Azure Power®

Sustainability Report
2020-21

Table of Contents

List of Abbreviations

ABC	Anti-Bribery and Corruption
AC/DC	Alternating current / Direct current
APGL	Azure Power Global Limited
AZI	Azure Power India
CAPA	Corrective and Preventive Action
CDP	Carbon Disclosure Project
CDPQ	Caisse de dépôt et placement du Québec
CEO	Chief Executive Officer
CII	Confederation of Indian Industry
COBC	Code of Business Conduct
CSR	Corporate Social Responsibility
EDPs	Educational and Development Programs
EHS	Environment, Health & Safety
EMS	Environment Management System
EIA	Environmental Impact Assessment
ERM	Enterprise Risk Management
ESG	Environment, Social, and Governance
FCPA	Foreign Corrupt Practices Act
FGDs	Focus Group Discussions
FICCI	Federation of Indian Chambers of Commerce & Industry
FY	Financial Year
GHG	Green House Gases
GIF	Global Infrastructure Fund
GRI	Global Reporting Initiative
GRM	Grievance Redressal Mechanism
HIRA	Hazard Identification and Risk Assessment
HR	Human Resource

List of Abbreviations

IFC	International Finance Corporation
ILT	Instructor-led training
INR	Indian Rupee
ISO	International Organization for Standardization
IT	Information Technology
L&D	Learning and Development
LOA	Letter of Authority
MoU	Memorandum of Understanding
NYSE	New York Stock Exchange
O&M	Operation and Maintenance
OH&S	Occupational Health and Safety
PDCA	Plan-Do-Check-Act
POSH	Prevention of Sexual Harassment
PPAs	Power Purchase Agreements
RIR	Risk & Incident Investigation Reports
RO	Reverse Osmosis
RWH	Rainwater Harvesting
SDGs	Sustainable Development Goals
SEP	Stakeholder Engagement Plan
SGX	Singapore Exchange
SHES	Social, Health, Environment and Safety
SHGs	Self-Help Groups
SPDA	Solar Power Developers Association
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations
UNGC	United Nations Global Compact
USD	United States Dollar
USISPF	US-India Strategic Partnership Forum
UTs	Union territories

Message from the CEO

Dear Stakeholders,

It gives me immense pleasure to share with you our third sustainability report for FY 2020-21. Our corporate ethos and business strategy have always included a sustainability vision. We believe that economic growth and resource conservation are mutually reinforcing goals for sustainable development. We are committed to operating responsibly in light of the global risk landscape and rising environmental threats in the world. This report is also extremely timely as it follows the IPCC (Intergovernmental Panel on Climate Change) report, which has declared a "code red" scenario for humanity, encouraging the world community to unite against the imminent threat of climate change.

The 17 Sustainable Development Goals (SDGs), which have been endorsed by 193 countries, enshrine the world's most ambitious framework for sustainable development. This also provides us with exciting opportunities to have a significant impact on global discourse around the Environmental, Social, and Governance developmental agendas. It helps in demonstrating the impact we can have via business innovation and collaboration with the communities we serve. In this spirit we became signatory to UN Global Compact and have commenced mapping our initiatives against the SDGs.

As we look back at the previous year, which was full of challenges due to the pandemic situation, we appreciate the unwavering resilience shown by people and businesses around the world. Renewable energy being one of the 'essential services', our solar plants continued to operate throughout the pandemic lockdown period under strict safety protocols to ensure uninterrupted supply of power to our customers. While our operations continued, cohesive efforts were made to help our stakeholders, specially at rural locations during the lockdown. Transitioning slowly into a post pandemic world, we realize it is important for businesses to be resilient, sustainable, and equitable. We must implement contingency plans to manage the rapidly changing situation in order to prevent and mitigate impact as much as possible.

We work very closely with our stakeholders, including the local communities, distribution companies that are buying from Azure Power, and capital providers, who have been identified as our priority stakeholders. In addition, we believe that at Azure Power, everyone can be considered a stakeholder because our activities help mitigate climate change, which affects every citizen on the planet. We have a very forward-looking sustainability roadmap where we define our strategies to be beneficial from a social, environmental, and financial point of view.

The current climate change problem (extreme weather conditions, glaciers melting) has a strong influence on the current and emerging trends in the renewable sector. There is a strong push from the government to reduce the dependency on fossil fuels and increase self-sufficiency and self-reliance on renewable energy. To keep up with emerging global trends and risks, we have decided to diversify our renewable energy portfolio beyond solar. We have strong experience and expertise in project building at Azure Power, which not only gives us a competitive advantage but enables us to continuously improve our procedures and operations. In terms of operations, we will continue replacing and enhancing our digital systems and processes to enable our business to deliver improved results, leveraging innovation to facilitate our people in making better decisions while placing importance on cyber resilience and data protection. Over the past year, we have made significant progress in developing internal expertise and raising awareness of cyber security throughout our organization. Going forward, we will continue being vigilant and keep strengthening our cyber resilience. We continue developing leaders of the future, creating opportunities for our people to gain experience in innovation and high impact projects. We believe that supporting diversity and inclusion is critical to business performance as well as addressing future employment needs. Safety remains an absolute priority for the Group and our target is one of zero harm for everyone while also increasing awareness among all employees to have enhanced safety in place. We obtained ISO 45001 (Occupational Health and Safety) certification as a step towards ensuring the same.

I take pride in mentioning that in line with the Indian government's commitment to shift reliance away from fossil fuels, we have formulated an electric vehicle (EV) policy. Furthermore, being a renewable energy company, we understand that a huge quantity of water is required for cleaning solar modules. Therefore, we are working on installing robots at all of our sites to eliminate the requirement for water for cleaning purposes. We have offset 28% of our water consumption in 2020-21 through rainwater harvesting structures. Going forward, we will install more such structures to aid us in our journey to water neutrality. We have been accumulating broken / damaged solar modules since last 10 years, which now stand disposed in a responsible manner.

I would like to take this opportunity to thank all of our hardworking employees for their dedication to Azure Power throughout the year. In the end, I would like to thank our stakeholders for their active participation. I also encourage you to provide us with feedback and your views which will help us to improve further.

Ranjit Gupta

Chief Executive Officer

About this report

We, at Azure Power, are pleased to present the third edition of our annual sustainability report for the FY 2020-21, prepared in compliance with the Global Reporting Initiative framework. This report offers cohesive and transparent information to all stakeholders by providing both financial and non-financial disclosures. This report also endorses our responsible business practices and commitments to positively impact our surrounding ecosystem.

Reporting approach

We are a leading renewable energy producer in India with a proven track record and a portfolio of over 7GWs* of high-quality solar power assets. Along with this, we have also diversified our portfolio into wind power projects and are looking into hydro projects. Since our inception in 2008, we have been at the vanguard of sustainability in India and have monitored and disclosed our performance related to the E, S and G aspects to ensure that we continue to raise the bar on providing best-in-class sustainable practices. In line with our efforts, we are presenting the third edition of our annual sustainability report for the FY 2020-21. By following the Global Reporting Initiative framework: Core option, we have made an effort to showcase our commitment towards ensuring sustainability. Prioritized material topics of Azure Power that have an impact on our ability to create value define the contours of this report.

Report boundary and scope

The location/business units covered in this sustainability report include Azure Power's Head Office in New Delhi and plant locations across India (annexure). The applicable national and local laws, rules and regulations have been considered for the calculation and disclosure of environmental, social and safety performance indicators.
Throughout this report, data quality is maintained while ensuring accuracy, balance, clarity, comparability, reliability, and timeliness.

Reporting period

The information disclosed in the report pertains to the period 1st April 2020– 31st March 2021, unless stated otherwise. In specific scenarios, to provide a holistic perspective to the stakeholders, the last two- or three-years' trends for key parameters are presented in this report to benchmark our progress over the medium and long term.

Assurance

The qualitative and quantitative information in this report has been independently assured by TUV India Private Limited. The statement from the assurance provider (Independent Assurance Statement) can be found on page no. 89.

*7 GWs include 4 GWs for which LOA has been received but PPA has not been signed. The PPA will follow only after the power is contracted with DISCOMs under a power sale agreement (PSA) and there is no assurance that we will be able to sign a PPA even though we have a letter of award.

Forward-looking statements

This report contains forward-looking statements that describe our projections and expectations, based on reasonable assumptions and past performance. These are subject to change as the industry evolves, geographical market conditions change, government regulations and laws change, and other incidental circumstances change. These statements must not be interpreted as assurances of future performance, since these underlying assumptions may change materially.

Snapshot: Sustainability performance 2020-21

Azure Power's Board has a Sustainability committee

Azure Power has been carbon neutral since 2019

EV policy: committed to convert all vehicles to EV by 2030, Purchases only EV (2 & 4 wheelers), provides incentives to staff for adoption of EV

Ambition to be water neutral by 2023, reduced water usage, built ground water recharging structures which recharge 28% of water used by the company

Azure Power is committed to increase workplace diversity

A supplier's E&S due diligence has been initiated in 2021

Voluntary principles on security and human rights adopted in 2021

SA8000 accreditation in progress to manage impact on social capital

600+ tons of broken, damaged solar modules recycled. These 36,000 modules had accumulated in the plant since inception.

Massive tree plantation in Rajasthan initiated (30,000 trees). Commitment to plant 50 trees per MW for all our upcoming projects

Azure Power is a signatory to UN Global Compact

Sustainability report released since 2018 as per GRI framework

Strong focus on employee health during the pandemic, with 97% employees being fully vaccinated and the rest have received the first dose

Azure Power discloses to the CDP since 2019

E&S management system is being revised to account for emerging risks and opportunities for ventures in new sectors

Integrated sustainability model

Our integrated sustainability model concentrates on stakeholder value creation by identifying the most crucial material topics, developed in consultation with our internal and external stakeholders. While we have achieved carbon neutrality 2019 onwards, we are rapidly progressing towards our goal of becoming water neutral as well. The robust foundation of governance, built on principles of ethics, integrity, and transparency, assists us in charting our course forward.

Integrated Sustainability Model

Strategy

Strong policies and guidelines	Standard operating procedures	Resource input	Stakeholder Engagement	Board Commitment

Material Issues

- Ecological impacts
- Business growth
- Health and working environment
- Sound governance
- Revenue and tax transparency
- Diversity and inclusion
- Material and procurement
- Social license to operate
- Safety and security compliance
- Promoting solar energy
- Water & wastewater management

Governance | Environment | Social

Azure Power®

Sustainability

Mitigating risks	Long-term performance	Environmental Impact	Societal Impact	Stakeholder value creation

Mapping Azure Power's Initiatives with SDGs

The Sustainable Development Goals (SDGs) are a set of goals aimed at promoting more responsible and inclusive growth globally. This is internationally accepted language for sustainable practices at all levels, and the private sector has a crucial role in achieving these goals by 2030. To accomplish these 17 SDGs, a collaborative approach is essential, and we recognize our role in advancing the agenda in this regard. We believe that integrating the SDGs into our initiatives will enable us to strengthen our footprint in line with the goals. While working towards the SDGs, we have also become a signatory to United Nations Global Compact (UNGC).

1 NO POVERTY

- We procure goods and services locally and develop local workforce capacity, when possible, thus providing communities with co-benefits from electric utility projects through shared value business models that include:
  - Prioritizing the appointment of local suppliers for most of the civil work done at our site
  - Sharing the benefits of infrastructure like access roads, transmission lines, etc.
  - Providing direct employment to 2500+ members of the local community across our site through our contractors.
  - Building skills: We have upskilled 3,500+ beneficiaries from the local community through our CSR activities.
- Our target is to continue to provide employment opportunities to the local community and enhance skill development coverage by upskilling at least 500 beneficiaries every year.

2 ZERO HUNGER

- During the COVID pandemic, we distributed food packets and cooked food to more than 32,000 beneficiaries
- Additionally, to the extent possible, we site projects on non-arable land.
- Our target is to avoid siting projects on irrigated / double cropped lands.

3 GOOD HEALTH AND WELL-BEING

- We regularly work with medical facilities to upgrade their infrastructure and support them. This year we have supplied 30 BIPAP ventilators, 20 oxygen concentrators, 200 oximeters, and 570 PPE kits to hospitals.
- We have taken a vaccination drive in our company to ensure 100% of eligible employees are vaccinated against the pandemic.
- We sponsor health insurance of all our employees and their immediate family (Spouse , Children and Parents)
- We undertake regular health checkup of our employees, labours and workers working at our site.
- Till date we have built 133 community level clean water plants to provide over 100 thousand beneficiaries with clean drinking water.
- Our target is to continue enhancing health and well being of communities we work in, encourage 100% vaccination all workers at site (Contractual / third party) and organise community health check up camp.

4 QUALITY EDUCATION

- We continuously strive to improve the quality of education in and around the areas we operate. Our skill development initiatives which have impacted 3,500+ beneficiaries continue to supplement formal education with vocational trainings.
- Till date, we have donated smart classes to 56 rural schools, impacting over 15 thousand students. We regularly upgrade infrastructure in the educational institute of the village by providing furniture and undertaking civil work.
- Our target is to continue to enhance quality of education by improving school infrastructure, supplementing education at school by supporting / supplementation education of children from vulnerable communities.

**5 GENDER EQUALITY**

- We promote a gender-inclusive workplace. Since 2020, we have started to deploy female engineers at our sites and have developed an inclusive infrastructure in support of the same. Further, our board diversity has increased from 0 to 22% in the reporting period.
- We have also adopted policies to promote greater diversity, inclusion, equal opportunities and equal pay for all employees irrespective of age, gender, disability, race, ethnicity, origin, religion. We ensure equitable leadership and learning opportunities for women at all levels.

6 CLEAN WATER AND SANITATION

- We adopt water stewardship strategies that are appropriate to local watershed conditions, including withdrawal quantity and discharge quality thresholds; and account for corporate risk exposure.
- We have a target of going water neutral by 2023. In 2020-21, we constructed 84 ground water recharge structures which recharged 28% of the water consumed by us.
- This year, we are constructing 71 more such recharge structures. We have installed community level RO water purification systems in 136 villages and schools.
- Our target is to reduce water consumption by installing robotic dry cleaning and install ground water recharge structure to offset water used.

7 AFFORDABLE AND CLEAN ENERGY

- We are one of the lowest cost solar power producer in India pioneering clean energy revolution in the country. We continuously Invest in clean energy research and development to decrease costs and improve efficiency. Since inception, we have been able to bring down our cost of electricity production from 23 cents to 0.37 cents per unit of electricity.
- Our target is to install 30 GW of renewable energy by 2030

8 DECENT WORK AND ECONOMIC GROWTH

- We have a strong human rights policy that establishes a commitment to respect human rights and operationalize the United Nations Guiding Principles on Business and Human Rights (UNGPs) and encourage this throughout the supply chain.
- We regularly engage stakeholders and provide appropriate compensation for use of land, water and natural resources. Last year we conducted more than 100+ stakeholder consultations
- We respect the access and tenure rights of Indigenous peoples and communities through the implementation of best practices such as participatory planning in line with the principles of free prior informed consent (FPIC);
- We adhere to labor rights policies in line with the International Labor Organization's fundamental conventions.
- We are in process of obtaining SA8000 certification, which involves conducting human rights due diligence on our own operations and the supply chain;
- We have established a strong online grievance mechanism
- We champion occupational health, safety and well-being, and mental health by establishing rigorous workplace policies and monitoring and reporting. We won the Greentech Effective Safety Culture Award in 2021.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Our innovation cell is constantly evaluating new technologies for adaptation to our business
- We have implemented robotic cleaning to reduce water consumption on plant sites.

10 REDUCED INEQUALITIES

- We ensure that 100% of employees and contractors across the organization earn a living wage, and scale impact by including this as a criterion in supplier contracts.
- We support marginalized people through social investment. Through our CSR investment, we have impacted the lives of more than 300,000 below-poverty-line beneficiaries.
- Our target is to continue to work with vulnerable Below Poverty Line beneficiaries through our CSR programmers. Enhance skill and improve quality of life through other support. Impact 500,000 beneficiaries by 2025.

11 SUSTAINABLE CITIES AND COMMUNITIES

- Several of our solar plants provide clean energy to city infrastructure. For example, we have installed more than 14 MW of solar power projects on stations of the Delhi Metro Rail. We have also installed more than 100 MW of solar power producing units, supplying numerous industrial, commercial, and residential buildings in the city.
- Our target is to implement our EV policy and shift to 100% EV based transport system by 2030, develop at least 1 RE based charging point at all our plants by 2026, and support other companies in their journey towards carbon neutrality by being first choice Renewable Energy Partner to them.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- We are developing partnerships with waste management companies and potential end-users of waste to find new ways to reuse products. In 2020-21, we disposed of 600 tons of broken or damaged solar modules to an authorized recycler. All scraps at our site, like damaged wires, module packaging material, are responsibly disposed of by scrap vendors. Thus, recovering and recycling critical minerals from products at the end of their life cycle.
- Our target is to ensure responsible disposal of waste especially in the Solar modules.

13 CLIMATE ACTION

- The core business of our company is to deploy renewable projects to decarbonize energy systems across India. We improve electricity consumer behavior by collaborating with other utilities and public institutions to raise awareness of electricity consumption patterns, renewable and potential cost savings. We were one of the leaders who influenced the formulation and deployment of solar policy in the country and the first organization to deploy a megawatt-scale solar power generating unit on the country's grid.
- Our target is to install 30 GW renewable energy by 2030. TCFD disclosure by 2025.

15 LIFE ON LAND

- For every project, we hire a credible third party to conduct environmental impact assessments. We prioritize project siting to minimize the impact on or displacement of existing ecosystems. For all our projects, we mitigate biodiversity risks by:
  − Conducting biodiversity risk assessments to understand material issues with positive and/or negative impacts;
  − Developing and implementing biodiversity action plans in consultation with local communities and scientists;
  − Developing a sectoral approach to setting science-informed biodiversity
- Our target is to promote biodiversity by plantation of 50 trees for every MW constructed in future

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- All our security-providing agencies mandatorily follow guidelines on reprisal, retaliation, and voluntary principles on security and human rights. Regular training is imparted for this.
- We are members of UNGC.
- Our target is to ensure all security personnel are trained on voluntary principles and a Bi-monthly review of online GRM by Management is carried out.

