



# 2023 SUSTAINABILITY REPORT

Reporting period January 1- December 31, 2023



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## **OUR VISION**

**The leading provider of transformative solutions to the North American Industrial Consumables market.**

## **OUR MISSION**

**Wow our customers with exceptional service and high impact solutions.**

# ABOUT THIS REPORT

This is LINC Systems first annual Corporate Sustainability Report. We have prepared and are presenting our information to initiate and document our material topics and strategy framework with intent for year over year improvement in all sustainability metrics.

We do not currently seek third-party assurance of our reported data but utilize current internal audit processes to review our report and assess our processes and results to determine that our controls operate sufficiently to identify errors or omissions.





**Michael Beyer**  
**President & CEO**

### LINC Systems Welcome and Commitment to Sustainability

It is my pleasure to present LINC Systems first annual Corporate Sustainability Report. We will share key facts about our company and the progress, achievements, and commitments we have made to our people, our world, and our business.

Our commitment to sustainability is evident everyday as we use LINC Systems' Core Values in everything we do. Our most important asset – **our people** – work in teams to analyze processes to reduce waste at each stage. Great examples include LINC Express – where we are consolidating freight and reducing emissions, Packaging Film Analysis, technical service of tools in the field, the Rapid Repair Program, Packaging Preventative Maintenance Programs and offering 100% Recyclable Packaging Products or PCR Stretch Films.

We work every day to build sustainability into our culture. We are continuing to look at ways to reduce energy, water consumption, reduce packaging waste and have healthy employees to minimize our environmental footprint. Using continuous improvement will further our success as a company while transforming our business for the better. We have over 250 valued team members nationally that are dedicated to supporting our business and the communities in which we operate.

We are proud of what we accomplished in 2023 and we look forward to all that we will do in the coming year to increase sustainability while delivering maximum value to our customers and shareholders.



# HIGHLIGHTS FROM 2023



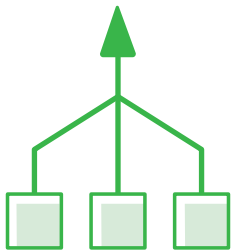
## SAFETY PROGRAMS

We continue to improve our safety record year over year. We have a comprehensive safety program for all our locations as well as our field service teams. To encourage healthy lifestyles in and outside of work, we offer workout bonus, encourage annual physicals, and utilize our culture program to promote education, engagement, excitement, encouragement in all that we do.



## ECOVADIS MEDAL

We earned a Medal of Commitment from Ecovadis for our Sustainability efforts.



## DISTRIBUTION RATIONALIZATION

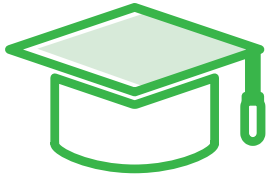
We consolidated our footprint across the country, reducing or consolidating facilities under budget and with no customer disruptions.



## DIVERSITY, EQUITY AND INCLUSION

We are proud of the progress we continue to make on our Diversity, Equity and Inclusion journey. We continue to stress our character qualities as key personal attributes that will foster an environment where all of our voices are heard.

# HIGHLIGHTS FROM 2023



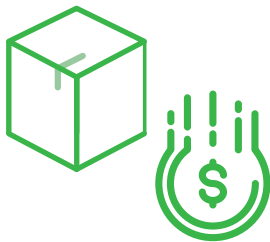
## EDUCATION

In 2023 we launched the LinkedIn Learning platform to our entire company where we have developed and encouraged an environment for continuous learning. Over the last year, LINC Systems employees have completed thousands of hours of education through LinkedIn Learning.



## CUSTOMER SUCCESS

We secured key business awards from our vendors - advancing our long term plans and commitments to our customers which included Paragon Films Growth Achievement Award.



## RAW MATERIAL COST IMPROVEMENTS

We've initiated material substitutions, opting for sustainable packaging alternatives, alongside the establishment of a dedicated Sustainability Team. This team is tasked with scrutinizing vendor programs and offerings. Furthermore, we've facilitated engineering changes and engaged in substantial negotiations, securing valuable rebates from our suppliers.

