

## ESAB INDIA LIMITED

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

#### 1. Title and Applicability

ESAB India Limited (“ESAB” or the “Company”) is a publicly listed Company in India. This document articulates ESAB’s Corporate Social Responsibility (CSR) Policy (the “Policy”). This Policy applies to all CSR activities of ESAB and conforms to the requirements of Section 135 of the Companies Act 2013 (as amended from time to time), rules notified thereunder and any other applicable statutory provision(s). The Policy is underpinned and guided at all times by the Code of Conduct (CoC) of the Company.

#### 2. CSR objectives / philosophy

At ESAB, we believe that we have responsibility to bring enduring positive value to communities we work with. In line with our core theme to enhance safe welding skills to all the welders in the society, ESAB strives to uplift the welders’ community through continuous training and education to the welders on the safe welding practices. Through imparting safe welding practices to the welders’ community, ESAB continue to build a strong welders’ society.

Welders in the country are the key partners who play a significant role in keeping the wheels of the Welding industry moving. ESAB felt the need of improving the skillsets of the Welders in the society in order to motivate them to have respectable livelihood. This initiative of ESAB would improve the livelihood opportunities and socio-economic conditions of the Welding community.

At ESAB, we are committed to making a positive impact in the lives of Welders by preparing them to face today’s reality and leverage tomorrow’s opportunity.

Through CSR initiatives, ESAB aims to achieve the following:

- a) To create positive and sustainable impact on welders’ community by way of imparting training and education on safe welding practices *and overall safe welding environment*.
- b) To identify opportunities and initiatives to enhance Social, Environmental and Economic value to the Society along with desired impact.
- c) To engage with nearby community in identifying local needs and requirements.
- d) To Institute a process and a suitable mechanism for the implementation and monitoring of the CSR activities in line with the provisions of the Companies Act 2013.

#### 3. CSR programmes

##### A. ESAB Safe Welding Practices

ESAB Safe Welding Practices is an “Upskilling and holistic development programme for welders’ community PAN India *along with the safety of their workplace*”

➤ **Vision:**

Transforming the lives of Welders towards a sustainable livelihood and building pride in their professions.

➤ **Mission:**

- i) To prepare the Welders in India for today's reality and tomorrow's opportunity by:
  - Enabling sustainable livelihoods and making them future-ready through upskilling.
  - Providing opportunities for socio-economic growth through financial literacy and entrepreneurship development.
  - Building pride in their professions through multiple programmatic interventions and platforms.

**"ESAB Safe Welding Practices"**

The objective of this CSR initiative is to uplift the lives of Welders community in the society. ESAB felt that the Welders were not recognised in the society as a respectable community. ESAB wanted to transform the lives of the poor Welders in the country by imparting continuous training and education on the safe welding practices. The overall working environment of the small and middle level companies is prone to unsafe conditions. We will strive to reduce the level of risk in this working environment. Through this CSR initiative, the Welders would enable them to lead their lives in a good socio-economic conditions. The programme aims at holistically improving lives of welders through interventions that enable a sustainable livelihood and opportunities for socio-economic growth.

**B. Other CSR initiatives**

Additionally, the Company continues to support community development initiatives around areas of operations and presence. The Company, from time to time, supports humanitarian aid activities in India, by providing relief and rehabilitation to people impacted by natural disasters. Also the Company take up various other CSR initiatives from time to time in compliance with this Policy and Companies Act 2013.

**4. Composition of CSR Committee**

The composition of the CSR Committee shall consist of three or more directors.

**5. Meetings and Quorum**

The CSR Committee shall meet at least twice in a financial year and the quorum for the meeting shall be two.

The Company Secretary shall play the role of Secretary to the Committee and assist the Committee in convening the meetings and recording the proceedings.

## **6. Duties & Responsibilities of the CSR Committee**

The Duties and Responsibilities of the CSR Committee are to :-

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subjects, specified in Schedule VII to the Companies Act 2013.
- b) Identify CSR projects together with the budget along with desired long-term impact on society & environment and recommend to the board for approval.
- c) Institute a mechanism for implementation and effective control of CSR activities
- d) Ensure that the CSR activities and its expenditure are in line with regulatory requirement
- e) Prepare and submit an Annual Report to the Board on the CSR activities in a specified format.

