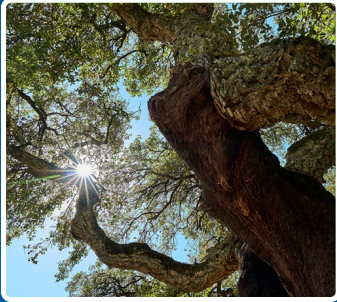


VELAN



Válvulas Industriais, Lda.
Famões, Portugal



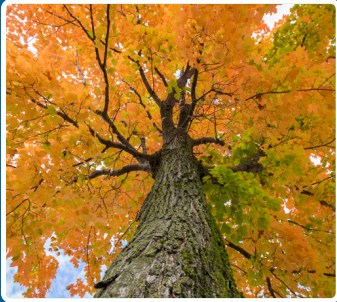
Velan Valve United States Opco, Inc.
Williston, United States



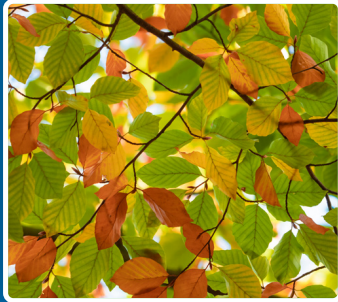
Velan Gulf Manufacturing Company
Dammam, Saudi Arabia



Velan-Valvac
Taichung City, Taiwan



Velan Inc.
Montreal, Canada



Velan GmbH
Willich, Germany



VelTEX
Missouri City, United States



Velan Ltd.
Ansan, Republic of Korea



Velan Valves India Pvt. Ltd.
Coimbatore, India



Velan ABV S.r.l.
Porcari, Italy



Velan Valve (Suzhou) Co., Ltd.
Suzhou, China



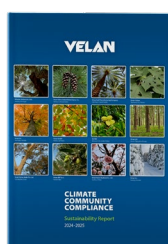
Velan Inc.
Granby, Canada

CLIMATE COMMUNITY COMPLIANCE

Sustainability Report
2024-2025

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Velan's Sustainability Report cover image showcases a vibrant collage of trees and plants native to the regions where we operate, symbolizing our unwavering commitment to environmental stewardship and sustainable practices across all our operational areas.

Leadership Messages

CEO's Message



“All of our valves are designed and manufactured with quality as a priority, incorporating various unique design features for environmentally friendliness, streamlined maintenance, and consistently exceptional performance.”

Dear Stakeholders,

I am pleased to share with you Velan's inaugural Sustainability Report, which showcases our approach to sustainability and its significance to the company's growth. Our progress this year owes much to your continued support and the trust you repose in Velan, and for this, I am grateful.

Velan's credo of "quality that lasts" is foundational to the way we do business and satisfy customers' requirements. This translates into prioritizing innovation, operational excellence, adherence to design standards, and, importantly, customer centricity. Our commitment to enduring quality meshes seamlessly with our approach to sustainability; it is best reflected in our research and development efforts, wherein we continuously explore new methods and technologies that reduce our environmental footprint, all the while ensuring the enduring quality of our products. Collectively, innovation and sustainability fuel our continued growth and enable us to support our customers' sustainability goals.

With the growing urgency of mitigating our carbon footprint, we have set ourselves the goal of achieving carbon neutrality in the coming years. We are confident that our efforts to transition to renewable energy and lower greenhouse gas emissions will contribute to Velan's sustained growth. These efforts will be supplemented by initiatives to build a sustainable supply chain, ensuring that our products have a minimal environmental footprint.

Velan's commitment to sustainability also encompasses a priority to the wellbeing of people, both within and outside

the organization. Internally, we are putting in place plans to enhance workplace safety for our employees and promote their professional growth through well formulated training programs. Beyond the business, we will continue to contribute to the wellbeing of communities through initiatives that advance equitable socio-economic development.

As reliance on digital platforms for communication, transactions, and data storage grows, safeguarding sensitive information against unauthorized access, cyber threats, and breaches is critical to regulatory compliance, maintaining organizational integrity, and customer trust. Therefore, we are working to intensify security protocols, enhance proactive monitoring, train employees to prevent and address security incidents, and certify our manufacturing facilities to globally established standards. Through these initiatives, we aim to eliminate data breaches in the near future.

I would like to express our sincere commitment to our stakeholders—our employees, customers, value chain partners, regulatory authorities, and the communities we are part of. Your support is essential to our success, and we take our responsibility to you seriously. We also remain dedicated to environmental stewardship and upholding high governance standards in ensuring that our operations are conducted with accountability and integrity.

Thank you for your continued support of Velan as we work to fulfil greater ambitions and strengthen our position as a sustainable business.

Sincerely,

James A. Mannebach

Chief Executive Officer

Sustainability Officer's Message



Dear Stakeholders,

Sustainability is no longer optional—it's a fundamental expectation across industries. As a responsible leader in the industrial valves sector, Velan has taken decisive steps to embed sustainability throughout our operations.

FY25 marked a milestone in our journey, as we conducted a double materiality assessment to identify and prioritize the most critical areas for action. This led to the development of a comprehensive sustainability framework and the rollout of our Sustainability Policy, which now guides our strategy across a dynamic regulatory and business landscape. Our approach focuses on three core pillars—Climate, Community, and Compliance—through which we are driving meaningful progress and long-term value for our stakeholders.

Climate

To build climate resilience, Velan is committed to achieving carbon neutrality. This goal will be driven by increased adoption of renewable energy, reduction of greenhouse gas emissions, and lower emissions intensity across our manufacturing operations.

Our commitment to sustainability also extends to our supply chain. We are working to align our entire network with Velan's Supplier Code of Conduct, fostering partnerships that uphold environmental stewardship and social responsibility. Additionally, we continue to emphasize responsible resource use and waste management by minimizing waste generation and advancing circular economy practices throughout our operations.

Community

Velan's market leadership and reputation for the highest quality products is made possible by a dedicated workforce.

Prioritizing their wellbeing, Velan will continue to focus on cultivating a work environment that promotes their health and safety. Additionally, we will continue to implement initiatives designed to drive their professional growth, ensuring that Velan's human capital remains among the best in the industry.

Looking beyond the business, Velan supports organizations that work for social causes, such as building equitable communities, children's education, and cancer care. In keeping with our philanthropic history of almost four decades, we will continue to support sustainable community development.

Compliance

Our products are globally recognized for their durability, ease of use, and low maintenance. As we sharpen our focus on sustainability, Velan aims to align these strengths with our environmental goals by directing R&D toward climate-resilient solutions that support our customers' sustainability efforts. This strategic focus will help us maintain our high standards of quality while contributing to a more sustainable future.

At the same time, we are committed to safeguarding stakeholder privacy and data integrity. We will enhance data security across operations through increased monitoring, employee training, and the adoption of globally recognized standards at all manufacturing sites. These efforts are essential to minimizing data breaches and reinforcing stakeholder trust. Velan's continued progress as a responsible business reflects the dedication of our team, partners, and customers—and we value your ongoing support on this important journey.

Warm wishes,

R. Ramesh Babu

Managing Director India

Head of Global Sustainability & Operational Excellence

The Strength of the Brand

Velan has become synonymous with quality, reliability and innovation after serving customers for nearly 75 years in the global industrial steel valve industry. Founded in 1950 by A.K. Velan, who had developed an idea for a new steam trap, the company's pioneering and entrepreneurial spirit flourishes today through a portfolio of high-quality valves purpose-built for diverse industrial applications.

Underlying this strong brand name has been a customer-centric approach that prioritizes collaboration

and customization. Velan's commitment to delivering top-quality valves designed to customers' specific needs sets it apart from competitors who often rely on lower-cost, standardized solutions. By working closely with customers to understand their particular challenges, Velan develops unique valves that meet the most stringent of requirements. Ultimately, this heightened customer intimacy, combined with longstanding quality, reliability and innovation, have strengthened the Velan brand worldwide.



The Journey So Far

Velan’s provenance traces back to 1949 when its founder, A.K. Velan invented the Velan steam trap. Following this breakthrough, he established Velan Engineering in Montreal, Canada, in 1950, laying the foundation for a company that has expanded into a global business, serving customers across 70 nations.



1949

Invention of Velan universal steam trap



1950

Velan Engineering
founded in Montreal, Canada



1954-1956

First overseas manufacturing plant
in the UK
First US plant in Plattsburgh, NY



1970-1978

First valves company to
receive ASME ‘N’ stamp
for nuclear valves
Established JV in France
to address nuclear
industry



1961-1968

Inaugurated sales office in Germany
launch of API 600 cast steel valves
Second plant in Montreal



1990-1999

Total Quality Management
ISO 9001 certification (TQM) introduced
Taiwan plant inaugurated
Velan lists on Toronto Stock
Exchange Expansion through acquisitions



1980-1989

Patent for y-pattern
bonnetless valve
Launch of Memoryseal ball valve
with patented seats
Inauguration of plants in
S.Korea and Portugal



2000-2010

50th Anniversary of Velan
Cast Steel Valves: environment friendly status by BP
Total Process Improvement (TPI) launched
First 'Valve World Fellow' Award for A.K. Velan by Valve World

2011-2019

India operations established
\$500 mn+ sales, 600,000 valves sold in
64 countries



2020 onwards

Final phase of V20 program
to optimize manufacturing
footprint

2024

Celebrating 75 Years
Velan marks its 75th anniversary,
honoring a legacy of innovation, quality,
and excellence in valve manufacturing.



Core Philosophy

Velan's growth is underpinned by an unfailing commitment to its guiding principle, "Quality That Lasts." This commitment permeates every aspect of its operations, from design and manufacturing to testing and customer support, giving Velan the competitive edge that distinguishes it from its peers.

Along with prioritizing innovation in valve technology, Velan places a premium on reliability, user safety, operational simplicity, straightforward maintenance, and an extended product lifespan. By using top-tier materials, cutting-edge production techniques, fully automated manufacturing processes, and rigorously following stringent design standards, Velan works to deliver unparalleled quality at competitive prices.

Core Values

Velan's values form the bedrock of its operations, guiding every decision the company makes. These principles are integral to a collective vision that anchors the organization, propelling it forward, amidst the ever-evolving landscape of the industries it serves. By upholding its values, Velan secures customer loyalty daily, maintains its competitive edge, and embodies the expertise of world-class engineering.

Velan believes firmly in living by these core tenets—customer service, innovation, quality, integrity, and family spirit—to shape a sustainable future for the company and its industry, its customers, and other stakeholders.



**Customer
Service**



Innovation



Quality



Integrity



Family Spirit

Global Reach

With its Head Office in Montreal, Velan's footprint spans North America, Europe, and Asia, comprising 1200 employees, 3 international Research & Development (R&D) facilities, and 11 specialized manufacturing plants spread across over 968,751 square feet / 90,000 m². The company's production

capabilities are supported by 2 distribution centers, an extensive distribution network, and over 60 service centers that enable its products to reach customers in markets worldwide.

North America



Velan Head Office
Montreal, Canada



Velan Inc.
Granby, Canada



Velan Valve United States Opco, Inc.
Williston, USA

Europe



Válvulas Industriais, Lda.
Lisbon, Portugal



Velan ABV S.r.l.
Lucca, Italy

Asia



Velan Valves India Pvt. Ltd.
Coimbatore, India



Velan Ltd.
Ansan City, South Korea (2 plants)



Velan Valve (Suzhou) Co., Ltd.
Suzhou, China



Velan-Valvac
Taichung, Taiwan

Middle East



Velan Gulf Manufacturing Company
Dammam, Saudi Arabia

Distribution Centers



Velan GmbH
Willich, Germany



VelITEX
Missouri City, USA

Velan's Products

Among the key characteristics that define Velan's market leadership is a product portfolio of unmatched comprehensiveness. Ranging across 7 key categories, each with multiple products, Velan's valves fulfill both the simple as well as complex requirements of its diverse clientele.

Velan's products are not only of consistently high quality but are also proven to offer essential benefits of low emissions, easy maintenance, durability and reliability, and low total cost of ownership.



Velan offers a wide range of products for special applications:

- Bellows seal gate, globe, and control valves
- Cryogenic control valves for extreme temperature applications
- And more

Discover our full range of products by visiting:
velan.com/products

VELAN

About the Report

This Sustainability Report details Velan's achievements in sustainability for the fiscal year 2024-25 (from March 1, 2024, to February 28, 2025), illustrating the company's commitment to incorporating sustainable practices across all facets of its operations. It embodies Velan broad sustainability framework, which emphasizes ethical governance, a focus on people, responsible procurement and production, environmental stewardship, and social progress.

This document has been prepared in reference with the GRI Standards (2021). Relevant and applicable indicators have been included and are referenced in the GRI Content Index –page 67-68. It includes disclosures of Velan's performance related to Climate, Community, and Compliance in the required format for transparency and ease of comparability over time. While we have aimed to provide a comprehensive overview, certain data points have been excluded due to lack of relevance or data limitations.

Reporting Boundary

The reporting boundary encompasses Canada, the USA, India, Italy, China, South Korea, Portugal and Taiwan.

Data Management

We have utilized internal control mechanisms to verify the validity and accuracy of the information presented in this report. These mechanisms involve regular reviews, audit trails, and an assessment of the assumptions and conversion factors applied to ensure consistent data presentation.

Review by the Management and the Board

The Board and Management of Velan have thoroughly evaluated the Sustainability Report for FY 2024-25, validating its accurate reflection of the Company's sustainability performance.

Feedback

Velan encourages stakeholders to share constructive feedback on this report to enhance its future sustainability performance and disclosures. For inquiries, please contact:

R. Ramesh Babu

Managing Director India
Head of Global Sustainability & Operational Excellence

Mail to:

Sustainability.feedback@velan.com

Head Office:

Velan Headquarters
7007 Côte de Liesse
Montréal QC H4T 1G2
Canada



Forward-Looking Statement

This report covers Velan's sustainability performance as of February 28, 2025 for the fiscal year 2024-25 unless otherwise specifically stated. While efforts have been made to disclose the company's non-financial performance as accurately as possible, the report is not comprehensive and should be read along with Velan Inc.'s Annual Report for 2024-25.

The goals and targets contained in this report are envisioned milestones in Velan's sustainability journey. The company does not guarantee that efforts to meet these goals and projects will be successfully implemented or that the objectives will be achieved, whether partially or in full. Further, the data, statistics, and metrics contained in this report are estimates, and have not been audited or compiled in adherence with Generally Accepted Accounting Principles (GAAP). These estimates may be based on reasonable assumptions at the

time of compilation; however, they are not guaranteed and should not be seen as subject to revision in the future.

The report uses the terms "material", "materiality", and may contain other terms that GRI or other established reporting frameworks use to convey topics of priority to Velan Inc. and its stakeholders. These terms are not intended to represent "material" and "materiality" in the context of financial disclosures and statements, or as defined for use for legal purposes and in the context of securities. Therefore, the information in this report should not be considered to be material to Velan's financial performance or for purposes of the Canadian securities laws.

The report carries forward-looking statements that pertain to Velan Inc.'s sustainability strategies and goals and their



impacts on business operations and stakeholders. Excluding historical facts, all statements in this document that relate to the company's financial status, business strategy, and management's plans and objectives for future operations are considered forward-looking statements.

Forward-looking statements contain words such as outlook, plans, expects, intends, believes, anticipates, estimates, aim, objective, strategy, goal, target, commit, predict, can, could, will, would, may, and other words of similar meaning related to discussion of Velan's future sustainability, operational, and/or financial performance. Forward-looking statements rely on assumptions, data, or methods that might be inaccurate or imprecise and might not materialize. Therefore, they should not be seen as guarantees of future outcomes. Instead, they

represent the company's expectations at present, which are based on what it considers to be reasonable assumptions. The actual outcomes may differ significantly from those suggested in any forward-looking statements owing to various events, risks, uncertainties, and other factors does not assume an obligation to update or amend these forward-looking statements, regardless of new information, future occurrences, changed circumstances, or other considerations.

Information about the risks, uncertainties and other factors that could potentially affect Velan business and performance is available in filings with the appropriate securities commissions and are included in the Annual Report for 2024-25 in the section titled Certain Risks That Could Affect Our Business.





Stakeholder Engagement and Double Materiality

Stakeholders play a crucial role in the organization, serving as key contributors to understanding and addressing challenges while driving innovation forward. Understanding the critical role that stakeholders play in the business's long-term success, Velan prioritizes meaningful dialogue to address their concerns and perspectives.

By carefully examining the interplay between its operations and the external landscape, Velan has identified key

stakeholder groups such as investors, employees, customers, dealers, suppliers, communities, CSR partners, industry associations, and regulators. This strategic focus allows Velan to customize its communication and engagement strategies, ensuring that diverse viewpoints are incorporated into decision-making processes. This commitment reinforces Velan's dedication to ethical corporate governance and sustainable business practices.

Stakeholder	Engagement Channels	Engagement Period	Scope
Customers	In-person, email, SMS, customer surveys, etc.	Monthly, need basis	Understand needs, share product updates, etc.
Employees	Email, notice board, policies, Townhalls	Annually, quarterly, etc.	Engagement, performance evaluation, grievance redressal
Investors	Reports, analyst calls, AGMs	Annually, quarterly	Strategic direction, financial performance
Suppliers	Meets, emails, code of conduct	Monthly, need basis	Supplier assessments, sustainability policies
Industry Associations	Meetings, webinars	Need based	Articulate trends, learnings
CSR partners	Community meetings	Continuous	Community needs, program design
Regulators Regulatory Bodies	In-person meetings	Need based	Shape regulation, policy engagement





Double Materiality Assessment

Double materiality is vital for an organization as it evaluates both the financial risks that sustainability issues pose to the business and the broader environmental, social, and governance impacts the company has on the environment and society. By addressing both dimensions, organizations can make better-informed decisions, reduce risks, and capitalize on opportunities that drive long-term value while contributing to environmental and societal progress. This comprehensive approach improves transparency, builds stakeholder trust, and supports sustainable business growth.

During the reporting year, Velan performed a thorough double materiality assessment to evaluate its sustainability impacts and risks, deepening its understanding of related challenges and opportunities. The company plans to conduct similar assessments every 5 years to remain updated on the evolving sustainability landscape and address new risks and opportunities.

Understanding Double Materiality

Inside-Out

Impact materiality, or the “inside-out” perspective, focuses on how a company’s activities influence people, society, and the environment. This broader view of materiality incorporates a company’s sustainability effects, even if those impacts do not have immediate financial implications.