We will continue our focus on corporate sustainability, environmental protection, social justice and equity, and economic development.

In 2022, we launched 1LINC, a program that highlights the strength of our organization as 1 company. The 1LINC program highlights great achievements encouraging empowerment, accountability and teamwork fulfilling our vision of being a leader in our industry.





# LINC

S Y S T E M S

## OVERVIEW

We provide fastening, packaging materials and equipment and industrial supply products to customers across North America. We provide service and technical service to all facets of our business to compliment all our product offerings.

## HOW WE OPERATE

It all starts with our Vision, Mission, 4E Culture and Core Values to be 1LINC.

## 4E CULTURE

Foster an inclusive environment where team members contribute to the success of our company by embracing the pillars of our Culture program:

- Engagement
- Education
- Excitement
- Encouragement







## CORE VALUES

- “Character Development” – instructing and making our people better with our 36 Character Qualities. It is the foundation of all we do, and we build from there, above that is...
- “Creating Loyalty” – a critical Core Value as you want people who will stick around when things get tough. In turn they want a loyal company to work for, above that is...
- “Constant Improvement” – getting better everyday, which leads to above that...
- “Speed” ... in what we do. Bring it all together and we have at top...
- “Efficiency” and that adds to the bottom line

## ADHERING TO AND EMBRACING THESE PRINCIPLES WILL PROMOTE A TEAM THAT

- Contributes to the safety and well-being of one another, society and the environment
- Embraces diversity, equity, and inclusion where all voices are heard
- Operates with a sense of urgency and a positive attitude in everything we do
- Manages by fact with strong team member collaboration commitment, and accountability
- Creates an open and learning environment that drives quality and continuous improvement
- Conducts business with impeccable ethics, honesty, and integrity

### Our Character Qualities

**Accountability**  
**Adaptability**  
**Benevolence**  
**Bravery**  
**Composure**  
**Conviction**  
**Dependability**  
**Development**  
**Discernment**  
**Discretion**  
**Empathy**  
**Endurance**

**Focus**  
**Forgiveness**  
**Fortitude**  
**Imagination**  
**Influence**  
**Integrity**  
**Kindness**  
**Loyalty**  
**Modesty**  
**Organization**  
**Passion**  
**Persistence**

**Positivity**  
**Promptness**  
**Readiness**  
**Reliability**  
**Resoluteness**  
**Resourcefulness**  
**Respect**  
**Teamwork**  
**Thankfulness**  
**Transparency**  
**Understanding**  
**Vigilance**

#### CULTURE SURVEY

Here at LINC Systems, we know our people are our most important asset. For each of us to be our best, we must foster an environment that lives up to our words that describe our values.

