

2023

SUSTAINABILITY REPORT



*Operating to a Higher Standard
to Build a Better World*

A photograph of an offshore wind farm at sunset. The sky is a mix of orange, pink, and purple, with the sun low on the horizon. The water is dark with some ripples. Several wind turbines are visible, with the one in the foreground being the largest and most prominent. The turbines are silhouetted against the bright sky.

TABLE OF CONTENTS

CEO LETTER.....3
ABOUT LINCOLN ELECTRIC5
ESG MANAGEMENT & OVERSIGHT 9

2025 STRATEGY PEAKS

CUSTOMER FOCUSED15
SOLUTIONS & VALUE24
OPERATIONAL EXCELLENCE32
EMPLOYEE DEVELOPMENT47

CORPORATE GOVERNANCE 61
SUSTAINABILITY PERFORMANCE SUMMARY..... 65
HIGHER STANDARD 2025 GOALS..... 66
SASB CONTENT INDEX..... 67
TCFD DISCLOSURE 69

CEO LETTER



Dear Stakeholders,

I am pleased to share our latest sustainability report, which highlights the progress we have achieved in meeting our Higher Standard 2025 Strategy sustainability goals. At our company, we believe that sustainability is not just a responsibility, but a core value and critical component of our enterprise strategy that drives business decisions, operations, and is ultimately a competitive advantage for the organization. It is also tied to our purpose of operating by a higher standard to help our customers build a better world.

Over the past year, one of my key priorities has been safety. Safeguarding our employees is critical to how we operate and deliver superior value to our stakeholders. We have enhanced our safety initiatives with new investments in safety programs that proactively identify and manage potential risks and are engaging employees in new ways to improve safety performance.

We also remain committed to reducing the energy intensity of our operations. Capital investments in more energy efficient systems within our facilities and a focus on reducing greenhouse gas emissions continues to lower our carbon footprint and advances us towards our Higher Standard 2025 Strategy targets.

This year, we completed our first Environmental, Social & Governance (ESG) materiality assessment, as well as a climate scenario analysis and disclosure that aligns to the Task Force on Climate-related Financial Disclosures (TCFD). These efforts have helped us better understand our stakeholders' most relevant issues, and our findings reinforce a strong alignment with current initiatives and key performance indicators. Our climate scenario analysis identified five key areas of risks and opportunities, which we have incorporated into our enterprise risk management process and are developing strategic responses to ensure the resilience of the organization and best position the company to capitalize on growth opportunities.

All of these achievements would not be possible without the focus and commitment of our employees, whose diverse talents, expertise, and hard work continue to drive operational excellence, innovation, and teamwork across the company.

We recognize that there is still much more work to be done, and we remain committed to advancing our initiatives and continuously improving our sustainability performance. We believe that by working together with our stakeholders, we can create a more sustainable future for all.

Thank you for your continued support and partnership.

Sincerely,

Steve Hedlund

SUSTAINABILITY HIGHLIGHTS

2023 PROGRESS

CLIMATE SCENARIO ANALYSIS

We have taken further steps to build resilience, maximize business opportunities, and inform our risk management processes through climate scenario analysis that explores three potential futures, using credible third-party climate scenarios.

MATERIALITY ASSESSMENT

We conducted an impact materiality assessment to help inform our business strategy and operations, guide our disclosure, and help us identify stakeholder priorities to enhance our engagement.

AUTOMATION

We expanded our Automation commitment through the acquisition of Powermig Automação e Soldagem Ltd, a privately held automation engineering firm headquartered in Brazil.



SAFETY

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

38% REDUCTION
[2023 vs 2018 baseline]



GHG EMISSIONS

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

16% REDUCTION
[2023 vs 2018 baseline]



ENERGY INTENSITY¹

2025 Goal: 16% Reduction

10% REDUCTION
[2023 vs 2018 baseline]



RECYCLING

2025 Goal: 80% Rate

76.5% in 2023



LANDFILL AVOIDANCE

2025 Goal: 97% Rate

94% in 2023

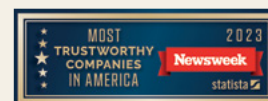


WATER USAGE

2025 Goal: 14% Reduction

25% REDUCTION
[2023 vs 2018 baseline]

All trademarks and registered trademarks are the property of their respective owners.
¹Energy intensity is calculated as total energy consumption/total labor hours worked.



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**

OUR OPERATIONS

- LOCATIONS**
-  Global Headquarters
Cleveland, Ohio USA
 -  Manufacturing
 -  Tech Center
 -  Sales

71

manufacturing
locations in 21 countries

\$4.2B

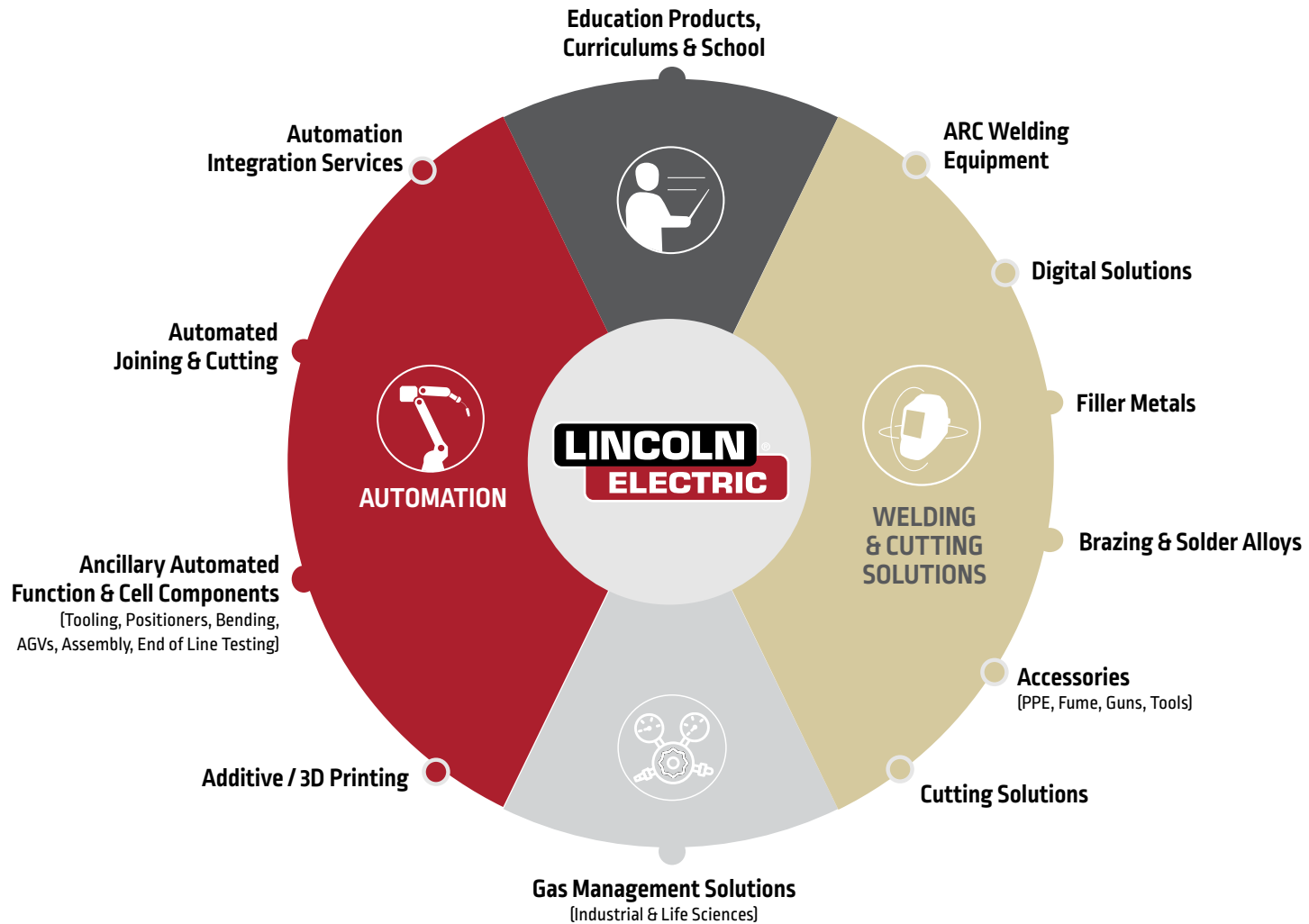
in sales during
FY2023



Headquartered in
Cleveland, Ohio USA

125+ YEARS OF MARKET-LEADING SOLUTIONS

BROADEST PORTFOLIO OF SOLUTIONS IN THE INDUSTRY¹



¹Diagram does not represent net sales mix by product area



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. 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 2023 Annual Report.



CUSTOMER FOCUSED Our industry leadership position reflects our “customer first” approach. We capitalize on both the art and science of welding, cutting, and brazing to help customers solve their most complex problems.



SOLUTIONS AND VALUE We have a track record of developing innovative solutions that have a measurable impact on end user efficiency and workforce development.



OPERATIONAL EXCELLENCE Operating smartly and responsibly is not only an obligation but a key competitive advantage.



EMPLOYEE DEVELOPMENT Our employees are our number one asset, and the professional training and career planning services we provide help maximize employee potential and engagement.

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 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. ESG, human capital, and cybersecurity are among the issues currently considered high-priority. The Board or one or more of its committees receives regular updates on these issues.

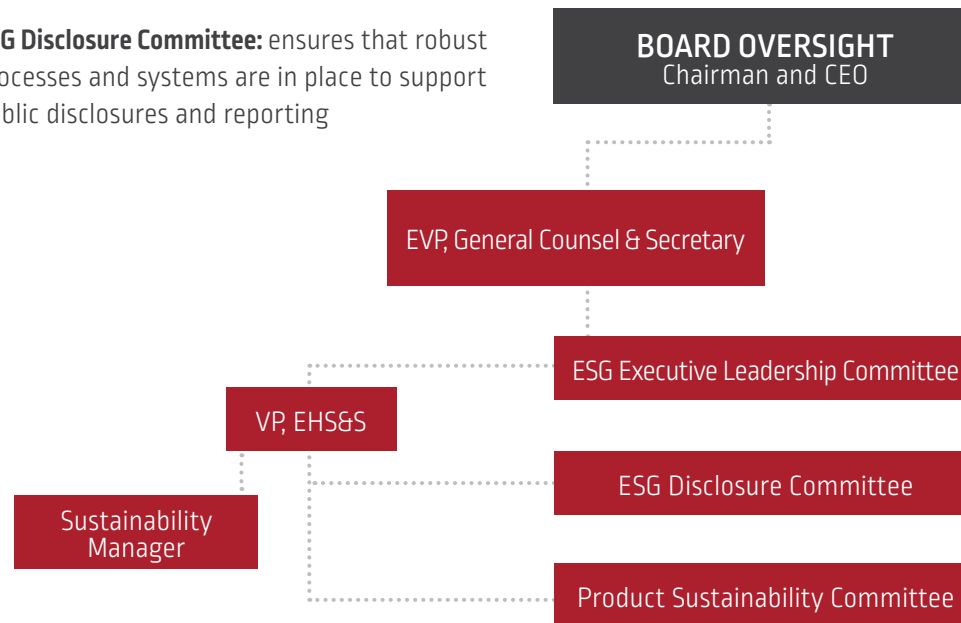
ESG EXECUTIVE LEADERSHIP COMMITTEE

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 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 40 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, conferences, non-deal roadshows, an annual shareholder meeting, tradeshow tours, periodic surveys, 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.

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.

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

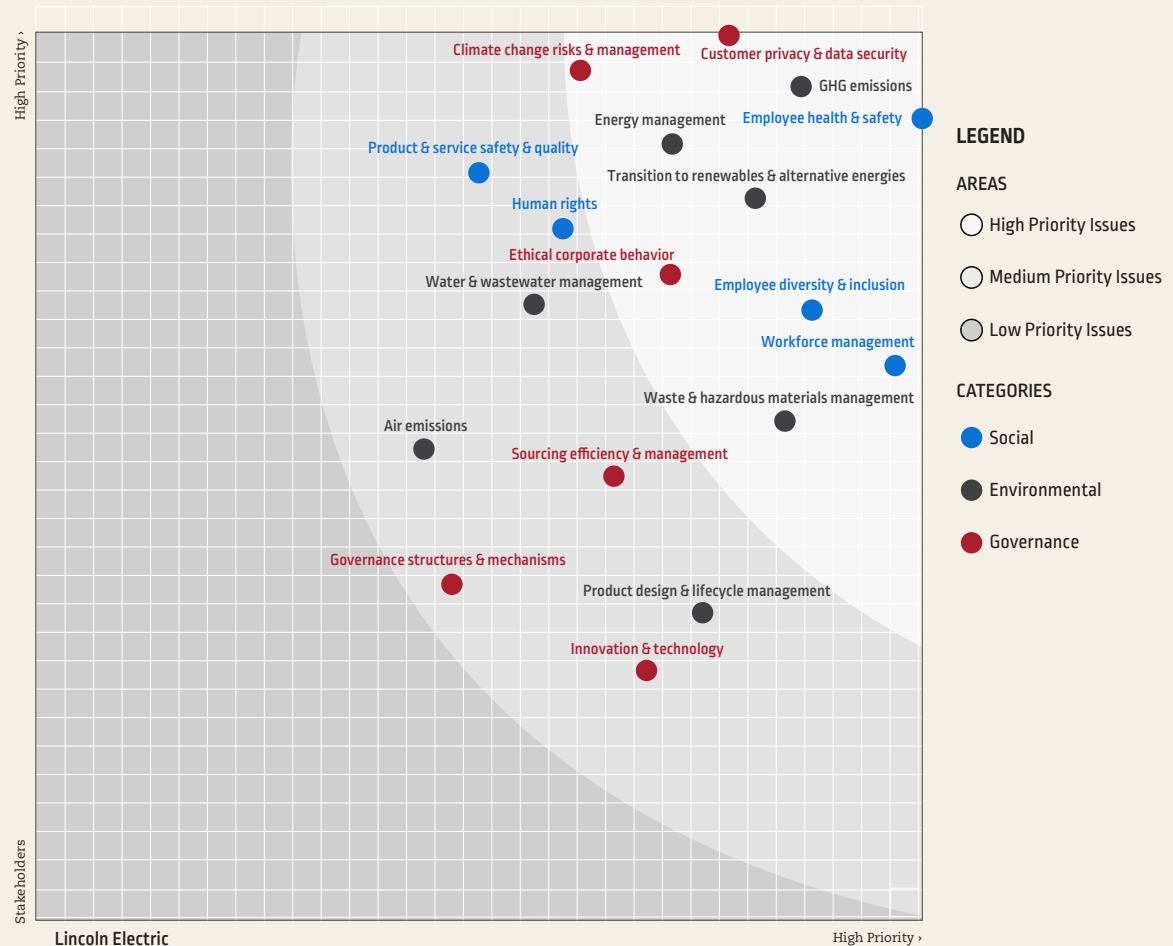
We are active members in the communities where we live and work. We participate in community meetings and local business associations; host plant visits; provide grants to nonprofit organizations; and donate resources and time through in-kind gifts, employee volunteerism, and nonprofit Board service.

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.

