



ESG REPORT

20
23

PREPARED BY :

Melink Corporation
ESG Task Force

“OUR BIGGEST CHALLENGE IN THIS NEW CENTURY
IS TO TAKE AN IDEA THAT SEEMS ABSTRACT –
SUSTAINABLE DEVELOPMENT – AND TURN IT INTO
A REALITY FOR ALL THE WORLD’S PEOPLE.”

-KOFI ANNAN

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INTRODUCTION



In 1987, Melink Corporation was founded by Steve Melink as a testing and balancing company. Three years later, Melink developed a control system aimed at conserving energy in kitchen hoods, subsequently pioneering demand control kitchen ventilation (DCKV) technology. 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 implementing clean energy solutions globally for clients, reducing carbon emissions, enhancing building values, and boosting company profitability. Melink is deeply committed to fostering a sustainable world, which is why it has established an ESG Task Force to prioritize a sustainable future. Transparency with customers, stakeholders, and the community is integral to fulfilling this responsibility.

In order to further Melink's mission for a more sustainable future, and advance sustainability, tracking previous years' emissions and implementing changes for improvement are essential steps forward. This ESG report aims to support Melink's future goals and inspire accountability, not only within our organization but also among our stakeholders and partners, urging us all to establish a higher standard of responsibility.

This ESG report serves as a vital tool for Melink Corporation to evaluate its sustainability performance and pinpoint areas for improvement. This encompasses endeavors such as curbing energy consumption at our facilities, advocating for sustainable practices within our supply chain, and expanding the adoption of renewable energy sources. Through the ESG report, we effectively communicate our sustainability initiatives to stakeholders, including customers and employees. This fosters trust and loyalty among these groups, strengthening their awareness of our steadfast dedication to sustainability.

With a longstanding tradition of self-reporting and dedication to sustainability, Melink Corporation upholds environmental responsibility. In an era where ESG reporting gains increasing significance, such reports aid in setting and monitoring goals for progress. By placing sustainability at the forefront, Melink Corporation not only maintains its leadership position in the energy sector but also cultivates trust and loyalty among stakeholders.

LETTER FROM OUR CEO

Integrity is at the core of business. It's our 'product' or the deliverable that customers expect from our services and systems. In a world where buildings grow more complex, construction and maintenance schedules get messier, and performance measurement becomes more remote, trust rises to the top of economic value to the marketplace. Fortunately, Melink Corp was founded on strong principles and our commitment to the publication of an ESG report is a testament to that.

Our people welcome the scrutiny that inevitably comes with highlighting something like integrity as our primary offering. It means we have the confidence to be vulnerable, the conviction to be radically transparent. We lay our cards out on the table and invite our partners, our customers, and our competitive industry to take stock of whether they delivered on promises made and how they went about doing it.

While our teams lead with that spirit in the field or at our headquarters, a special focus on accountability is taken up by our ESG Task Force. These folks take a first principles' approach to what it means to be good stewards of our company's resources, our people's dedication, and our mission as a whole. We track these things because we care about knowing where we stand and shining a light on the areas where Melink is charged with leading the change.

If integrity is our brand, then efficiency is our how. Efficiency is sustainability in action, the smoothness and clarity that rejects waste and maximizes potential. We are better than we have ever been at using technology and intelligence to find the best ways to deliver for our partners. Working smarter is as good for the environment as it is for the bottom line of our financials.

Our company is proud to present the next installment of our Melink Corp ESG report. We very much appreciate everyone involved in making this happen. If the inaugural report last year was tough, beating an already very high bar is even harder. Fantastic work.

Please continue to hold our people and our business to the highest standards in the industry as we work to make the world a better place, one building at a time.



***"If integrity is our brand, then
efficiency is our how."***

-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. Melink continues to track carbon emissions, monitor trends and strives to reduce our overall 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

A successful corporate climate change strategy starts with a clear understanding of a company's Greenhouse Gas (GHG) inventory. Since 2022, the Melink Corporate ESG Task Force has been diligently tracking our direct and indirect emissions, adhering to the guidelines outlined in the World Resources Institute's Greenhouse Gas Protocol 2004. This ongoing tracking helps us identify trends and set targets for future emission reductions. The objective of our 2023 ESG report is to compare the 2022 and 2023 data, enabling us to take steps towards reducing Melink's carbon footprint.