17 PARTNERSHIPS FOR THE GOALS

- We partner across different industry associations like FII, CII, and ASSOCHAM.
- Our CEO is the chairman of FICCI Renewable energy CEO Council.
- Our target is to explore partnership opportunities with other members for implementation of goals

Mapping SDGs with our initiatives

01 Operations

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

15 LIFE ON LAND

02 Value Chain Engagement

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Azure Power®

03 Citizenship Activities

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

6 CLEAN WATER AND SANITATION

10 REDUCED INEQUALITIES

04 Partnerships

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Key sustainability targets and initiatives

Environment

KPI	Key initiatives	Targets
Water	• Reduced net water consumption from 122 L/ MWh electricity produced in 2017-18 to 49 L/ MWh electricity produced in current reporting year. • Constructed 84 ground water recharge structure across 16 sites to recharge 28% of water use by Azure Power	• Adopt robotic dry cleaning in all our projects • Implement more ground water recharge structures to attain water neutral status by 2023
Waste	• All waste modules generated before the reporting year were recycled by authorized vendor	• To recycle the modules on annual basis to prevent accumulation of modules
Emissions	• No GHG emission emitted • Retired VCUs to obtain carbon neutral status • EV policy in place to reduce scope 1 emission	• Continue to avoid GHG emissions • Continue to remain carbon neutral by reducing our scope 1 emission • Retiring emission reductions to offset our scope 1 & 2 emission

Social

KPI	Key initiatives	Targets
Supplier Engagement	• Continued supplier engagement including due diligence of suppliers in E&S activity	• Continued engagement along with regular audits on E&S aspect of suppliers
CSR	• Installed a 25,000-liter water tank. Installation of the other tank delayed due to on-going pandemic • Planned to build a toilet block for girls (but it is yet to be initiated due to pandemic)	• Install remaining water tank by March 2022 and plan for an additional water tank • Build the pending toilet complex and 1 additional toilet complex by March 2022
H&S	• Achieved Zero fatality • LTI target per million man-hour worker reduced from 0.5 to 0.475. • Actual LTI reduced from 0.33 per million manhour worked to 0.25 per million manpower worked	• Continue to achieve Zero fatality • Achieve a target of 0.45 LTI per million manhour worked

About Azure Power

Brief Overview and our Geographical Outreach

Azure Power is a leading independent producer of renewable energy as a developer and operator of utility and commercial scale solar photovoltaic power plants in India. The holding company, Azure Power Global Limited (APGL), is incorporated in Mauritius and conducts all its operations through Azure Power India (AZI) and its subsidiaries located in India.

Azure Power was founded in 2008 with its headquarters in New Delhi. The company sells renewable energy under long-term fixed price power purchase agreements (PPAs) at rates often lower than those of traditional non-renewable forms of energy. It sells renewable energy to state and central government utilities and independent commercial and industrial customers at fixed prices. Azure Power is fully integrated with development, construction, ownership, operation, maintenance, and management of Renewable Energy plants. Azure Power continues to innovate to reduce our costs to build and operate our plants by way of value engineering, design and procurement efforts, operational performance monitoring and efficient financial strategy which substantially reduces the cost of energy for customers. Over the last 10 years, we have reduced project costs by over 86%. Furthermore, we constantly monitor project performance in near real-time. These measures have helped us not only optimize cost but also increase yield.

Azure Power has undertaken several noteworthy projects over the last decade including the implementation of India's first private utility scale solar power project in 2009. Since then, we have grown rapidly and now have ~2 GWs solar assets base of operating capacity and 5.1 GWs of capacity under construction and in the pipeline. This includes 4 GWs for which letter of authority (LOA) has been received but PPA has not been signed. Thus, Azure Power has a pan-India portfolio of over 7 GWs of solar assets spread across 24 states and union territories, including 62+ operational utility scale projects. The company has delivered 98% annual growth in operational MWs since March 2009. Most of our clients (85%) for our portfolio consists of sovereign institutions which are backed by the Indian government.

Azure Power benefits from having access to international investors. It became India's first energy company to be listed on the New York Stock Exchange (NYSE) in 2016. The company also issued India's first solar green bond of USD 500 million which is listed on the Singapore Exchange (SGX) in August 2017. In September 2019, the company issued its second green bond of USD 350 million. Our majority shareholders include the Caisse de dépôt et placement du Québec (CDPQ), the second largest Canadian Pension fund and has a debt rating of AAA.

Impact on Society

At Azure Power, we are committed to ensuring sustainable growth that benefits not only our financial line but also has a positive impact on society and environment. This also enables us to create new jobs and contribute to the country's economic progress. Through our efforts, we have electrified over 500 households through micro-grid power applications

Operations of Azure Power in India

High Irradiation Zone (~90%)

Mild Irradiation Zone (~6%)

Punjab
214 MW

| 214 MW |

Uttar Pradesh
100 MW

| 100 MW |

Assam
90 MW

| 25 MW |

| 65 MW |

Delhi
3 MW

| 100 MW |

Bihar
10 MW

| 10 MW |

Rajasthan
3675 MW

| 625 MW |

| 3050 MW |

Gujarat
270 MW

| 100 MW |

Chhattisgarh
30 MW

| 30 MW |

Maharashtra
7 MW

| 7 MW |

Telangana
100 MW

| 100 MW |

Karnataka
250 MW

| 250 MW |

Andhra Pradesh
200 MW

| 200 MW |

To be decided

| 2000 MW |

| Operational solar capacity |

| Under construction and committed solar capacity |

Rooftop
Project
167 MW

| 154 MW |

| 13 MW |

in areas with no or erratic supply of electricity. Azure Power ensures to use land that has no alternative use (to the extent possible). To reaffirm our commitment towards local communities, we partner with them when embarking on a new project, thereby building long-term relationships, improving project time completion, and reducing project development risk. Over the last decade, Azure Power has not only created job opportunities in the rural sector, but also provided local communities with discretionary cash flows without displacing prevailing businesses. We hired a total of 1,279 workers from local communities, out of which 303 local workers were employed for grass cutting, 578 for tilting and 398 for module cleaning. Further 1,229 local workers were employed as security guards during FY 2020-21.

Collaborations

For us, sustainability is the essence of our business and lies at the heart of our value proposition. As Azure Power continues to promote sustainable economic development across the country, it actively collaborates with institutes in the solar industry to help drive policies and implement best sustainability practices across the industry. Azure Power is proud to be a member of several leading associations, mainly Solar Power Developers Association (SPDA), US-India Strategic Partnership Forum (USISPF), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce & Industry (FICCI). We are a signatory to the UN Global Compact and have been contributing to the Carbon Disclosure Project (CDP). We aim to be a part of the Task Force on Climate-related Financial Disclosures (TCFD) soon.

ISO Compliances

Azure Power has been awarded with ISO certifications for ISO 9001:2015, ISO 14001:2015, ISO 45001-2018 and ISO 27001.

ISO 9001:2015 (Quality Management System) is an international standard through which an organization demonstrates its ability to provide products and services that meet and conform to the requirements of the customers and the statutory and regulatory bodies. It also aims to have processes for improvement in the system. Our purpose is to provide a

practical and workable quality management system for the scope of design, development, procurement, construction, erection, commissioning, maintenance, and operation of renewable energy plants for the utility and commercial areas. The improvement and monitoring will be applicable to all areas of the business. Annual periodic audits are being conducted for the mentioned scope to maintain the validity of the certificates till November 2022 after which we will apply for renewal of the ISO certifications.

Environment Management System (EMS) is a set of systems, processes and practices that enables an organization to reduce its environmental impact and increase the operational efficiency. We have developed our EMS in compliance with the ISO 14001:2015 standard. By conforming to the ISO 14001:2015 standard we aim to follow the plan-do-check-act (PDCA) model of improvement. Our systems and processes also provide assurance of minimal negative environmental impacts and improved environmental performance. Periodic audits are being conducted for the mentioned scope to maintain the validity of the certificates till November 2022 after which we will apply for renewal of the ISO certifications.

ISO 45001:2018 is an ISO standard for management systems of Occupational Health and Safety (OH&S). By complying to this standard, we intend to reduce occupational injuries and diseases, promote physical, mental health of our employees and at the same time identify hazards and risks at our operational sites on a timely basis. This certification is intended to meet the expectations of our workforce and instill in them a belonging towards the workplace due to good safety practices.

ISO/IEC 27001: 2013 is an ISO/IEC standard for management of information security. It enables us to manage the security of assets such as financial information, intellectual property, details of employees or any information entrusted by the third parties.

Employee expertise

Our core values form the pillars of our business, and we constantly embed them in the projects we undertake. This keeps our workforce motivated and passionate to achieve excellence every time. Values such as honesty, excellence, entrepreneurship, and social responsibility reinforce our goal of providing energy in a sustainable and responsible manner.

We have a highly skilled and knowledgeable employee base with over 450 members on Azure Power payroll and more than 2,500 contractual workers. We foster a culture of entrepreneurship across levels and welcome fresh perspectives, bold thinking, and unconventional ideas. Our strong management team has a proven track record of building successful businesses and leading domestic as well as international projects of varying sizes.

Since solar energy is renewable energy, its electricity prices are insulated from commodity price volatility. However, our industry is exposed to certain market risks, such as interest rate and foreign exchange risks. To overcome these challenges, we use effective hedging strategies and follow a systematic approach to identify, measure, and manage our risks. Additionally, we synchronize our decision-making, administrative and control functions to reduce duplication of processes and increase efficiency.

Our ISO Certifications

## Certificate 1

CERTIFICATE

The Certification Body
of TÜV SÜD South Asia Private Limited

certifies that

Azure Power

Azure Power India Pvt Limited
3rd Floor, Asset 301-304 and 307,
WorldMark 3, Aerocity, New Delhi - 110 037, INDIA

has implemented a Quality Management System

in accordance with **ISO 9001:2015**

For Scope of

Design, Development, Procurement, Construction, Erection, Commissioning, Maintenance and operation of Solar Power Plants for the Utility and Commercial Areas.

The certificate is valid From **2019-11-30** until **2022-11-29**
Subject to successful completion of annual periodic audits
The present status of this Certificate can be obtained on www.tuv-sud.in
Further clarifications regarding the scope of this certificate may be obtained by consulting the certification body

Certificate Registration No. 99 100 20490

Date of Initial certification : 2016-11-30

Certification Body
of TÜV SÜD South Asia Private Limited, **Mumbai**
Member of TÜV SÜD Group

TÜV SÜD South Asia Pvt. Ltd. • TÜV SÜD House • Saki Naka • Andheri (East) • Mumbai - 400072 • Maharashtra • India

Certificate 2

CERTIFICATE

The Certification Body
of TÜV SÜD South Asia Private Limited

certifies that

Azure Power

Azure Power India Pvt Limited
3rd Floor, Asset 301-304 and 307,
WorldMark 3, Aerocity, New Delhi - 110 037, INDIA

has implemented an Environmental Management System

in accordance with **ISO 14001:2015**

For Scope of

Design, Development, Procurement, Construction, Erection, Commissioning, Maintenance and operation of Solar Power Plants for the Utility and Commercial Areas.

The certificate is valid From **2019-11-30** until **2022-11-29**
Subject to successful completion of annual periodic audits
The present status of this Certificate can be obtained on www.tuv-sud.in
Further clarifications regarding the scope of this certificate may be obtained by consulting the certification body

Certificate Registration No. 99 104 00949

Date of Initial certification : 2016-11-30

Certification Body
of TÜV SÜD South Asia Private Limited, **Mumbai**
Member of TÜV SÜD Group

TÜV SÜD South Asia Pvt. Ltd. • TÜV SÜD House • Saki Naka • Andheri (East) • Mumbai - 400072 • Maharashtra • India

Certificate 3

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

CERTIFICATE OF APPROVAL

Issued by Indian Register Quality Systems
(A Division of IRCLASS Systems and Solutions Private Limited)

This is to certify that the Occupational Health & Safety Management Systems of

Organisation: Azure Power India Private Limited

Address: 5th Floor, Southern Park,
D-II, Saket Place, Saket,
New Delhi - 110 017

has been assessed and found conforming to the following requirement

Standard: ISO 45001:2018

Scope: Design, Development, Procurement, Construction, Erection, Commissioning, Maintenance, and Operation of Solar Power Plants for the Utility and Commercial Areas

Certificate No.:   IRQS/ 210400064

Original Certification Date: 15/01/2021

Current Date of Granting: 15/01/2021

Expiry Date: 14/01/2024

Shashi Nath Mishra
Head IRQS

This approval is subject to continued satisfactory maintenance of the Occupational Health and Safety Management System of the organization to the above standard which will be monitored by IRQS. The use of the Accreditation Mark indicates accreditation with respect to activities covered by the certificate with accreditation no. OHSMS- 007, Condition Overleaf.   COA/IRQS/NABCB/OHSMS/Rev 00

Head Office: 52A, Adi Shankaracharya Marg, Opp.Powai Lake, Powai, Mumbai - 400 072, India.

Certificate 4

bsi.

Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: Azure Power India Pvt. Ltd.
3rd Floor, Asset 301-304 and 307
WorldMark 3, Aerocity
New Delhi 110 037
India

Holds Certificate No: **IS 718239**

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:

The scope of Information Security Management System pertains to IT Department & Support Functions at Azure Power (India) Private Ltd. and is in accordance with the Scope Document (APIPL-IS-POL-SD), Information Security Manual (APIPL-IS-POL-ISMSM) and Statement of Applicability Rev 00 Dated 11.04.2019.

For and on behalf of BSI:

Chris Cheung, Head of Compliance & Risk - Asia Pacific

Original Registration Date: 2019-11-19   Effective Date: 2019-11-19
Latest Revision Date: 2019-11-19   Expiry Date: 2022-11-18

Page: 1 of 2

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +91 11 2692 9000.
Further clarifications regarding the scope of this certificate and the applicability of ISO/IEC 27001:2013 requirements may be obtained by consulting the organization.
This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP, Tel: + 44 345 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.

Our vision and values

The overarching objective of the business at Azure Power is to offer affordable and sustainable renewable energy. We are committed to enhancing sustainability of our operations by prioritizing and adhering to our Social, Environmental, Health & Safety principles. Our emphasis has been on developing long-term and trusting relationships with our investors, clients, partners, and employees. Social value creation is the foundation of our corporate strategy. Both the future of business and social advancement is intertwined, and one cannot flourish without the progress of the other.

Our vision: Affordable solar power for generations

Our mission: To be the lowest cost power producer in the world

Our values of excellence, honesty, entrepreneurship, and social responsibility determine how we work as an organization, with our partners and with our clients. Our values are what support our company's vision and help form its culture. They are the core to the identity of the company and determine our priorities.

1	**2**	**3**	**4**
Entrepreneurship: We passionately challenge the status-quo by encouraging bold thinking, taking new initiatives, and exploring unconventional ideas.	**Excellence:** To us "Excellence" means standing out, striving for perfection in everything we do.	**Honesty:** "Honesty" to us means sincerity, truthfulness, being fair & loyal with integrity.	**Social responsibility:** We are committed to care for society and the environment through all our actions.

Our values

Innovation

❖ Azure SHIELD Application

We have developed a mobile based application "Azure SHIELD" focused on managing our sustainability performance. Azure SHIELD automates the Social, Health, Environment and Safety (SHES) functions of our company and provides a dashboard of performance to all staff through a web-based interface. As Azure Power has multiple projects operating pan India, this application enables the collection of all the required information on a single platform with just a few taps on the screen. Using Azure SHIELD application, we have also formulated a Safety Score Card to measure our performance against our own targets.

The application is being used by all staff to submit Risk & Incident Investigation Reports (RIR), grievances from local stakeholders, incident details and stakeholder engagement minutes. The safety induction video is also available on our YouTube platform (Link here). The employees can access the video for revisiting the training program. SHES personnel are using the application to undertake all internal audits, vendor evaluation, vehicle inspection, site-in-charge SHES performance, etc.

The site-in-charge employees are using the application to provide updates on man hours worked at the site and Toolbox Talks undertaken at the site. The web interface linked to the application is being used to close Corrective and Preventive Action (CAPA) items linked with RIRs, incidence reports, audit non-compliances, grievances, etc.

This is a leading initiative in the industry and is helping us to track our sustainability performance across our portfolio.
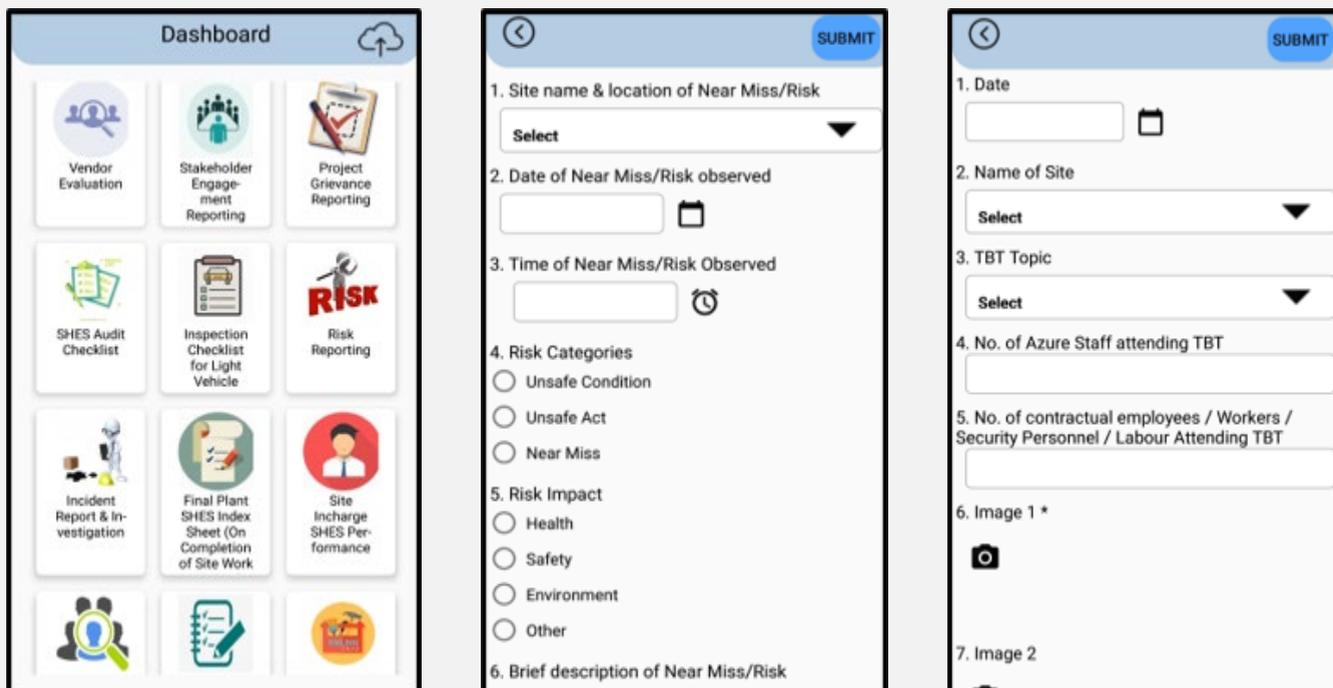
❖ **Automated Cleaning Robots**

We have deployed automatic module cleaning robots at some of our sites, with the goal of deploying them at all our sites in the coming years. The key advantage of these robots is that they totally eradicate the need for water during the cleaning process. These robots help in dry cleaning of the solar modules. For cleaning modules, robots have a rotating soft fiber dowel with a controlled airflow to push dust particles downward from the panel. These lightweight robots are connected to a cloud-based platform and can be controlled remotely.