Outside-In

Financial materiality, or the “outside-in” perspective, looks at how sustainability factors affect a company’s financial performance, position, and growth. This aligns with traditional materiality concepts in financial reporting, focusing on information that could influence the economic decisions of investors and other financial stakeholders.

Together, double materiality broadens the understanding of business performance to include both how external sustainability issues influence the company and how the company’s operations affect the broader world, encouraging more responsible and transparent corporate behaviour.

Groundwork for evaluating Double Materiality

Creating a “Universe of issues”

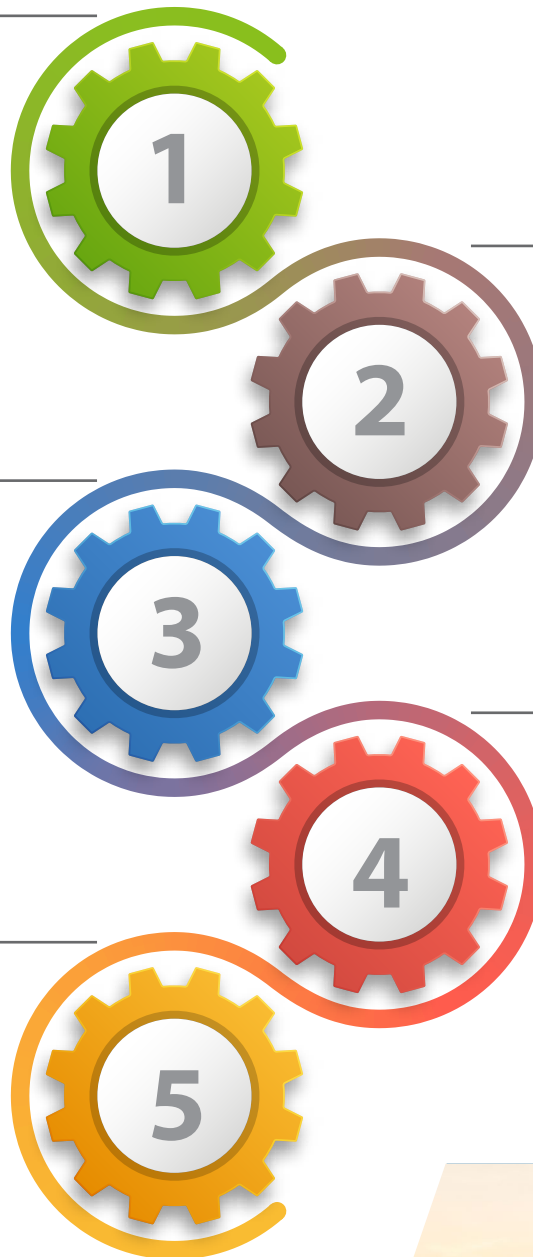
Key focus areas and objectives were organized to align with both the flow controlled/oil and gas sector and Velan’s global business operations. This process involved identifying the most critical issues, opportunities, and strategic goals relevant to the sector, including technological advancements, regulatory changes, market trends, and sustainability challenges.

Sub-topic level breakdown

The identified material issues were carefully broken down into specific sub-issues and shared with internal stakeholders for an objective assessment of those with the greatest significance. The process leveraged stakeholders’ expertise, their understanding of the company’s priorities, and the potential impact on Velan’s operations.

Generating matrix

A matrix was used to map Impact Materiality and Financial Materiality, helping to identify the issues that are crucial, significant, and relevant to Velan’s business operations and its entire value chain. This matrix acts as a strategic tool to highlight the key concerns that are essential for Velan’s performance and long-term sustainability.



Prioritising material issues

The most critical material issues were identified through in-depth discussions with Velan’s management, ensuring alignment with the company’s strategic priorities and assessing their potential impact on operations and stakeholders. This approach helped prioritize the issues with the greatest relevance and significance.

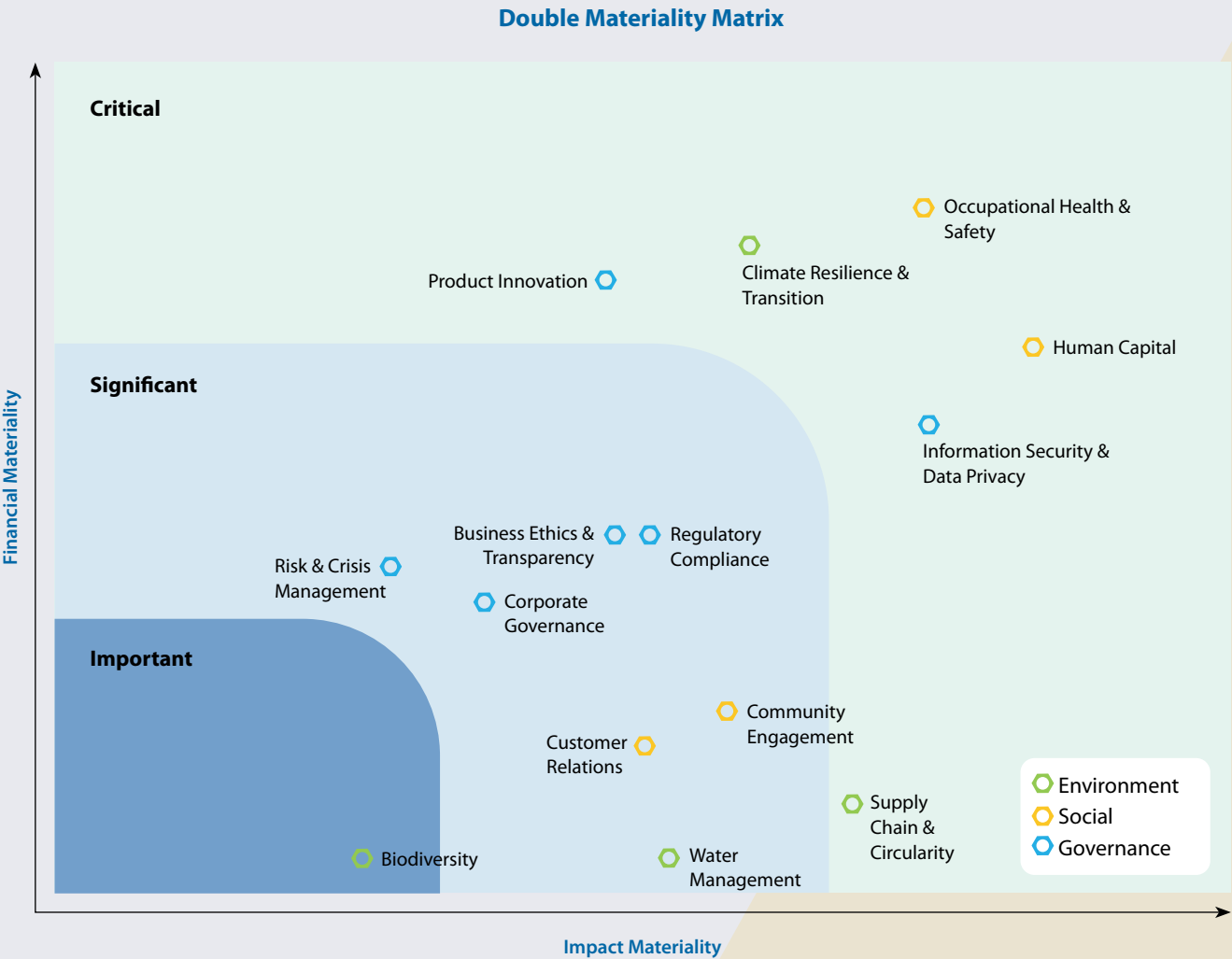
Stakeholder engagement

Stakeholders were engaged through surveys and direct interactions to gather insights and feedback. This process was designed to obtain valuable input on various sustainability issues, ensuring that stakeholders’ perspectives were integrated into decision-making and strategy formulation.



Arriving at the Double Materiality Matrix

The double materiality assessment identified a total of 15 material issues, highlighting those that are most impactful to the business. Out of these, 6 were classified as 'Critical', signifying their substantial influence on the company's core operations and strategic decision-making. These issues are considered pivotal in shaping the company's long-term sustainability and performance.



Sustainability at Velan

Sustainability is foundational to Velan's identity and ethos, demonstrated in its longstanding commitment to environmental protection, social development, and ethical business governance and conduct. The company's sustainability practices are guided by its Sustainability Policy which emphasizes the Climate, Community and Compliance.

Encompasses the company's priority to build climate resilience by lowering its carbon footprint, transition to a circular economy across its operations, and develop a sustainable supply chain.



Climate

Community



At Velan, this aspect is about promoting occupational health and safety, developing human capital, and fostering a culture of belonging and respect for all its entire workforce.

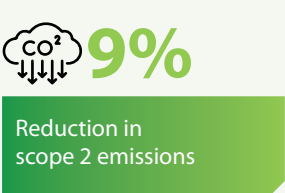
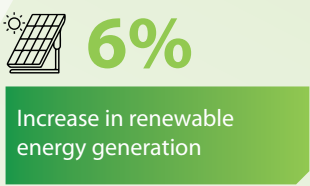
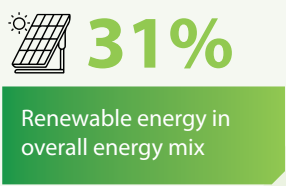
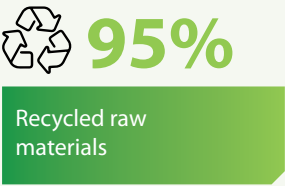
These prioritize product innovation, information security and data privacy, and a governance framework.



Compliance



Key Highlights



Climate

At Velan, our commitment to sustainability is reflected in our proactive approach to optimizing energy consumption, reducing greenhouse gas emissions, and fostering responsible production practices. By enhancing the resilience of our infrastructure and building ethical partnerships within our supply chain, we aim to create a lasting positive impact on both the environment and the communities we serve.



Compliance

Velan's commitment to ethical governance, data integrity, and sustainable growth aligns with several UN SDGs, reflecting its dedication to transparency, accountability, and resilient business practices.



Community

Velan's sustainability initiatives align with several UN SDGs due to its comprehensive approach to employee welfare, equitable labor practices, and community engagement. The company prioritizes a safe workplace and employee wellness, invests in professional development, and attracts diverse talent. By upholding equitable labor practices and integrating diverse backgrounds, Velan reduces inequalities. Its active community outreach and collaboration promote sustainable practices, while innovative product solutions meet environmental regulations. This holistic approach underscores Velan's dedication to sustainability and social responsibility.



Laying the Groundwork for Sustainable Future



As the company has evolved, it has recognized the significance of formulating and implementing a sustainability Framework and Strategy to bolster its sustained and responsible growth. In FY 2024-25, the company envisioned its sustainability transformation and finalized its inaugural Sustainability Framework and Strategy, laying a strong foundation for long-term sustainable growth. This is an important step in Velan's sustainability journey as it not only enables it to meet expanding regulatory requirements but will also drive innovation to lower its carbon footprint, meet customers' sustainability objectives, and fortify long term business resilience, all while creating value for communities.

Our Vision

Velan is deeply committed to principles of sustainability. Aligning to the current sustainability framework allows us to meet the increasing regulatory demands. We are confident that continued practice of robust sustainability practices will deliver cost effective solutions to the business, foster innovation to reduce impact on environment, and meet customer expectations.

James A. Mannebach
Chairman & CEO



Sustainability at Velan



Drivers



Transparency & Accountability

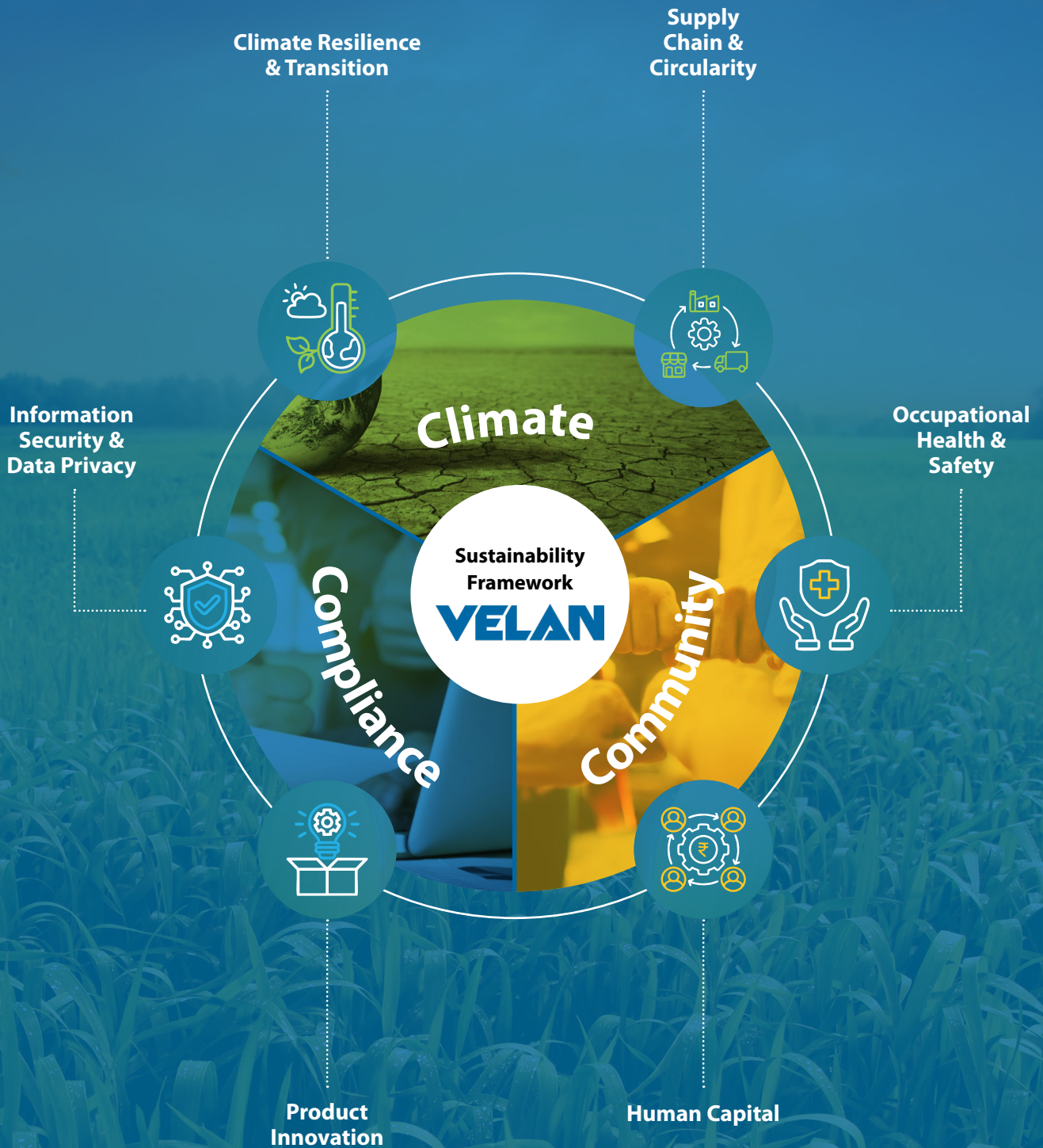


Stakeholder Synergy



Purpose-Driven Roadmap

Sustainability Framework





The 6 pillars of this framework are accompanied by corresponding goals and targets for the near, medium, and long term, spanning the period between 2026 and 2035. The achievement of these goals will be guided by a results-oriented roadmap that will align with the company's sustainability strategy.



Climate Resilience and Transition

This reflects Velan's commitment to mitigating its carbon footprint through an increased adoption of clean energy sources and improved energy efficiency measures across its operations. Further, the company's efforts to achieve the goals corresponding to this pillar will put it on the path to achieving carbon neutrality.



Supply Chain and Circularity

Velan believes that true sustainability can only be achieved by embedding it across all key stages of its value chain. The company's supply network is key to fulfilling its sustainability goals and has been prioritized to contribute to Velan's efforts. In addition, Velan implements principles of circularity, emphasizing product design that reduces waste and makes optimal use of resources.



Occupational Health and Safety

This aspect is foundational to Velan's continuous efforts to foster workplace safety and enable the health and wellbeing of its employees. Driven by its commitment to ensuring a safe work environment, Velan will continue to enhance this aspect across its operations by striving to reach the goals associated with this pillar.



Human Capital

As the bedrock of the company, Velan's diverse workforce across global locations is key to driving innovation, its competitive edge, and to deepening the trust of its customers. This pillar represents Velan's dedication to employee development, through consistent implementation of training programs across organizational levels.



Product Innovation

Innovation is a key ingredient of Velan's market success and is integral to its leadership position. This pillar demonstrates Velan's dedication to innovation that will help the company to lower its environmental impacts.



Information Security and Data Privacy

This pillar is about Velan's continuous efforts to protect the integrity of its own and stakeholders' information throughout its operations, while harnessing the power of technology in varied processes.

Climate



Climate Resilience & Transition



Goal

Moving towards carbon neutrality through improved energy efficiency and cleaner energy sources

Target

To reduce carbon emissions intensity (Scope 1 & 2) by 50% by 2035 across all operations

Target

To achieve 65% of RE by 2035

KPI

% reduction in carbon emission intensity (Scope 1 & 2)

KPI

% of Renewable Energy in the total energy mix

Baseline

0.64 tCO₂e/tons of products

Short Term 2026 **15%**

Medium Term 2030 **30%**

Long Term 2035 **50%**

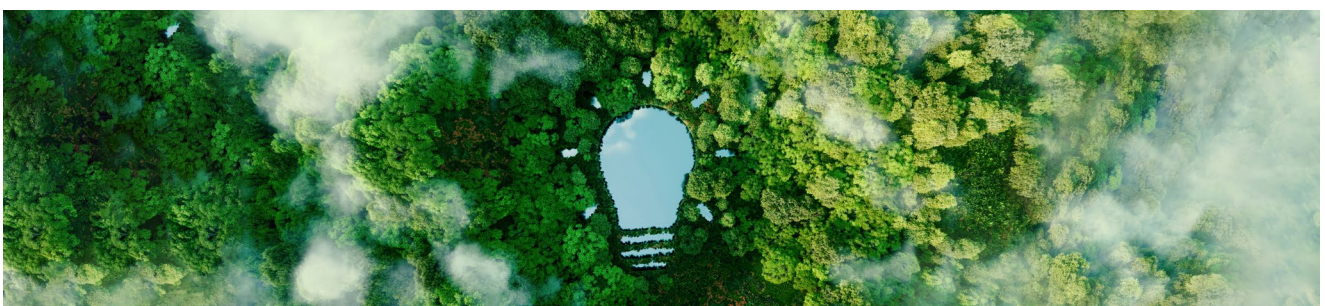
Baseline

31%

40% Short Term 2026

50% Medium Term 2030

65% Long Term 2035





Supply Chain & Circularity

Goal 1

Transition towards a circular economy by significantly reducing the total amount of waste generated, thereby enhancing sustainability and minimizing environmental impact.