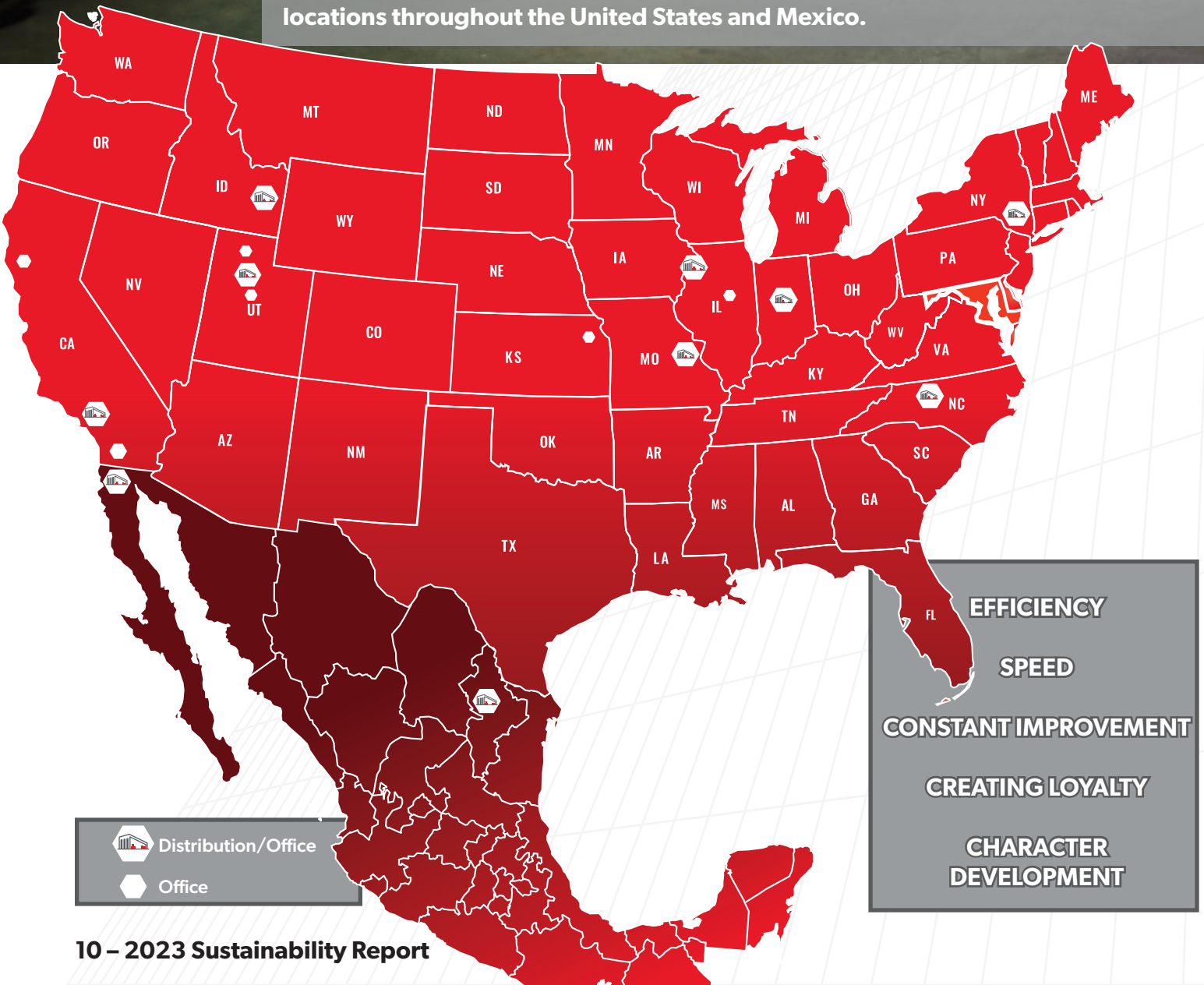
To hold ourselves accountable, we maintain a readily available Voice of the Employee Survey to ensure our actions have the desired outcome.



# LINC SYSTEMS AT A GLANCE

LINC Systems has evolved into a leading value-added distributor of industrial consumable fastening and packaging solutions.

LINC, headquartered in Westfield Indiana, maintains distribution and retail locations throughout the United States and Mexico.



# THE LINC ADVANTAGE

## CUSTOMER SOLUTION FOCUSED



OUR PEOPLE AND OUR CULTURE ARE CENTERED AROUND PROVIDING **SUPERIOR CUSTOMER SOLUTIONS**



OUR DEPTH OF **KNOWLEDGE AND EXPERIENCE** ARE INVALUABLE TO OUR CUSTOMERS



WE BRING **INCREASED PRODUCTIVITY** THROUGH INNOVATIVE PRODUCTS AND APPLICATION EXPERTISE

## SERVICE ABOVE & BEYOND



ON-SITE SERVICE AND REPAIR IS TRACKED AND MONITORED BY OUR **EXCLUSIVE SERVICE LINC PROGRAM**



OUR WELL-TRAINED AND EXPERIENCED **PROFESSIONAL SERVICE TEAM** UNDERSTANDS CUSTOMER NEEDS



SAME-DAY SHIPPING WITH EFFICIENT DC's, ALLOWING FOR **NEXT-DAY DELIVERY** OF MANY PRODUCTS

## SAFETY DRIVEN



**NOTHING IS MORE IMPORTANT THAN THE SAFETY** OF OUR CUSTOMERS' EMPLOYEES AND OUR LINC SYSTEMS EMPLOYEES



WE PROVIDE COMPREHENSIVE ON-SITE PNEUMATIC **SAFETY TRAINING PROGRAMS**



WE OFFER AN EXTENSIVE LIST OF **INDUSTRIAL SAFETY PRODUCTS** FOR MAINTAINING AN ERGONOMIC AND SAFE WORKPLACE

## SMART TECHNOLOGY



**INDUSTRY-LEADING TECHNOLOGIES** NOT ONLY MAKE US MORE EFFICIENT BUT, MORE IMPORTANTLY, THEY IMPROVE THE EFFICIENCY OF OUR CUSTOMERS