This system increases the efficiency of the modules, as daily cleaning is possible, and it reduces cleaning time. Currently, automated cleaning robots are installed at 500 MWs, which account for around 25% of the whole portfolio and has resulted in reduction of ~25% in total water consumption across the company. The company is aiming to have fully implemented dry cleaning on all operating facilities, where feasible, by 2023. For the plants that we are not able to retrofit, we intend to build water harvesting facilities to offset our water usage.

Case study on use of robotic module cleaning at sites

Environmental aspects	•Provision of robotic cleaning system ensures substantial amount of water savings used for cleaning •Robotic cleaning method eliminates soiling losses up to 99% and increases module efficiency, which in turn results in additional power generation •Reduces damage of modules from soil accumulation and water strains •Reduces operation and maintenance costs

Social Aspects	•Reduction in use of water from sites for cleaning purposes. More water availability for communities
Governance aspects	•Initiative on innovation to save natural resource
SDG alignment	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION

❖ **Use of curing compound in pile foundation construction**

At Azure Power, we ensure innovation in technical aspects at both, construction, and O&M phases. Further to our water saving initiatives via robots for module cleaning, we have also devised methods to save water during the construction phase. Since, cement and concrete use large quantities of potable water, reducing the water quantity is a crucial aspect. Our technical innovation team has developed concrete mix designs with the use of curing compounds in the pile foundation which reduced the use of water. Additionally, as the curing process requires large quantity of water post concreting, the use of curing compounds also helped in reducing the water required for curing.

Case study on use of curing compound in pile foundation construction

Environmental aspects	• Latest products like liquid curing compound are used based on paraffin and white pigments to substantially increase light reflectance to effectively prevent premature water loss from the concrete due to heat of hydration and sunlight • This compound avoids water requirements for the conventional curing of concrete and results in substantial water savings in the pile foundation construction
Social Aspects	• Reduction in use of water from sites for cleaning purposes. More water availability for communities
Governance aspects	• Initiative on innovation to save natural resource
SDG alignment	6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Awards and Accolades

Azure Power has been recognized on several platforms for our success in the field of solar energy and our accomplishments across multiple fronts. Some of our achievements are listed below

Greentech Effective Safety Culture Award 2021

EQ - Rajasthan State Annual Solar Award 2020-21

CII Performance Excellence Awards 2020 for Solar & Wind - 2020

Grow Care India OH&S Award 2021

Best Employer Brand Awards 2019

Top Organizations with Innovative Practices Award

ET NOW Industry Leadership Award 2019

National Excellence Award from the Ministry of New & Renewable Energy (MNRE) 2016

Most Sustainable Company in the Solar Energy Industry - World Finance Magazine Sustainability Award 2020

Winning safety culture awards reinforces our progress towards development of an effective safety culture in the organisation

- *Effective Safety Culture Award 2021*

- *Grow Care India OHS Award 2021*

"Adoption of new technologies and energy efficiencies along a low-carbon trajectory is the key to unlocking India's energy independence. In line with this philosophy, we consistently focus on deploying new technologies to improve our operational efficiency which in turn reduces our footprint on the planet."

- Murali Subramanian, Chief Operating Officer

Financial performance

Our objective is to operate sustainably while creating value for all our stakeholders. The value is mutually reinforcing with our portfolio growth in India's renewable energy sector. Our company's ethos and capital structure empower us to ensure the availability of required capital to keep progressing and coping with emerging risks and opportunities within the sector.

We disclose our financial performance on our company's website on a quarterly and annual basis. This is filed with the Securities and Exchange Commission (www.sec.gov) and is available to all our stakeholders. The economic figures on the value generated and distributed enable us to comprehend our economic impact beyond profit. The relevant key highlights of financial disclosure for FY 2020-21 are included in this report as well. On a consolidated basis, the revenue for FY 2020-21 was INR 15,236 million, an increase of 17.57% over the previous year's revenue of INR 12,958 million.

Our shareholding pattern is given below:

Shareholder	Shareholding percentage
Caisse de dépôt et placement du Québec (CDPQ)	50.4%
Ontario Municipal Employees Retirement System (OMERS)	19.3%
Others	30.3%

Our economic performance in FY 2020-21 and FY 2019-20 is highlighted in the table below.

Parameter	FY 2020-21 Amount (INR Million)	FY 2019-20 Amount (INR Million)	FY 2018-19 Amount (INR Million)
Economic value generated			
a) Revenues	15,236	12,958	9,926
Economic value distributed			
b) Operating costs	2,333	1,146	869
c) Employee wages and benefits	1,897	833	379
d) Payments to providers of capital	11,499	6,956	5,675
e) Payments to government	488	0	0
f) Community investments	20	36	33
Economic value retained	-1,000	3,987	2,970
Financial assistance received from government	**352**	**153**	**210**

Political Contributions

In adherence to the values set forth in our Code of Business Conduct and Ethics, we do not contribute, whether in cash or kind, in support of any political parties or candidates. Without obtaining advance formal approval from the CEO, any direct or indirect contribution by the company to any political party, committee or candidate for public office is strictly forbidden, even if permitted by local regulations.

> **"Our commitment to sustainability enables us to accomplish our purpose of providing safe, sustainable, and innovative solutions to the society where we operate. Even though our business inherently reduces carbon impacts, we strive for efficiency and scale to contribute for the larger goal of sustainability."**
>
> — **Pawan Kumar Agrawal, Chief Financial Officer**

Materiality and stakeholder engagement

Materiality assessment

In FY 2020-21, we have undertaken a detailed materiality analysis to identify critical economic, environmental, and social issues that are important to our business performance and the interests of our internal as well as external stakeholders. The materiality assessment has been centered on realizing our motivation of excelling in the triple bottom-line parameters and is undertaken in accordance with GRI standards. This exercise is organized on annual basis.

Materiality exercise has been conducted using a three-pillared approach. The selection of material topics includes (i) understanding best industry practices, (ii) gathering insights from internal and external stakeholders, and (iii) reviewing the sector's global risks and opportunities. A thorough desk-based analysis was conducted to apprehend best practices and global sectoral trends. While, to gauge the views and perceptions of various stakeholders' one-to-one consultations, FGDs (Focus Group Discussions) along with a digital stakeholder survey were undertaken. The identified material topics have been prioritized through consultation with senior management (to understand the business objectives, risks and opportunities, and market scenarios). As a result, feedback from senior management and stakeholders has been used to map the sustainability topics that are most important to our organization.

The illustration below depicts all material topics for Azure Power that have been categorized on the basis of three dimensions of sustainability, i.e., environmental, social, and economic. The analysis also showcases the significance of issues both in relation to our influence on stakeholders, and stakeholder's influence on us.
This exercise and materiality map helped us to facilitate informed decision-making in our efforts to integrate sustainability into our business strategy.

For FY 2020-21, our key identified materiality issues are Promoting solar energy, Safety and security compliance, Sound governance, Business growth, Health and working environment, Ecological impacts, Revenue and tax transparency, Social license to operate, Materials and procurement, Diversity and inclusion, and Water and wastewater management.

Stakeholder engagement

We at Azure Power are fostering long-term connections with both internal and external stakeholders, and we are engaging with them on a regular basis to gain a better understanding of their perspectives. We have a robust mechanism for the identification and prioritization of stakeholders which is guided by principles of inclusion, materiality, and responsiveness. Stakeholder groups are classified based on their significance to our business and their role in the upstream and downstream processes, as well as their relationships in the internal and external environments. We also consult with our company's management while identifying the key stakeholders.

The following stakeholder groups have been identified and are consulted at different phases of the project as and when required:

Project Facilitator / Government Nodal Agencies

Land Sellers

Local Community

Grid Authorities

Government Officials (village council / local administration)

Policy Makers

Local and Migrant labors

Customers / Electric Distribution Companies

Azure Power®

Contractors / Suppliers

Lenders / Investors

Academic Community

NGO and conservation organizations

Azure Power Site and Corporate personnel

Health Staff

We continuously engage with our stakeholders throughout the year through a range of communication channels such as individual discussion, group discussion, operational reporting, action plans and routine feedback. Due to the on-going COVID-19 pandemic, in FY 2020-21 the primary mode of communication with stakeholders was through the use of online/ virtual platforms. We follow various strategies and levels of interaction to ensure that we recognize the needs and concerns of our stakeholders. We strive to satisfy these needs through business processes and collaborate proactively with stakeholders to develop mitigation plans to address any concerns.

For effective community consultation, the site project manager establishes a community consultation medium comprised of community representatives, with the aim of disseminating project information to community members. We solicit stakeholder feedback while developing the management and mitigation measures for potential impacts, particularly where stakeholders have a potential role to play in these measures. In addition to this, the site SHES team, in collaboration with the site-in-charge of Azure Power, undertakes regular interactions with their counterparts at the project to assess the current level of engagement with local communities. The stakeholder communication register keeps track of all communications.

For every project, we have developed a project specific Stakeholder Engagement Plan (SEP) for engaging with the concerned stakeholders during the project lifecycle. The SEP is a strategic instrument that helps us to establish and analyze stakeholder involvement during the planning, construction, operation and decommissioning phase of the project. The SEP is used in conjunction with tools for stakeholder engagement and community relations management, such as grievance mechanisms and site-specific monitoring and record-keeping systems.

Our senior management conducts periodic reviews of the stakeholder engagement process. Interactions with stakeholders enable us to gain a deeper understanding of their perspectives on value creation and aspirations, as well as identify risks and opportunities for collaboration, co-innovation, and co-creation.

The table below outlines the holistic view of our different categories of stakeholders along with the mode of interactions for each stakeholder group and the level of interaction to address their main areas of interest.

Stakeholder Group	Mode of Engagement	Frequency	Key areas of Concern
Local Community/Academic institutions/Health institutions	Meetings on regular basis	Quarterly	Transparency of information
			Insufficient compensation (for new operations)
			Inequitable distribution of benefits
			Project information (social license to operate)
Sub-contractor / Local labor / Migrant workforce	Meetings on regular basis	Weekly	Working conditions and terms of employment
			Conflict of migrant population with locals
Civil Society / Local NGOs / Media	Meetings	As and when required	Transparency around project
			Impact on local community
Suppliers	Email, Phone, Meetings	Monthly	Timely payment
Policy Makers	Email, Phone, Meetings	As and when required	Timely disclosures
			Adherence to norms
Customers	Email, Phone, Meetings	Monthly	Grid issues
			Interruption in power supply

To ensure transparency and address the concerns of our stakeholders, we frequently update our website with all pertinent, current, and necessary information.

During FY 2020-21, a total of 165 stakeholder consultations were documented in 10 states.
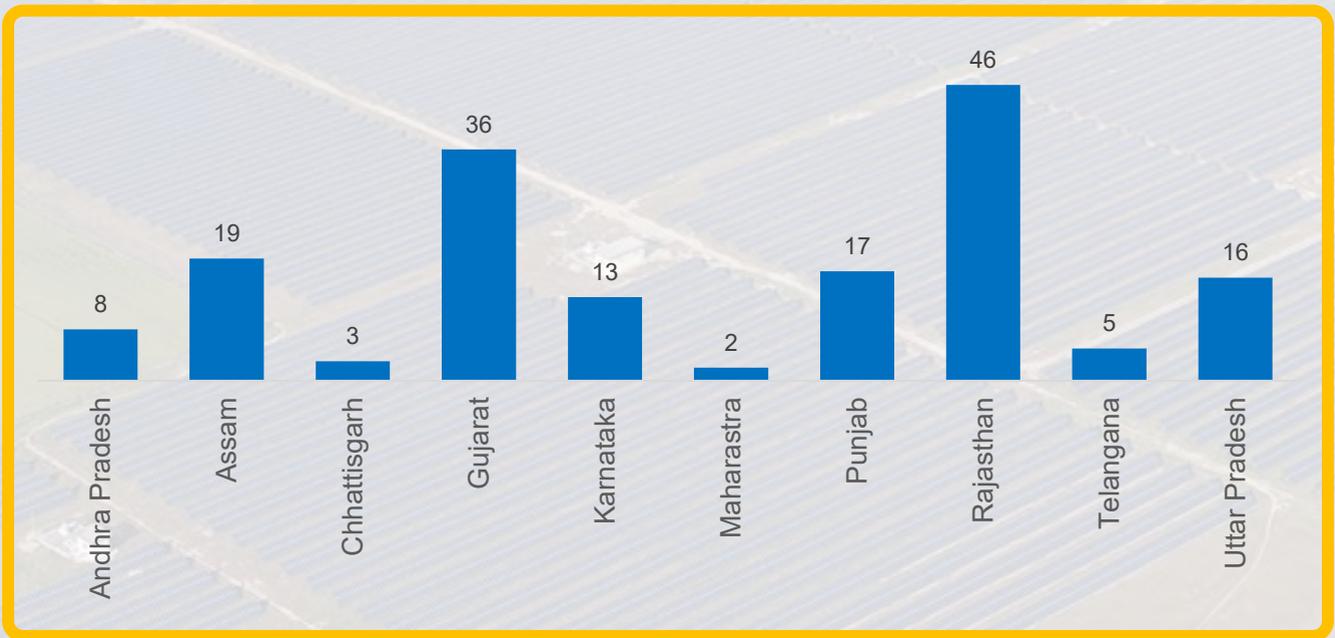
Corporate governance

At Azure Power, we have strong governance and leadership that empowers us to progress in our journey of sustained business growth. Our organization structure and governance framework also include the leadership oversight for ESG areas as well. We have established a Sustainability committee of the board to guide us during our sustainability journey. We ensure transparency, accountability, controls, and efficiency through a robust corporate governance system. We ensure that we also address the interests of our stakeholders through our governance strategy.

Board structure

Azure Power is led by a highly experienced management team and professionals with profound knowledge of the renewable energy sector and a proven track record of performance. Our Board of Directors comprises of nine members, five of which have been deemed independent, including the Chairman of the Board, and two are female. This gives us a healthy gender diversity of 22% at board level. We also have three non-executive directors on our board. In 2019, Azure Power has been listed as an organization with the most independent board amongst other Asian utilities companies.

Our Board of Directors has set high standards for the company's employees, officers, and departmental heads. Our Board of Directors oversees our business with the aim of enhancing shareholder value, periodically reviewing all compliance reports, which may relate to, but are not limited to energy efficiency, health and safety incidents, significant stakeholders' concerns, and proposed solutions.

During FY 2020-21, a total of 06 board meetings were held. Our board is fully briefed on all business-related matters, associated risks, and new initiatives of our company. Additionally, our board is supported by a competent management team comprised of 12 members, three of which are women. Thus, we have a healthy gender diversity of 25% at management team level.

Board committees

❖ **Sustainability and Corporate Social Responsibility (CSR) Committee**

The Sustainability and CSR Committee at the board level includes three members, i.e., Mr. MS Unnikrishnan (Chairman of the committee), Ms. Supriya Prakash Sen (Member) and Mr. Deepak Malhotra (Member). The committee assists the Board to fulfill its responsibility for oversight of sustainability programs and review the progress of sustainability goals of the company. The Committee also acts as the CSR committee as per the requirement of CSR Policy. For further details, refer to our CSR policy (Link).

Our Board of Directors

Barney Rush, Chairman of The Board of Directors/Independent Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Energy Management, Marketing, Strategy/ Risk Management,

Ranjit Gupta, Chief Executive Officer

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Energy Management, Marketing, Human Resource Management, Strategy/ Risk Management, Occupational Health, Safety and Environment

Arno Harris, Independent Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Energy Management, Marketing, Human Resource Management, Strategy/ Risk Management

Supriya Prakash Sen, Independent Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Marketing, Strategy/ Risk Management, Human Resource Management

Yung Oy Pin (Jane) Lun Leung, Independent Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Strategy/ Risk Management

Muhammad Khalid Peyrye, Independent Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Strategy/ Risk Management

Cyril Cabanes, Non-Executive Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Marketing, Human Resource Management, Strategy/ Risk Management

Deepak Malhotra, Non-Executive Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Marketing, Human Resource Management, Strategy/ Risk Management

M.S Unnikrishnan, Non-Executive Director

Expertise:

Executive Leadership, Governance, Financial Acumen, Project Formulation and Management, Energy Management, Human Resource Management, Strategy/ Risk Management, Occupational Health, Safety and Environment

Our leadership team

Ranjit Gupta

Chief Executive Officer

Murali Subramanian
Chief Operating Officer

Pawan Kumar Agrawal
Chief Financial Officer

Sumit Barat
Chief Sustainability Officer

Priya Chakrabarti
Head – Human Resource
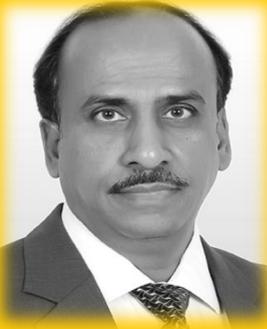
Kuldeep Jain
Head - Project Development & Const.

Samitla Subba
Head - Policy & Communications

Sanjay Nagrare
Head - Policy & Strategy

Gaurang Sethi
Head - Bidding

Sarvesh Kumar Singh
Head - Supply Chain Management

Akriti Gandotra
Head - Legal

Kapil Kumar
Head - Operations & Maintenance

Vikas Bansal
Head - Investor Relations

❖ **Audit Committee**

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the company and the audit of the financial statements of the company. Our Audit Committee comprises of three board members i.e., Mr. Arno Harris (Chairman), Mr. Barney Rush (Member) and Ms. Supriya Prakash Sen (Member). For further details, refer to our Audit Committee Charter (Link).

❖ **Compensation Committee**

The purpose of the Compensation Committee of the Board is to assist the board in discharging the board's responsibilities relating to compensation of the executives of the company, including by designing (in consultation with management or the board), recommending to the board for approval and/or evaluating the compensation plans, policies and programs of the Group. The committee shall ensure that compensation programs are designed to encourage high performance, promote accountability, and assure that employee interests are aligned with the interests of the company's shareholders. Our Compensation Committee comprises of four board members i.e., Mr. Barney Rush (Chairman), Mr. Cyril Cabanes (Member), Ms. Supriya Prakash Sen (Member) and Mr. MS Unnikrishnan (Member). For further details, refer to our Compensation Committee Charter (Link).

❖ **Capital Committee**

The purpose of the Capital Committee of the Board is to assist the board in discharging the board's responsibilities in relation to assessing the company's capital needs and structure, capital raising, investment, and disposition/disinvestment/sale of projects, maintaining adequate liquidity and timely decision making to achieve the company's business plan. Our Capital Committee comprises of four board members i.e., Mr. Arno Harris (Chairman), Mr. Barney Rush (Member), Ms. Supriya Prakash Sen (Member) and Mr. Deepak Malhotra (Member).