Target

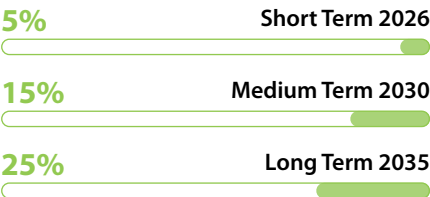
To achieve 25% reduction in waste intensity per ton of production by 2035

KPI

% of waste reduction per ton of production

Baseline

0.08 tons of waste per ton of production



Goal 2

Align Velan's supply network with its Code of Conduct by fostering ethical partnerships, ensuring compliance with sustainability and social responsibility standards across all suppliers.

Target

To increase % of suppliers committed to CoC by 2035

To assess 100% of suppliers on Sustainability checklist by 2035

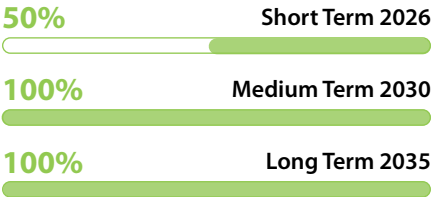
KPI

% of suppliers committed to Velan's Code of Conduct

% of suppliers assessed on the Sustainability checklist

Baseline

0%



Community



Occupational Health & Safety



Goal

Establish a zero-injury culture by promoting a safe and healthy work environment and eliminating any incidents related to occupational health and safety.

Target

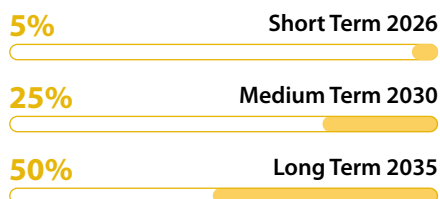
Progressively enhance the Safety Maturity Model level each year, to achieve the highest maturity level across all operations by 2035.

KPI

Progress to be measured across multiple qualitative dimensions

Baseline

New program launched by Velan





Human Capital

Goal 1

Equip employees with the necessary training needs to enhance skills and foster continuous development.

Target

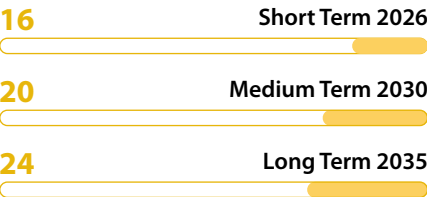
To achieve 2x training hours for employees by 2035

KPI

Training hours per employee per year

Baseline

11.6 training hours per employee per year



Goal 2

Build an equitable & comfortable work environment for employees by encouraging the workforce across positions to build an organisation that promotes inclusivity, mutual respect, and opportunities for growth and development.

Target

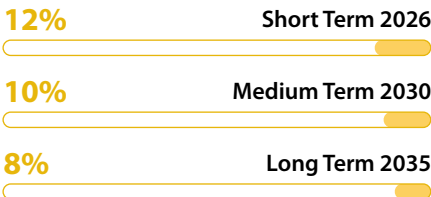
To reduce 43% of voluntary turnover by 2035

KPI

% Voluntary Turnover

Baseline

14%



*The targets are yet to be established

Compliance



Product Innovation



Goal

Increase product innovation and upgrades to support energy transition and reduce carbon footprint

Target

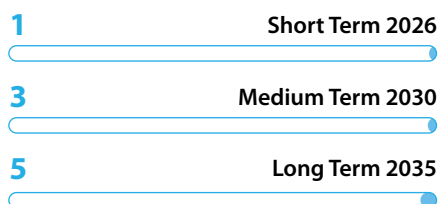
Launch new products for energy transition and continue to work on reducing our customers' carbon footprint.

KPI

Launch new products for reducing carbon footprints

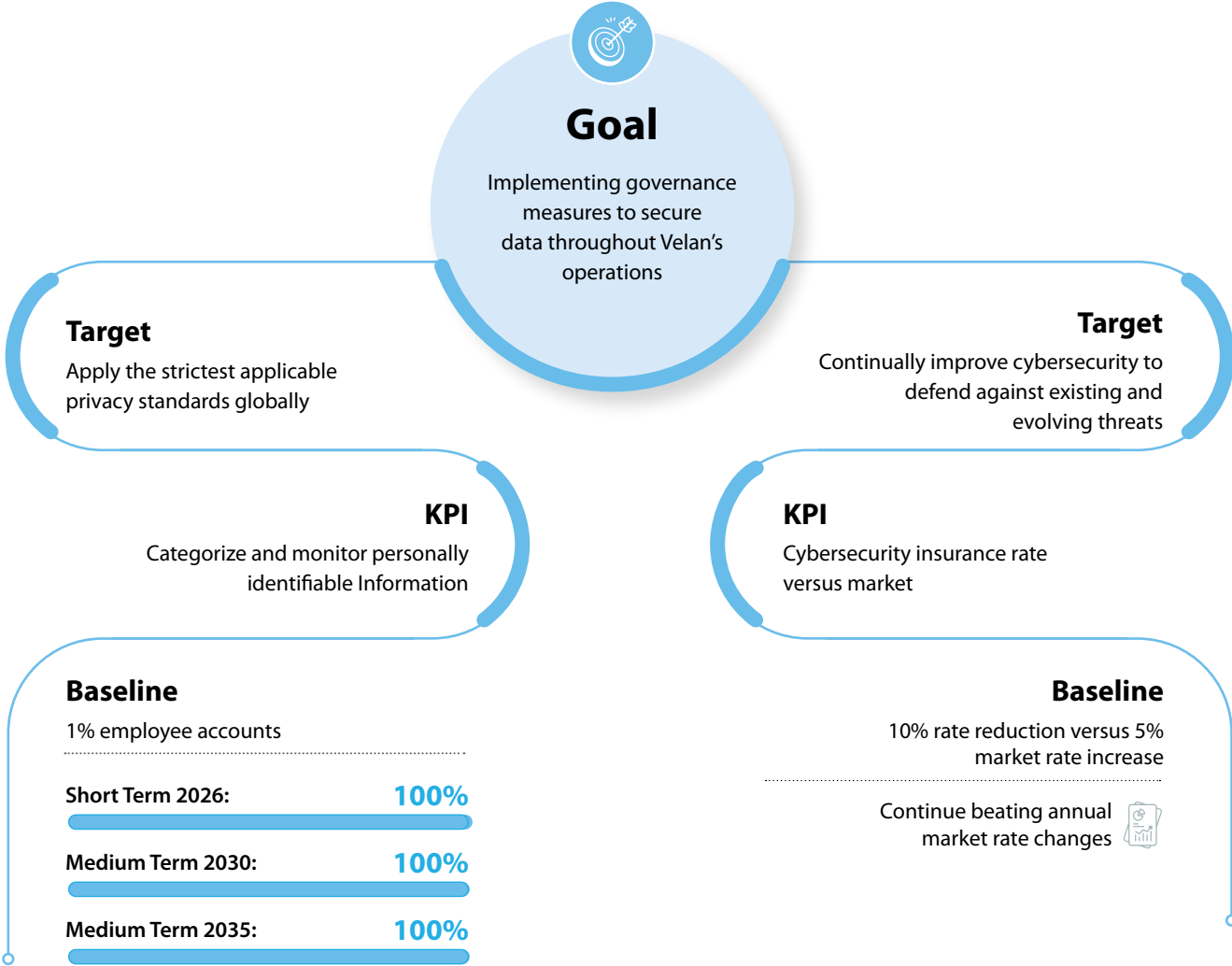
Baseline

Yet to be established





Information Security & Data Privacy





**Operational
Excellence**

Discipline to deliver

Sustainable Operations

At Velan, sustainability is deeply embedded in our core philosophy of operational excellence. Rather than treating sustainability as a separate initiative, we have integrated it into the very foundation of how we operate, make decisions, and deliver value. Operational excellence at Velan is centered on continuous improvement and optimization of business processes and systems. This approach not only drives performance and efficiency but also enables us to meet our sustainability goals in a structured and consistent manner.

Our commitment to operational excellence ensures that sustainability is not left to chance—it is planned, measured, and continuously improved. We have adopted a uniform, process-driven framework that aligns our operational metrics with environmental objectives. This will mean that every team within the company—from engineering and manufacturing to procurement and logistics—will contribute to our sustainability targets. By standardizing our approach, we ensure consistency in execution while allowing room for innovation and local adaptation.

A crucial part of this journey has been the development of Lean Tool champions across the organization. These team members are trained in the principles of Lean and continuous improvement, equipping them with the tools and knowledge to identify inefficiencies, reduce waste, and promote environmentally sound practices. Their work has been instrumental in fostering a culture where sustainability and operational excellence go hand in hand.

In addition, operational excellence facilitates cross-functional collaboration by bringing together departments to work on shared goals. This alignment will be supported by the Velan Strategy Deployment Framework—a comprehensive system that defines strategic priorities, sets measurable targets, and creates accountability throughout the organization. It helps us focus on the “critical few”—those initiatives that have the greatest potential to impact both our operational performance and our sustainability outcomes.

By embedding sustainability into our culture of execution, we will be able to systematically address challenges, implement best practices, and ensure continuous progress toward our long-term environmental goals. This disciplined yet flexible approach will allow us to adapt to new regulations, technologies, and customer expectations without losing sight of our core values.

Ultimately, operational excellence empowers our people to be agents of change, encouraging innovation and responsible decision-making at all levels. At Velan, we believe that sustainability and operational performance are not competing priorities—they are mutually reinforcing. Through our integrated approach, we are building a more resilient, efficient, and environmentally responsible company that creates lasting value for our customers, employees, communities, and the planet.

Economic Performance

In FY 2024–25, Velan continued to prioritize delivering value through expanded market presence, customer-focused strategies, and operational efficiencies, contributing to solid top-line growth. The company reported \$295.5 million in Direct Economic Value Generated, marking an increase from \$259.5 million in FY 2023–24, reflecting sustained business momentum.

Velan's value creation approach included continued investments in strategic priorities such as digital transformation, sustainability, process improvement, and talent development — all aligned with its long-term growth vision. These efforts are reflected in a 27% increase in Direct Economic Value Distributed, which stood at \$458 million in FY 2024–25, compared to \$360 million in the prior year. The rise is primarily attributed to higher material costs and a significant increase in other operational expenses.

Disciplined financial management has led to a notable 90% reduction in finance costs (from \$2 million to \$0.2 million), underscoring improved capital efficiency. Additionally, effective inventory practices helped reduce outflows, seen in a shift from a \$4 million inventory increase in FY 2023–24 to a \$12 million reduction in FY 2024–25.

Despite the growth in revenue and operational reach, Profit Before Tax decreased to \$(82) million in FY 2024–25 from \$(30) million the previous year. This is largely due to elevated investments in innovation, sustainability, and strategic transformation initiatives. A higher tax expense of \$15 million, compared to \$2 million previously, also influenced the net outcome. The company continues to benefit from contributions by its joint ventures, supporting broader economic value creation.

Overall, Velan's financial performance in FY 2024–25 reflects a strategic transition toward long-term resilience and stakeholder value. While short-term profitability has been impacted by upfront investments, strong cost controls in key areas such as finance and employee-related expenses continue to support financial stability.

This year marks a transformative phase in Velan's journey, as it deepens its commitment to operational excellence, environmental stewardship, and sustainable growth — strengthening its ability to deliver lasting value for all stakeholders.

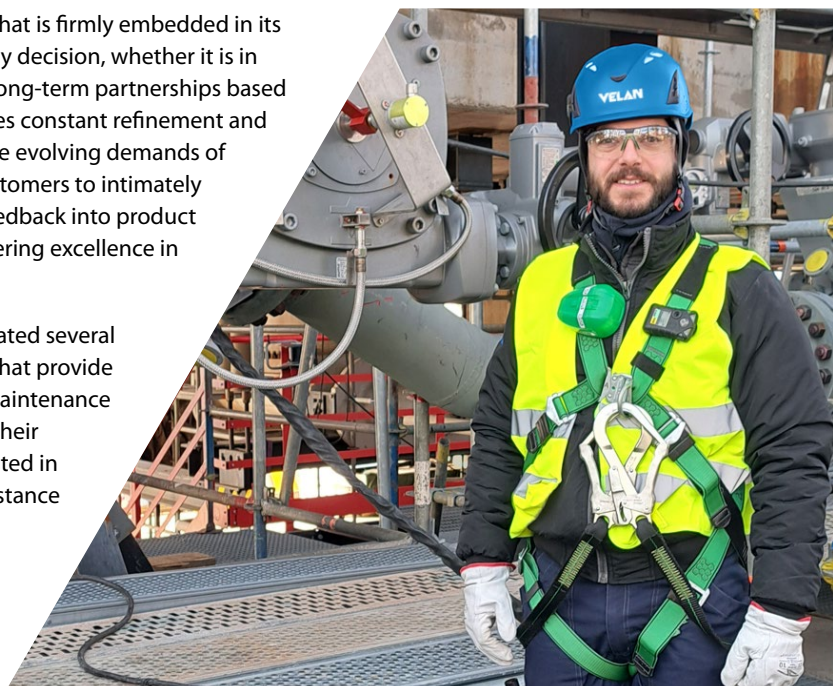
Particulars	2023-24	2024-25
Direct Economic Value Generated		
Revenue from operations	\$ 259M	\$ 295M
Other income	\$ 0.5M	\$ 0.5M
Direct Economic Value Distributed		
Cost of materials consumed	\$ 146M	\$ 170M
Purchases of stock-in-trade		
Increase / decrease in inventories	\$ 4M	\$ (12)M
Employee benefits and expenses	\$ 87M	\$ 90M
Finance Cost	\$ (2)M	\$ (0.2) M
Depreciation and amortisation expenses	\$ 9M	\$ 9M
Other expenses	\$ 45M	\$ 121M
Economic Value Retained		
Profit before tax	\$ (30)M	\$ (82)M
Less: Tax expenses	\$ 2M	\$ (15)M
Add: Share of profit from joint ventures		

In FY 2025, Velan completed the divestment of its two units in France.

Customer Focus

Velan is deeply committed to customer centricity, a principle that is firmly embedded in its corporate ethos. The company prioritizes the customer in every decision, whether it is in design, delivery, or after-sales support, focusing on fostering long-term partnerships based on trust and mutual success. Velan single-mindedly emphasizes constant refinement and continuous improvement, ensuring that its products satisfy the evolving demands of its diverse clientele. By engaging actively and closely with customers to intimately understand their needs, Velan's engineers incorporate their feedback into product development, ensuring that each solution is a work of engineering excellence in response to real-world demands.

To put its customer-first philosophy into action, Velan has initiated several measures. Key among these is a portfolio of digital solutions that provide customers easy access to product performance diagnostics, maintenance alerts, and actionable insights, all of which lend to managing their operations efficiently and cost effectively. Velan has also invested in its global network of service centers, ensuring that expert assistance is readily available, minimizing downtime and maximizing efficiency. This focus on customer centricity is bolstered by initiatives in operational integration, giving Velan employees across the world access to the tools and know-how to fulfil customer requirements. Collectively, these steps enable Velan to deliver service that is as reliable as their valves.



Velan's Largest Valve designed for Nuclear Power Plant

Velan proudly unveiled its largest valve ever built — a 78" Torqseal® Triple Offset Butterfly Valve, equipped with a Limitorque SMB-00-15-4P / HBC-6 / 13.6 actuator. This project aimed to replace existing rubber-seated concentric butterfly valves in-service at a nuclear power plant with Velan's advanced triple-offset design, solving multiple performance issues for the end user.

Application: System shutoff valves for condenser water piping system built to ANSI/AWWA C207 Class B standards.

Challenges: The customer had existing butterfly concentric style AWWA valves with nitrile rubber seals that had been in service for over 60 years. The valves experienced issues such as pin breakage or disengagement, drive-side shaft failures, and needed occasional seal replacement due to wear and leakage. After numerous repair cycles, a new valve design was introduced to resolve all the issues. Despite the higher cost for the valve, this solution will significantly lower the total cost of ownership, as the plant will save substantial amounts of money over time by eliminating the need for constant valve part replacements and unplanned downtime.

Solution: Velan's engineering team recommended replacing the obsolete valves with a new Torqseal TOV metal-seated design. Differing from the customer's existing

valves, Torqseal TOV advanced design features triple eccentricity and unique elliptical seat geometry that allows for friction-free, non-rubbing operation of the valves. This geometry ensures that the seal ring contacts the body seat only at the final shut-off position. The single-piece shaft (and pin-free) design offers better durability and stiffness. The double parallel keys provide a strong disc-shaft connection exceeding the strength of shaft in torsion, and the keys cannot become disengaged in operation. The disc is guided and located between upper and lower bronze bushings, which provide disc guidance and location. Torqseal TOV offers optimal corrosion resistance, lower operating torques, and extended valve life.

Velan goes beyond standard products to engineer solutions tailored to customers' toughest challenges, ensuring improved performance and reliability.





Climate

As the climate crisis increasingly impacts global businesses and economies, climate action is a key consideration for the industrial valves industry. With the growing frequency and severity of extreme weather events, the reliability and resilience of valve infrastructure are put to the test, highlighting the urgency for sustainable practices to mitigate the industry's environmental impact, align with international climate goals, and ensure long-term operational sustainability.

Through its sustainability initiatives, Velan addresses various important climate issues, including optimizing energy consumption and expanding the share of renewable energy used to lower operational costs and mitigate its environmental footprint. The company has rolled out measures to reduce greenhouse gas emissions from its operations and will work towards achieving company-wide carbon neutrality by improving energy efficiency and using cleaner energy.

Velan demonstrates its global commitment to quality, environmental, and occupational health and safety management through ISO certifications across its key facilities. All major facilities in Canada, the USA, India, Italy, China, Korea, Germany, Portugal, and Taiwan currently hold ISO 9001 certification for quality management. Additionally, facilities in Canada, the USA, India, Italy, and China are also certified to ISO 14001 and ISO 45001, reflecting Velan's broader commitment to sustainable and safe operations.

