



# ESG REPORT

**20  
22**

PREPARED BY :

**Melink Corporation  
Sustainability Task Force**

**"WHEN SUSTAINABILITY IS VIEWED AS BEING A  
MATTER OF SURVIVAL FOR YOUR BUSINESS, I  
BELIEVE YOU CAN CREATE MASSIVE CHANGE."  
-CAMERON SINCLAIR**

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# INTRODUCTION



In 1987, Melink Corporation was founded by Steve Melink as a testing and balancing company. Three years later, Melink created a control system to save energy in kitchen hoods and later paved the way for demand control kitchen ventilation (DCKV). As the years progressed, Melink expanded its service offerings to customers, all with one common goal; to make the world a more sustainable place. This goal sparked Melink Corporation's motto, "to change the world, one building at a time."

For over 35 years, Melink has been executing clean energy solutions for clients worldwide, lowering carbon emissions while increasing building values, and raising company profitability. Melink is passionate about helping create a more sustainable world. That is why Melink has appointed a Sustainability task force to ensure focus on a sustainable future. Part of that responsibility is being transparent with customers, stakeholders, and community.

In order to further Melink's mission for a more sustainable future, Melink recognizes that they must start somewhere. This ESG report is to serve as a baseline for Melink's future aspirations and to challenge not only ourselves, but our stakeholders and partners alike to create a standard of accountability.

For Melink Corporation, an ESG report would help the company assess its current performance in areas related to sustainability, and identify areas for improvement. This includes reducing energy usage in our facility, promoting sustainable practices in the supply chain, and increasing the use of renewable energy. An ESG report helps to communicate our company's sustainability efforts to stakeholders, including customers, investors, and employees. This helps build trust and loyalty among these groups, as they become more aware of the company's commitment to sustainability.

In conclusion, Melink Corporation has a long history of self-reporting, commitment to sustainability, and environmental responsibility. As the importance of ESG reporting continues to grow, an ESG report can help the company to set goals and track progress towards achieving them. By prioritizing sustainability, Melink Corporation can continue to be a leader in the energy industry, while also building trust and loyalty among stakeholders.



# LETTER FROM OUR CEO

Sustainability and operational efficiency are at the core of what we do. Although the industries we serve drive a necessary and significant environmental impact, our people understand the responsibility that comes with being a trusted leader in our space. The words we use and the behaviors we choose to model all demonstrate a genuine mindfulness to reduce that impact. Furthermore, working towards a more inclusive and transparent organization only improves our ability to make good on our commitment to ***change the world, one building at a time.***

I am so proud of this group because the push for an ESG report came directly from our employees, rather than our executive team delegating it. Our Sustainability Committee is a diverse group of contributors who simply want Melink Corp to hold itself to a standard not typically seen outside of publicly traded companies. I stand by my team in asking our industry partners to follow in those footsteps. Through formalized commitments, employees are demanding a greater degree of accountability and consciousness; thus, the bar will be raised for everyone.

Our initial ESG report creates a strong foundation to baseline and setting up Melink's future goals. For example, Melink's self-performing business model means that our technician network travels quite a bit to meet customer demand and fulfill customer service calls. Quantifying our CO<sup>2</sup> emissions enables us to measure the anticipated reduction through controlled flights and geographic restructuring. As with many operational initiatives, "what gets measured, gets done."

The report also highlights the strong controls and oversight environment that our management team works within. This stems from the company becoming employee-owned in 2018, creating a shared fate for our folks to view their own teammates as Stakeholder #1. Customers, suppliers, and service providers can be confident when partnering with Melink Corp because our incentives and our structure are aligned to a long-term time horizon.

Please see this report as a line drawn for our people to become the best version of ourselves. I hope that our vulnerability will inspire others in the marketplace to take a measured and intentional look at where they are in their journey. The best partnerships are built on shared values, and I expect this movement to shine a light on the types of companies we want to be working with.

The first step is always the hardest, so thank you to all the Melinkers who worked to make this ESG report come to life.



