



MELINK CORPORATION
2016 SUSTAINABILITY
REPORT

MESSAGE FROM THE CEO



Steve Melink



Welcome to the 2016 Melink Sustainability Report. We are proud to be a pioneer and leader in clean energy solutions for the commercial building industry. Serving as an example for our customers, industry and community has become part of our company mission.

Though Melink started in 1987, our sustainability journey did not begin until 2004. Inspired at a green building conference, we decided to build the first LEED Gold building in Ohio as our headquarters. With geothermal HVAC and solar photovoltaics being top features, it is now LEED Platinum and Net-Zero Energy.

We knew we could do more, however. So we have invested in a fleet of hybrid cars for our technicians and incentives for our employees to buy hybrid or electric cars. Today, more than 50 percent of our employees drive alternative fuel vehicles to further promote our mission.

The combined energy savings of these actions amount to more than \$75,000 per year. But the bigger advantage has been the HR and PR benefits. We are also able to attract and retain more talented employees as well as successful customers, as they are increasingly selecting partners who are aligned with their own mission. Sustainability is becoming a corporate value that America and the whole world is embracing.

“The combined energy savings of these actions amount to more than \$75,000 per year.”

For this reason, we are still pushing the envelope. In 2015, we installed additional charging stations in our parking lot. In 2016, we installed automatic window shades and are upgrading our lighting with LEDs. In 2017, we will design our second building – to be even more innovative than the first.

And finally, separate from environmental sustainability, we want our company and employees to be financially sustainable. Therefore, we plan to implement an employee stock ownership plan in the near future. Selling out is not true to our vision and values or our legacy of leadership.

Our bottom-line message to you is this: Come join the movement and gain a long-term strategic competitive advantage for your company. Authentic leadership begets success!

Stephen K. Melnick

FOUR BUSINESSES, ONE ENERGY MISSION

We are a global provider of energy efficiency and renewable energy solutions for the commercial building industry.

With four business units and a singular energy mission, we help companies save energy, increase profits and make the world a more sustainable place.

INTELLI-HOOD



Melink's patented Intelli-Hood® is a demand control kitchen ventilation system that's installed into kitchen hoods to make them energy intelligent and reduce the cost of operation.

MELINK T&B



Melink T&B is a certified national provider of commercial HVAC testing, adjusting, balancing and commissioning services. We verify that HVAC systems were properly installed and are working as expected to ensure comfortable, healthy and efficient buildings.

MELINK SOLAR



Melink Solar partners with organizations and institutions to implement commercial or utility-scale solar photovoltaic energy projects. Our services include financing, development, design, installation, maintenance and monitoring.

MELINK GEO

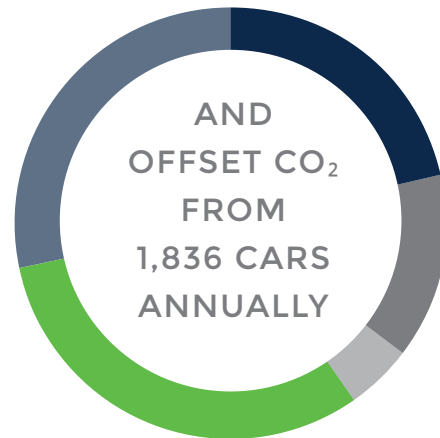
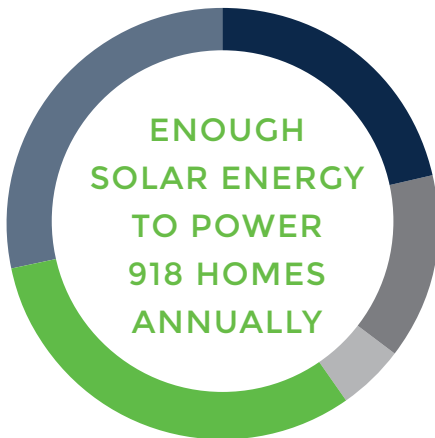


Melink Geo is a national developer of geothermal HVAC systems and manufacturer of the patented Manifest™ pre-engineered pump station. We provide turnkey management of geothermal projects for architects, engineers, ESCOs and building owners.

IN 2015...

MELINK SOLAR

Helped clients produce



INTELLI-HOOD

Saved

15.1 MILLION

kilowatt hours of energy for our customers. That equates to about \$2.8 million in utility costs and enough to power 1,121 homes and offset CO₂ from 2,242 passenger cars annually.