## **6. CSR Activities**

The CSR activities of the company shall be the activities within the areas and subject matters covered under the ambit of Schedule VII to the Companies Act 2013 and in line with this policy and any other CSR activities as permitted by law from time to time.

## **7. Classification of CSR Projects**

As per Companies Act 2013, the CSR projects are broadly classified into two types viz. i) Ongoing Project; and ii) Other than Ongoing Project.

### **i) Ongoing Project**

‘Ongoing Project’ means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board on reasonable justification.

### **ii) Other than Ongoing Project**

‘Other than Ongoing Project’ means any CSR project which commences and ends during the relevant financial year. It is hereby clarified that it has a life span of only one year till 31<sup>st</sup> March of the relevant financial year.

## **8. Responsibilities of the Board**

The Board will have the following responsibilities

- a) Formally approve the CSR Policy and budget for CSR activities as recommended by the CSR Committee.
- b) Ensure that CSR activities of the company fall under the list specified in the Schedule VII to the Companies Act 2013.
- c) Ensure that company complies with the provisions of the Companies Act 2013 in relation to CSR.

- d) Assure that the contents of the CSR policy and its activities are promptly displayed in the website.
- e) Ensure that an annual report on CSR activities is included in the Directors' Report every year in the prescribed format.
- f) The Board shall undertake CSR activities directly or through an implementing agency.

## 9. Timeline for CSR spending

### i) Ongoing Project:

With respect to "Ongoing Project", CSR expenditure must be spent within a period of three years from the end of the relevant financial year failing which the CSR unspent amount, if any, must be transferred to a Fund specified in Schedule VII to the Companies Act 2013, within a period of thirty days from the date of completion of the third year.

### ii) Other than Ongoing Project:

With respect to "Other than Ongoing Project", CSR expenditure must be spent during the relevant financial year unless it is converted to "Ongoing Project", the CSR unspent amount, if any, must be transferred to a Fund specified in Schedule VII to the Companies Act 2013, within a period of six months from the end of the financial year.

## 10. Ongoing CSR Project unspent amount

In relation to any Ongoing CSR Project, if any unspent amount lying at the end of the financial year in which the Ongoing Project is commenced then such Ongoing CSR Project unspent amount should be transferred to a separate 'CSR Unspent A/c' within 30 days from the end of the relevant financial year.

## 11. CSR Administrative Overheads

The company propose to set up internal "CSR Team" with the following team members who, in addition to their regular work, would devote their time to identify, evaluate and propose the CSR initiatives to the CSR Committee for review and recommendation to the Board and also monitor its implementation and report the progress of the same.

Sl. No.	Name of the person	Department & designation
1	Mr. Jaimon Antony	Head HR
2	Mr. Chaithanya Bharath	Assistant Manager HR

In view of rule 2(b) of the Companies (Corporate Social Responsibility Policy) Rules 2014, the company propose to absorb 5% of the total CSR expenditure as "Administrative Overheads" year on year on account of utilization of its internal resources' time for 'general management and administrative' of Corporate Social Responsibility functions in the company.

## **12. Reporting**

### **i) Reporting to Board**

The company shall disclose in its Board's Report an annual report on CSR containing the relevant particulars as prescribed under the Act.

### **ii) Reporting to Registrar of Companies in Form CSR-2**

As part of annual accounts reporting in form AOC-4 XBRL to the Registrar of Companies, the company should also report its CSR compliance of each financial year to the Registrar of Companies in form CSR-2. This CSR-2 form will capture the entire compliance details of the provisions of the Companies Act 2013 relating to CSR.

## **13. Website Display**

The company shall disclose the composition of the CSR Committee and CSR Policy and Projects approved by the Board on their website, if any, for public access.

## **14. Impact assessment**

If the average CSR obligations is Rs.10 crores or more in the three immediately preceding financial years, the company shall undertake impact assessment through an independent agency of its CSR projects having outlays of one crore rupees or more.

## **15. Amendments**

CSR Policy of the Company may be reviewed and amended from time to time within the purview of Government directives and the Company's policies.

Place: Chennai  
Date: 10<sup>th</sup> February 2023

Sd/-  
(Rohit Gambhir)  
Managing Director