**"It's tricky to know where you want to go if you cannot say where you are today. Our inaugural ESG report provides a starting point to build upon."**

**-Eric DiNardo**  
Melink CEO

# ESG PILLARS OVERVIEW

ESG, or Environmental, Social, and Governance, is an increasingly important factor for businesses to consider in today's world. The impact of climate change, social issues, and ethical concerns raise the stakes for companies to operate responsibly and sustainably. As a result, ESG reports gain significant attention from investors, regulators, and stakeholders who seek transparency and accountability from companies. This report aims to provide an overview of Environmental, Social and Governance Policies within Melink Corporation.



## Environmental

Melink Corporation started tracking their direct and indirect emissions using GHG Protocol Corporate Standard in 2022 to set a baseline inventory and reduction goals for their carbon footprint.



## Social

Melink Corporation prioritizes employee development, community involvement, diversity, and sustainability. We aim to make a positive impact on stakeholders and strengthen relationships with ethical suppliers, products, and customers.



## Governance

Melink Corporation's governance pillars are oversight, validity, and transparency, which are essential for ethical and responsible operations. Internal pillars enhance governance and position our organization for long-term success.

# ENVIRONMENTAL



## Overview

An effective corporate climate change strategy begins with an understanding of a corporate Green House Gas inventory. Starting in 2022 the Melink Corporate Sustainability taskforce began accounting for our direct and indirect emissions using the guidelines set by the World Resources Institute's Greenhouse Gas Protocol 2004. The tracking of GHG emissions information will serve to both identify trends over time and set future reduction goals. The goal of our 2022 GHG accounting is to set a baseline inventory and a transparent representation of our total carbon footprint.

In 2022, Melink Corporation generated approximately 2,072,910.57 pounds of carbon, comparable to the annual carbon footprint of about 767 gasoline-powered passenger vehicles, or about the same as driving one of those vehicles to the moon and back 18.5 times. The chart on the left, (Figure A), is an aggregate of the total amount of carbon in pounds. Broken down by the business sector, Melink headquarters utilized a total of approximately 142,565 pounds of

carbon for electricity, equivalent to the amount of carbon burned to meet the electrical needs of 46 average American households in one year. Melink's recycling, done through Republic Recycling, generated approximately 174.9 pounds of carbon, the equivalent of the amount of carbon 12.6 trash bags would produce in a landfill.

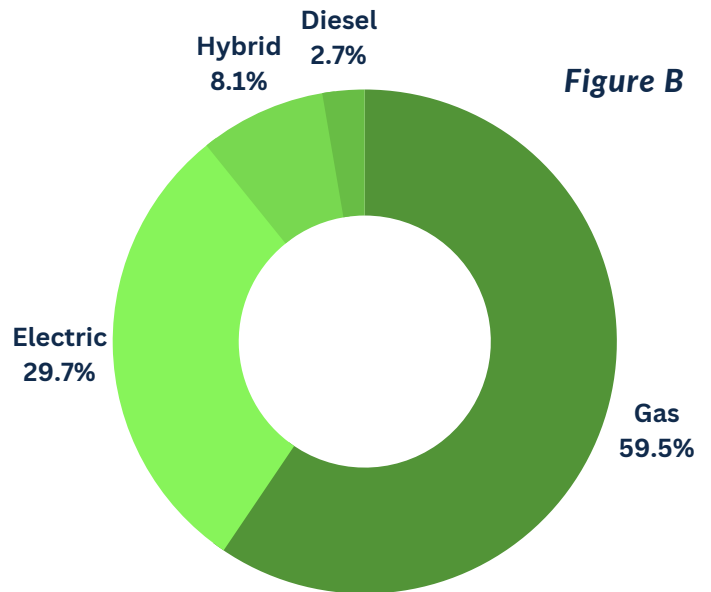
**Figure A**

Business Sector	Carbon (lbs)	Scope
Melink Corp HQ- Electric	142,565	Scope 2
Melink Corp HQ- Waste	175	Scope 3
Melink HQ commuting	85,317	Scope 3
Business travel	1,681,158	Scope 1
Intelli-Hood parts and assembly	163,396	Scope 3
<b>Total</b>	<b>2,072,911</b>	

