

Impact assessment of Kar Salaam

LG Electronics India Limited (LGEIL)

May 2024



20th August 2024

To,
LG Electronics India Private Limited (“LG”)

LG engaged Grant Thornton Bharat LLP (“GT”) to conduct impact assessments of its CSR projects across various years. The projects included Kar Salaam, Karein Roshni, and Mid-Day Meal (with COVID-19 support).

The focus of our assessment included understanding outreach and impact of the projects; gauging the perception of stakeholders; analysing perception and feedback about the projects/ processes followed; and providing any relevant way forward. We followed a four-stage methodology which included, kick off call with the client to understand the project and its scope; review of all project related documents; stakeholder interactions to map their perspective; and analysis and reporting of key findings. As part of the assessment for Kar Salaam, telephonic surveys were conducted with 40 beneficiaries and interactions were held with members of the project team as well.

GTBL confirms completion of all tasks within the scope of work as detailed in the engagement letter dated 15th March 2024 signed between both parties.

This report is with restrictive circulation and has been prepared exclusively for LG. Information collected for this study is through field visits, meeting with various stakeholders, information shared by respondents and backend data provided by the client. We have relied on the information shared by these sources. The scope of work here does not constitute an audit or due diligence of the information shared. This report should not be considered as an expression of opinion on any form of assurance on the financial statements of or on its financials or other information. GTBL holds no responsibility on accuracy or sanctity, or authenticity of information provided by company or implementing partner or stakeholders covered or any other party involved, and results / references drawn basis the same. We shall not take responsibility for the consequences resulting from decisions based on information included in the report.



Abhishek Tripathi
Partner – ESG & Risk Consulting
Grant Thornton Bharat LLP

Contents

Background and introduction

Focus on LG Electronics India, about the program, and the scope of work

01

Approach and methodology

Focus on the study approach, methodology, tools and interactions

02

Key findings

Focus on the data collected and analysed as part o the study

03

01

Introduction and
background



LG Electronics India Pvt. Ltd. (LG Electronics), a wholly owned subsidiary of LG Electronics Inc, South Korea was established in January 1997 in India. It is one of the most formidable brands in consumer electronics - Home Entertainment, home appliances*, HVAC, IT hardware. In India, LG Electronics has earned a premium brand positioning and is an acknowledged trendsetter in the industry.

LGEIL's manufacturing unit at Greater Noida is one of the most eco-friendly units among all LG manufacturing plants in the world. The second Greenfield facility is located at Ranjangaon; Pune which manufacture LED TVs, air conditioners, commercial air conditioning systems, washing machines, refrigerators, and monitors.

Key CSR focus areas in alignment with the Schedule VII:



Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and sanitation



Promoting education, including special education and employment enhancing vocation skills



Measures for the benefit of armed forces veterans, war widows and their dependents.



Ensuring environmental sustainability, ecological balance, and protection of flora and fauna

About the project

Launched in 2017, the Kar Salaam initiative by LG Electronics India has been dedicated to the Indian Armed Forces saluting their spirit of generous contribution and service towards the nation. The contribution was utilized in funding the education of children of ex-servicemen and Martyrs.

Details of the government stakeholders

Armed Forces Flag Day Fund (AFFDF)

AFFDF operates within the framework of the Raksha Mantri Ex-Servicemen Welfare Fund (RMEWF) and falls under the jurisdiction of the Department of Ex-Servicemen Welfare, Ministry of Defence.