The company's commitment to lowering its environmental footprint also includes adopting the principles of a circular economy, by decreasing waste generated and optimizing the use of resources throughout the lifecycle of its products. This requires the support of a sustainable supply chain, which will be developed by aligning its supply network with the company's Code of Conduct, with the aim of building ethical partnerships and requiring adherence with sustainability and social responsibility standards.

Climate Resilience and Transition

Velan is dedicated to reducing its carbon footprint by shifting to more sustainable energy options and improving water management practices. Aware of the significance of environmental sustainability, the company actively invests in renewable energy, including solar and hydropower, and implements energy-efficient technologies throughout its operations. Moreover, Velan prioritizes reducing water usage and promoting its responsible management, aiming to foster environmental responsibility while boosting operational performance. This forward-thinking strategy showcases Velan's commitment to a sustainable future.

Energy & Emissions

Velan has consistently worked towards implementing innovative energy efficiency initiatives to address the growing energy demand and its associated emissions. The company believes that developing clear and effective energy conservation strategies is crucial for achieving substantial emission reductions. This includes adopting an energy mix that incorporates renewable sources and utilizing advanced

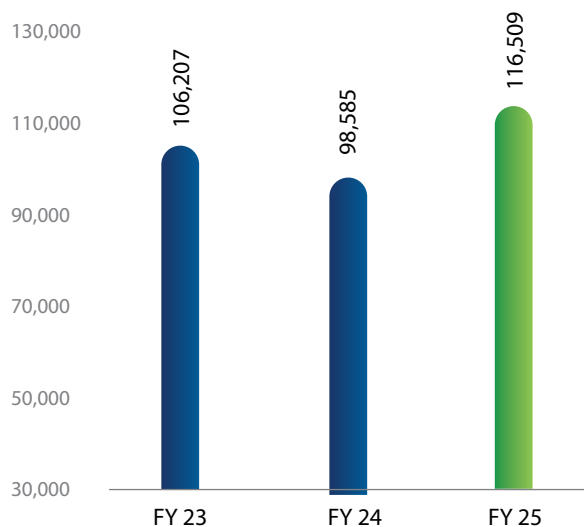
technologies to optimize energy usage. By prioritizing energy efficiency and making informed decisions about energy sources, Velan aims to minimize its environmental impact. This reflects the company's commitment to combating climate change and contributing to a more sustainable and energy-efficient future.



Velan Valves India Inaugurated a 640 kWp rooftop solar power plant in collaboration with Amplus Solar in 2024.

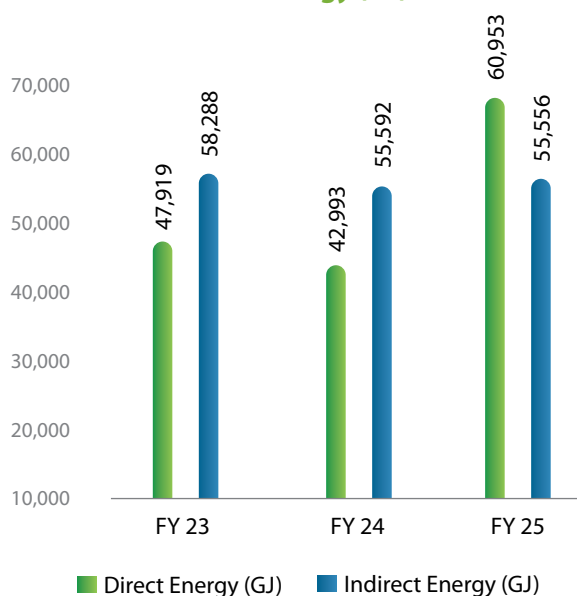
Energy Consumption (GJ)	FY 22	FY 23	FY 24	FY 25
Diesel	1,755	1,986	2,034	3,253
Petrol	45	45	45	11
LPG	12,752	12,771	12,764	19,121
Natural Gas	38,918	33,075	28,122	38,568
Kerosene	14	41	27	7
Direct Energy	53,485	47,919	42,993	60,953
Indirect Energy	58,480	58,288	55,592	55,556
Grid Electricity (Thermal)	23,531	24,406	21,928	19,913
Renewable Electricity	34,949	33,882	33,664	35,644

Total Energy (GJ)



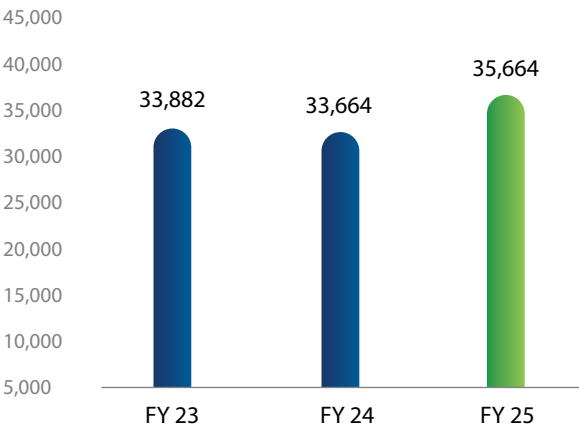
In FY25, total energy consumption increased by 18%, primarily due to a rise in the usage of Diesel (60% increase compared to FY24), LPG (50% increase compared to FY24), and Natural Gas (37% increase compared to FY24)

Direct and Indirect Energy (GJ)



In FY25, A notable increase in direct energy consumption was recorded in compared to FY24, mainly driven by higher fuel usage. Conversely, indirect energy consumption experienced a slight decline, attributed to reduced reliance on purchased electricity

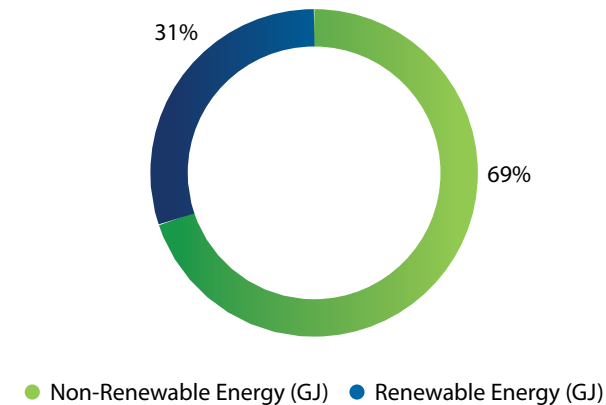
Renewable Energy (GJ)



In FY25, the renewable energy consumption saw a 6% increase primarily due to the installation of a solar power plant in India operation

Renewable energy constitutes 31% of the company’s total energy mix, reflecting a robust commitment to sustainability. The remaining 69% is sourced from non-renewable energy, including purchased electricity, diesel, petrol, natural gas, and LPG. Solar energy plays a significant role in the renewable energy strategy, with units in China, Portugal and India generating solar power, and the China unit contributing the

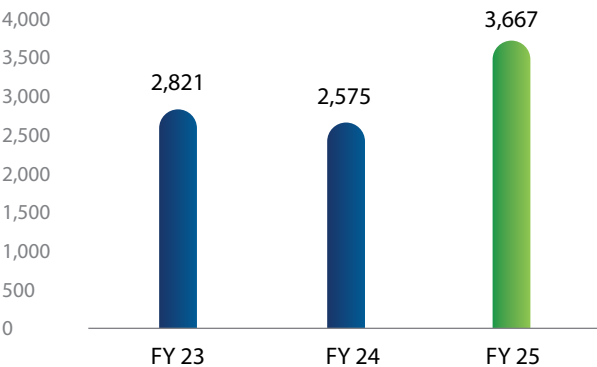
Energy Mix (FY25)



In FY25, Canada’s hydroelectric energy constitutes the majority of renewable energy usage, followed by solar power plant installations in China, Portugal, and India.

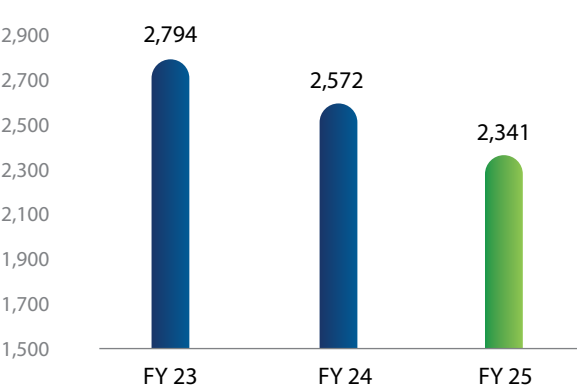
largest share. Furthermore, Canadian units exclusively utilize hydro power for their electricity needs, further reducing the company’s carbon footprint. This well-rounded energy mix allows the company to reduce its environmental impact while ensuring a dependable energy supply and advancing its sustainability objectives.

Scope 1 Emissions (tCO₂e)



In FY25, scope 1 emission level are increased due to usage of fossil fuels, Diesel, LPG, and Natural Gas consumption increased by 60%, 50%, and 37% respectively compared to FY24

Scope 2 Emissions (tCO₂e)

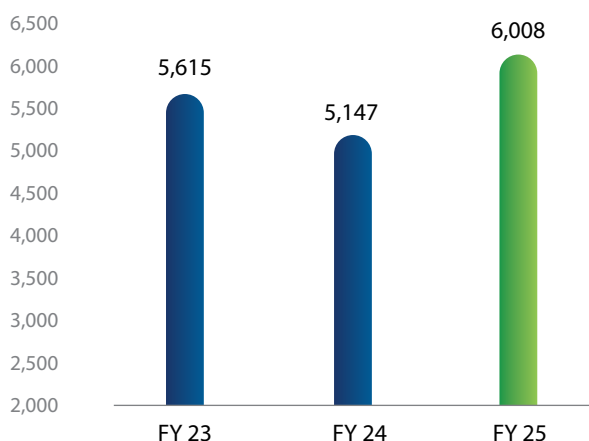


In FY25, A 9% decrease in Scope 2 emissions from FY 24 due to 6% increase in renewable energy consumption

Velan utilizes hydroelectric power to support sustainability and reduce emissions

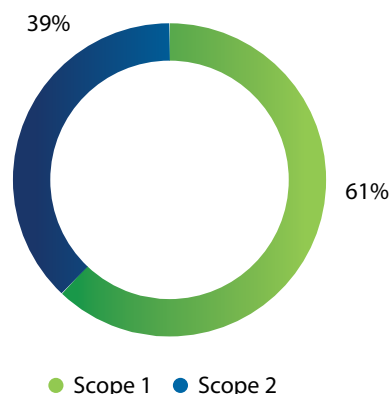
Hydro-powered electricity serves as a key energy source for both Montreal and Granby, ensuring a reliable and renewable power supply for these cities. Quebec generates hydroelectric power using its extensive network of rivers and reservoirs, capitalizing on its rich water resources. This reliance on hydroelectric energy contributes to reduced carbon emissions, aligns with Quebec's sustainability objectives, and guarantees an eco-friendly energy source.

Total Emissions (Scope 1+2) (tCO₂e)



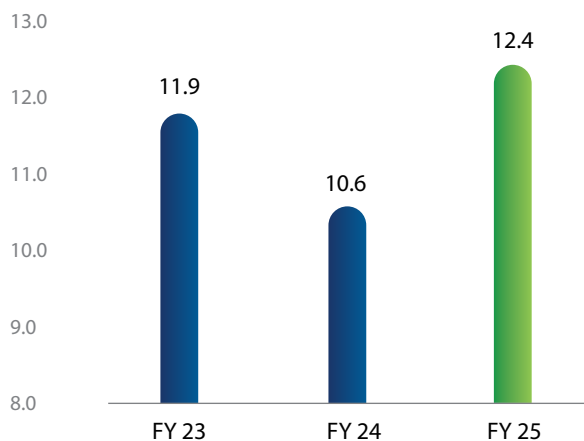
In FY25, Overall emission level is increased due to the usage of fossil fuels

Emissions by Source (FY25)



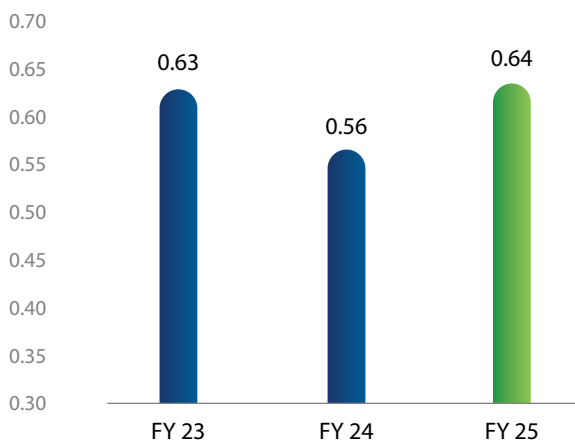
Scope 1 emissions contribute to more emissions as compared to Scope 2 owing to usage of fuel like Natural Gas, LPG, and Diesel while Scope 2 emissions have been reduced due to increasing renewable energy adoption

Energy Intensity (GJ/ton)



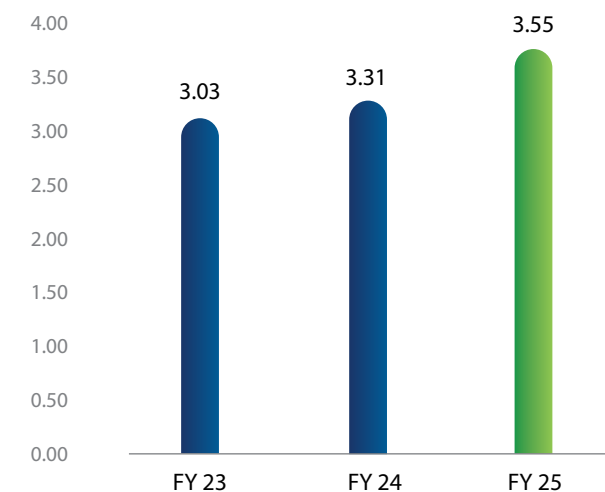
In FY25, Energy intensity is increased due to usage of fossil fuels Diesel, LPG, and Natural Gas consumption increased by 60%, 50%, and 37% respectively compared to FY24

Emissions Intensity (tCO₂e/ton)



In FY25, Emission intensity is increased due to the usage of fossil fuels

Water Intensity (Thousand litres/ton)

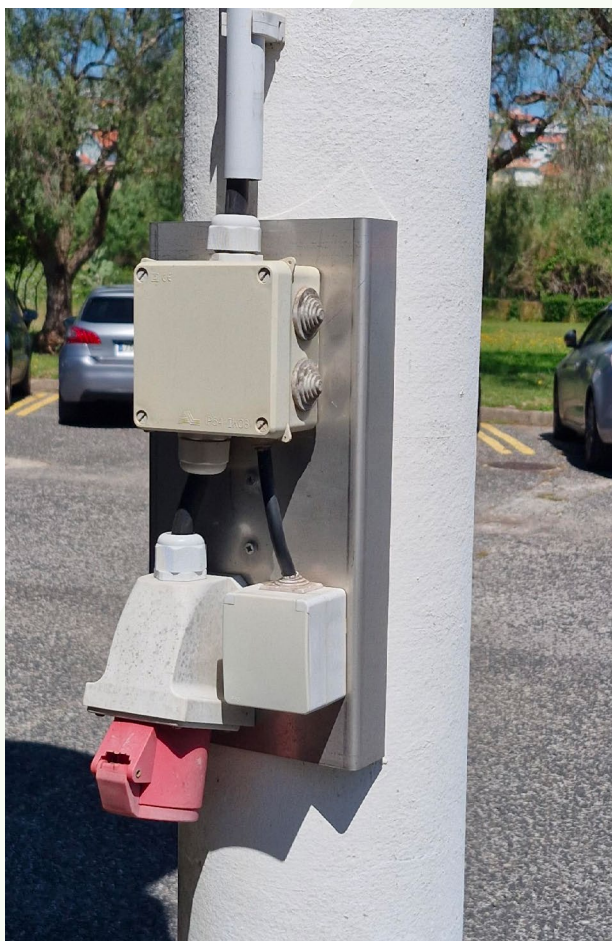


In FY25, Water intensity is increased by 7% due to higher production levels



Velan India Advances Sustainability with Solar PPA

Velan committed to sustainability through a solar power purchase agreement (PPA) with a third-party solar energy provider on 7th June, 2024. The agreement involves the installation of a 640 kWp solar power system at Velan's facility in Coimbatore, India. Over the system's lifetime, it is expected to produce 24,100,000 kWh of green electricity. This energy production is equivalent to saving 5,357,000 liters of water, which would otherwise be consumed by coal-fired electricity generation. Additionally, the system will avoid 22,830 metric tons of CO₂ emissions, which is comparable to the environmental impact of 52,850 barrels of oil. Through this PPA, Velan significantly reduces its carbon footprint, supports renewable energy adoption, and furthers its commitment to environmental responsibility. This project highlights Velan's proactive approach to sustainability while ensuring reliable, clean energy for its operations.



Solar-Powered EV Charging Station in Portugal

Velan China Embraces Sustainable Solar Energy

Velan China, grappling with frequent power shortages affecting production, has innovatively partnered with a solar power firm. By leasing their plant's rooftop, they have facilitated the installation of solar panels, securing dual benefits: a new stream of clean energy directly powering their operations and a fixed market rate for electricity over the next decade. This strategic move promises to stabilize their power supply, mitigate production disruptions, and contribute to sustainable practices. The initiative not only aligns with Velan's environmental goals but also ensures uninterrupted manufacturing cycles during peak seasons, marking a significant step towards energy independence and operational efficiency.



Velan's Green Legacy: Planting Progress, Enriching Ecosystems

Velan has embraced environmental stewardship through a phased tree plantation initiative, underscoring its commitment to sustainability. The first phase saw the planting of 90 trees in Coimbatore, India, laying the groundwork for greener operations. In the subsequent phase, an additional 380 trees took root, expanding the initiative's impact. The third and most ambitious phase culminated in 1,000 new trees, significantly bolstering the local ecosystem. This progressive endeavor not only aids in carbon sequestration but also enriches biodiversity. Velan's proactive approach reflects a dedication to ecological responsibility, fostering a healthier environment for both the company and the surrounding community.



Water Management

Velan continues to demonstrate a strong commitment to environmental stewardship through innovative and effective water management initiatives implemented across its global operations. By embedding sustainability into its operational framework, the company actively promotes water efficiency while fostering a culture of awareness and conservation among its workforces. This commitment is especially evident in India, where a comprehensive and data-driven water management program has been introduced.

At its Indian facilities, Velan began its water conservation journey by deploying advanced water monitoring systems at both primary and secondary levels. These systems provide real-time, high-resolution data on water consumption patterns, enabling informed resource management decisions. To enhance internal accountability, an intuitive e-Registration platform was launched, empowering employees to promptly report leaks or inefficiencies. This participatory approach has significantly improved issue resolution times and strengthened a culture of ownership in water conservation.