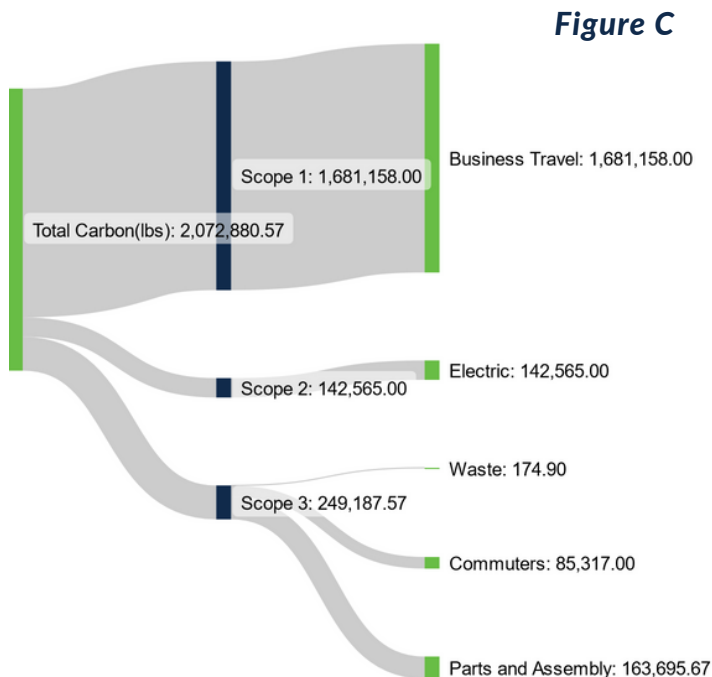
# ENVIRONMENTAL

Figure B shows the percentage of vehicle types for office commuting employees. Office commuters using gas, diesel, and hybrid vehicles burned approximately 85,317 pounds of carbon, that's equivalent to consuming 15,967 gallons of gasoline. Business and technician travel made up by far the largest portion of Melink's carbon footprint in 2022, emitting a total of 1,681,158 pounds of carbon, or 81.1% of total carbon emissions. This is equivalent to driving the average gasoline-powered vehicle 7,167,823 miles.

**Office Commuter Vehicle Type**



**Figure B**



**Figure C**

7,167,823 Miles



The diagram to the left, figure E, breaks down the different scopes within Melink and shows the amount of carbon emissions (lbs.) associated with each scope. Melink's Intelli-Hood business unit is part of scope 3. Intelli-Hood's parts and assembly emitted approximately 163,695.67lbs. of carbon. This is equivalent to the emissions produced by 12,507 propane cylinders used for home barbeques.

Above (Figure C) shows how much carbon emissions in pounds each scope used throughout 2022 at Melink



# ENVIRONMENTAL

Melink's focus was carbon emissions for both office employees and traveling technicians to calculate our company's carbon footprint and set goals for our future ESG reports. Figure D illustrates the carbon emissions by travel type (car vs. flight) per quarter. Melink's highest carbon emissions were in Q3 & Q4 by flying.

Figure E compares our company's electricity usage with carbon emissions for 2022. At the Melink HQ, we utilize some renewable energy sources such as Solar Panels and Geothermal energy, The energy we are not able to produce is purchased from the local utility. These utility bills and the KWH purchased were used to calculate the total carbon emissions from Energy consumption at our HQ in Milford. our HQ in Milford.

