

ABOUT HILLMAN SOLUTIONS

We are a leading North American provider of hardware products and solutions, including;

- Hardware and home improvement products (bolts, screws, fasteners, etc.)
- Protective and job site gear (gloves, job site storage, etc.)
- Robotic kiosk technologies (home/office and auto key duplication, tag engraving, etc.)

Our differentiated service model provides direct to-store shipping, in-store service, and category management solutions.

We have long-standing partnerships with many of North America's top retailers: Home Depot, Lowe's, Walmart, Tractor Supply, and ACE Hardware.

Founded in 1964 in Cincinnati, Ohio.

ACHIEVEMENTS & AWARDS



VENDOR OF THE YEAR

TRACTOR SUPPLY



VENDOR OF THE YEAR

MID-STATES DISTRIBUTING COMPANY



2023 PRO TOOL INNOVATION AWARDS

STRUCTURAL LAG SCREWS

MULTI MATERIAL SCREWS

METAL LATH SCREWS

APPROACH TO ESG

At Hillman Group, we are committed to responsibly and ethically building a brighter future for us all. That includes being forward-thinking, innovative, inclusive, and environmentally conscious in the way we do business each day.

We created our ESG Program from the ground up, considering our material business impacts and putting our focus on value-added initiatives to ensure we are delivering on our company's promises for our shareholders, employees, and customers, which in turn, contributes to a better world.

FAST FACTS

\$1.5B

2023 Net Sales



46K

Direct Shipping Locations

29k

Retail Customers

3.7m

Sq. Ft. across 22 Distribution Centers



90%

Revenue from Hillman-Owned Brands

114k+

SKUs Managed & Delivered to Customers

GOVERNANCE

CORPORATE GOVERNANCE

We pride ourselves on operating with integrity, accountability, and transparency. Strong oversight by our executive leadership team and Board of Directors ensures that the long-term interests of our stakeholders are factored into our decision making.

ESG OVERSIGHT

Hillman's Nominating and ESG Committee is responsible for oversight and periodic review of our environmental, social and governance matters.

BOARD INDEPENDENCE

8/9

Independent Board Members



Added a Lead Independent Director

100%

Independent Committees

BOARD DIVERSITY

55%

Board Diversity

33%

Gender Diversity

22%

Ethnic Diversity

GOVERNANCE

BUSINESS ETHICS

- The Audit Committee oversees Hillman's business ethics and risk management activities
- Employees are trained on Code of Conduct at onboarding and every time the policy is updated
- Hillman's Internal Audit Team performs comprehensive, risk-based audits, which include ethics components: Identified risks are monitored and mitigated to reduce the impact

THIRD PARTY WHISTLEBLOWER HOTLINE

- Available 24/7 in local languages to suppliers, customers, third parties, and all employees
- Non-Retaliation Policy

TALENT

The success of our business relies on the skill sets and contributions of our entire workforce. We seek to recruit, develop and retain top talent who demonstrate our core values. We are committed to creating equal opportunities for employment and creating inclusive and diverse workplaces that allow our team to perform to their fullest potential.

EMPLOYEE BENEFITS

- Equity Awards for Manager-Level Employees
- Comprehensive Health, Dental and Vision Coverage
- Retirement Savings Plan
- Employee Stock Purchase Program
- Flexible and Hybrid Work Schedules
- Flexible Time Off (US Exempt Employees)
- Tuition Reimbursement Opportunities
- On Demand Pay via Dayforce Wallet
- Variable Performance-Based Pay (Includes Annual Corporate Bonus Plan, Referral Bonus Opportunities and Sales Commission)

HILLMAN VALUES

- ✓ **ABSOLUTE INTEGRITY**
- ✓ **ACCOUNTABLE TO TEAM AND CUSTOMERS**
- ✓ **BUILD ON DIFFERENCES**
- ✓ **TRUST & RESPECT**

LEARNING & DEVELOPMENT

We offer our employees continuous development opportunities through our internal and external programs to improve skills, performance and well-being.

SMARTERU EMPLOYEE TRAINING PLATFORM

4,164 Course completions logged
86 New courses added

IMPACT: MANAGER ORIENTATION AND LEADERSHIP COACHING

4 Month Program
53 New managers participated

ADVANCED LEADERSHIP PROGRAM (ALP)

26 Participants in inaugural year
143 Hours of training

LEARNING & DEVELOPMENT EVENTS

46 Events
115 Hours of training

NEW HIRE 'BUDDY' PROGRAM

320 New mentorship matches
35% Increase from 2022

DEI TRAINING

6 Diversity themed learning events offered
100% Field Service Managers completed unconscious bias training

DIVERSITY, EQUITY & INCLUSION

At Hillman, we are committed to actions that build an inclusive and equitable workplace where diversity is valued. We ask our employees to bring their authentic selves to work every day.

