



# VELOCITY

2024 Environmental, Social  
and Governance (ESG) Report







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## A Note from Our CEO

*“We have a calling: to serve others and improve lives through innovative solutions.”*

**DAVE HEMINK**  
Chief Executive Officer

On behalf of our 600+ team members, I welcome you to our inaugural Velocity Environmental, Social and Governance (ESG) report! We are excited to share this with you, as it highlights some of the amazing results that help make Velocity a truly unique and special company. As we reflect on 2024, we made great strides in our commitment to ESG to drive toward a more sustainable future.

We continued prioritizing employee safety and advocacy, earning a coveted Governor’s Safety Award to recognize Velocity’s exemplary performance in occupational injury prevention. We have built momentum in our sustainability efforts, continually working in compliance with outside agencies, recycling across multiple areas and striving to minimize the impact our supply chain has on the environment. We also worked to build trust with our customers and partners through strong governance and conducting business ethically, especially through our priority on being a leader in cybersecurity. And, we have contributed to the communities in which we live and work, supporting nonprofits and schools with financial contributions, product donations and volunteer hours, along with employment and training opportunities for students.

We have a calling: to serve others and improve lives through innovative solutions. We strive to serve our employees, customers and the end users of the products we create, knowing we are part of a bigger picture that can help shape the world in which we live.

Our commitment to servant leadership is not something we take lightly. We encourage our entire team to think in terms of “we,” not just “me.” When we combine our skills and expertise, we can work toward our goals more quickly and positively impact that many more lives.

Our employees are our greatest asset, and they continuously show up for their teammates, and our company, to achieve success.

As part of our commitment to the service of others, we have created a culture of transparency and support. We work to maintain a safe, equitable workplace and do all we can to help our employees feel valued and appreciated. We also want them to know their voices matter. As I visit our facilities, I am energized by the input and feedback I receive from the team. They want to share ideas, provide insights into their experiences and more.

We are proud of the products we produce, and we’re even prouder of the culture we’ve fostered. We have a mindset of continuous improvement at Velocity, and we are taking that into 2025 to continue making progress toward our ESG goals – all in the name of serving others.

Thank you for your interest in Velocity and the exceptional results our team delivers every day!

Dave Hemink  
Chief Executive Officer



# About Velocity

## We Bring Big Ideas to Life

Velocity is the industry leader in state-of-the-art custom contract manufacturing, injection molding, precision machining and tool building for complex and highly regulated applications. For more than 50 years, our team has provided the expertise and capabilities to take projects from concept to completion, developing solutions for medical device, life sciences, pharmaceutical manufacturing, military use and industrial applications. We offer a complete range of manufacturing capabilities, along with the latest technologies to deliver creative solutions and solve any manufacturing or engineering challenge. Headquartered in Forest Lake, our Minnesota-based company has a skilled team of over 600 people who provide solutions for the entire world.

Our team provides fully integrated, end-to-end solutions to address all aspects of the process, from design support to manufacturing. This unified brand approach helps simplify vertical integration efforts for customers and provides a breadth of expertise and capacity for complex projects, specifically:

- Design support and engineering
- Tool design and manufacturing
- Injection molding
- Precision machining
- Quality assurance
- Contract manufacturing
- Finishing and assembly
- Packaging

With over 250,000 square feet of state-of-the-art facilities, including expansive ISO Class 7 and Class 8 cleanrooms, we have the space needed to support our partners in a vast array of solutions. We take pride in our culture of collaboration and transparency, as well as our cutting-edge machining, contract manufacturing and design-for-manufacture capabilities. Our cleanroom assembler expertise ensures the highest standards in cleanliness and precision for our customers' projects.

Velocity is agile, adaptable and vertically integrated. We have three internal tool shops, proudly keep all our manufacturing in the U.S.A. and are well-versed in working with the most common engineering software, such as Pro-Engineer, Solidworks, Solid Edge, Moldflow, CADKEY and MasterCam.



## By the Numbers

Over **130** million parts shipped per year

More than **250,000** square feet of production capacity

**1,450** unique part numbers produced per year

More than **175** molds built per year

Over **140** countries receive our products

**130** companies served

Class **7** and Class **8** cleanrooms



## Our Why

People are our why. We focus on serving others, from our employees to our customers to the communities in which we live and work. Our team strives to produce the best solutions for our partners, customers and end users. We know there is a person who is counting on each of the products we manufacture, and behind every product, our skilled experts are ensuring each piece meets our customers' most demanding standards for quality and reliability. We also know our team members are our most important assets, and we prioritize creating a workplace that helps them balance their careers and personal lives. This ensures we can continue making a difference in the world while also providing a place where employees feel valued and are proud to work.

### Our Purpose

Improving lives by accelerating innovative solutions.

### Our Mission

We deliver innovation in the healthcare and defense markets while enhancing value for our stakeholders.

### Our Vision

To be the world's best contract manufacturer in the healthcare and defense markets.

## Core Values



### Collaboration

We embody team spirit, passion and a positive attitude to ensure the success of our employees, company, customers and suppliers.



### Results-Driven

We are accountable and deliver on our commitments to all stakeholders.



### Continuous Improvement

We embrace opportunities to learn and grow while striving to be the best.



### Integrity

We do the right thing regardless of the consequences.



### Customer Satisfaction

We commit to delivering innovative solutions and quality products that delight our customers.



### Environmental, Social & Governance

We strive to build sustainable, equitable, healthy and diverse communities that align with our company's robust environmental, social, and governance compass.

