



OPERATING TO A HIGHER STANDARD

**TO BUILD A BETTER WORLD**

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2022 Sustainability Report



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# CEO LETTER

**Chris Mapes**  
Chairman, President & CEO



**At Lincoln Electric, our purpose is to “Operate By a Higher Standard to Build a Better World.” Since 1895, we have measured our success by consistently innovating solutions that deliver value to customers, supporting an engaged workforce, nurturing a culture rooted in integrity and ethics, and advancing operational excellence in our operations. These are the long-term drivers of our success, which align with our stakeholders’ environmental, social, and governance priorities, and generate superior value through the cycle.**

We have purposefully integrated sustainability into our Higher Standard 2025 Strategy across its four strategic peaks. In addition to Higher Standard financial targets, we established a series of key ESG-related goals that we identified as critical to operating responsibly. These include improved safety performance and addressing climate change through reductions in greenhouse gas emissions, energy, water and waste.

We are also focused on engineering innovative solutions to support the end markets we serve as they transition to a low carbon economy. Our patented solutions that optimize EV battery tray and wind tower fabrication are helping customers accelerate productivity responsibly. In 2022, we:

- Broadened the accessibility of automation to small fabricators with our proprietary Cooper™ cobot solution with its unique easy user interface designed for non-welders.
- Extended our automation engineering capabilities and international presence to support the growth of EV production platforms through the acquisition of Fori Automation, a leading designer and manufacturer of complex, multi-armed automated welding systems, with an extensive range of automated assembly systems, automated material handling solutions, automated large-scale, industrial automated guidance vehicles (AGVs), and end-of-line testing systems. These new capabilities, combined with our existing skill set, allows us to provide more solutions to our customers for safe, efficient, and sustainable manufacturing.
- Announced our 150kW DC fast charger initiative to provide best-in-class level 3 charging for electric vehicles. This growth initiative targets production of our new Velion™ EV charger in the fourth quarter of 2023 to provide both public and private fleet charging, serving the electrification needs of our customers and communities.



## Areas of Innovation That Address Customers' Operational Challenges



- We continue to focus on improving the energy efficiency of our equipment, increasing recycled content in our products and packaging, and working with partners and suppliers to identify additional areas to introduce greater sustainability into our solutions and operations to lower our overall carbon footprint.

In 2022, we committed to our first company-wide Sustainability Materiality Assessment, which takes into account the input of multiple stakeholders and maps the areas of highest importance to these

stakeholders. The results of this assessment will be used to direct future reporting and investments in the area of sustainability.

We also remained focused on improving employee safety and well being, and driving employee engagement and development as part of our tradition of promoting from within to offer our employees a long and rich career at Lincoln Electric. In 2022, we expanded our training and development resources to include TalentLaunch. In line with our Higher Standard 2025 strategy,

and as an output from our 2021 employee survey, we identified the need for focused, early-career talent development. TalentLaunch is our new global, two-year, blended learning journey for this emerging talent.

I encourage you to learn more about the values, culture, policies, and initiatives that define our global organization's, long-term success and sustainability journey.

Chris Mapes  
Chairman, President & CEO



# ABOUT LINCOLN ELECTRIC

At Lincoln Electric, we operate to a higher standard to build a better world. We are the world leader in the design, development, and manufacture of arc welding products, automated joining, assembly and cutting systems, as well as plasma and oxyfuel cutting equipment. We are also positioned as a global leader in brazing and soldering alloys.

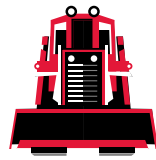
We are recognized as The Welding Experts® for our leading material science, software development, automation engineering, and application expertise, which advance customers' fabrication capabilities. We leverage these strengths, our global presence, and a broad distribution network to serve customers across end markets including:



General metal fabrication



Energy projects, including renewable infrastructure like wind turbines



Heavy industries, like agriculture, mining, construction, rail equipment, and shipbuilding



Structural steel construction and infrastructure (commercial buildings and bridges)



Automotive and transportation



**John C. Lincoln**  
Co-Founder & Chairman  
1895 to 1929



**James F. Lincoln**  
Co-Founder & Chairman  
1929 to 1965



# OUR OPERATIONS



Headquartered in  
Cleveland, Ohio  
USA

71

manufacturing  
locations in  
20 countries

\$3.8 B

in sales during  
FY2022



## LOCATIONS

- Global Headquarters  
Cleveland, Ohio USA
- Manufacturing
- Application Resource Center
- Sales



# 2025 HIGHER STANDARD STRATEGY

Launched in 2019, our Higher Standard 2025 Strategy (“2025 Strategy”) focuses on delivering superior value to all stakeholders by achieving best-in-class operational, financial, and sustainability performance, and by amplifying employee engagement and development in the 2020 to 2025 strategic period.

Enhancing our performance in four key areas—represented by four peaks in our strategy logo—is critical to our long-term success. Our industry leadership position reflects our “customer first” approach and our track record of developing innovative solutions that have a measurable impact on their operations. Our employees are our number one asset, and the professional training and career planning services we provide help maximize employee potential and engagement. Operating smartly and responsibly is not only an obligation but a key competitive advantage.

This report highlights the initiatives, goals, and actions we have taken to address sustainability in each of the 2025 Strategy’s four peaks. Through this strategy, we aim to build value for our stakeholders and drive alignment with our operations, products, and ESG-related initiatives. To learn more about the financial goals of our 2025 Strategy, please refer to our 2022 Annual Report.





# 2022 SUSTAINABILITY HIGHLIGHTS



CEO **ACT!ON** FOR  
DIVERSITY & INCLUSION



## SAFETY

2025 Goal: 52% Reduction in  
Total Recordable Case Rate (TRCR)

**15.8% Reduction**  
[2022 vs 2018]



## GHG EMISSIONS

2025 Goal: 10% Reduction in  
Scope 1 and 2 GHG emissions

**18.9% Reduction**  
[2022 vs 2018]



## ENERGY INTENSITY<sup>1</sup>

2025 Goal: 16% Reduction

**1% Reduction**  
[2022 vs 2018]



## RECYCLING

2025 Goal: 80% Rate

**75.9% in 2022**



## LANDFILL AVOIDANCE

2025 Goal: 97% Rate

**95.2% in 2022**



## WATER USAGE

2025 Goal: 14% Reduction

**25% Reduction**  
[2022 vs 2018]

All trademarks and registered trademarks are the property of their respective owners

<sup>1</sup>Energy intensity is total energy consumption per total labor hours worked.





# ESG MANAGEMENT & OVERSIGHT



# BOARD OVERSIGHT

Our Board of Directors recognizes the importance of aligning our goals, including those related to sustainability, with the interests of our key stakeholders. The Board's oversight responsibility for Environmental, Social, and Governance (ESG) matters is reflected in our Governance Guidelines and includes reviewing progress toward our long-term safety and sustainability metrics and other sustainability initiatives. Safety and sustainability goals are also incorporated into the annual performance goals of the CEO and other executives.

Our robust enterprise risk management (ERM) program includes aspects of sustainability and ESG. Our ERM process assesses critical risks and the Board provides oversight as management addresses these risks. An internal corporate risk committee, composed of members of our business units and various functional leaders is led by our Vice President of Enterprise Risk Management. High-priority topics facing the organization are identified each year and assigned to be reviewed with either the full Board or various Board Committees as appropriate. ESG, information security, and cybersecurity are currently considered high-priority issues, and the Audit Committee receives related updates on an as-needed basis.

## ESG Executive Leadership Committee

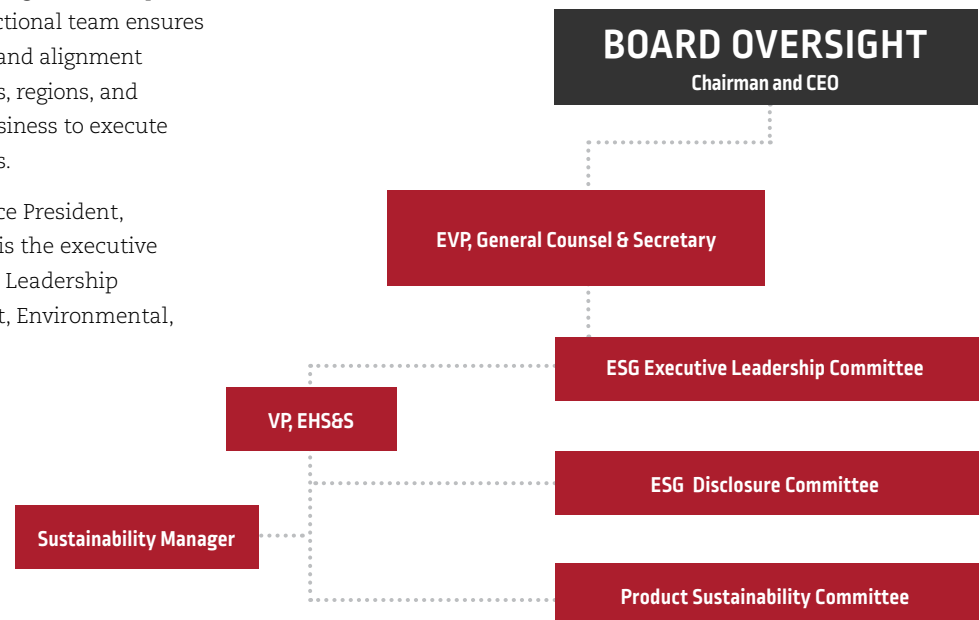
Our Management Committee sets the Company's sustainability strategy. Led by our CEO, the committee includes the Company's top executives, as well as business segment and functional leaders.

Our ESG Executive Leadership Committee ensures that the Management Committee recognizes the ESG factors that could impact the business and oversees implementation of the sustainability strategy. Senior leaders from EHS & Sustainability, Finance, Human Resources, Investor Relations, Financial Reporting, Risk Management, Legal and Compliance, and our business segments comprise the committee. This cross-functional team ensures that we have the engagement and alignment needed between business units, regions, and functional areas within the business to execute our ESG initiatives and projects.

Lincoln Electric's Executive Vice President, General Counsel & Secretary, is the executive sponsor for our ESG Executive Leadership Committee. Our Vice President, Environmental,

Health, Safety & Sustainability, leads the ESG Executive Leadership Committee and manages sustainability strategy execution, metrics tracking, and reporting. Two additional internal ESG-related committees further support the ESG Executive Leadership Committee:

- **Product Sustainability Committee:** drives actions in the areas of sustainable procurement, product lifecycle assessment, and eco-design
- **ESG Disclosure Committee:** ensures that robust processes and systems are in place to support public disclosures and reporting





# STAKEHOLDER ENGAGEMENT

Key internal and external stakeholder groups inform our prioritization and approach to ESG topics. Our primary stakeholders include:



## Customers

We serve a diverse global customer base, including industrial gas distributors, manufacturers across an array of industries, engineering firms, metal fabrication shops, wholesalers, retailers, educational institutions, and students. We engage customers through one-on-one discussions, joint development projects, our global network of forty-one (41) Application Resource Center locations, industry trade shows, surveys, seminars, and various media and social media channels.



## Investment Community

We maintain active dialogue with our shareholders, analysts, and prospective investors through an investor relations program that includes regular financial filings, meetings (equity and ESG-focused), conferences, non-deal roadshows, an annual shareholder meeting, tradeshow tours, periodic surveys, and investor relations, and sustainability websites. Our General Counsel, VP Investor Relations, and VP Environmental, Health, Safety & Sustainability conduct annual briefings with our largest shareholders on ESG topics.



## Employees

Our employees represent the foundation of our great Company and our future success. We engage employees through regular meetings, intranet platforms, employee engagement surveys, employee resource groups, health and safety communications and initiatives, training and development, employee wellness and assistance programs, and an ethics hotline.



## Community

We are active members in the communities where we live and work. We participate in community meetings and local business associations; host plant visits; provide grants to nonprofit organizations; and donate resources and time through in-kind gifts, employee volunteerism, and nonprofit Board service.



## Industry Associations & Officials

We actively engage with industry and trade associations, academic and research partners, and with government agencies to participate in initiatives to advance innovation and safety in our industry, contribute to evolving codes and standards, as well as benefit from in-depth reviews of emerging issues and opportunities, shifts in industry-specific trends, technologies, and regulations.



## Suppliers

We engage with suppliers during the supplier development process and at conferences and associations. We work together to ensure ethical, safe, sustainable practices and compliance in our supply chain.

### Assessing Key Stakeholder Priorities

In an effort to better understand, and respond to stakeholder concerns, in 2023 Lincoln Electric is performing a materiality assessment in partnership with a leading firm specializing in peer benchmarking, tracking of existing and upcoming regulatory policy, and mining the data presented in sustainability publications.

#### Lincoln Electric's Materiality Assessment will include:

- Assessment of the priorities of a broad landscape of external stakeholders on more than 30 sustainability topic areas via monitoring of disclosures in news/media, corporate reports and public policy/legislation.
- Direct survey input from key employees and customers














### Investing in Additional ESG Expertise

In 2022, we began a consultation relationship with Business for Social Responsibility® (BSR®) — a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet. Through their insights, advisory services, and collaborations, they enable business transformation to create long-term value for business and society.