WE ARE **CONSISTENTLY INVESTING** IN OUR TECHNOLOGY TO ENHANCE THE CUSTOMER EXPERIENCE



WE WORK TO PROVIDE THE **BEST DIGITAL TOOLS** TO MAKE IT EASIER FOR CUSTOMERS TO DO BUSINESS WITH US

## OUR PRODUCTS INCLUDE

- Fasteners & Tools
- Packaging Supplies & Equipment
- Automated Packaging Solutions
- Industrial Supply
- Marking, Labeling & Coding Supplies

## OUR SERVICES INCLUDE

- Tool Repair & Service
- Productivity Gains
- Enhanced Operational Efficiency
- Improved Employee Safety
- Streamlined Supply Chain Management

# CORE PRODUCTS

## FASTENING SOLUTIONS

Collated Nails



Fastening Tools



Collated Staples



Rebar Tie Wire



Specialty Fasteners



Furniture Clips



Representative Brands



## PACKAGING SOLUTIONS

Stretch Film



Strapping



Protective Packaging



Marking & Coding



Bagging



Case Forming & Sealing



Representative Brands



## COMPLEMENTARY INDUSTRIAL SUPPLIES

Abrasives



Adhesives



Jan-San



Metalworking Supplies



Safety Supplies



Representative Brands

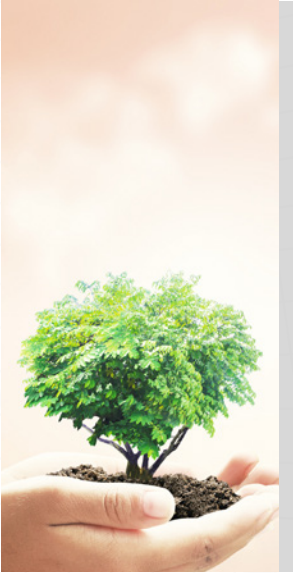


# END MARKETS

At LINC our superior solutions serve a number of end markets

HOUSING & CONSTRUCTION  
 PALLET MANUFACTURING  
 FURNITURE MANUFACTURING  
 GENERAL INDUSTRIAL  
 FOOD & BEVERAGE  
 DISTRIBUTION & WAREHOUSING

# HEALTH, SAFETY & ENVIRONMENTAL POLICY STATEMENT



LINC Systems is committed to protecting the health, safety, and environmental aspects of our employees, customers, and the communities in which we conduct business.

As globally responsible corporate citizens, we are committed to exceeding the sustainability requirements of our stakeholders which includes complying with all applicable governmental regulations, and to conduct our business with LINC Systems Core Values.

We will operate with constant improvement to our operations, procedures, and processes to enhance our overall environmental and safety performance.

All our distribution facilities are focused on reduction of waste when possible, we recycle whenever possible, re-use packaging materials when possible, lower emissions with our LINC Express Program, and the consolidation of orders.



## LINC Systems is committed to:

- Operate in an efficient and conscientious manner to minimize impact on the environment and to protect the health and safety of our employees and our community.
- Ensuring a safe work environment for all employees.
- Value our natural resources by minimizing waste, conserving energy, and recycling when possible.
- Comply with all applicable environmental, Health & Safety regulations and any other relevant laws.
- Encourage and promote active employee participation in our sustainability initiatives.