## Sustainable Practices

At Velocity, we recognize the pivotal role manufacturers play in shaping sustainable practices and advancing environmental responsibility. Our commitment to sustainability permeates every aspect of our operations, from material selection to innovative manufacturing

processes. We champion eco-conscious practices by integrating energy-efficient techniques, waste reduction strategies and circular economy principles into our operations. These efforts enable us to align with evolving customer expectations, offering eco-friendly solutions, fostering supply chain transparency and ensuring compliance with regulatory standards.

# Velocity's ESG Program and Reporting

## Striving for Environmental, Social and Governance Excellence

Velocity delivers innovative solutions for customers' toughest manufacturing challenges while committing to positively impact significant Environmental, Social and Governance (ESG) areas of our products and services. Operating in this highly regulated environment demands agility and compliance. Our defined ESG focus areas and programs are the cornerstone of how we adapt to evolving regulations and customer expectations while also progressing toward a more sustainable future.

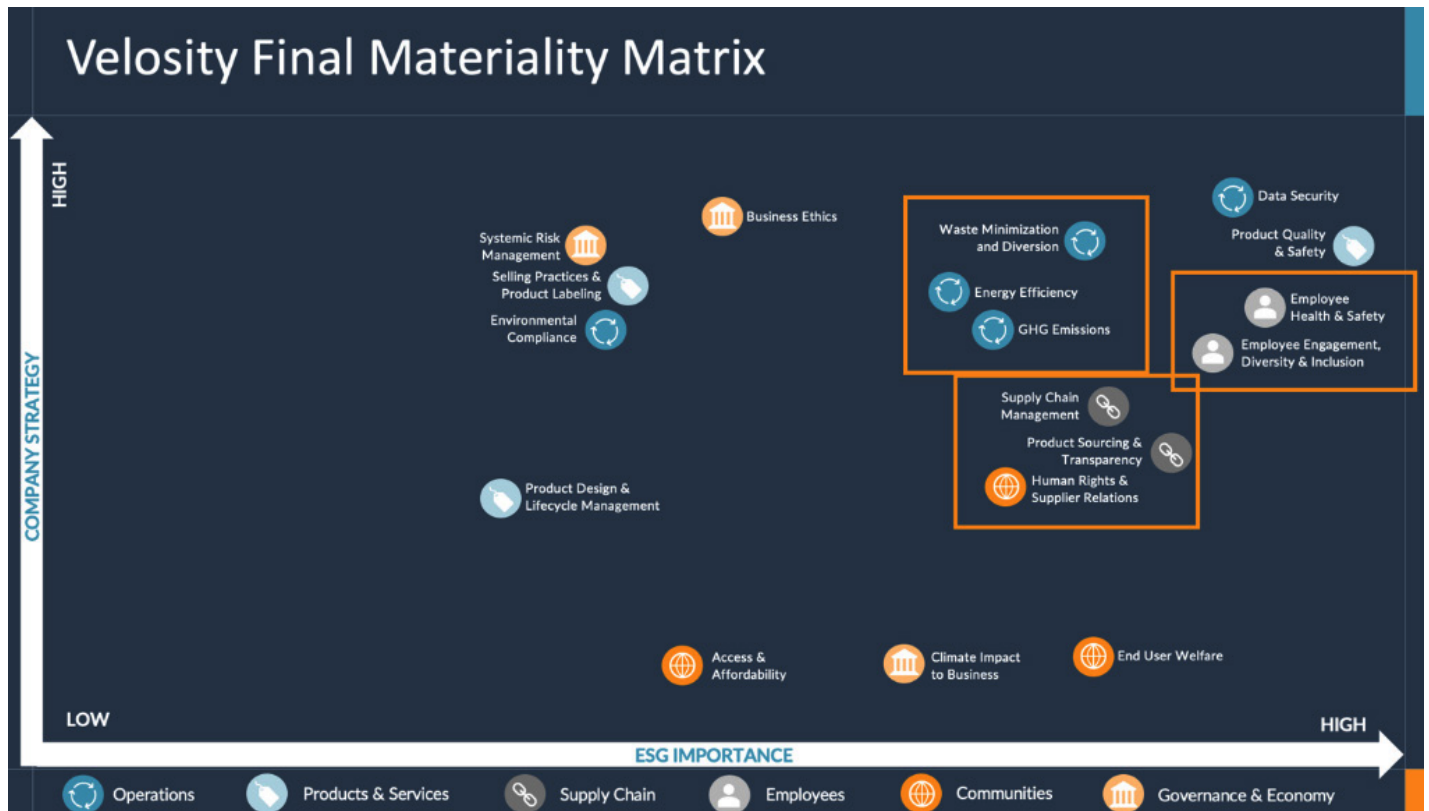
With a service-minded culture, we strive to do the right thing. And, we believe having an ESG policy also allows Velocity to thrive as a business. Regulatory compliance keeps us accountable for our actions and helps continually minimize our environmental impact. In turn, reducing the use of resources creates an operation that excels in improved management and cost savings through

energy efficient solutions and reduced waste. Having a strong ESG policy also helps us attract future employees, especially those who want to work for a company that aligns with their values.

To develop Velocity's ESG policy, we used the Sustainability Accounting Standards Board (SASB) framework as a guide, which has 27 material areas. We identified seven areas that are regulated, six areas that represent significant input costs to the business and four areas that relate to reputation and will be further evaluated for relevance and impact to the business.

Our leadership team determined the most significant areas that impact company strategy and are of high ESG importance to create our full materiality matrix.

After assessing the materiality matrix, discussing risks and taking into consideration Velocity's goals, the following ESG policy was developed.