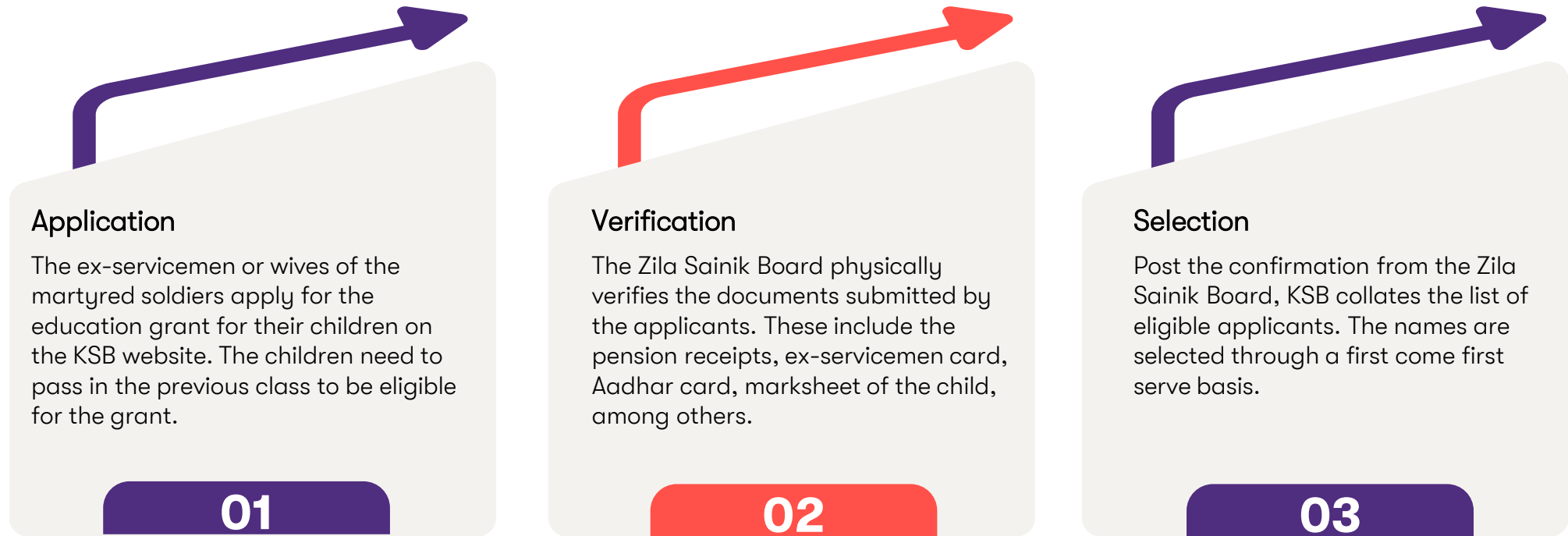
Kendriya Sainik Board

is the apex body under the Department of Ex Servicemen Welfare, whose main role is to ensure implementation of Government policies for the welfare of Ex-Servicemen and their families.

Assistance provided by AFFDF

- AFFDF provides financial assistance to the dependents of martyred soldiers, war widows, and Ex-Servicemen (ESM) for their personal needs.
- Among the various assistance schemes offered by AFFDF is the **education grant**, which allocates Rs 1,000 per month for up to two children of pensioners and non-pensioners up to the rank of Havaldar.
- This grant is for students from grades 1 to 12 in school and selected undergraduate programs in degree colleges.