❖ **Nominating and Governance Committee**

The committee is a standing committee of the Board of Directors of the Company. The purpose of the Nominating and Governance Committee is to assist the board by fulfilling the following responsibilities:
- Reviewing and making recommendations to the Board of Directors with respect to corporate governance guidelines and issues
- Identifying qualified candidates as consistent with the criteria approved by the board for director nominees and recommending such candidates to the board for selection for all directorships to be filled by the board, in conjunction with the CEO
- Nominating the chairs and members of the board committees, in conjunction with the CEO; and
- Conducting annual reviews of the board's independence, qualifications and experiences in light of the availability of potential board members; and oversee the evaluation of the Board of Directors

Our Nominating and Governance Committee comprises of three board members i.e., Mr. Barney Rush (Chairman), Mr. Cyril Cabanes (Member) and Ms. Supriya Prakash Sen (Member). For further details, refer to our Nominating and Governance Committee Charter (Link).

Corporate policies

Our reputation and successful business operations are based on a foundation of core principles and policies that are ingrained in our company's code of conduct and day-to-day operations. These fundamental principles and policies are primarily concerned with the employees' fair dealing and ethical behavior, which are accomplished by strictly adhering to the spirit and letter of all applicable laws and regulations and exhibiting the highest levels of personal and professional integrity.

We, at Azure Power, are dedicated to building a professional and respectful work environment that is free of discrimination and harassment in all aspects of employment. In accordance with this, the business has established a set of policies that all employees must adhere to. These policies have been developed with the objective of pursuing best-in-class policies that exceed pertinent governmental laws, rules, and regulations. This contributes to the firm's long-term viability, protects the company and its workers against regulatory fines and/or litigation, and fosters a disciplined work environment where employees conform to legitimate business procedures.

Our policies	Description
Anti-Bribery and Corruption ("ABC") Policy & Procedures	Our ABC policy & procedures document describes the Company's policy prohibiting bribery and other improper payments in the conduct of the Company's business operations and establishes processes to ensure compliance with the Anti-bribery and corruption policy and applicable laws and regulations, particularly, without limitation, the United States of America's Foreign Corrupt Practices Act ("FCPA"). For further details, refer to our publicly available ABC Policy (Link)
Code of Business Conduct and Ethics	The Code of Business Conduct and Ethics defines and clarifies the standards for conducting business and behavior at Azure Power. The code is in line with the requirements of Section 406 of the Sarbanes Oxley Act of 2002 and Companies Act, 2013. This code promotes: • Honest and ethical conduct • Fair dealings with stakeholders • Compliance with applicable laws, rules and regulations • Prompt reporting of violations of the code For further details, refer to our publicly available Code of Business Conduct and Ethics (Link).

Our policies	Description
EV (Electric vehicle) Policy	Our EV policy highlights our commitment towards progressively de carbonize our operations. Considering vehicle emission formed the largest source of our Scope 1 emission, to enhance our sustainability and supporting India's electric mobility goals, we have initiated our transition from a fossil- based transportation system by committing to stop purchase of fossil-based vehicle, phase out all fossil-based vehicle by 2030 and promoting use of electric vehicles in our day-to-day operations. For further details, refer to our publicly available EV Policy (Link)
Data Privacy and Security/ Communications Security Policy	The policy protects the integrity and availability of Azure Power's communication services and ensures the protection of information of Azure Power's networks and supporting information processing facilities. For further details, refer to our publicly available Data Privacy and Security Policy (Link).
Driving Policy	The policy ensures all drivers who drive company vehicles in the course of their work demonstrate safe, efficient driving skills and other good road safety habits at all times. Rules apply for all work-related driving. For further details, refer to our publicly available Driving Policy (Link).
Environment Social and Governance Policy	As per this policy, we are committed to incorporating ESG considerations in all steps of project development, implementation and operation. For further details, refer to our publicly available Environment Social and Governance Policy (Link).
Employee Grievance Redressal Policy	The policy provides a mechanism for individual employees to raise grievances arising from their employment. The policy also ensures that such grievances are dealt with promptly, fairly and in accordance with other related policies of the organization. This includes concerns from an employee about an action that has been taken and or an in-action, or a contemplated action in relation to them by a supervisor, another employee or from the management. For further details, refer to our publicly available Employee Grievance Redressal Policy (Link).
Equal Employment Opportunity Policy	This policy states that Azure Power shall provide equal opportunities to all sections of the society and treat them with dignity. All decisions pertaining to eligibility, qualification and selection of applicants in all matters will be based on merit. No discrimination shall be made based on disability, community, race or gender. For further details, refer to our publicly available Equal Employment Opportunity Policy (Link).

Our policies	Description
Insider Trading Policy	The insider trading policy aims to define and establish rules & process of the company with respect to prevention of insider trading of securities. For further details, refer to our publicly available Insider Trading Policy (Link).
Policy for Diversity and Inclusion	This policy is to ensures that no job applicant or employee receives less favorable treatment on any grounds and that no job applicant or employee is unlawfully discriminated against on grounds of gender, civil status, family status, sexual orientation, religion, age, disability, race. This applies to Recruitment and Selection, Training, Promotion, Pay and Benefits, Grievances and Disciplinary procedures and all other Terms and Conditions of employment. For further details, refer to our publicly available Diversity and Inclusion Policy (Link)
Policy for Employee Education	This policy outlines the procedure and guidelines for helping employees to grow professionally via pursuing educational and development programs (EDPs). For further details, refer to our publicly available Policy for Employee Education (Link).
Policy for Human Rights	Azure Power has in place a dedicated human rights policy under which the company explicitly prohibits all forms of human trafficking and forced labor, including bonded labor, indentured labor, prison labor, military labor, and modern forms of slavery at the company as well as our suppliers. In addition, we forbid hiring of persons under the age of 18 years for positions involving hazardous work. For further details, refer to our publicly available Human Rights Policy (Link)
Prevention of Sexual Harassment (POSH)	Azure Power is committed to ensuring employees are treated fairly and equally in an environment free of intimidation and sexual harassment. Sexual harassment is an unlawful and unacceptable form of behavior which cannot be tolerated under any circumstances. All complaints of sexual harassment are treated seriously and promptly, with due regard to confidentiality. Disciplinary action will be taken against any employee who breaches the policy. Sexual harassment is not just unlawful during working hours or at the workplace itself. It is unlawful in any work-related context including conferences, work functions, business or field trips, and interactions with clients. Our POSH policy mandated yearly training and testing. Third-party experts design and provide the training.

Our policies	Description
Whistle-blower Policy	The whistle-blower policy (also known as Vigil mechanism) is articulated to provide a conducive environment to employees and directors of Azure Power India Private Limited for safe and secure reporting of unethical conduct in line with the requirements of the Companies Act 2013 and Companies Rules 2014. This policy defines guidelines for employees and directors to report concerns related to unethical conduct without any fear of retribution. For further details, refer to our publicly available Whistle-blower Policy (Link).

"At Azure Power, sustainability is not only limited to addressing environment, social and governance issues. It is central to our value proposition and business and ingrained across all aspects of the organization. We are proud of our performance on pivotal environmental, social, and governance issues and are passionate about creating value for our stakeholders through access to reliable renewable energy for our customers, fulfilling careers for our employees, improving the communities in which we operate, and providing strong returns to our shareholders."

- Ranjit Gupta, Chief Executive Officer

Risk management

While risk is inherent in any organization, having a strategy and mitigation plan in place considerably increases the probability of overcoming unforeseen obstacles. At Azure Power, we are subjected to risks during development, construction, and O&M of projects. These risks could range from environmental, health, safety, and climate risks to any other risk. For each project, we ensure we have a risk assessment phase during which the risks are identified, reported, monitored, and managed actively.

We follow IFC Performance Standards to identify and mitigate environmental and social risks as a key component of our management of environmental and social risks. The identified risks are communicated regularly to the board members, the leadership team, and all other relevant stakeholders. Risk reporting helps us incorporate them into management decision-making and ensure continuity of operations. It also presents opportunities for improvement, internal innovation, and innovative approaches that can give us a competitive edge.

At corporate level, the threshold for categorizing a risk as having a substantive financial impact is if the risk has a potential financial impact of 5% of assets or 10% of net profit and these risks are reviewed by the Board. At an asset level, assessment of the potential financial impact of various activities is undertaken at the beginning of the project with regular reviews. The threshold of what is substantive can vary by asset depending on what activities present the greatest risks.

We follow a five-step rapid cumulative impact assessment process which includes:

- Determining spatial and temporal boundaries

- Identifying valued environmental and social components in consultation with affected communities and stakeholders and then identifying all developments and external natural and social stressors affecting these

- Determining the present conditions of the valued environmental and social components

- Assessing the cumulative impacts and evaluating their significance over valued environmental and social components predicted future conditions

- Designing and implementing a) adequate strategies, plans and procedures to manage cumulative impacts, b) appropriate monitoring indicators, and c) effective supervision mechanisms

New initiatives under progress

An Enterprise Risk Management (ERM) framework and policy is currently being formulated. The ERM framework will help in a better governance structure by managing risks at different levels due to its integrated and process-oriented approach. The primary objective of adopting ERM is to enhance shareholder value by implementing a governance structure in which risks can be identified timely, and mitigation controls and good monitoring mechanisms are in place.

The selected committee will help identify risks, devise and implement a mitigation plan and evaluate the processes. Each department will have risk owners and champions with assigned responsibilities.

Risk identification and assessment

Risk response and mitigation

Risk monitoring and reporting

Steps followed for risk identification

- As a starting point, almost 400 risks identified covering strategy, operations, financial and compliance under both internal and external factors.

- Risk identification was carried out based on Risk Rating Grid and segregated as extreme, high, moderate, and low risks.

- From these, 14 risks were identified as material and high impact risks on the Enterprise.

Key high impact risks identified at process level based on enterprise level heat map are as follows:

Bidding	Communication and Policy	Corporate Operations	Design and Engineering	Finance and Accounts
Human Resource (HR)	Information Technology (IT)	Investor Relation	Land	Legal and Secretarial
Operations and Maintenance (O&M)	Project Finance	Quality	Social, Health, Environmental, and Safety (SHES)	Supply Chain Management

Each of the process levels have several sub-risks identified. For each of the identified risk, both the risk drivers and mitigation plan have been formulated and checked to see whether the controls are in place or not.

To sustain and develop an efficient ERM framework, committees have been formulated and a policy has been designed. Departments will be trained before complete implementation of the framework. To ensure action, quarterly meetings of operational and board sub-committee have been planned.

Electric vehicles purchased under EV policy

Our environmental footprint

While we promote and deploy renewable energy, we also strive to lower our carbon footprint, enhance energy and material efficiency, and reduce waste generation and water consumption. We are determined to continue monitoring our environmental performance and fostering environmental stewardship among our employees, stakeholders, and the broader community. We use incentives and penalties to influence behavior. Annually, we report on our ESG performance. We believe our efforts to reduce our environmental footprint will ensure that future generations inherit a more sustainable world. Further, we have offset 28% of our water consumption in FY 2020-21 through rainwater harvesting structures. Going forward, we will install more such structures to aid us in our journey to water neutrality.

We recently announced our EV policy, in which we committed to transitioning to 100% EV by 2030, not purchasing any new fossil-fueled vehicles from October 2021 onwards and providing interest subsidies to our employees who purchase EVs. Cost of hiring any EV is that it is auto approved under the policy.

Environmental resource management

At Azure Power, we have a robust Social, Health, Environmental, and Safety (SHES) policy that defines our environmental management practices and dedication to conducting business in a responsible and sustainable manner. Our Board oversees ESG issues, and our environmental management system has been endorsed by the Board and CEO. At the corporate level, we have the SHES department. The head of the SHES department is nominated by the company's senior leadership and reports to the CEO. The department's head is responsible for overseeing all facets of environmental management, from planning to implementation.

Our environmental management system is certified to ISO 14001:2015. To enhance our environmental performance, we have integrated the ISO 14001:2015 along with IFC's Performance Standards on environmental and social sustainability to guide all stages of solar power plant design, development, procurement, construction, installation, maintenance, and operation.

We conduct an Environmental Impact Assessment (EIA) prior to initiating any new project, despite the fact that it is not mandated by law. We also conduct specialised studies, such as an Ecological Management Plan and a Biodiversity Assessment, depending on the requirements of the project. At Azure Power, we base everything we do on the 3R philosophy of resource conservation via reduction, reuse, and recycling.

We take pride in abiding by all applicable national and local environmental laws and regulations, including Water (Prevention and Control of Pollution) Act, 1974, Biological

Diversity Act, 2002, Forest (Conservation) Act, 1980, Forest Conservation (Rules), 2003, National Green Tribunal Act, 2010, Solid Waste Management Rules, 2016, and Hazardous Wastes (Management and Transboundary Movement) Rules, 2016.

At each of our project sites, we have a Grievance Redressal Mechanism (GRM) in place that is effective from the start of the project through its closure. It covers everyone that has a stake in the project, including the project team personnel and the community members. Through an extensive and transparent process, this mechanism enables speedy resolution of any on-ground issues raised about environmental and social effects.

In the financial year under review (FY 2020-21), as a result of our efforts, no penalties or fines were levied for non-compliance with environmental laws and regulations.

Energy and Emissions

We are committed to providing sustainable and efficient non-conventional energy generation solutions through continuous innovation in solar energy technology. Conventional fuels account for only a small share of our overall energy consumption, with most of our transportation utilizing petrol or diesel. Our on-going efforts to increase the proportion of renewable energy in India's power mix are aimed at reducing the quantity of greenhouse gases (GHG) released as a consequence of the use of non-renewable fossil fuels, which contribute to global warming.

The table below summarizes our organization's energy consumption.

Parameter	Type of energy	FY 2020-21
Diesel Consumed (KL)	Non-renewable	495.76
Petrol Consumed (KL)	Non-renewable	56.90
Electricity Consumed (kWh)*	Non-renewable	229,801.80

Pan India operation

The table below summarizes the solar energy generated and sold by our organization.

Parameter	Type of energy	FY 2020-21 Quantity (MWh)	FY 2019-20 Quantity (MWh)	FY 2018-19 Quantity (MWh)
Solar Energy Generated	Renewable	3,369,350	2,871,472.78	1,651,799.16

We at Azure Power are continuously striving to identify ways to increase our energy efficiency, invest in new technologies, and diversify our portfolio to reduce our carbon footprint even more.

GHG emissions

❖ *Scope 1: Direct GHG emissions*
Our GHG emissions arise mainly from the fuel used in the owned vehicles for transportation purposes at our O&M and construction sites. During 2020-21, our total **Scope 1 emission was 1,464 tCO2.**

❖ *Scope 2: Indirect GHG emissions*
Our Scope 2 emissions primarily come from energy purchased for our operations at guest house and head office. **For the year 2020-21, our Scope 2 emissions were 182 tCO2.**

❖ *Scope 3: Value chain GHG emissions*
In FY2019-20, we initiated monitoring our Scope 3 emissions. This year we have managed to estimate Scope 3 emissions from employee commuting and upstream transportation from top suppliers. Despite our endeavors to survey and follow-up, most of our suppliers have not yet quantified their own GHG emissions.

Type of emission	FY 2020-21 Quantity (tCO$_2$e)
Scope 1	1,464*
Scope 2	182**
Scope 3 (upstream transportation)	12,738.87
Scope 3 (Employee commute) **	11.05
Total Emissions	14,395.92

*. Due to COVID increased dependence on office vehicle for intercity / interstate transportation, hence rapid rise in scope 1 emission. Understanding contribution of vehicular emission to scope 1 emission, we formalised EV policy to reduce our scope 1 emission.
** Due to COVID-19, most of the time, the office was closed, hence the decrease in scope 2 emissions. For scope 2 emissions, a weighted average emission factor has been used as per CEA's CDM-CO2 Baseline Database. Version 16.0

The solar energy we generate at our plants helps in fulfilling the requirements of energy which otherwise would have been produced using non-renewable fuels. This also enables us to assist other companies in reducing their carbon footprints and the nation in combating climate change. We also regularly participate in carbon offset programmes and sell the excess carbon credits that we create as a clean energy solar company.

The table below shows the GHG reduction achieved:

FY 2020-21	
Total Electricity Generation	**3,369,350 MWh**
Total GHG Reduction*	**3,032,415 tCO2**

* Carbon credits if generated is sold to third party. Azure Power has not retired these carbon credits for any internal offsetting purposes

Additionally, we took up the **ambitious target of being carbon neutral** for our own operation (Scope 1 & 2 emissions) 2019 onwards. We retired 1,156 VCUs to obtain carbon neutral status for our 2019-20 operation. Keeping up with the practice we continue to retire 1,578 VCU to offset our scope 1&2 emission of 2020-21, thus maintaining our carbon neutral status.

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 05 Aug 2021, 1,156 Verified Carbon Units (VCUs) were retired on behalf of:

Retired on behalf of Azure Power Global to become Carbon Neutral for year 2019-20.

Project name:

Bundled Wind Power Project by Giriraj Enterprises

VCU serial number:

10735-245696014-245697169-VCS-VCU-814-VER-IN-1-1669-01032020-31122020-0

Additional Certifications:

Additional details on this retirement can be found on the Verra Registry.

Powered by APX

United Nations
Framework Convention on
Climate Change

Date: 07 January 2022
Reference: VC/0024/2022

VOLUNTARY CANCELLATION CERTIFICATE

Presented to:

CDM Project 1642: SHYAM DRI WHR CPP

Reason for cancellation:

Retired on behalf of Azure Power Global to become Carbon Neutral for year 2020-21.

Number and type of units cancelled

1,578 CERs
Equivalent to 1,578 tonne(s) of CO2

Start serial number: IN-5-225964140-2-2-0-1642
End serial number: IN-5-225965717-2-2-0-1642

The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.

Water and wastewater management

Water is the elixir of life. At Azure Power, we understand the value of water as a commodity upon which mankind relies and are thus committed to management and conservation of water resources. We understand that water is a resource that is critical for the advancement of economy, communities, and even biodiversity. We have thus taken major steps to conserve water or reduce its use in our construction and O&M sites, considering the long-term viability of this resource.

