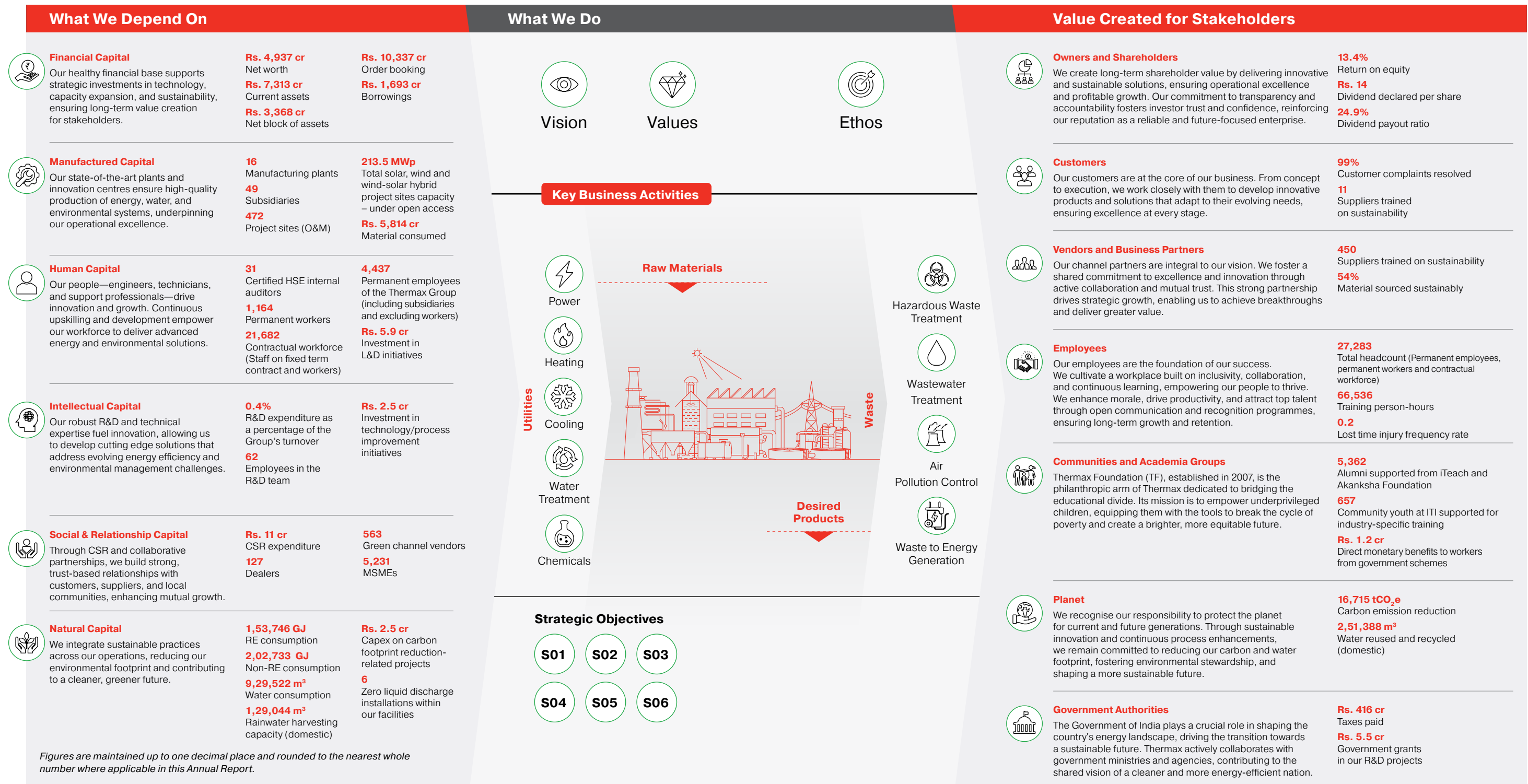


## VALUE CREATION MODEL

# Building a Legacy of Lasting Impact



Figures are maintained up to one decimal place and rounded to the nearest whole number where applicable in this Annual Report.

STRATEGIC OBJECTIVES

# Paving the Way for a Sustainable Tomorrow

While innovation, sustainability, and global expansion remain key focus areas, our strategy encompasses a broader and more integrated vision. It is grounded in deep customer insight, operational excellence, and a steadfast commitment to long-term value creation. For FY 2024-25, we are intensifying our investments in digital transformation and manufacturing capabilities to enhance energy efficiency, reduce emissions, and deliver pioneering clean energy solutions. By harnessing advanced technologies and forging strategic partnerships, we aim to create enduring value for our stakeholders while paving the way for a resilient and sustainable future.