**Quarterly CO<sup>2</sup> Emissions (lbs) by Travel Type**

**Figure D**

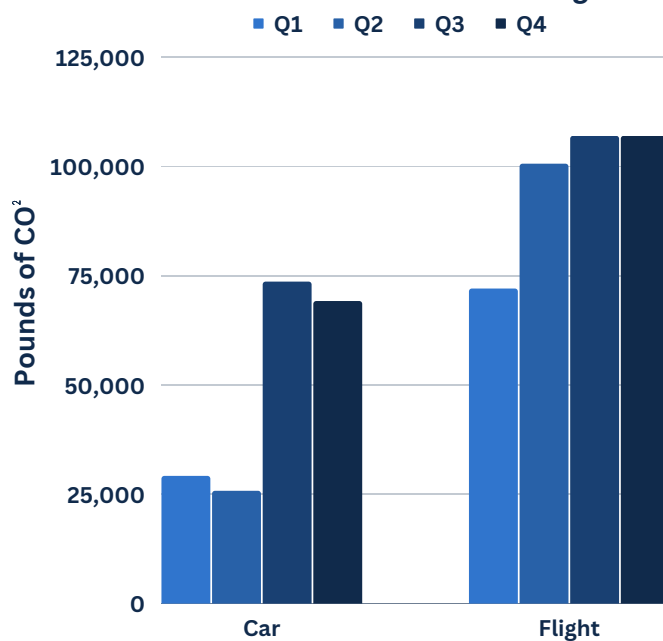


Figure D compares carbon dioxide emissions by travel type for each quarter of 2022.

**Electricity Usage vs Carbon Equivalent**

**Figure E**

■ Electricity (kWh) ■ Carbon Equivalent (lbs)

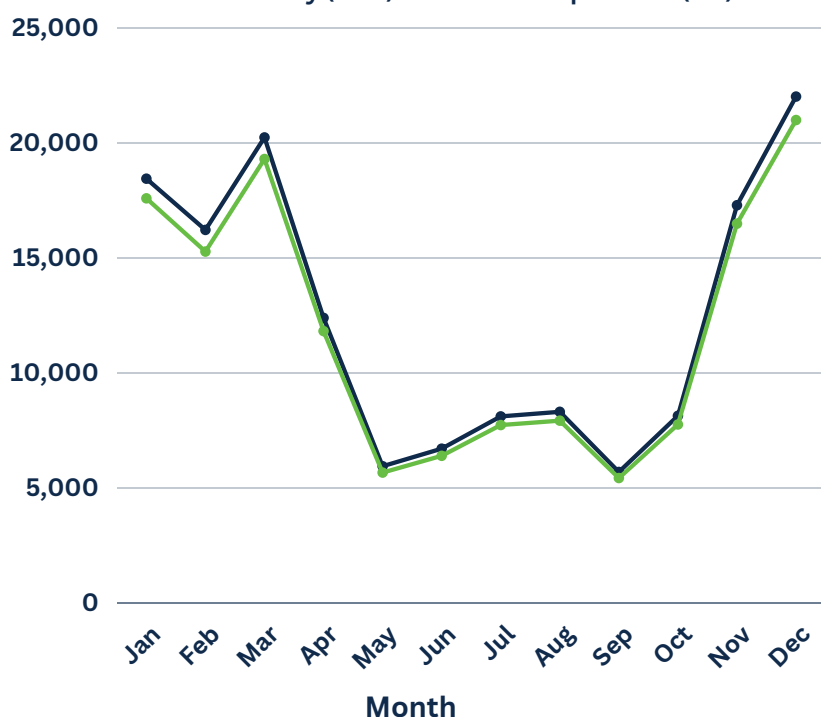


Figure E compares electricity usage (kWh) to the amount of carbon equivalent (lbs.) for each month during 2022.



# SOCIAL - OVERVIEW

Melink Corporation commits to developing employees, maintaining labor standards, and engaging in community involvement. We showcase our diversity and inclusion policies, health and safety practices, and the overall impact on company stakeholders in this section. Our company acknowledges the social category in this ESG report, demonstrating a strong corporate responsibility and a commitment to making a positive difference in the world. Melink strives to build stronger relationships with ethical suppliers, products and customers, enhance our reputation, and create a more sustainable and equitable future.



