

Local Employment & Local Procurement Policy

Purpose

Vedanta Power is committed to generating sustainable economic value in the regions where it operates. This Policy establishes the framework to promote **local procurement and local employment** across all coal-based thermal power operations, construction projects, expansions, and closure phases.

The policy supports Vedanta Power's ESG commitments, community development objectives, and responsible business principles by strengthening local economies, enhancing skills development, and promoting inclusive growth.

Scope

This Policy applies to:

- All Vedanta Power business units (including operational plants, under-construction projects, and future expansions)
- All employees, directors, and officers
- Contractors, suppliers, business partners and service providers where contractually applicable
- All lifecycle stages: planning, construction, operation, maintenance, and closure

Objective of the Social Performance Policy

1. Each site shall:

- a. Identify applicable national, state, and district regulations relating to local employment and procurement.
- b. Assess socio-economic baseline conditions of surrounding communities.
- c. Consider statutory requirements under environmental clearance (EC), CSR commitments, and rehabilitation & resettlement obligations.

2. Sites shall conduct periodic internal assessments to:

- a. Identify procurement categories suitable for localization (e.g., civil works, housekeeping, horticulture, transport, fabrication, ash handling services, canteen services, etc.).
- b. Identify employment opportunities for local candidates across skilled and unskilled roles.
- c. Evaluate business expansion or contraction scenarios affecting local opportunities.

3. Sites shall:

- a. Engage Gram Panchayats, district authorities, skill development agencies, local business associations, and community representatives.
- b. Incorporate stakeholder feedback into Local Procurement & Employment Plans.

4. Each site shall develop and maintain a Local Procurement & Employment Plan, integrated with: ESG strategy, Supply chain strategy, Human resource planning, Community development programs

a. The Plan shall promote:

- i. Local employability and skill development
- ii. Workforce diversity and inclusion
- iii. Small and medium enterprise (SME) development
- iv. Women-led and minority-owned enterprises
- v. Sustainable and long-term business partnerships

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5. Vendors shall be categorized as: Local-Local (within immediate project-affected villages), Local (within district), State, National & International.
 - a. Additional classifications may include:
 - i. Women-owned enterprises
 - ii. MSMEs
 - iii. Start-ups
 - iv. Indigenous or community-owned enterprises
6. Each site shall establish a cross-functional committee comprising: Sustainability/ESG, Human Resources, Supply Chain, Finance, Legal, Operations, CSR. Roles and responsibilities shall be clearly defined for implementation and monitoring.
7. Local procurement and employment objectives shall be embedded into: Annual procurement plans, Contractor selection criteria, HR manpower planning, ESG performance targets.
8. Vedanta Power shall:
 - a. Communicate job openings transparently
 - b. Avoid informal hiring channels that exclude local candidates
 - c. Maintain documented recruitment processes
 - d. Provide grievance redressal mechanisms
9. Sites shall:
 - a. Assess workforce skill gaps
 - b. Collaborate with ITIs, polytechnics, and skill development institutions
 - c. Conduct apprenticeship and trainee programs
 - d. Support supplier development workshops
 - e. Provide safety, quality, and compliance training
10. Skill categories shall include; Unskilled, Semi-skilled, Skilled, Technical & Professional
11. Vedanta Power shall:
 - a. Communicate procurement opportunities in advance
 - b. Conduct vendor awareness sessions
 - c. Support local vendors in documentation, quality standards, safety compliance
 - d. Encourage joint ventures or partnerships where necessary
12. Contracts shall include clauses requiring contractors to:
 - a. Prioritize local employment where feasible
 - b. Participate in local capacity-building initiatives
 - c. Report local hiring and procurement data
13. Local procurement and employment programs shall align & collaborate with: CSR initiatives, District development plans & Livelihood enhancement programs

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14. Each site shall establish measurable KPIs such as:
- a. % of total procurement spend with local suppliers
 - b. % of workforce from local communities
 - c. % of women and minority employees
 - d. Number of local vendors onboarded annually
 - e. Training hours provided to local workforce
 - f. Number of local MSMEs supported
 - g. Investment in local vendors



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