MATERIALITY ASSESSMENT

Our ESG Materials may contain information that is significant; however, any significance should not be read as necessarily rising to the level of the definition of materiality used for the purposes of our compliance with the U.S. federal securities laws, even where we use the word "material" or "materiality" in our ESG Materials (including where we use it in connection with our materiality assessment) or in other materials issued in connection with the matters discussed in our ESG Materials. We have used definitions of materiality in the course of creating our ESG Materials and the goals and metrics discussed therein that do not coincide with or rise to the level of the definition of materiality used for the purposes of our compliance with the U.S. federal securities laws. Moreover, given the uncertainties, estimates and assumptions inherent in the matters discussed in our ESG Materials, and the timelines involved, materiality is inherently difficult to assess far in advance. In addition, given the inherent uncertainty of the estimates, assumptions and timelines associated with the matters discussed in our ESG Materials, we may not be able to anticipate in advance whether or the degree to which we will or will not be able to meet our plans, targets or goals.



In 2023, we conducted an impact materiality assessment to help inform our business strategy and operations, guide our disclosure, and help identify stakeholder priorities to enhance our engagement.





The process enabled us to identify known issues, new or emerging issues that may impact our company, and the potential impact our business and operations may have on the environment and society. The outcome of the assessment serves as the foundation of our ESG governance and disclosure strategy. It also enabled us to advance internal collaboration and leadership knowledge.

TOP-RATED TOPICS/ISSUES

Material Topic (Strategy peak)	Sustainability Report Reference	Description
Climate Risks & Management (Operational Excellence)	Operational Excellence - GHG p.40 TCFD Disclosure p. 69	The physical and transition impacts, risks, and opportunities presented by climate change and the transition to a low-carbon economy, as well as governance systems to manage climate-related risks and opportunities.
Transition to Renewables (Customer Focused)	Customer Focused p.18	The transition from a predominantly fossil-based energy production system and consumption to renewable and alternative energy sources, including policies, goals, accounting instruments and technologies that facilitate that transition.
Customer Privacy/Data Security	Corporate Governance - IT Security p.63	The aspect of information technology that deals with the protection of private corporate information, critical information systems and networks from security breaches.
Employee Health/Safety (Operational Excellence)	Operational Excellence - Safety p.38	A company's safety performance and the mechanisms in place to maintain a safe and healthy workplace environment. It captures protocols, training, work arrangements and the physical and mental working conditions to which employees are exposed.
Ethical Corporate Behavior	Corporate Governance pp.62-64	The moral code of conduct and guiding principles to the strategic and operational management of a business. It captures the management of risks and opportunities associated with ethical considerations, lawful behavior, and compliance practice.
Waste & Haz. Materials Management (Operational Excellence)	Operational Excellence - Waste p.43	The gaseous, liquid and solid substances used or disposed of in business operations or present in products may threaten human health or the environment. Captures the generation, treatment, recovery, recycling and reduction of hazardous and non-hazardous waste.
GHG Emissions (Operational Excellence)	Operational Excellence - GHG p.40	Greenhouse gas emissions that an organization generates from activities under its control (Scope 1), from the energy it uses and purchases (Scope 2), and from business-related activities that are created from sources outside its ownership and control (Scope 3). It further captures disclosures on GHG emissions reductions and efficiencies, as well as smarter and eco-friendly transportation systems, infrastructure planning, and logistics management.
Energy Management (Operational Excellence)	Operational Excellence - GHG p.40	The company's management of its energy consumption, production, and recovery.
Workforce Management (Employee Development)	Employee Development Section pp. 48-58	The process of ensuring the workforce is functioning at its most productive levels and copes with organizational changes. It captures employee recruitment, retention and development practices.
Employee Diversity and Inclusion (Employee Development)	Employee Development Section pp. 55-58	The processes and mechanisms a company has to grow and maintain diversity in the workforce and ensure equal opportunities and treatment for all employees.

UNITED NATIONS SDGs

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
<p>Customer Focus</p> <p>Invest in our network of 40 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 customers drive greater operational excellence in their fabrication processes.</p>	
<p>Solutions & Value</p> <p>Invest 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 (excluding custom solutions) launched within the last five years. In 2023, our Vitality Index was 42% for total sales and 57% for equipment.</p>	
<p>Employee Development & Engagement</p> <p>Work toward greater gender parity and ethnic diversity in our workforce. As of 2024, 20% of our global workforce identifies as female, and three of our 12 Board directors are women.</p> <p>Introduce career development opportunities by offering an industry-leading tuition reimbursement program with a \$125,000 student loan forgiveness option (U.S. 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 focus 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>	
<p>Operational Excellence</p> <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 our energy intensity – the total amount of energy consumed per labor hour worked – by 16% 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**



A group of construction workers wearing hard hats and safety vests are gathered on a steel structure, likely a roof or floor joist, during a construction project. They appear to be in a discussion, with one worker holding a tablet. The background shows a city skyline with several tall buildings under a clear sky.

ENGINEERING SOLUTIONS TOGETHER

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



At Lincoln Electric, we aim to help our customers build a cleaner and more efficient world for themselves and the customers they serve by delivering solutions, value, and service. As a global industry leader, our Customer Focused strategy peak governs how we operate. This customer-first approach enables us to develop, optimize, and customize solutions that have a measurable impact on our customers' operations as well as the industry as a whole.

We have a long history of partnering with customers to engineer innovative solutions supporting the end markets we serve – general industries, energy, construction, infrastructure, heavy industry, and automotive/transportation – as they transition to a low-carbon economy.

By leveraging our global presence and broad distribution network, we can provide customer access to our latest welding technology, technical product expertise, training, and product testing labs. In partnership with the customer, we use our resources to identify cost savings, material savings, productivity, and efficiency – all of which help support customer sustainability.

“At Lincoln we focus on creating opportunities for customers to be better at what they do using our technology, expertise, education, and training.”

- Scott Strawn

Director, Global Applications and Education

OUR FRAMEWORK

At the heart of Lincoln Electric's customer-focused approach are three principles that guide our efforts to optimize the sustainability profiles for our customers:

- » Facilitate partnerships and ecosystems that engage customers, suppliers, and Lincoln Electric to solve problems related to the development, fabrication, or deployment of alternative energy technologies, novel materials, or automation.
- » Develop procedures using technology and configurations to improve efficiency, reduce cost, or minimize raw materials consumption.
- » Drive exchange across multiple countries on a macro trend or issue, like climate, that impacts an industry sector.

These principles are put into action through Lincoln Electric's expertise, state-of-the-art training and education programs and facilities, and our thought leadership and broad industry involvement.

- » **Technical expertise:** delivered through our technical commercial sales teams, technical and industry segment experts, and hands-on Application Resource Centers.
- » **Training and education:** specialized ARC™ training and education for customers and distributors as well as Lincoln Electric employees and trainees.
- » **Industry involvement:** Lincoln Electric regularly engages with trade associations and standard-setting bodies, sharing our deep knowledge about latest technology and best practices to advance the capabilities and quality of our industry.



TECHNICAL EXPERTISE FOR CUSTOM SUSTAINABILITY SOLUTIONS

TECHNICAL EXPERTS

Lincoln Electric's commercial sales team (engineers and trained technical experts) are typically the first point of contact. They bring the most effective, efficient solution to meet the customer's need, whether it's a custom solution or existing technology. Customers also have access to industry segment experts for answers about innovative and effective use of Lincoln Electric's technology in oil, wind, and other specific industries. With their pulse on the industry, these experts also can provide insight on global best practices within each segment.

Our technical experts work with customers to not only meet the required technical specifications, but also to improve sustainability through maximizing energy efficiency and productivity and minimizing cost and waste (for example, by reducing welding materials usage).

APPLICATION RESOURCE CENTERS (ARC)

The activity center of our customer relationship is the Application Resource Center (ARC). Our 40 global ARC locations ensure we are aligned with the evolving technology and fabrication needs of each end market we serve. The ARC locations are geographically and strategically positioned to help customers in these markets achieve their product and sustainability goals.

Our ARC locations demonstrate efficient and productive ways for customers to use our solutions tailored to their operations. Each 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.



ARCs DELIVERING RESULTS

Renewable Energy: Offshore Wind

Achieving renewable energy goals – specifically in relation to wind energy – requires a reduction in 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. These productivity solutions are being integrated into new and existing manufacturing capacity. By optimizing operating parameters such as weld speed, wire and flux section, and joint design, we are able to reduce raw material usage (wire, flux, and weld tips) and minimize waste caused by faulty welds, with efficient energy use.

Lincoln Electric process solutions enable a higher number of wind tower foundations to be shipped, thus increasing the capacity for clean energy generation. The work done by our global ARC and commercial teams is leading the way to higher installed capacity for fixed and eventually floating foundations. This teamwork is complemented by long-standing relationships with global partners in automation.

Increasing the speed of off-shore and on-shore renewable energy capacity benefits the industry as a whole, helps Lincoln Electric and its customers meet shared environmental targets, and helps us achieve our own global sustainability targets.

Reducing Greenhouse Gas Emissions

Our ARC team in Colombia partnered with a large customer in South America to reduce greenhouse gas emissions. The effort was part of the customer's review of their overall carbon footprint to determine where to make reductions within their welding operations.

Following discussion and evaluation of their needs, the customer expressed interest in our Variable Engine RPM feature, which automatically adjusts engine speed to reduce fuel consumption and engine noise, and the Auto-Stop/Start technology that is part of some engine-driven welders. Employing this technology has helped reduce fuel costs, avoid excess idling, and reduce engine wear.

Our ARC team worked with the customer and a third-party testing contractor to execute a month-long test to find fuel savings under the customer's expected operating conditions. We were able to reduce the actual run time of the engine-driven welder by 20% while completing the same amount of work. This reduction in run time also reduced their fuel consumption and greenhouse gas emissions.

In 2023, more than 2,600 students across the U.S. attended a training class either through the Welding Technology and Training Center, LEEPS program, or Automation.

LINCOLN ELECTRIC PROVIDED FINANCIAL SUPPORT FOR WELDING EDUCATION AND COMPETITIONS, INCLUDING:

\$200,000

in annual support for the AWS Careers in Welding Trailer, a state-of-the-art mobile trailer providing outreach to explore careers in welding.

\$232,000

in annual support for student organizations such as WorldSkills, SkillsUSA and FFA.



TRAINING & EDUCATION

Throughout much of our history, Lincoln Electric has been 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 also offer this expertise to our customers and distributors to ensure their teams are working safely and efficiently based on the latest industry best practices.

We regularly 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 (WTTC)

The Lincoln Electric Welding Technology and Training Center (WTTC) is a 130,000-square-foot, state-of-the-art facility on our Euclid, OH, campus that is dedicated to offering training in the craft and science of welding to:

- » educators
- » industry leaders
- » skilled trade workers

As an internationally recognized foundation for the development of best practices in welding education, the WTTC features 155 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.

Lincoln Electric Education Partner Schools Program

Through the LEEPS™ program (Lincoln Electric Education Partner Schools), 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 (NCC) joined forces to provide the curriculum and learning management resources necessary for benchmarking and standardizing welding performance.

WTTC PARTNERSHIPS

Skilled Trades

Lincoln Electric supports the skilled trades with our commitment to welding safety and leading-edge welding technology. From special pricing programs to welding training programs at the local and national level across the country, Lincoln Electric provides the skilled trades with the necessary welding materials, equipment, and technological advances to perform the skill safely and effectively in today's workplaces.

Lincoln Electric has been collaborating with United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry (UA) for many years, providing support for both local and national programs across the country. Our involvement includes the welding instructor-training program in Ann Arbor, MI, USA, welder apprentice competitions, welding curriculum development, and support for the Veterans in Piping program (VIP).

Lincoln Electric engages in similar welding development collaborations with other unions as well, including:

- » International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers Union
- » International Association of Sheet Metal Workers
- » United Brotherhood of Carpenters and Joiners of America (UBC)
- » International Brotherhood of Electrical Workers (IBEW)
- » International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers
- » International Union of Elevator Constructors (IUEC)

PAVING THE WAY FOR WELDING EDUCATION IN IRAQ

Advanced Welding Solutions (AWS) Iraq, one of Lincoln Electric's international distributors, opened its fourth welding and training school in Iraq in 2023. Located in Baghdad, the facility is equipped with an array of welding equipment that represents Lincoln Electric's most current technology.

The project began with a signed partnership between the Iraqi Ministry of Oil and the Arab Petroleum Training Institute, affiliated with the Organization of Arab Petroleum Exporting Countries (OAPEC). The initiative to establish the welding school was spearheaded by AWS Iraq CEO Hussain Ali Hussain, who has maintained an ongoing commitment to expand welding education and training in the oil exporting nation.

Education-Focused Organizations

The WTTC also partners with and supports associations that directly work on standards of welding education. For example, Lincoln Electric provided a core set of competencies and skills objectives to the International Institute of Welding (IIW) to help integrate into welding education standards. Organizations we support through scholarships, sponsorships, and involvement on boards and committees include:

- » American Welding Society® (AWS)
- » International Institute of Welding (IIW)
- » European Welding Association (EWA)
- » DVS (German Welding Society)
- » American Association of Community Colleges (AACC)
- » Erasmus+ European Program
- » Advance CTE
- » Association for Career and Technical Education (ACTE)
- » National Coalition of Advanced Technology Centers (NCATC)
- » National Association of Agriculture Educators (NAAE)

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

U.S.-BASED



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 instructors 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.



NATIONAL FFA (FFA)

The National FFA® is a dynamic youth organization that changes lives and prepares members for premier leadership, personal growth, and career success through agricultural education. For more than 60 years, we have partnered with FFA to promote welding technology and safety to the next generation of welding leaders.



BOY SCOUTS OF AMERICA

BSA® 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



WORLDSKILLS INTERNATIONAL

WorldSkills® International is a not-for-profit membership association

open to agencies or bodies that are committed to 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.

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.

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.

NSDC

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.



VOYAGE ARC: PREPARING THE NEXT GENERATION

As part of its commitment to educating new generations of welders, Lincoln Electric has developed the Voyage™ Arc Virtual Reality (VR) Headset – a tool designed to expose students to career opportunities in the skilled trades. Using the latest VR technology, the Voyage Arc Headset simulates real-world scenarios in an engaging and stimulating VR environment to jumpstart conversations about what welding is, the role it plays in our lives and the world we live in, and how it can be an exciting career option.

The Voyage Arc Headset also simulates live arc welding procedures and techniques without the use of costly materials – all of which makes it an environmentally friendly education tool.

The accelerating rate of older welders retiring from the trade – combined with the recent pandemic – have created an increasingly large shortage of skilled labor in manufacturing. Lincoln Electric brings to bear more than a century of experience in welding training, research, development, and instruction to confront this shortage head-on. We are dedicated to advancing the training of educators, industry leaders, and skilled trade workers in the craft and science of welding. The Voyage Arc VR Headset – and other VR-based training tools developed by Lincoln Electric – is just one example of our commitment to building the next generation of skilled welders.

THOUGHT LEADERSHIP: INDUSTRY INVOLVEMENT

Throughout its history, Lincoln Electric has influenced the formulation of industry regulations and standards designed to move the welding industry forward. Our vertical industry experts regularly share data and knowledge to trade associations and standard-setting bodies as they develop standards, codes, and welding guidelines designed to help the entire industry improve safety, performance, productivity, cost reduction, and sustainability.

SETTING STANDARDS: HYDROGEN PIPELINE

Substituting clean-burning hydrogen for natural gas or other fossil fuels is a significant sustainability trend aimed at reducing impacts on the environment and emissions.