Municipal piped water is used for consumption at our Office while at plants authorized vendors provide water for use. We account for all water consumed at our operation, as summarized below:

Water consumption	Volume of water (KL)
Drinking water consumption at Guest house	394
Water consumption for domestic use (including gardening)	25,324
Water consumption for module cleaning	204,969
Water consumption at head office	29
Total	230,716
Water offset from ground water recharge structures	64,563
Net water consumption	166,153

Net water consumption in KL / Million kWh Generated

FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
122	99	59	49
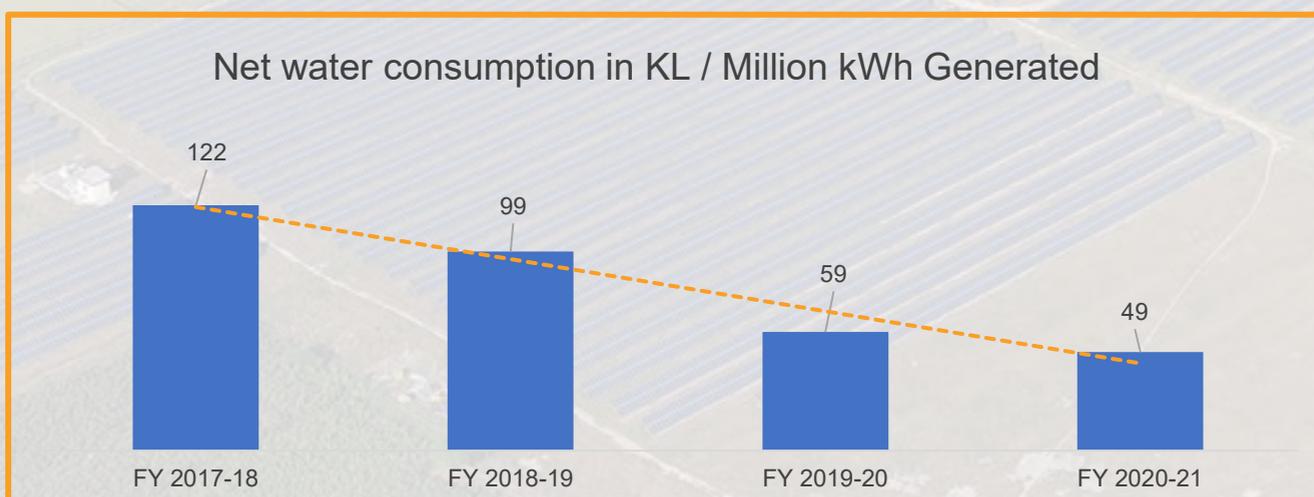
We continuously strive to reduce our water consumption per unit production (Electricity generated). We have been able to achieve 60% reduction in water consumption from our 2017-18 baseline. We have been able to achieve this by using water prudently, use of technology and recharging ground water thereby offsetting our consumption.

Water saving innovative initiative

❖ *Installation of robotic dry cleaning in upcoming projects*

We have adopted several mechanisms to reduce and conserve water. Water consumption is significantly reduced at plants by use of robots for dry cleaning the solar module. As we move ahead, we plan to install robots at all our sites.

Project	SECI 300MW in Jodhpur, Rajasthan
No. of Robots	1,155 Nos
Total no. of module cleaned	1,134,336 Nos
Water saved per module	1 L
Average number of Module cleaning in a year	27 cycles
Total Water Saving in a year	**30,627 KL**

Robots used for cleaning solar modules

❖ *Constructing Ground Water Recharge (GWR) structures*

We are also constructing Ground Water Recharge (GWR) structures at our project sites to conserve water. At 16 of our sites, a total of 84 pits have been constructed for GWR and their co-ordinates are mapped for regular monitoring. Through this initiative, we have recharged 64.5 million litres of water which helped us to offset 28% of our total water consumption. We are committed to continue building such structures in future to offset our water consumption during our journey to Net Zero.

Case study on Rainwater Harvesting as a part of water saving scheme

Environmental aspects	•As part of water savings, we also incorporate steps to protect and recharge the groundwater by practicing rainwater harvesting.	
Social Aspects	•More water availability for communities.	
Governance aspects	•Initiative on merging traditional and innovative practices to save natural resource	
SDG alignment	6 CLEAN WATER AND SANITATION 11 SUSTAINABLE CITIES AND COMMUNITIES	Rainwater harvesting structure under construction at a site in Gujarat

A total of 64.5million liters of ground water was recharged in FY 2020-21. The state-wise segregation of the volume recharged is presented in the graph below:

Karnataka, 11346.075, 18%

Telangana, 14924.25, 23%

Punjab, 7107.75, 11%

Andhra Pradesh 4826.25, 7%

UP, 26358.75, 41%
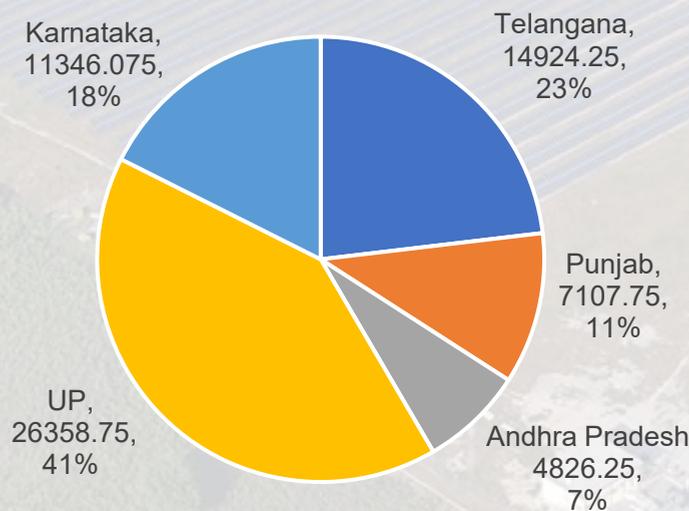
State-wise ground water recharged (in kilo litres)

Waste stewardship

Azure Power is committed to reducing and recycling its waste in line with the objectives of our environmental management system. We ensure best waste and effluent management practices are in place for the waste that is generated. We follow the standard operating procedure for waste management at our construction and O&M sites.

Solar PV plant falls in White category (based on its non-polluting nature) of industries and does not involve in generation of any kind of waste or hazardous waste from its process or activities. The majority of solid waste generated from the plant is the damaged/broken solar modules which are being kept in steel container. Other than this, wastes like wooden pallet, packing material, used wires are also generated as waste.

Currently, there are no guidelines for disposal or recovery/ part recovery for solar panels by Government of India. But to ensure that it is not disposed of irresponsibly, the damaged solar modules are being kept in isolated closed and covered area. We will act upon or dispose this waste whenever there is a new notification from the Government of India.

649.8 tons of cumulative broken solar module waste was generated since 2010 from sites. 81% of the generated waste (broken modules) was disposed efficiently in FY 2020-21. Among the sites, maximum broken solar module waste was generated at Punjab and minimum at Maharashtra. The remaining 19% of cumulative broken solar module waste (Bihar and Karnataka) has been disposed safely (as on date) as per the applicable norms.

TOTAL BROKEN SOLAR MODULE WASTE (KGS)

Site	Value
Punjab	151,250
Rajasthan	97,596
Gujarat	48,708
UP	87,106
Bihar	18,000
Chhattisgarh	31,680
Maharashtra	2,156
Delhi	4,312
AP	93,104
Telangana	10,076
Karnataka	105,876
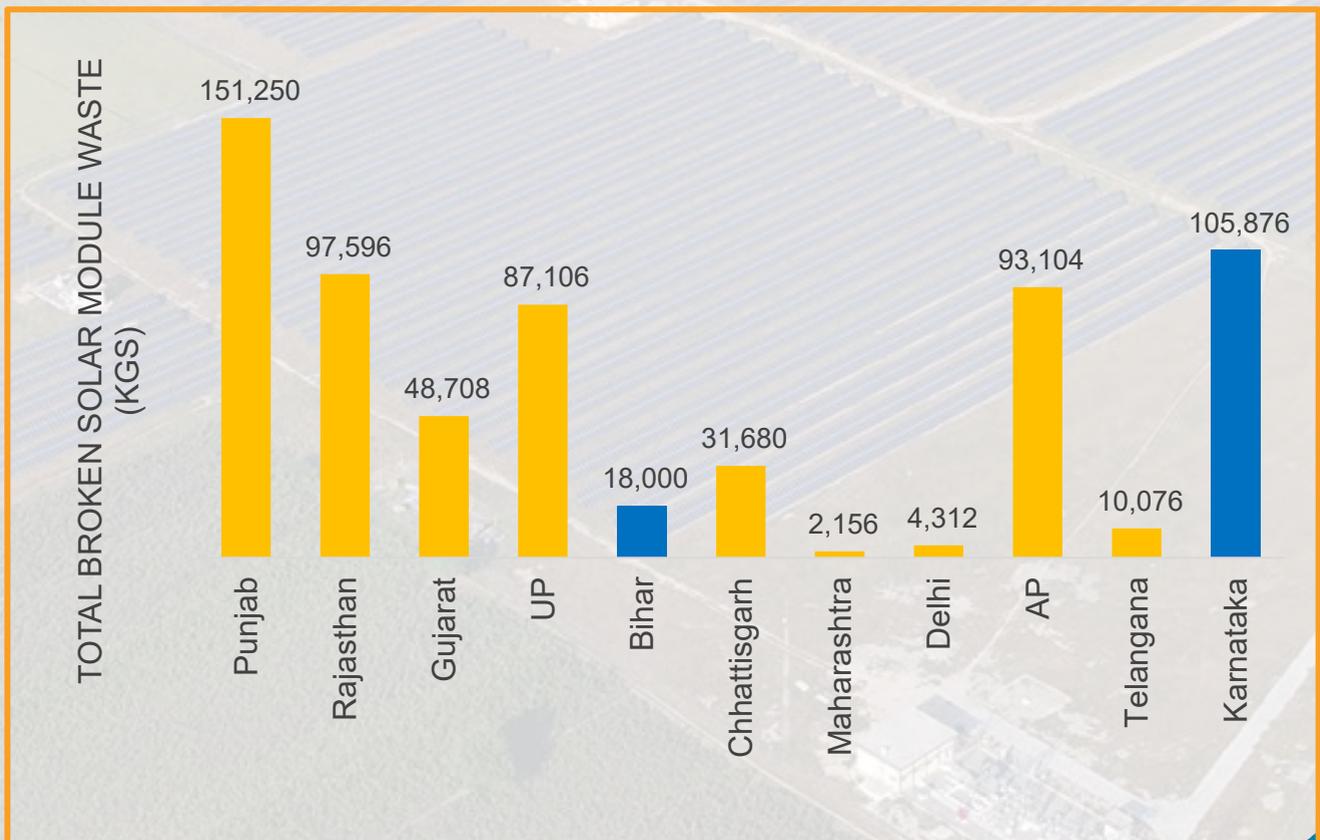
At our construction sites, two types of waste were generated: paper and gunny/cement bags.

Type of waste	Units (Kgs)
Paper	3,045.1
Gunny bags	57,987.49

Authorization No.: MPCB/RO(HQ) HSMD/Autho/18/EW003   Issue Date: 04 October-2021

Certificate

For E- Waste Disposal

This is to Certify that **9000 Nos.Modules** of E-Waste was collected against

This Certificate is presented to

AZURE POWER RAJ PVT. LTD
Hiriyur, Chitradurga, Harthikote, Karnataka

E-waste received for recycling has been safely disposed off at our registered facility in an environment friendly manner

Kohinoor E-Waste RecyclingPvt. Ltd.
Authorised by
Maharashtra Pollution Control Board

Authorization No.: HSPCB/2018/4160-4183
Certificate No.: DWMPL/HW/2020-21/02308

DESHWAL
WASTE MANAGEMENT

Issue Date:- 04.Dec.2020

CERTIFICATE

FOR H-WASTE DISPOSAL

This is to Certify that 55480 kg of H-waste was collected Against Manifest dated 06th Aug 2020

This Certificate is presented to

AZURE URJA PVT. LTD.

Tahliwala Jattan, Arniwala Sheikh Subh, Fazilka

(Punjab)

H- waste received for recycling has been safely disposed off at our registered facility in an environment friendly manner.

DESHWAL WASTE MANAGEMENT
Authorised By:
RAJASTHAN POLLUTION CONTROL BOARD

SIGNATURE

Sample certificates of broken / damaged modules sent for recycling to government authorized recyclers.

"At Azure Power, we are dedicated to the path of sustainability and environmental stewardship. Our efforts are directed towards minimizing our ecological footprint, conserving natural resources, ensuring a sustainable supply chain, and improving the quality of life of communities we operate in."

- Sumit Barat, Chief Sustainability Officer

Sustainable workplace

Workforce- Learning and Development

We at Azure Power recognize that people are the key resource of an organization, and thus we endeavor to deliver the requirements to them as they meet their career aspirations. We have a highly skilled workforce that is diverse and seeks excellence in every project they undertake. Human resources play a pivotal role in taking strategic decisions, which are essential for long-term organizational growth. We make continuous efforts to identify areas of improvement by enhancing internal communication, capacity development, employee empowerment and adopting best industry relation practices. Our commitment towards creating a culture of excellence for our staff is reflected in our robust system for rewards, recognition, and performance feedback.

During FY 2020-21, several trainings were provided to employees via different modes: instructor led training (ILT), e-learning (self-paced learning). Employees are also provided training on several aspects such as behavioral, compliance, safety and technical. After onboarding, employees must attend the induction training programmes to gain a broad understanding of the working methods of the organization. Compliance training on COBC, ABC and POSH is mandatory for all employees of the organization. We have also collaborated with Dupont to provide e-training to our employees on different modules of OHS.
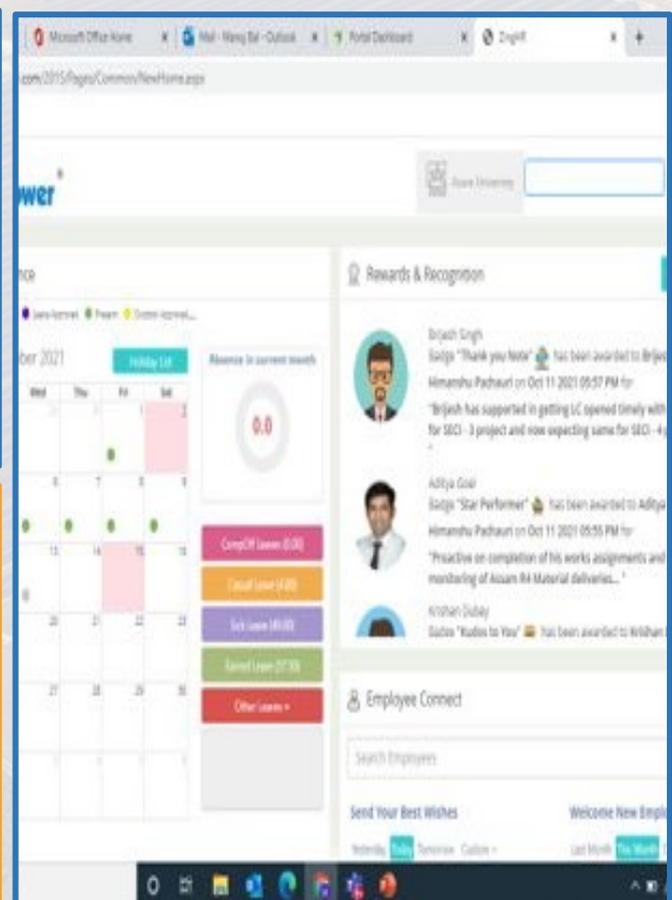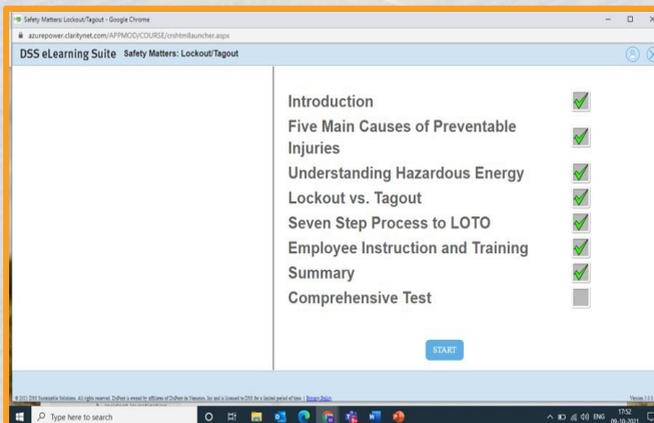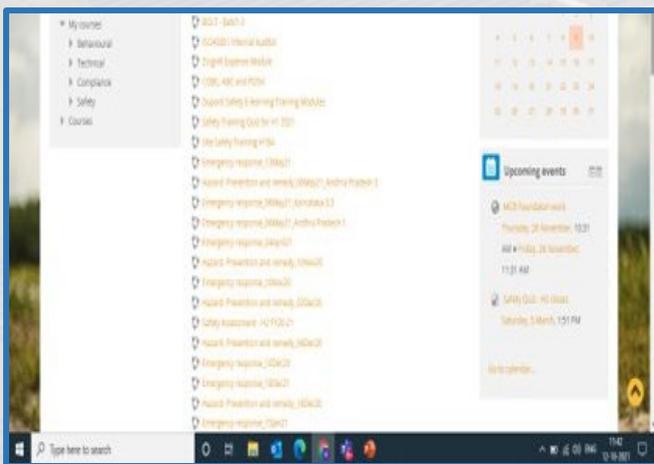
Technical and safety training are provided according to the expertise and responsibilities of the employee. It is important for young professionals to remain motivated, and thus we ensure leadership talks are conducted regularly. Learning and development programmes are organized for all employees based on requirements, and sometimes by collaborating with external trainers or speakers.

Management level	Category of training/ programme	No. of Trainings/Programmes by Internal trainer (FY2020-21)	No. of Trainings/Programmes by External trainer (FY2020-21)
Senior Management	Behavioral	22	10
	Compliance	9	3
	Safety	4	5
	Technical	25	13
	Induction	2	-
Middle Management	Behavioral	48	8
	Compliance	10	1
	Safety	27	11
	Technical	62	43
	Induction	8	-
Junior Management	Behavioral	131	3
	Compliance	10	1
	Safety	56	11
	Technical	89	141
	Induction	8	-

Total 18,941 manhours of training were provided to our employees in FY 2020-21.

Category	Male	Female
Senior management	1,124.37	272.97
Middle management	4,191.8	459.2
Junior management	10,684.1	496.2
Workers (permanent)	1,710.167	2
Total Manhours	17,710	1,230

Workforce- Diversity at workplace

Azure Power is an equal opportunity employer, and this is applicable at all levels of the organization. To ensure non-discrimination at workplace, senior management also serve as the Grievance Redressal Committee.

Gender diversity across employee categories						
Employee category	**FY 2020-21**		**FY 2019-20**		**FY 2018-19**	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Senior management	27	5	32	6	38	5
Middle management	111	14	112	17	108	23
Junior management	225	15	312	28	346	28
Workers	68	0	96	1	104	1

During FY 2020–21, out of 465 employees, 34 were women, and the rest were male employees. We are striving towards increasing equality and diversity in the workplace while taking new initiatives in our hiring process. In FY 2020–21, 52 new employees were hired, of which 7 were women. We also ensure employee retention by providing them with feedback. All employees received performance feedback in the FY 2020–21. 115 employees left the organization in the reporting year, of which 103 were male employees.

Workforce- Equal Pay and Benefits

We promote gender diversity, and the employees' remuneration is based on their role and job description. Wages, hours of work, and social benefits are based on local laws and regulations as well as prevailing market standards and practices. The guidelines are well defined in our Diversity and Inclusion Policy (Link here), Policy for Human Rights (Link here) and Code of Business Conduct and Ethics (Link here). We ensure equal remuneration to our employees irrespective of gender. We treat all our employees fairly and honestly in all our offices and operating sites. All employees and workers are entitled to leave, rest during work and other employee benefits. We provide minimum 30 days' notice period to employees in case of change in their job attributes. Our company provides health insurance to all of our employees. Our Group Mediclaim Policy also covers hospitalization expenses for medical/ surgical treatments. For any violation to the guidelines of the policy by any employee, corrective mechanisms are in place and the complaints are addressed. The actions are also taken in the form of disciplinary action or termination of the employee responsible for such acts.

