



**CORPORATE SOCIAL RESPONSIBILITY
(‘CSR’) POLICY
OF
LINCOLN ELECTRIC COMPANY (INDIA) PRIVATE LIMITED**

Background

Lincoln Electric Company (India) Private Limited (**the 'Company'**) is largest wire manufacturing facility in India and market leader in welding wires.

In line with the Regulatory expectations, we are putting in place a formal policy as guide towards our social commitment going forward.

Short title & Applicability

Lincoln Electric Company (India) Private Limited (**the 'Company'**) has developed its Corporate Social Responsibility Policy (**the 'Policy'**) in accordance with section 135 of the Companies Act 2013 and the rules made there under.

This policy encompasses the company's commitment to create large environmental and societal value as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare & sustainable development to the community at large.

The Policy shall apply to all CSR programs of the Company.

CSR Vision Statement

The core vision of the Company's CSR policy is to help people achieve their ambitions by playing a broader role in society through community investments beyond what we deliver through core business activities. By aligning our community investment strategy to our skills and experience, the positive impact of which will be much more than just a financial contribution.

Corporate Social Responsibility is the commitment of business to contribute for economic development that is sustainable, facilitating greater and more inclusive prosperity. It is the contribution of the corporate sector for philanthropic causes like education, health, water, environment and community welfare.

CSR Objectives

The Objective of CSR Policy is to lay down the guiding principles in undertaking various projects, programs or activities, relating to CSR, within the meaning of Section 135 of the Companies Act, 2013 read with Schedule VII of the Act and CSR Policy Rules, 2014.

The Company is committed to play a broader role in communities in which it operates by way of supporting various initiatives through funding and volunteering activities. In order to achieve its goals, the Company will support the following activities by undertaking projects, programs or activities as approved by Board, on the recommendation of CSR Committee.

CSR Program Areas

The Company will focus primarily on the following programs:

Activities, which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

- (i) Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] and sanitation [including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- (viii) Contribution to the prime minister’s national relief fund [or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and

Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects]

(xi) slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

The CSR committee is authorized to consider also other CSR activities which are not included in this list as per Section 135 of Companies Act, 2013 read with Schedule VII.

Validity of CSR Policy

The Board may review/amend the CSR policy as may be required from time to time.

CSR Budget

The Board shall ensure that the company spends at least 2% of its average Net Profits calculated as per Sec-198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year to be incurred on identified areas.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act 2013 and rules made thereof as amended from time to time.

Implementation Process

- The Company's projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
- The Company's ongoing CSR projects will be aligned to the Policy.
- The mode of implementation of project activities identified under CSR include a combination of direct implementation by the Company under Approved Projects or through specialized agencies, which could include the Trust of the Company, Voluntary Organizations (NGO's), Recognized Institutes /Academic Institutions, Trusts, Registered Societies, Business Partners, Self Help Groups, Mahila Mandals, Professional Consultancy organization etc.

- For CSR projects, the time-frame and periodic milestones should be finalized at the time of approval of the Project.
- The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out base line surveys, guidance on project design and implementation, impact assessment surveys etc.
- For CSR projects, the time-frame and periodic milestones should be finalized at the time of approval of the Project.
- The heads of the respective teams managing CSR projects will be authorized to sign memorandum of understanding (MOUs)/ Agreements with the implementing partners after taking approvals.

Roles and responsibilities

The Board:

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company.
- Disclosing the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules.
- Ensuring that the social projects included in the Policy are undertaken by the Company.
- Ensuring that the Company spends, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount

CSR Committee:

Composition of the CSR committee:

The composition of the CSR Committee of the Board is as under.

1. Mr. Sundarram Srinivasan, Managing Director
2. Mr. Ramalingam Thirumurugan, Director
3. Ms. Jigisha Chauhan, Director
4. Mr. Gokhan Isik, Director

The Board shall have the power to make any change(s) in the constitution of the Committee.

Monitoring and Reporting

Project monitoring

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each social project has:

- Clear objectives developed out of the societal needs that are determined through baseline studies and research.
- Clear targets, time lines and measureable parameters wherever possible.
- A progress monitoring and reporting framework that is aligned with the requirements of section 135 of the Companies Act and the CSR Rules.

The CSR progress monitoring authorities and the frequency of review is given below.

Sr. No.	CSR Progress Review and Monitoring Authority	Frequency of review
1	Board of Directors	Annually
2	CSR Committee	As per the Terms of References of Committee.

Quorum:

The Quorum for a meeting of Committee on CSR shall be half (50%) of its total Strength (any fraction containing in that to be rounded off as one), or two members, whichever is higher.

Budget monitoring:

The Company will establish an accounting system to ensure project wise accounting of CSR spend.

Conclusion

In case of any doubt with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation & decision of the CSR committee of the Board of Directors shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.
