Press Release

CareEdge-ESG conducts Annual Thermax Limited Rating Surveillance

May 29, 2026

CARE ESG Ratings Limited (CareEdge-ESG) completes Annual ESG Rating Surveillance for Thermax Limited

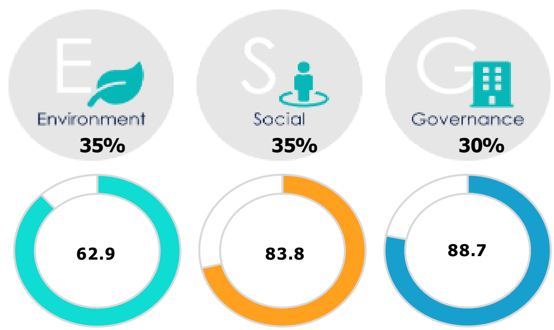
CARE ESG Ratings Limited (CareEdge-ESG), a Securities & Exchange Board of India (SEBI)-registered ESG Rating Provider (ERP) and a wholly owned subsidiary of CARE Ratings Limited, has completed the annual surveillance ESG rating for Thermax Limited.

Thermax Limited, a leading provider of energy and environmental solutions specialising in boilers, heating, cooling, water treatment, air pollution control, and renewable energy solutions, has improved its ESG performance with a score of 78.0, up from 72.5 in the previous year, while maintaining its CareEdge-ESG 1 rating. The company's strengthened ESG score reflects its leadership in managing environmental, social, and governance risks and opportunities through transparent disclosures, robust board-approved sustainability policies, and consistent implementation of responsible practices across its operations. Please follow the link for Thermax's detailed ESG rating rationale.

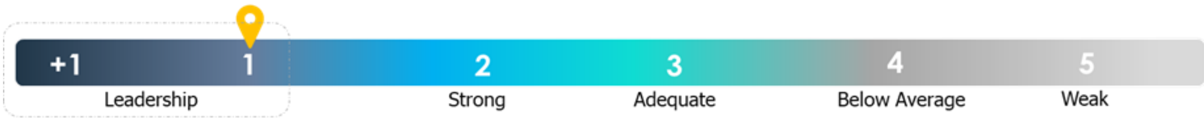
The rating assigned to Thermax Limited reflects its strong commitment to sustainable practices in the energy and environmental solutions sector. Thermax has demonstrated leadership across key environmental areas, including biodiversity, carbon & other emissions, raw material sourcing, and the adoption of clean and renewable technologies. Under the social pillar, the company has shown strong performance in employee health & safety, value chain, and product safety & quality. Further, the company's ESG materiality assessment, structured prioritization framework, and comprehensive enterprise risk management practices strengthen its governance profile, collectively supporting the assigned rating.

ESG Score

Pillar Weights and Scores for BFSI



Rating Scale



For CareEdge ESG Rating scale and definitions, refer to www.careedgeesg.com

CareEdge-ESG's ratings are determined through a comprehensive analysis of the environmental, social, and governance risks and opportunities associated with a company. A composite score is calculated based on the company's performance across key indicators spanning the three pillars of ESG. For the Capital Goods sector, CareEdge-ESG's methodology comprises of 350 indicators across 20 themes. The Environmental and Social pillars carry equal weightage of 35% each for this sector, reflecting the deliberate emphasis placed on both dimensions. Environmental aspects such as biodiversity, effluent treatment, and carbon emissions management are considered equally critical as social aspects including product safety, employee health and safety, and value chain responsibility within this industry.

ESG performance is dynamic and can change significantly due to policy enhancements, operational improvements, emerging risks, regulatory developments, or shifts in stakeholder expectations. Conducting annual ESG rating surveillance ensures that the company's ESG performance remains current, credible, and aligned with evolving standards. It captures year-on-year improvements in disclosures, risk management and sustainability practices, while highlighting areas that need strengthening. This process enhances transparency for stakeholders and helps companies to identify areas for improvement, motivating them to design sustainable transitions and fostering responsible business practices.

Rajendran A., Executive Vice President & Group CFO, Thermax Limited, commented, "Environmental, Social, and Governance (ESG) is important for organizations that want to operate in a responsible and sustainable way. It helps companies understand and manage risks related to the environment, people, and business practices. By following ESG principles, organizations can reduce their environmental impact by using resources efficiently, controlling emissions, and adopting sustainable methods. At the same time, ESG encourages companies to create inclusive workplaces and follow ethical practices in their operations. Strong governance ensures that the organization works with transparency, takes accountability for its actions, and makes fair and well-informed decisions. It also strengthens corporate reputation, helping build trust with customers, employees, and the wider community. The ESG rating score of 78 with a rating symbol of "CareEdge-ESG 1" reflects a strong and well-balanced performance across sustainability, ethical practices, and corporate governance. A score at this level typically indicates that the organization is effectively managing material ESG risks while demonstrating responsible business conduct and long-term resilience."

Saikat Roy, Chief Executive Officer, CareEdge-ESG, commented, "CareEdge ESG's annual surveillance assessment provides an independent perspective on how companies continue to strengthen their ESG performance over time. Thermax Limited's improved ESG score reflects sustained progress in embedding sustainability into its core operations, supported by robust policies, focused environmental and social initiatives, and enhanced transparency in reporting key ESG metrics. As ESG performance becomes increasingly linked to industrial resilience, stakeholder trust, and even access to capital - with stronger ESG profiles often helping companies secure more competitive funding - our assessments offer transparent insights to track this progress. CareEdge ESG remains committed to delivering reliable evaluations that drive measurable and lasting impact."

Nikunj Dube, Chief Ratings Officer, CareEdge-ESG, commented, "With the completion of the annual ESG rating review for Thermax Limited, CareEdge-ESG reaffirms its commitment to advancing sustainable and responsible business practices through rigorous, transparent, and impartial ESG assessments that enable stakeholders to effectively track corporate sustainability progress. The surveillance exercise highlights Thermax Limited's continued progress in strengthening its ESG framework across environmental, social, and governance dimensions. The company has demonstrated notable efforts in advancing energy-efficient and clean technologies, strengthening environmental management practices, and integrating sustainability considerations into its operational approach. In addition, the company continues to maintain strong performance in areas such as employee health & safety, human capital development, and stakeholder engagement, supported by a robust governance structure and well-defined risk management processes. Overall, these developments reflect Thermax Limited's continued focus on embedding sustainability within its business strategy, positioning it as a credible benchmark among industry peers and supporting the long-term resilience of its ESG initiatives."

About CARE ESG Ratings Limited

CareEdge-ESG is a category I ERP, registered with SEBI and a wholly owned subsidiary of CARE Ratings Limited. With over thirty years of experience as an Indian credit rating agency, CARE Ratings' move to expand into ESG ratings through its subsidiary would help to enhance investor confidence while promoting accountability and transparency in businesses. Through our comprehensive and nuanced ESG assessments, CareEdge-ESG enables stakeholders to make informed decisions regarding sustainability, thereby fostering positive transformation and enhancing stakeholder trust.

For more information, visit www.careedgeesg.com | click on to browse CareEdge-ESG's LinkedIn profile

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About Us:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.