## Employee Safety and Advocacy

Creating a safe and inclusive work environment is paramount to running a healthy and sustainable business. It is central to all other program enablement.

- *Employee, Health and Safety Programs* – Safety is at the heart of everything we do. Our programs ensure that our employees return home safely to their families every day.
- *Diversity and Inclusion in the Workplace* – Our employees represent a broad spectrum of cultures, languages, ethnicities and races. Supporting an inclusive culture makes our company better and enables our journey to become a world class organization. We are committed to creating a workplace where each individual feels valued and respected.

## Sustainable Products and Operations

We seek to become a sustainability leader within our industry. Central to our focus is the prevention of pollution resulting from our operations and supply chain, and effective management of our legal and regulatory requirements to which our business subscribes.

- *Environmental Compliance* – We are committed to complying with all legal and regulatory obligations that apply to our business.
- *Supply Chain Impacts* – We understand that our global supply chain can have negative impacts on people and our planet. We seek to build a responsible, ethical and transparent supply chain as we grow.

## Governance

Strong corporate governance and transparency are the key to building an ethical business that can achieve its long-term objectives and targets. We strive to adhere to the highest standards of best practices to ensure we are creating a strong foundation from which to build.

- *Data Security* – Of utmost importance is the security of our products and customer information. We strive to protect the data entrusted to us using industry recognized data security software, systems, training and testing.
- *Monitoring, Measurement and Reporting* – We collect and use ESG metrics to drive continuous operational improvement and set actionable goals. At our discretion, we may share this data with external stakeholders through reports or presentations, as appropriate.

## Community

Healthy communities are vital in maintaining the health and well-being of our employees and their families, as well as the vitality of our business. We are proud of our commitment to bettering the quality of life in the communities in which we live and work.

Velocity aims to fulfill these commitments through the implementation of clear policies, robust, repeatable best practices and measurable goals and targets to achieve favorable outcomes for all stakeholders. This policy is reviewed annually to ensure relevance to our business year over year.

This ESG policy is more than a piece of paper. Every functional leader has contributed to the ESG policy and efforts at Velocity, and we are all committed to continuing the march toward our goals and helping our company and ESG work evolve to meet the needs of the future.

# Employee Safety and Advocacy



## Safety First

At Velocity, our team's safety and wellbeing are of the utmost importance. Our people are our most important resource, and keeping them safe upholds our company values, serves them as individuals and protects our future as a company.

We have an excellent safety record. Throughout 2024, our safety committee continuously refined safety protocols based on audits and employee feedback. We held multiple safety trainings, conducted safety walks and reported on safety metrics every month at every facility, citing accidents, which are rare, along with near misses. Taking time to talk through scenarios and near misses ensured we learn from close calls to keep our team safer. All team members also complete harassment prevention training.

In 2024 we earned a Governor's Safety Award, which is coordinated by the Minnesota Safety Council, for our outstanding commitment to workplace safety and health. The specific honor, the highly esteemed Gold Achievement Award, recognized Velocity's exemplary performance in occupational injury prevention. We are proud of the safe, comfortable, climate-controlled working environment we create for all our teams, with facilities that are tour-ready on any given day.

In addition, Velocity created an Ethics policy in 2024 to provide clear guidelines for all employees, contractors and suppliers to ensure our business operations are conducted with integrity, transparency and in full compliance with applicable laws. This policy covers our Core 8 Ethical Values of integrity, accountability, transparency, fairness, confidentiality, compliance, respect and sustainability.

It outlines expectations of ethical conduct and professional behavior; workplace behavior including anti-harassment, non-discrimination, inclusivity and workplace safety; confidentiality and data protection; prohibition of fraud and money laundering; prohibits corruption and bribery; and outlines the process to report violations and ethical concerns. If employees know we're doing the right things as a company, they trust us as a company and know they truly are encouraged to report incidents or near misses, which continues to keep our team safer. All employees will be trained on this new policy in Q1 2025.

We also use a texting service that communicates critical safety information and reaches our team members no matter what time they report for their shift, or wherever they may be before coming in. This real-time connection to our employees is crucial since we have teams working 24 hours a day and seven days a week.

## Open Door Policy

Our biggest risk for employees is having a leader who is not effective or not doing the right thing. In 2024, we created a formal open door policy to empower and protect employees. This policy cements our commitment to a transparent and open workplace where every employee feels valued, heard and supported. The policy encourages open communication to voice concerns, share ideas and seek resolution to any issues without fear of retaliation. Employees embraced this policy, and Velocity stood behind it. When our CEO or other leaders frequently visited various facilities and departments, they were often approached by several employees to talk about what they were experiencing and ideas they had. Our team members feel comfortable telling company leadership what they think, and we encourage them to do so.



*"Velocity is invested in our people."*

– Janet Janiszewski,  
Chief Human Resources Officer



## Diversity and Inclusion in the Workplace

Hiring is a priority area for fostering a diverse workplace. In 2024 we launched a new partnership with Circa, a diversity recruitment company, to reach talent from diverse backgrounds. This proactive recruitment approach targeted a wide range of job boards that reached historically marginalized communities, as well as veterans.

To help new hires build community and feel included, in 2024 we launched The Go Program. Once per quarter, all new hires gathered for a half-day program that immersed them in Velocity's values, goals, objectives and more. This program was led by senior executives and shared not just concrete information, but also stories about how the products we make impact people's lives, helping our newest employees feel proud to be part of the team. This program included lunch with leadership to reinforce the company's open door policy and accessibility of leaders. There were 50 participants in 2024.