MELINK T&B

Optimized

1,861

HVAC systems for energy efficiency and occupant comfort.

MELINK GEO

Helped clients save

61%

on their HVAC operational costs by using a geothermal system.



Photo top

Melink Solar team members working together on site to finish a rooftop solar project in Indianapolis.

Photos bottom

Melink employee kiddos who inspire us to care about the long-term impact of our daily work.



LIVING OUT OUR WHY

For 30 years, Melink has been on a mission to change the world one building at a time. How is that possible? We do it by helping decision-makers implement energy efficiency and renewable energy solutions into their commercial facilities.

Why do we do it? We're committed. We envision clean energy transforming the world by improving our global economy, security

and environment. Sure, this is our business but we sincerely do it for the greater good. Sustainability involves a deep respect for others, our environment and future generations. For us, working at Melink is a way to set up our loved ones for a brighter tomorrow.

2015-2016 HIGHLIGHTS AND ACHIEVEMENTS

Photo right

Steve Melink participating in a White House meeting on President Obama's Clean Power Plan.



Every year brings exciting new opportunities to help companies achieve their goals, assist people in our communities and develop breakthroughs. We would like to share a few highlights from 2015 and 2016 with you:

1 Launched Melink Geo, our fourth business unit. Geothermal HVAC helps users save 25-50 percent on their HVAC cost, reduce maintenance costs, reduce water usage and extend equipment life. We provide turnkey management of geothermal projects for architects, engineers,

ESCOs and building owners. As part of Melink Geo, we began offering our patented, pre-engineered geothermal pump station – The Manifest.

2 Became certified as a Great Place to Work by the Great Place to Work Institute. It's very gratifying to know that 98 percent of our employees told the institute they feel management is honest and ethical in its business practices.



What's more, 97 percent said they have great pride in who we are and what we do.



Photo top

Steve Melink signs copies of his book "CEO Power & Light."

Photo left

Craig Davis (left), vice president and general manager at Melink Solar, and Steve Melink accepting the 2016 Goering Center Award for Private Business.



3 Named Cincinnati's top private business (26-100 employees) at the 17th Annual Goering Center Family and Private Business Awards.

4 Steve Melink was awarded the 2015 Ernst & Young Entrepreneur of the Year Award (Cincinnati).

5 Steve published his first book, *CEO Power & Light: Transcendent Leadership For A Sustainable World*. Steve says he had one goal in writing *CEO Power & Light* – inspire chief executive officers to embrace sustainability for its strategic value. He believes that those who do will compete more successfully and make the world a better place at the same time.

6 Steve also participated in a White House meeting prior to the release of President Barack Obama's Clean Power Plan.

7 And we're purchasing 100 percent green power from our electric generation provider.



WELCOME TO OUR CLEAN ENERGY INNOVATION CENTER



Melink Corporation's headquarters near Cincinnati is noteworthy, and we like to think rather visually striking. We're located in a serene pastoral area with a creek and wildlife nearby. We also have a wind turbine, solar arrays and electric car charging stations in our front yard – definitely not what you see at most businesses.

We operate differently, and it shows in many ways. Not only do we have the renewable and energy efficiency mechanisms outside, but we strive to make our building Net-Zero Energy inside. Plus, our team is constantly working hard researching new ways to help clients and developing new products and processes.

Our work space continues to be referred to as a clean energy innovation center. In fact, CEO Steve Melink now has the reputation of being known as the company's Chief Innovation Officer.

While we're innovating, we're leading by example. We enjoy being able to show others how they too can achieve the triple bottom line of profit, people and planet.

STRIVING FOR NET-ZERO ENERGY

A monumental part of leading others in this area is setting a goal of achieving Net-Zero Energy. Let's start with what Net-Zero Energy means. It's simply producing as much energy as we're using over the course of a year. Achieving Net-Zero Energy is a balancing act that depends upon a number of variables. We've been able to achieve Net-Zero Energy in several years. In others, we've come close. During those times, we purchase power from the local utility to make up for the shortfall. Budgeting energy is similar to budgeting for your business. It's not an exact science with a certain formula.

Here's a sample of what we accomplished in 2015:

- Reduced our electric bill by 60 percent as a result of our holistic approach to Net-Zero Energy performance. We utilize renewable energy for power production, energy efficient appliances to optimize that power and energy conservation habits to reduce our need for it.