DIVERSE RECRUITMENT & DEVELOPMENT

- Virtual Indeed Recruiting Fairs
- Black Family Reunion Career Fair
- Center for Employment Opportunities – Second Chance Employment Open Interviews
- Veteran’s Volunteers of America Cincinnati Residential Reentry Program Open Interviews
- In 2023, we expanded our performance reviews to add a DEI performance metric to all employee director level and above

ENGAGEMENT INITIATIVES

- Celebrate National Heritage and Cultural Recognition Months and Days
- Broadened our Diversity Week to a full month, now including all of Hillman North America, with the theme ‘Do You Know My Sound?’
- Implemented Hillman’s first Business Resource Group: Women’s Impact Network (WIN), which hosted events and celebrated Women’s History month

HEALTH & SAFETY

Employee health and safety is a top priority in all aspects of our business. We are committed to providing a healthy environment and safe workplace at all our facilities and in the field.

OUR PROGRAM INCLUDES:

- Safety team oversees program
- Implement robust safety protocols across all operations
- Maintain a safety compliance program
- Conduct regular self-assessments of safety procedures

Safety Measure	Hillman
Total Recordable Incident Rate (TRIR)	2.21
Lost-Time Incident Rate (LTIR)	0.45

3.8k+

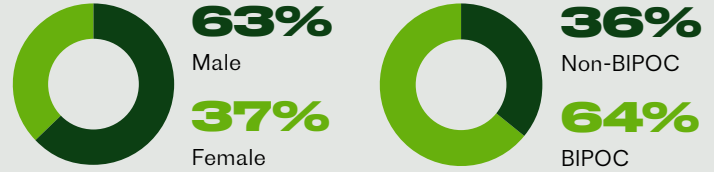
Total Global Employees

1k+

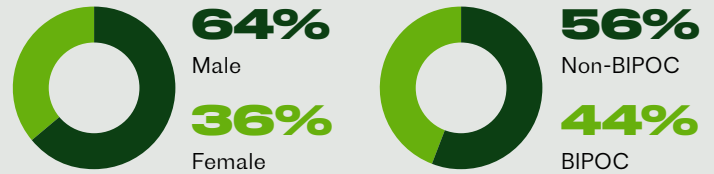
Global Field Sales & Service Employees



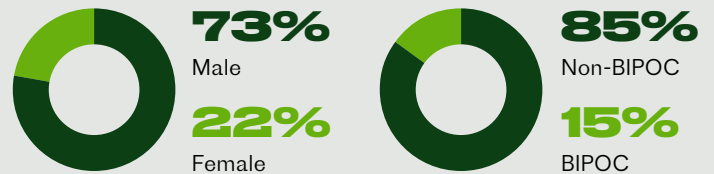
NEW HIRES



HILLMAN WORKFORCE



HILLMAN MANAGERS



BIPOC stands for Black, Indigenous, and People of Color.



**AT HILLMAN,
SAFETY IS A
52-WEEK-A-
YEAR-JOB.**

COMMUNITY

For Hillman, it's a point of pride to give back to the communities where we work and live. We recognize our responsibility as a corporate citizen to give back via our time, talent and financial contributions. We are committed to doing our part because we know that building never stops.

HILLMAN CARES

Hillman Cares Inc. is a non-profit charitable organization funded by internal & external donations. 100% of donations are used to provide financial assistance to employees who need it.

\$40k

Issued in grants

11

Grant applications approved

In 2013, we founded the Max W. Hillman, Jr. Scholarship Award.

\$20k

In 2023, we awarded \$20,000 across 10 scholarships to students of employees.

PARTNERSHIPS & CHARITABLE CONTRIBUTIONS

\$60k

Raised through cash donations and payroll deductions

176

In 2023, Hillman employees volunteered for a total of 176 hours

\$2.24m

Hillman and customers donated a total of \$2.24m to organizations:

NATIONAL ORGANIZATIONS



LOCAL ORGANIZATIONS



PRODUCT RESPONSIBILITY

At Hillman, our guiding principles of product development are: safety, performance and durability, aligned with the needs of the home repair and remodel consumer, to create better solutions. From fasteners engineered to drive with less energy and last a lifetime, to protective equipment that empowers people to complete projects more effectively and efficiently while increasing their safety; Hillman is committed to delivering quality, safe solutions to those that relentlessly build for tomorrow.