# UNITED NATIONS SDG'S

In support of the United Nations 2030 Agenda for Sustainable Development, and as part of our 2025 Higher Standard Strategy, we integrate sustainability into our operations, product, and community engagement initiatives. The table below illustrates how our efforts align with the UN Sustainable Development Goals (SDGs):

| 2025 Higher Standard Strategy Goals  | UN SDG   |
|--|--|
| <b>Customer Focus</b> <p>Invest in our network of 41 international Application Resource Center (ARC) locations, which provide an interactive educational and collaborative space to showcase Lincoln Electric's unique solutions and application expertise to help customer's drive greater operational excellence in their fabrication processes.</p> <p>Mature a global customer relationship management platform with enhanced account data, functionality, and solution information to make it easier for customers to do business with us.</p>  |   |
| <b>Solutions &amp; Value</b> <p>Invest approximately 2% of our revenue in research and development (R&amp;D), including investments in new solutions and engineering expertise to support the infrastructure and energy end markets—like our automated 3D plasma and welding solutions for structural steel fabrication; our HyperFill® solution for more efficient production of earth-moving/construction equipment; and our Long Stick Out (LSO) solution for wind turbine fabrication.</p> <p>Maintain a leading new product Vitality Index score, which is a measure of our innovation and commercial success—calculated as the percentage of annual sales from new products launched within the last five years. In 2022, our Vitality Index was 37% for total sales and 57% for equipment.</p>  |   |
| <b>Employee Development &amp; Engagement</b> <p>Work toward greater gender parity and ethnic diversity in our workforce. As of 2022, 21% of our global workforce identifies as female, and three of our 10 Board directors are women.</p> <p>Introduce career development opportunities by offering an industry-leading tuition reimbursement program with a new \$125,000 student loan forgiveness option (US only).</p> <p>Continue to support our communities through philanthropy, led by grants, scholarships and a U.S. matching program provided by the Lincoln Electric Foundation, as well as in-kind gifts provided by Lincoln Electric businesses globally. Our Foundation giving themes center on alleviating poverty and illness, promoting access to education with emphasis on STEM, supporting health and human services, and bringing cultural vibrancy to our communities.</p> | <div>   </div> <div>   </div> <div>    </div> |
| <b>Operational Excellence</b> <p>Prioritizing the health and safety of our workforce and communities by reaching a 52% reduction in safety incidents by 2025 (vs. 2018 baseline).</p> <p>Reducing water consumption across our operations by 14% by 2025 (vs. 2018 baseline).</p> <p>Making significant waste reductions across our operations and achieving a recycling rate of 80% and a landfill avoidance rate of 97% by 2025.</p> <p>Reducing our greenhouse gas emissions by 10% by 2025 (vs. 2018 baseline). Reducing our energy intensity by 16% by 2025 (vs. 2018 baseline).</p>  |      |



# CUSTOMER FOCUSED



# CREATING VALUE

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE

We aim to bring value, service, and reliable solutions to our customers by leveraging our experience, global presence, and broad distribution network to serve customers across various end markets, including general metal fabrication, energy, construction, infrastructure, heavy industry, and automotive/transportation. We provide training and product testing opportunities worldwide for customers to access the latest welding technology.

We have a long history of partnering with customers and supplying solutions that support the clean energy transition. The rapidly growing markets of energy and infrastructure represent a valuable opportunity to collaborate with the broader industry to address global issues like climate change. Our global Application Resource Center (ARC) locations ensure Lincoln Electric is aligned with the evolving technology and fabrication needs of each end market and can be their “partner of choice” to help them achieve their sustainability goals

41

ARC locations  
worldwide



# ADVANCING INNOVATION WITH ARC LOCATIONS

## Optimizing Offshore Wind Tower Construction

Achieving lofty renewable energy ambitions require reducing project construction time, complexity, and materials required to fabricate offshore foundations and towers. Welding is key to the supply chain and overall success of the industry. Lincoln Electric is helping to build the industry of the future with the latest long stick-out (LSO) submerged arc and HyperFill® flux cored equipment and consumable solutions — productivity solutions which are being integrated into new and existing manufacturing capacity.

Our expertise helps guide customers through the complex trials and testing required to implement these productivity solutions based on the required application and tonnage needed to meet the rising demand.

Key to this effort are 41 Application Resource Center (ARC) locations operated worldwide to facilitate the most efficient and productive ways for customers to use our solutions tailored to their operations. Each ARC location offers training, product demonstrations, and procedure development capabilities that showcase our latest technologies in welding, cutting, automation, and

welding education. ARC locations are staffed with engineers and technicians who develop solutions, consult, and provide support based on unique customer requirements. These local ARC teams are leading the way to help build the factories of the future.

In 2022, one of the largest new offshore wind factory owners located in the Asia-Pacific region (S. Korea) utilized the expertise of the staff and facilities of 4 different ARC sites, located in Asia and Europe. The company worked with our experts to optimize welding productivity and help overcome a variety of fabrication challenges.

Utilizing our industry leading, productivity-maximizing process solutions, the end user will realize higher numbers of wind tower foundations shipped, resulting in increased capacity for clean energy generation. The work done by our global ARC and commercial teams is leading the way towards higher installed capacity for fixed and eventually floating foundations. Teamwork here is complemented by long standing relationships with key automation global partners.

Increasing the speed of renewable energy installed capacity (offshore and onshore) benefits the broader industry, shared environmental targets, and our own global (company) sustainability targets, and demonstrates our ongoing commitment to build a better world.



**“In the International Renewable Energy Agency (IRENA) and International Energy Agency (IEA) roadmaps for a 1.5°C pathway published last year, wind energy becomes a central pillar of the global energy system by 2050.”**

—Global Wind Energy Council Global Wind Report 2022



Corporate member of  
Global Wind Energy Council





# The global trade of 397 million tons of LNG

represents approximately 25% of global energy consumption. Lincoln Electric solutions enable safe and efficient fabrication of LNG storage tanks.

## Supporting the LNG Industry

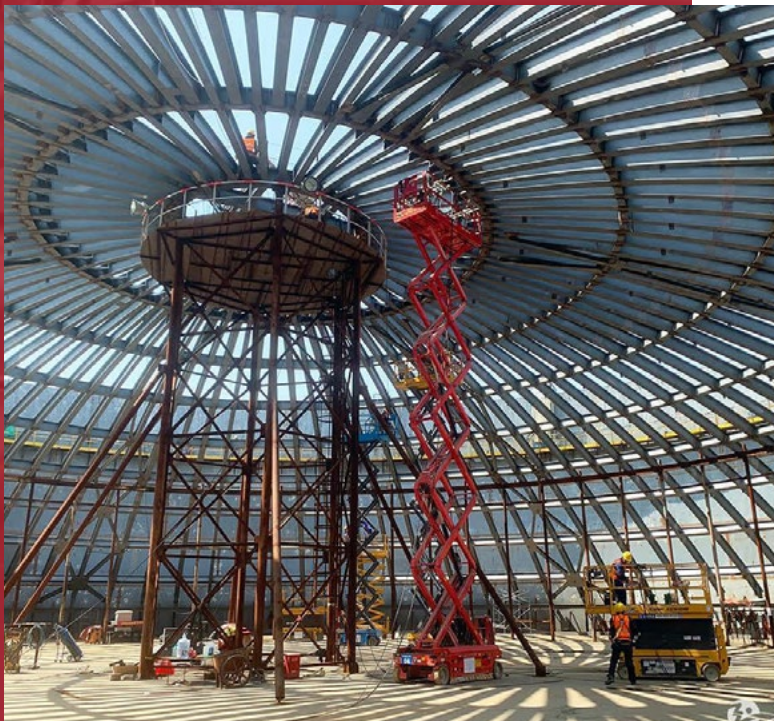
Liquefied natural gas (LNG) has become a major source of energy. Used extensively in the marine, commercial, and road transport businesses, LNG is a low-carbon, clean burning fuel that is easy to transport and more efficient than most other commercially available alternatives. LNG has established itself as an alternative to other fossil fuels, generating 29% less CO<sub>2</sub> than fuel oil and 45% less CO<sub>2</sub> than coal.\* Worldwide consumption of LNG has increased significantly over the past three decades. The global trade in LNG reached 397 million tons in 2022, representing approximately 25% of the total global energy consumption. This number is forecasted to double, reaching over 700 million tons by 2040.

For LNG facilities, keeping pace with rising LNG demand often requires facility updates, including tanks and vessels for liquefaction, storage, facility piping, and transportation. Capacities of LNG tanks typically range from 80,000 m<sup>3</sup> up to as large as 270,000 m<sup>3</sup>. LNG temperature is as low as -162°C, which demands use of specialized materials (typically 9% nickel alloy steel) to ensure the storage tanks and vessels have sufficient strength, ductility, and toughness.

\*U.S. Energy Information Administration  
(measured as pounds CO<sub>2</sub> per million BTU.)



Lincoln Electric's welding solutions cover all consumable and process types used for the construction of 9% nickel alloy steel storage tanks. Additionally, Lincoln's controlled ferrite product line provides the needed ductility and toughness in low temperature applications of stainless steel pipework. Thanks to our strong technical and R&D expertise in this particular sector, we have been constantly improving and enhancing product performance and properties to meet the latest industry needs, notably for larger storage tanks.







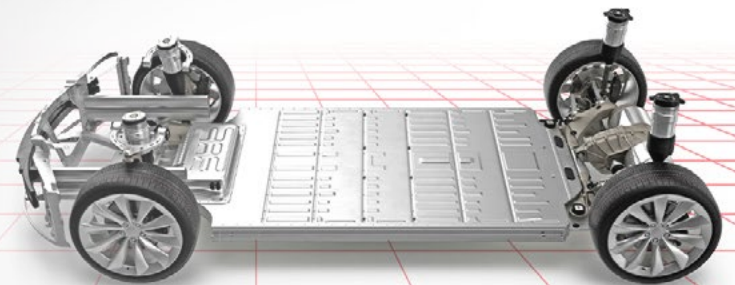
### Automation in the EV Industry

Electric vehicle battery packs require many individual battery cells or modules to be welded together to form the complete electrical system. The number of cells varies widely depending on the battery type, but all require complex tooling, precise part location, and laser welding to join them into a finished product. Lincoln Electric Automation is uniquely capable of providing the completely tooled systems required to produce the primary building blocks for new EV powertrains.

Our recent acquisition of Fori Automation further enhances our position as a provider of innovative welding technology, and a complete turnkey system integrator in the EV industry capable of providing production line support. In addition, our automated Precision Power Laser™ Solution offers industry-leading fabrication of EV battery trays.

During final vehicle assembly, Fori's Automated Guided Vehicle (AGV) technology can then be deployed at various stages of assembly while end-of-line (EOL) testing stations provide final quality measures for vehicle wheel alignment, safety sensor calibration, and head lamp alignment.

From laser joining of battery cell modules to a wide variety of component manufacturing and on to final vehicle assembly and EOL testing, we provide the widest range of welding and automation technology to the emerging electric vehicle market. This capability can enhance a vehicle's efficiency, safety, and quality while reducing its impact on the environment.



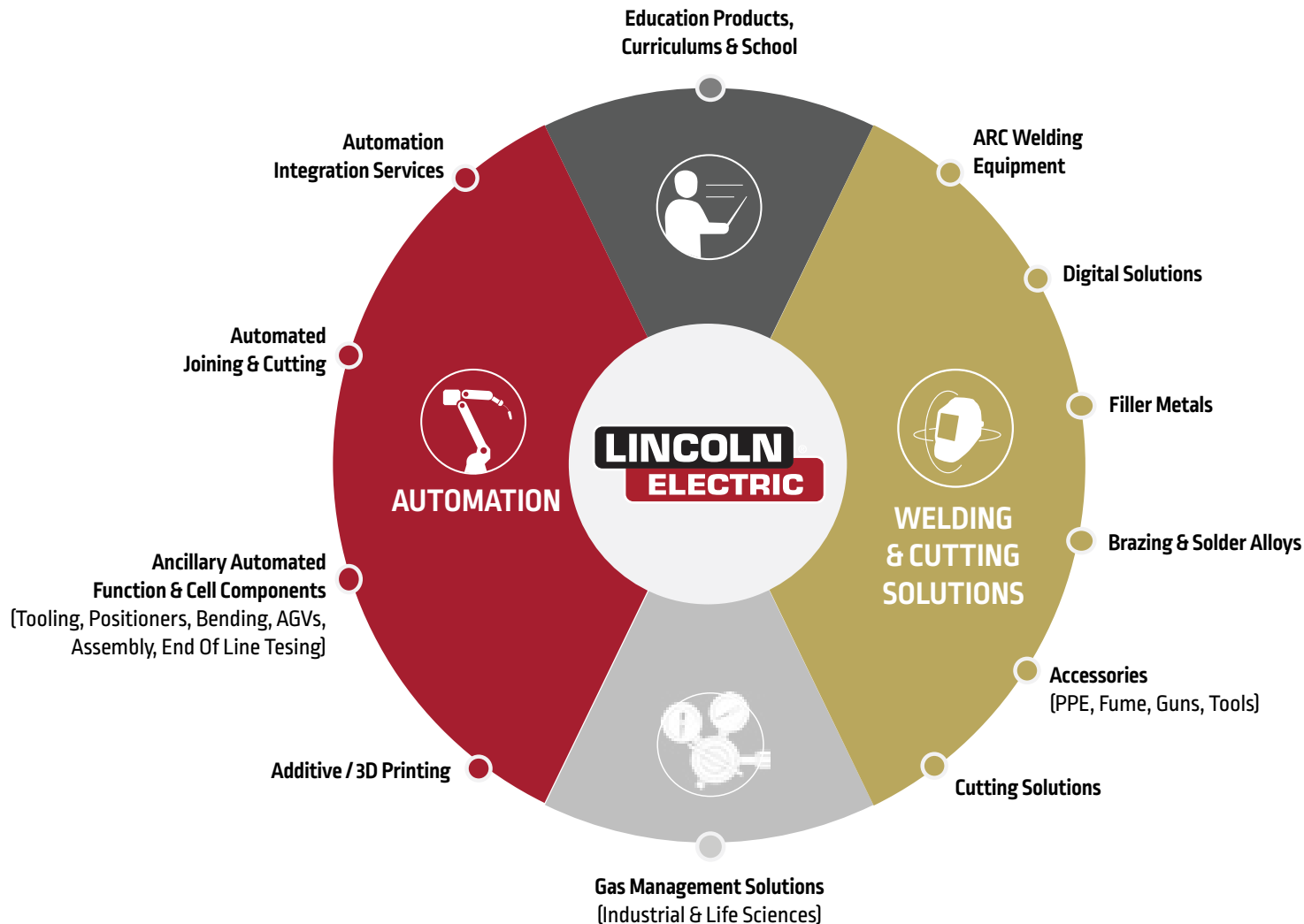


# SOLUTIONS & VALUE



# 125+ YEARS OF MARKET-LEADING SOLUTIONS

## Broadest Portfolio of Solutions in the Industry<sup>1</sup>



**37%** **Vitality Index score**  
achieved in 2022, calculated as the  
percentage of new product sales  
launched in the last five years

### New Product Vitality Index

We measure our innovation and sales success through our Vitality Index score. In 2022, we increased R&D spending 13% and increased our Vitality Index of sales from new products launched in the last five years to 37% as compared with 33% in 2021. We maintained our Vitality Index for equipment systems at 57%.