- Produced 140,472 kilowatt hours of renewable solar energy and offset 98.7 metric tons of CO₂. That's enough to power 9.6 homes for a year and offset 19.2 passenger vehicles.

- Conducted a waste audit and learned that we diverted 65 percent of our waste to recycling or composting.

- Eliminated a number of office water coolers and installed drinking water faucet filters. You'd be surprised how much electricity it takes to make drinking water cool.

- Switched all desk lamps to LED task lamps.

- Initiated Watt Watch, an internal monthly energy monitoring report to promote a culture of conservation.

- Installed automated thermal shades at the main curtain walls of our headquarters to provide better insulation.

POWERED BY RENEWABLES

Renewable energy technology has a long list of benefits. Among them are having a lower impact on the environment, saving money, creating jobs in a growing industry sector and helping increase national security by decreasing our nation's dependence on fossil fuels. And since they are renewable, the energy never runs out.

Melink's headquarters is powered by 107 kilowatts of renewable solar photovoltaic and a 60-foot wind turbine.

IN 2015:

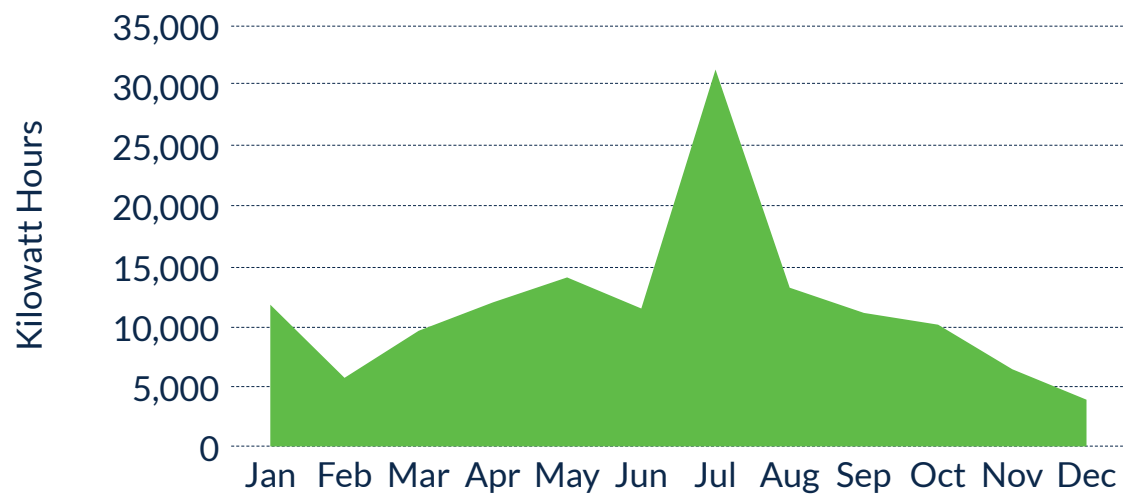
- Our solar arrays produced 140,472 kilowatt hours of renewable solar energy and offset 98.7 metric tons of CO₂.
- And our wind turbine produced 3,081 kilowatt hours of renewable wind energy and offset 2.2 metric tons of CO₂. That's enough to power one home for one year and offsets half of one passenger vehicle.
- Combined, our solar and wind technologies credited 47,103 kilowatt hours to our utility account – saving us \$8,000.

When our solar arrays and wind turbine generate power, some of it is used, some stored or credited back to the grid.