Most fuel gases are moved regionally through pipelines made of steel sections that are welded together. In 2023, Lincoln Electric brought our long-standing pipeline construction expertise to the table to assist in developing industry standards to accommodate carrying hydrogen gas. We worked with the American Petroleum Institute (API) steering committee to update the API pipeline welding standards, including pipelines that carry hydrogen. We also hosted International Pipeline and International Pipe Mill seminars at our Cleveland campus. The events included segment-specific presentations, demonstrations, and solutions, as well as a combined session enabling both groups to engage with third-party industry experts.

HOSTING FESTIVAL

In 2023, Lincoln Electric hosted the Charging Interface Initiative (CharIN) event known as Testival North America at our campus in Cleveland, Ohio. CharIN is a leading industry association driving global decarbonization through electrification of transportation. Aimed at fostering collaboration and networking, Testival North America 2023 involved more than 30 testing companies and more than 300 attendees.

The event focused on the latest developments in e-mobility and interoperability of electric vehicles while testing a variety of EVs, charging stations, and communication controllers. Testival provided an opportunity for Lincoln Electric to introduce its Velion™ 150kW DC fast charger and our EV Charger Factory.



CharIN's mission to ensure high quality, reliable DC fast charging aligns with our focus on engineering and manufacturing high quality, rugged, DC fast chargers that deliver dependable performance each and every time. We're excited to showcase our technology and manufacturing capabilities to the EV charging community.

- Steve Sumner, Vice President, Corporate Innovation at Lincoln Electric

**SOLUTIONS
& VALUE**



VITALITY INDEX SUMMARY

Our Vitality Index is the percentage of new standard product revenues in the past five years, divided by the company's total revenues over the same period. New products exclude customized automation sales.

A Vitality Index is a common metric used to measure the effectiveness of a company's R&D innovation efforts. A high Vitality Index indicates that a company is effectively using its R&D resources to develop new products that are driving revenue growth. As a leader in welding technology and safety, our newest products are designed to make a positive impact, including automation products and enhanced software solutions. We consider our customers' sustainability goals in our product offerings, and strive to improve product material and energy efficiency, as well as safety. Many of our new products also deliver sustainability benefits. Several are highlighted below.



RANGER® AIR 260MPX™

Multipurpose engine-driven welder/generator/compressor with auto start/stop technology to save fuel



WELD-PAK® 180i

Smaller, more energy efficient



MAGNUM® PRO FUME GUN

Reduces fume exposure



Laser-Pak® PPL™

Superior energy efficiency compared to powdered metal processes



FRONTIER® 400X

Smaller, lower fume, higher efficiency



POWER WAVE® R450 RAPID

Lower fume modes

42% Total sales Vitality Index score achieved in 2023, calculated as the percentage of new product sales

57% Equipment sales Vitality Index score achieved in 2023

AUTOMATION: POSITIONING FOR THE FUTURE

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



In response to the manufacturing sector's sharp increase in productivity expectations since the start of the 21st century, Lincoln Electric continues to develop an array of equipment and systems to remove inconsistencies from the welding process and maximize safety and efficiency.

Our automation story is one of constant innovation, with the goal of providing industry-leading tools suitable for manufacturers around the world. Pre-engineered standard products with a one-size-fits-most design are ideal introductions to automating virtually any environment. Lincoln Electric's unparalleled combination of experience, expertise and customer support gets automation processes online quickly and successfully.

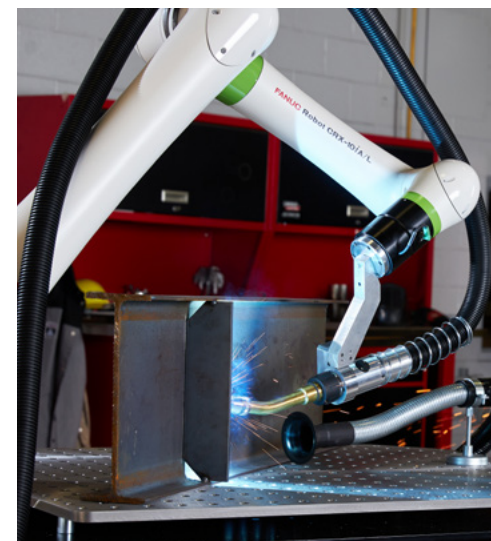
COLLABORATIVE ROBOTICS Welding "cobots" are automated welding solutions built to work safely alongside people. Their easy-to-use app enables users to program welds quickly and consistently.

MECHANIZED EQUIPMENT Mechanized welding equipment includes seam tracking, positioners, manipulators, jaw chucks, motorized slides, manual slides, pipe support strands, turning and idle rolls, and accessories for various applications.

ROBOTIC WELDING SYSTEMS From simple to advanced applications, these systems are designed to help decrease manufacturing costs, increase weld quality, improve welding productivity, and enhance your working environment.

AUTOMATED CUTTING SYSTEMS Lincoln Electric's automated CNC cutting solutions encompass every application, including plasma cutting and motion control, tube and automated pipe cutting, structural steel cutting and more.

ROBOTIC GRINDING SYSTEMS From simple to advanced applications, these systems are designed to help decrease manufacturing costs, increase weld quality, improve welding productivity, and enhance the work environment.



ROBOTIC LASER SYSTEMS The Laser-Pak robotic laser systems are ideal for laser welding, cladding, feature building, joining, brazing and additive manufacturing applications.

AUTOMATED POSITIONERS Positioners adapt part and robot orientations for a range of applications, including welding, cladding, laser, material handling, grinding, and cutting.

SPRAY AND DIE CASTING/FOUNDRY/FORGING EQUIPMENT Serving the die-casting, foundry and forging industries for more than a half-century, Lincoln Electric's mechanized and robotic ladles, reciprocators, spray atomizers and spray wands promote safety and efficiency in the work environment.

AUTOMATED MATERIAL HANDLING Lincoln Electric teams are experts in the design and development of custom high-capacity automated vehicles with the highest positioning accuracy and repeatability for large-scale material handling applications.

LASER-PAK[®] PPL



In 2023, Lincoln Electric introduced The Laser-Pak PPL, the first iteration of a new Laser-Pak family of robotic laser welding systems. Precision Power Laser (PPL) provides superior energy efficiency compared to powdered metal processes, and a greater control of base metal dilution (compared to MIG welding) resulting in a longer functional life of hardfacing or cladding. PPL improves production rates by producing a weld deposit at high travel speeds with independent control of power inputs of the weld.

These benefits of PPL combine with the traditional benefits of a robotic system: high repeatability in a production process, increased consistency, and accuracy of the final product. This results in reduced waste and associated energy consumption, as fewer products need to be scrapped and reproduced.

The Laser-Pak PPL is designed for maximum safety as well as efficiency and productivity. To prevent laser exposure outside of the cell and provide maximum functionality and safety in this automated system, the enclosure is "light tight" to the laser wavelength. The cell also includes interior safety scanners, laser-safe viewing windows, and light curtains for added safety.

SAVE GAS WHEN WELDING



ECO-gas™ 4.0

In 2023, we expanded our automation commitment through the acquisition of **Powermig Automação e Soldagem Ltda.** (“Powermig”), a privately held automation engineering firm headquartered in Caxias do Sul, Rio Grande do Sul state, in Brazil. Powermig manufactures ECO-gas 4.0 and specializes in the design and engineering of industrial welding automation solutions for the heavy industry and transportation sectors.

ECO-gas 4.0 is an integrated gas control system that enables the user to automatically regulate the supply of shielding gas depending on the current being used during a MIG/MAG welding process. In addition to controlling the gas flow, ECO-gas 4.0 also tracks the instantaneous or cumulative rate of gas consumption, which can be reset daily to allow for more accurate control of use for each process.

The ECO-gas system helps reduce gas costs and maximize efficiency by comparing productivity and standardization among multiple operators.

Model 763 DataSmart®

Model 763 DataSMART manifold is a gas distribution system used to monitor, control and switch the flow of gas from bulk, cryogenic or high-pressure cylinders while maintaining a settable, constant delivery pressure to the facility or process. DataSMART reduces waste by tracking the exact volume of remaining gas as well as pressure, thus providing the user with a more precise understanding of the gas supply. Automatic, real-time text alerts and an alarm system minimize downtime by notifying the user when the gas reaches its pre-set trigger point. The combination of recorded data, including the dates of every switchover, helps promote efficiency in the scheduling of gas deliveries in the precise amounts needed.

THE VELION™ EV CHARGER: NEW TECHNOLOGY FOR A 100-YEAR LEGACY

While electric vehicles (EVs) and EV charging technology have only recently become part of the nationwide environmental discussion, Lincoln Electric was ahead of its time, filing a patent application for charging storage batteries in 1914.

Here in the 21st century, we're delivering the next generation of electric vehicle chargers with the Velion™ EV Charger platform (DC fast charger - Level 3). Designed with industrial-grade components, the Velion EV charger platform delivers fast charging speeds with unparalleled reliability for the ultimate performance and uptime.

Lincoln Electric's vertically integrated manufacturing model also results in a level of workmanship and quality that's generally higher than what is typically found in chargers manufactured with components provided by a variety of sources. The PC boards, for example, are fully encapsulated, which provides solid protection against temperature extremes and other adverse outdoor conditions. In addition, the cable system is simplified to minimize clutter, streamline operation and promote workplace safety. All machines are tested with a regenerative load to reduce energy consumption while performance verification is taking place.

These and other aspects of the design and manufacture of the Velion EV charger ensure a high level of efficiency over a longer functional life, which contributes to its sustainability profile.



COMPATIBILITY

The Velion EV charger has an output voltage ranging from 200-1000 V DC that is capable of charging EV batteries across most automotive brands. To address concerns related to charger compatibility and charging station connectivity, Lincoln Electric hosted the 2023 CharIN North America Fall Festival in Cleveland, Ohio. The event focused on the latest developments in e-mobility and interoperability of electric vehicles while testing a variety of EVs, charging stations, and communication controllers. The event hosted more than 30 testing companies, and three days of testing.

COMPRESSING THE SUPPLY CHAIN

Over the last several years, supply chains have been stressed due to component availability and the ability to ship/receive components on time.

To address some of these concerns, the Velion EV Charger is the first American-designed and American-made model approved under NEVI, the National Electric Vehicle Infrastructure program. With domestic content of roughly 70%, Lincoln Electric's charger far exceeds all federal domestic content requirements in place today and is well positioned to meet the 2026 federal guidelines for the future; including NEVI's 2026 target for 75% domestic content. Additionally, the Velion EV Charger is Federal Highway Administration (FHWA) Build America, Buy America compliant.

LIFE CYCLE ANALYSIS (LCA) STUDY OF OUR ADDITIVE MANUFACTURING PROCESS

In 2023, we conducted a preliminary comparative LCA project looking at functionally equivalent steel products manufactured by a traditional forging process as compared with our additive manufacturing process using Pipeliner® 80Ni1 welding wire.

Wire arc additive manufacturing combines gas metal arc welding (GMAW) with sophisticated automation. The process involves the use of 3D CAD software and the application of a robotic arm with a GMAW torch, which puts down successive layers of melted wire feedstock onto a multi-axis positioner to form a single, fully formed part. The process is ideal for parts larger than a basketball and can be readily scaled to several meters.

We compared raw materials, manufacturing processes and efficiencies, and transportation aspects along the product life cycle from raw material extraction to end of life. Analyzed parameters included: Global Warming Potential, Ozone Depletion Potential, Acidification Potential, Eutrophication Potential, Smog Formation Potential, etc.

We found that the carbon footprint of our additive process compared favorably to the traditional forging process, especially when considering the impacts related to raw steel manufacturing technology, the part manufacturing process, our internal process for drawing welding wire to size vs. forging, and transportation during distribution.

Our additive process which uses a scan of the existing part and reproduction through detailed build-up of weld metal is often also the fastest way to produce a replacement part.





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, manufacture, 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.

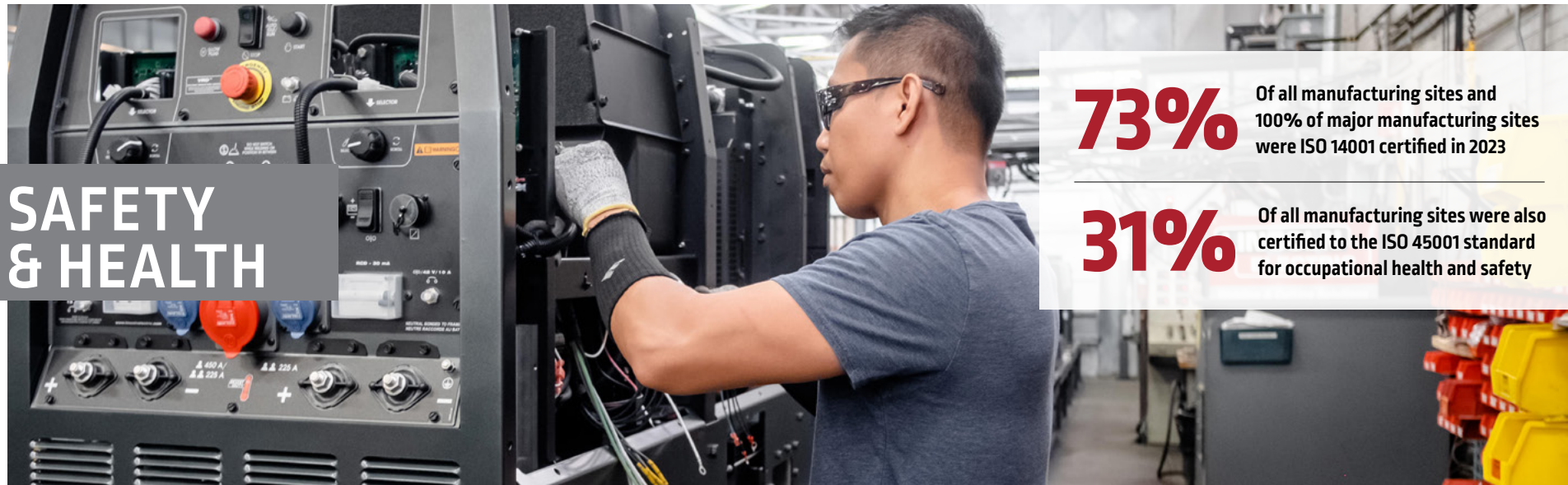
Our chemical information system (CIS) is a key enabler of our global compliance strategy. For consumable products, the information in our CIS—which includes hazardous product ingredients and potential fume constituents—is incorporated into product compliance specifications and outlined in Globally Harmonized 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.

OPERATIONAL EXCELLENCE





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 to ensure that our manufacturing operations, related processes, and products do not negatively impact the health and welfare of our employees, customers, and neighbors.

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 compliance obligations – 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.
- » A focus on learning from events and near misses of all types that supports process redesign and improvement.
- » Extensive auditing and regular monitoring of our safety performance, which enables accountability at all levels of the organization and assesses the health of the program.
- » Award and recognition programs, including our annual Chairman's Awards for Safety, Environment and Sustainability Excellence, a 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

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.

Corporate governance of EHS performance includes a strong emphasis on auditing for compliance. In 2023, the corporate team added another important lever to its arsenal – the management system audit. This audit tests that a site has all elements of an effective management system in place, i.e. the ability to effectively move around the Plan-Do-Check-Act (PDCA) improvement cycle, for key environmental, health or safety hazards, risks, or obligations. The supporting protocols were designed to ensure that sites have sustaining processes and systems to ensure compliance with all regulatory requirements, as well as with the Global EHS Directives and corporate standards. In 2023, the new audit protocol was piloted at two of our sites.