<sup>1</sup>Diagram does not represent net sales mix by product area



# INNOVATIVE PRODUCT SOLUTIONS

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE

We are committed to optimizing our product offerings to our customers while lowering the carbon footprint of these products.

## Automation Solutions

Our Higher Standard 2025 Strategy includes building value for our customers through innovative product solutions. As a leader in welding technology and safety, we have identified several key areas to make a positive impact, including automation products and enhanced software solutions. We consider our customers' sustainability concerns in our product offerings, and strive to improve product energy efficiency, safety, logistics, and to reduce packaging waste.

We are constantly looking for opportunities to improve energy efficiency and advance environmental stewardship in the automated solutions that we provide our customers. Examples include all electric tube bending systems, all servo press transfer systems, conversion of hydraulic press systems into all electric servo solutions, and laser-based solutions for joining and/or cutting — which in many cases are much cleaner and come with improved energy efficiency over other processes.

Our acquisition of Fori Automation, LLC. (Dec. 2022) expands our automation capabilities, extends our footprint in the USA, Mexico and Europe, and establishes an automation presence in South Korea and India. This bolsters our ability to help customers achieve safer and more productive operations across various end markets globally.

As of FY2022, we had approximately \$850 million in sales from our global automation portfolio and accelerated our commercialization of cobots, which broaden the accessibility of automation to small, and medium-size fabricators — whose high mix/low volume work has traditionally not been well suited for automation.

End of life cycle and system decommissioning are key considerations in the design of our solutions, and a point of focus during our final design review process.





### Upskilling the Welding Workforce With Cooper Cobots

When it comes to careers in the manufacturing industry, the development of specialized or technical skills can often lead to greater opportunities and better pay.

This is especially true in the welding industry, where retiring baby boomers and the recent pandemic have left gaps in the skilled manufacturing workforce that are not easy to fill. Welders who possess the technical skills required to work with automated tools and robotics — tools which help optimize welding processes and improve shop efficiency — are in high demand.

For welders looking to level up, Lincoln Electric's Cooper "Cobot" (collaborative robot) solutions feature industry leading ease-of-programming, are intuitive to use, and are designed for an operator with any level of robotics experience. Workers can quickly learn how to run a cobot welding unit using tablet-based teaching pendants, allowing for "teaching at the torch", and all but eliminating the learning curve for workers and manufacturers. Thanks to a simplified user interface, non-welders can be transformed into operational users of our Cooper Cobots in less than one hour of online training.

Cobots are creating new opportunities not only for welders, but for shops looking to optimize welding processes, fill employment gaps, and increase overall production efficiency.

### Welding & Cutting Solutions

#### Increasing Efficiency With Silicon Carbide Transistor Technology

Transistors are an essential part of power supplies in welding machines. Insulated gate bipolar transistors (IGBT) are commonly found in inverter-based welding machines and allow for the use of AC and DC current for welding. A new transistor was designed to replace the conventional IGBT in our Powertec™ i500s Welding Machines. The new transistor uses silicon carbide (SiC) technology to make the machine lighter, less expensive, and more efficient.

The increased efficiency (up to 90%) will result in average energy savings of 120 kWh per year per machine; and, with fewer raw materials needed, Powertec™ i500s will be less expensive to produce. The result is an improved, more environmentally friendly machine which consumes less energy and less natural resources to manufacture.



### Doors Opening

**Over 47,000 new welders must enter the workforce each year to keep up with the demand and offset retirements.\***



**Lincoln Electric products and solutions help manufacturers respond to the rising demand for new welders.**

# 470k

**Approximately 470,000 welding jobs will be needed over the next 10 years in the U.S.\***

# 36%

**of current working welders in the U.S. are OVER forty-four years of age\***

\*U.S. Bureau of Labor Statistics.



### Ergonomic Improvements For Greater Comfort and Efficiency

The POWER MIG® 211i MIG welder is a straight-forward, dependable machine for flux-cored welding. The POWER MIG 211i is designed with multiple lift points and highly efficient inverter technology which reduces weight while maximizing power, ensuring more efficient operation. At 41 pounds, this machine can go anywhere and handle any job. The seven-segment display, with basic knob controls and a simple three-step setup process, gets customers welding quickly.

The POWER MIG 211i MIG welder is provided with a MAGNUM® PRO 100L welding gun with an over-molded handle design that offers key benefits to the operator, including:

- Increased Comfort
- Enhanced Grip
- Reduced Hand Fatigue
- Improved Control



### Reducing Training Time With Virtual Reality

VRTEX® 360 virtual reality welding trainers simulate welding for hands-on welding training for two students at a time on one machine. VRTEX® 360 Compact, a new smaller model, reduces the footprint needed for VR training while offering the same powerful software and benefits as other VRTEX® training models.

Virtual welding improves student safety through the elimination of the use of metal (electrodes and coupons), sparks, heat, shielding gas, or weld fume removal. Virtual welding also reduces overall energy consumption by requiring less energy than a traditional welding machine, feeder, and fume control system.





# EV CHARGING

Lincoln Electric's 150 kilowatt DC fast charging system, scheduled for introduction in 2023, is based on Lincoln's own designed 50kW charging modules, and has a single charge port pedestal compatible with CCS-1 vehicles. Engineered to be highly durable and reliable across a range of harsh outdoor operation conditions, the equipment addresses current issues of existing chargers which become non-functional over time. Our workforce, facilities, service networks, and experience in building welders with DC output using the latest technology, position Lincoln Electric to be a leader in the EV charging field. Lincoln's architecture is scalable from as low as a single module 50kW DCFC, up to power levels as high as 1 megawatt, suitable for large vehicle and construction equipment charging in the future.



## Reducing Life Cycle Impacts

Our vertically integrated manufacturing process allows us to reduce the life cycle impacts of our consumables and recycle or reuse many materials inside and outside of our operations. Examples of how we close the loop, reduce raw material consumption, and enhance product life within our consumables business include:

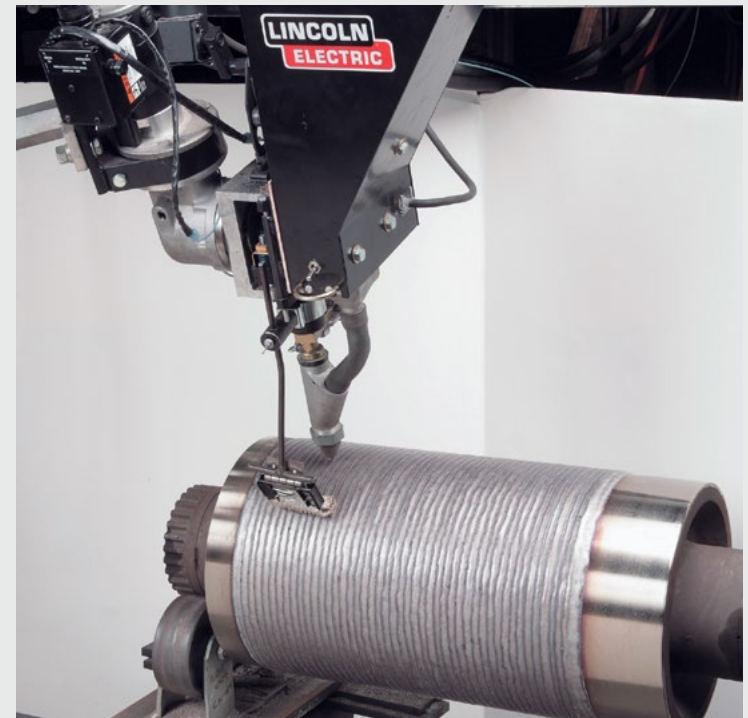
**Stick electrodes:** If stick electrodes are manufactured outside our specifications, become damaged, or are returned under warranty, where possible, we remove coatings, clean and straighten the core rod material, and reuse this material in other manufacturing applications.

**Submerged Arc Wire and Flux (SAW):** As a strategic partner, we help our customers to reuse the flux in their submerged arc welding applications as repeatedly as possible. Our European facilities work relentlessly on optimizing grain size and hardness to enable more reuse cycles, meaning less material is used in the end-to-end supply chain to perform the same job. A trial process is underway in our Cleveland operations to help our customers create a circular material flow in which the customer ships its SAW slag (a by-product of the welding process) back to us. Once received, we convert the raw material into new flux for the customer to use in manufacturing.

**PC Boards:** Printed circuit boards are used in many Lincoln Electric products in some form or fashion, making them an important resource to manage. Many PC boards are damaged or broken during the assembly of different products, which results in scrapping. In order to be recycled, PC Boards must be separated and broken down into their constituent parts — a process which costs money and still results in some waste. Efforts to address this challenge are underway in Poland, where we started programs to repair and reuse as many broken boards as possible. Broken boards are sent for repair at another Lincoln facility or to outside suppliers as needed. In 2022, the cost of board disposal decreased 57% and the total amount of boards sent out for recycling increased by 56%.

**Hardfacing** is a low-cost method of extending the service life of metal components by coating them in wear-resistant surfaces. Although used primarily to restore worn parts to usable condition, hardfacing is also applied to new components, extending their life and offering the following benefits:

- » Fewer replacement parts needed
- » Increased operating efficiency via reduced downtime
- » Less expensive base metal can be used







# OPERATIONAL EXCELLENCE



# ADVANCING SAFETY & ENVIRONMENTAL PERFORMANCE

Safety and environmental stewardship are a priority at Lincoln Electric, and a major component of our Higher Standard 2025 Strategy. We strive to improve our performance annually across key safety and environmental metrics to deliver superior value to all stakeholders. Our goals for safety, greenhouse gas emissions, energy intensity, recycling, and water use demonstrate our commitment to best-in-class performance and reducing our operational footprint.

## 2025 Sustainability Strategy Goals



### SAFETY

**52% Reduction**

[~10% YoY]

Total Recordable Case Rate



### GHG EMISSIONS

**10% Reduction**

[~1.5% YoY]

Scope 1 and 2 GHG Emissions



### ENERGY INTENSITY

**16% Reduction**

[~2.5% YoY]



### RECYCLING

**80% Rate**

[All Waste]



### LANDFILL AVOIDANCE

**97% Rate**



### WATER USAGE

**14% Reduction**

[~2.1% YoY]

**66%** Of all manufacturing sites and 100% of major manufacturing sites were ISO 14001 certified in 2022

**30%** Of all manufacturing sites were also certified to the ISO 45001 standard for occupational health and safety



# SAFETY & HEALTH

3 GOOD HEALTH AND WELL-BEING



Our vision is an accident-free workplace with zero safety incidents. We follow a rigorous safety and health program that adheres to stringent safety standards and best practices ensure our manufacturing operations, related processes, and products do not negatively impact the health and welfare of our employees, customers, and neighbors.

## Healthier & Safer Welding

Lincoln Electric is actively engaged on Safety & Health standard development committees at key industry organizations including the American Welding Society (AWS), the International Institute of Welding (IIW), European Welding Association (EWA) and across various ISO committees to help establish best practices for our employees and end users.

Our team of industrial hygiene and product evaluation experts also contribute to the fundamental science supporting the industry's understanding of testing and mitigation of risk related to workplace exposure. In 2022, our Manager, Health and Product Evaluation, authored an article in the *AWS Journal* exploring the impact of inadequate local exhaust ventilation on welding fume exposure.



## Our management system approach to environmental, health, and safety (EHS) includes:

- ✓ EHS Policy and Global EHS Directives that establish the Company's standard expectations — which often exceed our compliance obligations — and framework for EHS performance across our operations.
- ✓ Training across a wide variety of safety topics, including peer-to-peer observations and interventions.
- ✓ Employee-led joint management safety committees that focus on improving our safety culture by identifying and addressing unsafe conditions, reinforcing safe acts, and instructing one-on-one safe work practices.
- ✓ Commitment to International Standards Organization (ISO) 14001 implementation at all major manufacturing locations.
- ✓ Extensive auditing, measurement, and process redesign to enhance Safety & Health.
- ✓ Regular monitoring of our safety performance, which enables accountability at all levels of the organization.
- ✓ Award and recognition programs, including our annual Chairman's Awards for Safety, EHS Excellence and Sustainability; Safety Leadership Award for Plant/General Managers, Business Unit President Awards, citations for high-performing employees who make superior contributions to the business, and "Best Practice" designation for site-level projects that are innovative, impactful, and transferable across the enterprise.