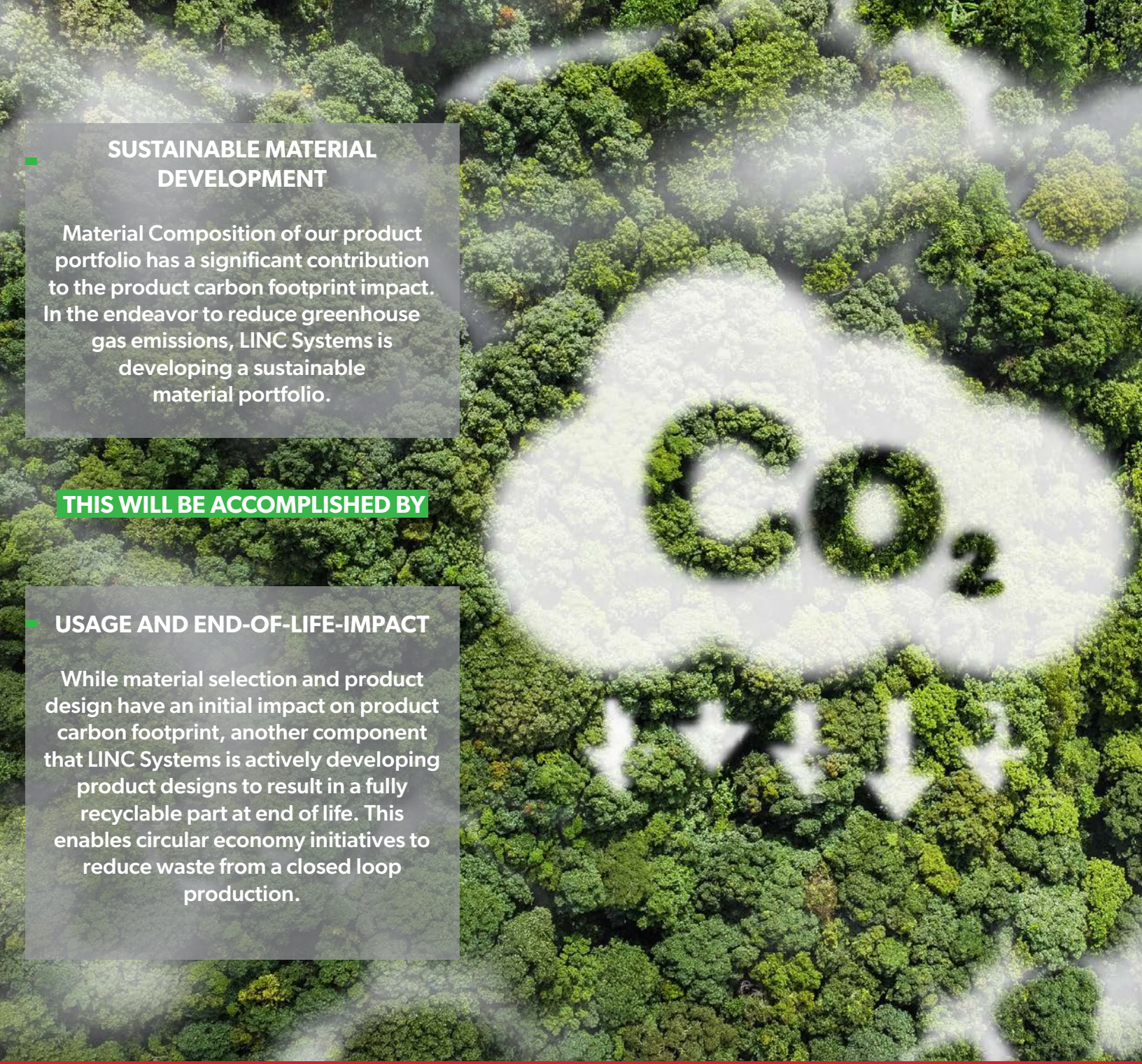
## SUSTAINABLE MATERIAL DEVELOPMENT

Material Composition of our product portfolio has a significant contribution to the product carbon footprint impact. In the endeavor to reduce greenhouse gas emissions, LINC Systems is developing a sustainable material portfolio.

### THIS WILL BE ACCOMPLISHED BY

## USAGE AND END-OF-LIFE-IMPACT

While material selection and product design have an initial impact on product carbon footprint, another component that LINC Systems is actively developing product designs to result in a fully recyclable part at end of life. This enables circular economy initiatives to reduce waste from a closed loop production.