Process flow

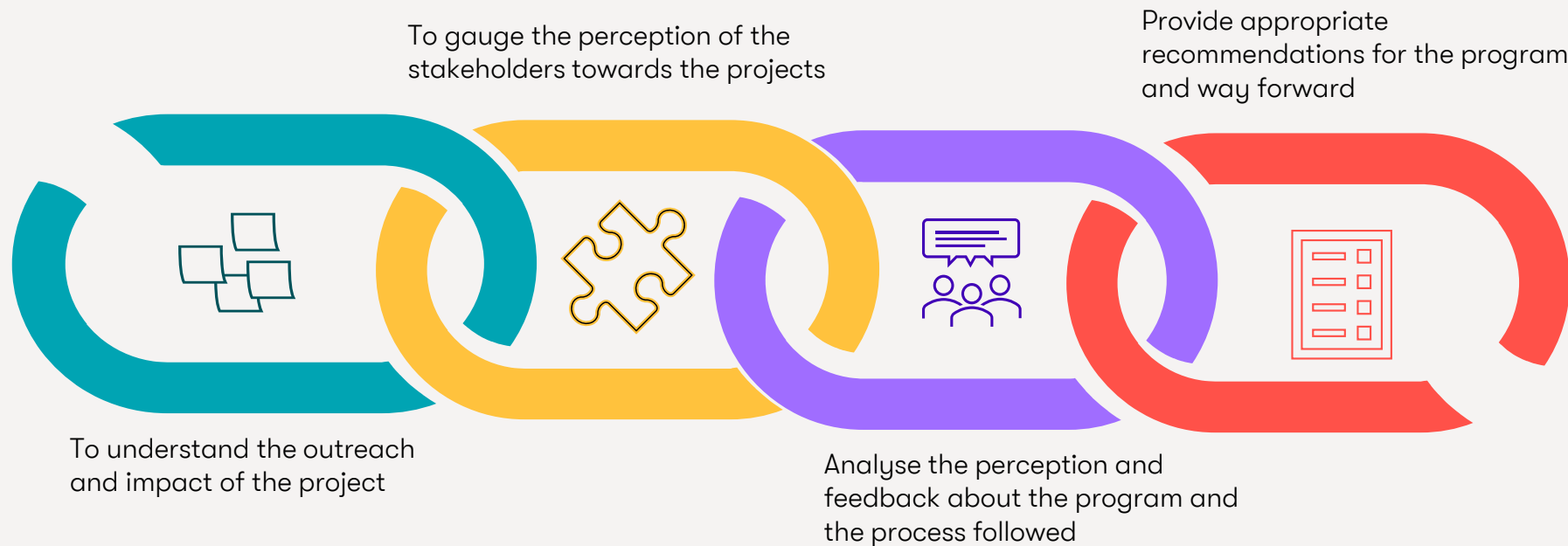


Kendriya Sainik Board transfers the lumpsum amount of INR 12,000 per child per year towards the education of the applicants. The disbursement happens twice a year, in July and December.

Scope of work

Grant Thornton Bharat LLP was appointed by LG Electronics India to conduct an impact assessment of the Kar Salam Project. The primary respondents were the parents of the beneficiaries from across project years.

Objectives of the assessment



02

Approach and methodology



Our methodology

01

Kick off and scoping

- Inception meeting with LGEIL team to discuss scope and program details
- Discussion with the KSB team to understand the program.
- Reviewed secondary data to understand coverage in terms of beneficiary profiles, relevance etc.

03

Beneficiary interaction

- Quantitative survey with the parents of the 40 beneficiaries.
- In-depth interactions with the project team from KSB to understand the relevance, effectiveness, efficiency, impact and sustainability of the program

02

Desk review

- Reviewed data and documents maintained by the partner
- Mapped key areas of enquiry as per the objectives of the study.

04

Analysis and reporting

- Thorough analysis of the data collected through the quantitative survey and interaction with the team.
- Preparation of draft and final report post incorporating the inputs from LG Electronics India.

Our framework

Based on the principals of OECD DAC, the APICS evaluation framework for social development projects helps evaluate projects holistically.



Accessibility

- Evaluating the accessibility of the initiative to the target beneficiaries, in terms of ease of participation, and inclusivity.
- Assessing the barriers, if any, that may hinder access to educational opportunities provided by Kar Salaam.



Importance

- Assessing the importance of the Kar Salaam within the context of addressing the educational needs of the beneficiaries.
- Recognizing the significance of LG Electronics India's contribution to AFFDF in supporting educational opportunities for beneficiaries



Performance

- Analyzing the performance of Kar Salaam in achieving its stated goals and objectives
- Measuring the performance metrics, to gauge the effectiveness of the initiative in delivering educational outcomes.



Coherence

- Assessing the alignment of Kar Salaam with relevant government schemes or policies
- Ensuring coherence between the objectives of the Kar Salaam with the broader mission of LG Electronics India

*Considering the nature of the project, the aspect of Sustainability is not relevant as LG Electronics India has provided financial support to an already existing government scheme and hence will not be covered in the

Coverage and limitations

Coverage

- The team conducted **40 qualitative interactions** with the Ex-servicemen or families of martyrs who received the Kar Salaam education grant. The sample was covered from respondents across the project years, randomly and basis their availability.
- An **in-depth interaction with two (02) Project team members** from Kendriya Sainik board at their office location. The team explained the overall process of implementing the project, protocols followed at KSB and documentation and tracking mechanisms followed.

Limitations of the study:

- The team encountered challenges in engaging directly with beneficiaries. Many respondents refused to answer the questions. As suggested by the KSB team, we visited their office and made the calls. KSB had suggested to reduce the sample since they may not be able to accommodate more.
- Due to the protocol followed at Kendriya Sainik Board, they did not maintain any direct contact with the beneficiaries.
- There was no available report related to the project.

03

Analysis
and findings



Accessibility

The extent to which a project or initiative is easily available and reachable to its intended beneficiaries. It encompasses factors such as physical accessibility, financial accessibility, and social accessibility.