In 2022, Melink Corporation emitted approximately 2,072,911 pounds of carbon. Comparing this to our 2023 data, there has been an increase to a total of 2,909,245 pounds of carbon emitted. The total 2023 carbon emissions are equivalent to 3,274,470 miles driven by an average passenger vehicle. Figure A on the right provides a consolidated view of these carbon emissions in pounds.

Melink's ESG Task Force has broken down these emissions by business sector. Melink headquarters accounted for approximately 174,030 pounds of carbon due to electricity consumption. The carbon emissions produced by Melink's electricity use is equivalent to

1,305 tree seedlings grown for 10 years. Interestingly, Melink's recycling efforts, managed through Republic Recycling, remained consistent with 2022, producing approximately 175 pounds of carbon. This amount is equivalent to the carbon generated by 12.6 trash bags in a landfill. Lastly, the carbon emissions for Intelli-Hood parts and assembly increased from 2022-2023, however the components are now sourced from more eco-conscious suppliers based in the United States.

Figure A

Business Sector	2022 Carbon (lbs)	2023 Carbon (lbs)	Scope
Melink Corp HQ - Electric	142,565	174,030	Scope 2
Melink Corp HQ - Waste	175	175	Scope 3
Melink Corp HQ - Commuting	85,317	110,201	Scope 3
Business Travel	1,681,158	2,287,907	Scope 1
Intelli-Hood Parts & Assembly	163,696	336,932	Scope 3
Total	2,072,911	2,909,245	

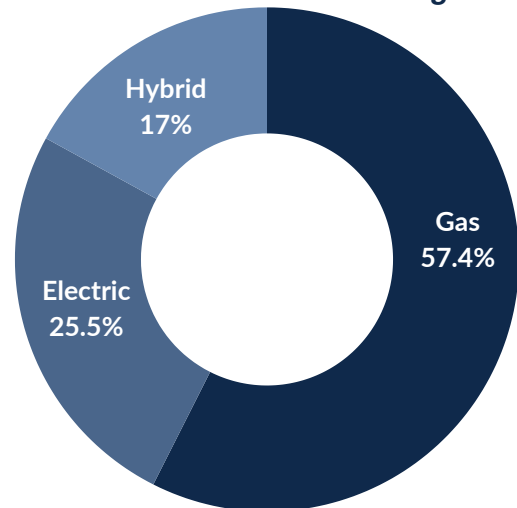
ENVIRONMENTAL

Figure B displays the distribution of vehicle types used by office commuting employees. Those commuting in gas, diesel, and hybrid vehicles collectively emitted around 110,201 pounds of carbon. To put this into perspective, this is equivalent to recycling 2,127 trash bags instead of sending them to the landfill. Additionally, the expansion of Melink's field technician team contributed to an uptick in carbon emissions.

Figure C illustrates the 2023 quarterly CO₂ emissions for Melink categorized by travel type. This data provides a detailed breakdown of carbon emissions from cars and flights for transportation used by the company throughout the year. Analyzing this information can help identify areas for potential emission reductions and construct future sustainability initiatives.