To further elevate control over water usage, Bluetooth-enabled flow meters were installed to capture detailed consumption data, facilitating proactive management and data-driven decision-making. Simultaneously, water-saving aerators were fitted into tap fixtures, helping conserve approximately 250,000 litres annually without compromising functionality.

Additional measures include the modulation of tap pressure at key utility points, resulting in reduced daily water discharge. These efforts are complemented by the integration of rainwater harvesting systems aligned with the principles of Reduce, Reuse, and Recycle (3R). The harvested rainwater not only offsets municipal water dependence but also supports groundwater recharge and reuse, reinforcing the site's water resilience.

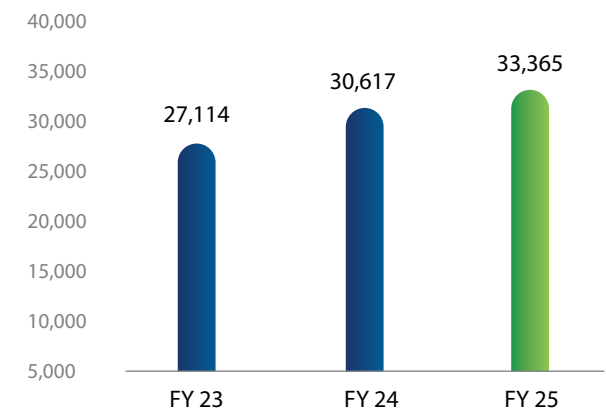
On a global scale, 98% of Velan's total water usage is sourced from third-party providers. The Canada facility, which accounts

for 67% of the company's overall water consumption, recorded a 32% increase in consumption in FY25, primarily driven by expanded testing and operational needs. In response, new process-level efficiency and recycling plans are being developed to better manage and reduce future water use.

Facilities in Korea, Portugal have also reported improvements in water efficiency through localized actions and strong employee engagement. These global initiatives highlight Velan's commitment to responsible water stewardship, ensuring that each site contributes to the broader sustainability goals.

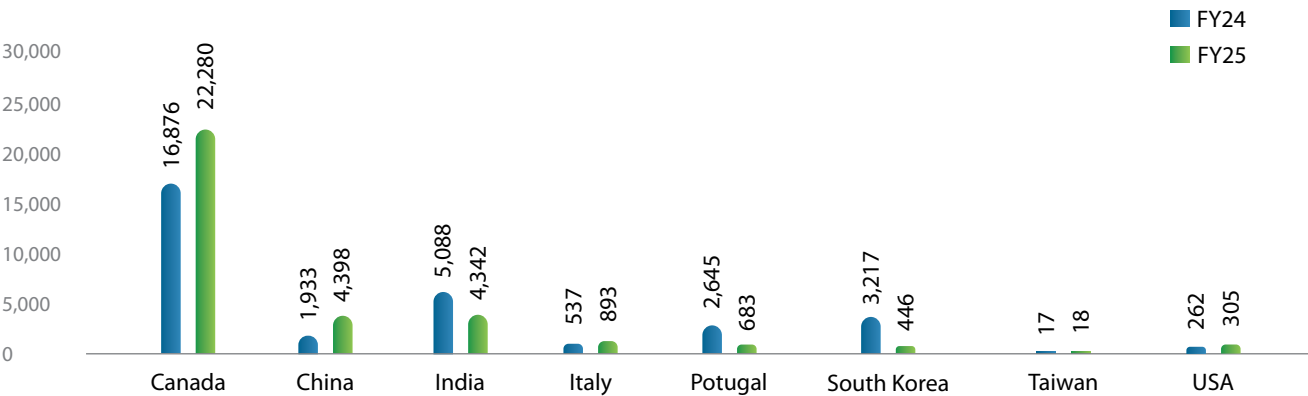
In conclusion, Velan's holistic and proactive approach to water management reflects its dedication to environmental sustainability. Through technological innovation, employee empowerment, and strategic resource management, the company is effectively reducing its water footprint and setting a benchmark for responsible corporate water practices worldwide.

Water Consumption (Thousand Litres)



In FY25, Water consumption is increased due to higher production levels

Water Consumption (Thousand Litres) - Unit wise



Supply Chain & Circularity

Velan is dedicated to advancing its goals in supply chain management and circularity, recognizing their essential role in driving sustainability. The company views a resilient supply chain not only as a means to enhance efficiency and reduce costs, but also as a platform to foster responsible partnerships. It collaborates with suppliers who align with its values of ethical conduct and environmental care. Through adherence to Velan's Supplier Code of Conduct, partners are expected to maintain rigorous standards in quality, integrity, safety, and environmental performance—supporting the collective pursuit of a sustainable future.

In addition to its focus on supply chain integrity, Velan is dedicated to promoting circularity within its operations. This commitment is reflected in initiatives such as the sustainable packaging program, which utilizes reusable wire baskets for shipments between factories and distribution centers. By prioritizing the reuse, recycling, and repurposing of materials, Velan aims to significantly reduce waste and minimize its environmental footprint. The company actively encourages its suppliers to adopt similar practices, fostering a collaborative approach to sustainability across the supply chain.



Supply Chain

Recognizing that creating a more sustainable future calls for varied and collective efforts of numerous stakeholders, Velan is working to enhance the sustainability of its supply network. To do this, the company requires all its suppliers, vendors, and service providers to align with its Code of Business Conduct and Ethics. Velan also implements comprehensive procurement guidelines that factor in various important criteria for vendor selection such as reducing adverse effects on the environment and local communities and include human rights considerations. Further, the company ensures that its procurement processes are fair, transparent, consistent, and deliver value in a cost-effective and efficient manner.

By 2035, Velan aims to systematically increase the number of suppliers that align with its Code of Business Conduct and Ethics. Additionally, an ESG checklist will be implemented and 100% of the company's supply network will be assessed on its criteria in the same timeframe.

Velan recognizes that its suppliers are key partners in achieving sustainability goals, and as such, they play a vital role in the

overall supply chain strategy. The company is committed to assessing suppliers over time to gather essential environmental, social, and governance (ESG) information. This assessment process not only helps Velan monitor compliance with its supplier code of conduct but also enables the identification of areas for improvement and collaboration. By engaging suppliers in this manner, Velan aims to create a more resilient and responsible supply chain that aligns with its sustainability objectives.

Furthermore, Velan's commitment to circularity is evident in its support for suppliers who are actively working to reduce waste. Many of Velan's suppliers incorporate scrap metal into their production processes, which not only minimizes waste but also conserves valuable resources. Additionally, an increasing number of suppliers are transitioning to renewable energy sources to power their operations, further enhancing the sustainability of the supply chain. Velan continues to motivate and support these efforts, recognizing that a collaborative approach is essential for driving meaningful change and achieving long-term sustainability goals.

Sustainable Materials Management & Circular Economy

At Velan, sustainability is a foundational principle integrated into every aspect of our manufacturing operations. Most of our valve components are inherently recyclable, making them well-suited for a circular manufacturing model. We proudly use 95% (estimated) recycled raw materials in our valve production—substantially reducing the demand for virgin inputs and helping conserve vital natural resources.

This significant reliance on recycled materials not only preserves resources but also reduces the carbon footprint associated with the extraction and processing of virgin materials.

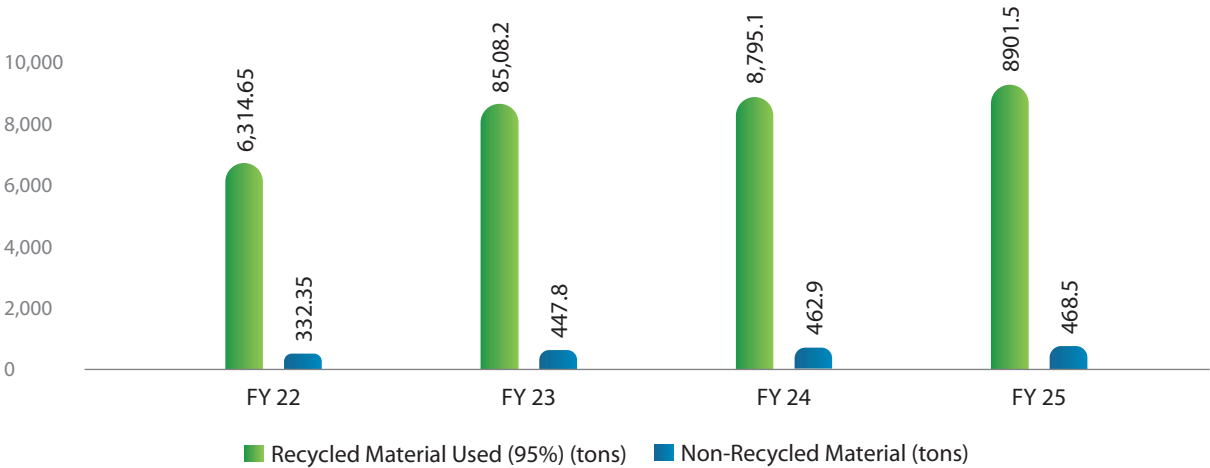
While our focus remains on maximizing recyclability, a small

portion of valve components are not yet recyclable. These include graphite packing rings, elastomers, end covers, and certain oils used in valve actuation. We continue to explore sustainable alternatives for these materials.

Impact Summary:

- Velan's circular economy initiatives have generated measurable environmental and operational benefits:
- 95% of raw materials used are recycled, reducing dependence on virgin resource extraction.
- The use of recycled inputs contributes to offsetting Scope 1 carbon emissions, advancing Velan's emissions reduction targets.

Velan Production Growth vs. Recycled Material



Waste

Velan is making significant progress in advancing its sustainability goals, with a particular focus on responsible waste management across its global operations. By embedding the principles of circularity, material efficiency, and innovation into its operational framework, the company is reducing its environmental footprint while enhancing long-term value creation. In FY25, Velan recorded a 6% reduction in total waste generation compared to FY24—an outcome that highlights the effectiveness of its ongoing waste minimization strategies.

Of the total waste generated, 83% was classified as non-hazardous, providing greater opportunities to apply circular economy practices. Through focused efforts in recycling, reuse, and material recovery, Velan successfully diverted 73% of total waste from landfills, reinforcing its commitment to reducing environmental impact and promoting resource efficiency.

In India, several targeted packaging initiatives were implemented to drive material optimization. Key actions included replacing plywood with recycled carton boards for valve packaging and transitioning from conventional VCI covers to recyclable aluminium-foil alternatives. These changes not only reduced dependence on virgin wood but also delivered cost savings and lowered transport emissions due to lighter packaging materials.

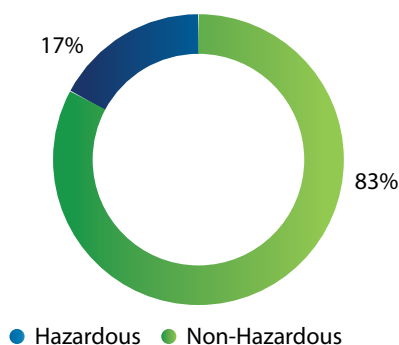
Further improvements were made by redesigning crates to use thinner wood, resulting in consistent monthly material savings and enhanced freight efficiency. As a result, Velan eliminated approximately one cubic meter of freight volume for every 100 boxes shipped—demonstrating how design optimization can drive both economic and environmental benefits.

Italy, a major contributor to Velan's overall waste volume, remains a focal point for improvement. The company is actively working to strengthen source segregation, increase recycling rates, and explore new reuse opportunities to further reduce waste and support long-term sustainability objectives.

By incorporating waste reduction at the design stage and emphasizing material recovery, Velan continues to align its operational practices with its broader sustainability vision. These efforts not only contribute to global goals on waste minimization and sustainable production but also reflect the company's proactive role in fostering a more sustainable future.

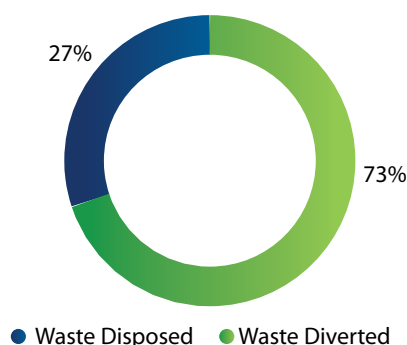
Velan's commitment to responsible waste management is evident in its tangible results and strategic actions. By driving innovation, circular thinking, and continuous improvement across its operations, the company is not only reducing its environmental footprint but also setting a strong example for sustainability leadership within the industry.

Waste Generation (FY25)



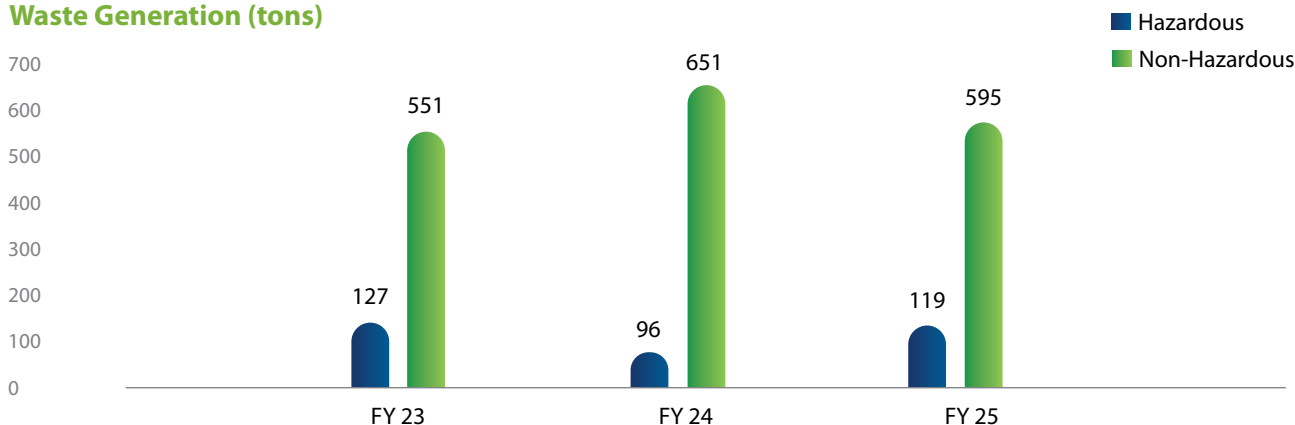
Non-Hazardous waste accounts for most of the waste generated at Velan. Majority of non-hazardous waste includes waste streams like metal waste, wood waste etc

Waste Disposal and Diversion (FY25)



Out of the 27% of the waste disposed, more than 65% of the waste is sent for incineration

Waste Generation (tons)



In FY25, Waste generation decreased by 4%

Community

At Velan, our people are the cornerstone of our success. The organization prioritizes the welfare of individuals by upholding equitable labour practices and protecting the rights of all stakeholders. Velan is dedicated to ensuring a safe workplace that fosters employee health and wellness. By focusing on the professional development of its staff, Velan creates an environment that attracts top talent from various backgrounds. This diverse talent pool plays a crucial role in advancing innovative product solutions that meet environmental regulations and satisfy customer demands.

As we celebrate our 75th anniversary this year, our company has successfully transmitted product knowledge and a unique culture across generations. Our strong organizational culture has engaged and retained long-tenured colleagues while seamlessly integrating new arrivals, adapting to changing circumstances and diverse skill sets. Our global, integrated teams embody our founder A.K. Velan's legacy, reflecting his commitment to integrating diverse perspectives, backgrounds,

and origins. Built on principles shaped by his immigrant experience in Canada, Velan invests in entrepreneurial individuals who are driven to make a difference and embrace challenges.

Furthermore, Velan's dedication to social responsibility is evident in its robust connections with local communities. The company actively participates in numerous community outreach programs, which not only support societal growth but also contribute to the overall enhancement of community well-being. By collaborating with local organizations, Velan addresses pressing social issues and promotes sustainable practices. This commitment not only strengthens community ties but also enriches the company's corporate culture, fostering a sense of shared purpose among employees. As Velan continues to invest in its people and communities, it reinforces its position as a leader in both industry and social responsibility.



Human Capital Management

Understanding that innovation and success are fundamentally driven by its people, Velan places a strong emphasis on attracting and retaining top talent. The company is committed to the professional growth of its employees through extensive training programs, opportunities for career advancement, and fostering a culture that appreciates diverse perspectives. This strategic approach to talent development not only equips its workforce with essential skills but also keeps them motivated, allowing Velan to leverage the strengths of a dynamic team and maintain its competitive advantage.

In FY 2025, Velan maintained a workforce composed primarily of full-time employees, supported by a smaller group of contract personnel. The full-time team includes a balanced mix of younger and mid-career professionals, complemented by experienced individuals, fostering a dynamic blend of energy and expertise. The company also recognizes an opportunity to improve gender diversity, with ongoing efforts aimed at creating a more inclusive workforce.

Human Rights, Child Labour & Forced Labour

Velan is dedicated to promoting responsible corporate practices both within its operations and throughout its supply chains. The company complies with all applicable laws that uphold human rights and labor standards, a commitment that is clearly articulated in its Code of Business Conduct and Ethics. As a Canadian organization, Velan adheres to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (referred to as the Act) to mitigate the risks associated with forced and child labor in its supply chains. Velan annually publishes a Modern Slavery Report outlining its ongoing efforts to address and prevent modern slavery. The 2024 edition of the report is now available on Velan's official website.

To combat child labor and modern slavery, Velan requires all vendors, suppliers, and service providers to assess and report on forced labor risks within their operations. The company facilitates compliance by offering annual mandatory training on the Code of Business Conduct and Ethics to its global stakeholders in their native languages. This training has

recently been updated to include specific content on modern slavery, thereby enhancing awareness and understanding of the issue. All Velan employees are required to confirm their comprehension and commitment to the code upon completing the training.

In accordance with the Act's stipulations, Velan's assessments of its supply chains reveal a very low risk of child or forced labor. To identify and address any potential incidents, Velan provides an anonymous whistle-blower hotline and website for employees and external parties to report compliance concerns, including possible violations of the Act. All reports are thoroughly investigated and addressed by the appropriate parties.

Additionally, Velan's Human Resources department ensures that all employees and consultants are authorized to work in their respective jurisdictions, thereby complying with age and work permit regulations. The department also guarantees that all job offers extended to new and returning employees are made with the freedom to accept or decline.