RISK REDUCTION

The company sets annual risk reduction objectives at both the business unit and site levels that are project- or activity-based. Given the nature of our business, operating at the machine interfaces can be an area of risk. In 2023, we placed continued emphasis on machine guarding improvements. We also planned and implemented targeted investments at all our manufacturing sites as a part of a three-year plan.

To focus on hazards that drive the most severe outcomes in our operations, we began developing Hazard Heat Maps with associated Strength of Defense Matrices. The Hazard Heat Map is a tool used to visualize the assessment of risk in any operation. Teams use these maps at all levels of the organization to prioritize efforts to proactively add controls or safety defenses.

For each hazard on the heat map, a Strength of Defense Matrix identifies the layered safety defenses in place to control that hazard and determines where those defenses fall on the hierarchy of control (elimination, substitution, engineering controls, administrative controls, and personal protective equipment). The Strength of Defense Matrix helps the site teams recognize gaps in their defenses and validate that all systems are working as designed to prevent injury. The final matrices are also useful for cascading best practice for controlling hazards across similar operations at other facilities.

This use of Hazard Heat Maps, which was piloted in the Mentor, Ohio, facility in 2023, is a precursor to our shift to the Human and Organizational Performance (HOP) philosophy, which launched across the enterprise in 2024. The core concepts of HOP encourage an enterprise to acknowledge that organizational behavior, its culture, systems, and processes drive workplace safety. The introduction of HOP concepts and their associated toolkit, which will embed these concepts into our practice, are expected to drive:

- » A new approach to safety leadership
- » Enhanced employee engagement
- » Improved serious injury and fatality prevention, risk management and business performance
- » Promotion of a positive organizational safety culture that values learning.



ORGANIZATIONAL LEARNING

During 2023, we continued implementation of a new enterprise-wide Learning Management System that began in 2022. This move to a single global platform enables individual manufacturing sites to streamline and standardize the delivery of their 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. As of the end of 2023, 65% of our manufacturing facilities had implemented the new platform.



Continuing to build the competency of EHS professionals within our organization is also a central focus of our current road map. In 2023, our ongoing series of incident learning calls continued. These calls 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.

To further support this focus on learning, Lincoln Electric held its first Safety Week at all facilities on October 2-6, 2023. The slogan for the week was A Vision of Zero Accidents: Taking Care of Your Hands. Each day of the week focused on a different risk-reduction topic, including crane use, use of hand tools, guarding rotating equipment and pinch points, personal protective equipment, and ergonomics. Facilities were supplied with a standard set of materials, including hazard hunts, safety messages, and a list of activities to guide them through the week. Each site used these materials to engage employees in a fun and creative challenge that reinforced the concepts.

SAFETY PERFORMANCE HIGHLIGHTS



MENTOR, OHIO

The leadership team at the Lincoln Electric facility in Mentor, Ohio, has developed several EHS initiatives to improve workplace health and safety and optimize employee performance during every shift of every workday.

Start-of-Shift Safety Checks

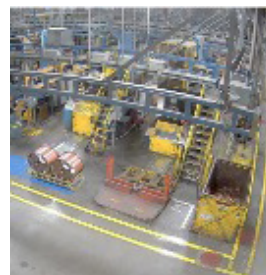
Safety is the first priority at the Mentor site from the first minute of the workday. Operators at the facility are required to complete safety checks at the start of every shift. Employees are instructed to shut down the line and notify maintenance in the event of a safety hazard during the shift, and the leadership team at the facility follows up with a full review and audit of every safety incident.

Positive Behavior Coaching

Mentor employees begin every shift with coaching by supervisors trained in observation and feedback. This coaching includes discussion about positive and negative behaviors and how they can affect productivity, quality and other factors. The data from the discussion and feedback is audited by department managers to help maintain a positive and supportive environment at the facility.

Pedestrian Aisleyway Improvement

Management at the Mentor facility is cutting a well-defined path to workplace safety. They've adjusted the factory layout to segregate pedestrian and fork truck traffic. Standard guidelines have been painted for product and raw material placement. In addition, they've added physical and projected stop signs, hazard warnings and other visual controls to help prevent pedestrian access to hazardous or potentially hazardous areas of the workplace.



Hazard Heat Mapping Exercise

The EHS team at the Mentor facility continuously partners with the engineering and the production teams to measure, identify and map EHS hazards within plant departments on a visual tool called a Hazard Heat Map. Once the risks are identified, the Strength of Defenses Matrix (SODM) serves as the primary guideline for risk control.

Human & Organizational Performance (HOP)

In 2024, the Mentor facility will begin to launch learning teams – groups of employees who participate in facilitated discussions in a psychologically safe space to learn and improve overall performance. The conversations are based on pre-established foundational principles of HOP:

- » People are fallible; even the best make mistakes
- » Workers are masters at problem-solving
- » Context drives actions, choices and decisions
- » Leadership response matters
- » Blame fixes nothing
- » Improvement happens through learning

Training

From their very first day on the job, new employees at the Mentor facility are positioned for optimal safety and productivity with the help of focused and specific training. Each trainee is assigned a dedicated and preferred trainer, and a checkpoint sign-off program provides a platform for employees to demonstrate knowledge and proficiency.



MEXICO CITY, MEXICO

At Lincoln Electric Mexicana (LEM), we believe safety is both a shared value and community goal. The LEM Vallejo plant has remained DART-free since May 2023, due to the combined efforts of workers and managers from various departments adding their respective contributions. We believe the following strategies have been key in achieving these results:

Openness & Expediency

The management at LEM has encouraged employees to report unsafe acts and conditions and ensure that no suggestion or concern goes unheard. A total of 302 unsafe acts and conditions were reported during all of 2021. In 2023, the number of reports climbed to 687. This trend indicated that employees were becoming more comfortable reporting concerns about safety, health and environment because they see results when they do so. Also, leaders have instituted weekly meetings to discuss the most relevant unsafe acts and conditions at the facility. These meetings and discussions have helped to ensure that solutions are quickly integrated into the operations and also help keep action items at the forefront of employees' and managers' thinking.

Ownership

The level of engagement in the issue of safety at LEM Vallejo is also changing. In 2021, 95% of unsafe conditions and acts were submitted by EHS. In 2023, the number of EHS-initiated reports decreased to less than 40%. This is an indication that our colleagues are becoming more aware of their roles regarding safety and are taking a more proactive approach to

resolving issues. Department heads and workers are taking part in Safety and Health Commission walkthroughs and 6S evaluations, which give them a better understanding of EHS matters and a greater opportunity to provide input about how to address them.

Training

An increase in the amount of training that includes practical hands-on demonstration has helped workers feel more engaged in the mission to improve safety. They can offer feedback and insights that would not be as forthcoming after merely watching a video or reviewing a slideshow. Whenever possible, we reinforce the practical applications of the safety-related knowledge outside of the workplace – such as how to help a choking person, or how to treat a burn – and consider this as additional value for the time the workers are investing in training.

Leading Indicators

Traditionally, LEM Vallejo had been using DART and TRCR as safety indicators. While these metrics are useful in comparing performance between specific timeframes, they're not always helpful in identifying the causes of a problem or making improvements.

With the implementation of our ISO 45001 safety and health management system, we established leading indicators to track site-specific risk concerns as well as corporate-wide interest. For example, using an ergonomic assessment methodology has allowed us to identify tasks that present a high risk for injury. These evaluations have been effective in the creation of our ergonomic index risk.



2018–2023 SAFETY PERFORMANCE



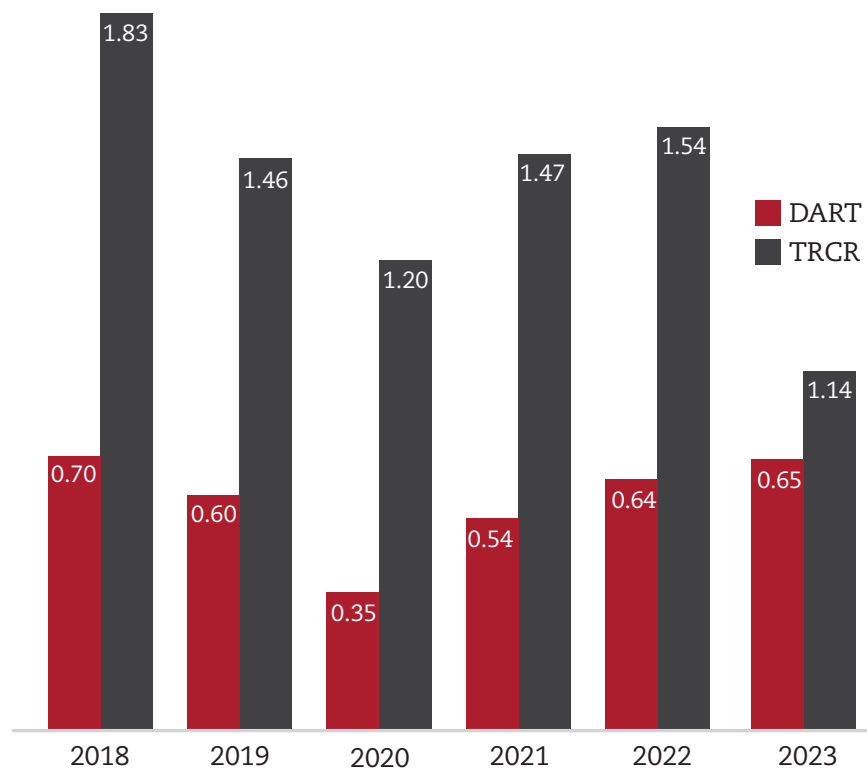
38% Reduction

in Total Recordable Cases (TRCR)⁽¹⁾
[from 2018 to 2023]

7.1% Reduction

in Days Away, Restricted, & Transferred (DART)⁽¹⁾
[from 2018 to 2023]

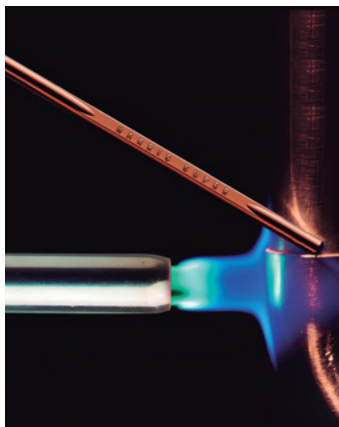
SAFETY PERFORMANCE



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

⁽¹⁾TRCR and DART are calculated per the U.S. OSHA definition for the Total Recordable Incident Rate (TRIR) and the Days Away, Restricted or transferred (DART) Rate. Which are calculated per 100 full time employees.

CASE STUDIES



SILVER FLASH CYANIDE REPLACEMENT

At our Harris facility in Brazil, potassium cyanide was used in combination with silver nitrate. Both chemicals were diluted in water to form a “silver flash” coating that was then applied to the brazing rod. This coating improved the rod’s appearance but did not alter its performance in any way. In 2023, the manufacturing process was modified to remove the chemicals, eliminating the safety risks associated with them. Other benefits of the process change include: less filter cake generation, more options to recycle the filter cake, and a reduction in the amount of PPE required by operators.



MIXER CLEANING

At our Colombian facility, flux mixers process the wet coatings that are later applied to rods in the manufacture of stick electrode. These mixers require periodic cleaning. Previously, the cleaning process involved a confined space entry followed by the time-consuming process of manually removing residual flux. Mixers have since been retrofitted with an automatic cleaning system equipped with strategically positioned spray balls that clean with pressurized water. This cleaning process eliminates the need for confined space entry. In addition, the process is now faster and consumes less water.



ROBOTIC BILLET HANDLING

In the process of forming valve housings at our facility in Mason, Ohio, the moving of billets from a billet heater to a press had previously been done manually by operators. Since replacing the manual task with a robotic system, operators are no longer required to handle the heated billets repeatedly, which helps improve worker safety and creates ergonomic benefits. The robotic process also improves efficiency during the operation of the presses.



WIRE RING CLOSURE IMPROVEMENTS

A redesign of the wire payoff rings at our manufacturing facility in Sheffield, England, has improved workplace safety at the site. Previously, the payoff rings covering the bobbins that feed into the welding wire drawing lines were designed with openings/handles that provided visibility during wire payoff. When the rings were identified as a potential hazard, the openings were enlarged to increase the visibility of the moving wire and covered with a mesh guard to prevent fingers or hands from entering the space. Not only does this redesign help prevent injuries related to cutting or pinching, but it also improves lifting and handling procedures since the mesh payoff ring is now 3kg lighter than the previous version.

GREENHOUSE GAS EMISSIONS & ENERGY INTENSITY



We are committed to reducing our carbon footprint through the reduction of greenhouse gas (GHG) emissions. In 2023, we reduced absolute Scope 1 and 2 GHG emissions by 16% compared with our 2018 baseline thanks to continued investment in energy efficiency projects within our operations.¹ Energy intensity — the total amount of energy consumed per labor hour worked — is also one of our key metrics. In 2023, we reduced our energy intensity by 10% compared with our 2018 baseline.

We have achieved reductions from our 2018 baseline by investing in more efficient manufacturing processes and equipment, and by adding on-site electricity generation. As plant equipment is updated and replaced, more energy efficient options are selected, such as high efficiency motors, burners, and lighting. We also benefit from the local electricity grids trending towards renewable electricity generation, reducing their CO₂ emission factor.

In 2023, Scope 1 GHG emissions (direct) constituted 36% (approximately 69,164 metric tons) of total GHG emissions and increased 32% compared with the prior year. Scope 2 GHG emissions (indirect from purchased energy) constituted the remaining 64% (approximately 123,924 metric tons) of total GHG emissions. Scope 2 GHG emissions increased 3% compared with the prior year. The year over year increase in total GHG emissions was predominately due to acquisitions. We still, however, remain on the path towards our 2025 goal when compared to the 2018 baseline.

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.



¹Emissions 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.



Since joining the program, Lincoln Electric has used the resources offered by the Department of Energy to engage operations and maintenance personnel at our most energy intense sites to prioritize energy efficiency. Lincoln Electric personnel have attended in-plant trainings hosted by other participating companies to learn and improve site operations for compressed air management.

THIRD-PARTY VERIFICATION OF GHG EMISSIONS

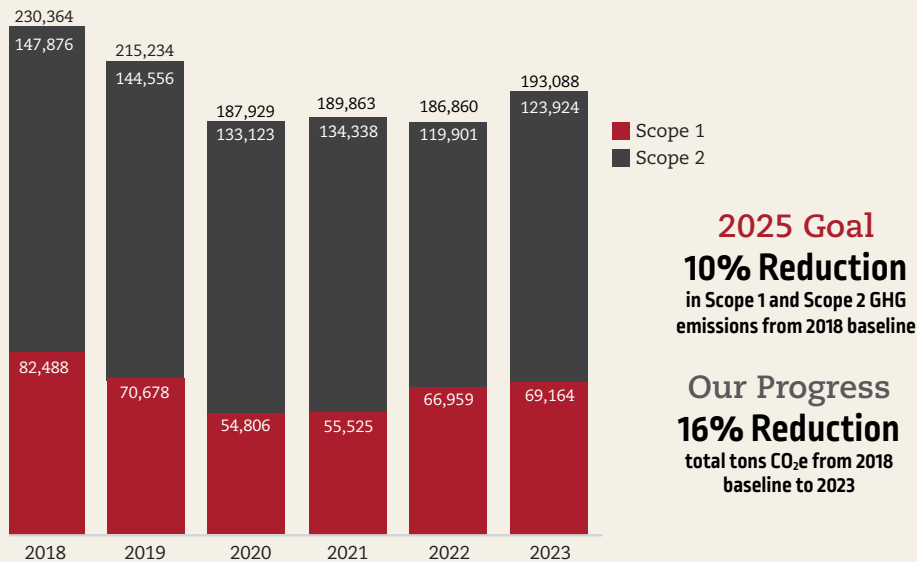
Lincoln Electric engaged Bureau Veritas UK Ltd. to provide third-party verification of our Scope 1 and Scope 2 GHG emissions data for the period from January 1 to December 31, 2023. Bureau Veritas performed this Limited Assurance Engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised Edition. Visit our website to view the GHG Assurance Statement.