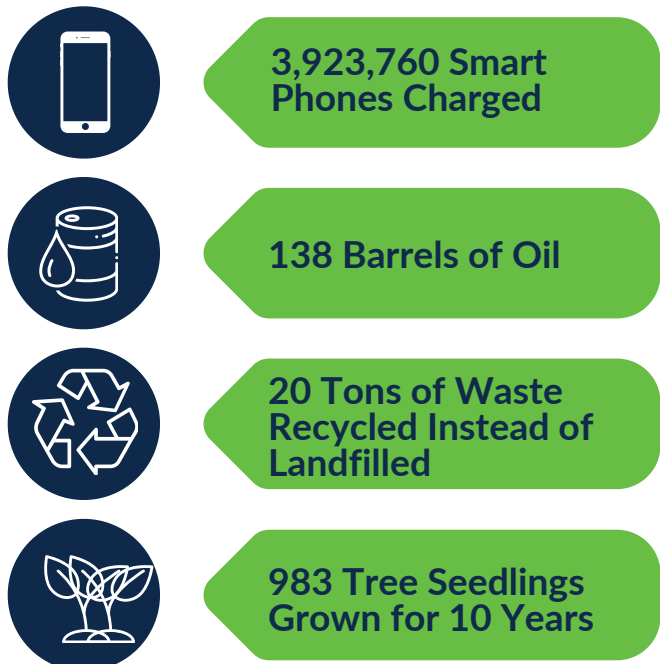
Office Commuter Vehicle Type

Figure B



Above (Figure B) shows the percentage of Melink's 2023 carbon emissions for each fuel type generated by office commuters.

Figure C.2



Quarterly CO₂ Emissions (lbs) by Travel Type

Figure C.1

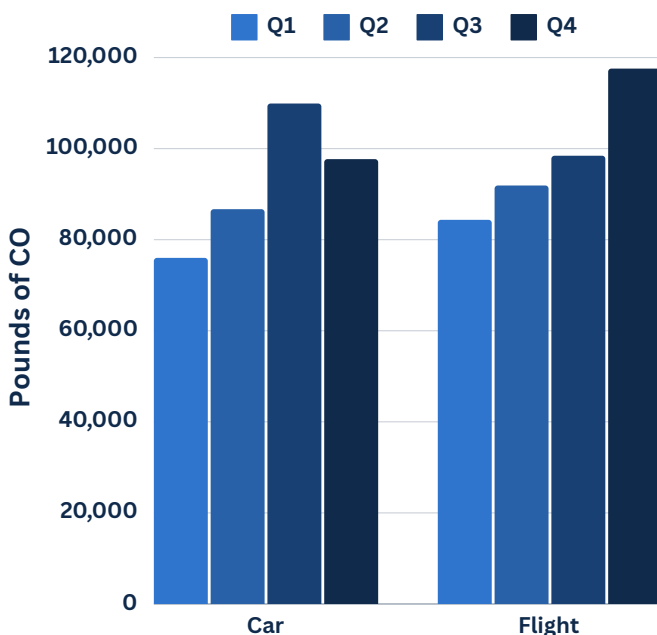


Figure C.1 shows how many pounds of carbon emissions were emitted by travel type for each quarter in 2023 at Melink. Figure C.2 shows two negative conversion comparisons of carbon emissions produced vs. two positive carbon emission equivalents for the environment.

ENVIRONMENTAL

While Figure C.1 shows an overall increase for travel emissions, the average annual emissions per capita have decrease. This means the emissions per technician have been reduced from 2022-2023 despite the growth in Melink's field team.

Average Annual Emissions Per Capita				
	Techs	Driving/Tech	Flying/Tech	Total Emissions Per Tech
2022	35	16,943	31,090	48,033
2023	48	23,146	24,519	47,665

In 2022, Melink's total electricity consumption stood at 149,684 kWh. However, there was a noticeable increase in 2023, with electricity usage rising to 189,347 kWh. This uptick can be attributed to the growth in the number of employees and the consolidation of Melink Corporation's sister company, Melink Solar, into the same building. The increased occupancy and operational demands contributed to the higher kWh consumption in 2023 compared to the previous year.

The rise in electricity consumption had a direct impact on carbon emissions. In 2022, the carbon emissions related to electricity consumption were calculated at 142,565 pounds. With the increased kWh usage in 2023, carbon emissions also saw an increase, reaching 174,030 pounds. The increased kWh is due to additional electric cars on Melink's campus, and the charging associated with the cars. Melink selects the "green option" with our utility contract wherever applicable for a cleaner electricity source to future our sustainability mission. This highlights the correlation between electricity consumption and carbon emissions, emphasizing the importance of energy-efficient practices and the need for sustainable energy solutions to mitigate environmental impact.