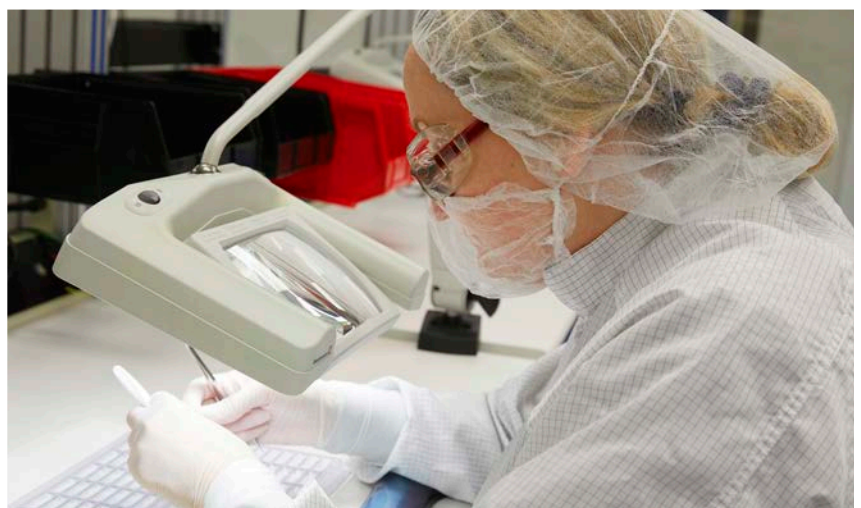
Another tool we started using more widely in 2024 was the Predictive Index assessment. This tool provides insight into candidates' and employees' behavioral drives, motivations and work style, ultimately improving communication and understanding among team members. Employees take an assessment to gain insights into what drives them, how they communicate and more. Employees appreciate the insights and investment from Velocity, which includes a meeting with Human Resources for a thorough review of the assessment and discussion of the insights. Use of this tool led to improved communication with team members and more effective cross-functional teams. It also provided an effective and efficient way for managers to quickly get to know their new hires and identify the best way to communicate most effectively with them.

We also have a formal affirmative action plan. All managers complete trainings about why we have an affirmative action plan and how we can be respectful in the workplace, and we closely track metrics such as hiring and promotion rates for women and underrepresented groups. In 2024 our internal promotion rate was 8%, up from 5% in 2023. Of those who received promotions in 2024, 47% were females and 35% were members of underrepresented groups. Both of these numbers were significant increases from 2023, in which 32% of those who received promotions were women, and 24% were people in underrepresented groups.

In 2024 we held monthly staff meetings where we discussed our values, mission, vision and purpose, shared company updates, new product information, revenue details and more, and we always talked about safety. There was also time for questions and answers. We held multiple sessions monthly at each site to ensure all team members had access, no matter what shift they were on at the time. This was a big, worthwhile investment for our company to pull everyone away from their job duties once a month. We also recorded one of the sessions and

posted it to our intranet, so that anyone who was not able to attend could still receive the information. All employees, from those on the floor to those in our corporate offices, and everyone in between, have access to the intranet.

In addition, we launched a formal employee development program in 2023 that continued to gain momentum in 2024. Managers meet with their employees after the employee review process and specifically focus on their individual development. A tool is used to guide a discussion surrounding strengths, weaknesses, opportunities and obstacles to identify areas the employee would like to develop. Then the employee works with their manager to discuss where they want to go in their career, setting immediate, short-term and long-term goals for growth and development. The company has also focused on adding levels for job titles in multiple areas to provide visibility for career advancement. This allows our teams to understand what career progression can look like and what is expected at each level. Since launching this focus, our internal promotion rate increased from 5% in 2023 to 8% in 2024.







*“Servant leadership is a visible demonstration from the leaders, modeling what service looks like every day. They’re walking the floor, asking how we can help people, serving meals to our employees – modeling the behavior of service to inspire our team to serve others, as well!”*

– Janet Janiszewski, Chief Human Resources Officer

## Servant Leadership

In 2024, Velocity wholeheartedly embraced servant leadership. We completed trainings at staff meetings two months in a row to talk about what servant leadership looks like, what behaviors align with it and why it ladders up to our commitment to create an inclusive workplace. We tasked our employees with the question of how they can be part of the team and help accomplish our goals, all with a mindset of serving others. We reinforced this concept by having our Team Player of the Month program, which typically highlights individuals who are living our core values, honor employees who were demonstrating servant leadership, as nominated by their peers.

## Living Wage Philosophy

Velocity is committed to providing fair and equitable compensation to our employees. In 2024 we created a formal Living Wage Philosophy and started tracking data that will inform decision making and the evolution of how we implement this philosophy. We started tracking what percentage of our workforce is making a living wage, and have a goal to increase this number every year. We are consistently looking for discrepancies in pay equity and work to address any gaps immediately. We are committed to paying market rate and rewarding people through bonus programs, which all our employees are eligible for.

## Employee Engagement

In 2024 we continued our annual Gallup employee engagement survey, which is available in multiple languages and all employees are invited to take. In 2024 we had an 80% participation rate. The second highest score on the survey in 2024 was one we are especially proud of. The question, "My manager, or someone at work, seems to care about me as a person," received a score of 4.09 out of a 5-point scale, which was an increase of .05 from 2023. We are proud of the culture we've created and how people feel about working at Velocity.