Additionally, we are increasing efforts to consolidate orders for customers with Fastening and Packaging Products in one shipment, creating preventative maintenance programs and Service Centers rebuild a piece of equipment in our Rapid Repair Service Center versus requiring new Equipment.



# OUR STANDARDS

## ENSURING CONSISTENT HIGH STANDARDS ACROSS OUR ENTIRE SUPPLY CHAIN

We value our relationships with our supply base. It is critical that both LINC Systems and our supply base maintain high standards in every way. Our supplier agreements will be with companies that have a verifiable record and commitment to integrity and sustainability. We believe in an environment where our suppliers compete fairly on the quality of their products and services.

## LINC SYSTEMS SUPPLIER CODE OF CONDUCT

We work to hold our direct suppliers to the same standards and sustainability principles with respect to their operations.

LINC Systems is developing terms and conditions for all of our suppliers that include compliance with all applicable laws and regulations, including those relating to environmental matters, wages, working hours, conditions of employment, discrimination and health and safety.





# OUR GOVERNANCE AT LINC SYSTEMS

## BUSINESS ETHICS & CORE VALUES

At LINC Systems, a positive work environment and ethical culture provide the foundation to maintain our steadfast commitment to being a trustworthy business. While all our values guide us, our Core Values drive us to consistently engage in honest, ethical, and responsible business practices.

By adopting and adhering to ethical standards, focusing on the management of business risks, and complying with all relevant laws and regulations, we will continue to promote ethical practices across our business.

## OUR PRIORITIES

Maintaining a world-class reputation for honest, ethical, and responsible business practices is our priority. We believe the conduct of our employees is the foundation for earning and sustaining this reputation.

Accordingly, we have identified goals to ensure our employees understand how to apply our values in everyday business activities, know where to turn for support or report concerns and are confident in the investigation and resolution process.

## OUR APPROACH

Our Integrity core value is at the foundation of everything we do and influences our ethics and compliance program. We maintain an effective ethics and compliance program, including robust ethics reporting resources, training and education initiatives, and risk assessment, mitigation, and monitoring initiatives.

Our integrated approach to risk management combines processes related to ethics and compliance, enterprise risk management and sustainability to detect, prevent and mitigate risks. We maintain an ethics and compliance program that reflects well-established elements of an effective program.

# INTEGRITY DRIVES US

## OUR CODE OF CONDUCT

Our Core Values provides guidance about our Company's policies and is designed to help all stakeholders recognize and address ethical issues, enabling us to maintain our culture of integrity and accountability. We take integrity seriously. Behavior that falls below the standards set forth in our Core Values may result in disciplinary action, up to and including termination of employment.

These situations include:

- 🔗 Actions that violate our Core Values.
- 🔗 Requesting others to violate our Core Values.
- 🔗 Failure to promptly raise a known or suspected violation of our Core Values.
- 🔗 Failure to cooperate in investigations of possible violations of our Core Values.
- 🔗 Retaliation against another employee for reporting a possible violation of our Core Values.

We also expect our suppliers to comply with our Supplier Code of Conduct, which outlines our expectations for conducting ethical business practices and compliance with our policies and the law.

## REPORTING CONCERNS & SEEKING GUIDANCE

We expect all stakeholders, including our employees, suppliers, and customers to speak up, both to ask questions and raise concerns. Our goal is that ethical misconduct never happens at LINC Systems, but if it does, we need to be informed so we can work to resolve it.

We depend on all our team members to recognize misconduct and expect them to report it to one of the ethics reporting resources. It is our belief that the sooner we learn about code violations, the sooner we can end the behavior and work to resolve any issues. Our ethics reporting resources are available to respond to questions and concerns.



These include:

- 🔗 Supervisors
- 🔗 Representatives of the human resources team
- 🔗 Members of the legal department

## ALTERNATIVE REPORTING METHODS

We are committed to maintaining an environment where open, honest communications are the expectation, not the exception. We want all stakeholders to feel comfortable approaching our supervisors or management team with questions and concerns. However, we also understand that there may be situations in which our stakeholders may prefer another reporting option. For this reason, we established multiple methods to report any issues.