S01



## Innovate for Energy Transition

Introduce products and technologies to help industries bridge the gap between energy availability and energy sustainability

### Focus Areas

- » Develop cutting-edge energy transition products
- » Foster technology partnerships
- » Invest in R&D

[Read more on page 90](#)

S04



## Drive Digital Transformation

Leverage digitalisation to improve efficiency both internally and externally

### Focus Areas

- » Increase digital interventions across processes
- » Proliferate customer-centric digital platforms
- » Strengthen cybersecurity measures

[Read more on page 93](#)

S02



## Strengthen Solutions Businesses

Enhance our capabilities to provide long-term utility services

### Focus Areas

- » Implement build-own-operate (BOO) model for utility delivery services
- » Provide renewable energy solutions
- » Offer end-to-end energy management for utilities

[Read more on page 91](#)

S05



## Build an Agile, Market Responsive Organisation Structure

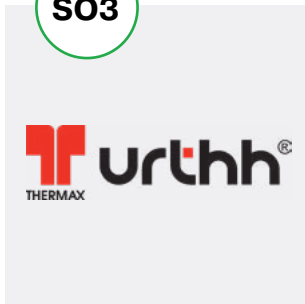
Assess evolving market demands and align the organisation with them to optimise business performance and resource management

### Focus Areas

- » Solution selling approach
- » Accelerate market penetration with unified, cross-business energy transition offerings
- » Drive internal changes to mobilise, manage and retain talent
- » Foster a performance-driven culture

[Read more on page 94](#)

S03



## Scale Up Businesses Relating to Sustainability and Urbanisation

Grow our air pollution control, water, cooling and chemicals businesses to offer comprehensive solutions beyond energy transition

### Focus Areas

- » Form strategic partnerships and diversify product portfolio
- » Establish new growth units
- » Expand manufacturing capabilities and capacities

[Read more on page 92](#)

S06



## Energise the Core

Continue to build on our existing strategic priorities

### Focus Areas

- » Increase the share of green offerings
- » Grow services portfolio
- » Internationalisation

[Read more on page 95](#)

RISK MANAGEMENT

# Steering Confidently Amidst Uncertainties

At Thermax, we recognise that risks are inherent in a dynamic global environment. We proactively identify, assess, and mitigate potential challenges to protect our stakeholders and maintain peak performance. Our forward-thinking approach safeguards our operations and uncovers opportunities for continuous improvement, ensuring we remain resilient and agile in the face of change.

	Definition	Mitigation Plan	Strategies Impacted	Capitals Impacted
<p><b>Project Execution Risk</b></p>	<ul style="list-style-type: none"> <li>» Loss of reputation/market share/margin erosion due to inadequate process framework and monitoring of risks during the project lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>» Deployment of robust project management structures across business divisions to monitor and control project execution risks during the project lifecycle</li> <li>» Multiple controls from the proposal to the execution stage enable the Company to take timely measures and mitigate potential risks</li> <li>» Monitoring of credit ratings and credit locks for defaulting customers are implemented</li> <li>» Digitally enabled systems for integrated project planning, document and knowledge management, quality monitoring and issue resolution, vendor collaboration and procurement management, including HSE applications for near-miss reporting, audits, and compliance dashboards</li> </ul>	<p>S02 S03</p> <p>S04 S06</p>	
<p><b>Data Governance and Cybersecurity Risk</b></p>	<ul style="list-style-type: none"> <li>» Inability to identify, classify, document, digitise and archive business-critical knowledge/information to ensure complete, consistent, reliable, and secure corporate data</li> <li>» Adverse impact on the Company's operations due to cyberattacks and lack of firewalls, encryption, and remote access controls, leading to compromise of confidential data and intellectual property</li> <li>» Inability to continue/recover business operations during any crisis, and/or disaster, with minimal disruption or loss of business</li> </ul>	<ul style="list-style-type: none"> <li>» Regular cybersecurity training sessions are conducted to raise awareness and promote best practices among employees</li> <li>» Multi-factor authentication is in place for access to critical systems, enhancing protection against unauthorised access</li> <li>» Cyber monitoring mechanisms are implemented to detect and respond to cyber-attacks</li> <li>» Cybersecurity technologies have been implemented to safeguard our systems and network infrastructure</li> <li>» Servers and databases supporting hosted applications are continuously upgraded to ensure high availability and performance</li> <li>» Disaster recovery procedures for critical applications are regularly tested to ensure business continuity in the event of a disruption</li> </ul>	<p>S01 S02</p> <p>S03 S04</p> <p>S05 S06</p>	
<p><b>Risk of Climate Change</b></p>	<ul style="list-style-type: none"> <li>» Impact on business dynamics due to restrictions and increase in compliance with conventional energy</li> </ul>	<ul style="list-style-type: none"> <li>» To mitigate the effects of climate change in the short, medium, and long-term, we are developing products based on renewable energy, acquiring new technologies, and complying with statutory standards</li> <li>» Prepared plan of action to be ready for adverse climatic conditions to prevent loss to production facilities, avoid stoppage of work, and ensure safety of workmen</li> </ul>	<p>S01 S02</p> <p>S03 S05</p> <p>S06</p>	
<p><b>People Risk – Skills and Competencies</b></p>	<ul style="list-style-type: none"> <li>» Inability to attract talent and plan succession of people for key positions</li> </ul>	<ul style="list-style-type: none"> <li>» Leadership programmes at various leadership levels are being implemented</li> <li>» Introduced ESOP for senior management executives</li> <li>» Successors for critical roles have been identified and action planning is being tracked to develop them to take up available roles</li> <li>» Leadership competency framework created for comprehensive leader development in current business landscape and aligning capabilities with Company's future vision &amp; strategy</li> <li>» Exit interviews of regrettable attrition are conducted by external consultants to understand the improvement areas from an organisational perspective. The same is followed by action planning at BU level</li> </ul>	<p>S01 S02</p> <p>S03 S04</p> <p>S05 S06</p>	