"Best Practice" award for site-level projects



Our 2025 goal is to

# reduce our TRCR

by 52% as compared  
with our 2018 baseline.

In 2022, TRCR declined

# 15.8% to 1.54

as compared with our 2018 baseline.



## 34 of our manufacturing facilities recorded 0 DART cases in 2022

### Safety Performance

We monitor and measure several safety metrics across our operations, including Days Away, Restricted or Transferred Case Rate (DART), and Total Recordable Case Rate (TRCR), which measure the frequency of safety incidents that occur within our facilities.

We also track and measure leading safety indicators such as the timeliness of incident investigations, the closure rate of audit findings, and the closure rate of unsafe conditions and unsafe acts observed at our manufacturing sites.

### Risk Reduction

Annually, the company sets risk reduction objectives at both the Business Unit and site levels that are project or activity-based. Given the nature of our operations, operating at the machine interfaces can be an area of risk in our business. In 2022, special emphasis was placed on machine guarding improvements. Targeted investments were planned and implemented at all our manufacturing sites.

### Organizational Learning

In 2022, the company began the implementation of a new enterprise-wide Learning Management System. This move to a single global platform enabled individual manufacturing sites to streamline and standardize the delivery of their Environment, Health, and Safety (EHS) training. The platform includes a standard training matrix that is function or job-task specific, is

supported by an extensive library of interactive content, and facilitates the automation of training assignments and real-time status monitoring.

Continuing to build the competency of EHS professionals within our organization is also a central focus of our current road map. During 2022, all global EHS professionals were trained on techniques for root cause analysis by our Continuous Improvement/Lean Manufacturing leader. Site EHS Leaders were tasked with applying these techniques within their operation and reviewing outcomes with the broader group. The result is an ongoing series of incident learning calls which allow EHS leaders from all over the globe to jointly share best practices, solve problems, and encourage deeper organizational learning across sites. This learning is strengthened by key corporate communications, including the sharing of monthly EHS topics for safety talks, “lessons learned” incident review summaries, and a monthly newsletter highlighting key safety leadership.

### Accelerating the Integration of New Sites

As we continue our journey of growth, we recognize the need to accelerate the EHS integration of new sites — moving newly acquired sites to operating within our EHS management system and adopting the Lincoln Electric culture of safety excellence. Using a new standard business process, in 2022 corporate teams were mobilized to support sites in the Harris Product Group and Automation groups.





## Safety Performance Highlights



### Our Safety Journey in the Cleveland Operations

The manufacturing operations in Euclid and Mentor, Ohio have long been models for our Behavior Based Safety programs. Each year, manufacturing employees report unsafe acts, unsafe conditions, and near misses to help prevent injury. The sites also have strong employee-led Workplace, Education, Lifestyle, and Discipline (WELD) teams and safety committees, designed to provide education on EHS topics, model safe behaviors, and participate in the day-to-day actions necessary to keep safety at the forefront of operations. Operational leaders, however, recognized the need to evolve to respond to new risks in the work environment, while reinvigorating the “hearts and minds” of all team members.

Introduced in 2022 and adopted in 2023, enhanced safety plans for our Operations include:

- » Front-line supervisor engagement and ownership of incident learning
- » Redefinition of the safety committee roles & responsibilities
- » Piloting the creation of safety “heat maps” by department and operator engagement in identifying and testing safety defenses for high risk operations
- » Safety roundtables to assess cultural maturity
- » Fit for duty testing and new employee onboarding practices



### Safety in Automation — The Use of Process Hazard Assessment

Operations within our Automation portfolio have unique challenges from a safety perspective. The products they produce are generally built to customer specification, and therefore must rely on modular work center configurations. Lincoln Electric has adopted the use of a process hazard assessment in these operations. During the assembly process, a hazard assessment is to be completed at the start of each phase, with the results communicated on the project board at the entrance of the build area. In all cases the boundaries of the work area during each Phase is also defined.

**Key safeguards — including reducing robot speeds, requiring hold-to-operate controls within the safeguarded space, and limiting the number of employees allowed inside the work zone — are applied during different phases of the work based on the risk assessment.**



### The Impact of Behavior-Based Safety in Europe, Middle East & Africa regions (EMEA)

Used in many of our facilities, Lincoln Electric EMEA has an especially strong tradition of Behavior Based Safety (BBS) initiatives. What began as an initiative within single sites (primarily in France, Italy, and UK), is being expanded to all Lincoln Electric industrial facilities in European countries in which we operate. The initiative involves two parallel systems of BBS: single “BBS visits” performed by site managers, shift leaders, and EHS coordinators; and multiple “BBS observations” based on checklists performed by the workers or EHS coordinators.

Launched in 2022, the project includes standardized training through a combination of video-based and on-site experiences guided by expert EHS personnel. Facilities are assigned an annual target of visits/observations to identify unsafe acts or conditions, and managers perform regular “Site Manager safety walks” to identify near misses, unsafe conditions, or unsafe acts. Effectively tracking these safety metrics and taking corresponding preventative actions helps to reinforce a strong culture of safety.

This practice is being reinforced in 2023, with renewed focus on remote and on-site training and new goals for industrial and commercial facilities.



### Supporting Employee Health and Wellness across the globe:

**In the UK**, our Sheffield facility launched a Mental Health First Aid program. Just as first aid responders can provide support and get help in the event of an emergency, trained mental health first-aiders provide support and direct others to get help. The site follows a program summarized by the acronym ALGEE.

- A – Approach, Assess, Assist**
- L – Listen and communicate**
- G – Give support and information**
- E – Encourage professional help**
- E – Encourage self-help and support network**

**In Spain**, we held a Learn & Express initiative, led by an expert in psychosocial risks in the work environment, to identify different mental health awareness actions.

**In Italy**, the “Ciclo Ergo Postural” program was performed, led in collaboration with University of Padova, and aimed to reduce the risk of musculoskeletal pathology or disorders and to raise awareness of the use of specific preventive and compensatory physical exercises to reduce symptoms in workers who already suffer from work-related musculoskeletal pathologies.

**In India**, expert wellness talks explored topics including Boosting Immunity, Common Cold & Awareness, Diabetics Awareness & Prevention.



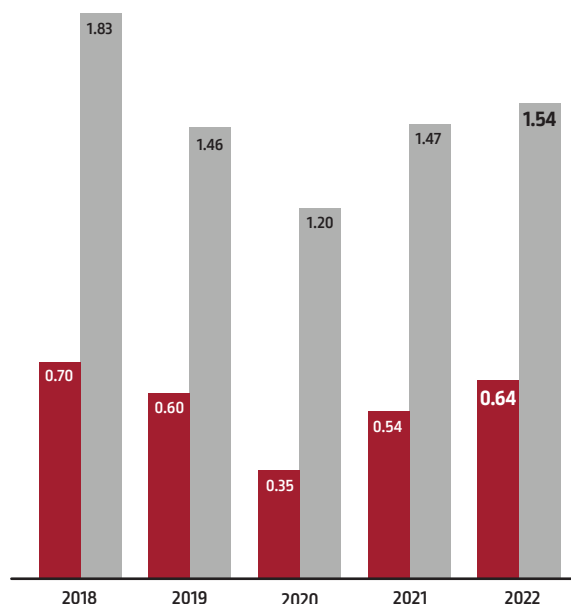
## 2018–2022 Safety Performance<sup>(1)</sup>

### TRCR

**15.8% Reduction**  
in Total Recordable Cases  
(TRCR) from 2018 to 2022

### DART

**8.6% Reduction**  
in Days Away, Restricted, & Transferred  
(DART) cases per 100 full -time  
employees from 2018 to 2022



Annual data as of December 31 — end of each reporting year

<sup>(1)</sup>TRCR and DART are calculated per the US OSHA definition for the Total Recordable Incident Rate (TRIR) and the Days Away, Restricted or transferred (DART) Rate.

## CASE STUDIES



### > Reducing Lifting Stress

In our Cleveland, Ohio facility, during the Shielded Metal Arc Welding (SMAW) extruding process, an extruding operator was expected to lift a 45-pound slug tray from waist level, 30 inches up to the return conveyor. This action took place every 10 to 15 minutes. A hands-free pneumatic lifting apparatus replaced the manual lifting procedure, eliminating the repetitive motion of lifting a weight frequently, and decreasing the possibility of musculoskeletal injuries.



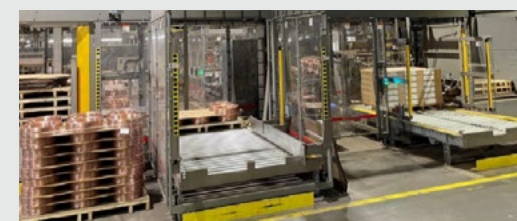
### > Safety Improvement and Cultural Maturity Project

In our Guarulhos, Brazil facility, our safety improvement program involved a Safety Culture diagnosis including: an online employee questionnaire and in-person focus groups. Beliefs and values were identified as well as strengths in the safety program. Opportunities for improvement were also identified and presented to a leadership team. Face-to-face meetings between employees and the leadership team then occurred along with a hands-on activity to formalize a plan for improving safety culture. The result was a reduction of accidents that included medical leave as well as improvements in awareness and incident reporting.



### > Targeting Repetitive Motion Stress

An employee in the Florence, Alabama facility had an idea to make his job a bit easier by adding a tilt to the workplace fixture, making it easier to manipulate the wire product being assembled and improving his posture at the same time. The change was so successful, that it was implemented in all areas with a similar job in the plant.



### > Improving Safety in Welding Wire Winding

The operation of a welding wire winder is labor intensive and poses potential hazards due to sharp wire ends. In our Mentor, Ohio facility, supply wire is now manufactured on a drawing line and wound onto reels, reducing ergonomic and safety risks. Full reels are rolled into an adjacent, fully automated rewind line. The rewind line forms the core, secures the start end, winds the spool, secures the wire to the coil, labels the coil, and loads the coil onto a pallet.



# GREENHOUSE GAS EMISSIONS & ENERGY INTENSITY

13

CLIMATE  
ACTION

We are committed to reducing our carbon footprint through the reduction of greenhouse gas (GHG) emissions. In 2022, we reduced absolute Scope 1 and 2 GHG emissions by 19% compared with our 2018 baseline thanks to continued investment in energy efficiency projects within our operations. Energy intensity — the total amount of energy consumed per labor hour worked — is also one of our key metrics. Our target is to reduce our energy intensity by 16% in 2025 (or 2.5% per year) compared with our 2018 baseline.

Scope 1 GHG emissions (direct) constituted 36% (approximately 66,959 metric tons) of total GHG emissions in 2022 and increased 21% compared with the prior year due to acquisitions and expanded data collection.

The expanded data collection included emissions data from refrigerants, fleet vehicle emissions, and emissions from the use of welding and cutting fuels at manufacturing facilities. Additionally, supporting sites such as distribution centers and sales offices were added into the scope of our GHG calculations. Emissions for the baseline year were not recalculated as the listed reporting adjustments did not result in a change of 10% or greater to the baseline.

Scope 2 GHG emissions (indirect from purchased energy) constituted the remaining 64% (approximately 119,901 metric tons) of total GHG emissions in 2022 and decreased 11% compared with the prior year due to continued implementation of efficiency projects, including lighting and process equipment upgrades.

The total energy consumed by our operations in 2022 was 2,200,995 GJ and increased 1% compared to the prior year. When compared on the basis of labor hours worked, energy intensity decreased by 1%.

## Building Better Plants

In 2022, we joined The Better Buildings, Better Plants Program. Led by the U.S. Department of Energy (DOE), this national leadership initiative works with industry partners in the pursuit of a common goal — to promote greater energy efficiency in the U.S. industrial sector as a means to strengthen American manufacturing, save energy and money, create jobs, and protect our environment.