These methods include:

-  E-mail directly to the [CEO@LINCSystems.com](mailto:CEO@LINCSystems.com) or [BOD@LINCSystems.com](mailto:BOD@LINCSystems.com) inbox monitored by Corporate HR
-  Speaking directly to your supervisor or member of the CEO's Staff

Each report is reviewed by the CEO or CFO. The outcome of each investigation, and remediation plan for those reports where concerns were substantiated, are reviewed by the prior to closure of the matter. Matters involving integrity, accounting, financial, legal, or regulatory matters are escalated at intake based upon criteria set forth by the CEO and Board of Directors.

Additionally, the Board of Directors receive periodic updates of ethics reporting statistics as well as review of all significant matters.



# CYBER SECURITY


LINC Systems continues to prioritize cyber security to ensure system control and decreased risk in critical areas. Implementing these initiatives below, has allowed LINC Systems to significantly increase our security efforts, but also our ability to better identify, detect, respond, and recover.

To allow us to achieve a level of protection we are satisfied with, our IT Department has put the following initiative in place:

- 🔗 Vulnerability Management - Risk Based Management Tool. Daily Scanning of LINC Systems devices that provides visibility to vulnerabilities in hardware and software, with mitigation recommendations.
- 🔗 Barracuda - Daily Scanning that analyses security risks from an external view of LINC Systems Network
- 🔗 Microsoft Advanced Threat Protection - Preventative and Post Detection investigative response feature
- 🔗 Windows Defender Antivirus
- 🔗 Malware Endpoint Protection - Zero Day exploit protection, ransomware, protection, protection form malicious downloads.
- 🔗 Microsoft Online Threat Protection - Email Filtering to mitigate Malware and virus infiltration, imbedded URL links.
- 🔗 Abnormal Email Filtering - Additional email filtering for phishing activities, ransomware
- 🔗 Annual Network Penetration Testing - Simulated cyber-attack to expose potential vulnerabilities.
- 🔗 Simulated Phishing Exercises and online training

In addition to all the initiatives put in place by our IT Department, we have also put increased effort in educating our employees. We have done this through annual cyber awareness training that educates our employees on what a potential attack might look like and how best to prevent it.

# TALENT DEVELOPMENT & PERFORMANCE MANAGEMENT



■ We develop, attract, and retain exceptional people by identifying top talent and prioritizing employee development. Providing employees with the tools necessary to be successful in their positions while providing the support and development needed to reach their full potential at LINC Systems is critical to the success of our business.

■ Our Talent Development and Performance Management system provides employees with frequent feedback and opportunities to grow their institutional knowledge and industry skills. Our focus on people development is critical during challenging times where business needs are continually shifting.

Our Talent Management strategy also relies on successful talent identification and succession planning to ensure continued business success for years to come. We use performance management tools to help us identify, recognize, and develop high potential and high performing employees.

In addition to succession planning for all senior leadership positions, we prioritize succession planning for our Leadership Team. We identify ideal experiences, critical leadership capabilities and key rotations needed to prepare each candidate for these important leadership roles.

# COMMUNITY ENGAGEMENT

LINC Systems takes pride in giving back to our communities. We strive to become community partners by being actively involved through local organizations that are committed to the success of the communities we operate in. Through our strong community presence and as a leader in distribution, we are better able to attract and retain top talent in our industry.

LINC Systems understands that community involvement goes beyond financial contributions. We strive to be an active contributor to the many local events and community service projects that take place at all our locations across the country. Our branches enjoy giving back to their communities through numerous activities, including veteran donations for Honor Flight, Folds of Honor, Homes for Our Troops, Toys for Tots fundraisers, community wide clean up events, holiday events and many more.

We are proud of the partnerships we have formed within all our communities and the commitment LINC Systems has demonstrated through various community service projects and financial contributions.

## ■ VOLUNTEER SERVICE - NEW IN 2024

We are pleased to offer a volunteer time off program throughout LINC Systems. This program allows team members to volunteer up to 8 hours per calendar year with full pay. The purpose of this program is to support volunteer activities that enhance and serve the communities in which we live and work.