Empower a People centric culture

As a global enterprise employing individuals from diverse nationalities, Velan appreciates the unique perspectives and skills that employees from various cultures, genders, ages, and abilities contribute to the workplace. This rich diversity not only drives innovation through a multitude of viewpoints but also inspires Velan to cultivate an environment where all employees feel valued and are afforded equal opportunities to contribute and grow. Recognizing the significant role women play in the socio-economic advancement of families, communities, and economies, Velan is committed to encouraging female participation across all levels of the organization.

In light of these values, Velan has embarked on several initiatives that reflect its dedication to fostering a diverse and inclusive workplace. Through a series of illustrative case studies, we can explore the nuanced ways in which these efforts have manifested within the organization. These examples will shed light on the positive ripple effects of embracing diversity, highlighting how Velan's commitment to inclusivity not only enriches its corporate culture but also contributes to broader societal progress.

Women in Engineering at Concordia University

The Gina Cody Faculty of Engineering and Computer Science at Concordia University in Montreal, Quebec is a pioneer in creating spaces for women pursuing careers in Engineering to thrive. Velan has partnered with Concordia to support this important aspect of next generation talent development. Velan has provided scholarship's to three undergraduates in the Mechanical and Industrial Engineering Department. However, the following provides a snap shot of our on-the-ground work with the university.

Velan took part in the Way to Olympus conference, an initiative led by Concordia University aimed at inspiring high school students, particularly young women, to consider careers in engineering. This event is part of Concordia's broader Women in Engineering (WIE) program, which seeks to promote gender diversity in the engineering field. Velan hosted an interactive workshop at Concordia's urban campus, designed to highlight the exciting and diverse opportunities within engineering. The session attracted over 100 enthusiastic students, who engaged in hands-on exercises that provided them with practical insights into fundamental engineering principles. The workshop was well-received, with attendees expressing appreciation for the engaging content and the opportunity to learn about engineering in a supportive environment. The positive feedback underscored Velan's commitment to fostering interest in engineering among young women and contributing to the development of a more diverse workforce in the industry.



Talent Development

75 years into our journey as a valve company with its Head Office in a non-traditional valve market, we've prioritized internal development of our people from our beginnings. As we've grown, we have struck a balance, and seek external talent when we need ideas, skills, and perspectives that haven't grown organically in-house. Each of our executives has risen through the ranks, and our senior technical experts have extensive tenure. When new talent joins us, they quickly recognize that we provide a unique culture and long-term opportunities, contrasting with contemporary trends that often

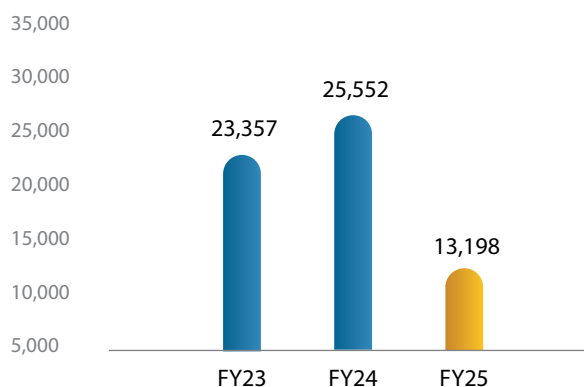
favor short-term engagements. At Velan, the development of talent is fundamental to our success and innovation. Understanding that a skilled and motivated workforce is vital for meeting our strategic objectives, we invest in extensive training programs, mentorship opportunities, and initiatives for career progression. By cultivating a culture that emphasizes continuous learning and embraces multiple perspectives when solving problems, Velan empowers employees to realize their full potential, propelling the organization forward in a competitive environment.

Empowering Future Leaders Through Growth and Connection

The Intentional Leader Program is an annual global initiative designed to cultivate high-potential individuals from diverse locations into the next generation of leaders, now in its third year of existence. By integrating management theory, interactive workshops, on-the-job leadership challenges, and personalized coaching, the program aims to enhance both professional skills and personal growth. Participants engage in collaborative learning experiences that encourage critical thinking and problem-solving, while also applying their newfound knowledge to real-world challenges within their roles. This comprehensive approach ensures that participants not only develop essential leadership capabilities but also gain confidence in their abilities. In addition to skill development, the program fosters a strong global network of leaders who support one another throughout and beyond the program's duration. This network encourages ongoing collaboration and knowledge sharing, creating a sense of community among participants from various backgrounds and regions. As these leaders continue to grow within the organization, they carry forward the values and connections established during the program, contributing to a lasting impact on the organization's leadership culture and enhancing its overall effectiveness in navigating future challenges. 55% of the graduates of our 2022 program have gone on to be promoted to higher positions of responsibilities, in such areas as Operations Management, Inventory Management, Nuclear Engineering and Business Development, Aftermarket and Industrial Engineering. Of our 2023 cohort, 20% of our cohort have already taken the next step in areas of Operations Management, Inside Sales, Engineering and Quality and Continuous Improvement. As of this writing, participants in Mexico, Canada, Saudi Arabia and India are working and learning together through the program, with a graduation ceremony planned for June 2025. Velan relaunches its fourth cohort in January 2026.

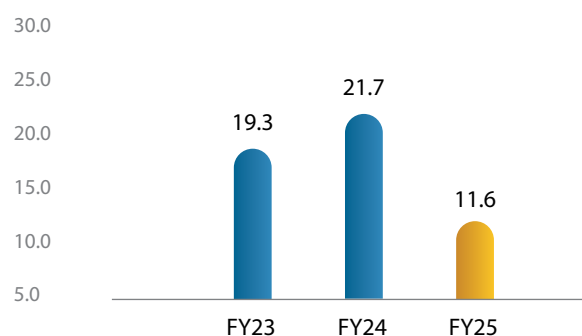


Total Training Hours



Training hours in FY25 dropped by 48% owing to reduced training hours in units in Canada and USA.

Training Hours/Employee



Training by Employee Categories (Hours)*

Employee Categories	FY 23	FY 24	FY25
Senior Management	253	182	702
Middle Management	448	512	643
Junior Management	1,380	836	703
Staff	3,286	1,939	4,319

Employee Training by Gender (Hours)*

Gender	FY 23	FY 24	FY25
Male	4,599	2,768	5,838
Female	767	701	529

**Data from USA and Canada units have been excluded*

Phoenix: The North American Operations Manager Training Program

In recent years, the role of front-line management has undergone significant transformation, adapting to the evolving demands of the industry. Traditional supervisory practices have become outdated, necessitating a substantial expansion of skill sets among managers to meet heightened customer expectations, navigate complex performance requirements, and keep pace with advancements in systems, processes, and procedures. Moreover, the need to engage, develop, and mobilize employees has emerged as a vital aspect of managerial responsibilities. Recognizing these challenges, Velan launched the Phoenix program in 2023, aimed at modernizing the practice of operations managers. This initiative focuses on all critical elements of their duties, offering a comprehensive curriculum that includes modules on human resources and labor relations, operational management, performance, quality, health and safety, workplace environment, and continuous improvement. The Phoenix program provides a tailored developmental path that addresses the unique needs of each participant, emphasizing the essential knowledge, skills, and interpersonal competencies required in contemporary managerial roles. By equipping managers with the tools to excel in their responsibilities, the program alleviates the pressures of constant urgency and fosters both professional and personal growth. Symbolically, the program encourages managers to embody the mythical phoenix, representing renewal and the ability to continuously reinvent and adapt to new challenges and realities. The ultimate goal is to position each manager for optimal success in their roles, preparing them to thrive in an ever-changing landscape. Through this initiative, Velan demonstrates its commitment to developing effective leaders who can navigate the complexities of modern management with confidence and resilience.



Industrial Engineering Group's SharePoint Site

Velan is committed to fostering an enabling work environment that is crucial for the professional and personal growth of its employees. Recognizing that collaboration and knowledge sharing are key components of a thriving workplace, Velan actively promotes initiatives that allow employees to learn from one another's collective experiences and insights.

One such initiative is the Industrial Engineering Group's SharePoint Site, a thoughtfully designed platform that serves as a centralized repository for essential resources within the field of Industrial Engineering. This site was developed with the goal of streamlining processes, enhancing efficiency, and improving collaboration among team members. By providing easy access to vital information and tools, the SharePoint Site encourages employees to connect and engage with one another, fostering a culture of continuous learning and innovation.

As we delve deeper into this case study, we will explore how the SharePoint Site has transformed the way Velan's Industrial Engineering Group operates, highlighting specific examples of improved collaboration, increased efficiency, and the positive impact on employee engagement and development. Through this initiative, Velan demonstrates its dedication to creating a supportive environment where employees can thrive and contribute to the organization's success.



Employee Learning & Wellbeing

Employee well-being is a fundamental priority at Velan, underpinning our commitment to fostering a healthy and productive workplace. We recognize that workforce well-being directly impacts overall performance, satisfaction, and long-term engagement. To support the physical, mental, and emotional health of our employees, we implement a comprehensive range of initiatives, including promoting work-life balance, offering access to wellness programs, and encouraging open communication. By creating a supportive culture where every employee feels valued, respected, and empowered, Velan enhances individual quality of life while simultaneously driving innovation and organizational success. We believe well-being goes beyond traditional health benefits—it encompasses a culture that promotes psychological safety, personal development, and inclusion. Our wellness efforts are complemented by proactive training programs, flexible work arrangements, and respectful interactions across all levels of the organization.

In line with Velan's commitment to continuous improvement, our annual engagement surveys serve as a crucial feedback tool for leadership development and team performance. These surveys allow employees to share honest feedback in a confidential setting, creating a two-way dialogue that drives accountability and improvement. Managers are trained in growth mindset, facilitation, and collaboration to respond constructively to survey results. This reinforces our culture of learning and responsiveness.

Our performance management approach supports well-being by ensuring clarity in expectations, development opportunities, recognition, and ongoing feedback. In a recent milestone, Velan expanded its engagement survey beyond Head Office to include global teams in Portugal, Italy, Germany, Saudi Arabia, India, and Taiwan—ensuring all voices are heard and valued.

Employee well-being is also supported by our efforts to build a sense of community and belonging. We regularly organize team-building activities, cultural celebrations, and learning sessions that promote connection, mutual respect, and shared purpose. These initiatives strengthen interpersonal relationships and contribute to a more cohesive and motivated workforce. By recognizing the diverse backgrounds of our global teams, we ensure that everyone feels a part of Velan's shared journey and vision.

Our focus on well-being extends to providing opportunities for personal and professional growth. Through mentoring programs, skill development workshops, and leadership training, we help employees chart fulfilling career paths. We also encourage open conversations around mental health and provide resources such as employee assistance programs to support emotional resilience. At Velan, we believe that when employees are supported to thrive both personally and professionally, they bring their best selves to work—contributing to a more agile, resilient, and future-ready organization.

Velan's Health, Wellness and Recognition Week

In June 2024, Velan celebrated Health, Wellness, and Recognition Week, a dedicated initiative aimed at promoting the health and well-being of its workforce while honoring the exceptional contributions of its team members. This week-long event served as a platform to highlight the importance of employee wellness and to express gratitude for the loyalty and dedication of its staff.

Throughout North America, Velan's plants and offices hosted celebratory luncheons to recognize over 80 employees for their years of service, with an impressive 59 individuals celebrating more than two decades with the company. These gatherings not only fostered a sense of community but also reinforced Velan's commitment to appreciating the hard work and dedication of its employees.

In addition to recognition, the week placed a strong emphasis on health and well-being. A variety of workshops and activities were organized, all designed to promote healthy living and cultivate a supportive workplace atmosphere. These initiatives encouraged employees to engage in wellness practices, enhancing both their physical and mental health.

Through Health, Wellness, and Recognition Week, Velan demonstrated its holistic approach to employee well-being, reinforcing the belief that a healthy, engaged workforce is essential for organizational success. This initiative not only celebrated individual achievements but also fostered a culture of wellness and support within the company.



Fostering Holistic Well-being

At Velan, we recognize that the well-being of our people is central to both personal fulfillment and organizational success. Our approach to wellness is built on three key pillars: Physical Health, Fiscal Health, and Mental Health—each playing a vital role in creating a balanced, resilient workforce.

Physical Health

We actively promote healthy lifestyles through wellness drives, on-site health check-ups, and fitness initiatives. Awareness programs on nutrition, exercise, and quality sleep have encouraged employees to take charge of their health, resulting in improved energy, immunity, and reduced risk of illness.

Fiscal Health

Velan is committed to enhancing financial literacy among its employees. By organizing sessions on budgeting, saving, and smart investing, and providing resources for debt management, we've helped individuals build a secure financial foundation—minimizing stress and empowering better future planning.

Mental Health

A healthy mind is essential for sustainable performance. Velan's mental wellness initiatives include stress-relief

workshops, access to professional counseling, and ongoing efforts to nurture a culture of openness and support. These efforts have helped employees build emotional resilience and maintain a healthy work-life balance.

By addressing well-being in a holistic manner, Velan is building a culture where individuals can thrive both personally and professionally—creating a healthier, happier, and more productive workplace.



Excellence in Senior Employment – 2024 Recognition

In 2024, Velan was honored as a Top 5 finalist in the prestigious Excellence in Senior Employment Award organized by the Ministry of Labor, Taiwan. This national recognition celebrates our commitment to fostering workplace diversity and inclusion, particularly for senior employees. Our submission, centred around a comprehensive presentation highlighting job redesign and intergenerational workforce integration, stood out among leading companies across the country. As a result, we were awarded a cash prize of NT\$100,000 (approximately US\$3,125).

Key achievements that contributed to this recognition include monthly labour time savings of 638 hours and a 13% improvement in overall operational efficiency. In support of our long-term goals, we significantly ramped up employee development, delivering a total of 846 training hours in 2024—up from just 182 hours the previous year, representing a 78% increase. On average, each employee received 27 hours of training, a substantial rise from 5.8 hours in the prior year, indicating a 21% growth in per capita development. These outcomes underscore the practical impact, scalability, and sustainability of our workforce initiatives and reflect our ongoing dedication to creating a supportive, inclusive environment for employees of all ages.



Community Development

Giving back to society is a fundamental part of Velan's corporate culture and long-standing values. We actively collaborate with reputable NGOs to support a broad range of community-focused initiatives, including poverty alleviation, rural development, children's education and well-being, and cancer care. These partnerships enable us to reach vulnerable populations and drive meaningful, lasting change.

Our efforts are closely aligned with the United Nations Sustainable Development Goals (UN SDGs), particularly SDG 4 – Quality Education and SDG 6 – Clean Water and Sanitation. Velan invests in impactful programs that improve access to inclusive education and clean, safe water—critical foundations for long-term sustainable development. We focus on upgrading school infrastructure, promoting digital literacy, enhancing sanitation, and encouraging environmentally sustainable practices within communities.

Through these ongoing initiatives, Velan aims to equip young learners with the tools they need for success while building stronger, healthier, and more resilient communities. We remain committed to creating a brighter, more equitable future for all.

Enhancing Learning Environments for Holistic Child Development

Recognizing the critical role of a safe, hygienic, and well-equipped learning environment in the holistic development of children, our organization has undertaken a series of infrastructure improvement projects in government and aided schools within our communities. These initiatives aim to enhance the overall learning experience, ensuring that students have access to essential resources that promote their well-being and academic success.

One of the key projects involved the construction of a 10,000-liter overhead water tank, which ensures uninterrupted access to clean and safe water for both students and staff. This initiative supports better hygiene practices and significantly reduces the risk of waterborne diseases, which is crucial for maintaining health and enhancing the learning experience.

Additionally, we built a hygienic and fully functional kitchen to support the mid-day meal program, ensuring that students receive nutritious meals regularly. This initiative has led to improved attendance and retention rates, as students are more likely to attend school when they know they will receive a healthy meal.

To create a comfortable and conducive learning environment, we supplied essential classroom furniture, including study tables and benches. We also installed library shelves to organize a wide range of books, encouraging reading habits among students and fostering a love for learning.

Furthermore, we constructed a dedicated prayer shed and installed paver block flooring to provide students with a clean and safe space for prayer, assembly, and extracurricular activities. This space not only promotes spiritual well-being but also enhances the overall school environment.

Our efforts also included upgrading the safety and structural integrity of school buildings. We repaired roofs, reinforced doors and windows, and ensured secure classroom spaces, creating a safer environment for students to learn and grow. To further promote health and well-being, we installed water purifiers in schools, providing access to clean drinking water. This initiative has significantly reduced the risk of waterborne illnesses, contributing to better health outcomes for students.

Through these infrastructure improvement projects, we have made significant strides in enhancing the learning experience for students in our communities. By prioritizing safety, hygiene, and essential resources, we are committed to fostering an environment that supports the holistic development of children, ultimately paving the way for their future success.



Promoting Sanitation and Hygiene in Schools

Recognizing the critical importance of sanitation and hygiene in ensuring the well-being of students, particularly adolescent girls, our organization has made significant strides in improving school sanitation facilities. By prioritizing these enhancements, we aim to create a supportive environment that fosters health, dignity, and educational continuity for all students.

One of our key initiatives involved the construction and renovation of toilet facilities in schools. We focused on ensuring access to clean, safe, and gender-segregated restrooms. These upgraded facilities not only promote better hygiene practices but also encourage regular school attendance and significantly reduce dropout rates, especially among girls. By providing a safe and comfortable space for students, we empower them to prioritize their education without the fear of inadequate sanitation.

In addition to improving restroom facilities, we have also addressed the issue of menstrual hygiene by installing sanitary napkin incinerators in schools. This initiative is designed to manage menstrual waste responsibly, ensuring a clean and hygienic environment for all students. By promoting dignity and confidence among adolescent girls, we enable them to continue their education without interruption, breaking down barriers that often hinder their academic progress.

Through our focused efforts on sanitation and hygiene in schools, we are committed to fostering an environment that supports the health and well-being of all students. By enhancing toilet facilities and addressing menstrual hygiene, we not only improve the overall school experience but also empower young girls to pursue their education with confidence and dignity. These initiatives are vital steps toward creating a more inclusive and supportive educational landscape.