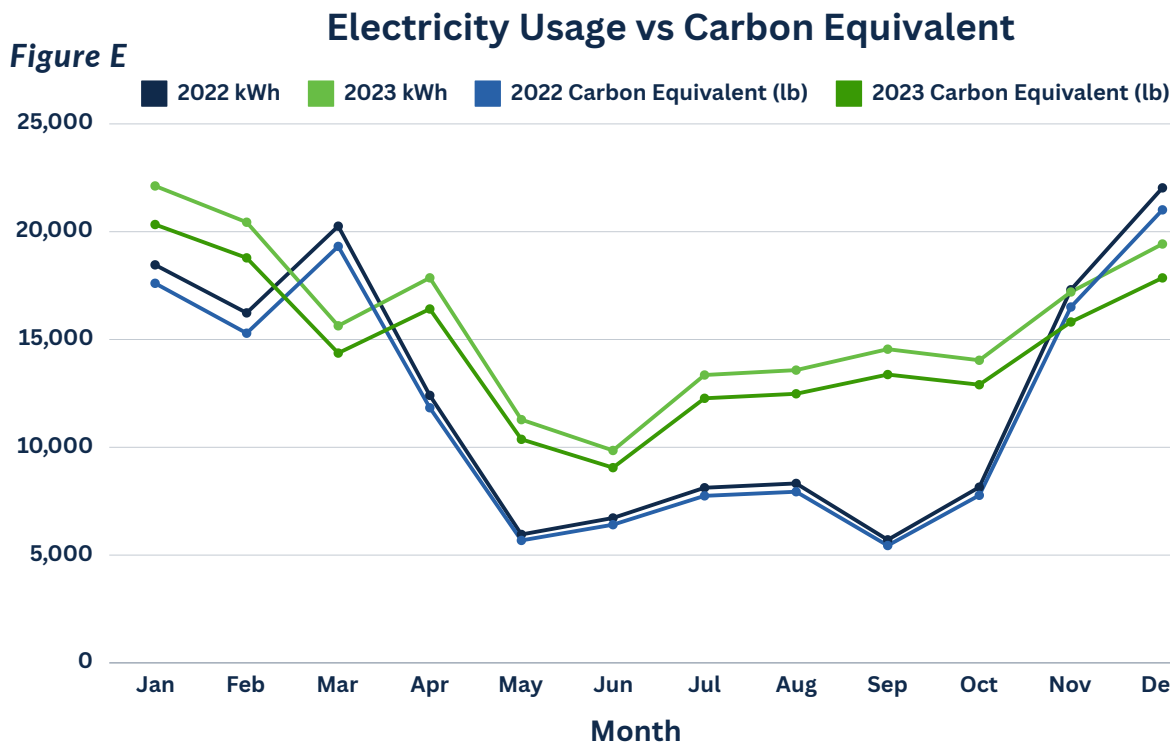


Figure E compares electricity usage (kWh) to the amount of carbon equivalent (lbs.) for each month during 2022-2023.

SOCIAL - OVERVIEW

Melink Corporation is committed to building a positive social impact. We invest in our employees' development, uphold strong labor standards, and actively engage with the communities we serve. This section highlights our commitment to diversity and inclusion, employee health and safety, and the well-being of all our stakeholders. By prioritizing social responsibility, Melink strengthens its reputation and fosters a more sustainable and equitable future. We actively seek ethical partnerships with suppliers and customers, ensuring our products and practices contribute to a better world.



VOLUNTEER HOURS

52 Total Company Paid Hours
Volunteered



EMPLOYEE WELL-BEING

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



SAFETY

2 OSHA Recordables
5 Lost Work Days



TRAINING & DEVELOPMENT

11,673 Total Training Hours Completed
107 Average Training Hours Per Employee

DEMOGRAPHICS - EMPLOYEE AGE

Disclaimer: Employee count based on the total number of employees employed during 2023.