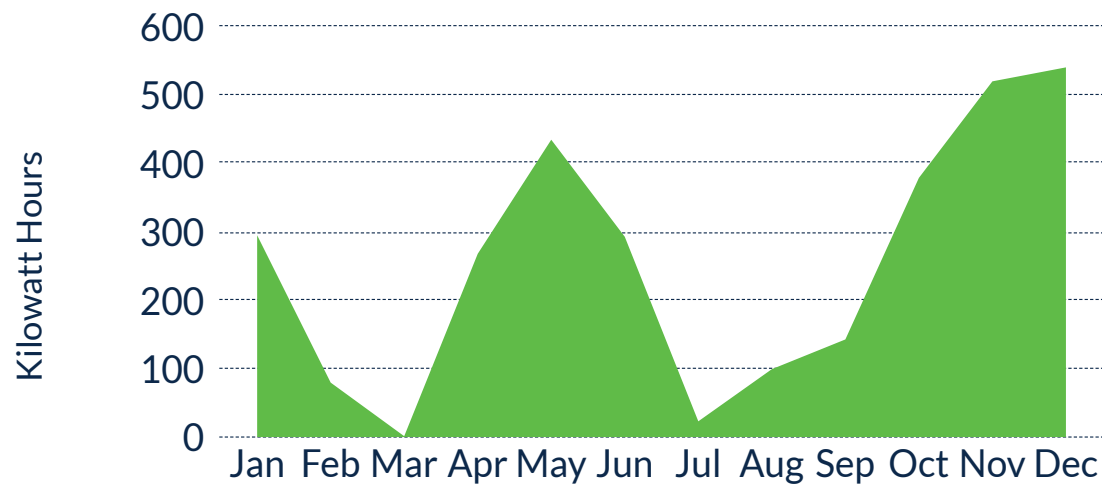
2015 MONTHLY SOLAR POWER PRODUCTION

Fig. 1



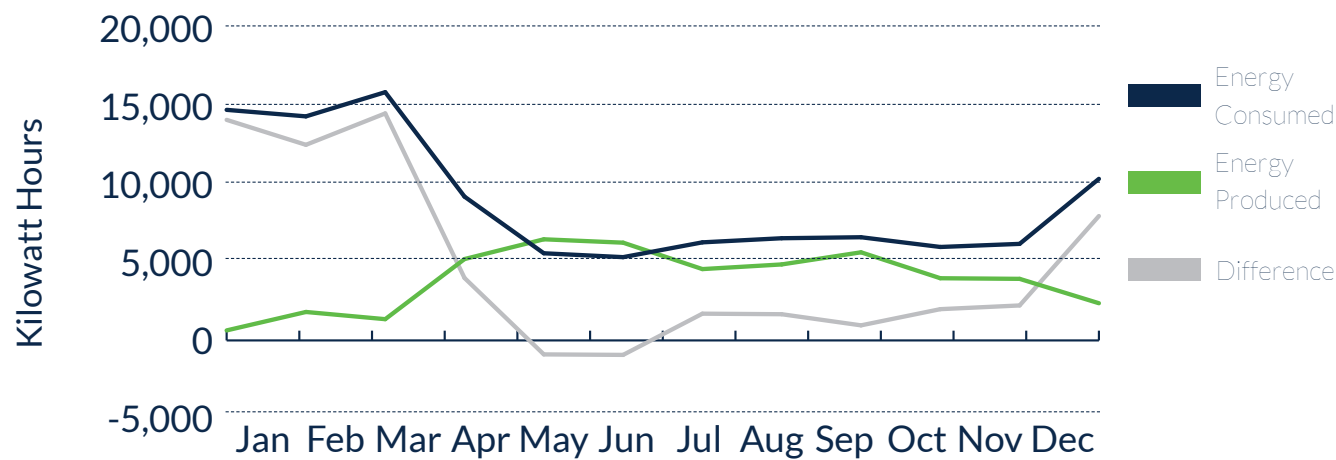
2015 MONTHLY WIND POWER PRODUCTION

Fig. 2



2015 COMPARISON OF ENERGY PRODUCED VS. ENERGY CONSUMED

Fig. 3



RENEWABLES AT HOME

By Craig Davis, vice president and general manager of Melink Solar



In 2012, I installed a 3-kilowatt solar array on the roof of my 2,500 square-foot home. The homeowners' association wasn't thrilled when I was the first to install one. But now, a few years later, there are more neighbors with solar panels on their homes.

My array is performing as expected and has reduced my utility bills by approximately 60 percent. The expected lifetime of the solar array is 25 years, and maintenance has been minimal. I haven't even had to clean the panels yet. I expect to replace the inverters in five or six more years.

When considering solar for your home, I recommend first examining the condition of your roof, searching out available financial incentives and benchmarking your average energy usage. Start by visiting the DSIRE website (dsireusa.org) and looking for incentives, conducting online research and seeking out opinions.

Next, acquire estimates from installers and request that they build a proforma for you so you can understand the financial impact beyond the initial cost. Ask what is the return on investment and internal rate of return – with incentives and without. A credible installer will be able to do this for you.

If you're considering installing solar panels on your home, I congratulate you.



OPTIMIZED BY EFFICIENCY

As you walk around Melink headquarters, our energy-efficient features may not be too obvious. But they are vital to our energy goals. Chief among them are geothermal HVAC, solar thermal, and Energy Star-rated appliances and electronics.