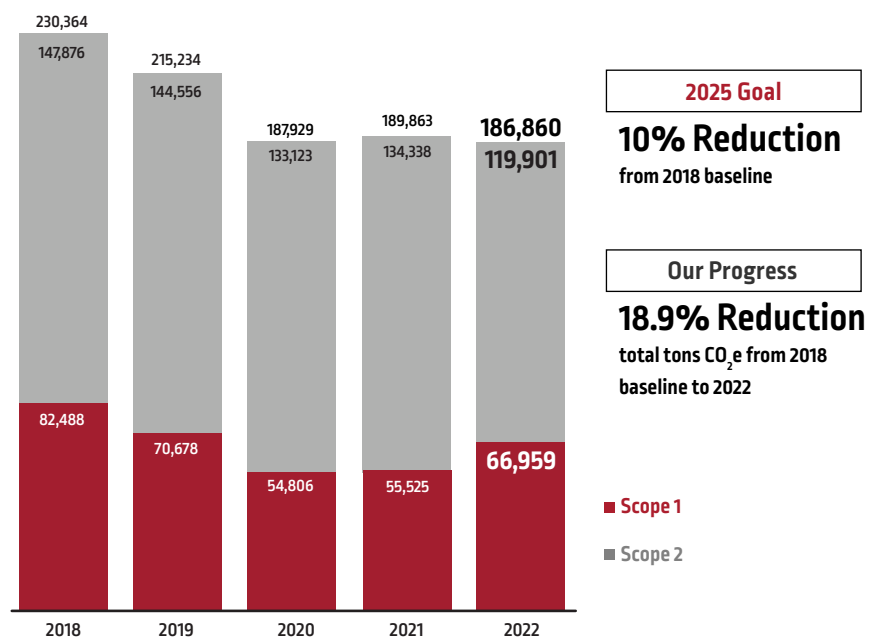
## Third-party Verification of GHG Emissions

Bureau Veritas UK Ltd ("Bureau Veritas") was engaged by the company to provide third-party verification of our Scope 1 and 2 GHG emissions data for the period from January 1 to December 31, 2022. Bureau Veritas performed this Limited Assurance Engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised Edition. [Visit our website to view the GHG Assurance Statement.](#)

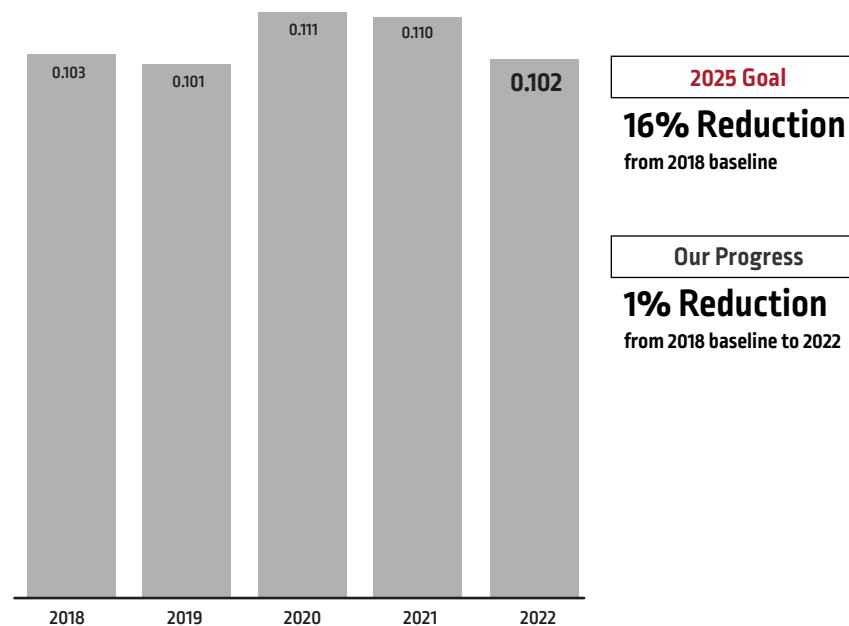




## Absolute Metric Tons CO<sub>2</sub>e of GHG



## Energy Intensity by Year



GHG data reflects the use of energy sources, including electricity, natural gas, coal, fuel oil, and liquefied petroleum gas, at all Lincoln Electric facilities worldwide. The data reflects use of the IEA (International Energy Agency) Emission Factors 2018 Edition, the IPCC (Intergovernmental Panel on Climate Change) AR5 Edition and the GHG Protocol 2001 in its calculation values. Energy intensity is total energy consumption per total labor hours worked.

Scope 2 GHG emissions are calculated using the location-based method as outlined in the GHG Protocol Scope 2 Guidance 2015.

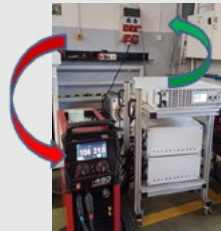


## CASE STUDIES



### > Expanding Solar in India

Our India facility expanded its solar generation capacity from 200kWh to 700kWh, which increased solar to 15% of their total energy consumption from 3%. The additional energy generated by solar panels displaces approximately 400 metric tons of carbon dioxide emissions annually.



### > Improving Energy Efficiency in Product Life Testing

As with other sites, our Bielawa, Poland site runs non-stop life tests on welding machines. Running for 24 hours a day for 173 days, the test consumes an extensive amount of electricity. The standard setup incorporates a large load resistor and in total draws 10kW of energy per hour. This amounts to 41,520 kWh of electricity over the entire test procedure. This found that by replacing the standard load resistor with an electronic load resistor, they could return 78 kW of electricity back to the AC supply system, reducing the total energy consumption of a full test to only 9,134 kWh.



### > Reclaiming Process Heat in the Winter

The Harris Products Group in Dzierzoniow, Poland, replaced a fossil-fuel burning gas heater with an alternative source of heat, and found a way to use the cooling system of their washer to provide heat in the winter. The use of the washer's cooling system for heat will save 86,400kWh of energy per year — energy which would have previously been provided by the burning of natural gas.



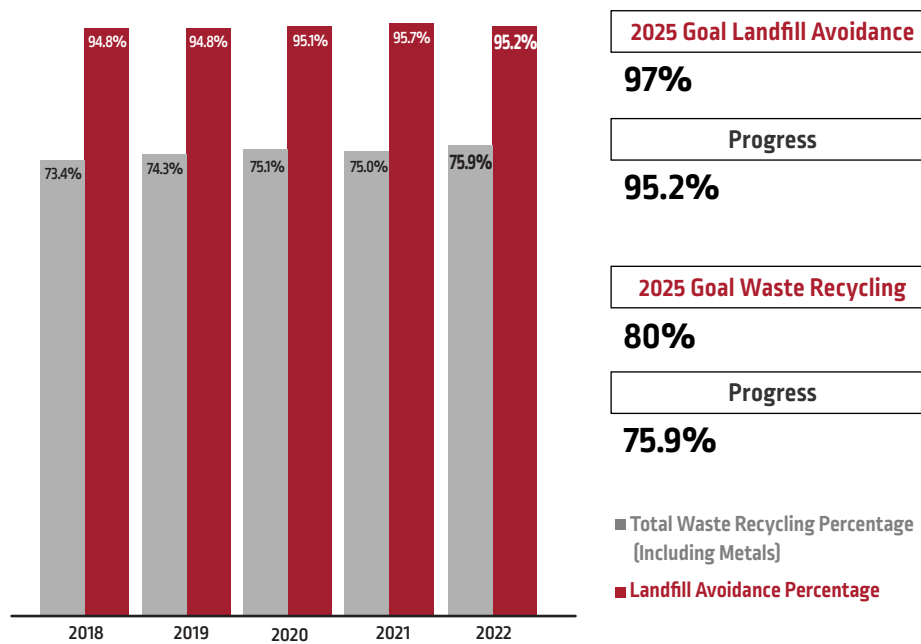
# RECYCLING & LANDFILL AVOIDANCE



We aspire to achieve zero waste from our operations. Our waste management program prioritizes a “reduce, reuse, and recycle” approach to divert waste from landfills, leverage waste as a resource, and increase recycling in our operations.

This includes expanding the use of our waste as a feedstock for third parties and introducing collection and handling systems that allow us to capture and reuse materials. We measure the percentage of all waste that we can reuse or recycle, the percentage of permissible waste<sup>1</sup> that can be diverted from landfills, and the percentage of hazardous waste.

## Total Waste Recycling & Landfill Avoidance



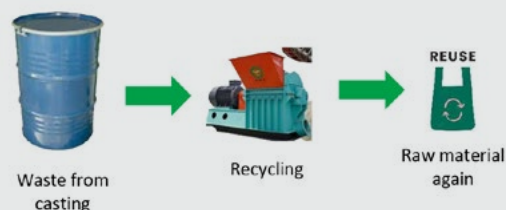
In 2022, we achieved a **12% reduction** in total waste generation from our baseline in 2018.

In 2022, 4.6% of all waste materials, or 2,767 metric tons, was hazardous waste, compared with 5,573 metric tons in 2018. The Company is **actively working to eliminate hazardous waste** by implementing alternative technologies

<sup>1</sup> Permissible waste is waste that is non-hazardous (per the local country definition).



## CASE STUDIES



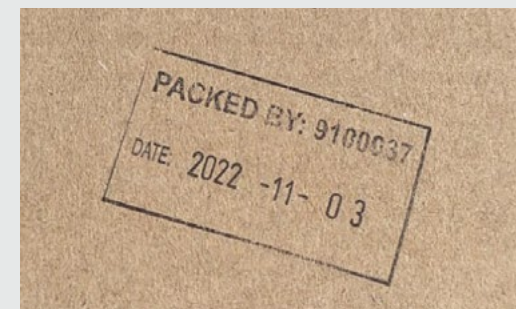
### > Casting Waste Reuse

The Harris Product Group in Sao Paulo, Brazil, found a new supplier to buy the waste product from the casting process, turn it into a useful raw material, and sell it to a variety of other companies. Previously, casting process waste had to be treated by a third party before being sent to landfill. Approximately six tons of waste was treated annually at a cost of \$1,000 and sent to landfill. Now, thanks to this enterprising supplier relationship, the six tons of waste is sold for about \$12,000 with no waste going to landfill.



### > In-Line Flux Recovery System

A cyclone was added to the ventilation unit at the facility in Zaragoza, Spain that allowed for flux coating lost during the stick electrode making process to be recovered. The cyclone separates dust particulates from the air and collects it in a container allowing for the dust to be reused. Not only does this help reduce waste from the electrode production process, it increases efficiency and saves money. The cyclone is estimated to collect 9,200 kilograms of coating that can be recycled and reused per year.



### > Replacement of Labels

In keeping with its previous reduction of packaging waste, the team in Dzierzoniow, Poland, completed a plan to reduce the use of labels on its packaging and products. Various labels for cardboard have been replaced with a stamp system. The change will replace 37,650 labels with stamps every year. Fewer labels means less waste, and a lower impact on the environment.



# WATER MANAGEMENT

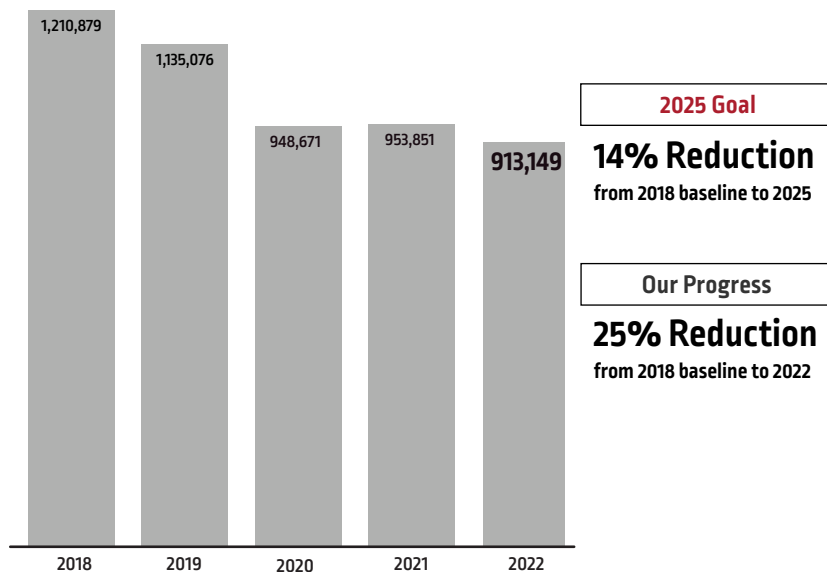
6 CLEAN WATER AND SANITATION



Water is an important natural resource and we acknowledge our responsibility to manage water carefully. Water is predominantly used in our consumable manufacturing processes. We monitor and measure absolute water use and water intensity (cubic meters of water used per hour worked).

Our water management initiatives focus on reducing water consumption and our reliance on freshwater. In 2022, we achieved a 25% reduction or 913,149 cubic meters compared to our 2018 baseline, exceeding our 2025 target reduction of 14%. We achieved this reduction by increasing the reuse and recycling rate of our water through improved wastewater treatment initiatives. We have also achieved greater water efficiency by investing in manufacturing processes that have lower water requirements. We currently have one “zero water discharge” facility and several manufacturing facilities which capture rainwater for reuse in manufacturing processes or for fire protection.

## Water Usage (Cubic Meters)



**25% reduction**  
achieved in 2022 or 913,149 cubic meters  
compared to our 2018 baseline



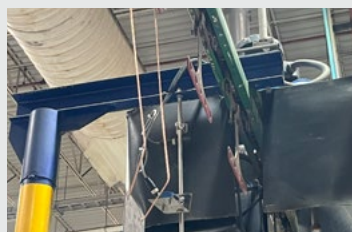


## CASE STUDIES



### > Alcohol-based Washing

When an aluminum wash line needed to be purchased and installed in our facility in Guadalupe, Mexico, we recognized an opportunity to conserve water and save money. A new wash line, which utilizes a closed system alcohol wash containing an internal distillation process, will eliminate the use of 170,000 gallons of water per year and will result in savings of \$98,169 per year.



### > Parts Sensing Washer

A set of photo sensors was installed to help decrease the water consumption of the paint system in our facility in Torreon, Mexico. The sensors control the flow of water to ensure that jets only spray when necessary and automatically shut down the water supply when the machine is not in use. Prior to the installation of these sensors, the paint system consumed 36.53 cubic meters of water per day. After the sensors were installed, the measured consumption of water dropped to 7.59 cubic meters per day — a 79.2% decrease. This decrease in water usage is estimated to save approximately 10,500 cubic meters of water annually.



### > Water Savings Through Data Monitoring

In our Gebze, Turkey location a wire drawing originally had an independent tank for wire rinsing with a reserve capacity of 1 ton. The water in the reserve tank is sprayed onto the wire by the pump. Here, the water of the rinsed wire was being turned over many times, and too much water was consumed in an inefficient washing process. Thanks to a new design, combining Pickling, Coppering, and Rinsing water tanks, water consumption has been reduced by half, or up to 5.3 tonnes per day per machine.