Figure F

Age Range	Number of Employees (109)	Employee Percentage (%)	
18-24	7	6.4%	2022 100 Employees
25-34	49	45%	
35-44	21	19.3%	2023 109 Employees
45-54	25	22.9%	
55-65	6	5.5%	9%↑
65+	1	0.9%	



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- HIGHLIGHTS

BUILDING LEADERS - MELINK'S LEADERSHIP DEVELOPMENT PROGRAM

Melink is dedicated to cultivating talent internally and fostering a leadership team that mirrors the diversity of its workforce. To achieve this goal, the company launched the Melink Leadership Development Program (MLDP) this year.

Designed to equip high-potential employees with the necessary skills and knowledge to become future leaders, the MLDP included a select group of six emerging leaders from various departments across the organization, encompassing both field and office personnel. These participants convened monthly for two-hour sessions, where they explored crucial leadership topics such as effective communication, building high-performing teams, and business strategy. By providing a platform for learning, collaboration, and mentorship, the MLDP empowers Melink's future leaders to drive positive change and contribute to the company's long-term success.

ANNUAL COMPANY MEETING - CONNECTING AND CELEBRATING SUCCESS

The Melink Annual Company Meeting unites the entire team, both office and remote employees, for a collaborative experience focused on connection, learning, and celebration. A high point of the meeting was the awards ceremony, recognizing exceptional teamwork and individual accomplishments. This event presented a wonderful opportunity for Melink's employees to forge connections with new colleagues and strengthen existing bonds, solidifying a sense of community despite the geographically dispersed workforce. Serving as a cornerstone of the company culture, this annual gathering fosters collaboration, reinforces shared values, and cultivates a collective commitment to Melink's continued success.



SOCIAL- HIGHLIGHTS

GIVING BACK - PRIORITIZING THE ENVIRONMENT & COMMUNITY

Melink prioritizes both environmental responsibility and strong community engagement. This year, the company's ESG Task Force championed a volunteer outing to a local reuse and recycling center. This initiative provided valuable firsthand experience for employees, allowing them to:

- Gain in-depth knowledge of the reuse and recycling process.
- Understand the environmental benefits of diverting waste from landfills.
- Connect with a local organization working towards a sustainable future.

Such events foster not only team spirit and collaboration but also empower employees to personally engage with ESG initiatives. Through collaborative efforts, Melink strives to build a more sustainable future for both the environment and the communities it serves.



SOCIAL - PILLARS



Volunteer Time: Through employee volunteering, we empower individuals to give back and make a positive community impact. These activities not only benefit worthy causes, but also strengthen team bonds and connections outside of work. It's a win-win, allowing employees to contribute their skills and demonstrate our 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, training, and site checklists to identify potential hazards and ensure that safety protocols are being followed.



Employee Well-Being: Melink Corporation prioritizes employee well-being as a cornerstone of responsible business practices. We offer a comprehensive range of programs designed to support the physical, mental, and financial health of our workforce. This commitment fosters a positive workplace culture that values and empowers our employees.



Training & Development: Melink Corporation fosters a culture of continuous learning by offering training and development programs. These programs address leadership, communication, technical skills, and safety, empowering employees to advance their careers. We support professional growth through tuition reimbursement for relevant education and certifications, ultimately promoting employee satisfaction and retention..