GEOTHERMAL

for heating and cooling

Our geothermal HVAC system comprises pipes, a heat pump and pump station. The piping, which hides beneath our building's side lawn, transfers heat to and from the ground. During the winter, it takes heat out of the ground and transfers it into the building. Then during the summer, it removes heat from the building and stores it in the ground.



ENERGY STAR APPLIANCES

for efficient power use

You're probably familiar with Energy Star; it's the volunteer Environmental Protection Agency program that helps save money and the environment by using products that are certified as energy efficient. At Melink, we use Energy Star-rated technologies every place we can.

SOLAR THERMAL

for heating water

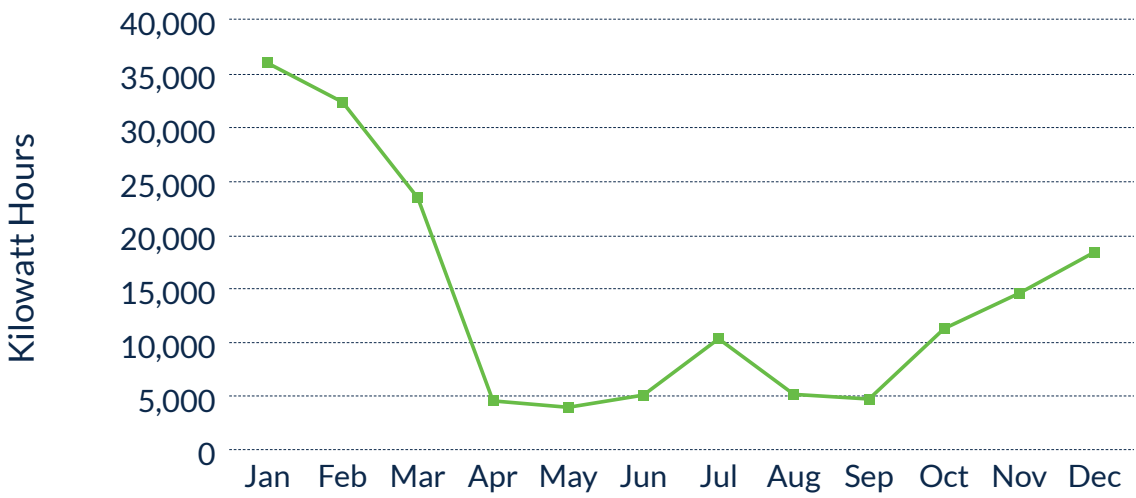
A solar thermal system eliminates our need for electric water heating. It uses the heat from the sun to provide our minimal hot water needs.

"We're in the energy efficiency business. So it only makes sense for our building to be super-energy efficient."