SCENARIO ANALYSIS

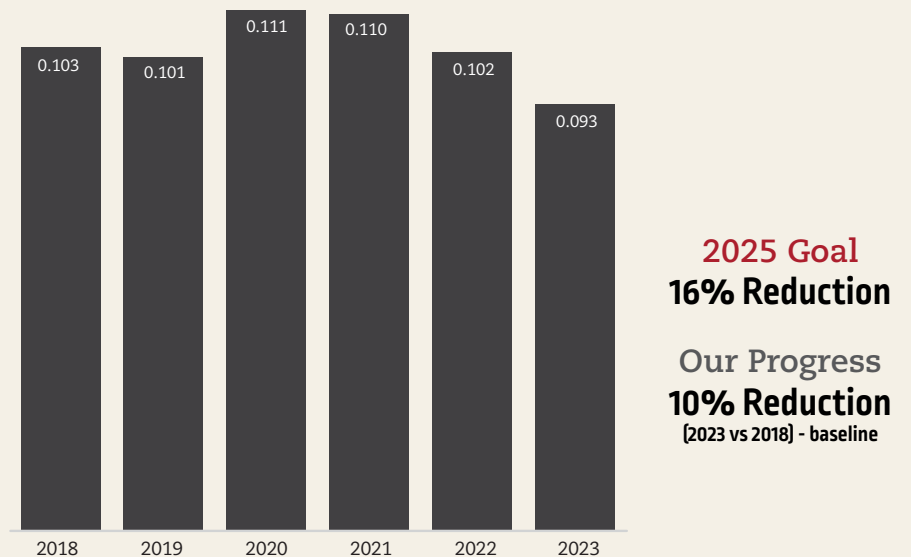
We have taken further steps to build resilience and maximize the opportunities in our business and risk management processes through a climate scenario analysis that explores three potential futures.

Through this analysis, we achieved a more holistic understanding of climate-related issues that will confront the business. We gained a better understanding of key risks, opportunities, and options to enhance resilience. The climate scenario analysis was performed in line with the TCFD recommendations and is summarized in the appendix.

Absolute Metric Tons CO₂e of GHG



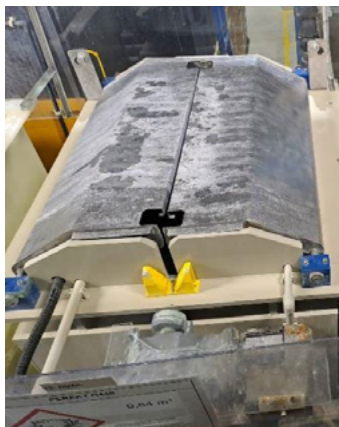
Energy Intensity by Year



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



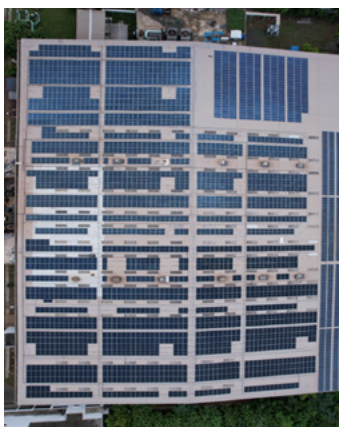
ENERGY SAVINGS THROUGH THERMAL INSULATION

At our facility in Dzierzoniow, Poland, baths used in the nickel-plating process were cooling too quickly. Maintaining the correct temperature required frequent activation of electric heaters, which resulted in a high consumption of electricity. The addition of external thermal insulation helped maintain the proper temperature in the baths for extended periods.



COMPRESSED AIR STORAGE

Our facility in Mason, Ohio, installed new dry air tanks for compressed air storage. In addition, the facility added a flow control to maintain constant air pressure in the plant (prior to installation, pressure had often been higher than necessary). This allows the facility to run two out of three air compressors and use the third only as a backup. In addition, an air leak inspection/audit was performed throughout the facility. Every 2 psi reduced results in a 1% savings of our total energy costs.



INCREASING SOLAR POWER GENERATION

Our facility in Chennai, India, has continued to increase its on-site solar energy generation. The facility had been equipped with 700 KWH rooftop solar power generation units. In 2023, the solar power generation capacity was increased by 500 KWH (71%). In the current configuration following the capacity increase, 25% of the overall electricity consumption of the facility is satisfied through solar-generated power.



REDUCING HEAT LOSS

Our facility in Mississauga, Canada, installed an air knife on the exhaust stack of a rod mill to maintain chamber pressure and reduce heat loss through the stack. This reduces heat loss and gas usage during idle periods and reduces annual energy usage by 3%.

RECYCLING & LANDFILL AVOIDANCE

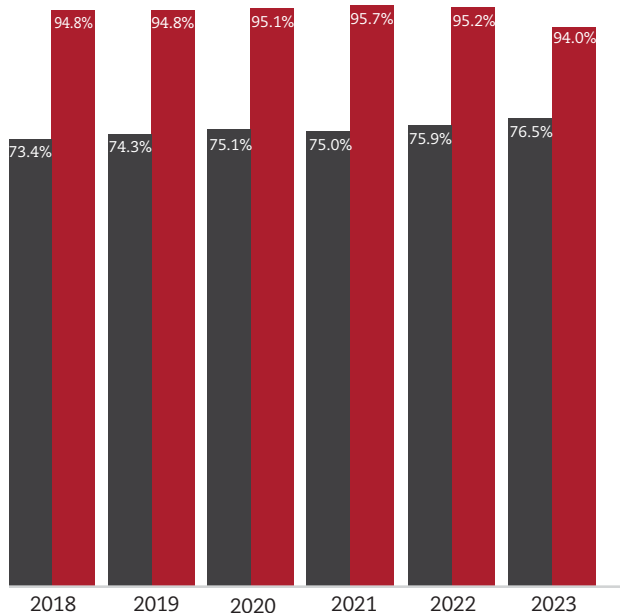


We aspire to achieve zero waste from our operations. Our waste management program prioritizes a “reduce, reuse, and recycle” approach to divert waste from landfills, leverage waste as a resource, and increase recycling in our operations.

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 that can be diverted from landfills, and the percentage of hazardous waste.

Our landfill avoidance efforts were unfavorably impacted in 2023 by the waste associated with construction of a new plant and cleanout of a plant which was closed.

Total Waste Recycling & Landfill Avoidance



2025 Goal
Landfill Avoidance
97%

Our Progress
94%

2025 Goal
Waste Recycling
80%

Our Progress
76.5%

- Landfill Avoidance Percentage
- Total Waste Recycling Percentage (Including Metals)



CASE STUDIES



REUSABLE PALLETS

Working to support one of our customers, our facility in Torreón, Mexico, transitioned to reusable pallets that could be returned after product delivery. Not only did this initiative eliminate the impact from having to dispose of and replace thousands of broken pallets each year, but it also led to significant financial savings at the site. The site was able to recover the cost of implementing this initiative within three months.



ALUMINUM AND STEEL SCRAP RECLAMATION

We installed a scrap metal briquette and coolant system at our Macomb, Michigan, facility to increase the amount of material that could be recycled from the operation. The briquette system squeezes the maximum amount of cooling fluid from metal delivered in a chip form. The skimmer system removes oils from the fluid, leaving it suitable for reuse. The result was an up to 65% reduction in costs related to the purchase of new coolants, and an increase in the price paid for the metal briquettes due to their preferred solid state.



LANDFILL-FRIENDLY GLOVES

Our facility in Ladson, South Carolina, purchases disposable nitrile gloves (approximately 10,000 pairs annually) to help employees protect their hands from chemical exposure and minimize the discoloration associated with exposure to copper consumables.

Used gloves are discarded in the general trash at the facility, but biodegradation of traditional nitrile gloves within a landfill is estimated at 100+ years. In response to this concern, the Ladson facility has been replacing its existing gloves with nitrile gloves made with an improved level of biodegradability. The newer gloves degrade in a landfill within an estimated five years.



POWDER WASTE RECYCLING

The disposal of powdered waste at our consumables facility in Shanghai, China, often took place by incineration. The facility found a vendor with the ability to recycle the waste into a tray and brick making process. This has resulted in lower carbon emissions and lower costs. The total powder waste volume reduction is estimated at 21.5 tons per year.

WATER MANAGEMENT

6 CLEAN WATER AND SANITATION

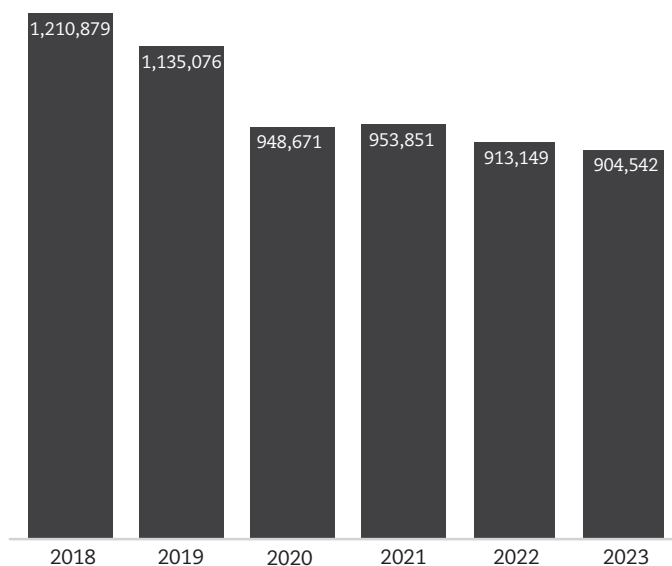


Water is an important natural resource, and we acknowledge our responsibility to manage water carefully. It is predominantly used in our consumable manufacturing processes. We monitor and measure absolute water use and water intensity (cubic meters of water used per hour worked).

Our water management initiatives focus on reducing water consumption and our reliance on freshwater. In 2023, we achieved a 25% reduction or 904,542 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.

**25%
Reduction**
achieved in 2023 or 904,542
cubic meters compared to
our 2018 baseline

Water Usage (Cubic Meters)



2025 Goal

14% Reduction
from 2018 baseline to 2025

Our Progress

25% Reduction
from 2018 baseline to 2023



CASE STUDIES



SHEFFIELD WATER REDUCTION PROJECT

The EHS team at our facility in Sheffield, England, was tasked with reducing water usage by 14% versus a 2018 baseline. One of the areas identified for water use reduction was the rinse system used after the coppering process on the finish lines, which is the plant's main use of treated water. Modifications to the rinse tube and airwipe design included the installation of a digital flowmeter and regulator tap. With these in place, the operator can now set the flow to precise levels and visually monitor and control water consumption on the line.

Water use has been reduced significantly. Reduced water usage also helps to reduce filer cake volumes. The kg of cake per tonne of production reduced from 20 kg / tonne of production to approx 14 kg / per tonne.



CHILLER SYSTEM INSTALLATION

In 2023, our facility in Winston-Salem, North Carolina, conducted a study on water use. Water used for cooling was exclusively supplied directly by city water. Management at the facility determined that the installation of an onsite chiller and filtration system was justified so that water could be recycled. The facility has since reduced its water consumption rate on average about 500 m3 per month since installation.

EMPLOYEE DEVELOPMENT



SEEKING SUCCESS THROUGH THE EMPLOYEE LIFECYCLE



ATTRACTION

Lincoln Electric offers comprehensive **medical, dental, and vision** insurance for our employees and their eligible family members. We offer paid **vacation** to our employees based on tenure. Available to eligible employees, the **annual employee bonus** is based on both company and individual performance.



RECRUIT

During the summer months, **student interns** have the opportunity to gain meaningful experiences to enhance their education while working on projects that have a real impact on the Company.

Our **co-op program** is designed to allow students to gain practical work experience that will prepare them for a future with Lincoln Electric. Recent graduates have the opportunity to start their career with Lincoln Electric in one of our **development programs**: Engineering, Technical Sales, Marketing, Finance, or Information Technology.



ONBOARDING

Our guiding principle, **The Golden Rule** of "treating others as you would like to be treated," is foundational. It challenges employees to share the responsibility to safeguard an equitable and inclusive workplace where each individual's unique contribution is encouraged.

Opportunities in many areas, including: Manufacturing & Operations, Piecework Production, Skilled Trades, Engineering, Information Technology, Sales & Marketing, General Corporate. The ability to relocate to other areas of the company, within many regions of the world.



DEVELOPMENT

We provide **tuition reimbursement** to eligible employees to further their education. 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. We are committed to developing, growing, and retaining a diverse and skilled workforce through **apprenticeships**.



RETENTION

The company provides **life and disability insurance**, **flexible (pre-tax) spending programs** and a **401k plan** for eligible employees.

2,781

New employees
[2023]

14.8%¹

Voluntary turnover
[as of Dec. 31, 2023]
↓ 4% vs 2022

9.7¹

Average years of service
[as of Dec. 31, 2023]

¹This population includes apprentices, employees, expats and trainees, but excludes contractors, consultants, seasonal employees and interns.

Throughout the entire employee lifecycle, Lincoln Electric focuses on supporting and developing its workforce in ways that maximize employee potential and engagement. The Employee Development peak of our High Standard Strategy is critical to our long-term success.

It supports our Golden Rule core philosophy (see page 55) and fosters workforce management and development strategies that are rooted in inclusion and promote employee success. These strategies ensure equal opportunity in all aspects of employment — including employee compensation, job placement, and promotion regardless of gender, race, or other personal characteristics.

MANAGING AND REWARDING PERFORMANCE

James F. 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.

A PROVEN GLOBAL INCENTIVE MANAGEMENT SYSTEM

Our global businesses operate under an incentive management philosophy which includes performance-based compensation programs, an open-door policy, and, in some cases, profit sharing. Our incentive-based philosophy creates an atmosphere for employees to thrive, learn, grow, and be rewarded for exceptional performance.

PERFORMANCE MANAGEMENT

From the start, measuring and managing our performance has been a driver of success at Lincoln Electric. Along with their market-based base pay, our employees have a significant role in determining their incentive-based pay through their performance.

Production employees (those on the shop floor) receive performance feedback at least twice per year. All other employees participate in an annual process driven by individual goal-setting and managed through our Human Resources Information System (HRIS). Each employee's goals are directly related to how they contribute towards the overall goals of the organization.

Performance evaluation results provide the employee with an individual performance rating, which factors into their incentive compensation for the year as well as merit pay increases for the following year.



James F. Lincoln
Chairman
1929 to 1965

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.