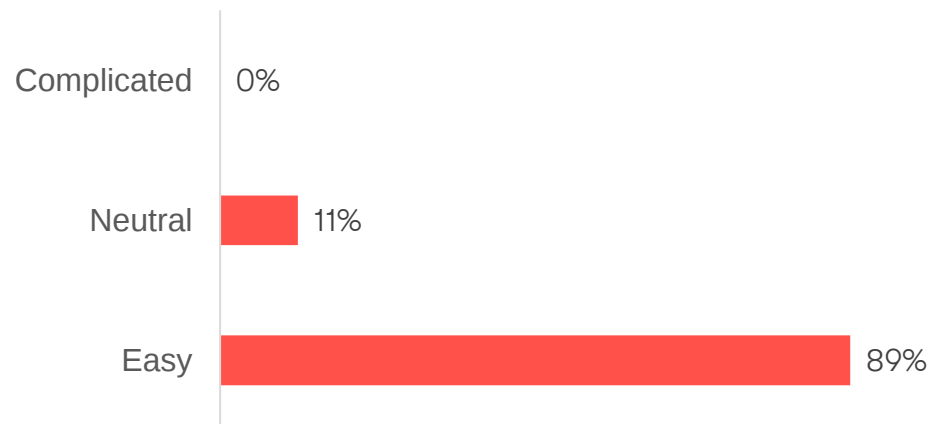


Objective of the project

- Kar Salaam initiative was launched by LG Electronics India with a purpose of funding the education grant of AFFDF for children of ex-servicemen and Martyrs.
- The parent can apply for the scholarship through Kendriya Sainik Board's online portal. Hence, the education grant is accessible to all target beneficiaries.

LG Electronics India's support – Apart from the financial support, LG Electronics India also helped raise awareness towards the Armed Forces Flag Day Fund (AFFDF) through radio and various digital platforms, encouraging the citizens to contribute for this cause.

How would you describe the application process for the education grant? (N=40)



I have been applying for the grant for both my children since the past 5 years, the process is very straightforward.

*Beneficiary
Ex-Serviceman*

Performance

The effectiveness and efficiency with which a program or initiative achieves its intended objectives and outcomes. It involves measuring the extent to which goals are met, targets are achieved, and desired results are realised.



Effectiveness

Achievement of objectives

Two (02) MoUs were signed between LG Electronics India and AFFDF where LGEIL transferred INR 1,00,00,000 to AFFDF for the disbursement of financial assistance at the rate of INR 12,000 per child for 834 children every year. The agreed target was achieved by AFFDF. However, due to the protocol followed at Kendriya Sainik Board, there was no follow up with the beneficiaries after the disbursement of the grant.

Efficiency

Documentation of the process and timely completion

- The entire process from the application to the transfer of funds is online and hence ensures ease of access for the applicants / their parents at all stages.
- Funds were transferred to the beneficiaries on a first come first serve basis twice every year, in July and December.
- The parents expressed satisfaction with the financial assistance provided. However, those with children in higher classes emphasized the need for an increase in the grant amount.
- Kendriya Sainik Board also provides a grievance redressal number on their website for beneficiaries to call in case of any issues.

Importance

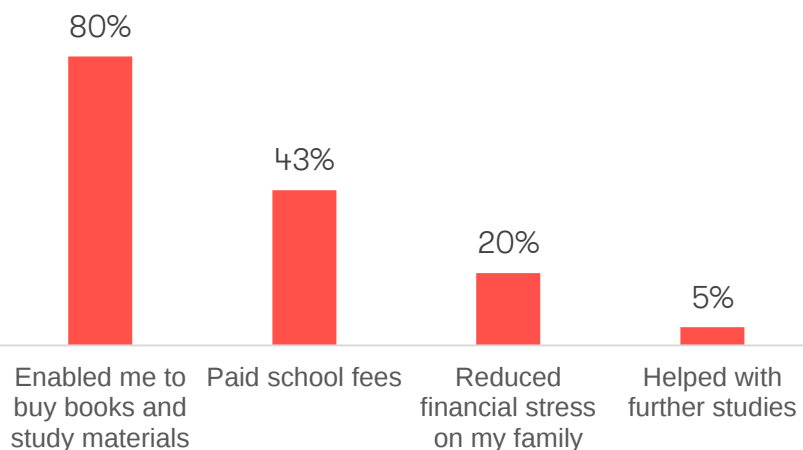
The significance, relevance, and value of a program or initiative within a broader context. It involves assessing the degree to which the initiative addresses critical needs, priorities, or challenges within a community or society.