SUPPLY CHAIN MANAGEMENT

- All suppliers are required to review our Vendor Code of Conduct annually
- All suppliers receive the Conflict Minerals Policy Statement and a Conflict Minerals Survey
- All suppliers are presented with our Responsible Sourcing Policy, outlining commitments related to ethics, labor, health & safety, the environment, and audit requirements
- Require SMETA Tier 4 audits or 3rd party audits every 2 years to confirm commitments to our social responsibility requirements

PRODUCT SAFETY & PERFORMANCE

HILLMAN'S PRODUCT SAFETY PROGRAM INCLUDES:

- Regular monitoring of product performance
- Prompt response for any product failure
- Employee training
- Customer support and protection
- Quarterly product knowledge building sessions
- Field safety representative (FSR) program:

504

Participants

16

SmarterU training courses

1,774

Total training hours

ENVIRONMENTAL IMPACT

As a company that is part of the distribution and supply chain network, it is our commitment to continue to reduce our environmental impact. We focus on having an impact while also ensuring we keep our promises for our shareholders, stakeholders, and customers.

PRODUCT LIFECYCLE

In 2022, Hillman completed an Environmental Materiality Assessment, using life cycle assessment (LCA) in alignment with ISO 14040 and 14044 Standards. This assessment helped us identify our most material environmental sustainability impacts, so we understand where to focus our efforts to reduce our environmental footprint.

Based on the assessment, we have rolled out the following initiatives:

- **Glove Recycled Content:** Digz rPET shell w/ biodegradable microfoam coating
- **PowerPro line of Structural Wood Screws:** 30% faster installation reduces energy consumption
- **Recycling Program:** Measuring diversion rates; Collecting more data to increase transparency

CLIMATE CHANGE & GHG EMISSIONS

In 2023, we successfully completed a comprehensive three-year assessment of Scope 1-3 Greenhouse Gas (GHG) emissions for the period from 2020 to 2022. This assessment was conducted in accordance with the GHG Protocol to understand annual trends and establish a baseline for future emissions measurement. Our results revealed that:

As shown in Figure 1 and Figure 2, Scope 3 emissions dominate due to supplier impacts associated with Purchased Goods and Services, which is expected due to Hillman's extensive supply chain network and product mix.

PRODUCT PACKAGING & MATERIALS

- Packaging material substrates are made from recyclable or recycled material content
- Polyvinyl chloride (PVC) is never permitted as a Hillman packaging substrate
- Clamshell and blister packaging are constructed from recycled polyethylene terephthalate (rPET), which is 100% recyclable and reduces GHG Emissions by 79% as compared to virgin PET.
- Hillman's Packaging Engineering team works with corrugated fiberboard and paperboard supplier partners that are members of the Forest Stewardship Council (FSC)
- Reducing usage of Hex chemicals

Oceanworks: Protect Our Oceans. Protect Our Pets.

After launching the Oceanworks partnership to craft Quick-Tag Cassettes entirely from certified reclaimed ocean or ocean-bound plastic in 2023, we expanded the partnership to include pet accessory products (collars, leashes, and harnesses).



- Our goal is to convert 60% of our cassette tags to ocean-bound plastic and recycled cardboard materials
- We also launched a trial of ocean plastic Instafoab products, which are dispensed from our next generation MinuteKey kiosks in select markets