Employee
Engagement



Strong
Business
Orientation



The
Golden
Rule



Operational
Excellence



Vision and
Strategy



Solutions
and Value





EMPLOYEE ENGAGEMENT

8 DECENT WORK AND ECONOMIC GROWTH



CONTINUOUS AND OPEN COMMUNICATION

Communication is a simple but key part of employee engagement. Our open-door policy supports transparency and collaboration from the frontlines to the CEO's office. In response to employees' desire for greater connection and understanding of the business, leaders provide regular communication and site meetings across the globe. These include:

- » Daily connections with senior leadership.
- » Formalized "O3s" (one-on-one meetings) serve as regular connection points for addressing tactical work matters as well as short- and long-term career planning discussions.
- » Sit-down "listening sessions" with our U.S. piecework employees to hear first-hand views and implement actions. Follow-up meetings with executive team and front-line supervisors ensure notable workplace changes were implemented.
- » A formal employee suggestion program that encourages all employees to submit creative and constructive ways to drive continuous improvement across the organization.

EMPLOYEE EXPERIENCE SURVEY PROVIDES ACTIONABLE INSIGHTS

Our biennial global employee Experience Survey provides feedback from employees regarding their work experiences, thoughts, and suggestions to help shape and enhance the company's culture and work environment. The survey serves as a tool for employees to confidentially share their perspectives, contributing to the continuous improvement of Lincoln Electric.

The Experience Survey offers every employee a chance to highlight both our strengths and areas for improvement, empowering us to take action and affect positive change. We are committed to investing in what matters most to our employees. Their feedback is instrumental in our ongoing efforts to enhance Lincoln Electric's culture and the overall employee experience.

Results from the 2021 Experience Survey led to improvements like facility upgrades, division lunch and learns, referral program, buddy/mentor programs, recognition and reward policy and initiatives, wellness programs, and development programs like Talent-Launch, Supervisor Development Training, and SPARK.

Our third-party survey administrator receives the feedback, then collects and aggregates the responses to ensure confidentiality of respondents. Once aggregated, the results are shared with HR and leaders to be cascaded within the organization. Teams then define action plans, which are followed up in the administrator's platform. A manufacturing industry benchmark provides leaders with context for comparing Lincoln Electric's feedback to our peers.

All employees, apprentices, and trainees are invited to participate during the survey opening period. Employees access the survey through either a



personalized link sent to their Lincoln Electric email, HR kiosk at facilities, or QR code shown on posters in offices and manufacturing sites. The survey was available in 14 languages.

In 2023, employees continued to score above 70% favorable on the majority of categories. Most notably, 76% employees indicated they would recommend the company as a good place to work. (+3.0% from 2021). There was also an increase of almost 2 percentage points on the question, "I can achieve my career goals at the company."

FUTURE ENHANCEMENTS

In addition to our Engagement Survey, in late 2024 and 2025 Lincoln Electric will partner with a third-party to advance our action planning capabilities using AI-driven suggestions for managers and teams. Advanced analytical capabilities will provide managers with greater insights into their team's needs on a more frequent basis through additional employee surveying and crowd-sourcing capabilities. Our goal is to provide near real-time feedback for managers and leaders throughout the employee lifecycle to continuously improve the organization and our employees' experiences.

DEVELOPING OUR PEOPLE

4

QUALITY
EDUCATION

8

DECENT WORK AND
ECONOMIC GROWTH

Investing in our employees and their career development remains a crucial element in our company's long-term success.

Our development programs are numerous. Current employees who express an interest in advancing their careers toward an area of need are able to up-skill through expanded training opportunities in the skilled trades. Skills and career development programs further professional development and reinforce promotions from within the organization, strengthening the succession pipeline. Future talent is cultivated through means such as partnerships with educational institutions and internships.

7.7
AVERAGE TRAINING
HOURS/EMPLOYEE

KEY TRAINING & DEVELOPMENT PROGRAMS



LINCOLN ELECTRIC EMPLOYEE DEVELOPMENT (LEed) PROGRAM

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. The global learning course catalog includes content for all career levels, including training on business skills, technology and developer skills, productivity, and collaboration tools.





EXPERIENTIAL LEARNING

Junior Board: Launched in our U.S. business 80 years ago, the “Junior Board” continues to be 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. 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 helps our international employees develop their careers. The program brings global teams together, improves collaboration, and delivers improvement projects that bring value to the company. In 2023-2024, 35 employees from 14 countries participated in the SPARK program. Working in project mode, teams collaborated to develop ideas addressing four key business topics (below). Final team proposals were reviewed with senior leaders in the International Welding business segment.

- » Key Account Management
- » Strategy Segment
- » Customer Experience
- » Standardized Approach to Pricing

FOUNDATIONAL DEVELOPMENT

TalentLaunch: A global two-year, blended learning journey for emerging talent, TalentLaunch helps our valued employees build 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.

SkillsPath Shared Service Center (SSC): Recognizing that our employees in our India Shared Service Center have a unique set of competencies to support their customers and support their career development, we launched the six-month foundational SkillsPath program. Using a blended learning approach, this program focuses on eight critical competencies for early career talent across Finance, IT, HR, and Research & Development employees.

In 2023-2024, 35 employees from 14 countries had the chance to participate in the SPARK program.

HIGH POTENTIALS

Leadership Development Program (LDP): This immersive two-year learning journey 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 2022-2023 LDP cohort was the most geographically, ethnically, and gender-diverse group of future Lincoln Electric leaders in the program’s history.



EARLY CAREER & PIPELINE PROGRAMS

Engineering and Technical Sales Trainee

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

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 and 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 to help to recruit future interns through a formalized engagement program.

Middle School and High School Programs: We partner with educators and nonprofits 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.

SPOTLIGHT ON SKILL DEVELOPMENT:

Ductil, our manufacturing facility in Buzau, Romania, is proud to offer a highly successful local mentoring program. This program is designed to provide new hires and internal employees with the opportunity to learn specific skills necessary for future promotions within the company. Our experienced internal mentors provide on-the-job training that lasts between three and six months, depending on the required skills. The prospects of career advancement are a motivating factor for the selected mentees, and mentors conduct a final assessment for certification upon completion of the program. Approximately 70 employees participated in the mentoring program at Ductil in 2023, and more are expected to join in the future.

CELEBRATING OUR GLOBAL CULTURE



Our guiding principle, the Golden Rule of “treating others as you would like to be treated,” applies to every employee in the 32 countries in which we operate. This foundational principle invites our workforce to share in the responsibility of safeguarding an inclusive global workplace where each individual’s unique contribution is encouraged.

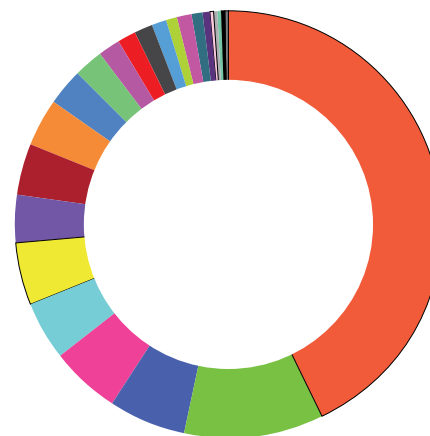


Key programs that support our global culture include:

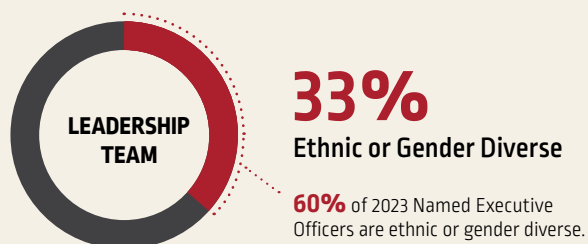
- » A performance management competency framework that measures how well employees value the unique differences of others and treat coworkers with respect and dignity.
- » Internal education and training programs to better appreciate our differences and the value that inclusiveness brings in creating 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.
- » Partnering with globally diverse customers and suppliers to understand their expectations and collaborate effectively. As a large business, Lincoln Electric has utilization goals around the use of veteran-owned, women-owned, disadvantaged businesses, and small businesses in conjunction with large government contracts.
- » 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) in the U.S.
- » Team-led, flexible work where customer, team and business needs replace rigid, top-down workplace rules. Designated remote roles that help to widen the talent net and promote a more inclusive workforce.

Cultural Diversity of Our Workforce

Our employees are located in 31 countries on 6 continents



Lincoln Electric Demographics (2023 - year end)



¹ 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

SUPPORTING A DIVERSE GLOBAL WORKFORCE

Bringing together voices from across different cultures enables Lincoln Electric to fulfill its purpose to operate at a higher standard to build a better world. Our leaders must be equipped to attract and support a diverse global workforce made up of employees from many different cultural backgrounds that are united for the common goal of Lincoln Electric's success.

Reinforcing tone at the top, Lincoln Electric's senior leaders actively participate in education and training to help them leverage the benefits, and navigate the complexities, of a culturally diverse workforce.

In 2023, our company launched a 12-month pilot program to enhance the leadership skills of our senior people leaders. We launched the program with two key objectives: supporting the long-term professional development of our Lincoln Electric managers and supporting their well-being. The program aimed to arm them with the necessary skills to navigate the complexities of leading and developing diverse global teams. We partnered with an external **Coaching & Leadership Development** vendor to deliver the program, which included bi-monthly facilitated large group workshops, online learning modules, microlearning activities, and individual coaching sessions. The program content and coaching were aligned to key development themes, enabling leaders to gain a better understanding of their capabilities and receive personalized coaching. In 2023, the program was well-received, with 80% of our eligible group managers participating.

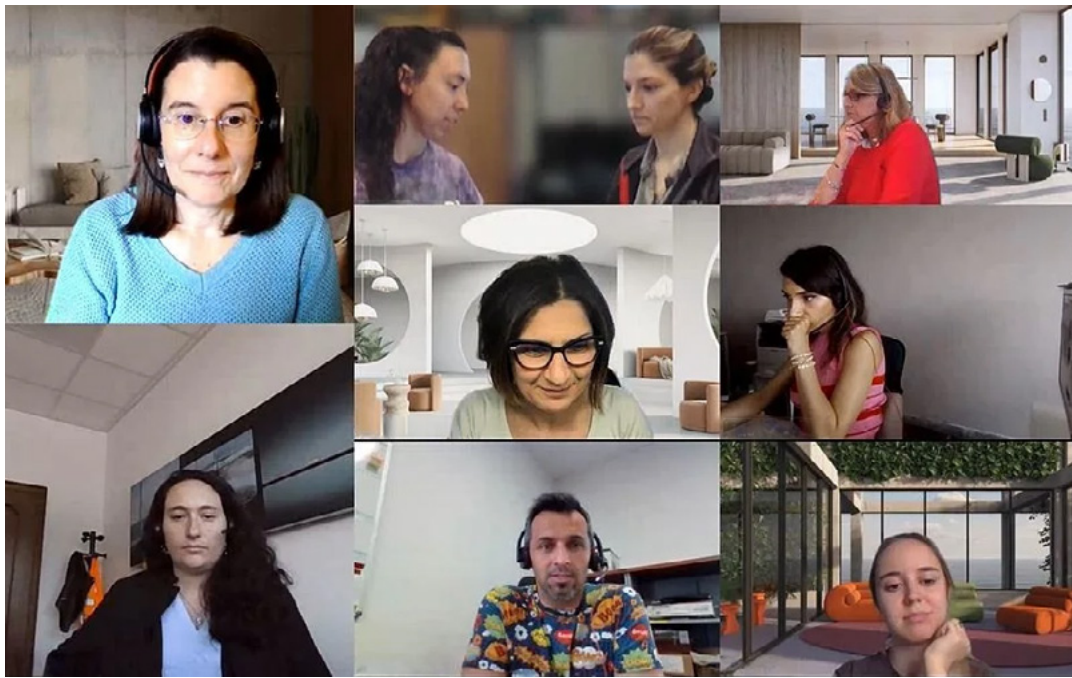


Key Coaching Outcomes

 **79%**
felt better about work

 **88%**
were more likely to address
their situation

 **79%**
learned a new skill or strategy



CONNECTING EMPLOYEES ACROSS THE GLOBE

Our employees are located in 31 countries and come from a wide variety of backgrounds. This cultural diversity enriches our connections, not just with our customers and suppliers but with each other. At Lincoln Electric, we believe that collaboration is the cornerstone of success. It's through working together, sharing ideas, and leveraging each other's strength that we achieve our greatest accomplishments.

One of the ways that employees collaborate, share and engage with each other is through Employee Resource Groups (ERG). In 2023, we began our journey toward creating global platforms for this type of connection by expanding the reach of our Women in Lincoln Leadership group.

WOMEN IN LINCOLN LEADERSHIP GLOBAL ERG

The development of our Women in Lincoln Leadership global ERG marks a pivotal step towards fostering global diversity and inclusion within the organization. This ERG cultivates an environment where diverse perspectives thrive and a place where everyone feels they can be their true self. Through initiatives such as mentorship programs, leadership development workshops, and awareness campaigns, the global Women in Lincoln Leadership will support inclusion, cultural awareness and talent development in a unique and new way.

“As a welder at Lincoln Electric, I genuinely enjoy the unique blend of precision, creativity, and physicality my job entails. The camaraderie and support at Lincoln Electric enhance the experience, allowing me to develop my skills in an environment that champions both innovation and craftsmanship. It's empowering to work with such new technology and to know my work contributes to impactful projects. Working here not only allows me to advance in my craft but also reinforces my role in leading the way for other women in the welding industry. Thankful for a supportive and fun team that I get to work with every day!”

April Denison, Welder for Lincoln Electric Automation, Chattanooga.

GLOBAL IMPACT THROUGH VOLUNTEERISM

Across the globe, our employees positively impact their communities by engaging in company-supported volunteerism and giving programs.

GLOBAL

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



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.

SPAIN

Zaragoza, Spain: Lincoln Electric sponsored a group of employees in Zaragoza who took part in En Marcha Contra el Cáncer (the March Against Cancer), an annual event organized by the Asociación Española Contra el Cáncer (Spanish Association Against Cancer) to raise awareness of the disease and raise funds for research to fight it. The march of five kilometers included more than 2,200 participants.

In addition to the physical challenge of the athletic event, the commitment from Lincoln Electric and its employees in Zaragoza sent a powerful message about the importance of the ongoing fight against cancer. Their dedication and resilience demonstrated the impact a company can have in driving positive change. By supporting such initiatives, Lincoln Electric fosters an environment where employees feel empowered to take action and make a difference.

UNITED STATES

Carthage, Tennessee: Lincoln Electric teamed up with a local organization to help support women and children who are in a local domestic violence shelter during the holiday season. Our team collected donations of nonperishable food items, clothing, and toys. The organization said our location doubled the contributions that they had received.

Cleveland, Ohio: Lincoln Electric partnered once again with the American Red Cross and Euclid Ohio Fire Department to participate in the Sound the Alarm, Save a Life campaign—a series of home fire safety and smoke alarm installation events across the country. Our volunteers learned the basics of fire safety and the importance of smoke alarms for saving lives. Volunteers 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, 269 smoke alarms were installed into 92 residences that day.

Lincoln Electric returned as the presenting sponsor for the 11th annual Cleveland Ohio Hearing and Speech Center Big Wheel Relay race. The Cleveland Hearing and Speech Center is the nation's longest running nonprofit organization dedicated solely to serving those with special communication needs. In this fun event, teams compete to raise money and race adult-sized big wheel tricycles for prizes and bragging rights. All of the funds raised are used to advance the Cleveland Hearing and Speech Center's mission of providing speech-language, hearing, language interpreting, and deaf services.