In addition, our leaders and teams strive for continuous improvement. Beyond our open door policy, we have additional tools in place for people to formally submit ideas of how we can do things better, what changes may help improve outcomes and more. We also conduct exit interviews to gather information about how employees feel they were treated, the organization's culture and additional feedback, along with their reason for leaving. In 2024, our voluntary turnover rate was 13%, down 2% from 2022, and below the manufacturing industry average. Several of these voluntary departures were due to retirement, and we're honored that so many people chose to spend the last chapter of their careers with Velocity.

*"At the end of the day, it's important that our team members feel appreciated and valued."* – Janet Janiszewski, Chief Human Resources Officer





# Sustainable Products and Operations

We recognize the pivotal role manufacturers play in shaping sustainable practices and advancing environmental responsibility. That's why sustainability is a top priority for us at Velocity, and we seek to become a sustainability leader within our industry. Our commitment to sustainability permeates every aspect of our operations, from material selection to innovative manufacturing processes. We champion eco-conscious practices by integrating energy-efficient techniques, waste reduction strategies and circular economy principles into our operations. These efforts enable us to align with evolving customer expectations, offering eco-friendly solutions, fostering supply chain transparency and ensuring compliance with regulatory standards.



## A Foundation of Environmental Compliance

As the foundation of our commitment to sustainability, we fully comply with all legal and regulatory obligations that apply to our business. This includes permits and certificates of compliance in all counties where our facilities are located.

Part of environmental compliance means caring for the facilities and the state-of-the-art equipment Velocity uses to create products. This includes:

- 90+ injection molding machines (Sodick, Plushtech, Nissei, Toshiba and Arburg)
- 56 CNC Swiss Machines and CNC Turning Centers
- 28 wire and sinker EDM machines
- 44 CNC machining centers, including 10 high-precision Yasda machines

The facilities are always kept in top shape and clean, in order to be tour-ready at any moment. With numerous machines requiring oil to run properly and efficiently, we make a concentrated effort to pinpoint and fix leaks as soon as possible to guard against oil spills.

“We don’t want oil or rags to go into a landfill. We would rather clean up the spill and fix the leak, even if it means spending a little extra money, because we want to do the right thing by not contaminating the environment. We keep everything repaired and looking good.”

– Matt Rominski, Velocity Facilities Director




In addition to repairs when necessary, Velocity has an extensive preventative maintenance program in which the facilities team maintains all our equipment including manufacturing machines, HVAC systems, air compressors and vehicles for optimum efficiency in both production and longevity.

*“We see a lot of value in the preventative maintenance program because we have less than 2% down time on our equipment. For example, with the HVAC system, we don’t have many breakdowns, so we aren’t recharging, refilling or losing Freon because of the regular maintenance. We also use less electricity because we’re cleaning everything more often, and it runs more efficiently. In the end, all of these efforts impact the environmental sustainability of the company.”*

– Matt Rominski, Velocity Facilities Director

When new equipment purchases are made, Velocity considers their environmental impact. New models typically are more efficient than older models, and use less electricity, which leads to a smaller environmental footprint. Switching to variable frequency drive motors to power our pumps on our primary equipment as well as our secondary equipment has allowed us to reduce our electrical load by up to 45% when comparing similar equipment to older, conventional style equipment. In 2024, Velocity reduced electrical use by almost 2 kWh per machine run time as compared to 2023.

For leftover material after products are made, Velocity ensures to reuse or recycle whatever is possible so it does not end up in a landfill, including:

-  74,057 pounds of recycled plastics in 2024
-  32,782 pounds of recycled metal in 2024
-  A 72% reduction in cutting oil use, saving approximately 5,000 gallons

When items cannot be recycled, we work with officials to make sure hazardous waste goes to the right agency and is being treated correctly.

As a precious resource, water usage is also highly monitored. In 2024, Velocity started working with a new water company to change its water chemistry to prevent rusting tools and reduce water usage. For 2025, the potential water savings is estimated to be just over 800,000 gallons. While beneficial from an environmental standpoint, this water usage reduction is also a good from a business perspective and is projected to save Velocity over \$13,000.

## Conscious About Supply Chain Impacts

At Velocity, we recognize the critical importance of partnering with suppliers and others across the supply chain who actively work to minimize their environmental impacts. With our commitment to environmental sustainability, we seek to build a responsible, ethical and transparent supply chain as we grow, and are dedicated to sourcing from suppliers who can demonstrate compliance with environmental and social best practices.

Velocity's values are based on doing the right thing regardless of consequences, and we expect our suppliers to have similar standards – to make reasonable judgements in all respects to ensure no abusive, exploitative or illegal conditions exist at their workplaces. We also trust our suppliers to extend principles of fair and honest dealing to all others with whom they do business, including employees, subcontractors and suppliers. To ensure our suppliers are doing business ethically, Velocity implemented a [Supplier Code of Conduct](#) in 2024, with a goal to have the top 10 suppliers in compliance with the document by 2025. Future goals include having all 200+ vendors be in alignment with Velocity's code of conduct by the end of 2027.

In addition to the Supplier Code of Conduct, in 2024 Velocity started requiring suppliers to fill out a questionnaire to have reportable data in all ESG categories. We want to ensure our business is congruent with our values while also fulfilling the ESG needs of our customers and partners.



## Governance at Velocity: Striving to do the Right Thing

Conducting business ethically and doing the right thing is not just a saying for us at Velocity, it is a foundational promise. Strong corporate governance and transparency are the key to building an ethical business that can achieve its long-term objectives and targets. We strive to adhere to the highest standards of best practices to ensure we are creating a secure base from which to build.