This creates community engagement opportunities for LINC Systems team members that are meaningful, purposeful and helps those in need. These experiences also enrich and inspire the lives of our valued team members. LINC Systems team members are passionate about their communities and are committed to giving back through acts of service.

## COMMUNITY INVOLVEMENT

LINC Systems understands that not all community engagement involves financial contributions or volunteer service. We embrace that all our facilities are a vital part of the community they operate in, and we strive to be an active contributor to the community events that take place throughout the year.

Our branches across the country take pride in being an active part of the community through numerous activities, including speaking engagements, holiday events, partnering with our local schools and Chamber of Commerce, hosting events, and much more.



# LINC has a Bright Future

**As LINC Systems paves the way forward towards a bright future, we will continue to foster an environment based on our Core Values. One that is dedicated to Sustainability and sharing that inspiration across our community.**



Animal Friends Humane Society



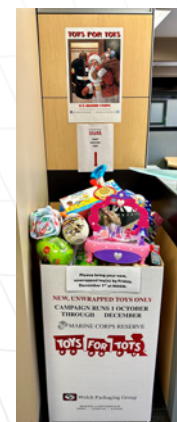
The LINC Systems Team



The LINC 5K



Decatur Toys for Tots



# CHARACTER QUALITIES

## **Accountability**

Meeting or exceeding what is expected of me by taking ownership

## **Adaptability**

Demonstrating openness to change, or trying new ways to accomplish tasks

## **Benevolence**

Showing willingness and desire to do good to others

## **Bravery**

Overcoming difficult circumstances despite being fearful or worried

## **Composure**

Maintaining self-control, dignity, and a calm demeanor in tense situations

## **Conviction**

Having the resolve to accomplish a goal or assignment to its conclusion

## **Dependability**

Reliably fulfilling commitments despite obstacles

## **Development**

Taking time to focus on improving my knowledge, capabilities, and skill-set

## **Discernment**

Seeing beyond the surface and demonstrating true understanding

## **Discretion**

Using good judgment to ensure the appropriate decision or action is taken

## **Empathy**

Working diligently to understand and view things from another's perspective

## **Endurance**

Capably withstanding hardship, difficult conditions, fatigue, or adversity

## **Focus**

Concentrating on the person or task currently at hand

## **Forgiveness**

Letting go of negativity and resentment towards another

## **Fortitude**

Recognizing the mental or emotional resilience needed to navigate unfavorable situations

## **Imagination**

Creatively approaching a task from a new perspective

## **Influence**

Effectively impacting, leading, or persuading others in a positive way

## **Integrity**

Demonstrating strong moral principles by being honest and upright

## **Kindness**

Interacting with others in a friendly, generous, and considerate demeanor

## **Loyalty**

Proving to be trustworthy and committed to others regardless of difficulties

## **Modesty**

Showing humility by avoiding vanity or boastfulness, and by giving praise to others

## **Organization**

Having my affairs in order so I can efficiently deal with them

## **Passion**

Expressing intense desire or enthusiasm to accomplish my goals

## **Persistence**

Continuing a course of action toward my objective despite opposition or obstacles

## **Positivity**

Promoting or contributing to an encouraging atmosphere, even during difficult times

## **Promptness**

Ensuring responsibilities are met without delay and at the proper time

## **Readiness**

Being prepared for, and willing to assume responsibility for, what needs to be done

## **Reliability**

Being trustworthy and dependable to accomplish what is asked of me

## **Resoluteness**

Demonstrating firmness and determination to achieve my goals or objectives

## **Resourcefulness**

Finding smart and unique ways to achieve efficient solutions

## **Respect**

Showing awareness and dignity to others' feelings, time, and circumstances

## **Teamwork**

Enthusiastically collaborating with others for a common purpose

## **Thankfulness**

Being grateful and appreciative of those who provided assistance

## **Transparency**

Being open and truthful with others, without bias

## **Understanding**

Demonstrating open-mindedness to others that have different perspectives or ideas

## **Vigilance**

Maintaining awareness of surroundings and circumstances to react and respond in a cautious and mindful manner





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