Mason, Ohio: Our Engagement Committee forged impactful partnerships with diverse regional organizations including Mason Food Pantry, Dress for Success, and multiple women's shelters. By collaborating with these organizations, we extended our reach and contributed to meaningful social change and collective empowerment.

Mentor, Ohio: The LincVets Employee Resource Group comprises Lincoln Electric military veterans with a mission to help other veterans within the company and the community. In 2023, our Sub Zero Mission drive collected donations of items as well as monetary support to help those exposed to the cold. The Sub Zero Mission helps not only veterans, but others in need of warm clothing, boots, etc. The 2023 drive raised more than \$3,300.

CORPORATE PHILANTHROPY & THE LINCOLN ELECTRIC FOUNDATION

Lincoln Electric *foundation*

The Lincoln Electric Foundation: The Lincoln Electric 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 more than \$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.

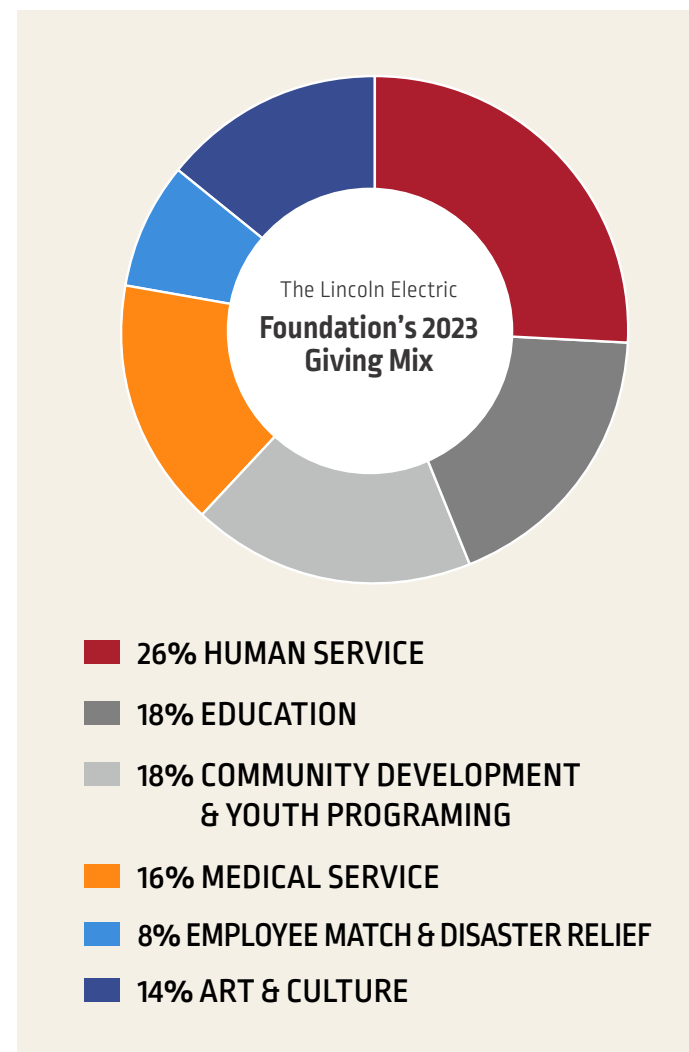
In 2023, the Foundation issued approximately \$1.5 million in grants. More than 70% of the grants were issued to support programming for economically challenged and underserved citizens.

\$650,000

in-kind donations domestically in 2023.

In-Kind Gifts: We provide product donations to nonprofit organizations to support fundraising events, disaster relief efforts, and weld training programs such as the Scouts BSA welding merit badge and skilled trade programs. In 2023, we provided approximately \$650,000 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.





WOMEN WHO WELD

Lincoln Electric maintains an ongoing commitment to closing the gender gap and inviting more women into the welding trade. To date, we have provided more than \$275,000 in financial support to Women Who Weld, a Detroit-based organization founded in 2013 and dedicated to teaching women how to weld and secure employment in the welding industry.

Women Who Weld's introductory and intensive welding training programs prepare women for full-time jobs, apprenticeships, or continuing education opportunities in welding and manufacturing. In addition to the teaching component, the organization is also committed to developing economic opportunities for women and promoting diversity in the workforce – not just in the Detroit metropolitan area but nationwide.

In addition to supporting Women Who Weld, Lincoln Electric also hosts an event called the Women in Welding Weekend. The two-day, ten-hour course covers welding safety and the basic

procedures and techniques of the stick and MIG welding processes. The course is designed to open more doors to women who are curious about welding and what it can offer them. It establishes a supportive environment that not only teaches students the basics of welding, but also helps them discover the opportunities they can create with their newly developed skills – at the very least an empowering hobby, and possibly even a foundation for further career options.

Lincoln Electric's commitment to closing the gender gap dovetails with the company's larger effort to bridge the skills gap that has resulted from veteran welders retiring out of the trade in recent decades without a sufficient population of up-and-coming welders to take their place. Supporting outside organizations like Women Who Weld while promoting educational initiatives via our own Welding Technology and Training Center – including Women in Welding Weekend and other programs – not only helps to create more welders, but also creates viable career opportunities for women.



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.

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

CODE OF CONDUCT

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 and proprietary information, human rights, insider trading, and keeping accurate books and records. During 2023, 100% of our salaried employees completed required online compliance training courses, and more than 5,700 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.



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.

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

In 2023, the company began moving to a centralized Global Procurement Organization to drive efficiently,

scale, and better manage risks related to our supply chain. Global strategic sourcing teams have been established, with published strategic sourcing plans defined and continually updated. These teams include Operational Purchasing teams and Global Procurement teams. The Operational Purchasing teams focus on getting their parts ordered and delivered, while the Global Procurement team's five centers of excellence provide the processes, systems, tools, development, and strategies to help our business win. Members of the Global Procurement leadership team are assigned to the divisions and corporate functions to be their procurement contact, pulling in center of excellence leads as appropriate.

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 2023, our primary U.S. business directed approximately 28% of its purchasing spend to approx 2,000 U.S. businesses owned by women, ethnic and racial minorities, veterans, and service-disabled veterans, as well as businesses designated as small business enterprises.

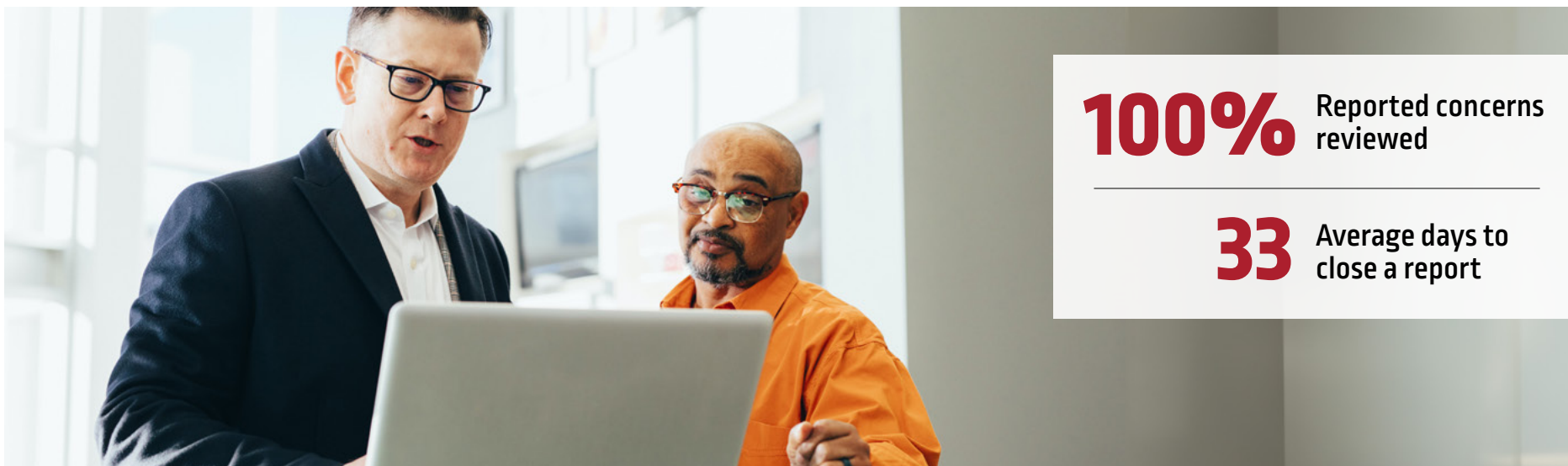


DATA PRIVACY & CYBERSECURITY

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 customers, 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.



100% Reported concerns reviewed

33 Average days to close a report

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

<https://lincolnelectric.ethicspoint.com>. In 2023, 100% of hotline cases were reviewed and closed within an average of 33 days, with 58% of the case reporters being named individuals disclosing their identity, which demonstrates trust in the Company’s Speak-Up program.

The Compliance Team reviews and tracks concerns that come through the Hotline, directly to us, or from other sources.

Corporate Compliance Steering Committee

Our Corporate Compliance Steering Committee provides additional oversight of the Compliance Program and meets periodically (at least bi-monthly and more frequently if needed). The Corporate Compliance Steering Committee consists of the following: Executive Vice President, Chief Financial Officer and Treasurer; Executive Vice President, General Counsel; Executive Vice President, Chief Human Resources Officer; Business Unit Leader; and the Compliance Director.

Regional Compliance Committees

Regional Compliance Committees Regional Compliance Committees in each Lincoln Electric region (North America, Latin America, EMEAR, and APAC) provide briefings to the Compliance Director and assist in the execution of the Compliance Program in the regions. These committees include (at a minimum) the following personnel: Regional and/or Segment President; Country/Regional Manager; Finance Manager/Director; Human Resources Manager/ Director; and Regional Legal Counsel.

This helps us better understand how comfortable employees are speaking up, identify high risk areas, and make improvements to training, processes, and resources.

We use this information to improve:







- » Policies and processes
- » Training and resources
- » Monitoring activities

SUSTAINABILITY PERFORMANCE SUMMARY



HIGHER STANDARD 2025 GOALS

2025 STRATEGY SUSTAINABILITY GOALS

	2025 Goal	2023 Performance	2022 Performance
 SAFETY (TRCR)	52% Reduction	38% Reduction (vs. 2018 baseline)	15.8% Reduction (vs. 2018 baseline)
 SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS (ABSOLUTE)	10% Reduction	193,088 tons CO ₂ e 16% Reduction (vs. 2018 baseline)	186,860 tons CO ₂ e 18.9% Reduction (vs. 2018 baseline)
 ENERGY INTENSITY ¹	16% Reduction	0.093 10% Reduction (vs. 2018 baseline)	0.102 1% Reduction (vs. 2018 baseline)
 RECYCLING	80% Rate	76.5% of waste recycled	75.9% of waste recycled
 LANDFILL AVOIDANCE	97% Rate	94% of waste diverted	95.2% of waste diverted
 WATER USE (ABSOLUTE)	14% Reduction	904,542 cubic meters 25% Reduction (vs. 2018 baseline)	913,149 cubic meters 25% Reduction (vs. 2018 baseline)

¹Energy intensity is total energy consumption per total labor hours worked.

SASB CONTENT INDEX

Metric Code	Disclosure	Unit	2023 Reference or Direct Response
Industrial Machinery & Goods			
Energy Management			
RT-IG-130a1	<ol style="list-style-type: none"> (1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable 	Gigajoules (GJ), Percentage (%)	<ol style="list-style-type: none"> 1. Total Energy Consumed: 2,195,376 GJ 2. 46% of our total energy consumption came from electricity from the grid 3. 4.2% renewable
Employee Health & Safety			
RT-IG-320a.1	<ol style="list-style-type: none"> (1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR) 	Rate	<ol style="list-style-type: none"> 1. TRIR = 1.14; 2. Fatality Rate = 0; 3. NMFR = 14.32
Fuel Economy & Emissions in Use-phase			
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 = 0.49 gal/hr; Gasoline-powered welding equipment = 0.60 gal/hr LP gas-powered welding equipment = 3.53 lb/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	2023 Reference or Direct Response
RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOX) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (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
Materials Sourcing			
RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	2023 Lincoln Electric Annual Report p. 7
Remanufacturing Design & Services			
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
Activity Metrics			
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

TCFD DISCLOSURE

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

To support and communicate our efforts to address climate change and prepare us and our customers for the transition towards a cleaner and more efficient energy future, Lincoln Electric has prepared this index in line with the recommendations of the TCFD.

GOVERNANCE

(a) Describe the Board's oversight of climate-related risks and opportunities.

Lincoln Electric's Board of Directors recognizes the importance of aligning our goals, including those related to sustainability, with the interests of our key stakeholders. Accordingly, the Board's oversight responsibility for Environmental, Social, and Governance (ESG) matters is reflected in our Governance Guidelines. The Board's oversight role includes reviewing progress towards our long-term safety and sustainability targets, as well as other sustainability initiatives.

(b) Describe management's role in assessing and managing climate-related risks and opportunities.

Our Vice President of Enterprise Risk Management oversees an internal corporate risk committee composed of members of our business units and various functional leaders (e.g., IT, Finance, Legal). Critical risks facing the organization are identified each year and assigned, as appropriate, to be reviewed with either the full Board or various Board Committees

throughout the year. ESG, which includes climate-related risks, is currently considered a critical risk for the organization. In 2024, the Enterprise Risk Management committee participated in a Climate Scenario Analysis exercise to inform this disclosure.

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, including those related to climate.

For more information about climate-related governance, see [Board Oversight](#) in this ESG Report.

STRATEGY

(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

(b) Describe the impact of climate-related risks and opportunities on the organizations' businesses, strategy and financial planning.

(c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

In 2023, Lincoln Electric partnered with BSR, a nonprofit sustainable business network and consultancy, to conduct its first comprehensive climate scenario analysis. This effort ("2023 Climate Scenario Analysis") identified Lincoln Electric's possible climate-related risks and opportunities based on three plausible climate scenarios developing through 2050. Identifying potential risks and opportunities across several possible futures provides valuable insights that, applied to our strategy development process, allows us to develop plans to bolster the resilience of our strategy and capitalize on potential opportunities.

The steps leading from scenario analysis to strategic action are as follows:

1. Scenario development: BSR used three climate scenarios developed by the Network for Greening the Financial System (NGFS): Current Policies, Net Zero 2050, and Delayed Transition. These climate scenarios provide the base narratives for Lincoln Electric's climate scenario analysis. BSR extended each of the narratives by adding content about how a range of business-relevant topics might plausibly play out in each of these scenarios, including analysis of key industrial sector physical and transition data projections supplied by NGFS. Each scenario and its underlying assumptions are described in **Table 1**.

2. Identification of climate-related risks and opportunities: As part of the scenario analysis effort, BSR conducted a workshop with approximately 15 Lincoln Electric participants from diverse functions and regions, including our ERM committee, to analyze the business impacts of the three scenarios and identify climate-related (transition and physical) risks and opportunities for Lincoln Electric. The identified climate-related risks and opportunities are set forth in **Table 2**.

3. Impact quantification: Lincoln Electric's sustainability, risk management and finance teams are assessing the possible financial categories impacted by the identified risks and opportunities, as well as estimated potential magnitude of the impact. This assessment helps prioritize our focus on areas of most significant potential impact. Our current assessment of potential categories of financial impact and magnitude of the risks and opportunities identified by the 2023 scenario analysis process are set out in Table 2.

4. Integration with risk management and strategy development processes: The insights provided by the scenario analysis are being integrated into our strategy development and risk management processes, which inform our financial planning, product and business development, operations, and other business processes and activities.