FIGURE 1

SCOPE 1, 2 & 3

Absolute GHG Emissions by Business Unit + Emissions Intensity

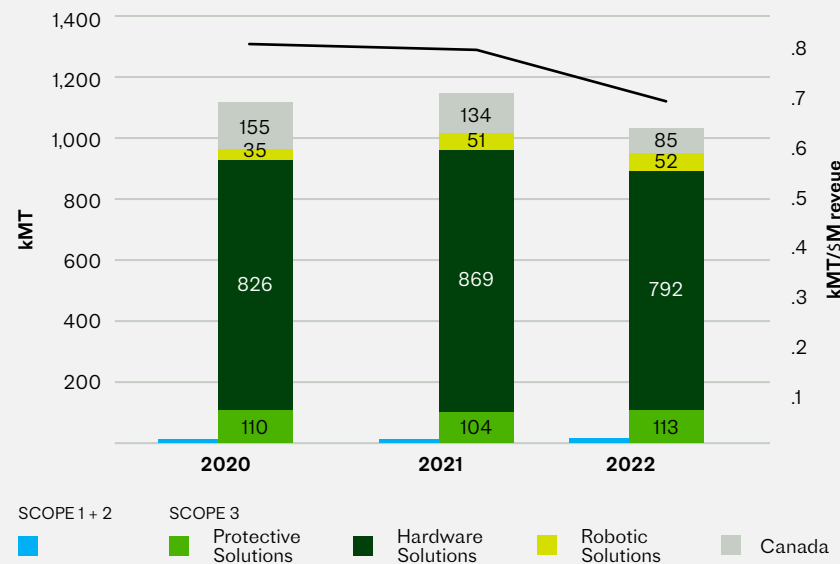


FIGURE 2

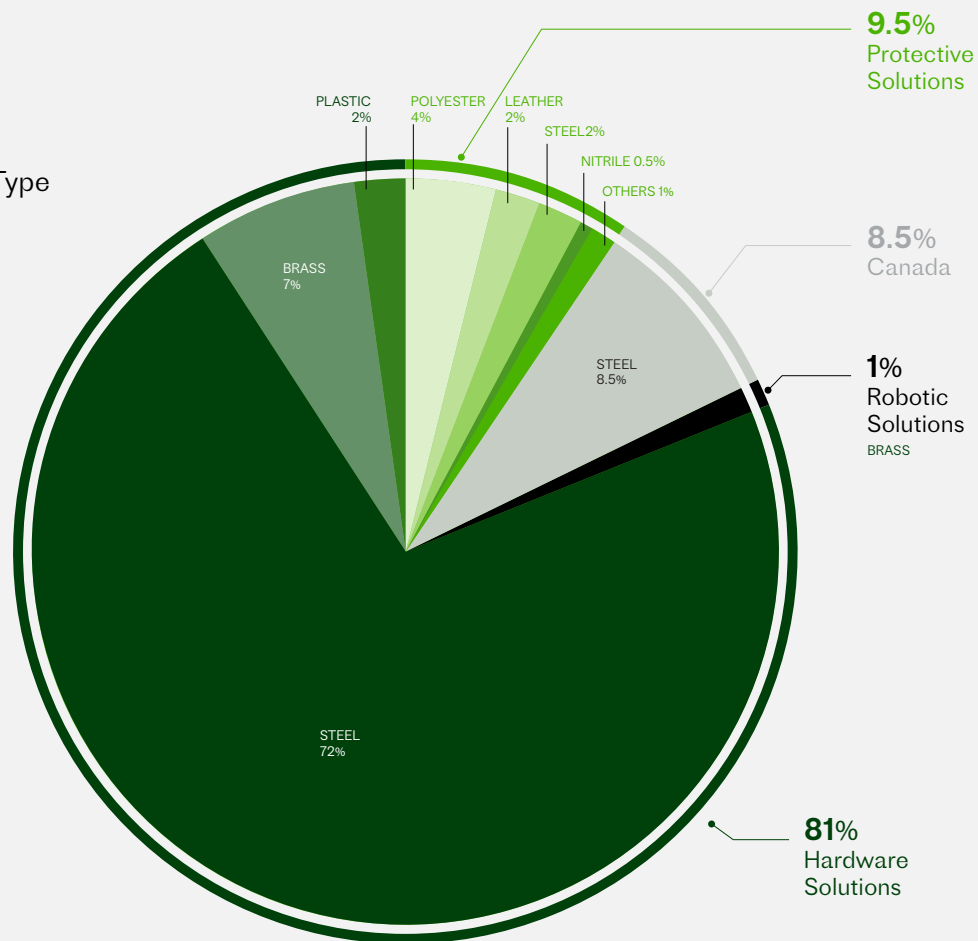
CATEGORY	2020	2021	2022
Scope 1 & 2	10,772	11,310	11,786
Scope 3 Total	1,122,431	1,152,205	1,041,959
Purchased Goods and Services	1,012,075	1,021,956	922,172
Capital Goods	7,353	6,169	10,447
Upstream & Downstream Transportation + Distribution	66,241	85,475	69,660
Business Travel	2,359	5,528	7,536
Employee Commuting	36	33	32
Processing of Sold Products	8,854	9,049	9,141
End-of-life Treatment of Sold Products	25,513	23,997	22,970

FIGURE 3

PURCHASED GOODS & SERVICES

GHG Emissions by Business Units + Material Type

Hardware Solutions contributes the most impact due to steel and brass products. These materials are known for durability but are also energy intensive during raw material extraction and production. Additional insight into business unit and material type breakdown are shown in Figure 3.



1. For Scope 2 Emissions: Where utility data gaps exist, calculations are based on the best available data or assumptions, utilizing the most recent figures or estimates aligned with the building type and size.
2. Exclusions Due to Data Gaps: Exclusions due to data unavailability include Protective Solutions' upstream and downstream transportation for purchased services and waste generation in all Hillman operations, with minimal impact anticipated due to their low volumes
3. The category of Purchased Goods and Services primarily focuses on the products themselves, typically excluding packaging materials from consideration.
4. Since Hillman operates primarily on a procurement-based model, where the majority of its products are directly purchased from suppliers before being sold to customers, the same data source is being used for calculating emissions associated with Purchased Goods and Services and Products Sold.