### VOLUNTEER HOURS

90 Total Company Paid Hours  
Volunteered



### EMPLOYEE WELL BEING

Employee Assistance Program, Wellness Program, Employee Resource Groups, Flex Schedule, Retirement Benefits, Employee Gym



### SAFETY

4 OSHA Recordables  
12 Lost Work Days



### TRAINING & DEVELOPMENT

400 Total Training Hours Completed

## DEMOGRAPHICS - EMPLOYEE AGE

Figure F

Age Range	Number of Employees	Employee Percentage (%)
18-24	6	6%
25-34	46	46%
35-44	19	19%
45-54	24	24%
55-65	4	4%
65+	1	1%

Disclaimer: Employee count based on the total number of employees employed during 2022.



Figure F displays the age range of Melink employees, the total number of employees in each age range, and the percentage each age range makes up within Melink.

# SOCIAL - PILLARS



**Volunteer Time:** Is an opportunity for employees to give back to their community and make a positive impact. These activities benefit the community and provide employees with an opportunity to connect with their colleagues outside of work. Employee volunteer time is a way for employees to make a difference and demonstrate their commitment to social responsibility.



**Safety:** Melink Corporation is committed to ensuring the safety and well-being of its employees, customers, and the environment. As part of its commitment to safety, the company conducts regular safety talks and site checklists to identify potential hazards and ensure that safety protocols are being followed.



**Employee Well Being:** Employee wellbeing is a critical component of Melink Corporation's commitment to responsible business practices. We offer a range of programs and initiatives designed to support the physical, mental, and financial health of our employees. By prioritizing employee wellbeing, Melink is able to create a workplace culture that values and supports our employees.



**Training & Development:** Melink Corporation encourages employees' professional growth and offers training and development programs to support their advancement. Topics include leadership, communication, technical skills, and safety. We also offer tuition reimbursement for employees to pursue further education and certifications. Our training and development promotes employee satisfaction and retention.

## DEMOGRAPHICS - TENURE

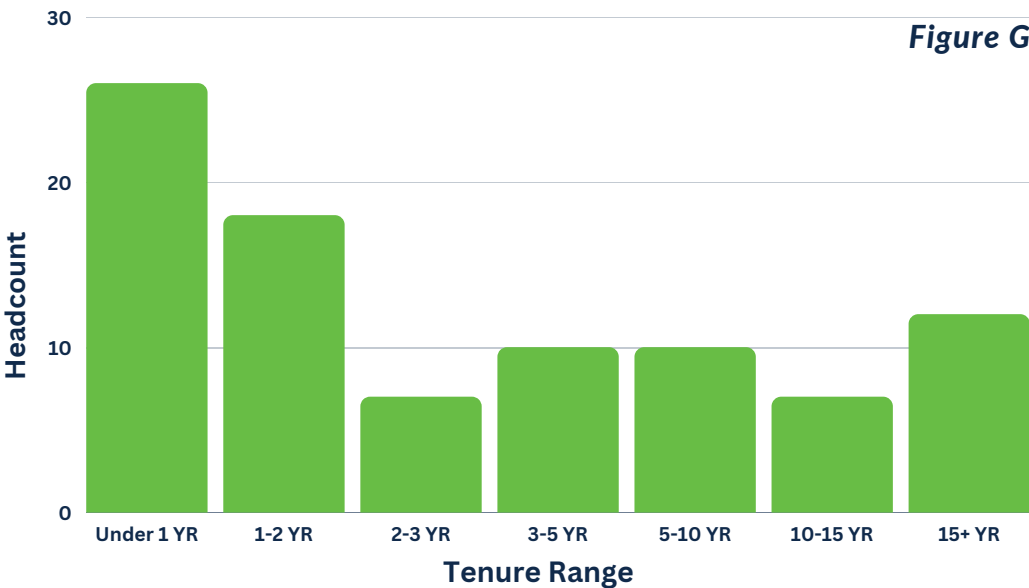


Figure G

Figure G compares the number of Melink employees and how long they have been with the company.