## Trust through Data Security

As technology continues to evolve, data security is a critical aspect that drives change, compliance, governance, controls, ethical standards, transparency and nearly every aspect of business. Security of our products and customer information is of the utmost importance to us. We strive to protect the data entrusted to us using industry-recognized data security software, systems, training and testing. Governance encompasses the framework and procedures that guarantee the effective and efficient use of technology, and it provides a documented set of controls to ensure security, efficiency and compliance.

*"As an organization, our customers, vendors and others in the supply chain, count on Velocity to protect their data. Just like a friendship, if you confide in someone, you need to know that you can trust that person with anything. The same holds true for an organization. Velocity needs to protect sensitive data, and maintain legal and regulatory compliance, in order to maintain the trust of our partners."*

– Jason Holien, Velocity Director of IT

Data security is not only about trust, it is also a critical part of doing business ethically. When organizations need to maintain privacy of sensitive information, data security isn't optional – it's required. Velocity implements security measures such as encryption, multi-factor authentication and compliance with HIPAA, among others. We also follow Cybersecurity Maturity Model C (CMMC), a Department of Defense-driven compliance program to make sure controlled unclassified information (CUI) meets specific cybersecurity standards, along with compliance with the International Traffic in Arms Regulation (ITAR) to regulate sensitive government information outside the United States.

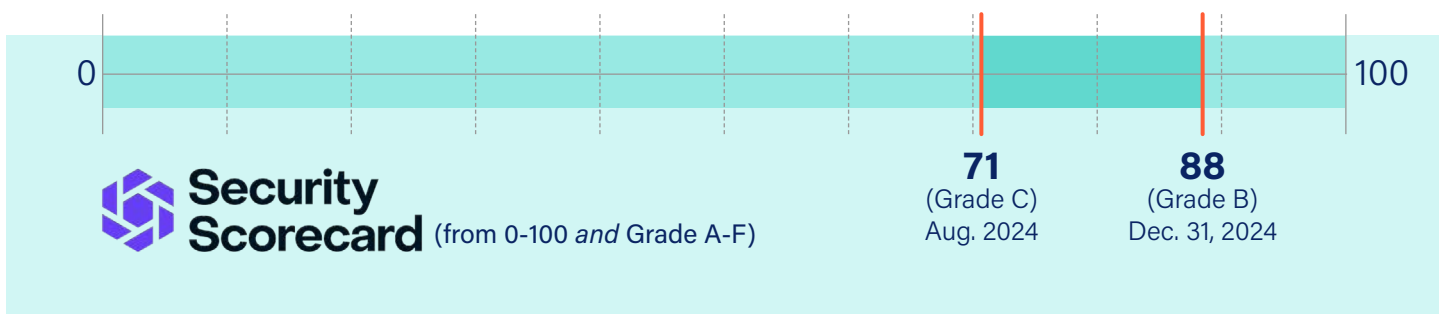
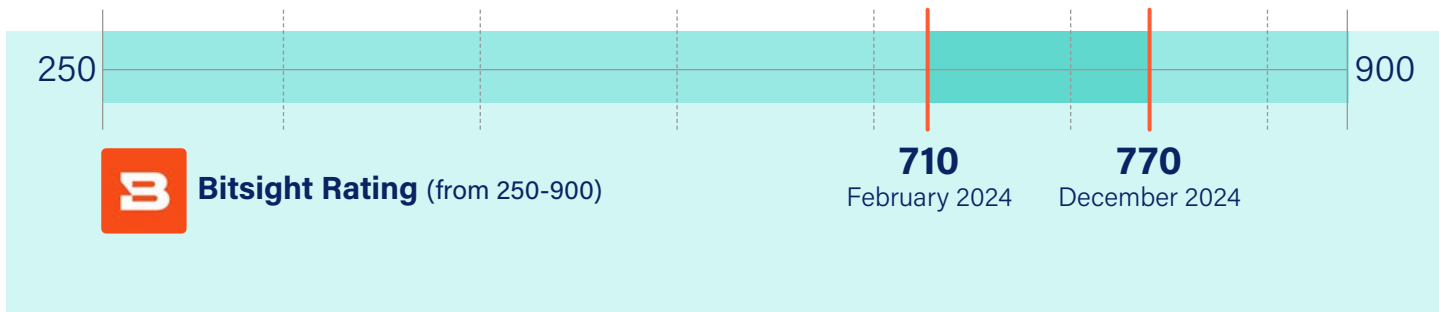
In recent years, there has been a significant shift in and heightened focus on data security due to factors such as increased cyber threats, regulatory changes, digital transformation, a focus on privacy along with the integration and use of AI and machine learning. Because of its increasing importance, cybersecurity became a top priority for Velocity in 2024 with the establishment of our security directive. We know having solid data security shows our customers and other partners that they can continue to trust us and our products. We take data security seriously. In 2024, Velocity had zero cybersecurity breaches.

"We want to be a leader in cybersecurity. Our intent is to stay top of the line." – Jason Holien, Velocity Director of IT

Velocity's first focus area in cybersecurity in 2024 included implementing a proactive strategy with intensive annual reviews of cybersecurity policies to ensure we are meeting the highest standards for our customers. As technology ages rapidly, annual reviews of Velocity's cybersecurity are critical to identify opportunities to modernize and address any new gaps.

To assess our cybersecurity, Velocity sought ratings from external sources, Bitsight and SecurityScorecard. Bitsight rates companies on a scale of 250 to 900, with 900 being the best rating possible. Early in 2024, Velocity had a Bitsight rating of 710 and after making the rigorous changes noted above, we ended the year at 770, which designates us as “Advanced,” the highest in the rating categories. This indicates our organization has strong security performance and lower cyber risk compared to others.

