumption. We will continue with our commitment to be vigilant and make conscious efforts to conserve flora and fauna in all phases of business operations, improve internal processes to ensure the rights of internal and external stakeholders, supply chain partners and local communities. We aim to achieve continuous monitoring and improvement of ESG parameters amongst our supply chain partners. We aim to implement community development measures in all Open Access projects. We strive to implement anti-bribery and anti-corruption policy, whistle-blower policy, and grievance mechanism, in earnest to ensure our commitment to good governance. We strive to ensure economic, social and environmental commitment through our services and offerings by effectively implementing risk management techniques and mitigation plans at the enterprise level. In addition, we strive to establish legal registries for all countries into which we intend to expand.

We pledge our commitment towards sustainable business practices that drives value and fuel growth while strengthening the environment and societies.



Abhay Gopal Bhavsar
ESG Head

Annexure

Annexure 1 - List of National and Local Regulations⁸

The list of national and local regulations that FPEL operation complies with is shown below.

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

⁸ The list of international regulations affecting Sri Lanka, Bangladesh, and Vietnam will be updated together with the update of the Environmental and Social Management System (ESMS). Also, Indian regulations mentioned are as of March 2022.

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 2 - GRI Content Index

The table below references the GRI Standards [Consolidated Set of GRI Sustainability Reporting Standards 2020] adhered to in the current and previous report .

GRI STANDARD (Disclosure)	DESCRIPTION	PAGE NUMBER	COMMENT
General Disclosures			
102 – 1	Name of the organization	3	Fourth Partner Energy Pvt. Ltd.
102 – 2	Activities, Brands, Products, and Services	11,12,13,14	
102 – 3	Location of Headquarters	12	Hyderabad, India
102 – 4	Location of Operations	14	
102 – 5	Ownership and Legal Form		Private Limited Company
102 – 6	Markets Served	14	
102 – 7	Scale of the Organisation	14	
102 – 8	Information on employees and other workers	15,16	
102 – 9	Supply Chain	42,43	
102 – 12	External Activities	22,23,24,25	SDG 7,8, 9,11, 13
102 – 13	Membership of Associations		CII, DiSPA
102 – 14	Statement from Senior Decision Maker	4,5	
102 – 16	Values, Principle, Standards and norms of behaviour	8,9,10	
102 – 18	Governance Structure	20	
102 – 46	Defining Report Content and Topic Boundaries	3	
102 – 47	List of Material Topics		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 22 (April – March)
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	23	
305 – 1	Direct (Scope 1) GHG emission	32	
305 – 2	Other indirect (Scope 2) GHG emission	32	
305 – 3	Other indirect (Scope 3) GHG emission	32	
405 – 1	Diversity of governance bodies and employees	15,20	

Annexure 3: Abbreviations

FPEL	-	Fourth Partner Energy Private Limited
AC	-	Alternating Current
AMC	-	Annual Maintenance Contract
BESS	-	Battery Energy Storage System
C&I	-	Commercial & Industrial
CHA	-	Critical Habitat Assessments
COP	-	Conference of Parties
CY	-	Calendar Year
DC	-	Direct Current
DG	-	Diesel Generator
E&S	-	Environmental and Social
EaaS	-	Energy-as-a-Service
ED	-	Executive Directors
EHS	-	Environmental Health and Safety
EHS&S	-	Environmental, Health, and Safety, and Sustainability
EIP	-	Employee Incentive Plan
EPC	-	Engineering, Procurement and Construction
ESG	-	Environment, Social and Governance
ESHS	-	Environmental, Social, Health and Safety
ESIA	-	Environmental and Social Impact Assessment
ESMS	-	Environmental and Social Management System
ESSG	-	Environmental, Social, Safety and Governance
EV	-	Electric Vehicle
Excom	-	Executive Committee
FGD	-	Focussed Group Discussion
FMCG	-	Fast Moving Consumer Goods
GDP	-	Gross Domestic Product
GHG	-	Greenhouse Gas
GRI	-	Global Reporting Initiative
GST	-	Goods & Service Tax
IGBT	-	Insulated-Gate Bipolar Transistor
IMS	-	Integrated Management System
IoT	-	Internet of Things
LEA	-	Limited Ecological Assessments
M-Com	-	Management Committee
NDC	-	Nationally Determined Contributions
O&M	-	Operations & Maintenance
OHS	-	Occupational Health & Safety
PFM	-	Power Factor Manager
PPA	-	Power Purchase Agreement
PV	-	Photovoltaic
PWM	-	Pulse width Modulation
RE	-	Renewable Energy
SDG	-	Sustainable Development Goals
SPV	-	Solar Photovoltaic
STATCOM	-	Static Compensator
TBT	-	Toolbox Talk
TNA	-	Training Needs Assessment
UL	-	Underwriter Laboratories
UNFCCC	-	United Nations Framework Convention on Climate Change



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