Employee benefit - Parental leave						
Details of parental leave	**FY 2020-21**		**FY 2019-20**		**FY 2018-19**	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Employees entitled to parental leave	431	34	307	11	307	11
Employees that availed parental leave	22	01	10	0	16	1
Employees who returned to work after the end of parental leave	22	01	10	0	16	1
Employees retained for 12 months after resuming from parental leave	20	01	0	0	14	1

Workforce- Inclusion

Creating a work culture where every employee can contribute equally and freely is imperative for an organization to succeed and at Azure Power, we follow this motto. We remain focused on increasing representation of women and underrepresented nationalities across our management framework to drive growth and business sustainability. As a diverse and inclusive workforce lends a well-defined competitive advantage, we initiate mechanisms to foster an environment that promotes employee equity, at all levels.

> **"For us, fostering an inclusive culture is not an optional exercise; it is a necessary prerequisite for capitalizing on our diverse talents, views, and experiences in order to achieve Azure Power's purpose and vision."**
>
> **-Priya Chakrabarti, Head – Human Resource**

Occupational health and safety

Employee health and safety is an integral part of our system, and we are committed to provide a safe and conducive workplace. To achieve this, we have established a strong health and safety culture in the organization by implementing the Occupational Health and Safety Policy (Link). Our policies are communicated to our employees through our internal communication channels, associate meetings, and notice boards throughout the facilities.

Our key priorities are focused on the Social, Health, Environment and Safety (SHES) aspects. We have framed a SHES management system manual with guidelines and objectives for safe operations and monitoring of our sites and plants. The SHES manual is updated regularly according to the latest compliances and measures released by Government entities. The Azure Power also is an ISO 45001:2018 certified company. Compliance to regulatory Occupational health and safety requirement and international best practice is monitored regularly. Some of the laws and standards to which we are compliant are Labor Act, Factories Act, Compensation Act, Child Labor (Prohibition and Regulation) Act, Contract Labor Act, and the World-Bank owned IFC Performance Standards. The employees receive routine refreshers on health and safety topics pertinent to their job requirements.

In 2020-21, we were able to achieve operation with "Zero" fatality. As per our company policy, we ensure that all accidents are investigated using the standard root cause analysis checklists to establish the root causes and identify suitable corrective and preventive actions to avoid recurrence. Any recommendations provided by the monitoring team is tracked via our mobile application for its implementation and verification.

```
                    0
                 Fatality
```
```
                    2
             Lost time Injury
```
```
                   12
                First Aid
```
```
                   19
         Near Miss ( Incident without injury)
```
```
                  1,574
   Risk Identified and Reported (Unsafe condition /act)
```
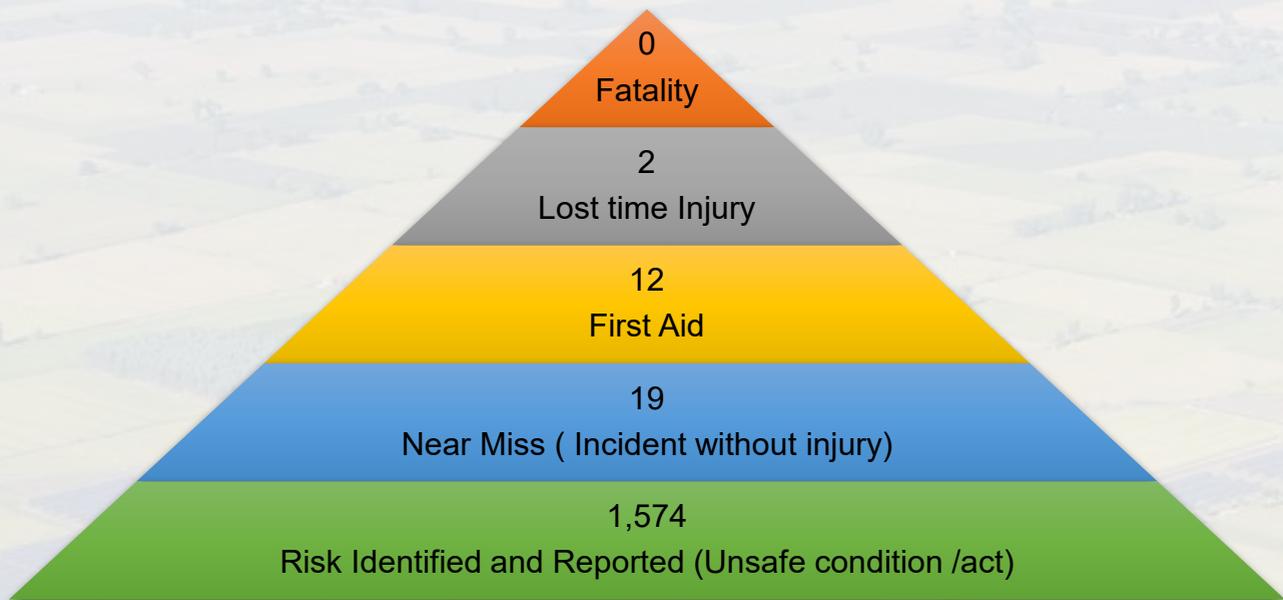
All our safety statistics include contractual workers, contractor's labors along with own staff. All Employees and workers participate in regular safety briefings, toolbox meetings, emergency drills, and trainings. These trainings are planned prior and are mandatory for the employees to attend and understand about the SHES. We ensure training is provided to our employees by both internal and external trainers for which notable dignitaries and experts of the training theme are invited.

Conducting inspections and audits for compliances

Azure Power undertake regular/periodic inspections and audits to assess compliance to the SHES guidelines at all the sites. In FY 20-21, our systems and processes of SHES were audited both internally and also by third party external auditors. For different aspects and systems, total 330 internal audits and 2 ISO external audits were conducted to ensure compliances and for further improvements based on feedback. In case of any non-compliance, swift corrective actions are formulated and exercised to resolve the issue. Further, SHES personnel are using the Azure Shield application to undertake all internal audits, vendor evaluation, vehicle inspection, Site-in-charge SHES performance, etc. The application is used as a tool by all staff to submit health and safety related information. Risk & Investigation Reports (RIR), grievances from local stakeholders, incident details and stakeholder engagement minutes. The site-in-charge are using the application to provide updates on man hours worked at the site and Toolbox Talks undertaken at site. The web interface linked to the application is being used to close Corrective and Preventive Action (CAPA) items linked with RIRs, incidence reports, audit non-compliances, grievances, etc. This is thus serving as a great tool for employees to submit the information and also helping us to maintain records.

We have taken multiple measures in line with our commitment towards ensuring employee well-being. For instance, we provide medical insurance to all employees and their close family members. To provide our employees working at remotely located sites access to medical care, we have partnered with hospitals at those locations.

Overall health and safety statistics			
Item	**FY 2020-21**	**FY 2019-20**	**FY 2018-19**
Man Hours	8,006,257	6,224,672	6,168,864
Accident-free manhour	7,95,337	5,939,904	6,135,744
No. of Fatality	0	1	1
No. of Lost Time Injury	2	3	2
No. of First Aid	12	11	3
Near miss	19	12	3
Risk Identified and Reported (Unsafe Condition / Act)	1,574	345	36
Lost time injury frequency rate (LTIFR)	0.25	0.48	0.32
Total Recordable Injury Frequency Rate (TRIFR)	0.25	0.64	0.49
Lost time injury (LTI) Severity rate	7	972	977
Grievance received	42	147	80
Audits performed	330	344	207

In the table above, the KPIs have been computed and compared to the last 2 financial years. The computation has been done in accordance with the IS:3786 (1983) standards.

Safety Score card

We have devised a score card system to track our safety performance. At Azure, the safety score card is a part of our organizational KRA. Performance of Management is evaluated based on achievement of organizational level safety score. Non achievement of requisite safety score impacts compensation of the Management team.

The safety score card tracks 6 lagging / leading safety indicators at organisation level. Each indicator is mutually exclusive, have separate targets and weightage. Safety score at organisation level is derived by calculating weighted average score of each indicator. Our target safety score is "80". As per our internal safety score card, we successfully achieved the target we set for FY 2020-21 and scored 100% on the score card. Our achievement is presented on the next page.

Item	Weight	Target	Achieved	Score
Zero Fatality	20%	0	0	100%
Up to 0.5 LTI per million manhours worked	20%	0.5	0.25	100%
1542 Risk Identified and Reported	20%	1,542	1,574	100%
Close 75% of Audit Non-Compliance + Corrective and Preventive Actions	15%	75%	89%	100%
312 Internal Audit	15%	312	330	100%
1 Man-day of Safety training per person	10%	1.00	1.12	100%

Safety score
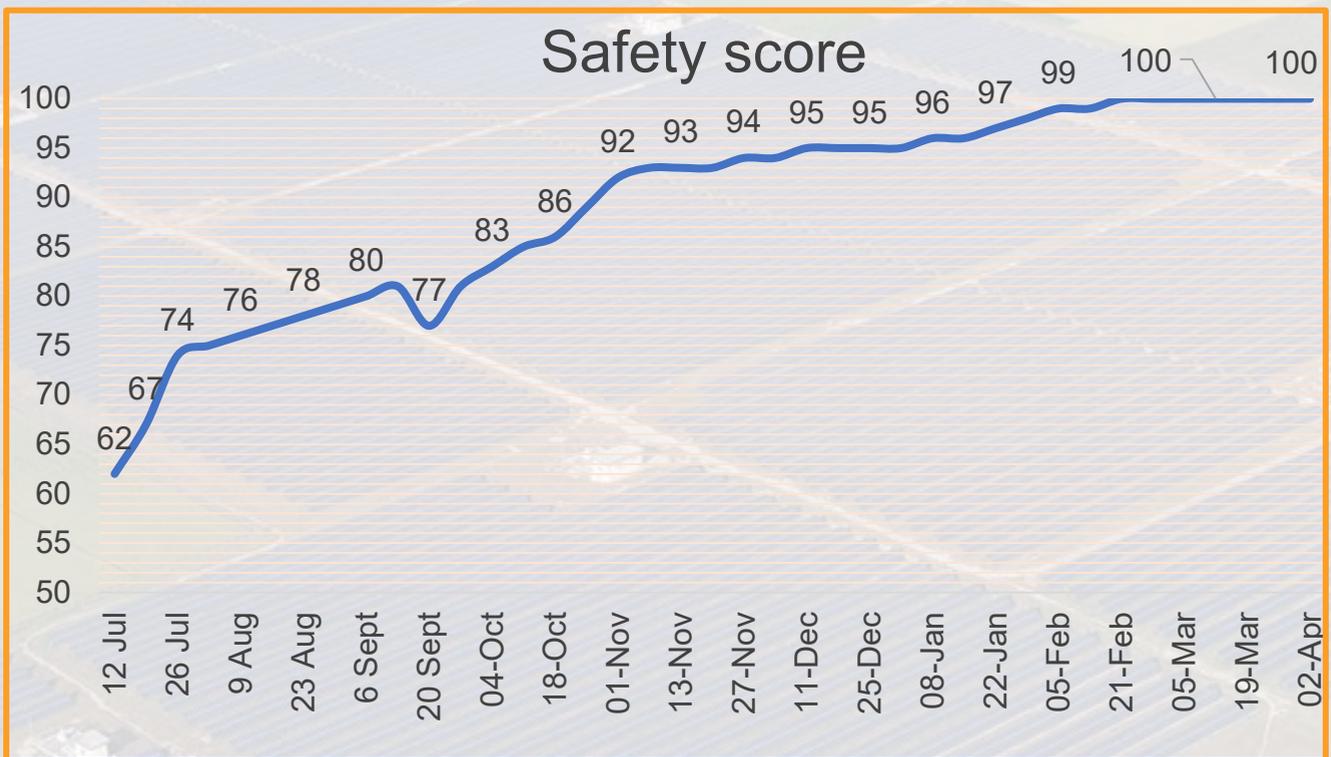
Supply Chain Management

We believe that fostering sustainability in the supply chain, benefits not just our company and stakeholders but also society and the world at large. We at Azure Power procure key equipment such as solar panels, inverters, mounting system units, cables, transformers, and other AC/DC components from a diverse group of 4,004 top suppliers located in 28 Indian states and UTs. We have onboarded 1,021 vendors in FY 2020-21. During FY 2020-21, the monetary value of goods purchased amounted to around INR 24.07 billion. Our commitment to corporate governance, responsible business practices, environmental stewardship, and sustainability extends to our supply chain as well. This enables us to mitigate and control the risks posed by the supply chain to our business and operations.

Before we procure any material, a supplier must undergo a rigorous qualification process which includes Environment & Social due diligence. We have robust vendor evaluation and quality control processes in place. Suppliers and service providers are subject to an environmental, social, and governance (ESG) work assessment as part of the standard operating procedure. We encourage all our suppliers to adhere to and endorse the supplier code of conduct; otherwise, we do not engage with them. We have a particular publicly SHES criterion to evaluate and register our new vendors (Link). As a good practice, we give a preference to ISO accredited suppliers. We ensure that all of our suppliers adhere to the following requirements:

❖ Strictly enforce the Anti-Bribery and Corruption (ABC) policy
❖ Prohibit child and forced labour
❖ Emphasise Anti-discrimination (Equal Opportunity) and Associational Freedom policies
❖ Prohibit corporal punishment and other punitive measures
❖ Promote fixed limit on work hour
❖ Implement sound health and safety policies and procedures
❖ Strictly enforce the principle of the minimum wage

Besides this, we have a systematic screening and onboarding process for suppliers that includes E&S audit, financial audits, technical (site/factory) audits, and reference check audits. In case a vendor selected is associated with government agencies, due diligence by a third party is conducted. Supplier E&S audits by third-party agencies are carried out before starting new procurement. We follow this practice with all our suppliers to prevent any gaps.

Emphasis on supplier's social and environmental footprint

We engage with and monitor our suppliers' environmental performance with the specific goal of driving cultural and behavioural change within our supply chain and minimizing our overall business's environmental impact. We encourage our suppliers to continue designing and integrating new sustainable ideas in their operations. We gather information from them with respect to their environmental performance. While making any purchasing

decisions, the data uploaded by our suppliers onto our internal information technology systems is considered very crucial and plays a significant role in decision-making.

We have identified that a significant proportion of our suppliers either lack or find it challenging to capture and monitor their environmental related data such as GHG emissions, non-GHG emissions, water usage data, etc. We are working towards our ambitious target to ensure all our suppliers start reporting their environmental performance.

In line with our sustainability commitment, we have planned that post-achieving the data monitoring phase, we will engage with our value chain partners to further enhance their material efficiency and performance through incentivizing them and by conducting supplier development training.

Material consumption

We recognize our responsibility for efficient procurement and optimal utilization of materials. During FY 2020-21, our material procured comprised of brakers, structure, cables, transformers, inverters, and solar modules. Total material consumption for FY 2020-21 was 97,899.31MT.

Material	Weight (MT)
Brakers	7,840.00
Structure	44,450.00
Cables	1,480.00
Transformer	3,317.06
Inverters	99.00
Solar Modules	40,713.24
Total	97,899.31

Corporate Social Responsibility

Azure Power's focus is sustainability, but its commitment to strive towards a CSR legacy is noteworthy. Azure Power works closely with the local communities close to our operational sites. Reinforcing our commitment towards a responsible corporate citizen, Azure Power has its own CSR Policy. The CSR policy is in alignment with its CSR vision, principles, and values. The areas of intervention, principles, and mechanisms for undertaking various programs are decided in accordance with Section 135 of the Companies Act 2013 according to which our policy is aligned. Our corporate responsibility activities are overseen by a Board Committee, titled Corporate Social Responsibility Committee, which formulates and makes recommendations to the Board while the CSR team ensures compliance of projects with Schedule VII along with other assigned key functions. Our multifarious pioneering initiatives to advance the socio-economic development of the marginalized sections of the society is planned by first conducting need-based assessment and consulting with stakeholders. The local stakeholders such as panchayat head, panchayat members, educational institutions, health centers, anganwadi, self-help groups (SHGs), and local and neighboring communities are involved for maximum impact on the society. The Board has identified concerted interventions and programmes around 3 thematic areas: Livelihood and skill development, Water, and Education. The focus of geographic outreach has been in Assam, Andhra Pradesh, Uttar Pradesh, Rajasthan, Punjab, Karnataka, Gujarat, Haryana. The strategic alignment of our philanthropic initiatives combined with continuous engagement with the communities has created social value. We endeavor to build self-sustaining ecosystems and enable the marginalized sections of the society to contribute to the country's progress in a sustainable manner.

CSR activities in 2020-21

Considering country wide impact of pandemic, our CSR thematic area for the year included supporting community during COVID pandemic. This was done post approval from CSR committee of the board. We however continued our investment in our thematic areas as well. Our total CSR spend extends beyond the statutory requirement under Companies act, thus demonstration our commitment to communities in and around the areas of our operation. Total CSR spend for the FY 2020-21 was **INR 1.9 crores**.

Distribution by Theme

COVID-19 6.67 35%

Livelihood & Skill Development 8.58 45%

Other .58 3%

Water 3.33 17%

Distribution by State

Uttar Pradesh, 2.74, 14%

Andhar Pradesh, 2.51, 13%

Assam, 2.23, 12%

Delhi, .04, 0%

Gujarat, .94, 5%

Haryana, .10, 0%

Rajasthan, 7.83, 41%

Punjab, 1.50, 8%

Karnataka, 1.29, 7%
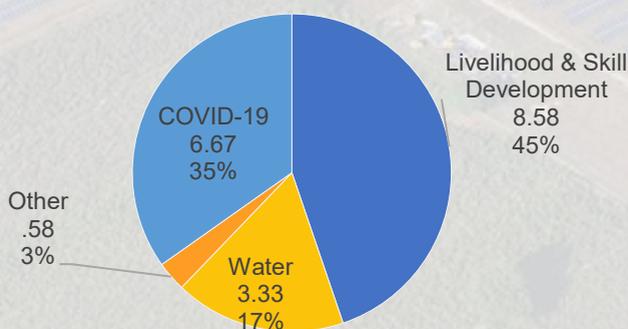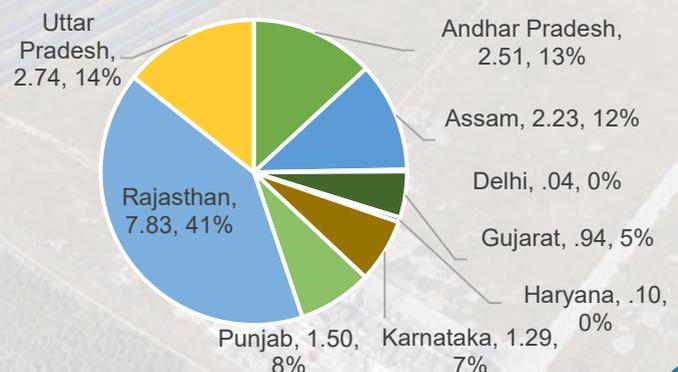
Key CSR Programmes of Azure Power

Clean drinking water and good sanitation in rural areas

We believe in the motto 'Clean Drinking Water for All'. A need-based socio- economic assessment conducted in the villages of our geographies of interest showed lack of clean drinking water and poor sanitation related infrastructure. This was also iterated by the local stakeholders after consultation with them. Discussions with the panchayat also revealed that lack of clean drinking water and poor sanitation facilities has been a reason for deteriorating health of villages who were facing health ailments. Thus, we thought of developing a solution-based strategy based on the type of contamination and need in the identified geographies. We zeroed on RO system for villages which can supply drinking water to every household. A memorandum of understanding (MoU) was signed with the panchayat in the presence of the concerned government department officials to ensure they maintain the RO system post installation. The capacity of the RO system was decided based on the estimate of the population of the village and water demand. In 2020-21, the program covered 5 states with 15 ROs. Till date we have installed 120 RO covering 6 states. We also conducted user satisfaction survey for water purification system installed till date, the results are summarized below.