# GOVERNANCE

In today's complex and rapidly changing business environment, governance provides the framework for decision-making, accountability, and control. This report focuses on Melink Corporation's key pillars of governance: oversight, validity, and transparency. These pillars are essential for ensuring that the organization operates ethically and responsibly, building trust and confidence in its decision-making processes. The report examines each of these pillars, highlighting their significance and providing guidance for implementing them effectively. By adopting these principles, Melink Corporation can enhance its internal processes and position itself for long-term success.

OVERSIGHT	VALIDITY	TRANSPARENCY
<b>Focus:</b> How major investments or capital decisions are made	<b>Focus:</b> Verification of annual performance through third-party audit	<b>Focus:</b> Creating a clear understanding of company goals and policies
<b>Stakeholders:</b> CEO, COO, Senior Leadership, Accounting, and HR	<b>Stakeholders:</b> ESOP trustee, Melink Board, Banks, and Customers	<b>Stakeholders:</b> Melink Employee Owners
<b>Example:</b> Independent Board of Trustees	<b>Example:</b> Strong policies & enforcement	<b>Example:</b> Bi-weekly business updates - Melink Highs & Lows





# GOVERNANCE



Corporate governance is an essential aspect of any business, especially in terms of oversight, and authority regarding key business decisions. For small to mid-sized companies like Melink, key areas of focus include guidelines on major investments, capital decision-making, budget creation, and headcount decisions. Oversight is conducted by our Board of Directors, which advises the executive team and performs necessary checks on the business that would otherwise have no oversight.

At Melink, validity and accuracy are paramount. The company recognizes the importance of presenting credible and accurate financial statements. Hence, an annual independent third-party audit is conducted to verify the accuracy of the financial statements. This audit also serves to increase credibility and ensure that the performance of the business is

verified by an unbiased third party. By prioritizing the validity and accuracy of their financial statements, Melink demonstrates our commitment to transparency and ethical business practices.

Data security is essential for holding and utilizing sensitive employee, financial, and customer information appropriately and reasonably safeguarded. Strong policies and enforcement are necessary to ensure that the company has strong internal controls and a reasonably robust set of policies in place and that they are leaned on effectively. Transparency is also essential; stakeholders must understand the business beyond their immediate purview, and leadership must commit to honest and fair communication.

Melink takes corporate governance seriously, with a focus on validity, transparency, and ethical business practices. The company recognizes the need for strong policies and enforcement around data security while maintaining transparency. Melink is actively working to enhance its policies and enforcement to ensure transparency, data security, and ethical business practices across all operations. The goal is to build trust with stakeholders and drive long-term success for the business.

**"By adopting these principles, Melink Corporation can enhance its internal processes and position itself for long-term success."**

# THE FUTURE OF ESG AT MELINK



## Environmental

- Carbon Calculations
- Reduce Energy Use
- Reduce Waste
- Environmental Goal Setting

## Social

- Demographic Data
- Employee Experience
- Ethical Practices
- Social Goal Setting



## Governance

- Accountability
- Data & Security
- Transparency
- Governance Goal Setting

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We aim to lead the way in promoting sustainable business practices by integrating ESG principles in all facets of our operations. Our goal is to inspire and encourage other organizations to follow our lead and make a positive impact on the world.

# ACKNOWLEDGEMENTS

We would like to express our sincere gratitude to all who have contributed to the successful completion of the 2022 Melink Corporation ESG report. We extend our appreciation to the Melink Sustainability Task force, whose efforts in collecting and reporting the data presented in this report made it all possible. And would like to recognize the following members of the taskforce for their significant contributions:

*Amy Willenborg, Dana Jackson, Darren Witter, Lindsey Burbee, Natalie Heltman, Oria Daugherty, Sarah Evans, Sam Plante*

Their dedication, expertise, and commitment to sustainability have been invaluable. We also extend our thanks to all Melink employee owners who provided input and feedback during the report's development. Your continued support and engagement are essential to our ongoing sustainability efforts. Once again, thank you to everyone who has contributed to this report's creation and distribution. Your efforts and commitment to sustainability are greatly appreciated.

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