- Steve Melink, CEO

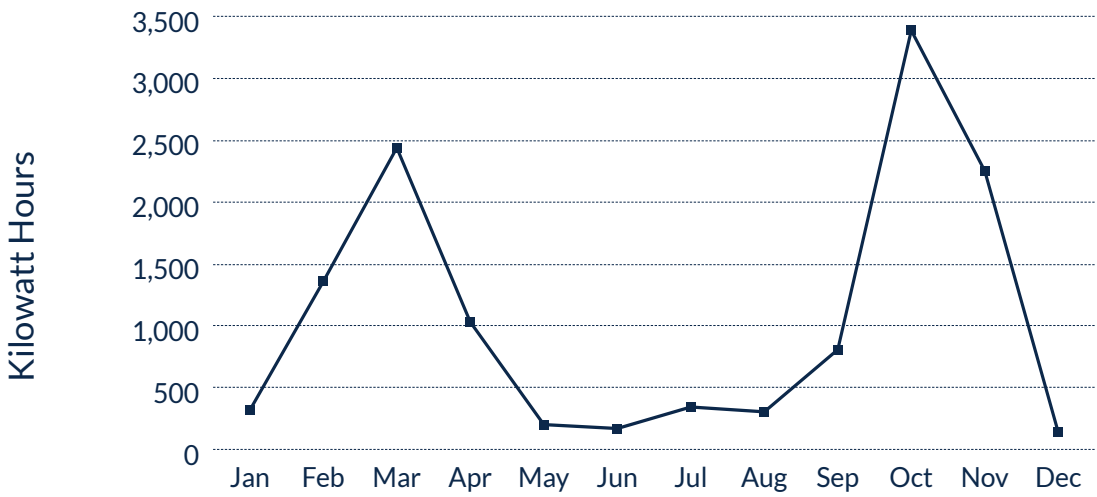
2015 MONTHLY GEOTHERMAL SAVINGS

Fig. 4



2015 MONTHLY SOLAR THERMAL SAVINGS

Fig. 5



ENERGY EFFICIENCY AT HOME

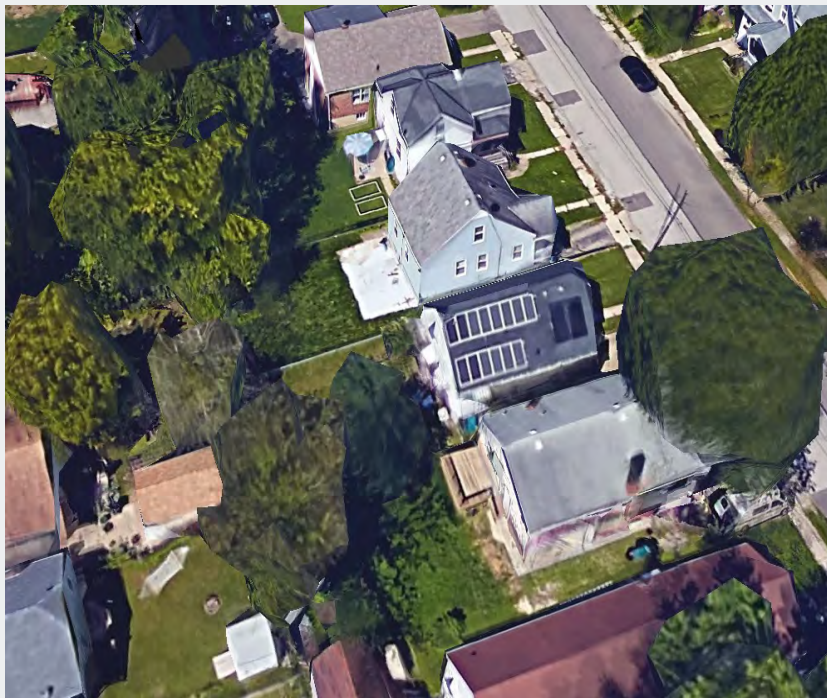
By Jason Brown, senior sales and applications engineer for Intelli-Hood



Being energy efficient at home is something everyone can do. During the last decade, I've added many energy-efficient features to my house, which was built in 1940.

I replaced all lighting fixtures with CFL or LED bulbs. And I've replaced all my appliances with Energy Star-rated models. We installed a 95 percent efficient gas furnace and updated our central air-conditioner with a SEER-16-rated unit, along with a programmable thermostat.

For solar, I added a 2.5 kilowatt array and solar thermal system for hot water to the roof. And like at the Melink headquarters, we installed a dual flush toilet and added a motion sensor to the bathroom exhaust fan.



A super-easy step you can take is to upgrade your windows and doors to energy-efficient models. Windows and doors are the most common sources of energy waste in the home.

My wife and I are going to focus on exterior efficiency improvements next by replacing our aluminum siding with a more energy-efficient thermal barrier vinyl siding.

I recommend visiting the DSIRE website (dsireusa.org) for available financial incentives, if you're interested in solar upgrades. As for everything else, we researched websites geared toward energy efficiency then headed to our local Home Depot. We've had a lot of fun learning new tips and tricks along the way.

CONSERVATION BY REDUCED CONSUMPTION

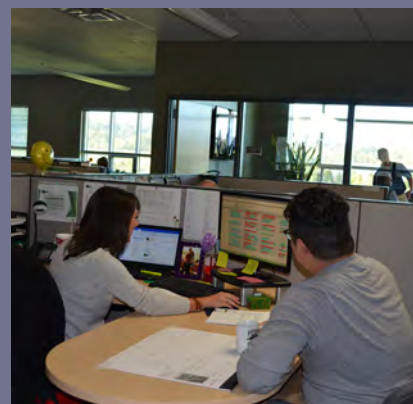
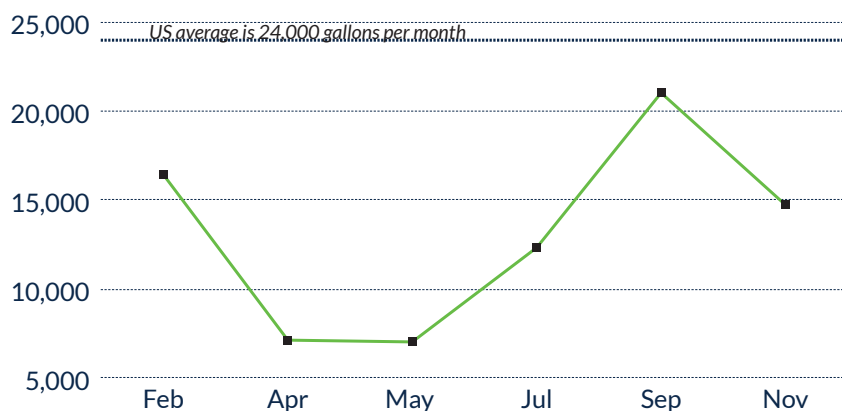
Conservation is central to who we are and how we operate at Melink. Reducing what we consume is one of the easiest and most logical ways to save energy.