SecurityScorecard assesses organizations on a 0-100 scale with an accompanying letter grade of A through F. For our first rating in August 2024, Velocity received a rating of 71 out of 100 and a letter grade of C. By December 31, 2024, after implementing changes, Velocity's SecurityScorecard rating jumped to 88 and a B letter grade, with plans in place to propel the rating to an A in 2025.



Other priorities to strengthen data security in 2024 included moving the organization to a secure Microsoft 365 (M365) cloud-based platform, enhancing IT skills of our team, partnering with a data service provider and rewriting nearly 20 security policies.

The changes made to data security in 2024 set the foundation for the next few years, as Velocity remains laser focused on increasing Bitsight and SecurityScorecard ratings, achieving CMMC level 2 and 3 status, starting organizational IT awareness training and further strengthening cybersecurity in order to keep sensitive information safe.

*“This is a company that does not take things lightly. If we have deficiencies, we will correct them as soon as possible. The goal is to be the leading company in the cybersecurity world because that’s the foundation of every relationship – trust.”*

– Jason Holien, Velocity Director of IT



## Accountability through Monitoring, Measurement and Reporting

Velocity collects and uses ESG metrics to drive continuous operational improvement and set actionable goals. At our discretion, we may share this data with external stakeholders through reports or presentations, as appropriate.

Velocity works together with all necessary government agencies for compliance and gathers metrics for all Velocity sites' purchased electricity, natural gas, water, municipal waste and propane data to develop other KPIs. Three of the four Velocity sites are ITAR certified, and we are ISO 9001:2015 and ISO 13485:2016 certified for quality management systems along with AS9100D certified for quality management systems for the defense industry. Velocity is also UL recognized for high safety

standards. In compliance with the Occupational Safety and Health Administration (OSHA), Velocity maintains records of serious work-related injuries and illnesses, called Total Recordable Incident Rate (TRIR). Because of Velocity's high regard for employee safety, we have a 1.0 TRIR compared with the industry average of 3.0.

Velocity also works with third-party organizations, such as EcoVadis, to acquire certification and ratings for our ESG progress. In 2023, Velocity received a bronze rating in the EcoVadis Sustainability Rating.



# Community Engagement

Giving back to the community is a non-negotiable for Velocity. Healthy communities are vital in maintaining the health and well-being of our employees, their families, as well as the vitality of our business. We are proud of our commitment to bettering the quality of life in the communities in which we live and work.

## Serving the Community Starts with Serving Employees

At Velocity, we have several locations with over 600 employees. When employees have the support they need at work, they are more engaged members of our organization and community. Velocity leadership takes this to heart, creating a people-centric environment. Annual events connect leadership with teams across Velocity's facilities. For example, in July, leaders fired up the grill to host a cookout for the team. In December, the leaders served a holiday meal to employees, coming in for first, second and third shifts to ensure the celebrations were provided for everyone, no matter what shift they were on at that time.

Employee Appreciation Week in March was another opportunity to build community at Velocity. This week-long event provided daily interactive activities for team members, including treats, a special note from their manager, prize drawings, and a gift for each employee on the last day of the week, which in 2024 was a popular tumbler. National Manufacturing Day in October was celebrated with Velocity's beloved "golden ticket" tradition, where each employee receives a candy bar, and the lucky winners

who have a golden ticket inside receive an extra day of paid time off. There are food truck days at each facility, along with bean bag toss tournaments, chili cookoffs and more, all playing a part in creating a strong, vibrant culture at Velocity that will help support the greater communities around each location. Employee engagement activities take place monthly to create a steady stream of appreciation and community-building. Velocity employees also received text messages to wish them happy birthday and to recognize their work anniversaries.

*"Velocity is a big company but a small community where we care for each other."*

– Carrie Harvey, Velocity Marketing Specialist

The Team Player of the Month program recognized 15 people in 2024. Through this program, employees voted for a teammate who they thought had exemplified the Velocity core value of the month. One winner was selected each month from January through November across the whole company. In December, each of the four facilities honored a winner, selected from the pool of people nominated during the prior 11 months. The winners received recognition in the company's newsletter and social media channels, along with a gift card to the team store. Throughout the year, 281 people were nominated. Each nominee was recognized, even if they were not selected as a Team Player of the Month honoree.





## Making an Impact: Supporting Nonprofits

Looking beyond the immediate Velocity community, our organization is making a big impact in our greater communities. In 2024, we supported nearly a dozen

nonprofit organizations through financial contributions, donations and volunteer time. Velocity and our team members contributed more than \$7,000 to nonprofit organizations and donated more than 75 hours of volunteer time.

### Causes Velocity supported in 2024 include:



Children



Education



Hunger relief



Homelessness



Social services



Sustainability



Veterans

Community engagement programs supported an array of causes, helping people right in the local communities along with people around the world. Velocity supported team members – whether an office employee, shift worker, engineer or anything in between – to take time away from their day-to-day responsibilities and serve others.

A team outing to Feed My Starving Children, a nonprofit that coordinates the packing and distribution of food to children around the world, provided an opportunity for people from different facilities to get to know each other while working together to help provide meals for children in need. This outing resulted in 43,632 meals packed, valued at \$12,653.28 and feeding 120 kids daily for one year.