DEMOGRAPHICS - TENURE

Figure G

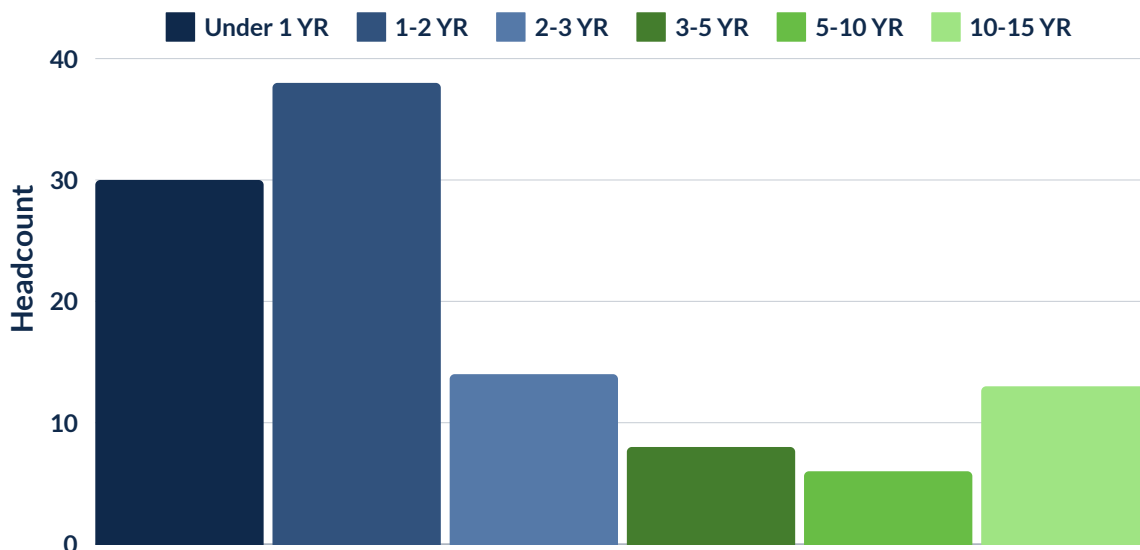


Figure G compares the total number of Melink employees in 2023 and how long they have been employed with the company.

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



GOVERNANCE



Effective governance within a business serves as the bedrock for its success, providing a framework for decision-making, accountability, and ethical conduct. For a growing mid-size business like Melink, governance is particularly crucial, as it ensures smooth daily operations, facilitates strategic budgeting, and upholds transparency and validity in all endeavors. Melink's governance structure not only aligns with its core values but also serves as a guiding light for employees, reinforcing the company's commitment to integrity and excellence in every aspect of its operations.

At Melink, governance is deeply intertwined with the company's values, ensuring that every decision and action reflects its dedication to sustainability, innovation, and ethical business practices. By adhering to robust governance standards, Melink not only safeguards its

reputation but also fosters a culture of trust and reliability among its stakeholders. This level of governance resonates throughout the organization, shaping the way employees interact with one another and with clients, fostering long-term relationships built on transparency and integrity.

Central to Melink's governance framework is its board of directors, tasked with overseeing the company's strategic direction and holding management accountable for their actions. The board plays a pivotal role in ensuring the accuracy and integrity of financial statements, upholding ethical practices, and safeguarding the security of Melink's operations. Through regular audits and transparent reporting mechanisms, Melink's governance structure instills confidence in investors and partners alike. This reaffirms the company's commitment to excellence and ethical conduct.

Moreover, Melink's governance practices align with our mission to create a sustainable future through innovative energy solutions. By upholding the highest standards of governance, Melink not only meets its legal and regulatory obligations but also demonstrates its dedication to creating a positive impact on society and the environment. This commitment ensures the company remains a trusted partner and a beacon of integrity in the business world.

THE FUTURE OF ESG AT MELINK



Environmental

- Carbon Calculations
- Reduce Energy Use
- Reduce Waste
- Year Over Year Comparison

Social

- Demographic Data
- Employee Experience
- Ethical Practices
- Social Highlights & Improvements



Governance

- Accountability
- Data & Security
- Transparency
- Governance Structure

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

A big thank you to the Melink ESG Task Force! Their efforts in data collection, analysis, and report creation were instrumental in finalizing the 2023 ESG report. Their expertise and commitment to sustainability were invaluable. We'd especially like to recognize Amy Willenborg, Anna Oestreich, Dana Jackson, Darren Witter, Lindsey Burbee, Natalie Heltman, Oria Daugherty, and Sarah Hardison for their significant contributions.

We also extend our appreciation to all Melink employees who provided insightful feedback throughout development. Your input is essential as we continue advancing our sustainability goals.

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Changing the world, one building at a time.