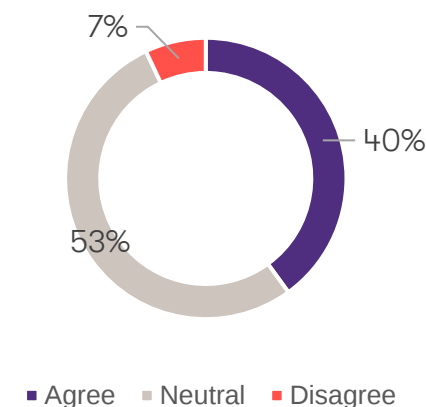
The grant provided by AFFDF help in recognizing and honoring the dedicated service and sacrifices made by the Indian Armed Forces.

Education can profoundly impact individuals' lives, empowering them with knowledge, skills, and opportunities for personal and socio-economic advancement. Supporting the education of children of ex-servicemen and martyrs not only empowers them but also acknowledges the significant contributions of their parents to our nation.

How has the "Kar Salaam" scholarship helped your child's education? (N=40) (multiple coding)



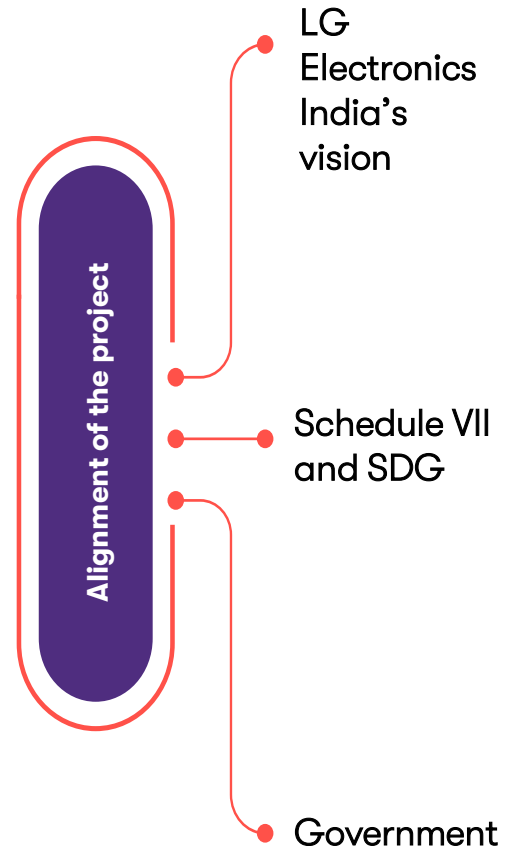
I am satisfied with the overall grant support (N=40)



Discussion with the beneficiaries revealed that 80% beneficiaries utilised the grant to purchase books and study material and 43% paid school fees. Further, **40% beneficiaries were satisfied with the overall grant support they received.**

Coherence

The alignment and integration of various components, activities, and strategies within a project or initiative. It involves ensuring that all aspects of the initiative are interconnected and contribute to the overarching goals and objectives.



The Kar Salaam initiative was started by LG Electronics India with a commitment to support the Indian Armed Forces.

Additionally, LG Electronics India Electronics conducted public awareness drives to encourage contributions to the Armed Forces Flag Day Fund

This project aligns with LG Electronics Indias CSR vision of "A better life for all by creating social contribution programs well aligned with Schedule VII of the Companies Act, 2013"

The project is in alignment with two provisions in the Schedule VII of the Companies Act, 2013 and one SDG:

- **Promoting education**, including special education and employment enhancing vocation skills
- **Measures for the benefit of armed forces veterans**, war widows and their dependents.

SDG 4: Quality Education - The project provides access to quality education for children from ex-servicemen and martyrs families. By funding their education, the initiative contributes to ensuring inclusive and equitable quality education for all

The project is coherent with government objectives and priorities related to the welfare of armed forces personnel and their families. By providing financial assistance through the Armed Forces Flag Day Fund (AFFDF), the project supports the **government's commitment to honoring the sacrifices made by soldiers and their families.**

Stakeholder feedback



As a single parent, managing finances for both my children has been challenging. The pension and education grant we receive have been immensely helpful. My children utilize the grant by purchasing study materials and saving the rest for their higher education.

- Beneficiary, War Widow



LG Electronics India has continuously supported and inspired others to come forward and contribute to the welfare of those who had dedicated their lives for the nation. The Kar Salaam initiative has created a lot of awareness and helped generate funds for the education grant.

- Member of the Project team



Thanks to the grant, I could buy essential textbooks, study materials for my entrance exam, and even contribute to my tuition fees. My father has applied for the grant for the past four years, and with the savings, I'm able to support my college fees.

- Beneficiary, Son of an Ex-serviceman

End



© 2024 Grant Thornton Bharat LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Bharat LLP (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.