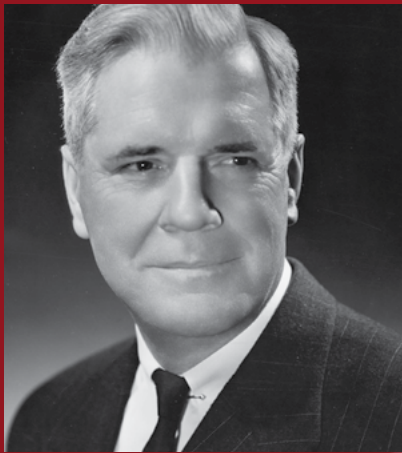




# EMPLOYEE DEVELOPMENT & ENGAGEMENT



## INCENTIVE MANAGEMENT



**James F. Lincoln**  
Co-Founder & Chairman  
1929 to 1965

## Treating others as one wants to be treated is at the heart of how we operate.

Lincoln Electric's founders established a way of doing business that remains central to who we are today. The "Golden Rule"—treating others as one wants to be treated—is at the heart of how we operate and lays the foundation for our core values of:

- Integrity
- Performance
- Quality
- Employee development
- Commitment
- Customer focus.

Together, with Incentive Management, the Golden Rule helps to ensure our development strategies are rooted in inclusion and seek success for all employees as an outcome.

### A proven global incentive management system

Our co-founder, JF Lincoln, designed Lincoln Electric's renowned Incentive Management System to align stakeholder interests around a performance-based system that encourages employees to maximize their potential, rewards operational efficiency and excellence, and generates superior value for shareholders.

Today, all of our global businesses operate under an incentive management philosophy which includes performance-based compensation programs, profit sharing, and an open door policy; and which creates an atmosphere for employees to thrive, learn, grow, and be rewarded for exceptional performance.





# EMPLOYEE ENGAGEMENT

8 DECENT WORK AND  
ECONOMIC GROWTH



**Our open door policy ensures transparency and collaboration from the frontlines to the Chairman's office.**

Communication is a simple but key part of employee engagement. In response to employees' desire for greater connection and understanding of the business, Leaders added regular communication and site meetings across the globe—including daily connections with senior leadership. Formalized "O3s" (or one-on-one meetings) serve as regular connection points for addressing tactical work matters as well as short- and long-term career planning discussions.



## Reaching Our Full Potential

Competencies, in their simplest form, describe how we do our best work. They are the behaviors and actions that matter most to Lincoln Electric, and they provide a roadmap to look to on our journey to be our best.



## What are the new competencies?

Our new global competency framework supports six themes that are closely aligned with our Values and Strategy and complement each other for a holistic picture of how to carry out the best in us:





A global employee survey, including all frontline production employees, created valuable insights into the employees' work experience. Smaller group "listening sessions" and town hall meetings, led by supervisors and operations leaders, brought further depth to the survey results and served as a call to action. The global survey also identified the need for additional learning and development opportunities, especially for employees early in their careers.

### Helping employees advance their careers

In an effort to "up skill" current employees who expressed an interest in advancing their careers toward an area of need, we expanded training in the skilled trades. Additional actions to promote active employee engagement and an inclusive environment included:

- Sit down "listening sessions" with our U.S. piecework employees to hear first-hand their views and take action—and follow-up meetings with executive team and front line supervisors to ensure notable workplace changes were implemented.
- A competitive, performance-based compensation and benefits program, including our unique Incentive Management System which rewards engagement and excellence through profit-sharing bonuses, as well as competitive medical benefits, an employee assistance program, student loan debt forgiveness in the US, and education reimbursement, among other offerings.

- A formal employee suggestion program that encourages all employees to submit creative and constructive ways to drive continuous improvement across the organization.
- Skills and Career Development programs to further professional development and reinforce promotions from within the organization and a strong succession pipeline.
- Team-led, flexible work where customer, team, and business needs replace rigid, top-down workplace rules, and designated remote roles that help to widen the talent net and promote a more inclusive workforce.
- Launched our "Work Appropriately" flexible work program globally. Spot surveys indicate high manager/employee engagement and productivity from workplace flexibility.
- Employee-led resource groups, such as our Cleveland-based Diversity Councils, Young Professionals, Veterans, and Women in Lincoln Leadership (WILL), that are supported by senior executives.



**"Lincoln trains you in-house, and you just bring your work ethic and a positive behavior and you'll be successful."**

—Vince McGill  
 Manufacturing Trainer



# DIVERSITY, EQUITY, & INCLUSION

5

GENDER  
EQUALITY



10

REDUCED  
INEQUALITIES



We have a longstanding commitment to equal opportunity in all aspects of employment—including employee compensation, job placement, and promotion regardless of gender, race, or other personal characteristics. Our guiding principle, The Golden Rule of “treating others as you would like to be treated,” is foundational, and invites employees to share in the responsibility of safeguarding an equitable and inclusive workplace where each individual’s unique contribution is encouraged.

## CEO **ACTION** FOR DIVERSITY & INCLUSION

Our commitment to diversity and inclusion (DE&I) starts at the top. Our Chief Executive Officer and Chief Human Resources Officer lead our DE&I initiatives and our CEO is a signatory of the “CEO Action for Diversity & Inclusion.” Both leaders report on the progress of our DE&I, talent attraction and retention, and succession planning initiatives to the Board of Directors at least twice annually.

Our leadership team is also committed to this effort. Senior leaders have DE&I objectives as part of their annual performance goals.



To support a diverse pipeline of new employees, we have focused on diverse talent sourcing strategies and partnerships with external organizations that develop and supply diverse talent. This includes partnering and recruiting with associations such as the National Society of Black Engineers, the Society of Hispanic Professional Engineers, the Society of Women Engineers, and at Historically Black Colleges and Universities (HBCUs).

## Lincoln Electric Demographics (2022–year end)



**36%**

Ethnic or Gender Diverse

**60%**  
of 2022 Named Executive Officers are ethnic or gender diverse.



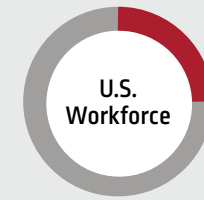
**40%**

Ethnic or Gender Diverse



**21%**

Women



**24%**

of our U.S. workforce is Racially & Ethnically Diverse<sup>1</sup>

<sup>1</sup>Lincoln Electric’s definition of Racially & Ethnically Diverse is based on the historically underrepresented groups defined by the U.S. Equal Employment Opportunity Commission and reported through the Company’s EEO-1 filing



### Our DE&I programs focus on:

- A performance management competency framework that measures how well employees value the unique differences of others and treat coworkers with respect and dignity
- Internal DE&I education and training programs to better appreciate our differences and the value that inclusiveness creates an environment of mutual respect—which reinforces our guiding principle of The Golden Rule
- Employee development programs that build a bench of talent that enables promotion from within
- Internal campaigns to emphasize the benefits of an inclusive environment
- Partnering with diverse customers and suppliers to understand their expectations and collaborate effectively. As a large business, Lincoln Electric has small business utilization goals just as the federal government does. These goals include use of veteran-owned, service connected veteran-owned, women-owned, disadvantaged businesses, and small businesses in conjunction with large government contracts.
- Our U.S. organization actively promotes DE&I through employee resource groups (ERGs), including our Diversity Councils, Young Professionals, Veterans, and Women in Lincoln Leadership. ERG members volunteer their time to support local nonprofit organizations that positively impact DE&I in our communities.



### Celebrating International Women's Day

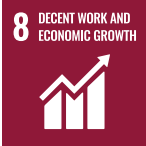
**Women in Lincoln Leadership (WILL) spearheaded a company-wide celebration of International Women's day.**

**Commemorative T-shirts were printed with the #EmbraceEquity theme and distributed to teams around the world, who shared photos and took part in the festivities, which included a raffle, inspirational speakers, and interactive group discussions.**

**Lincoln Electric leaders shared videos and written reflections throughout the week, and teams from China, Malaysia, Europe, Mexico and the US joined in the fun, sharing photos and reflections on a dedicated page of our intranet platform. Although #IWD2023 is over, the theme of #EmbraceEquity lives on, as we strive to maintain a culture of inclusivity and allyship.**



# DEVELOPING OUR PEOPLE



Employee development is one of the four core peaks of the Higher Standard 2025 Strategy. Investing in our employees and their career development remains a crucial element in our Company's long-term success. The Lincoln Electric Employee Development (LEed) program offers employees global learning opportunities on a broad array of curated diversity and inclusion, wellness, experiential, technical, leadership, and collaborative topics. Since its inception, over 3,000 individual employees have participated in 225 different course offerings. Recently, the global learning course catalog was expanded to include content for all career levels, including training on business skills, technology and developer skills, productivity, and collaboration tools, among others.



## Key Training & Development Programs

**Junior Board:** The "Junior Board" began in our U.S. business 80 years ago and continues today as a key development opportunity for emerging talent. Rising young professionals serve a three-year Junior Board term and engage with senior management on special projects and initiatives that address business challenges—driving continuous improvement in the organization. Members gain practical, hands-on experience on a cross-functional team and learn skills essential to long-term leadership success.

**SPARK:** The SPARK (Strategy, Project, Agility, Relationship, and Knowledge) program is a tool which helps our international employees develop their careers. The objective is to bring global teams together, improve collaboration, and deliver improvement projects bringing value to the company.



Current Junior Board of Directors



## 2022 EMPLOYEE DEVELOPMENT HIGHLIGHTS :

Extended global talent  
conferences to cover

**100% of professional talent,**  
up from 40% in 2021

.....

Launched a **\$125,000 student  
loan reimbursement program**  
for U.S. employees

**TalentLaunch:** In line with our Higher Standard 2025 strategy, and as an output from our 2021 employee survey, we identified the need for focused, early-career talent development. *TalentLaunch* is our new global, two-year, blended learning journey for emerging talent.

Employees not currently in a people-leading role have built relevant and foundational skills for career growth. Learning experiences and courses are aligned to our six global core competencies—emphasizing the capabilities that define how we do our best work, every day.

**Leadership Development Program (LDP):** The LDP is a challenging, and immersive two-year learning journey. The program provides 25 high-potential employees from across our global business with the opportunity to develop leadership skills that accelerate their careers and support Lincoln

Electric's success. Many of Lincoln Electric's current senior leaders are LDP graduates. Our 2022 LDP cohort was the most geographically, ethnically, and gender-diverse group of future Lincoln leaders in the program's history.

### **Engineering and Technical Sales Trainee**

**Development Program:** We have a longstanding tradition of developing talent through our U.S. Engineering and Technical Sales Programs. We partner with colleges and universities to develop the pipeline of diverse talent necessary for our long-term success. Our training and development programs offer students and recent graduates the opportunity to learn and grow professionally while actively contributing to the success of the Company. Many of our former Development Program graduates have gone on to be CEOs, presidents, vice presidents, and esteemed subject matter experts in their fields.







**“Everyone that I work with, no matter what their role is in the organization, their end goal is to make someone’s life better somehow. Whether it’s through the products that we sell or the job that we do to support them, there’s this overarching theme of service back.”**

—Anna Gibson  
 HR Business Partner

**Skilled Trade Apprenticeships:** We are committed to developing, growing, and retaining a diverse and skilled workforce through apprenticeships. Our apprenticeship programs combine on-the-job learning with related instruction in technical areas, such as Industrial Maintenance, Machining, Welding, and Tool & Die, to prepare qualified, productive employees for careers requiring precision skills. Apprenticeships equip workers with the knowledge and competencies companies need for career success.

**Internship and Co-op Programs:** We sponsor an intern and co-op program to provide undergraduate students with an opportunity to gain real-world experience while investing in their education. The program gives participants hands-on experience via multiple rotations in various departments and provides exposure to our world class Weld School, professional development, and educational seminars, as well

as networking opportunities with executives, managers, and other young professionals. When students return to school, we encourage former interns to serve as Student Ambassadors on campus when they return to school, and help to recruit future interns through a formalized engagement program.

**Middle School and High School Programs:** We partner with educators and nonprofit partners to educate local middle school students about the opportunities and career pathways in the manufacturing sector. We also partner with select high schools to offer experiential training in a manufacturing environment to supplement traditional classroom learning. Career fairs, hosted by local high schools and career centers, provide opportunities to highlight career paths at Lincoln Electric, promote our post-secondary tuition assistance programs and skilled trade apprenticeships, and help recruit future employees in manufacturing.





# COMMUNITY SKILLS TRAINING & EDUCATION

4

QUALITY  
EDUCATION

We are dedicated to teaching the art and science of welding, developing industry-ready welders, and supporting a strong career pipeline for students and young professionals seeking to leverage welding as a core skill. We work with schools, military, and youth organizations that share our passion for science, technology, engineering, and math (STEM), and our vision for the future of welding. We are working together to prepare the next generation of welders and reinforce our industry's high standards for education, safety, and quality for years to come.

## Welding Technology and Training Center

The Lincoln Electric Welding Technology & Training Center (WTTC) is a 130,000-square-foot, state-of-the-art facility on our Euclid, Ohio campus that is dedicated to training:

- educators,
- industry leaders and
- skilled trade workers

in the craft and science of welding.

As an internationally recognized foundation for the development of best practices in welding education, the WTTC features 166 welding and cutting booths, a virtual reality training lab, a 100-seat auditorium and extensive seminar and welding classroom space to advance technical skills.

Our curriculum and programs are designed to meet the needs of industry by addressing every segment of the skills and knowledge spectrum – from basic welding and teaching concepts up through the latest in advanced manufacturing technologies.