Earth Day pickups reduced litter in the facilities' neighborhoods. Silent auctions, along with supply and food drives held at facilities, benefited different nonprofit organizations, based on causes that are important to the employees at each facility. Silent auctions raised money for local schools and the Wounded Warrior Project, which supports veterans and their families. Food drives helped fight food insecurity in local communities. Winter coat, hat and mitten drives provided warm clothing for kids. A

partnership with Catholic Charities provided high-quality apparel for people in need. Two annual fishing tournaments contributed financially to Fishing for Life, which supports at-risk youth, families and veterans by building connections through the outdoors. A golf tournament sponsorship financially supported Make-A-Wish to fulfill wishes of seriously ill children, Finding our Stride to support kids in after-school running programs, and Second Wind Foundation/Upper Valley Turning Point to help people in addiction recovery. These initiatives wouldn't be possible without the commitment from our leaders and team members who are all dedicated to positively impacting our communities.

*"It's the sum of all the little things that add up to create a great culture and environment where we can serve our team and community."*

– Janet Janiszewski, Chief Human Resources Officer



## Preparing and Supporting the Next Generation

Another pillar of Velocity's community engagement is supporting the next generation. Beyond financial donations and contributions of supplies, we offer a high school employment opportunity at our Brooklyn Park facility, often providing a job for our full-time employees' children to support our Velocity community and the community at large. This program provides student-workers with an opportunity to work in an office setting before they enter the workforce. It helps them learn how to conduct themselves in a professional environment, how to troubleshoot technology, how to use programs such as ADP and more, while they are contributing to our team through a variety of tasks such as managing paperwork, inventory, cleaning duties and more. This is a commitment of less than eight hours a week, so it allows them time to also be involved in other activities. In 2024, we had five high school student workers, one of whom is now a full-time employee. We've received positive feedback from parents of our high school employees, including how it's contributed to their child's strong work ethic and helped prepare them for their career.

*"Kids in our local schools are our future, and it's up to our community to do whatever we can to support youth and ensure our communities continue to thrive and grow."*  
- Carrie Harvey, Velocity Marketing Specialist

In addition, Velocity has a career exploration internship program for youth and young adults who might not have support at home to help them determine what kind of career path might be the right fit for them.

In this program, Career Launch, we provide work-based learning opportunities and career mentorship to students from the Forest Lake area schools. We welcome the participants to do a set term in tooling, and then a set term in injection molding so they can learn the different aspects of jobs and our business and help them get started on a path that resonates with their interests and skills. We had three Career Launch high school interns in 2024.

Velocity also offers a college internship program at our Forest Lake facility where students are paired up with a Velocity mentor for the summer. They learn about the jobs and also receive projects assigned for a real-life experience that is meaningful for both the students and our staff who serve as mentors. In 2024, Velocity had six summer interns. We also have an apprentice program at our Forest Lake facility where professionals can complete the last steps of their training requirements to finish the path toward making their own tools. We had one apprentice in 2024.

Why do we take community engagement so seriously? Helping youth and young adults in the communities in which we live and work builds a solid foundation for the future of not just Velocity, but for our communities as a whole. Our commitment isn't just words. Our team members are taking time to help others. Whether it's our biggest initiative of the year or a smaller activity, it's all important and part of what makes Velocity a strong pillar of the community.

*"The products we make help improve people's lives. The donations we make and our community engagement initiatives help people in a different way."*

- Carrie Harvey, Velocity Marketing Specialist



## In Closing: Celebrating Our Wins Together Drives Continued Commitment to ESG

We're proud of our ESG accomplishments in 2024 and could not have achieved these critical improvements without the dedication and talent of our team. We thank each of our team members, customers and partners for their ongoing commitment to ESG. Together, we have made tremendous strides, with highlights including:

- **Putting safety first.** We continuously refined protocols based on audits and employee feedback, and earned the Governor's Safety Awards Gold Achievement Award, for our exemplary performance in occupational injury prevention.
- **Enhancing our Ethics policy.** This policy provides clear guidelines for employees, contractors and suppliers to ensure business operations are conducted with integrity, transparency and in full compliance with applicable laws.
- **Fostering a diverse workplace.** We launched a new partnership with a recruitment company to reach talent from diverse backgrounds.
- **Accelerating our affirmative action plan.** Of employees who received promotions, 47% were females (up from 32% in 2023) and 35% were members of underrepresented groups (up from 24% in 2023).
- **Expanding our employee development program.** We achieved an internal promotion rate of 8%, up from 5% in 2023.
- **Enhancing our Living Wage Philosophy.** We are tracking data to inform decision making, to look for discrepancies in pay equity and address gaps immediately.
- **Recognizing employees for demonstrating Velocity's core values.** The Team Player of the Month program honored 15 people, with 281 employees nominated and recognized even if not selected.
- **Reducing electrical and water use.** We reduced electrical use by almost 2 kWh per machine run time as compared to 2023 and started working with a new water company to prevent rusting tools and reduce water usage.
- **Enacting a Supplier Code of Conduct.** We now require suppliers to share reportable data in all ESG categories, with the goal to have our top 10 suppliers in full compliance of this code by 2025.
- **Instituting a proactive cybersecurity strategy.** We had zero cybersecurity breaches, and implemented intensive reviews, made changes and improved our ratings.
- **Supporting our community.** We supported nearly a dozen nonprofit organizations through financial contributions, donations and volunteer time.
- **Preparing the next generation.** We hired and trained five high school student workers, one of whom is now a full-time employee; three Career Launch high school interns; six summer interns and one apprentice.

By celebrating our wins together, we strive for continuous improvement at Velocity. We are taking this momentum into 2025 to continue making progress together toward our ESG goals and in the name of service to others – join us in expecting more, doing more and achieving more!

# VELOCITY

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