

Principle 4 - Businesses should respect the interests of and be responsive to all their stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company recognises the importance of identifying and engaging with various stakeholders to gain insight into their expectations and develop effective strategies. Key stakeholders, both internal and external, are identified based on their impact on the Company's operations and functioning. These include employees, shareholders, customers, investors, communities, suppliers, and vendors. Channels of communication have been established to facilitate open dialogue and understanding of issues that are critical to their respective interests. This enables us to create shared value and make a positive contribution to building a sustainable society.

2. Each stakeholder group.

Key Stakeholders	Whether Identified as a Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of Engagement	Purpose and Scope of Engagement Including Key Topics and Concerns Raised During Such Engagement
Communities and academic groups	Yes	(1) CSR initiatives (2) Community development (3) Engaging with local authorities	Continuous	<p>Purpose:</p> <ul style="list-style-type: none"> (1) Contributing to the well-being of local communities through social activities (2) Educational initiatives (3) Health and skill development <p>Concerns Raised:</p> <ul style="list-style-type: none"> (1) Creating livelihoods (2) Developing community infrastructure (3) Improving living standards

Key Stakeholders	Whether Identified as a Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of Engagement	Purpose and Scope of Engagement Including Key Topics and Concerns Raised During Such Engagement
Owners & shareholders	No	(1) Annual Report (2) Company website (3) Quarterly calls (4) Investor relationship meetings and AGM (5) Various publications (6) Stock exchange notifications (7) Newspapers (8) Emails (9) Stakeholders Relationship Committee (10) Investor Relations (11) Registrar & Transfer Agent	Quarterly/Half yearly	Purpose: (1) Continuously elevating corporate value (2) Delivering better returns on investments Concerns Raised: (1) Company's financial health (2) Effective risk controls (3) Fair business practices - Improved return on investment
Employees	No	(1) Awards (2) Department meetings (3) Surveys (4) Town halls (5) Trainings (6) Workshops (7) Nomination & Remuneration Committee (8) Human Resource function	Continuous	Purpose: (1) Employee well-being (2) Functional and soft skill development (3) Structured learning (4) Talent attraction and retention Concerns Raised: (1) Career growth (2) Employee benefits (3) Performance management
Customers	No	(1) Advertisement campaigns (2) Brochures (3) Company website (4) Customer care (5) Customer meets (6) Customer satisfaction survey (7) Feedback forms - Fireside (in-house magazine) (8) Events and exhibitions (9) Emailers (10) Social media webinars	Continuous	Purpose: (1) Providing a comprehensive portfolio of products and solutions aligned with their evolving requirements Concerns Raised: (1) Quality (2) Responsiveness (3) Timely project completion (4) Engineering technique
Vendors and Business Partners	No	(1) Enquiries via telephone and e-mail (2) Periodic partner meets (3) Publications (4) Supplier surveys (5) Tendering and procurement	Continuous	Purpose: (1) Assessment and audit of suppliers (2) Aligning suppliers with environmental and supplier code of conduct (3) Conforming to quality and HSE (Health, Safety and Environment) Concerns Raised: (1) Purchase processes (2) Repeat orders (3) Timely payments
Government Authorities	No	(1) Activities through business and industry groups (2) Industry associations (3) Participation in policy councils	Continuous	Purpose: (1) Building businesses contributing to the development (2) Making mandatory and non-mandatory disclosures Concerns Raised: (1) Compliance with regulations (2) CSR reporting (3) ESG performance

Thermax embarked on the Social Compact (SoCo) initiative with NGOs and other like-minded corporates, to help design a framework to support informal workers live a life of dignity and equity. This initiative with NGO Dasra ensures greater dignity for the industrial workers in India. SoCo is trying to bring about a massive shift in mindset, policies and procedures within industries to enable government benefits and entitlements to the informal workforce through worker facilitation centres.

To further social equity, we are also partnering with communities around our manufacturing locations. During FY 2022-23, Thermax Foundation continued its partnership with NGOs such as Lokbharati and Manavlok as well as with like-minded corporates for upskilling of the youth and capacity-building programmes for the farmers.

Lokbharati: <https://lokbharti.com/partners/corporate/>

Manavlok: <https://manavlok.org/our-partners>

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board?

The Company's management frequently engages with its key stakeholders, including investors, customers, suppliers, and employees. Progress updates are provided to the Board, and their inputs are sought on a periodic basis. The Board of Directors are periodically updated on various topics, including industry overviews, customer service updates, digital initiatives, Corporate Social Responsibility projects, financial performance, and strategy. Additionally, the Directors are briefed on the regulatory environment, including significant regulatory developments, circulars, and amendments by bodies such as the Securities & Exchange Board of India and the Ministry of Corporate Affairs. Feedback from the Board is also collected to ensure alignment and collaboration.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity?

Yes, the Company utilises materiality assessments to engage with stakeholders and priority issues related to economic, environmental, and social topics. In addition, the Company interacts with investors and analysts to gain an understanding of their expectations and incorporate them into the sustainability framework. This has led to the development of several initiatives focussed on responsible investing, equal opportunity, diversity and inclusion policies, privacy policies, human capital, environmental impact, and sustainability risk assessments.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalised stakeholder groups.

The Company places a strong emphasis on education for economically underprivileged children, with Thermax Foundation supporting two Akanksha Foundation schools in Pune through a public-private partnership. Additionally, Thermax Foundation provides support to Akanksha Foundation alumni through mentorship and guidance to pursue higher education and careers. In addition to education, the Company is also involved in addressing social discrimination through affirmative action, skill development, and employability initiatives. The Company's social arm, Thermax Foundation, also addresses complex health, safety, and environmental issues faced by disadvantaged, vulnerable, and marginalised stakeholders.