Number of LEEPS™ program schools and industry partners in U.S.:

**156**

Number of certifications granted through LEEPS™ programs

**Over 16,000**

(in the last two years)

Instructors trained:

**458**

(in 2022)

**\$200,000**

in annual support for the AWS careers in Welding Trailer



AWS Careers in Welding trailer parked outside WTTCC

Through the LEEPS™ program — Lincoln Electric Education Partner Schools program, we help the next generation of welders obtain the credentials they need to advance their training and careers with a complete suite of portable and stackable welding certifications. Lincoln Electric and the National Coalition of Certification Centers (NC3) have joined forces to provide the curriculum and learning management resources necessary for benchmarking and standardizing welding performance.

Our curriculum is now being translated into multiple languages to be implemented around the globe.

We also provide financial support for welding education, including:

- ~\$200,000 in annual support for the AWS Careers in Welding Trailer
- ~\$150,000 in annual support for student organizations such as Skills USA and FFA
- Welding competitions globally in Europe, SEA, Africa, and Australia

We also partner with and support welding associations that directly work on standards of welding education. Specifically, IIW is looking to integrate welding education standards and we help them by providing them with a core set of competencies and skills objectives that they will use to shape and develop their own.

#### Organizations we work with:

- American Welding Society® (AWS),
  - » Lincoln Electric supports several scholarships with AWS to promote STEM and welding-related degrees
- International Institute of Welding (IIW),
- European Welding Association (EWA)
- DVS (German Welding Society)
- World Didac®
- Erasmus+ European Program



## Partnering Beyond our Walls



### Training With Industry (TWI) Partner

Lincoln Electric is proud to partner with the U.S. military's Training With Industry (TWI) program, which embeds service members into our organization for twelve months to advance their arc welding and cutting skills, and position them as an instructor in welding processes and procedures. The TWI experience provides leading on-the-job experience and industrial skills that are then carried back to the military through TWI service members, who spend two years actively teaching what they learned.



### SkillsUSA®

SkillsUSA is a partnership of students, teachers, and industry representatives working together to ensure America has a skilled workforce. This national organization serves teachers and high school and college students who are preparing for careers in technical, skilled, and service occupations, including health occupations. We are proud to be a sponsor of their welding competition, and to engage with other regional SkillsUSA organizations.



### 4-H

4-H offers opportunities in communications, leadership, career development, livestock, home improvement, and computer technology to seven million American youth. Programs are found in rural and urban areas throughout the country and similar programs around the world.



### Future Farmers of America® (FFA)

The Future Farmers of America (FFA)—a premiere youth leadership organization. For over 60 years, we have partnered with FFA to promote welding technology and safety to the next generation of future welding leaders.



### Scouts BSA

Scouts demonstrating command of basic welding techniques and safety protocols can earn a welding merit badge—an honor developed in conjunction with the American Welding Society and Lincoln Electric.

## International Non profit Organizations

Investing in nonprofit organizations helps build partnerships for Lincoln and allows entry into markets globally in education. Below are some examples of the organizations we engage internationally.



### WorldSkills International

WorldSkills International is a not-for-profit membership association open to agencies or bodies which have a responsibility for promoting vocational education and training in their respective countries/regions. In 2022, Lincoln Electric hosted an international competition involving general welding and construction welding skills, with over 135 competitors, experts, and delegates representing over 30 countries around the world at our Welding Technology & Training Center (WTTC) in Cleveland.

WorldSkills gives us a position with governments and training agencies around the world to help them develop and strengthen welding education. This has been true in South Africa for example, where we have set up a Center of Excellence (COE) in welding.

### Bangladesh Technical Education Board

In Bangladesh we have partnered with BTEB (Bangladesh Technical Education Board) and the Premier University to set up “State-of-the-Art” welding labs, and to train and certify their welding instructors.

To date, in India we have now installed two complete welding labs in National Skill Development Corporation (NSDC) schools, with another four currently being implemented.

### EuroSkills®

In Europe we are working closely with EuroSkills® and affiliates, such as Germany & Ireland WorldSkills, on a project to be funded by Erasmus to enhance welding education.



# CORPORATE PHILANTHROPY & THE LINCOLN ELECTRIC FOUNDATION



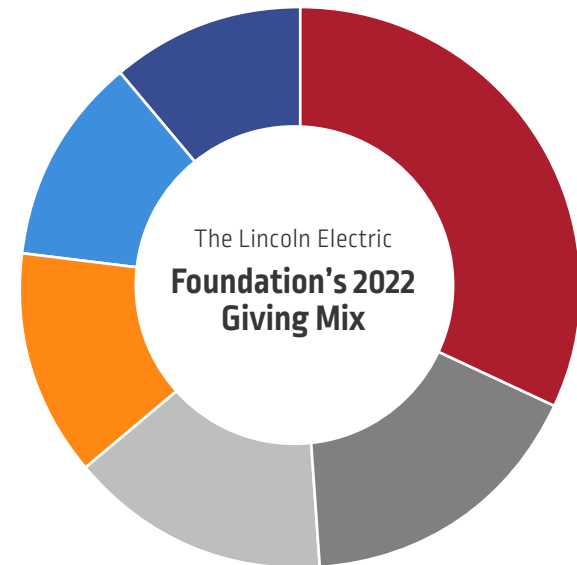
We are proud of the many programs and initiatives that connect us with our communities and align with the philanthropic interests of our employees. Together, we are working to build a better world and make a difference.

## Lincoln Electric *foundation*

**The Lincoln Electric Foundation:** The Lincoln Electric Foundation (the "Foundation") has been an active partner in our communities since 1952, dedicated to improving the quality and well-being of the communities where our employees live and work. Since its founding, the Foundation has donated over \$35 million in grants and scholarships that support programs that work to alleviate poverty and illness, promote education, provide health and human services, and bring cultural vibrancy to our communities.

The Foundation partners with over 70 nonprofit organizations annually to support programming that makes a sustainable impact. Supported organizations include the American Red Cross, United Way, and the American Cancer Society.

In 2022, the Foundation issued approximately \$1.5 million in grants to over 70 organizations, led by our support of diversity in welding through the Women Who Weld organization, supporting free medical clinics and homeless shelters, our engagement at MAGNET to support the growth of manufacturing in Northeast Ohio through The Manufacturing Advocacy and Growth Network's Blueprint initiative, and the expansion of the Greater Cleveland Foodbank and its Harvest for Hunger campaign.



- **32% Human Service**
- **17% Education**
- **15% Community Development & Youth Programing**
- **13% Medical Service**
- **12% Employee Match & Disaster Relief**
- **11% Art & Culture**





**In-Kind Gifts:** We provide product donations to nonprofit organizations to support fundraising events, support disaster relief efforts, and weld training programs such as the Scouts BSA welding merit badge and skilled trade programs.

In 2022 we provided approximately \$475,000 of in-kind donations domestically, in addition to donations made through the James F. Lincoln Foundation, product programs that support educational institutions, and various international facility donations.

**Employee Gift Matching Program:** The Lincoln Electric Employee Gift Matching Program supports U.S. employees with the opportunity to double their donation to the nonprofits of their choice. Employees' gifts are matched dollar-for-dollar, up to \$1,000 annually

## Lincoln Electric Volunteers

Lincoln Electric provides opportunities for company-supported volunteerism and giving programs, including Company matching for charitable donations made in the United States.

**Our Cleveland-based Finance team** volunteered to assist with an Emergency Food Box Distribution in the North Coast Municipal Parking Lot in downtown Cleveland. The team worked together with other volunteers from the community to distribute food to 2,500 families in need. Each family received chicken, milk, produce, apples, and bread. It was a great activity to connect as a team while also helping those in need.

**LE employees in Poland**, with their families, celebrated Earth Day planting trees in the nearest forest. The event was organized by

The Foundation issued approximately  
**\$1.5 million**  
 in grants to over  
**70 organizations**

EHS team in cooperation with the Forestry of Swidnica. Volunteers planted about 900 fir saplings on the prepared fenced land in the forest.

**Lincoln Electric's Junior Board**, in the U.S., coordinated a Sound the Alarm, Save a Life event with the Red Cross and Euclid (Ohio) Fire Department. The Red Cross and Euclid Fire Department educated Lincoln Electric employees on the basics of fire safety and importance of smoke alarms. Volunteers then split into teams and walked through the Euclid community to knock on doors, install smoke alarms (free of cost to residents), and educate residents on the basics of fire safety. In all, 145 smoke alarms were installed in 57 residences that day.





The Company and employees partnered in support of number of humanitarian initiatives across the globe, including:

- We partner with customers and local nonprofits to support disaster relief efforts. In 2022, we supported several Polish and Romanian nonprofit organizations that have been providing Ukrainian refugees with essential services. In addition, many of our Polish and Romanian employees have been volunteering their time and offering their homes to support refugees through this humanitarian crisis.
- In **Poland**, teams participated in the Bone Marrow Donor Day—an initiative aimed at expanding knowledge of bone marrow donation, the procedure of collecting samples, and the transplant itself. Employees got a chance to register as potential bone marrow donors.
- Donations and support for young children in **Romania**, where Lincoln Electric teams also provided year-end donations to a hospital and a transfusion center to support the community.
- In **France**, our employees joined the “Health & Solidarity” challenge, which raised funds for the Red Cross for each kilometer walked, ran or cycled, which was matched by the Company.



### Supporting employee giving and volunteering

**Volunteer Dollars For Doers Program:** The Dollars For Doers program gives U.S. employees the opportunity to earn through community service. Volunteer hours can be redeemed for a matching monetary gift to the nonprofit organization where the employee volunteered, with a maximum match of \$1,000 per year.

**Nonprofit Board Engagement:** We encourage executive engagement on nonprofit boards to support our local partners and make a positive difference in our communities.

**“I’m very excited to have a platform to be able to make a difference, because with the platform that I have I can absolutely do more than I could just me by myself volunteering outside of work.”**

—Olivia Connors  
Engineer



# CORPORATE GOVERNANCE

## Code of Conduct

**It is our policy to be a good corporate citizen. Our Code of Conduct contains our guidelines for conducting business ethically across all of our global operations. It applies to our Board and employees at every level within the organization, wherever located.**

Compliance is mandatory. We also expect our representatives, agents, suppliers, and consultants to uphold the standards in our Code of Conduct. Our Code of Conduct covers environmental, social, and community matters, in addition to other topics, and is available in 13 languages.

Our Director of Compliance reports to our General Counsel, and manages our ethics and compliance program, supports our business leaders on compliance matters, and oversees compliance training initiatives. They also lead our internal Compliance Committee, composed of executive leaders from various functions (Legal, Finance, Human Resources, etc.) and help ensure that compliance objectives are met. The Audit Committee of our Board of Directors receives updates on our compliance program and initiatives at each meeting and reviews the compliance program overall annually.

As part of our compliance program, we require mandatory training on our Code of Conduct on an annual basis—as well as when we acquire a new company. Each year, all non-manufacturing employees are required to attend online

training on the Code of Conduct and sign an acknowledgment that they have read it and will abide by it. Additional mandatory compliance training is assigned depending on job responsibility. Common topics include: Anti-Corruption, Conflicts of Interest, Data Privacy, Anti-Harassment, Trade Compliance, Fair Competition, Intellectual Property/Proprietary Information, Human Rights, Insider Trading, and Keeping Accurate Books

and Records. During 2022, 100% of our salaried employees completed required online compliance training courses, and over 3,500 global employees attended live training sessions on various topics.

Our Code of Conduct also includes our non-partisan political position and our practice to neither contribute corporate funds for political candidates, nor support an employee PAC program.





## Human Rights & Modern Slavery

We are determined to safeguard human rights throughout our global operations. The UN's Universal Declaration of Human Rights serves as the foundation for our Human Rights Policy. We expect all employees to comply with this policy as part of our commitment to ethical operations.



## Supply Chain Management

We expect our suppliers to maintain rigorous ethics and compliance programs, to adhere to applicable laws and regulations, and to act responsibly and ensure that no illegal conditions exist in their supply chains. Our Supplier Code of Conduct outlines our expectations in the following areas:

- Human rights and labor standards
- Compensation
- Health, safety, and the environment
- Ethics

We are committed to taking internal actions to leverage a responsible supply chain and ensure compliance with federal laws and regulations requiring disclosure of the use of Conflict Minerals. Our cross-functional Conflict Minerals team—with oversight from the VP, Environmental Health, Safety & Sustainability—manages our Conflict Minerals Policy and related due diligence procedures globally. New and renewed supplier contracts include a provision which requires suppliers to implement identification procedures and mitigate the risk of purchasing Conflict Minerals sourced from the Democratic Republic of Congo (DRC) or its surrounding areas.

We strive to support a supplier base that reflects the diversity of our employees, communities, and customers worldwide. We work with many small and diverse suppliers to leverage the unique value and perspectives they lend to our shared success. In 2022, our primary U.S. business directed approximately 23% of its purchasing spend to ~1,000 U.S. businesses owned by women, ethnic and racial minorities, veterans, and service-disabled veterans, as well as businesses designated as small business enterprises.

## Data Privacy & Cybersecurity

We understand that data privacy and cybersecurity are critical components of sustainability. We are committed to protecting the personal and sensitive information of our customers, partners, and employees, and we



take proactive measures to prevent unauthorized access, disclosure, or misuse of this data. We regularly assess and enhance our security protocols to protect against threats and maintain compliance with relevant regulations.

Our commitment to data privacy and cybersecurity extends beyond our own operations to our partners and suppliers. We believe that protecting customer data is not only the right thing to do but also essential for maintaining trust in our brand and ensuring long-term sustainability.