RO water purification user survey

State wise RO Installed vs Surveyed

With a sample size of 58, Around 50% of installed RO covered in survey

Average daily water produced in L
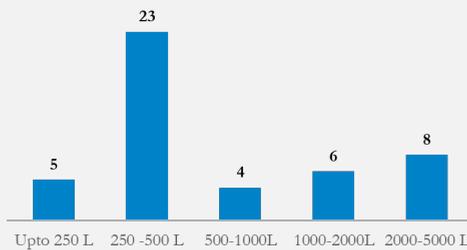
Average daily consumption is 1140 L per day. Installed capacity varies between 100 Lph to 1000 Lph

Is RO System Functional
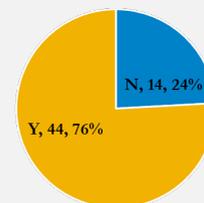
Reason for Non functional status includes, system issue, water availability, Voltage issue, Facility closed, other technical fault (Pump / tank etc)

Satisfied with performance of RO system
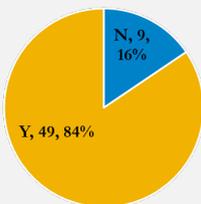
High Satisfaction level with current RO system, Even if RO is not functional currently.

Likelihood of recommending this activity to other village/Institution
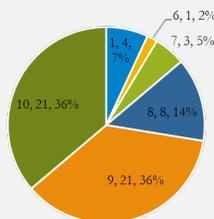
72% respondent showed high likelihood of recommending this activity

NET PROMOTERS SCORE = % PROMOTERS - % DETRACTORS
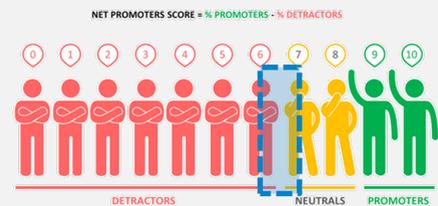
Net promoter score of 65%

3

Clean Water for All

Bikaner district of Rajasthan is known for high fluoride and salinity content in its water which is ubiquitous due to its geography and geology. With various technological interventions combined with awareness among the communities, it is important to mitigate the problem of drinking water quality to reach the mission of healthy communities.

Mr. Mohan Lal Nain is the Head-Master of Government Upper Primary school in the Village Daudsar, Bikaner District, Rajasthan. Based on his discussions with school staff and villagers and observation of water quality, he realized the problem soon drinking water quality in his village. He mobilized his school staff and villagers and raised awareness to them regarding this. Mohan Lal then requested for an RO plant in school which he also correlated to the fact that clean drinking water would reduce absenteeism among school children affected by water borne ailments.

He then requested Azure Power for a solution that could help both the villagers and the school for the ultimate betterment.

Our team took this up on priority and conducted a need-based assessment study. Based on the observations we devised a mitigation plan.

We installed a 500L/hr. of RO plant inside the school premises which supplies water to the school and village households.

Highlights

- 5 states
- 15 RO system installations
- 1 tube well construction
- 1 reservoir water tank (25KL)
- INR 37,90,192 spent

The reach of Education

At Azure Power, we believe education is a powerful weapon. With limited access to the latest technological paradigms of the 21st century, the school going children in the rural areas of India usually lack the basic facilities in school. We believe a child goes to school not only for textbook based learning but to learn life skills, values and inculcate the right attitude. The learning loss in rural areas deepens the already existing urban and rural divide due to lack of digital access. We thus devised the concept of 'Smart Class' for holistic learning and development of students. This objective was aimed to provide education and learning to students via digital method for transformative education so that no child is left behind. Till date we have covered 36 schools with smart class across 6 states. A user satisfaction survey was conducted which showed a high net promotor score of our smart class initiative.

Smart class user survey

State wise Smart class installed vs surveyes

- Surveyed
- Installed
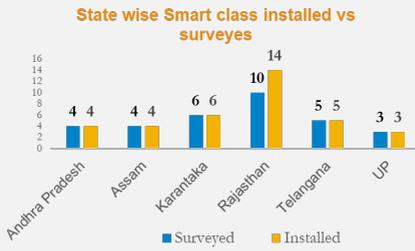
With a sample size of 32, Around 90% of installed smart class covered in survey

Satisfied with performance of smart class

Y
32
100%

100% satisfaction level with smart class

Average number of students using smart class daily

| Upto 25 | 25-50 | 50-100 | Above 100 |
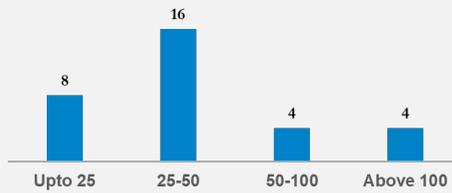
Average 57 students use smart class every day indicating more than 1 batch is common

Likelihood of recommending smart class to other schools

8
6
19%

9
8
25%

10
18
56%
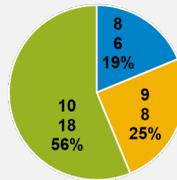
81% respondent showed high likelihood of recommending this activity. No detractors

Is the smart class functional

N; 2; 6%

Y; 30; 94%
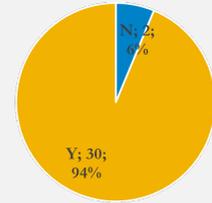
Reason for Non functional status includes, training of teachers / COVID.

NET PROMOTERS SCORE = % PROMOTERS - % DETRACTORS

DETRACTORS   NEUTRALS   PROMOTERS
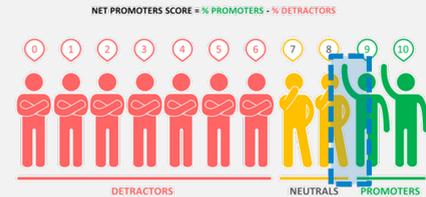
Net promoter score of 81%   2

Smart Class approach for better performance

The urban and rural divide in the method of learning and facilities available in schools is significant. A possible reason for this disparity lack of good infrastructure, unequal access to quality learning and the lack of initiatives taken up by schools. As they say, without good teachers, there cannot be good education. It was incredible to see, Mr. Bhanwar Lal (Head-Master Govt Primary school) of Village Jagdevwala, District- Bikaner, Rajasthan to come forward and take up the initiative. He conducted sessions with the school staff to understand the gap and talked to the students at his school. Based on his assessment, he proposed the problem of lack of facilities to Azure Power. We took charge of the same and produced the idea of Smart Class in School. Smart Class is a digital solution for schools to provide quality education to students, so that the students understand the topic well. We realized this would help the students to expand their learning opportunities and bring better efficiency and effective learning.

The initiative will also help to provide good content access and better classroom management. The idea was then proposed to the school who were glad to take it up. Our team was pleased when the school headmaster informed us that the students showed keen interest in learning after this intervention and the school recorded an increase in admission.

Skill and Livelihood Development

India's population is rising steeply, and the majority of the population constitutes the youth. Bridging the gap of unskilled youth and the demand of jobs is important. Skill development is a crucial driver in addressing poverty and it is directly interlinked to economic development of the nation. Skill development is a route for sustainable livelihood and inclusive development. We conducted socio-economic assessments and stakeholder discussions in the identified geographies to provide them with relevant skill programmes. Our programmes include training and certification and helping the youth in employment. This helps them obtain or upgrade skills and earn a livelihood. Our skill and livelihood development programmes have been conducted in Assam, Andhra Pradesh, Uttar Pradesh, Punjab, Rajasthan for different activities. We have provided extensions to already existing skill development classes. Azure Power has also distributed sewing machines in 2 phases in the last FY for livelihood development of youth and women. A user satisfaction survey shows very high acceptance of the course among beneficiaries and majority of them would recommend this course to others.

Skill Development beneficiary survey

State wise beneficiaries surveyed v/s trained

	Surveyed	Trained
ASSAM	250	323
GUJRAT	661	1050
PUNJAB	480	585
RAJASTHAN	332	332

With a sample size of 1723, Around 75% of beneficiaries till March 2020 covered in survey
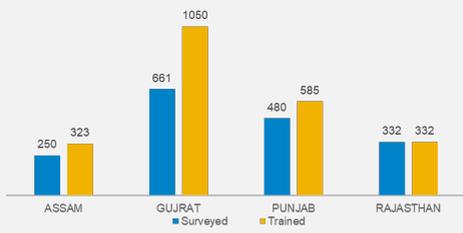
Earning additional income using skills imparted

- No, 514, 30%
- Yes, as of date, 923, 53%
- Yes, till prior to pandemic, 286, 17%

30% beneficiaries are not using skill to earn additional income, rest are using skill to generate additional income
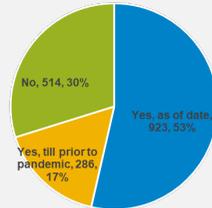
Average Monthly Income from skills imparted

Less than 2,000	2,000-5,000	5,000-7,000	7,000-10,000	Above 10,000
257	732	133	71	16

Average monthly income of students using skill is INR 4000, 81% of beneficiaries earn up to 5000.

Nature of Employment of beneficiaries

- Employed in other stream, 203, 12%
- Unemployed, 314, 18%
- Salaried, 329, 19%
- Self Employed / Commission basis, 877, 51%
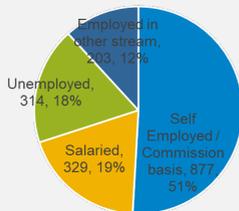
Majority of beneficiaries are self employed, working form home on commission basis

Likelihood of recommending skill development training to others

- 1, 35, 2%
- 9, 653, 38%
- 10, 1035, 60%
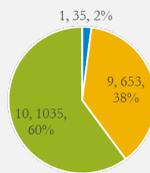
Only 2% detractor, rest of the respondent showed high likelihood of recommending this activity.

NET PROMOTERS SCORE = % PROMOTERS - % DETRACTORS

0 1 2 3 4 5 6 | 7 8 | 9 10

DETRACTORS — NEUTRALS — PROMOTERS
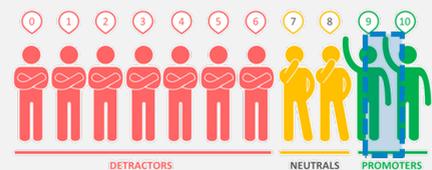
Net promoter score of 96%

4

Skill development to move up the ladder

Skill development focusing on rural and marginalized section of the society to secure livelihood opportunities and identify their area of interest for further growth is important to support the growth of the country on various aspects.

Azure Power conducted Cutting and Tailoring Skill Development classes in various states. Assam being one of the states, we identified trainees for our programme.

Rwirub Mochahary is from Village-Sarbaherua, District- Udalguri, Assam. Her family sustains from farming activities while she was lacking confidence and facing financial constraints.

"I was informed by my neighbor about Azure Power Vocational Training Program being conducted free of cost. The training center was 2km away from my house. But I decided to join the Cutting and Tailoring Training program. This was a God send training for me and I attended all my classes."

Rwirub is now earning 3000-4000/- per month and has developed her own clients and sells her finished products in a shop.

"I am now driven by a desire to create a new image for myself and have a vision and purpose in my life. I am now planning to invest money to establish my own Tailoring shop. I want to thank Azure Power Skill Training Centre for instilling confidence in me and teaching me multiple professional traits along with Tailoring."

Highlights

- 5 states
- 1065 Skill Development
- 235 Extension Classes conducted
- 89 Sewing machines distributed
- INR 10,130,265 spent

Social Impact

Our CSR programmes have received extensive coverage from print media of Rajasthan, Andhra Pradesh, Assam, Uttar Pradesh, Punjab.

Media Coverage

Media coverage of CSR Initiative : Rajasthan – 2020-21

Media coverage of CSR Initiative : Assam : 2020-21

Media Coverage

Media coverage of CSR Initiative : Uttar Pradesh : 2020-21

Media coverage of CSR Initiative : Andhra Pradesh : 2020-21

Media coverage of CSR Initiative : Punjab : 2020-21

Energy for promoting inclusive growth

For many rural locations, there is no immediate prospect of being connected to grid electricity and the same was the case for many of our project locations. Based on our discussion with the communities and local stakeholders, we realized that lighting the streets and the roads is a necessity and would certainly allow for increased safety, economic and social activities. The idea through our interventions was to reduce inequalities among urban and rural communities, promote inclusion among of all strata of society and encourage the use of clean energy.

20 streetlights were installed, and supply was provided in Jodhpur (17) and Jaisalmer (3)

1 rooftop hybrid solar power generating system was set up in Govt. Primary School, Dhani Sadharna, Gurugram

Highlights

2 states

1 hybrid solar power generating system of 1 KWp capacity

20 streetlights installation and supply in Rajasthan

INR 388,125 spent

COVID-19 response

The company took multiple steps to support the vulnerable communities in and around it's area of operation during the pandemic. We donated dry ration/ cooked food to 31,560 beneficiaries across 5 states during first wave of the pandemic. These states were Rajasthan (2500 beneficiaries) Uttar Pradesh (1600 beneficiaries), Punjab (260 beneficiaries), Andhra Pradesh (1600 beneficiaries) Karnataka (600 beneficiaries). Other than this cooked food to 25,000 beneficiaries was distributed.

We sponsored production of mask by the tailoring students at our skill development and distributed 1.38 lakh masks to the local communities free of cost. These students have now taken up mask production on a commercial basis and are supplying mask to a number of commercial entities.

During second wave we donated 30 BIPAP ventilators to a government hospital in Bikaner, Rajasthan. When the nation was struggling with Oxygen demand, we imported and supplied 20 oxygen contractors to government hospitals in 3 states i.e Karnataka, Uttar Pradesh and Rajasthan. Along with these concentrators we have supplied 570 PPE kits to these hospitals. We have also procured and distributed a good number of pulse oximeter to local vulnerable community.

बांदा /जालौन /उरई /चित्रकूट/हमीरपुर   स्वदेश   शनिवार संस्करण, 14 अप्रैल 2020   6

गरीबों का मसीहा बनी अजूरे पावर कम्पनी

बांदा। वैश्विक महामारी कोरोना के साथ-साथ भुखमरी से जूझ रहे गरीबों के लिए अजूरे पावर कंपनी मसीहा बनकर उभरी है। कम्पनी की तरफ से 1500 राहत सामग्री के पैकिटों को जिलाधिकारी को सौंप दिया गया। जिसे जिलाधिकारी के निर्देश पर शहर में प्रभावित इलाकों में रहने वाले गरीबों व मजलूमों को बंटवाया गया। राहत सामग्री की पैकिट पाकर गरीबों के चेहरे खुशी से चहक ऊठे।

बताते चलें कि कोरोना वायरस के कारण चल रहे लाक डाउन की वजह से गरीबों के सामने आये रोजी-रोटी के संकट को देखते हुए सौर ऊर्जा कंपनी अजूरे पावर लिमिटेड ने जिला प्रशासन की मांग की पर 1500 राहत सामग्री पैकिट लॉक डाउन नियमों का पालन करते हुए अरूण दीक्षित द्वारा जिला प्रशासन को सौंप दिये गये। गरीबों को राहत सामग्री दिलवाने में राज्यसभा सांसद विशम्भर प्रसाद निषाद, सजासेवी विनोद कुमार पप्पू भैया का योगदान रहा।

Details of CSR contributions

Sr. No.	Activity	Supply State	Units
1	Skill Development (no. of beneficiaries)	Assam	235
		Andhra Pradesh	170
		Uttar Pradesh	175
		Punjab	90
		Rajasthan	395
2	Distribution of Tools of trade (number)	Assam	18
		Andhra Pradesh	15
		Uttar Pradesh	20
		Punjab	15
		Rajasthan	21
3	No. of RO systems installed	Rajasthan	4
		Andhra Pradesh	3
		Karnataka	5
		Gujarat	2
		Punjab	1
4	No. of woolen blanket/ sweaters distributed	Uttar Pradesh	Woolen Blanket - 800 nos. Women Sweater- 300 nos.
5	No. of tube wells constructed	Rajasthan	1
6	No. of rooftop hybrid solar power system installed	Haryana	1
7	COVID related: Masks/PPE's Kit distributed	Pan India	138,570
8	Units of dry ration/cooked food distributed	Pan India	31,500
9	25KL RWR water tank constructed	Rajasthan	1
10	No. of streetlights installed	Rajasthan	20

Annexure- Azure Power Operational Sites

S.No.	Location	Plant type	Plant
1	Rajasthan 8	Construction	300 MW Rajasthan Jodhpur Noore Ki Bhurj
2	Uttar Pradesh 2.5	O&M	10 MW UP Hamirpur Beri
3	Uttar Pradesh 2.4	O&M	10 MW UP Shahjahanpur Chiluah
4	Uttar Pradesh 3	O&M	40 MW UP Jallaun Dakore
5	Uttar Pradesh 2.3	O&M	10 MW UP Hardoi Bibiyapur
6	Uttar Pradesh 2.1,2.2	O&M	20 MW UP Banda Chahitara
7	Uttar Pradesh 1	O&M	10 MW UP Mahoba Karhara kala
8	Telangana 1.3	O&M	30 MW Telangana Nagarkurnool Marchala
9	Telangana 1.2	O&M	20 MW Telangana Rangareddy Veljala Talkondapally
10	Telangana 1.1	O&M	50 MW Telangana Nagar kurnool Rachur
11	Maharashtra 3	O&M	130 MW Rajasthan Jodhpur Harisingh Nagar (Akhadhana) MSEDCL
12	Rajasthan 6.3, 6.4	Construction	150 MW Rajasthan Bikaner Jagdevwala Daudsar 4
13	Rajasthan 6.1, 6.2	Construction	150 MW Rajasthan Bikaner Jagdevwala Daudsar Kisturia 2
14	Rajasthan 5.4	O&M	50 MW Rajasthan Jodhpur Bhadla P9
15	Rajasthan 5.3	O&M	50 MW Rajasthan Jodhpur Bhadla P8
16	Rajasthan 5.2	O&M	50 MW Rajasthan Jodhpur Bhadla P7
17	Rajasthan 5.1	O&M	50 MW Rajasthan Jodhpur Bhadla P6
18	Rajasthan 4	O&M	5 MW Rajasthan Jaisalmer Builli

