

Risk Management Policy

Triveni Turbines has established a robust Enterprise Risk Management framework and policy. The Company's robust risk management system ensures identifying, prioritising, mitigating and monitoring the risks and opportunities amidst business environment volatility and uncertainty. It further mandates having a contingency plan for high-rated risks, with trigger points defined for the activation of the business continuity plan. The Company's strong governance mechanism ensures the achievement of organisational goals and growth, resulting in holistic value creation for its customers. Triveni Turbines ensures sustained strengthening of its risk practices through continuous learning, improvement, and stakeholder participation, including employees.

At Triveni Turbines, risk management is a fundamental part of order-to-remittance (OTR) and other key decision-making processes. The Company has implemented a well-defined procedure for identifying and treating risks during the bidding stage, ensuring mitigation at early stages and strengthening of risk management practices. The Company ensures conducting all major business initiatives following a holistic assessment of all ensuing risks and opportunities. It ensures ongoing investment in new technologies and products, with due consideration of the risks associated with entering new business lines. Furthermore, the risks associated with the supply chain and technology readiness for new business streams are also evaluated and treated.

More recently, the establishment of a subsidiary in Houston, Texas, and the new tariff regime imposed internationally, have exposed the Company to uncertainties relating to sustaining supply chain efficiencies. The Company is undertaking proactive control measures to navigate the challenges. It further remains focused on spreading awareness amongst prospective customers about the Company's capabilities in the new geography.

The Company has defined key leading indicators to quantify and monitor risks and formulate control measures to address the major challenges it faces. These Key Risk Indicators (KRIs) empower managers with risk analytics to better understand the risk trends and the effectiveness of the control measures. By embedding proactive and sustained risk management, the Company has strengthened its ability to deliver sustainable

growth and fulfil stakeholders' expectations. Guided by a well-calibrated risk appetite, the Company maintains the right balance between effectively balancing threats and growth opportunities that are being explored.

Some of the key risks managed by the Company during the year are listed below:

New Product Development (NPD)

Triveni Turbines continues to invest in the development of energy-efficient products, as well as products with reduced carbon footprints. It is focussed on catering to the ever-increasing demands of the growth segments (thermal renewables, oil & gas). The Company's new product development team has been successfully innovating new products in the renewable market space, and follows a structured methodology to foster technology readiness.

Macro-economic factors

Like any other capital industry, Triveni Turbines' business is dependent on the health of the world economy. The Company is venturing into alternate product development to diversify its product basket, empowering it to de-risk the impact of the economy on its revenue growth. It continues to track macro-economic factors, and make tactical adjustments as needed.

Customer satisfaction & reputation

With the development and launch of new products, and the escalating service level and technology advancement demand from new customers, the Company strives to maintain customer satisfaction. It continues to invest in quality, while reducing the waste and rejection in engineering and manufacturing.

Enhancing supply chain efficiency and preparedness

As it continues to develop new technology and products, the Company faces challenges in preparing its supply chain to meet the new product demands. This affects the Company's ability to deliver the right product at the right time. Triveni Turbines emphasises on vendor development and collaboration with vendors to create an efficient supply chain, which includes initiatives like strategic procurement and vendor managed inventory.