We accomplish this by regularly conducting third-party and internal assessments of our environments, testing our recovery and response processes, providing frequent training and education to our employees, and aligning our program to widely accepted standards such as NIST, GDPR, CIS, ISO, OWASP, etc. This includes restricting access to sensitive data and implementing an appropriate records retention schedule.



## Product Stewardship

We are focused on advancing sustainability in our customers' operations and designing solutions to support de-carbonization across the end markets we serve. Our product stewardship initiatives focus on improving the design, manufacturing, packaging, and transportation of our products to improve customer safety, increase recyclability, and reduce our products' overall carbon footprint. Our application expertise and proprietary solutions are helping to lead the expansion of clean technology by enabling the fabrication of renewable energy infrastructure and power generation, as well as the electrification of the transportation sector.

Our chemical information system (CIS) is a key enabler of our global compliance strategy. For consumable products, the information in our CIS—which includes hazardous product ingredients and potential fume constituents—is incorporated into product compliance specifications and outlined in Globally Harmonized System Safety Data Sheets (GHS SDS), label templates, and safe use guidelines.

We distribute our GHS SDS, including any updates or revisions, directly to customers via email. The GHS SDS are available to all current and prospective customers or end users through our SDS search tool.

We comply with the European Union's (EU) Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulations. Where required and relevant, consumable substances and mixtures manufactured in and imported into the EU by Lincoln Electric have been registered in the EU. Similarly, our electrical and electronic equipment complies with applicable global regulatory requirements, such as the European Union's Restriction of Hazardous Substances (ROHS) Directive. For more information about our product stewardship efforts or to access product certificates of conformity, please visit our website.

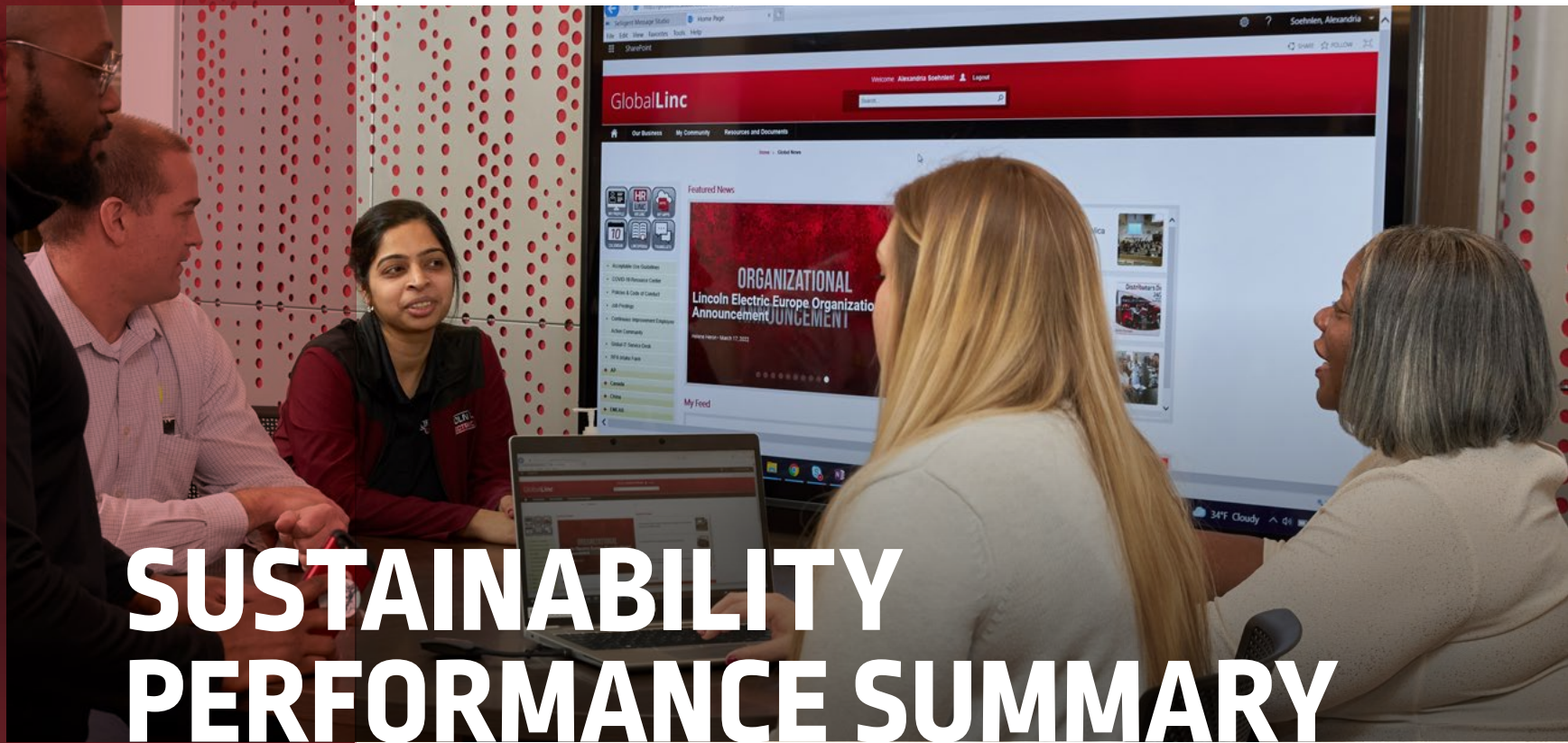
## Open Reporting

We strive to create an environment of open, honest communication, and we expect employees, officers, directors, vendors, and commercial partners to report any conduct they believe violates our Code of Conduct, other policies, or laws. Our global "Speak Up" policy (available in our Code of Conduct) provides information and guidance to help individuals understand our reporting requirements and the resources available to report potential misconduct and raise questions or concerns. Employees have an option to report anonymously, and we do not tolerate retaliation against individuals who speak out.



Individual employees may speak directly with our Compliance or Legal department. We also partner with EthicsPoint® to provide a confidential phone line and web portal for reporting. The toll-free telephone hotline is available 24 hours a day, seven days a week, in the local language for each of our locations. Additionally, individuals may submit a report at [www.lincolnelectric.ethicspoint.com](http://www.lincolnelectric.ethicspoint.com). In 2022, 100% of hotline cases were reviewed and closed within an average of 30 days, with 51% of the case reporters being named individuals disclosing their identity, which demonstrates trust in the Company's Speak-Up program.













# HIGHER STANDARD 2025 GOALS

## 2025 Strategy Sustainability Goals

|   |  | 2025 Goal               | 2022 Performance   | 2021 Performance   |
|---|--|-------------------------|--|--|
|    | <b>Safety (TRCR)</b>                                     | <b>52%</b><br>Reduction | 15.8% Reduction<br>(vs. 2018 baseline)                                 | 20% Reduction<br>(vs. 2018 baseline)                                 |
|    | <b>Scope 1 and 2 Greenhouse Gas Emissions (Absolute)</b> | <b>10%</b><br>Reduction | 186,860 tons CO <sub>2</sub><br>18.9% Reduction<br>(vs. 2018 baseline) | 189,863 tons CO <sub>2</sub><br>18% Reduction<br>(vs. 2018 baseline) |
|    | <b>Energy Intensity<sup>1</sup></b>                      | <b>16%</b><br>Reduction | 0.102<br>1% Reduction<br>(vs. 2018 baseline)                           | 0.110<br>7% Increase<br>(vs. 2018 baseline)                          |
|   | <b>Recycling</b>   | <b>80%</b><br>Rate      | 75.9% of waste recycled  | 75% of waste recycled  |
|  | <b>Landfill Avoidance</b>                                | <b>97%</b><br>Rate      | 95.2% of waste diverted  | 96% of waste diverted  |
|  | <b>Water Use (Absolute)</b>                              | <b>14%</b><br>Reduction | 913,149 cubic meters<br>25% Reduction<br>(vs. 2018 baseline)           | 953,851 cubic meters<br>21% Reduction<br>(vs. 2018 baseline)         |

<sup>1</sup>Energy intensity is total energy consumption per total labor hours worked.



# SASB CONTENT INDEX

| Metric Code                                      | Disclosure  | Unit                               | 2022 Reference or Direct Response  |
|--|---|------------------------------------|--|
| <b>Industrial Machinery &amp; Goods</b>          |   |                                    |  |
| <b>Energy Management</b>                         |   |                                    |  |
| RT-IG-130a.1                                     | (1) Total energy consumed,<br>(2) Percentage grid electricity,<br>(3) Percentage renewable                  | Gigajoules (GJ),<br>Percentage (%) | 1. Total Energy Consumed: 2,200,995 GJ<br>2. 46% of our total energy consumption came from electricity from the grid<br>3. <1% renewable |
| <b>Employee Health &amp; Safety</b>              |   |                                    |  |
| RT-IG-320a.1                                     | (1) Total recordable incident rate (TRIR),<br>(2) Fatality rate, and<br>(3) Near miss frequency rate (NMFR) | Rate                               | 1. TRIR = 1.54;<br>2. Fatality Rate = 0;<br>3. NMFR = 11.62  |
| <b>Fuel Economy &amp; Emissions in Use-phase</b> |   |                                    |  |
| RT-IG-410a.1                                     | Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles                                    | Gallons per 1,000 ton- miles       | Lincoln Electric does not manufacture medium- and heavy-duty vehicles  |
| RT-IG-410a.2                                     | Sales-weighted fuel efficiency for non-road equipment   | Gallons per hour                   | Diesel-powered welding equipment = 0.47 gal/hr;<br>Gasoline-powered welding equipment = 0.63 gal/hr                                      |
| RT-IG-410a.3                                     | Sales-weighted fuel efficiency for stationary generators  | Watts per gallon                   | Lincoln Electric does not manufacture stationary generators  |



## SASB Content Index (continued)

| Metric Code                                  | Disclosure   | Unit                    | 2022 Reference or Direct Response  |
|--|--|-------------------------|--|
| RT-IG-410a.4                                 | Sales-weighted emissions of:<br>(1) nitrogen oxides (NOX) and<br>(2) particulate matter (PM) for:<br>(a) marine diesel engines,<br>(b) locomotive diesel engines,<br>(c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines | Grams per kilowatt-hour | Lincoln Electric ensures that purchased diesel engines incorporated into our welding machines meet the emissions standards of the regions into which they are sold |
| <b>Materials Sourcing</b>                    |  |                         |  |
| RT-IG-440a.1                                 | Description of the management of risks associated with the use of critical materials   | Discussion and Analysis | <a href="#">2022 Lincoln Electric Annual Report p. 7</a>   |
| <b>Remanufacturing Design &amp; Services</b> |  |                         |  |
| RT-IG-440b.1                                 | Revenue from remanufactured products and remanufacturing services  | Reporting currency      | We do not presently report the individual or combined revenue from these specific services.  |
| <b>Activity Metrics</b>                      |  |                         |  |
| RT-IG-000.A                                  | Number of units produced by product category   | Quantitative            | We consider this proprietary information.  |
| RT-IG-000.B                                  | Number of employees  | Quantitative            | 12,000   |



# ABOUT THIS REPORT

This report discusses Lincoln Electric Holdings, Inc.'s operations from January 1, 2022, through December 31, 2022, unless otherwise indicated. The report uses qualitative descriptions and quantitative metrics to describe our policies, programs, practices, and performance. Note that many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. The information and opinions contained in this report are provided as of the date of this report and are subject to change without notice.

Lincoln Electric does not undertake to update or revise any such statements. In this report, we are not using the terms “material” and “materiality” as defined for the purposes of financial and SEC

reporting in the United States. Instead, the terms refer to environmental, social and governance issues that are of significant importance to our stakeholders and to the Company. These “material” issues inform our corporate strategy, priorities, goals, and reporting.

This report covers our owned and operated businesses and does not address the performance or operations of our suppliers or contractors unless otherwise noted. All financial information is presented in U.S. dollars unless otherwise noted.

This report contains forward-looking statements relating to Lincoln Electric's operations that are based on management's current expectations, estimates and projections. See the “Cautionary Note Regarding Forward-Looking Statements” below.

Therefore, the actual conduct of our activities, including the development, implementation or continuation of any program, policy, or initiative discussed or forecasted in this report, may differ materially in the future. As with any projections or estimates, actual results or numbers may vary.

## Cautionary Note Regarding Forward-Looking Statements

This report includes forward-looking statements, including statements relating to Lincoln Electric's sustainability, DEI, human capital, product development and other related strategies, policies, programs, commitments, estimates, expectations, projections, initiatives, targets, goals or prospects, within the meaning of federal securities laws. The use of words such as “aim,” “anticipate,” “believe,” “commit,” “ensure,” “estimate,” “expect,” “goal,” “intend,” “mission,” “plan,” “seek,” “strive” and “target” among others, generally identify forward-looking statements. These forward-looking statements are based on Lincoln Electric's management's expectations and assumptions about future events as of the date of this report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual results (including, for the avoidance of doubt, our performance with respect to any sustainability, DEI, human capital, product development and other related strategies, policies, programs, commitments, expectations, projections, initiatives, targets, goals or prospects) could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others, (i) technical and operating factors, (ii) assumptions not being realized, (iii) the outcome of current and future scientific research efforts and technological developments, (iv) evolving sustainability strategies and best practices and other factors set forth in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC and are subject to update by our future filings and submissions with the SEC. Any forward-looking statement made by us in this report speaks only as of the date hereof. Other unknown or unpredictable factors that could also adversely affect Lincoln Electric's business, financial condition and operating results may arise from time to time. We undertake no obligation to publicly update or to revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.