We're not exactly working in the dark here, but we do exercise our energy conservation habits. Before turning on the lights, for example, we first consider if there's enough light coming in from the windows.

In addition to natural lighting, we're attentive to water conservation. Our bathroom faucets are automated and all urinals are waterless. As a result, our water consumption was 42 percent less than the national average for commercial buildings. What's more, we do not heat the water in our bathroom faucets or in our kitchen sinks.

2015 MONTHLY WATER CONSUMPTION

Fig. 6



“

Turning off lights is a respected habit at Melink. Thanks to light sensors and a ton of windows, we are able to do most of what we need to with natural lighting.

- Luci Feie, marketing manager

”

CONSERVATION AT HOME

By Seth Parker, project manager at Melink Geo



I'm a big fan of Merriam Webster's definition of conservation: "The careful use of natural resources to prevent them from being lost or wasted."

Conservation is such a simple concept that I'm convinced every homeowner can benefit from it. Not only is protecting our natural resources best for the environment, but doing it saves money. If you become passionate about conservation at home, you can save lots of money. Here are some favorite tips:

1. Purchase a Nest or other smart thermostat and set the temperature lower when you leave your house.
2. Use reasonable thermostat settings. During the winter, I set it at 68 degrees and throw on a sweater and favorite socks. My dog is very OK with this. I'm still unsure about my girlfriend. During the summer, I set the thermostat at 74 degrees.
3. Turn off the main power strip to home electronics when they are not in use to cut "phantom" load.
4. Be a composter (especially compostable single-serve coffee brewing pods, also known as K-cups). Speaking of those pods, did you know that in 2014 there were enough of them sold to circle the globe 10 times if they were lined up end to end?
5. Install a low-flow showerhead and you can save up to 2,900 gallons of water per year. Be sure to look for the water sense logo on the package when shopping for a showerhead. Also, use a five-minute timer when showering, then shorten your shower to one minute. I like to make it a game. The challenge is to finish before the timer goes off!
6. Use thermal insulating shades/blinds during the winter to help keep heat in. They're great for keeping sunlight out of a room too so you can sleep in later!

Conservation is a simple, easy way to save money. And who doesn't want more money in their pocket?

WORKING, LEARNING, PLAYING AT MELINK

Melink has a rich history of being a place of excellence. Our employees are able to make the most of their expertise, have abundant opportunities to learn and advance their careers, and have fun. In short, we're a family that supports each other in our quest to make a measurable difference in the world.

One significant achievement we made together this year is being

certified as a Great Place to Work. According to the Great Place to Work Institute:

91 percent of Melink employees reported that our workplace is considered great.

98 percent of our employees feel management is honest and ethical in our business practices.

97 percent reported they have great pride in who we are and what we do.

Part of what makes Melink stand out among employees:

Energy Efficiency Benefit
After completing one year of service with Melink, employees are eligible for up to a \$5,000 contribution toward the purchase of a qualified hybrid vehicle, electric vehicle or solar photovoltaic system for their personal residence.

Tuition Reimbursement
Melink supports employees who wish to continue their education to secure increased responsibility and growth within their professional careers.