Advancing Digital Literacy and STEM Education

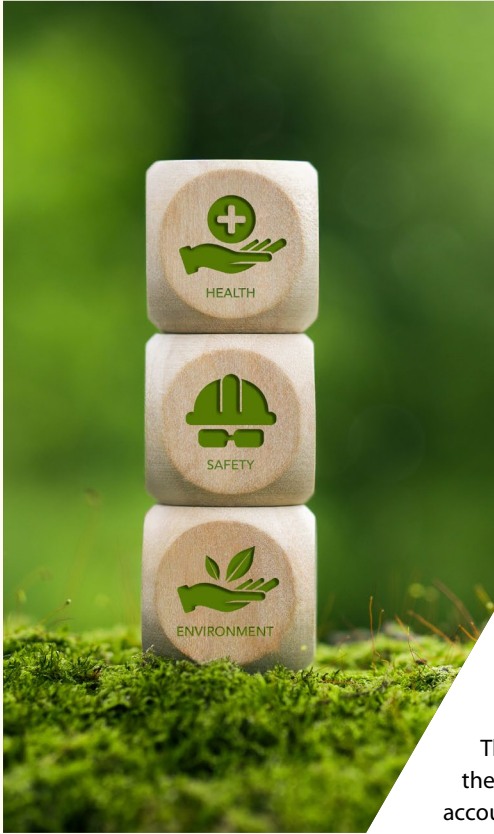
In our commitment to preparing students for the future and bridging the digital divide, we have implemented a range of technology-driven learning solutions and promoted STEM (Science, Technology, Engineering, and Mathematics) education. One of the key initiatives involved upgrading classrooms with smart learning technologies, such as projectors, interactive screens, and internet-enabled devices. This transformation not only promotes digital literacy but also enhances the overall learning experience by making education more interactive and accessible for students.

To further support digital education, we established well-equipped computer labs that provide students with hands-on exposure to digital tools and technology. In these labs, we conduct basic computer skills training, empowering students with essential digital competencies

that are crucial in today's technology-driven world.

Additionally, our employees actively volunteer their time and expertise to mentor students in STEM subjects. Through interactive sessions, hands-on experiments, and real-world applications, they inspire young minds to develop problem-solving skills and embrace innovation. This engagement not only enriches the students' learning experience but also fosters a passion for STEM fields, preparing them for future opportunities in a rapidly evolving job market.

Through these initiatives, we are dedicated to equipping students with the skills and knowledge necessary to thrive in an increasingly digital world, ensuring they are well-prepared for the challenges and opportunities that lie ahead.



Enhancing Community Infrastructure and Promoting Environmental Sustainability

In our dedication to enhancing community health and supporting ecological sustainability, we have launched various initiatives that reach beyond the confines of the school. A significant project focused on establishing drainage systems in neighbouring communities. This effort was aimed at alleviating waterlogging and enhancing sanitation, which plays a crucial role in creating healthier living environments. By tackling these urgent challenges, we strive to avert waterborne illnesses and improve the overall quality of life for individuals in the local areas.

Alongside our sanitation initiatives, we have also embarked on tree planting and green campus projects. By introducing trees within and around school grounds, we not only foster greener and cooler spaces but also cultivate a sense of environmental responsibility among students. These initiatives engage young learners in understanding the significance of sustainability and motivate them to actively participate in caring for their environment.

Through these efforts, we are committed to creating a positive influence on both the community and the ecosystem, nurturing a culture of health, sustainability, and accountability among students and residents.

Enriching Education through Library and Resource Support

In our pursuit of fostering a culture of ongoing learning and inquisitiveness, Velan has enhanced schools with resources aimed at promoting reading and knowledge development. A key initiative included the creation of libraries filled with shelves that hold a wide variety of reading materials, catering to different age groups and subjects. These libraries act as resource centres that motivate students to delve into topics beyond the conventional curriculum, nurturing a passion for reading and lifelong education.

Alongside the establishment of libraries, we have also supplied educational resources and learning tools that complement classroom instruction. These materials are crafted to encourage self-directed learning, enabling students to interact with the content in a more impactful manner. By providing schools with these vital resources, we strive to improve the overall educational experience and empower students to take ownership of their own learning paths.

Through these efforts, we are dedicated to building a stimulating educational atmosphere that ignites curiosity and bolsters the academic development of students, ultimately establishing a strong foundation for their future achievements.



Promoting Gender Equality and Empowerment through Inclusive Education

Velan is dedicated to promoting inclusive education by addressing the barriers that hinder the education of marginalized groups, with a particular focus on girls. Our sanitation and hygiene initiatives in India have been instrumental in enhancing school attendance and boosting the confidence of young girls. By providing improved sanitation facilities, including gender-segregated toilets and sanitary napkin incinerators, we have created a supportive learning environment for adolescent girls. This initiative empowers them to manage menstrual hygiene with dignity, significantly reducing absenteeism and fostering a sense of security in their educational pursuits.

The influence of our programs has been significant and impactful. We have enhanced access to secure and sanitary learning environments, allowing children to attend school without the anxiety of insufficient facilities. Moreover, we have improved digital literacy and STEM educational opportunities, providing students with crucial skills for their future careers. Our initiatives have also contributed to higher attendance rates, especially among girls, due to the upgraded sanitation and hygiene amenities we have established. In addition, we have reinforced community wellness by addressing vital infrastructure deficiencies and advocating for environmental sustainability.

Looking forward, our strategic vision includes the ongoing expansion of these programs, ensuring that we reach an even greater number of students and further enrich the educational landscape for underrepresented groups. By continuing to prioritize inclusive education and sustainable practices, we aspire to cultivate a brighter future for all students, empowering them to realize their fullest potential.



Occupational Health & Safety

Safety is Velan’s number one priority, and we are committed to fostering a secure work environment for all employees. Our global network of Health and Safety teams collaborates closely with Operations leadership to implement comprehensive safety measures and protocols. This partnership ensures that safety practices are not only effective but also aligned with our organizational goals. By prioritizing safety, we create a culture where employees feel secure and valued, enabling them to perform at their best and contribute fully to the organization.

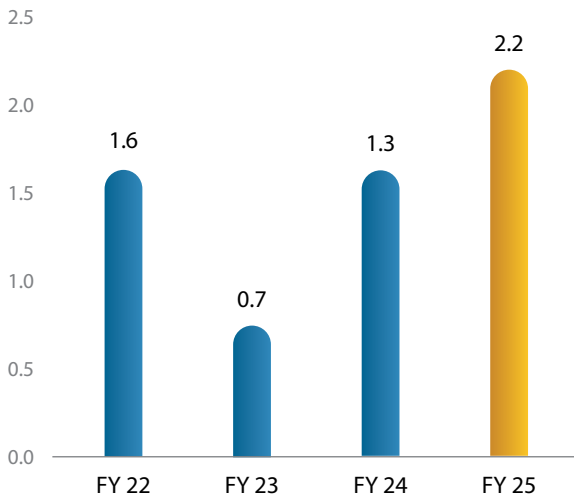
Recent initiatives have further strengthened our commitment to safety through the launch of a global maturity model, system, and governance framework. This new approach builds upon the already solid local safety systems in place, enhancing our ability to identify and mitigate risks effectively. By standardizing safety practices across our global operations, we ensure consistency, transparency, and accountability, allowing us to continuously improve our safety performance. These initiatives reflect our dedication to maintaining a safe workplace and our proactive stance in addressing potential hazards.

We also place a strong emphasis on employee engagement and ownership in safety. Regular safety training, toolbox talks, and incident reporting programs empower employees to take an active role in maintaining a safe environment. We encourage open communication about near-misses and potential hazards, fostering a preventive mindset rather than a reactive one.

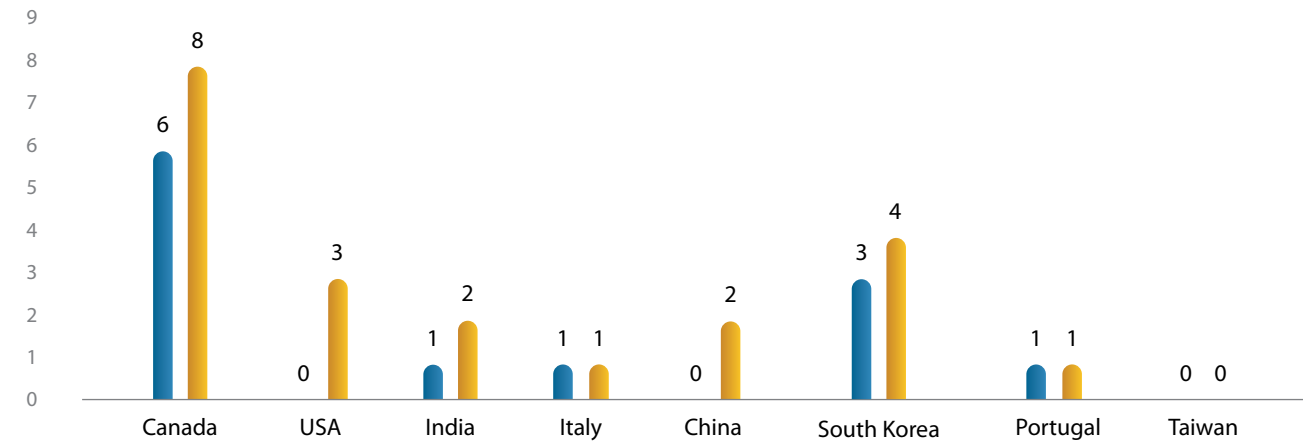
Velan’s safety culture is built on continuous improvement, data-driven decision-making, and mutual respect. By

embedding safety into every level of our operations, we protect our people, strengthen the overall integrity of our business, and ensure long-term sustainability. Our holistic approach to safety is integral to our organizational success and to the well-being of our employees. We continuously monitor safety metrics and conduct regular audits to ensure compliance with both local and global standards. Additionally, we reward teams and individuals who demonstrate exceptional commitment to safety, reinforcing the importance of personal accountability in maintaining a safe workplace.

LTIR



Number of Incidents

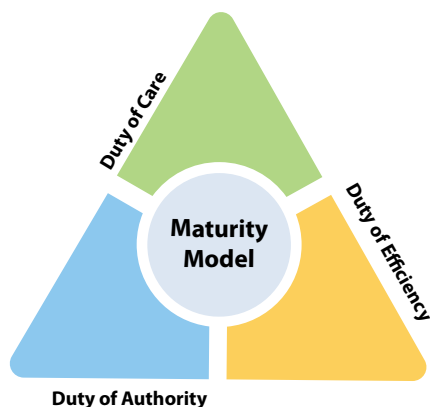


LTIR increased to 2.2 in FY25 due to increased incidents in units in USA and Canada

FY24 FY25

Implementing the Safety Maturity Model

In today's fast-paced industrial environment, organizations face increasing pressure to prioritize safety within their operations. The Safety Maturity Model emerges as a comprehensive framework designed to evaluate and enhance an organization's safety culture. This model facilitates a transformative journey from basic compliance with safety regulations to achieving a state of safety excellence. By emphasizing continuous improvement in safety practices, the model serves as a vital tool for organizations striving to create a safer workplace.



1. Duty of Care

Focus: People Protection

This is the moral and legal obligation of an organization to ensure the health, safety, and well-being of its employees, contractors, and visitors. It includes creating a safe work environment, preventing harm, and responding responsibly to incidents.

2. Duty of Efficiency

Focus: Systematic Improvement & Integration

This refers to embedding safety into operational systems to support both productivity and protection. It emphasizes efficient risk management, data-driven decisions, and integrating safety into business practices.

3. Duty of Authority

Focus: Leadership, Culture & Accountability

This is the responsibility of leadership to drive safety culture by setting the tone, modeling safe behavior, and enforcing policies. It ensures safety is governed from the top and supported by systems that empower all levels of the organization.

Assessment Process

The Safety Maturity Model takes its inspiration from a three pillar approach common in Quebec, Canada, covering three principal duties: Care, Efficiency, and Authority. Weaved into this central framework are 11 critical safety parameters that provide a roadmap for organizations to assess their current safety measures and identify areas for improvement.

Assessment Process Using the model as a guide, each of our entities conduct assessments through a series of targeted questions designed to gauge compliance and effectiveness. The Safety Maturity Model employs a scoring system that rates each question on a scale of five (5 is max). Each affirmative answer earns points, which contribute to a visual representation known as the Heat Map. At Velan, we have a range of smaller and larger facilities, from distribution warehouses to full production capabilities. Rather than using absolute scores, we chose a percentage-based score to manage the variation in the applicability of the model. The Heat Map utilizes a color-coding system to indicate performance levels:

The Heat Map utilizes a color-coding system to indicate performance levels:

Green:

Represents high compliance and effective safety practices.

Yellow:

Indicates moderate performance, suggesting areas that may require attention.

Red:

Signals critical areas that need urgent intervention and improvement.

The assessment process is facilitated by Health, Safety, and Environment (HSE) personnel in collaboration with plant leadership. These teams conduct biannual safety audits using a comprehensive checklist, a practice that is vital for maintaining safety standards, ensuring that practices meet or exceed regulatory requirements and inspiring teams towards a culture of continuous improvement.

Maturity Model

Pre-Basic Level – At Risk (0–29%)

At this stage, there is an absence of focus on people protection. The organization lacks both moral and legal commitment to the health and safety of its workforce. Leadership and management do not demonstrate ownership or responsibility for safety, resulting in unsafe work environments and a high risk of failure.

Structured Level – Proactive (70–89%)

At the structured level, safety is systematically integrated into the organization's operations and processes. The organization adopts a proactive stance, using data-driven decision-making, efficient risk assessments, and continuous improvement practices. Safety is embedded into operational methodologies such as Lean and TPM, supporting both productivity and protection. This leads to significant performance optimization.

Emerging Level – Reactive (30–69%)

In the emerging stage, the organization begins to recognize its moral and legal obligation to ensure the safety and well-being of employees, contractors, and visitors. Leadership demonstrates basic commitment by responding to incidents responsibly and complying with health and safety laws. However, the approach remains largely reactive, focusing on protection after harm has occurred, rather than on prevention.

Optimized Level – Generative (90% and above)

At the optimized stage, safety is deeply embedded in the organizational culture, strategy, and governance. Senior leaders model safety behavior, enforce policies, and promote a shared sense of accountability across all levels of the organization. Employees are empowered to take ownership of safety, and the organization demonstrates a mature, resilient safety culture characterized by strong governance and continuous improvement. This results in sustained excellence and long-term cultural transformation.

Performance Indicators

The scoring system derived from the Heat Map also contributes to the Safety Performance Indicator, which aggregates scores from various plants to evaluate overall safety performance across the organization. This index categorizes plants into four performance ranges across the three principal duties —blue, green, yellow, or red—allowing for comparative analysis of safety practices. This comparative approach highlights areas of excellence, fosters sharing of best practices and identifies facilities that may require additional support and resources to enhance their safety performance.

Driving a Proactive Safety Culture

The Safety Maturity Model emphasizes the transition from a reactive to a proactive safety culture, where safety becomes a shared responsibility among all employees. By fostering continuous communication and training, employees are empowered to report safety concerns and understand their significance, enhancing accountability and commitment to high safety standards. The model encourages the integration of safety systems into daily operations, embedding safety considerations in decision-making processes, which improves compliance and prioritizes safety at all levels. Ultimately, the model enhances safety practices and cultivates a culture of continuous improvement, ensuring that safety remains a top priority and protecting the organization's most valuable asset—its employees—while driving operational success.

Compliance

Velan's corporate governance is anchored in transparency, accountability, and ethical practices, ensuring compliance with regulatory requirements. It's emphasis on ethical governance is a key driver of business continuity and helps fortify competitive resilience. These outcomes are also shaped by efforts in prioritizing Information Security & Data Privacy to uphold the integrity of data related to the business, customers, and other stakeholders, as well as the company's digital systems.

The ultimate responsibility for ensuring Velan's sustainable growth rests with its Board of Directors, who collectively uphold the company's vision of Quality that Lasts as their primary priority. In addition to the Chairman and CEO, the Board comprises 7 directors including independent directors. This group of accomplished professionals brings experience and expertise in diverse industries as well as business domains such as Finance, Marketing and Sales, Management, Information Technology, Manufacturing and Engineering.



Our Board Members



James A. Mannebach
Chairman and CEO



Rob Velan
Vice Chairman



Tom Velan
Director



Ivan Velan
Director



Peter Velan
Director



Suzanne Blanchet
Director and Chair of
the Audit Committee



Edward Kernaghan
Director and Chair of
Corporate Governance
and Human Rights



Daniel Desjardins
Director

Details of the Board members’ experience and professional backgrounds can be accessed on Velan’s corporate website at <https://velan.com/investor-relations/>



Sustainability Leadership Connect

Board of Directors

Board members are also part of Board committees that oversee specific aspects of Velan's governance. This enables the Board of Directors to focus on key areas of responsibility while also being actively involved in the overall governance of the company. The committees of the Board include the following:



Audit Committee:

The primary responsibilities of the Audit Committee are to review the nature and scope of the audit services provided by Velan's auditors, the recommendations of the auditors and the responses of Velan's management, the internal accounting and financial procedures of Velan, Velan's financial statements and Velan's risk management plan. The Audit Committee also assesses the integrity of Velan's internal controls and reviews the quality of its management information systems.



Corporate Governance and Human Resources Committee:

The Corporate Governance and Human Resources Committee has the mandate to develop Velan's approach to corporate governance issues and to review its ongoing response to the corporate governance practices currently set forth in National Instruments 58-101 and 58-201. The Corporate Governance and Human Resources Committee is also authorized to evaluate the overall performance of the Board of Directors and its committees. The Committee is responsible for reviewing the performance of senior management and is evolving a succession plan. In furtherance of this mandate, the Corporate Governance and Human Resources Committee reviews Velan's current governance practices and the description of such practices included in the proxy circular.

Sustainability Governance

The governance of sustainability is guided and implemented through a two-tiered governance framework consisting of the Sustainability Leadership Team at the apex followed by the Sustainability Committee.

Sustainability
Leadership
Team



Sustainability
Committee

Sustainability Leadership Team



The Sustainability Leadership team oversees the implementation of the company’s sustainability policy. It plays a key role in shaping the company’s sustainability strategy to achieve long term sustainability goals that fuel a sustainable future. In addition, it supervises the monitoring of Velan’s sustainability progress and ensures that the company stays on course to fulfilling its commitments in this regard.

The Sustainability Committee, on the other hand focuses on implementing the sustainability roadmap to achieve set goals and targets. The main areas of focus for this committee are as follows:

<p>Alignment with business strategy:</p> <p>Ensure that the sustainability policy is in alignment with Velan’s overall business strategy</p>	<p>Stakeholder commitment:</p> <p>Upholding the company’s commitment to stakeholders by fostering transparency and accountability across all operations</p>	<p>Monitoring and upholding commitments:</p> <p>Driving continuous improvement in Velan’s practices and ensuring that integrity and dedication underpin all efforts to fulfil responsibilities</p>
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Together, these groups endeavor to drive Velan forward on a path of sustainable growth, for itself as well as the stakeholders who are integral to its success.