5. Strategic Interventions: Based on a rigorous and continuing assessment of the results of the scenario analysis and the identified risks and opportunities, Lincoln Electric will develop strategic responses that mitigate potential risks, adapt to a changing physical and business environment, and position the company to act on business opportunities that may arise as a result of climate-related change.

TABLE 1. CLIMATE SCENARIOS AND ASSUMPTIONS

	Current Policies	Net Zero 2050	Delayed Transition
Scenario	Existing climate policies remain in place, but there is no strengthening of ambition level and climate action remains minimal.	Stringent climate policies and innovation, reaching global net zero GHG emissions around 2050	Climate policies are delayed, which forces a very aggressive policy response starting in 2030
Impact of transition and physical risks	High physical risks, Low transition risks	Low physical risks, Medium transition risks	Medium physical risks, Medium to high transition risk
Policy Ambition*	3°C+	1.4°C	1.6°C
Policy reaction	No additional** policy reaction	Immediate and smooth policy reaction	Delayed policy reaction
Technology	Slow technology change	Fast technology change	Slow then fast technology change
Carbon dioxide removal	Low use of carbon dioxide removal	Medium/high use of carbon dioxide removal	Low/medium use of carbon dioxide removal
Regional policy reaction	Low regional policy variation	Medium regional policy variation	High variation in regional policies

Scenario descriptions based on the [NGFS scenarios framework](#) as well as data from NGFS Climate Impact Explorer and NGFS IIASA Scenario Explorer.

* above pre-industrial levels by 2100c

**because NGFS's phase 3 data set was developed in 2022, this notably does not include major recent policies such as the U.S. Inflation Reduction Act

TABLE 2. CLIMATE-RELATED RISKS AND OPPORTUNITIES

The climate-related risks and opportunities identified by the scenario analysis that may be most impactful to Lincoln Electric's business, as well as a description of the potential impact, are set forth in the tables below. Time horizons correspond to Lincoln Electric's 2023 CDP Climate Change Response: short-term is 1-3 years, medium-term is 3-5 years, and long-term is 5-10 years.

Transition Risks and Impacts

The following outlines transition risks that present the greatest potential impact to Lincoln Electric across the three climate scenarios.

Transition	TCFD Category	Risk	Impact	Time Horizon	Impact Classification
	Policy and Legal	Rising compliance costs	With new and upcoming climate-related regulations such as SEC rules, California bills, CSRD, CSDDD and jurisdictional adoption of ISSB standards, LECO and its suppliers will need to invest time and resources into compliance (e.g., capital). This will, directly and indirectly, increase cost for LECO, as it sources and must comply across many regions.	Short, Medium, Long	Increased operating costs
		Decarbonization requirements	LECO faces the risk of substantial costs and disruptions due to decarbonization regulations necessitating significant alterations to high-emission inputs and manufacturing processes, potentially increasing sourcing, production, capital, and R&D expenses.	Medium, Long	Increased operating costs
	Technology	"Greener alternatives" may be more expensive	Investing R&D and procurement resources into lower-emissions inputs and products (e.g., green steel) may be more expensive for LECO and may not be financially viable in the long term.	Long	Costs to adopt/deploy new practices and processes
	Market	Declining personal disposable income of consumers	If personal disposable income in the U.S. declines due to climate-induced economic distress, regulatory costs, unemployment, and infrastructure damage, demand for LECO's welding products may decline.	Medium, Long	Reduced demand for goods and services
		Shifting customer and product base	If the oil and gas industry encounters heightened fines and stricter regulations, and there is a push for grid transition to renewables, LECO could experience a decline in sales. This would necessitate adjustments in both product offerings and sales strategies.	Medium	Change in revenue mix and sources, resulting in decreased revenues
		Stress impacts labor productivity	Workers are likely to experience heightened stress stemming from multiple factors such as geopolitical unrest, physical climate disruptions, inflation, and decreasing disposable income. This increased stress and declining mental health could potentially impact productivity at LECO, leading to potential operational setbacks and heightened costs.	Short, Medium, Long	Increased production costs due to changing input prices and output requirements
		Labor market disruption	As manufacturing transitions to increased automation, physical impacts of climate change increase, and climate migration continues to rise, workers may encounter employment challenges, prompting them to explore job options in alternative industries, requiring them to upskill their capabilities.	Medium, Long	Increased production costs due to changing input prices and output requirements
		Raw material scarcity	The availability of raw materials may decrease, either due to physical impacts from climate change, geopolitical turmoil, or increased demand for materials. This may make it difficult for LECO to meet production deadlines, adhere to product specifications and quality standards, maintain its product mix, and may result in increase costs.	Short, Medium	Change in revenue mix and sources, resulting in decreased revenues

TABLE 2. CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Transition	TCFD Category	Risk	Impact	Time Horizon	Impact Classification
	Reputation	Stakeholder expectations	LECO stakeholders, including investors, customers, and employees, will increasingly insist on decisive steps toward decarbonization and robust sustainability measures to align with evolving market and regulatory expectations. Failure to meet these demands may tarnish LECO's reputation and impede access to capital.	Short, Medium, Long	Reduction in capital availability

Physical Risks and Impacts

The following outlines physical risks that present the greatest potential impact to Lincoln Electric across the three climate scenarios.

Physical	TCFD Category	Risk	Impact	Time Horizon	Impact Classification
	Acute	Declining employee health	More frequent heatwaves, hurricanes, wildfires, and water/air pollution will impact LECO facilities across the globe, as the health and safety of LECO employees and communities come under risk. This may result in increased costs via workers' compensation requirements as well as declining productivity, resulting in supply chain and operational disruptions.	Short, Medium	Reduced revenue and higher costs from negative impacts on workforce
Increased disruption and costs in the supply chain and operations		With growing physical impacts from climate change, LECO's supply chain and operations are at risk of significant delays and disruptions. LECO may have to spend time and resources on crisis response and adaptation efforts instead of long-term financial growth and resilience.	Short, Medium, Long	Reduced revenue from decreased production capacity	
Energy instability		Persistent grid unreliability poses challenges for LECO and its suppliers in transitioning operations to renewable energy sources, heightening the risk of potential delays and disruptions.	Medium, Long	Increased operating costs	
Chronic	Declining regional labor productivity	As climate-related physical impacts, such as heat stress, disrupt labor productivity and employees' ability to work, operating costs will rise. LECO may face a competitive disadvantage if its supply chain and operations are based in regions that are relatively more affected by physical impacts.	Short, Medium, Long	Reduced revenue and higher costs from negative impacts on workforce	
	Uninsurable assets	As owned and supplier assets face higher insurance premiums or become uninsurable because of high physical risk, including floods and wildfires, costs at LECO will rise as it must pay higher insurance premiums, carry risk in-house, or pay its suppliers higher prices for their goods.	Medium, Long	Increased insurance premiums	
	Water shortages across the value chain	Water availability, critical for sourcing ingredients, production, and the distribution of LECO products, may negatively impact LECO's raw material availability, operational efficiency, and supplier logistics.	Short, Medium, Long	Reduced revenue from decreased production capacity	

TABLE 2. CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Opportunities and Impacts

The following outlines opportunities that present the greatest potential impact to Lincoln Electric across the three climate scenarios.

TCFD Category	Risk	Impact	Time Horizon	Impact Classification
Resilience	Local, shorter supply chains	LECO can opt to source more inputs locally to lower its costs and emissions, as well as reduce geopolitical risks and risks	Short, Medium	Reduced revenue and higher costs from negative impacts on workforce
	Staying ahead of ESG regulation	If LECO progresses on ESG ahead of competitors and mandatory regulatory requirements, it may shield itself from price shocks and regulatory penalties aimed at companies that have not been able to meet compliance standards.	Short, Medium, Long	Increased valuation through resilience planning
Resource Efficiency	Automation in manufacturing	Implementing more automation in LECO's operations and supply chain could mitigate the risk of equipment-related injuries, minimize delays caused by climate-related disruptions, reduce expenses associated with workers' compensation, employee insurance, and healthcare, while simultaneously enhancing process efficiencies.	Medium	Reduced operating costs
	Upskilling employees and attracting technical talent	By upskilling its existing workforce and attracting talent with sustainability and technical expertise for new technology products related to automation and the transition to a net-zero economy, LECO can enhance productivity and invest in a workforce with advanced skills.	Medium, Long	Benefits to workforce management and planning
	Streamlining regional processes	LECO could continue work toward aligning its regional facilities, manufacturing processes, and products to reduce costs and complexity amidst rising input prices, tariffs, and potential logistics delays.	Short, Medium	Reduced operating costs
Products and Services	Infrastructure build	In areas affected by natural disasters, LECO solutions can allow communities to rebuild critical infrastructure. Additionally, LECO supports the creation of diverse goods and services. As the world transitions towards a net –zero economy, the demand for advanced, low-carbon, manufacturing solutions will grow and there is an opportunity for LECO to capture a significant portion of the manufacturing market.	Short, Medium	Increased revenue through new solutions to adaptation needs
	Electric vehicles	There is an opportunity for LECO to continue to invest in EVs, chargers, and their infrastructure as they will be in high demand in the net-zero economy and can significantly grow LECO's sales and revenue.	Short, Medium, Long	Increased revenue through demand for lower emissions products and services
	Meeting the evolving energy market	LECO is uniquely positioned to offer products and solutions to the energy market, whether it moves toward renewables and hydrogen (e.g., wind turbine fabrication, EV charging, distribution pipelines).	Short, Medium, Long	Increased revenue through new solutions to adaptation needs
	Sustainable inputs	LECO has the opportunity to integrate low-emission resources, such as green steel, into its production processes, potentially yielding cost savings amidst rising carbon taxes.	Short, Medium, Long	Increased revenue through demand for lower emissions products and services
	Recycled inputs	LECO has the opportunity to enhance its utilization of recycled materials, particularly steel, and adopt recycling processes, thereby reducing costs, emissions, and advancing towards a circular economy.	Short, Medium	Increased revenue through new solutions to adaptation needs

TABLE 2. CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

TCFD Category	Risk	Impact	Time Horizon	Impact Classification
Energy Source	Pivoting to renewables	LECO can begin pivoting its energy use away from fossil fuels and towards renewable energy sources, potentially achieving cost savings, as renewable energy is more resilient to volatile fossil fuel prices, high carbon taxes, and may have policy incentives available.	Long	Reduced exposure to future fossil fuel price increases
Markets	First-mover advantage	LECO can build or join collaborations with other manufacturers, proactively comply with climate regulations, and decarbonize its business to position itself as a sustainability leader and bolster its reputation and attract partnerships, employees, investment, and sales.	Short, Medium	Increased revenues through access to new and emerging markets
	Product and process innovation	LECO has the potential to reimagine existing inputs and processes to create novel solutions that cater to emerging market demands, such as commercial solar and battery technologies. This presents an opportunity for LECO to innovate its existing products, processes, and inputs to maintain market dominance throughout the transition to a net-zero economy.	Short, Medium, Long	Increased revenues through access to new and emerging markets

The scenario analysis process helped Lincoln Electric identify five areas of our strategy that may present meaningful climate-related risks and opportunities across the broad range of futures envisioned by all three climate scenarios.

- » Supply Chain Impacts and Innovation. Physical climate impacts and geopolitical tensions may strain supply chains, particularly raw material availability and distribution networks. Innovation can be costly in the short term but may build resilience in the long term.
- » Shifting Markets and Innovation. Customer and investor expectations are shifting as climate increasingly influences the market and the regulatory landscape. Pacing climate mitigation, adaptation, and innovation is critical to long-term resilience.
- » Workforce. The labor pool in the manufacturing industry is changing. Workers are migrating to new cities and new careers, younger employees prefer companies that signal ethics like their own, heat stress may make employees less produc-

tive, while automation may render manual labor obsolete.

- » Government Regulation. Though reporting is increasingly becoming mandatory, policies across jurisdictions can be fragmented. Where action is voluntary, businesses investing in climate may bear additional costs compared to competitors.
- » Manufacturing and Operations. Climate-related physical impacts may damage facilities, disrupt operations, or make assets uninsurable, hence raising costs for Lincoln Electric. Redesigning manufacturing processes to be more efficient as the energy market shifts and physical impacts become more widespread will involve coordinating processes across the globe, which comes at a high cost.

As described above, through its governance processes and systems, Lincoln Electric will develop strategic responses to the climate-related risks and opportunities that present the most significant potential impacts, including in the “hotspot” areas listed above. While the

scenario analysis process has initiated the generation of ideas to enhance Lincoln Electric’s resilience and refine its strategy, we are developing specific actions and strategic adjustments. Climate-related strategic refinement will be an ongoing process.

RISK MANAGEMENT

(a) Describe the organization’s processes for identifying and assessing climate-related risks.

The 2023 Climate Scenario Analysis helped identify, clarify, and assess our climate-related risks and opportunities. Lincoln Electric has an established Enterprise Risk Management (ERM) process to review key risks, including climate-related risks and opportunities as well as their associated mitigation plans. These risks and plans will be explained in detail to Board members.

ERM is a company-wide initiative designed with the intent of prioritizing risks and allocating appropriate resources to address them. As a part of this process, the company identifies risks that have the potential to result in a loss of earnings, adversely impact business growth, or may damage the reputation or brand of the company.

(b) Describe the organization's processes for managing climate-related risks.

We have a robust ERM process that integrates aspects of sustainability and ESG-related risks. ESG, which includes climate-related risks, is currently considered a critical issue and our Board receives related updates annually. We also develop mitigating measures for risk including establishing extended (e.g. 5 year) targets, including targets for the reduction of GHGs and energy intensity. These targets are incorporated within our Higher Standard Strategy, along with traditional business goals.

(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

In the course of our business, Lincoln Electric faces strategic, operating, compliance, and financial risks that could have a material impact on our business, financial condition, operating results, and cash flows. Our ERM process seeks to identify and address significant risks. As mentioned above, this company-wide initiative is tasked with prioritizing risks and allocating appropriate resources to address such risks.

Our ERM approach is based on principles outlined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), including the COSO WBCSD guidance for integrating ESG-related risks

into the process. A key aspect of this approach is the consideration of emerging trends. Throughout the year, internal subject matter experts monitor and analyze information from a variety of external and internal sources to identify these trends. Annually, inventoried risks are evaluated using a ranking methodology that considers severity of impact, ability to mitigate, likelihood of occurrence, and "velocity" – the time horizon over which the impacts will be felt by the business. The Audit Committee receives related updates on critical risks identified by this process at each Board meeting.

METRICS AND TARGETS

(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Lincoln Electric is committed to reducing our carbon footprint through the reduction of greenhouse gas (GHG) emissions. Energy intensity – the total amount of energy consumed per labor hour worked – is also one of our key targets.

(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

- GHG Emissions 2023 data
 - Scope 1 = 69,164 tonnes
 - Scope 2 (location-based) = 123,924 tonnes
- Water Data 2023
 - Water Usage = 904,542 M³
- Recycling & Landfill 2023 data
 - Landfill Avoidance = 94.0%
 - Waste Recycling = 76.5%

(c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets

- 10% Reduction in Scope 1 and 2 GHG emissions (2018 - 2025)
- 25% Reduction in Water Usage (2018 - 2025)
- Landfill Avoidance rate of 97% by 2025
- Recycling rate of 80% by 2025

ABOUT THIS REPORT

This report discusses Lincoln Electric Holdings, Inc.'s operations from January 1, 2023, through December 31, 2023, 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.