2016 GREAT PLACE TO WORK SURVEY RESULTS

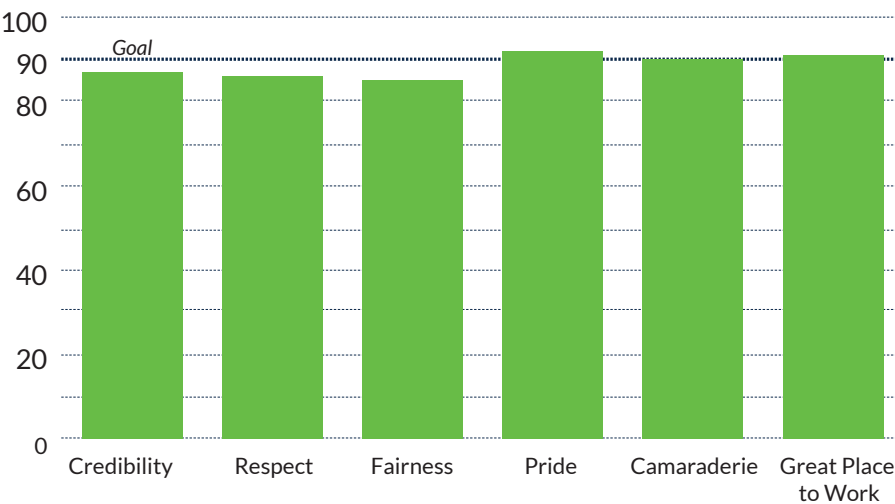
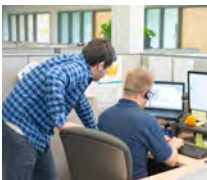


Photo above
A group of Melink-sponsored employees participating in Cincinnati's Flying Pig Marathon races.

Company Vehicle

Executive and director-level employees are provided a company-sponsored hybrid or electric vehicle. Melink pays for the lease, maintenance, gas and insurance.

We know how to have fun too – at work and off-site. We have annual golf outings, team scavenger hunts, a company party and a few happy hour get-togethers throughout the year. We offer memberships to the Cincinnati Nature Center and have an on-site gym.





HOW MELINKERS GET AROUND

We're well-known for our fleet of company and employee-owned electric and hybrid cars. It all started in 2004 when Steve Melink decided to purchase a fleet of Toyota Prius hybrid vehicles for traveling technicians.

Then Steve decided to incentivize employees to drive hybrid or electric vehicles (EV) by contributing a sizable amount toward their purchase price. Today, our parking lot is filled to near capacity with EVs and hybrids, along with a line of charging station soldiers to fuel the force. Our car count is 18 electric vehicles and 39 hybrids for 2015-2016.

"Our company's goal is to have 80 percent of employees drive a hybrid or EV by 2018. As of 2015, we're at 61 percent."

- Steve Melink, CEO at Melink Corporation

Our green fleet has substantially reduced our environmental impact and transportation costs. Our conservative estimate of gas savings for company-owned EVs is 1,175 gallons, which equals about \$4,213 saved in fuel costs.



Photo above
Steve Melink plugging
in his Chevy Volt at
Melink's parking lot.

PURCHASING AN ELECTRIC VEHICLE

By Gaston Teran, controller for Melink Corporation



You may have noticed by my title that I'm involved with finances. It's in my nature to look for a good return on the money I invest in products and services. So, when I decided it was time to purchase my first electric vehicle (EV), I conducted a good amount of research.

I decided on a used 2013 Chevy Volt, and it has been everything I hoped. Being diligent in charging my Volt – at home and at work – I was even able to drive 3,000 miles on one tank of gasoline.

When considering an EV, the most important thing to determine is your realistic commute. That will help you weigh the pros and cons of the limitations of a pure electric car. Starting with a zero-charged battery, an EV (pure electric and gas backup models) will take anywhere from four to 22 hours to fully charge for a 40-200 mile range depending on the model and charger you select. Take it from me, invest in a 240V charger if you want the shortest charge time.



In the United States, there are about 20 models of mainstream EVs available for purchase.

Photo Left

Drive statistics from the dashboard on my Chevy Volt.

SPREADING THE WORD



35 tour groups explored our green building and campus – ranging from business executives to school children.



We sponsored a Solar co-op student to work in the Dominican Republic on solar and water pump projects.



2 Melink employees volunteered as co-chairs of the Greater Cincinnati Green Business Council.



Government officials from Kharkiv, Ukraine, visited Melink as part of the Energy Efficiency Project.



Steve Melink spoke on sustainability leadership at the Environmental Protection Agency in Cincinnati on Earth Day 2015.

"When we have tours coming through, I get really excited and proud. Hopefully, they'll see what we're doing here and want to carry that with them into the future."

- Amy Willenborg, customer service manager for Melink T&B



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