Key Policies

Guiding Velan’s governance are its corporate policies which have been approved by the Board of Directors and are implemented company wide. These have been formulated considering Velan’s ethos, the regulatory requirements that influence its operations, industry best practices and the interests of stakeholders. Given below is a brief description of each policy.

 <p>Code of Conduct:</p> <p>The Code of Conduct aligns with Velan’s commitment to enduring quality and applies to all directors, employees, suppliers, and business associates. It articulates expectations of professional and ethical conduct that promotes strong customer relationships as well as an open, collaborative, and respectful workplace within the company. The Code of Conduct offers guidelines for every member of the company to act and make decisions with confidence, upholding ethical conduct in all aspects of the business.</p>	 <p>Sustainability Policy:</p> <p>Velan formulated a Sustainability Policy in FY 2024-25 that applies to all its employees. This policy affirms the company’s commitment to sustainable business practices that promote environmental stewardship, social sustainability and ethical governance. Further, this policy enables the company to manage risks, create value, and contribute to a sustainable environment and society.</p>
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Regulatory Compliance & Risk Management

At Velan, we believe that robust corporate governance and effective risk management are essential to fostering stakeholder trust, ensuring ethical operations, and sustaining long-term shareholder value. Since 2010, the Board has committed to ongoing improvements in governance practices, ensuring compliance with or surpassing all applicable regulatory requirements.

The Board has adopted a Code of Business Conduct and Ethics that applies to all employees, officers, customers, and suppliers, alongside a dedicated code for Directors. To further strengthen ethical practices across the value chain, Velan has implemented a Supplier Code of Conduct that addresses critical areas, including compliance with international anti-bribery standards and adherence to forced labour legislation.

The Audit Committee supports the Board in overseeing the integrity of financial reporting, the system of internal controls, and compliance with legal and regulatory obligations. It also monitors the independence and performance of external auditors and pre-approves significant non-audit services. In addition, the committee ensures the proper application of internal policies such as the Disclosure Policy and the Whistle Blowing Policy.

The Corporate Governance and Human Resources (CGHR) Committee is responsible for guiding the company's governance approach, including regular reviews of governance principles. It evaluates the performance of the Board and senior management, oversees succession planning, and monitors policies related to insider trading and share ownership.

Velan maintains strong internal policies for communications, insider trading, confidentiality, and public disclosure. These policies reflect our commitment to transparency and compliance with all relevant laws and standards. Our disclosure controls and procedures are designed to ensure that key information is collected and reported to senior leadership—including the CEO and CFO—in a timely and reliable manner.

The company's operations are exposed to various financial risks, including market risk (such as currency and interest rate fluctuations), credit risk, and liquidity risk. Our corporate finance team, supported by all group functions, manages these risks through frameworks and policies approved by the Board. Further details are provided in our Financial Statements and Management Discussion and Analysis available on the Investor Relations section of our website.

Compliance training is regularly conducted across the organization, covering key areas such as Controlled Goods and ITAR compliance, import regulations, and privacy and confidentiality requirements. These efforts reflect our commitment to maintaining a high standard of regulatory compliance and proactive risk management across all levels of the organization.



Information Security & Data Privacy

In the current digital environment, safeguarding information security and data privacy is vital for maintaining organizational integrity and customer confidence. As reliance on digital platforms for communication, transactions, and data storage grows, the need to protect sensitive information from unauthorized access and cyber threats has become increasingly urgent. Additionally, with the rise of strict regulations globally, compliance has evolved into a legal necessity, underscoring the importance of ethical responsibility in data management.

Understanding the potential financial and reputational damage caused by data breaches, Velan places a strong emphasis on information security and data privacy. The company is committed to enhancing security protocols and proactive monitoring while also equipping employees with the knowledge to prevent and report security incidents.

At Velan, our dedication to protecting sensitive information is evident in our comprehensive IT governance framework, which aligns technology strategies with business goals while effectively managing risks. The IT Steering Committee, consisting of senior leadership, conducts monthly reviews of cybersecurity and IT priorities, ensuring a proactive approach to resource management and vulnerability mitigation. Furthermore, we provide quarterly IT reports to the Audit Committee of the Board of Directors, detailing adverse incidents such as compromised accounts and data breaches, thereby promoting transparency and informed decision-making.

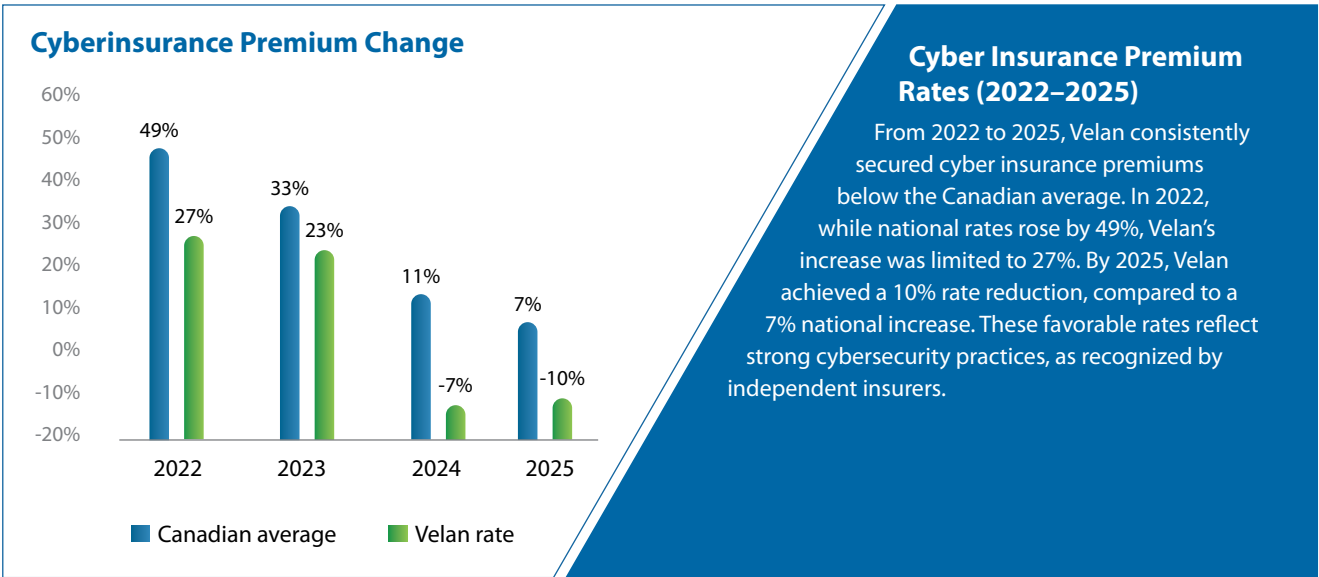
We implement systematic patch management to prioritize software, hardware, and data security, ensuring regular updates for operating systems and applications across all devices. Our hardware replacement lifecycle is designed to keep technology current and compatible with secure software. To bolster security, we isolate Operational Technology from the

network and protect accounts with complex passwords and multi-factor authentication. Additionally, we encrypt network traffic and data storage to safeguard sensitive information.

Threat monitoring is integral to our cybersecurity strategy, with 24/7 surveillance of perimeter traffic, network activity, servers, endpoints, and accounts using advanced tools that facilitate immediate breach responses. Regular third-party penetration testing helps us identify vulnerabilities and prioritize enhancements to our cybersecurity program. Velan received a 750 Bitsight Security Rating, ranking Velan in the top. To cultivate a culture of awareness, all employees must annually acknowledge the Acceptable Use of IT policy and complete mandatory information security training, supplemented by regular phishing tests and additional training as necessary. Cybersecurity insurance provides risk-adjusted global coverage based on a rigorous analysis. Velan's cybersecurity insurance rates have improved by an average of 17% annually versus market rates over 4 years. Continued efforts aim to beat the market each year.

Velan is committed to upholding stringent data privacy regulations, including the European General Data Protection Regulation (GDPR), Canada's Personal Information Protection and Electronic Documents Act (PIPEDA), and Quebec's privacy Law 25. We ensure that personally identifiable information of customers and employees is stored only with their consent for specific purposes, with restricted access, and that third parties adhere to our rigorous data handling standards. Categorizing and monitoring sensitive information will be automated with the rollout of Microsoft Purview across all velan.com accounts.

Through these extensive measures, Velan reaffirms its commitment to information security and data privacy, ensuring the protection of sensitive information while fostering a culture of compliance and awareness among all stakeholders.



Product Innovation

Product innovation at Velan is driven by a commitment to excellence and sustainability, focusing on developing advanced valve solutions that meet the evolving needs of various industries. By leveraging cutting-edge technology and extensive research and development, Velan continuously enhances its product offerings to improve performance, reliability, and environmental impact. The company's innovative approach not only addresses the challenges faced by customers in demanding applications but also aligns with global sustainability goals, ensuring that Velan remains a leader in the valve industry while contributing to a more sustainable future.

Identifying Improvement Opportunities

Velan's prominent position in the global valve industry is built on a strong foundation of extensive research and development (R&D), which fuels its ongoing quest for innovative solutions. The hallmark of Velan's valves is our innovative design, showcasing a profound understanding of the fast-evolving markets it serves and a genuine passion for addressing engineering challenges. This commitment to innovation is also essential for achieving the company's sustainability objectives, particularly in its transition to renewable energy aimed at reducing its carbon footprint. To facilitate this transition, Velan intends to focus on product innovation and engineering enhancements. Additionally, the company plans to conduct life cycle assessments to uncover opportunities for product improvement and to minimize environmental impact.

Innovation Story: Velan ABV's Involvement in the EVOCATION Project

The EVOCATION Project, funded by the European Union – Next Generation EU and spearheaded by the BI-REX Consortium, aims to enhance machinery monitoring through advanced technology. This initiative collaborates with various manufacturing sectors and technical experts to leverage superior hardware and software capabilities, improving remote monitoring and smart maintenance of industrial equipment. By utilizing smart sensors and advanced data analytics, the project seeks to predict and prevent machinery failures, including those that are infrequent.

In July 2024, Velan ABV, located in Italy, announced its participation in the EVOCATION Project as one of five manufacturing industry participants. As a key contributor, Velan will implement innovative hardware and algorithms in its industrial valves and monitoring systems. This initiative is expected to enhance operational efficiency for its customers, reduce disruptions and downtime, and support cost-efficiency objectives. Velan ABV's significant involvement in the project underscores its commitment to continuous improvement, customer focus, and enduring quality.

Innovation Story: Velan's Response to Oxygen and Clean Gas Application Challenges

The valve industry is facing increasingly stringent safety standards, driven by market demands for enhanced safety measures. Additionally, the semiconductor industry has become a catalyst for innovation in specialized valve technology. As modern chip fabrication processes increasingly require ultra-high purity oxygen, valve manufacturers are tasked with engineering valves that not only meet rigorous cleanliness standards but also comply with strict safety regulations for clean gas applications.

Drawing on its extensive experience and expertise, Velan has proactively addressed the need for valves that can reliably operate at temperatures up to 200 degrees Celsius in oxygen service. The company has strategically concentrated on three critical areas:

- Design validation, including the careful selection of ignition-resistant materials.
- Ensuring valve cleanliness to eliminate contaminants that could ignite in an oxygen-rich environment.
- Providing comprehensive training for personnel involved in handling oxygen-cleaned valves, equipping them with knowledge of potential hazards, adherence to industry standards, and best-in-class cleaning techniques.

By adopting this holistic approach, Velan not only meets the rapidly evolving industry and international standards but also reinforces its commitment to continuous improvement. This dedication ensures that Velan remains at the forefront of valve technology, ready to confront new challenges while maintaining the integrity of its products in a dynamic market environment.

Velan Nuclear Valves for Small Modular Reactors

Velan, a leading manufacturer of industrial valves, has developed specialized nuclear valves for small modular reactors (SMRs), which are increasingly favoured for their compact size and enhanced safety features. These valves are engineered to withstand the demanding conditions of nuclear environments, including high temperatures, pressures, and radiation levels, while meeting stringent industry standards and regulatory requirements. They perform essential functions such as controlling coolant flow, isolating reactor sections, and preventing the release of radioactive materials.

The robust construction and advanced materials used in Velan's nuclear valves ensure long-term durability and minimal maintenance, making them ideal for SMRs often deployed in remote locations. Velan's commitment to innovation and quality assurance is evident in the rigorous testing and quality control processes each valve undergoes, ensuring high performance and reliability. Overall, Velan's nuclear valves are vital components in the operation of SMRs, providing safety and efficiency in challenging nuclear environments.

Velan was selected by GE Hitachi Nuclear Energy to provide engineering support and manufacture valves for the first BWRX-300 small modular reactor.



VEL-8 Coating in Collaboration with University of Montreal

Velan's four-decade collaboration with Polytechnique Montréal has driven major advancements in surface engineering, culminating in the VEL-8 coating—engineered to extend valve life in severe service conditions. A breakthrough example is Velan's metal-seated ball valves, which recently achieved nearly 24 months of uninterrupted operation in a High-Pressure Acid Leach (HPAL) plant for nickel and cobalt sulphate extraction—setting a new performance benchmark in the industry.

This success underpins Velan's critical role in the \$1.1 billion Phase III development of an HPAL plant in Indonesia, supplying over 100 severe service valves for refining materials essential to lithium battery production and global electrification efforts.

The partnership's impact has been recognized by the Canadian federal government through the Synergy Award for Innovation, the country's highest accolade for research collaboration. This honor highlights Velan's leadership in sustainable valve technology and its contribution to enabling a low-carbon future.



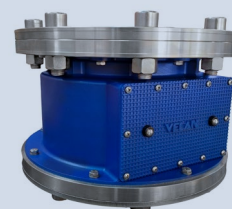
High-Quality Valves Essential for Liquefied Natural Gas

Velan ABV is advancing the LNG industry with high-performance, sustainable valve solutions tailored to its demanding needs. Emphasizing energy efficiency and environmental responsibility, its valves ensure tight shutoff, reduce emissions, and minimize leakage—helping facilities meet regulatory standards. Designed for cryogenic applications, they deliver reliable performance in extreme temperatures. Velan ABV also offers automated valves with pneumatic, hydraulic, or electric actuators that integrate with digital control systems, enhancing safety and efficiency. Ongoing investments in R&D, manufacturing, and advanced materials ensure continuous innovation. These efforts position Velan ABV as a key enabler in LNG’s transition to a lower-carbon, efficient future.



V-Flange Leading the Way in Predictive Maintenance

Velan ABV is transforming valve maintenance with its V-Flange technology, a condition-based model that replaces traditional reactive approaches. Combining sensors, a data acquisition board, and a cloud-based platform, V-Flange enables real-time monitoring of key parameters like valve position, usage, vibration, environment, and location. These insights help optimize maintenance schedules, reduce unplanned interventions, and extend equipment life. By minimizing unnecessary component replacements and physical inspections, the system lowers emissions and enhances operator safety. The platform’s advanced analytics support smarter decision-making, driving better resource allocation and reducing downtime. V-Flange not only improves efficiency and reliability but also significantly reduces the environmental impact of valve operations, marking a major step forward in sustainability for the valve industry.



Field Injection Ports Extend the Life of Already High-Performing Valves

Velan Field Injection Port (FIP) valves offer a sustainable solution to environmental and operational challenges, especially in refineries. Featuring pre-drilled and tapped ports in the bonnet, they allow in-service valve repair without plant shutdowns. This enables precise injection of Low-E packing to stop leaks while reducing the risk of accidental drill-through. Supporting LDAR compliance and emission reduction goals, FIP valves help cut fugitive emissions, a key source of industrial greenhouse gases. The design enhances safety, ensures code compliance, and supports immediate leak mitigation. Velan’s innovation reflects its commitment to sustainability and high performance, helping customers meet environmental standards while maintaining operational efficiency. These valves exemplify Velan’s leadership in promoting responsible and efficient valve technology.



Way Forward

Velan continues to advance sustainability, safety, and well-being across its operations through targeted initiatives—from solar energy adoption and safer workplaces to sustainable sourcing and employee wellness. These reflect our ongoing commitment to operational excellence and long-term impact, with a few key initiatives highlighted as part of this effort.

Investing in Renewable Energy

Velan is dedicated to advancing sustainable energy solutions through its solar energy projects at Velan Korea and Velan GmbH. These initiatives align with the company's sustainability mission and highlight its proactive approach to reducing its ecological footprint. Velan Korea is planning to establish a rooftop solar plant with a capacity of 680 kWp, which is projected to generate approximately 900,000 kWh annually. This project will be executed under an OPEX model, utilizing third-party services for installation and maintenance to ensure optimal performance and reliability.

In parallel, Velan GmbH is assessing a solar project with a capacity of 60,000 kWh, anticipating an expected generation of around 51,898 kWh. The business model for this initiative is currently under review, as the company seeks to identify the most effective approach for its implementation.

The next steps for both projects involve a thorough feasibility assessment and alignment with the sustainability targets set for FY25. This evaluation is essential for determining the viability and potential impact of these solar energy initiatives.

Advancing Workplace Safety through the Safety Maturity Model

Velan is committed to enhancing workplace safety year-on-year, with a goal of achieving measurable progress by 2035. The company aims to integrate safety into daily operations, which includes improving communication and empowering employees through comprehensive training and engagement initiatives.

To foster a proactive, employee-driven safety culture, Velan is focused on supporting long-term operational excellence. This approach not only enhances safety standards but also promotes a more engaged and informed workforce.

Sustainable Supply Chain

Velan is committed to strengthening sustainable procurement through clear policies that emphasize environmental and social responsibility. The company is enhancing supplier engagement with robust monitoring and compliance measures, while also increasing transparency by tracking and reporting key sustainability KPIs—fostering a more responsible supply chain.

Well-being Programs

Velan is set to enhance its well-being programs, focusing on Physical, Fiscal, and Mental Health. Initiatives will include wellness drives, health screenings, financial literacy sessions, and access to mental health resources.

By fostering a culture of well-being, Velan aims to reduce stress levels among employees and improve overall organizational performance, creating a healthier workplace environment.

Engineering Efficiency, Environmental Stewardship, and Digital Security

Velan plans to launch new products that support the energy transition and help reduce customer carbon footprints. As part of this effort, a life cycle assessment (LCA) will be conducted on a key product to minimize environmental impact. The company is also strengthening its cybersecurity framework and rolling out its corporate Business Continuity Plan (BCP), including tabletop simulations, across all subsidiaries to enhance crisis preparedness and resilience.

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