S.No.	Location	Plant type	Plant
19	Rajasthan 3.3	O&M	40 MW Open Rajasthan Jodhpur Hardani Nadiyakalan
20	Rajasthan 3.2	O&M	40 MW DCR Rajasthan Jodhpur Hardani Nadiyakalan
21	Rajasthan 3.1	O&M	20 MW DCR Rajasthan Jodhpur Hardani Nadiyakalan
22	Rajasthan 2.1, 2.2	O&M	35 MW Rajasthan Nagaur Barnel
23	Rajasthan 1	O&M	5 MW Rajasthan Nagaur Khatoti
24	Punjab 4.3.3	O&M	10 MW Punjab Sri Muktsar Sahib Bhittiwala
25	Punjab 4.3.2	O&M	15 MW Punjab Sri Muktsar Sahib Badal
26	Punjab 4.3.1	O&M	25 MW Punjab Sri Muktsar Sahib Vanwala
27	Punjab 4.2.1	O&M	25 MW Punjab Bhatinda Jandian 1
28	Punjab 4.1.2	O&M	25 MW Punjab Fazilka Korianwali
29	Punjab 4.2.2	O&M	25 MW Punjab Bhatinda Jandian 2
30	Punjab 4.1.1	O&M	25MW Punjab Fazilka Bahadurkhera
31	Punjab 3.2	O&M	4 MW Punjab Sri Muktsar Sahibt Bhitiwala
32	Punjab 3.1	O&M	24 MW Punjab Sri Muktsar Sahib killianwali
33	Punjab 2.3	O&M	4 MW Punjab Muktsar sahib Sikhwala
34	Punjab 2.2	O&M	15 MW Punjab Muktsar sahib Sikhwala
35	Punjab 2.1	O&M	15 MW Tahliwala Fazilka Tahliwala
36	Punjab 1	O&M	2 MW Punjab Amritsar Awan
37	Maharashtra 1.2	O&M	5 MW Maharashtra Nagpur Ambajari

S.No.	Location	Plant type	Plant
38	Maharashtra 1.1	O&M	2 MW Maharashtra Bhandara Jawahar Nagar
39	Karnataka 1	O&M	10 MW Karnataka Chitradurga Harthikote
40	Karnataka 4.2_50MW	O&M	50 MW Karnataka Tumkur Vollur B12
41	Karnataka 4.1_50MW	O&M	50 MW Karnataka Tumkur Vollur B11
42	Karnataka 3.3	O&M	40 MW Karnataka Chitradurga Kaparahalli
43	Karnataka 3.2	O&M	40 MW Karnataka Chitradurga Jadekunte
44	Karnataka 3.1	O&M	50 MW Karnataka Chitradurga Kandhikare
45	Karnataka 2	O&M	10 MW Karnataka Chitradurga Bhogenahalli
46	Gujarat 2.7	O&M	50 MW Gujarat Bhavnagar Sanes
47	Gujarat 2.6	O&M	40 MW Gujarat Sabarkantha Netramali
48	Gujarat 2.5	O&M	40 MW Gujarat Aravali Muloj
49	Gujarat 2.4	O&M	25 MW Gujarat Sabarkantha Vartol
50	Gujarat 2.3	O&M	30 MW Gujarat Aravali Semaliya
51	Gujarat 2.2	O&M	35 MW Gujarat Bharuch Chhidra
52	Gujarat 2.1	O&M	40 MW Gujarat Kheda Vadol
53	Gujarat 1.1, 1.2	O&M	10 MW Gujarat Aravali Khadoda
54	DELHI 1.1	O&M	2 MW Delhi Central Delhi Indraprasth
55	Chhattisgarh 1.1, 1.2, 1.3	OnM	30 MW Chhattisgarh Durg Rajpur
56	Bihar 1	OnM	10MW Bihar West champaran Murera

S.No.	Location	Plant type	Plant
57	Assam 1.4	Construction	25 MW Assam Cachar Lalang Kitta Labocpar Part-IV
58	Assam 1.3	Construction	15 MW Assam Nagaon Bamuni
59	Assam 1.2	Construction	25 MW Assam Kamrup No-1 Makeli
60	Assam 1.1	O&M	25 MW Assam Udalguri Sarbaheura
61	Andhra Pradesh 3	O&M	50 MW Andhra pradesh Kadapa Veligallu
62	Andhra Pradesh 1	O&M	50 MW Andhra pradesh Anantapur Vemulapadu
63	Rajasthan 9	Construction	Rajasthan_Jodhpur_Shekhasar
64	Andhra Pradesh 2.2	O&M	50 MW Andhra Pradesh Kurnool Gani Sakunala
65	Andhra Pradesh 2.1	O&M	50 MW Andhra Pradesh Kurnool Gani Sakunala Solar park

Annexure- GRI Index

GRI Standard	GRI Indicator	Reference Section	Page Number
Organization Profile			
102-1	Name of the organization	About Azure Power	07
102-2	Activities, brands, products, and services	About Azure Power	16
102-3	Location of headquarters	About Azure Power	16
102-4	Location of operations	About Azure Power	17, 79 - 82
102-5	Ownership and legal form	About Azure Power	16
102-6	Markets served	About Azure Power	17
102-7	Scale of the organization	About Azure Power	17
102-8	Information on employees and other workers	Workforce	19, 55
102-9	Supply chain	Supply Chain Management	62
102-10	Significant changes to the organization and its supply chain	Supply Chain Management	62
102-11	Precautionary Principle or approach	Risk Management	41
102-12	External initiatives	Our contribution to SDGs	11
102-13	Membership of associations	Collaborations	18
GRI 102: Strategy			
102-14	Statement from senior decision-maker	Message from CEO	05
GRI 102: Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	About Azure Power	21

GRI Standard	GRI Indicator	Reference Section	Page Number
GRI 102: Governance			
102-18	Governance structure	Corporate Governance	33, 34
GRI 102: Stakeholder Engagement			
102-40	List of stakeholder groups	Materiality and Stakeholder engagement	31
102-42	Identifying and selecting stakeholders	Materiality and Stakeholder engagement	29
102-43	Approach to stakeholder engagement	Materiality and Stakeholder engagement	30
102-44	Key topics and concerns raised	Materiality and Stakeholder engagement	31
GRI 102: Reporting Practice			
102-45	Entities included in the consolidated financial statements	About this Report	26
102-46	Defining report content and topic Boundaries	About this Report	07
102-47	List of material topics	Materiality and Stakeholder engagement	28
102-48	Restatements of information	NA	-
102-49	Changes in reporting	NA	-
102-50	Reporting period	About this Report	07
102-51	Date of most recent report	About this Report	07
102-52	Reporting cycle	About this Report	07
102-53	Contact point for questions regarding the report	Mr. Sumit Barat (Chief Sustainability Officer)	sumit.barat@azurepower.com
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	07
102-55	GRI content index	GRI Standard Indicators Index	83
102-56	External Assurance	Assurance statement	89

GRI Standard	GRI Indicator	Reference Section	Page Number
GRI 201: Economic Performance			
103	Management Approach Disclosure	Financial Performance	26
201-1	Direct economic value generated and distributed	Financial Performance	26
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Supply Chain	62
GRI 302: Energy			
103	Management approach disclosure	Energy and Emissions	45- 48
302-1	Energy consumption within the organization	Energy and Emissions	45- 48
GRI 303: Water and Effluents			
303-1	Interactions with water as a shared resource	Water and Wastewater Management	49- 51
303-2	Management of water discharge-related impacts	Water and Wastewater Management	49- 51
303-3	Water withdrawal	Water and Wastewater Management	49- 51
303-4	Water discharge	Water and Wastewater Management	49- 51
303-5	Water consumption	Water and Wastewater Management	49- 51
GRI 305: Emissions			
103	Management approach disclosure	Energy and Emissions	45- 48
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions	45- 48
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions	45- 48
305-3	Other indirect (Scope 3) GHG emissions	Energy and Emissions	45- 48

GRI Standard	GRI Indicator	Reference Section	Page Number
GRI 306: Waste			
103	Management approach disclosure	Waste Stewardship	52- 54
306-1	Waste generation and significant waste-related impacts	Waste Stewardship	52- 54
306-2	Management of significant waste-related impacts	Waste Stewardship	52- 54
306-3	Waste generated	Waste Stewardship	52- 54
GRI 307: Environmental Compliance			
103	Management approach disclosure	Environmental Resource Management	18-19, 44- 45
307-1	Non-compliance with environmental laws and regulations	Environmental Resource Management	18-19, 44- 45
GRI 401: Employment			
103	Management approach disclosure	Workforce	19, 55- 58
401-1	New employee hires and employee turnover	Workforce	19, 55- 58
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce	19, 55- 58
401-3	Parental leave	Workforce	19, 55- 58
GRI 402: Labor/Management Relations			
103	Management approach disclosure	Workforce	19, 55- 58
402-1	Minimum notice periods regarding operational changes	Workforce	19, 55- 58
GRI 403: Occupational Shifting Towards A Better Workplace			
403-1	Occupational health and safety management system	Occupational Health and Safety	58- 61
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	58- 61

GRI Standard	GRI Indicator	Reference Section	Page Number
403-3	Occupational health services	Occupational Health and Safety	58- 61
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	58- 61
403-5	Worker training on occupational health and safety	Occupational Health and Safety	58- 61
403-6	Promotion of worker health	Occupational Health and Safety	58- 61
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	58- 61
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	58- 61
403-9	Work-related injuries	Occupational Health and Safety	58- 61
403-10	Work related ill health	Occupational Health and Safety	58- 61
GRI 404: Training and Education			
103	Management approach disclosure	Workforce	19, 55- 58
404-1	Average hours of training per year per employee	Workforce	19, 55- 58
404-2	Programs for upgrading employee skills and transition assistance programs	Workforce	19, 55- 58
404-3	Percentage of employees receiving regular performance and career development reviews	Workforce	19, 55- 58
GRI 405: Diversity and Equal Opportunity			
103	Management approach disclosure	Workforce	19, 55- 58
405-1	Diversity of governance bodies and employees	Workforce	19, 55- 58

GRI Standard	GRI Indicator	Reference Section	Page Number
405-2	Ratio of basic salary and remuneration of women to men	Workforce	19, 55- 58
GRI 406: Non-discrimination			
103	Management approach disclosure	Workforce	19, 55- 58
406-1	Incidents of discrimination and corrective actions taken	Workforce	19, 55- 58
GRI 408: Child Labor			
103	Management approach disclosure	Workforce	19, 55- 58
408-1	Operations and suppliers at significant risk for incidents of child labor	Workforce	19, 55- 58
GRI 409: Forced or Compulsory Labor			
103	Management approach disclosure	Workforce	19, 55- 58
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Workforce	19, 55- 58
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	Corporate Social Responsibility	64- 78

Independent Assurance Statement

'Azure Power India Private Limited' (hereafter 'AZI') engaged TUV India Private Limited (TUVI) to conduct the independent non-financial assurance of Sustainability Report (hereinafter 'the Report'), which includes a "Limited" level of assurance of AZI Sustainability information for the applied reporting period, 01st April 2020 to 31st March 2021. The verification was conducted via the MS Teams Application.

Management's Responsibility

AZI developed the Report's content. AZI management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the GRI Standards: Core option, such that it's free of intended or unintended material misstatements.

Scope and Boundary

The scope of work includes the assurance of the following non-financial performance / KPI disclosed in the Report. In particular, the assurance engagement included the following:
- Review of the disclosures submitted by AZI;
- Review of the quality of information;
- Review of evidence (on a sample basis) for identified non-financial indicators

TUVI has verified the below KPI's disclosed in the Report

Governance	102-18, 103-01 to 103-3
GRI 302: Energy	302-1
GRI 303: Water and effluents	303-3 to 303-5
GRI 305: Emissions	305-1 to 305-3
GRI 306: Effluents and waste	306-1 to 306-3
GRI 401: Employment	401-1 to 401-3
GRI 402: Labor/Management Relations	402-1
GRI 403: Occupational health and safety	403-1 to 403-10
GRI 404: Training and Education	404-1 to 404-3
GRI 413: Local Communities	413-1

The remote verification was conducted at AZI Corporate Team, during January 2022. The assurance activities were carried out together with a desk review as per reporting boundary. Applicable boundaries for disclosures are explained in the Report.

Limitations

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of AZI's strategy, management of sustainability-related issues or the

sufficiency of the Report against principles of GRI Standards: Core option, and ISAE 3000 (revised), other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by AZI. This assurance engagement assumes that the data and information provided to us by AZI are complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data, and other information made available by AZI for non-financial KPI's (non-financial disclosures);
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of AZI;
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative);
- TUVI reviewed the level of adherence to principles of GRI standards: Core option.

Opportunities for Improvement

The following are the opportunities for improvement reported to AZI. However, they are generally consistent with AZI management's objectives and programs.

- *AZI can publish SD Report on annual periodic interval, so that ready reference will be available to all stakeholders to make informed decisions;*
- *AZI can strengthen the periodic monitoring of Total Dissolved Solids for each site;*
- *AZI may also evaluate the "Emissions from purchased goods" to evaluate its scope-3 emissions;*
- *AZI can establish and conduct an internal audit of sustainability disclosure data. Periodic validation and verification of data can be performed by the internal team;*

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the "disclosures on sustainability performance" and reference information provide a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards: Core option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in accordance with the "Core option". AZI refers to general disclosure to Report contextual information about AZI, while the 'Management Approach' is discussed to Report the management approach for each material topic.

Universal Standard: AZI followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that this report has been prepared in accordance with the GRI Standards: 'Core option'.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to Report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that AZI used to prepare its Report are appropriately identified and addressed.

Limited Assurance Conclusion: Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria ("Core option") of the GRI Standards.

In the context of Assurance, the following contemporary principles has been observed:

Evaluation of the adherence to other contemporary Principles

Inclusivity: Stakeholder identification and engagement is carried out by AZI on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering topics that are internal and external to the AZI range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of AZI. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on AZI policies and management systems including governance. In our view, the Report meets the requirements.

Impact: AZI communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Ethical and other policies. AZI reports on sustainability performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

This assurance statement has been prepared in accordance with the terms of our engagement. In accordance to the ISAE 3000 (revised) requirements

Independence:

TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The assessment team was safeguarded from any type of intimidation.

Quality control:

The assurance team complies with the code of ethics for professional accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a Core system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with AZI on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 24-01-2022
Place: Mumbai, India
Project Reference No: 8119973066
www.tuv-nord.com/in

Notes
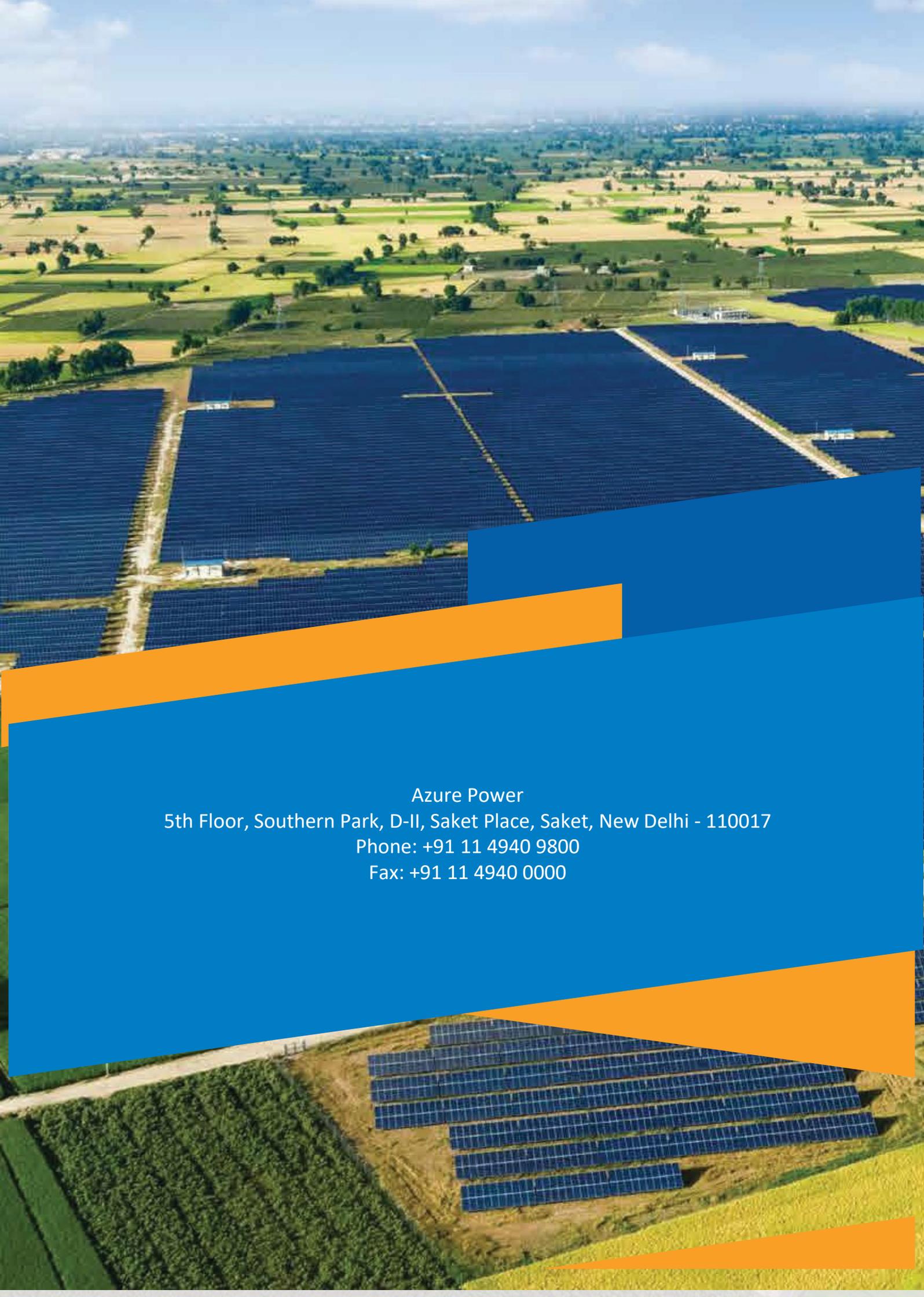
Azure Power
5th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi - 110017
Phone: +91 11 4940 9800
Fax: +91 11 4940 0000