Scenario

Your organization, Fabrikam Inc., needs to ensure all Azure resources comply with internal security standards. Specifically, all storage accounts must enable encryption, and VMs must be deployed only in approved regions. Your task is to create and assign Azure Policies to enforce these rules.

Objectives

Define a custom Azure Policy to enforce encryption on storage accounts.

Create another policy to restrict VM deployments to specific regions.

Assign policies and test enforcement.

Instructions

Define Storage Encryption Policy: In the Azure Portal, navigate to "Policy" and create a new policy definition. Use the "Audit storage accounts not using encryption" built-in policy as a template. Modify it to deny creation of non-encrypted storage accounts.

Define VM Region Policy: Create another policy to restrict VM deployments to regions like East US and West Europe. Use the "Allowed locations" built-in policy and customize the regions list.

Assign Policies: Assign both policies at the subscription or resource group level. Ensure the assignment scope covers all relevant resources.

Test Enforcement: Attempt to create a storage account without encryption and a VM in an unapproved region. Verify that the policies block these actions.

